

# Winston-Salem

WINSTON-SALEM,  
NORTH CAROLINA

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT FOR THE  
FISCAL YEAR ENDED JUNE 30, 2023







# Winston- Salem

NORTH CAROLINA



ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
THE ANNUAL COMPREHENSIVE FINANCIAL REPORT IS PREPARED BY FINANCIAL MANAGEMENT SERVICES.



# Credits

## CREATIVE DIRECTION & COPYWRITING

Rachel Barron, Next Level Communications

## DESIGN & ART DIRECTION

LinTaylor Marketing Group, Inc.

## PRINTING

Williams Printing Inc

## PHOTOGRAPHY

Rachel Barron

The City of Winston-Salem Marketing Department

Christine Rucker

Garrett Garms /  
Winston-Salem  
State University

Getty Images

IFB Solutions

J. Farley Photography

J. Sinclair Photography

Lauren Olinger,  
Red Cardinal Studio

NC Triad Outdoors

Novant Health

Peter J. Mueller, UNCSA

Southeastern Center for  
Contemporary Art

Traci Arney Photography

Tom Holdsworth  
Photography

UNC School of the Arts

Visit Winston-Salem

Winston-Salem  
Symphony

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

## Introductory Section

	Page
Letter of Transmittal . . . . .	iv
Local Economy . . . . .	vi
Community Profile . . . . .	A-12
GFOA Certificate of Achievement . . . . .	A-29
Organizational Chart . . . . .	A-30
City Officials . . . . .	A-31

## Financial Section

	Exhibit	Page
Report of Independent Auditor . . . . .		32
Management’s Discussion & Analysis . . . . .		35

## Basic Financial Statements . . . . . 47

### Government-wide Financial Statements

– Statement of Net Position . . . . .	1	48
– Statement of Activities . . . . .	2	50

### Fund Financial Statements

– Balance Sheet – Governmental Funds . . . . .	3	52
– Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position . . . . .	3.1	53
– Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds . . . . .	4	54
– Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities . . . . .	4.1	55
– Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (non-GAAP basis) and Actual – General Fund . . . . .	5	56
– Statement of Net Position – Proprietary Funds . . . . .	6	61
– Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds . . . . .	7	63
– Statement of Cash Flows – Proprietary Funds . . . . .	8	64
– Statement of Fiduciary Net Position – Fiduciary Funds . . . . .	9	66
– Statement of Changes in Fiduciary Net Position – Fiduciary Funds . . . . .	10	67

### Notes to the Financial Statements . . . . . 69

## Required Supplementary Information

– Schedule of Changes in Net Pension Liability and Related Ratios, Winston-Salem Police Officers’ Retirement System . . . . .	11	114
– Schedule of Contributions, Winston-Salem Police Officers’ Retirement System . . . . .	12	116
– Schedule of Investment Returns, Winston-Salem Police Officers’ Retirement System . . . . .	13	118
– Schedule of Changes in Net Pension Liability and Related Ratios, Winston-Salem Police Officers’ Separation Allowance . . . . .	14	120
– Schedule of Contributions, Winston-Salem Police Officers’ Separation Allowance . . . . .	15	122
– Schedule of Investment Returns, Winston-Salem Police Officers’ Separation Allowance . . . . .	16	124
– Schedule of Changes in Net OPEB Liability and Related Ratios, Post-employment Benefits . . . . .	17	126
– Schedule of Contributions, Post-employment Benefits . . . . .	18	128
– Schedule of Investment Returns, Post-employment Benefits . . . . .	19	130
– City of Winston-Salem’s Proportionate Share of Net Pension Liability (Asset) – Local Government Employees’ Retirement System . . . . .	20	132
– City of Winston-Salem’s Contributions – Local Government Employees’ Retirement System . . . . .	21	134

# Financial Section *continued*

## Combining and Individual Fund Statements and Schedules

Exhibit Page

### Major Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual		
– Debt Service Fund . . . . .	22	141
– Capital Projects Fund . . . . .	23	142
– American Rescue Fund . . . . .	24	143
Enterprise Funds– Schedule of Revenues, Expenditures, and Transfers –Budget (non-GAAP Basis) and Actual		
– Water and Sewer Utility Fund . . . . .	25	144
– Water and Sewer Capital Projects Fund . . . . .	26	146
– Solid Waste Disposal Fund . . . . .	27	147
– Solid Waste Capital Projects Fund . . . . .	28	148
– Transit Authority Fund . . . . .	29	149
– Transit Authority Capital Projects Fund . . . . .	30	150

### Nonmajor Governmental Funds

– Combining Balance Sheet – Nonmajor Governmental Funds . . . . .	31	154
– Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds . . . . .	32	156
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual		
– Community Development Fund . . . . .	33	158
– Grants Fund . . . . .	34	159
– Economic and Housing Development Fund . . . . .	35	160
– Gasoline Tax Fund . . . . .	36	161
– Occupancy Tax Fund . . . . .	37	162
– Emergency Telephone System Fund . . . . .	38	163
– Downtown Winston-Salem Business Improvement District Fund . . . . .	39	164
– National Opioid Settlement Fund . . . . .	40	165

### Nonmajor Enterprise Funds

– Combining Statement of Net Position – Nonmajor Enterprise Funds . . . . .	41	168
– Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds . . . . .	42	169
– Combining Statement of Cash Flows – Nonmajor Enterprise Funds . . . . .	43	170
Schedule of Revenues, Expenditures and Transfers – Budget (Non-GAAP Basis) and Actual		
– Parking Fund . . . . .	44	172
– Parking Capital Projects Fund . . . . .	45	173
– Stormwater Management Fund . . . . .	46	174
– Stormwater Capital Projects Fund . . . . .	47	175
– Public Assembly Facilities Management Fund . . . . .	48	176
– Public Assembly Facilities Capital Projects Fund . . . . .	49	177

### Internal Service Funds

– Combining Statement of Net Position – Internal Service Funds . . . . .	50	180
– Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds . . . . .	51	182
– Combining Statement of Cash Flows – Internal Service Funds . . . . .	52	184
Schedule of Revenues, Expenditures and Transfers – Budget (Non-GAAP Basis) and Actual		
– Central Warehouse Fund . . . . .	53	188
– Fleet Services Fund . . . . .	54	189
– Information Services Fund . . . . .	55	190
– Workers’ Compensation Fund . . . . .	56	191
– Health Benefits Fund . . . . .	57	192
– Dental and Flex Benefits Fund . . . . .	58	193
– Employee Benefits Fund . . . . .	59	194
– Risk Management Reserve Fund . . . . .	60	195
– Internal Service Capital Fund . . . . .	61	196

# Financial Section *continued*

## ***Fiduciary Funds***

	Exhibit	Page
– Combining Statement of Fiduciary Net Position . . . . .	.62 . . . . .	.198
– Combining Statement of Changes in Fiduciary Net Position . . . . .	.63 . . . . .	.199

## ***Schedule of General Obligation Bonded Debt***

	Exhibit	Page
– Schedule of General Obligation Bonded Debt . . . . .	.64 . . . . .	.202

## ***Statistical Section***

Table      Page

### ***Financial Trends***

– Net Position by Component . . . . .	1 . . . . .	.206
– Changes in Net Position . . . . .	2 . . . . .	.208
– General Revenues and Total Change in Net Position . . . . .	3 . . . . .	.212
– Program Revenues by Function/Program . . . . .	4 . . . . .	.214
– Fund Balances, Governmental Funds . . . . .	5 . . . . .	.216
– Changes in Fund Balances, Governmental Funds . . . . .	6 . . . . .	.218

### ***Revenue Capacity***

– Tax Revenues by Source, Governmental Funds . . . . .	7 . . . . .	.222
– Taxable Property Assessed Value . . . . .	8 . . . . .	.223
– Property Tax Rates . . . . .	9 . . . . .	.224
– Principal Property Tax Payers . . . . .	.10 . . . . .	.225
– Property Tax Levies and Collections . . . . .	.11 . . . . .	.226
– Analysis of Current Tax Levy . . . . .	.12 . . . . .	.227
– Schedule of Ad Valorem Taxes Receivable . . . . .	.13 . . . . .	.229

### ***Debt Capacity***

– Ratios of Outstanding Debt by Type . . . . .	.14 . . . . .	.230
– Ratios of General Bonded Debt Outstanding . . . . .	.15 . . . . .	.232
– Legal Debt Margin . . . . .	.16 . . . . .	.233
– Direct and Overlapping Governmental Activities Debt . . . . .	.17 . . . . .	.235
– Pledged – Revenue Coverage . . . . .	.18 . . . . .	.236

### ***Demographic and Economic Information***

– Demographic and Economic Statistics . . . . .	.19 . . . . .	.238
– Principal Employers . . . . .	.20 . . . . .	.239

### ***Operating Information***

– Full-time-Equivalent City Government Employees by Function/Program . . . . .	.21 . . . . .	.240
– Operating Indicators by Function/Program . . . . .	.22 . . . . .	.242
– Capital Asset Statistics by Function/Program . . . . .	.23 . . . . .	.246

## ***Single Audit Section***

Page

– 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 . . . . .	.250
– Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act . . . . .	.252
– Report of Independent Auditor on Compliance for Each Major State Program and on Internal Control Over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act . . . . .	.255
– Schedule of Findings and Questioned Costs . . . . .	.258
– Corrective Action Plan . . . . .	.260
– Schedule of Prior Year Audit Findings . . . . .	.261
– Schedule of Expenditures of Federal and State Awards . . . . .	.262
– Notes to Schedule of Expenditures of Federal and State Awards . . . . .	.265

**Certain pages in this report are intentionally blank.**

December 22, 2023

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

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

### ***Financial Report***

It is our pleasure to submit the Annual Comprehensive Financial Report for the City of Winston-Salem, North Carolina for the fiscal year ended June 30, 2023. 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, 2023.

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, 2023, are fairly presented in conformity with GAAP. The report of independent auditor is presented as the first component of the financial section of this report.

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

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

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



---

---

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

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

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

### ***Long-term Financial Planning***

The Annual Comprehensive Financial Report reflects the sound fiscal policies our elected officials have established to achieve their annual priorities for programs, services, and capital improvements. These policies have resulted in the City's strong financial position, which is demonstrated by the highest credit rating attainable in national bond markets. Growth of the City's economic base, as well as realistic long-range planning, productive management of revenue and cash resources, expansion of self-supporting enterprises within government, and prudent use of debt, continue to produce favorable operating results. Unassigned general fund balance represents 20.01% of the budgeted expenditures for fiscal year 2024, 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 2024 through fiscal year 2029, includes capital appropriations totaling \$427 million and includes projects that may be funded by general fund resources, general obligation bonds, utility revenue bonds, North Carolina clean water and drinking water state revolving loan funds, special obligation bonds, limited obligation bonds, state and federal grants, and capital reserves.

### ***Awards and Acknowledgements***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Winston-Salem for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the 37th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

We would like to thank and acknowledge the employees of the Financial Management Services Department for their expertise and efforts in preparing this year's Annual Comprehensive Financial Report, with special recognition to the Accounting and Financial Reporting Division. 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*

PHOTO CREDIT: VISIT WINSTON-SALEM

# LOCAL ECONOMY

Winston-Salem's economy had a robust year in 2022-2023, thanks to strong job growth, local innovation and outside interest in a workforce that is more educated, diverse and creative than ever.



THE ATRIUM AT BIOTECH PLACE



## LOCAL ECONOMY

The city's annual job growth, which slowed during the worst days of the COVID pandemic, has rebounded to 3.5% annually thanks to overall economic strength bolstered by two manufacturers who announced significant investments in the City.

In February, a groundbreaking was held for the \$100 million, 522,000-square-foot plant **Ziehl-Abegg Inc.** production plant. Ziehl-Abegg, a fan and ventilation company, plans to create up to 600 jobs on a 71-acre tract in the Union Cross Business Park in southeastern Winston-Salem. Production is expected to begin in 2024.

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

Also in Union Cross Business Park, **Nelipak Healthcare Packaging** is scheduled to begin operating in 2024. After a national search, Nelipak announced in December 2022 it would locate its first flexible packaging production site in the Americans here. The company's 117,000-square-foot production facility is expected to create 50 new jobs. The City granted \$295,207 (with Forsyth County contributing another \$196,209) in incentive assistance to support Nelipak's expansion.

In February, the City and County approved a combined \$1.1 million in performance-based incentives to **Tex-Tech Industries** of Kernersville toward a new manufacturing plant in Winston-Salem. Tex-Tech has pledged to create 59 jobs in Winston-Salem over five years at a 170,000-square-foot plant with an investment of \$41.7 million in construction, machinery and equipment. Tex-Tech is a maker of specialty textiles and textile coatings that are used primarily in the aerospace, automotive and medical industries.

The company will pay an average wage of about \$64,000. Most of the jobs are in advanced manufacturing operations.

The city continues to benefit from the work of the **Whitaker Park Development Corp.**, which has built a new economic center in the city by successfully redeveloping the 1.7 million square feet of space donated by **R.J. Reynolds Tobacco** several years ago.

**“Ziehl-Abegg, a fan and ventilation company, plans to create up to 600 jobs on a 71-acre tract in southeastern Winston-Salem. Production is expected to begin in 2024.”**

Hispanic food distributor **Purple Crow**, already located in Winston-Salem, announced a major expansion. The company bought the 850,000-square-foot building at Whitaker Park that once served as the front of the former R.J. Reynolds Tobacco Co. plant. Purple Crow will create up to 274 jobs for an average wage of \$72,000, as well as spend \$50 million to renovate the building. It is expected to be operational by the end of 2024.



Winston-Salem is also set to benefit from several major regional projects. The city's talented workforce has helped to attract two large projects that will provide spinoff local business opportunities and jobs: a major battery plant in nearby Randolph County being built by **Toyota** that is likely to attract suppliers to Winston-Salem; and Boom Supersonic, which will manufacture supersonic aircraft at the Piedmont Triad International Airport. Toyota and Boom expect to create at least 2,100 and 1,700 jobs, respectively. Economic developers have projected that Boom alone could have a potential \$32 billion impact on the region.



ZIEHL-ABEGG INC. A-1

**In the city's core, downtown is alive with the spirit of innovation and new housing that is drawing an active and creative population.**

**In the last three years, developers have built or are completing 1,000 residential units. Some 5,000 people will ultimately call downtown home, further enhancing an already vibrant restaurant, night life and business scene.**

Winston-Salem has been described by **Business North Carolina** magazine as a "potent innovation hub." Companies in the **500 W 5th building** – 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**. Flywheel's Winston-Salem office is the flagship of a growing franchise supporting start-ups that has expanded to the towns of Davidson and Concord, N.C. and Greenville, S.C.

**500 W. 5TH BUILDING**



## Downtown Growth & Innovation

**Innovation Quarter** has become an economic driver with a major impact on the entire city. The business center created an economic impact of over \$1.66 billion in 2022, according to a new study by **TEconomy Partners**.

In addition to covering 2.1 million square feet, the center is home to 115 companies and institutions with 3,883 full-time jobs, generating a “ripple effect” throughout the local and regional economy of about 4,427 indirect/induced jobs.

In addition, local universities are responsible for more than 2,000 degree-seeking students, including a downtown undergraduate campus of **Wake Forest University** and the **Wake Forest University School of Medicine**.

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

Phase II of Innovation Quarter has been in planning for more than a decade, and officials have begun the process of starting the project. 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 surrounding Research Parkway.

**Phase II will also include up to 450 more residential units and 30,000 square feet of retail and restaurant space.**

Just north of downtown, **Wake Forest University** hopes to make a community impact with a planned commercial district surrounding its athletic stadium and arena on Deacon Boulevard.

The university has said that everything from retail and restaurants to residential are on the table for the 67 acres it owns that are already prepped for development. Wake Forest has hired **Carter of Atlanta** and **Front Street Capital** of Winston-Salem to explore the district’s potential.

Tourism is another growing industry in Winston-Salem, generated in part by Wake Forest University sports, the biennial **National Black Theatre Festival**, the **Carolina Classic Fair**, **Old Salem Museums & Gardens**, **Reynolda House**, and a growing schedule of youth sports tournaments. All of those events, as well as Winston-Salem’s growing reputation for its vibrant downtown, contributed to a post-pandemic tourism rebound. Visitors to Forsyth County spent nearly \$1 billion in 2022, according to **Visit NC’s** annual report – only slightly less than pre-pandemic spending from 2019.

## LOCAL ECONOMY: HEALTH CARE



ATRIUM HEALTH  
WAKE FOREST BAPTIST

### Health Care

Winston-Salem is a hub for health care as the home to two of the state's largest regional health systems, **Atrium Health Wake Forest Baptist (Atrium Health)** and **Novant Health, Inc. (Novant)**. With a combined workforce of over 30,000, the health systems rank as the area's top employers.

In addition to being the largest employer in the region, Atrium Health Wake Forest Baptist is a major contributor to the economy with a series of \$3.4 billion investments that will benefit patients and the community over the next few years. One of the most significant projects is the construction of a new critical care tower at **Atrium Health Wake Forest Baptist Medical Center** that will include a state-of-the-art emergency department, operating rooms and intensive care units.

Atrium Health is also expanding with a second location of the **Wake Forest School of Medicine** in Charlotte. Expected to enroll the first students in 2024, the new school will create an innovation corridor between Charlotte and Winston-Salem.

Celebrating 100 years of caring in 2023, Atrium Health Wake Forest Baptist Medical Center is one of the country's leading academic health centers. The nationally recognized medical center is an 885-bed hospital that also includes the region's only pediatric hospital, **Brenner Children's Hospital, The Birth Center**, and the **Comprehensive Cancer Center**, one of only 51 in the nation designated as comprehensive by the National Institutes of Health, a designation it has held for over 30 years.

The medical center also includes a national center for Aging and Alzheimer's disease, the **J. Paul Sticht Center**; the region's only Level I adult trauma center and one of only two burn centers in the state; the comprehensive **Eye Center**, and a number of clinical centers of excellence in multiple specialties. Four community hospitals are part of the Atrium Health Wake Forest Baptist network: **Davie Medical Center, High Point Medical Center, Lexington Medical Center, and Wilkes Medical Center**.

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

The Wake Forest School of Medicine serves approximately 1,200 students. As one of the most selective programs in the nation, it focuses on education, 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*. In 2022, the School of Medicine became the academic core of Advocate Health, one of the largest health systems in the country, which was created through the combination of Atrium Health and **Advocate Aurora Health**.



Winston-Salem is also home to **Novant Health Inc. (Novant)**, an integrated health care system with over 800 locations throughout the southeast. Novant's system is comprised of 16 medical centers and over 1,900 physicians in communities across North and South Carolina. Despite the challenges of the post-pandemic economy, Novant continues to invest in its network, focusing on improving and expanding access to care.

Six of Novant's hospitals are on *U.S. News & World Report's* list of High Performing Hospitals for Maternity Care – the highest award a hospital can earn. **Forbes** recognizes Novant as one of the nation's Best Employers in diversity and as a top ranked employer in North Carolina. The health system is also recognized as "A Best Place to Work for Disability Inclusion" by **Disability:IN** and the American Association of People with Disabilities. Novant provided \$1.5 billion in community benefits last year in response to the health care needs of its communities.

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. It is currently in the midst of a \$400 million, multi-phased expansion that includes a new five-story tower that will house 60 critical care and 36 patient rooms. Construction of the new critical care tower began in 2022 and is expected to be complete in late 2024.

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

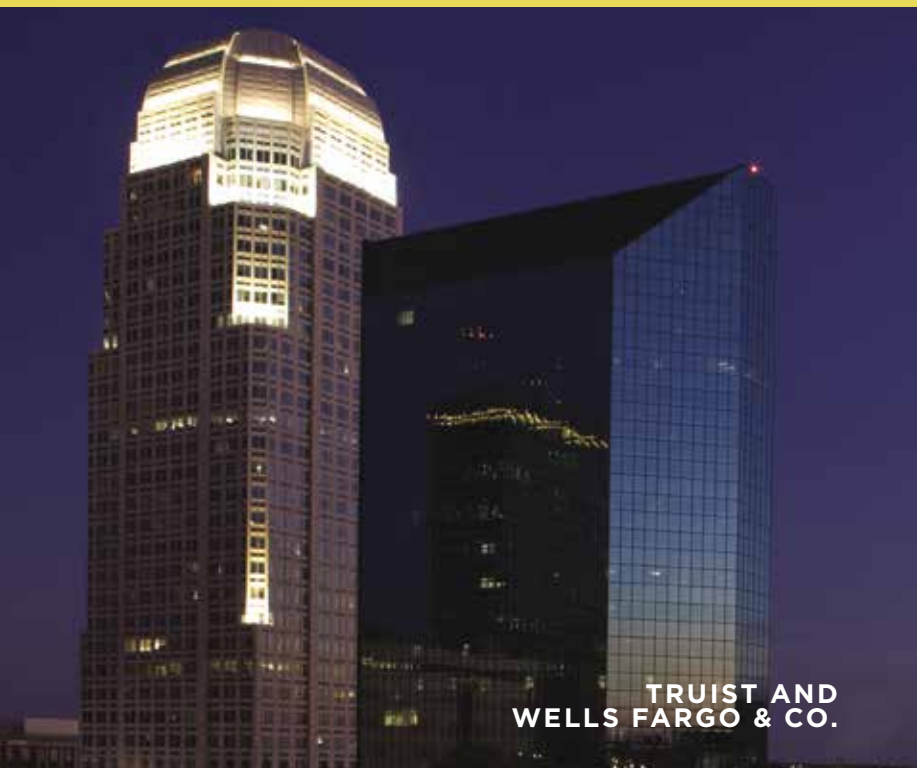
Centers of excellence at FMC include the **Maya Angelou Women's Health and Wellness Center, Heart and Vascular Institute, Derrick L. Davis Cancer Center, Stroke and Neurosciences Center, Orthopedic Center, and Behavioral Health**. The Maya Angelou Center operates the largest birthing center in the region and has assisted with over 300,000 deliveries in the last century. Novant's **Medical Park Hospital** specializes in elective, short-stay surgeries. Medical Park performs about 10,000 surgeries each year and is also the site of a nationally accredited sleep lab.

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





## LOCAL ECONOMY: FINANCIAL SERVICES



TRUIST AND  
WELLS FARGO & CO.



TRULIANT FEDERAL  
CREDIT UNION

### Financial Services

**Truist Financial Corp.**, headquartered in Charlotte, N.C., was formed in 2019 by the merger of **BB&T** of Winston-Salem and **SunTrust Bank** of Florida. Now the nation's sixth largest bank with total assets of \$514 billion, it continues to employ 4,000 people locally, and the community banking division has remained in Winston-Salem. The bank has continued its support of many local events and nonprofit organizations.

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

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

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

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 \$2.26 billion in assets and an additional \$1.6 billion in assets under management by its financial planning group, it has 17 branches in 12 cities and two states.

**Truiant Federal Credit Union**, chartered in 1952 to serve employees of Western Electric, now has more than 280,000 member-owners and 30 locations in the Carolinas and Virginia. With assets of \$3.6 billion, it employs 620 workers in Forsyth County.

Truiant opened a new operations center this year at the site of the former Macy's store at Hanes Mall. Truiant bought the Macy's building in 2020 for \$8 million and redesigned the space for a flexible workforce. The credit union has 40,000 square feet vacant for future expansion. The new space is designed for a hybrid workforce – employees who will spend as much time working away from the office as inside.

Truiant also bought naming rights for the former Winston Tower building on Main Street downtown and unveiled the new signage in summer 2023.



## LOCAL ECONOMY: MANUFACTURING



TEXTECH

### Manufacturing

Although manufacturing is no longer the largest employment sector in Winston-Salem and Forsyth County, it continues to be a major player. **Reynolds American, Inc. (RAI)** and **HanesBrands (HBI)**, both with historic ties to Winston-Salem, remain among the City's top employers and corporate citizens, supporting many local arts and charitable organizations.

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

**HanesBrands**, founded in Winston-Salem in 1901, is the world's largest marketer of basic apparel, selling bras, panties, shapewear, sheer hosiery, children's underwear, socks, T-shirts, sweatshirts, fleece and other activewear. Among the company's iconic brands are Hanes and Champion. HBI employs 2,400 people locally and 61,000 in 47 countries worldwide. It has built a strong reputation for workplace quality and ethical business practices, having been honored by the Great Place to Work Institute for its socially responsible workplace practices in Central America and the Caribbean.

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



# LOCAL ECONOMY: DOWNTOWN DEVELOPMENT



PHOTO CREDIT: VISIT WINSTON-SALEM

ROAR

## 2023-2024 City Budget

The City Council in June approved a \$607.8 million budget for 2023-24 that increases minimum pay for police officers and firefighters. It includes a 27% increase in minimum pay for police officers, raising the minimum to \$52,500. Officials hope the increase can help fill the 150 vacancies among sworn police officers. The budget also raised the minimum salary for firefighters to \$42,500.

Council members approved a property tax of 66.1 cents for every \$100 of taxable property. The tax bill for the owner of a \$150,000 property will increase from \$954 to \$991.50 under the tax. Water and sewer fees will increase 7%.

The budget is 3.5% lower than the 2022-2023 budget because of a decrease in capital spending. The new budget allocates \$440.9 million for operations and \$51.5 million for debt service.

It provides \$725,380 for downtown improvements, which will be paid for through the 9-cent Business Improvement District tax on downtown property owners.

Winston-Salem has allocated \$1.3 million of the annual budget for grants for community agencies. An additional \$214,000 in the transit fund will enable bus drivers to share in the pay supplements that City workers are receiving. Bus drivers do not work directly for the City but for a company that contracts with the City to operate the bus service.

The City plans to spend \$9 million on repaving streets, which is \$3.6 million more than in the previous budget. The increase is primarily to pay for the increased cost of asphalt.

Finally, City employees will be eligible for merit pay increases averaging 6%.

## Downtown Development

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

Among the new additions to downtown living are The **Link Apartments on Fourth Street**, with 224 apartment units adjacent to the 500 W 5th building, and **The Easley** apartments next to **Truist Stadium**, with about 300 new units. **DPJ Residential**, the developer of The Easley, is also developing **The Artreux**, which will feature 242 units with a 350-space parking deck located at Trade, 10th and Oak Streets in the **Industry Hill** location in the northern end of downtown. More one- and two-bedroom apartments will be included in **4th and Green**, a mixed-use development under construction at Fourth and Green streets. The project is developed by **Brown Investment Properties** of Greensboro and **Commercial Realty Advisors** of Winston-Salem.

Sidewalks bustle every night of the week with thousands of residents socializing, walking dogs, and visiting an array of restaurants offering food as diverse as pizza, gourmet food cooked with locally sourced products, and ethnic foods including Mediterranean, Thai, Vietnamese and Mexican. **Sweet Potatoes**, a downtown restaurant serving Southern classics such as fried okra, three-cheese macaroni, and cornbread accompanied by a cold glass of buttermilk, has received accolades in national publications. **Downtown Grille**, a new upscale restaurant on the ground floor of 500 W 5th, is already becoming known for its innovative dishes and is packed with diners many nights of the week. **Roar**, a destination family entertainment center and food hall, includes games such as mini-bowling and mini-golf as well as restaurants, bars, and a three-story, 90-tap beer and wine wall.



PHOTO CREDIT: J. SINCLAIR PHOTOGRAPHY

ARTIVITY

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

When restaurant capacity levels were reduced during the COVID pandemic, the City allowed downtown restaurants to expand their outdoor dining options on sidewalks.

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

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

In a green space adjacent to the building, developers **Mayfair Street Partners** have created a park with green space, public art, restrooms and sidewalks known as **Merschel Plaza** in honor of the late City Council member **Wanda Merschel**. On the south end of the park, construction is well underway for the new \$30.5 million **Kaleideum** children's museum. The new facility, which has received funding from the City and Forsyth County as well as private donors, will combine the current two smaller children's museums into one modern, central location.

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

The Downtown Partnership also manages enhanced services that ensure a high standard for cleanliness and safety in downtown. A **Downtown Winston-Salem Business Improvement District (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 extra services focused on five primary goals: a cleaner environment, increased safety and security, stronger marketing and promotion, accelerated development, and an enhanced physical appearance for downtown.



**CHIEF PENN LEADS LAW ENFORCEMENT  
TORCH RUN FOR SPECIAL OLYMPICS**

A-10

## LOCAL ECONOMY: MAJOR EMPLOYERS

BUSINESS	# OF EMP	INDUSTRY
Atrium Health Wake Forest Baptist	18,570	Health Care
Novant Health	11,010	Health Care
Winston-Salem/ Forsyth County Schools	5,500	Public Education
Truist	4,000	Financial Services
Wells Fargo	3,500	Financial Services
Reynolds American	2,500	Tobacco Manufacturing
Hanesbrands	2,400	Clothing
City of Winston-Salem	2,287	Government
Wake Forest University	2,270	Higher Education
Forsyth County	2,127	Government
AT&T	2,000	Communications
Lowes Food Stores	1,500	Grocery Chain
Collins Aerospace Interiors	1,500	Aerospace Interiors
National General Insurance	1,200	Insurance
Forsyth Technical College	1,200	Education
Herbalife	1,100	Healthcare Supplements
YMCA of NWNC	1,000	Non-Profit
Winston-Salem State University	1,000	Higher Education
Inmar Inc.	950	Logistics & Data Analytics
Hayward Industries	940	Pumps & Pool Equipment
Flow Automotive Companies	875	Automotive Sales & Service
John Deere Kernersville	850	Excavators
The Budd Group	750	Landscaping
PepsiCo	700	Beverage Distribution
WestRock	700	Packaging
Cook Medical	640	Medical Device Manufacturing
Truiliant Federal Credit Union	620	Financial Services
Womble Bond Dickinson	530	Legal Services
Best Logistics Group	505	Logistics & Freight
IFB Solutions (Industries for the Blind)	500	Blind Services & Manufacturing

BUSINESS	# OF EMP	INDUSTRY
Johnson Controls Inc.	500	Controls Systems & Regulators
Krispy Kreme Doughnuts	460	Food Manufacturer
American Airlines	450	Airline Customer Service Center
North State	400	IT Services/Data Center
Veterans Administration	400	Public Administration
Salem Carriers	400	Transportation

Source: Greater Winston-Salem, Inc. May 2021

### Winston-Salem Statistics

POPULATION	
Population of Winston-Salem	251,343*
Median Age in Winston-Salem	35
Total Labor Force in Forsyth County	190,867

\* Updated fiscal year 2023

JOBS BY INDUSTRY	JOBS
Back Office	26,153
Medical	24,611
Hospitality	23,874
Logistics	18,753
Personal Services	17,653
Education	17,653
Production	10,499
Mechanics	6,825
Social Services	6,775
Construction	6,262
Financial	5,865
Business	5,061
Computer	4,356
Engineering	2,749
Sales & Marketing	2,287

Source: Greater Winston-Salem, Inc. 2022



# COMMUNITY PROFILE

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

JOYMONGERS  
BARREL HALL  
• WINSTON-SALEM, NC •



# COMMUNITY PROFILE: A GREAT PLACE TO LIVE & WORK

## A Great Place to Live & Work

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

The City's economy is thriving after the pandemic, with major employers in the health care and life sciences, advanced manufacturing, technology and entrepreneurship, business services, and aviation and aerospace sectors. Yet it also continues to rank among the most affordable mid-size cities, with the average single-family home selling for \$276,250 according to reator.com.

Winston-Salem earned high marks in two prestigious rankings that were released in 2023. In *U.S. News & World Report's* annual "Best Places to Live" list, the city came in at No. 41, jumping 15 spots from its 2022 ranking. The rankings are based primarily on the quality of life and the job market in each metro area "as well as the value of living there and people's desire to live there."

Winston-Salem was also recognized as one of America's "Top 100 Cities" by *Livability.com*, which collected data from more than 2,000 cities to compile its 2023 rankings. With a ranking in the top 5% of all U.S. cities, Winston-Salem was one of only five in North Carolina – and the only one in the Triad – to appear in the ranking. *Southern Living* magazine recently named Winston-Salem the 18th Best College Town in its South's Best rankings. The City that inspired Krispy Kreme doughnuts and Texas Pete hot sauce "is as entrepreneurial and imaginative as ever," the magazine said.

The city is even a great place for furry friends, as *Forbes Advisor* has ranked it 12th Best City in the U.S. for Pet Owners. The report said that more than 85 percent of the city's apartments are pet friendly, and there are more than five veterinarians for every 10,000 people.

As the City of Arts and Innovation, Winston-Salem continues to diversify its entertainment and cultural offerings. Its reputation as a good city for "foodies" is growing, with restaurants offering a wide range of local and international cuisine.

The revitalization of downtown continues to spread northward into a new area dubbed **Industry Hill**, where old factories and warehouses are being transformed into breweries, music venues and boutique shops. **Radar Brewing** and **Battle Axe Throwing** are two of the newest additions to Industry Hill and to the craft beer scene. **Foothills Brewing**, founded in 2005 in

Winston-Salem, is now one of the largest regional brewers in the Southeast, with its main location downtown and the **Foothills Tasting Room** in the western part of the City.

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

Winston-Salem has also been recognized as one of **America's Top 10 Digital Cities** by the **Center for Digital Government** for 18 years. The **WS Collects** app debuted in 2022, allowing residents to stay up-to-date with their neighborhood yard waste, garbage, and recycling collection schedules. Through [www.cityofws.org](http://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 WSTV-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](http://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.

**Keep Winston-Salem Beautiful**, an affiliate of Keep America Beautiful, has received national recognition for the many innovative programs it has developed. The group holds annual events including **Community Roots Day**, during which trees and shrubs are planted in parks, greenways, and rights-of-way throughout the city. Other annual events are the **Great American Clean-up** in the spring, in which volunteers clean up streets, parks, and school grounds and the **Big Sweep** in the fall, which focuses on cleaning up local waterways.



PHOTO CREDIT: CHRISTINE RUCKER



## Housing

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

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

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

**With rapid growth in downtown residential construction, residents seeking a true urban lifestyle have a diverse range of options for renting or buying.**

Many downtown loft apartments and condominiums have been repurposed from old textile and tobacco factories, including the **Gallery Lofts,** luxury apartments in the renovated former Brown & Williamson factory; **Plant 64,** created from an old Reynolds tobacco warehouse, and the **Winston Factory Lofts,** created in the renovated Brown Rogers-Dixon building.

In addition, a construction boom in downtown apartments offers other options such as **West End Village, West End Station, the Link Apartments Brookstown, the Link Apartments Innovation Quarter** and **The Easley,** all within

walking distance of the baseball stadium. A fourth Link complex, the **Link Apartments** on Fourth Street opened in summer 2022. Two local developers have begun the new **4th & Green** apartment project, slated to open in 2024. The project, intended for “empty nesters” 55 and over, will include 100 apartments and restaurant or retail on the first floor.

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

Another affordable downtown housing option in the works is **Metropolitan Village,** which will provide 264 apartments and 60 townhouse units to be built in two phases. Other offerings for residents will include housing and workforce training. Developer **Liberty Atlantic** is a minority-owned company that is working with **United Metropolitan Missionary Baptist Church,** which formerly owned the 8.2 acres, to revitalize the neighborhood.

In March 2022, the **Winston-Salem City Council** and Mayor Allen Joines announced a goal to support the development of 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. In addition, a \$30 million **Choice Neighborhoods Initiative** grant from the **U.S. Department of Housing and Urban Development** is enabling the City and the **Housing Authority of Winston-Salem** to revitalize and transform the **Cleveland Avenue Homes** public housing community. Two hundred forty-four aging apartments will be demolished and



## COMMUNITY PROFILE: HOUSING / RECREATION

replaced with 406 new units. The grant also includes funds for education, workforce development, and other programs. The first 81 units of Cleveland Avenue Homes will be ready for occupancy in 2024.

The City works to revive blighted neighborhoods through the **Housing Rehabilitation Program**, which provides financial and technical assistance to qualified homeowners and investors wanting to repair substandard properties. Owner-occupants with low and moderate incomes are eligible for direct and deferred payment loans, and investor-owners are eligible for loans to repair single family houses for rental. Housing Rehabilitation also administers the Section 3 Construction Training Program Initiative, which trains unskilled and underemployed individuals in construction fields. The **Neighborhood Revitalization and Improvement Program** works with residents to develop plans to revitalize their neighborhoods. These efforts can include a combination of renovation, demolition of blighted property, and construction of new homes.

**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.

City and County housing departments also work with **Habitat for Humanity of Forsyth County (Habitat)** to identify existing distressed houses or vacant lots that can be renovated or used for building new single-family homes for families earning 35-80% of Area Median Income. **Stone Terrace**, an undeveloped subdivision in northern Winston-Salem left over from the 2008 housing crisis, was purchased by **Habitat** and is already home to 25 new Habitat families in Phase I. To help Habitat progress to Phases II and III, which will include 50 more affordable homes, the City used ARPA-enabled funds to complete roadways into the new sections.

**Habitat Forsyth** in 2022 completed the last of 60 new homes in the **Glenn Oaks** subdivision in the historic **Boston Thurmond** community. The neighborhood was built on the site of the former Kimberly Park housing project, which was razed to make room for quality, affordable houses and apartments through federal HOPE VI funds.



PHOTO CREDIT: NC TRIAD OUTDOORS

SALEM LAKE TRAIL

### Recreation

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

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

and bikers along an inactive Norfolk and Western Railway line that once carried tobacco products from Winston-Salem to Roanoke, Virginia.

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



**THE QUARRY AT  
TIM GRANT PARK**

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. The building also includes a wrap-around 1,200 square-foot deck that offers scenic views. Phase II of Salem Lake improvements, which included construction of a new boat ramp and repair of the shoreline bulkhead, wrapped up last year.

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 **Carolina Thunderbirds** hockey team.

The City also owns the adjacent fairgrounds, home to the **Carolina Classic Fair**.

**Second in size only to the N.C. State Fair, the fair draws as many as 325,000 visitors annually from as far away as Virginia, Tennessee, and South Carolina to enjoy the rides, play games on the midway, and eat delicious "fair food."**

The fair also features concerts, family entertainment, a petting zoo, and exhibits and contests for livestock, crops, crafts, and baking that draw tens of thousands of entries.

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

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

## COMMUNITY PROFILE: DOWNTOWN ARTS



### Downtown Arts

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

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

Owned and operated by The Arts Council, the **Milton Rhodes Center for the Arts** is the anchor to Winston-Salem's modern, downtown arts campus. The building, a former textile mill over 100 years old, blends the city's past with its present. Facilities include the **Sawtooth School for Visual Art**, the **Reynolds Place Theatre**, home exhibition space for the **Associated Artists of Winston-Salem**, the **Community Arts Gift Shop**, **Mountcastle Forum/Theatre**, and **Coffee Park Downtown**. Located adjacent to the Milton Rhodes Center, the **Hanesbrands Theatre** is a state-of-the-art performance venue for theater, dance, film, and music as well as a private meeting and special events venue. Just two blocks up the street, the **Arts Council Extension (ACE Building)** is home to the **North Carolina Black Repertory Company** and **The Little Theatre of Winston-Salem**, providing each with rehearsal and office space.

Winston-Salem's **Downtown Arts District** is the hub of arts and culture in the city. It features a vibrant mix of working studios, galleries, locally owned retail shops, restaurants, bars, residences, and businesses. Since 1995, the **Downtown Arts District Association (DADA)** nonprofit has been raising awareness for the arts and building the vibrant district seen today. Located in the **North Trade Street Arts Center**, which is

also a gallery for visual and performing artists, DADA promotes art and the arts district through regular events and other programs. It hosts **First Friday Gallery Hops** the first Friday of each month throughout the year, when the streets in the district are filled with music, entertainment, and food and the galleries, studios, and shops remain open late.

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

The park was envisioned by **Art For Art's Sake (AFAS)**, a non-profit volunteer group that works to build, educate, and celebrate the community through art. Located next to the park, the AFAS Center for the Arts is the group's modern headquarters that includes **Red Dog Gallery**, affordable studio space for rent, and the **Unleashed Art Center**, which provides classes and workshops. AFAS hosts and/or supports special events and programs each year, all of which are free to the public. The group cultivates many of the public art displays around the City, from eye-catching art towers to decorated mannequins, sculptures, and murals.

**The Downtown Summer Music Series** brings people of all ages and cultures together, in the form of free concerts, to downtown Winston-Salem from June through August. The two-part series includes **Downtown Jazz**, held in Corpening Plaza on Friday nights, and **Summer on Fourth**, which showcases the region's best rock/pop bands on Saturday evenings.

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



PHOTO CREDIT: VISIT WINSTON-SALEM

FESTA  
ANNUAL  
STREET  
FESTIVAL

A-18

## Festivals & Annual Events

Downtown Winston-Salem typically hosts upwards of 2,500 events each year, with many held in the **Benton Convention Center**. As one of the state's largest meeting facilities, "The Benton" displays works of art created by local and regional artists, including a rendering of the late **Maya Angelou**, nationally renowned poet, author and activist who served on the faculty of Wake Forest University. "The Benton" is part of the **Twin City Quarter** hospitality complex, which also includes the **Embassy Suites Winston-Salem** and the **Winston-Salem Marriott**.

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

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

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

Since 1998, the **RiverRun International Film Festival** has been held in downtown Winston-Salem. One of the area's most unique events, RiverRun is a competitive festival offering a diverse program from film studios, independent distributors, and first-time filmmakers. The 10-day festival features over 100 screenings of feature-length and short films from around the world, spanning all genres. The movies are typically shown at different venues throughout Winston-Salem, including **a/perture** cinema, a non-profit art-house cinema located

downtown. The locally-owned theater screens a mix of independent, foreign, documentary, local, and festival films year round.

Organized by the Hispanic League, **FIESTA** is an annual street festival and fundraiser that attracts over 20,000 people. The largest one-day Hispanic festival in the region, it is a free multicultural event that includes live Latin music, cultural programs, a children's area, Latin cuisine, local arts, and crafts.

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

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

Hosted by **Home Moravian Church** and **Old Salem**, the **Easter Sunrise Service** draws tens of thousands of visitors each year. Worshippers gather in the Square before dawn to pray, sing hymns, and listen to the Moravian band before walking quietly to God's Acre, the traditional Moravian cemetery. **Old Salem Museums & Gardens**, a historic district offering tours and demonstrations of Moravian life in the 18th and 19th centuries, is a major tourist attraction open year-round except for January.



PHOTO CREDIT: J. SINCLAIR PHOTOGRAPHY



PHOTO CREDIT: SOUTHEASTERN CENTER FOR CONTEMPORARY ART

SOUTHEASTERN CENTER FOR CONTEMPORARY ART

## Performing Arts Organizations & Venues

The **Stevens Center**, located downtown on Fourth Street, is one of the city's main performance venues. Originally a silent movie theatre, the magnificent two-story, 1,364-seat neoclassical theatre is an architectural jewel of Winston-Salem. The Stevens Center is scheduled to close in November 2023 for Phase I of a renovation that could last until early 2026. The first part of the project is a lobby redesign. Nearly \$30 million for Phase I was granted by the N.C. General Assembly.

The Stevens Center serves as the primary performance space for the **University of North Carolina School of the Arts (UNCSA)**, the **Winston-Salem Symphony**, **Piedmont Opera Theatre**, and other state and local arts organizations. The Piedmont Opera is one of the largest in North Carolina, bringing the highest quality of regional, national, and international singing actors and technicians to work with a full orchestra and a chorus of local singers. Now in its 42nd season, the Opera performs two full stage productions each year in addition to a wide variety of educational and outreach programs.

For more than 75 years, the **Winston-Salem Symphony** has been providing an array of repertoires, including classical orchestral and choral concert music, opera, oratorio, ballet, and popular music. It is one of the Southeast's most highly regarded orchestras and also offers education and community engagement performances, such as the **Youth Orchestra** and programs with the **Winston-Salem/Forsyth County Schools**.

As the oldest performing arts organization in the city, the **Little Theatre of Winston-Salem** is a traditional community theatre. It produces professional quality classic and contemporary plays and musicals, classes, summer camps, and school productions with the help of hundreds of talented and dedicated volunteers.

Many other performing arts and theatrical groups are found in Winston-Salem, including the **Winston-Salem Theater Alliance**, the **Piedmont Chamber Singers**, the **Piedmont Wind Symphony**, **Camel City Jazz Orchestra**, the **Winston-Salem Festival Ballet**, **Winston-Salem Youth Chorus**, the **Salem Band**, and more.

## Art Museums

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

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

**The Southeastern Center for Contemporary Art (SECCA), also located in the Reynolda Historic District, is housed on the former 32-acre estate of industrialist James G. Hanes.**

Admission is free, and SECCA offers year-round educational programs and a number of community events. The estate also features flourishing grounds and gardens, a lake, and an auditorium. It is an affiliate of the **North Carolina Museum of Art**, a division of the **North Carolina Department of Cultural Resources**.

One of the United States' most unique museums, the **Museum of Early Southern Decorative Arts (MESDA)** is a preeminent center for researching, collecting, and exhibiting antiques and decorative arts from the early South. As part of Old Salem Museums & Gardens, MESDA houses the nation's most comprehensive collection of early Southern furniture, pottery, silver, and other decorative objects representing eight states across four centuries. The internationally recognized museum includes works by the early Moravians as well as the enslaved and indigenous people who lived and worked in the town of Salem. Housed in the **Frank L. Horton Center** at Old Salem,

**MESDA** galleries are available for self-guided and specialty tours, with the MESDA Research Center offering an extensive database of nearly 100,000 historically significant objects and craftspeople.

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

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

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



PHOTO CREDIT: LAUREN MARTINEZ OLINGER / LAUREN OLINGER, RED CARDINAL STUDIO



GRADS OF YOUTH CITIZENS  
AT POLICE ACADEMY

## K-12 Education

**Winston-Salem/Forsyth County Schools (WSFCS)** is the fourth largest school system in North Carolina, providing a quality education for around 53,000 students in 81 schools. Programs exist to serve every type of student, and parents have a say in where their child attends school.

The Board of Education offers the “Schools of Choice” process, giving parents options on choosing schools. Elementary schools are divided into 11 zones, and middle schools are divided into seven zones. Parents may choose from their neighborhood school, another school within their zone, or from 21 magnet programs.

High school students are provided comprehensive curricula at the regular, honors, and Advanced Placement levels. 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. The school system has an 87 percent graduation rate, with over 3,410 graduates in 2023.

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



# COMMUNITY PROFILE: HIGHER EDUCATION



WFU

## Higher Education

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

**Wake Forest University (WFU)** is a private liberal arts university with approximately 5,400 undergraduates and 3,500 graduate and professional students. WFU's "main" 345-acre **Reynolda Campus** is home to most of its undergraduate programs, the Graduate School of Arts and Sciences, the School of Business, the School of Law, and the School of Divinity. The midsize university offers 50 majors and has an 11-to-one student-to-faculty ratio.

Classrooms and laboratories of the distinguished **Wake Forest School of Medicine** are divided between the **Atrium Health Wake Forest Baptist** medical complex, located just west of downtown, and **Innovation Quarter**. **Wake Downtown**, a transformed former tobacco company building, houses the undergraduate biomedical science and engineering programs. Wake's athletic facilities include **Allegacy Federal Credit Union Stadium**, **David F. Couch Ballpark**, **Kentner Stadium**, **Wake Forest Tennis Center**, **Arnold Palmer Golf Complex/Haddock House**, **Spry Soccer Stadium**, and **Lawrence Joel Veterans Memorial Coliseum**.

For 25 years, *U.S. News & World Report* has ranked Wake Forest among the Top 30 on its National Universities list.

It has also been recognized as a "Best Value" for its strong commitment to undergraduate teaching and its undergraduate business program. WFU's schools of law, business, and medicine consistently rank among the nation's best graduate schools.

The Wake Forest "Demon Deacons" compete in Division I athletics of the NCAA and are one of the original "big four"



PHOTO CREDIT: GARRETT GARMS / WINSTON-SALEM STATE UNIVERSITY 2011

WSSU

North Carolina schools in the Atlantic Coast Conference. Wake has won 10 NCAA championships as well as numerous ACC titles. Its athletes excel in the classroom as well, with a 95 percent student-athlete graduation rate.

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

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

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

## COMMUNITY PROFILE



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 must audition or interview for admission and are trained for careers through five conservatories: Dance; Design and Production; Drama; Filmmaking; and Music. The school offers master's degrees in music and fine arts in the design, production, and filmmaking programs. UNCSA students participate in public performances and screenings annually in Winston-Salem and throughout the country.

Graduates of UNCSA have performed on Broadway, in the American Ballet Theatre, the New York Philharmonic, and in numerous TV shows and major films. Its alumni have either won, or been nominated for, all major awards in the entertainment industry including Tony, Oscar, Emmy, and Grammy awards. UNCSA's Schools of Dance, Design and Production, Drama, and Filmmaking rank among the best in the country.



Celebrating its 250th anniversary, during 2022 and 2023, **Salem College and Academy** is the oldest educational institution for women and girls in the country and the 13th oldest college in the U.S. Established by Moravian settlers who championed independence for women in thought and action, the College is located in the **Old Salem Museums and Gardens** historic district. (Salem Academy is a boarding and day school for girls located adjacent to Salem College.) Many Moravian traditions remain at the heart of the college today. 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 liberal arts college offers a full range of undergraduate and graduate degrees, as well as certificate programs for traditional college-age students and adult students through its **Fleer Center for Adult Education**. In 2021, Salem announced a new approach to its liberal arts education, which will focus on elevating and expanding the role of women in health leadership.

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



FTCC

**Forsyth Technical Community College** has an enrollment of about 11,400 credit students, making it one of the largest community colleges in North Carolina. The college offers 87 associate's degrees, 35 diplomas, and 76 certificates in such fields as health care, engineering technologies, criminal justice, automotive technology, logistics management, nanotechnology, and biotechnology. Forsyth Tech has 24 degrees and certificates that can be earned entirely online.

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

To fully support student, employer, and community needs, Forsyth Tech also provides customized training for employers as well as services for entrepreneurs through its corporate training, workforce development, and continuing education programs, as well as the **Forsyth Tech Small Business Center**. With two campuses and seven affiliate locations, Forsyth Tech is a key educational resource for thousands of adults going back to school or retraining for new skills.

The **Forsyth Tech Trail Blazers** recently entered intercollegiate sports, fielding teams in men's basketball and men's and women's softball. The college also has offered a number of intramural teams for men and women for some time and is exploring adding more intercollegiate teams.



PHOTO CREDIT: VISIT WINSTON-SALEM

CU

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

One creative program is a bachelor's degree in criminal justice created in partnership with the **Forsyth County Sheriff's Department**. Some classes are taught by sheriff's deputies and held at the Sheriff's Department. 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.



MAYOR JOINES AND PUBLIC AT WINSTON LAKE

## Infrastructure

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

The **Winston-Salem/Forsyth County Utility Commission** oversees the public utilities that provide high quality water, wastewater, and solid waste services to more than 361,000 residential, business, and industrial users. It operates one landfill for solid waste, another for construction and demolition debris, and two yard waste facilities.

Three water treatment plants have a combined capacity of up to 91 million gallons a day, drawn from the Yadkin River and Salem Lake. In 2022, these plants treated and pumped water that met or surpassed all state and federal standards for

drinking water quality. The water distribution system includes more than 2,300 miles of water distribution mains, 14 water tanks, and seven pumping stations.

Two wastewater treatment plants have a combined treatment capacity of up to 51 million gallons per day. The collection system includes nearly 1,800 miles of sewer lines, 49 lift stations, and one Biosolids facility-pellets chemical odor control station. The plants treated 35 million gallons of wastewater per day in 2022. The utilities budget for 2023-24 includes a 7% increase in water and sewer rates.

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



WSPD, WSFD & SHERIFF  
AT GROUND BREAKING  
FOR HABITAT HOUSE

### 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.

**Winston-Salem Police Department (WSPD)** Chief Catrina A. Thompson retired in 2022, and City officials appointed **Assistant Chief William Penn Jr.** as the new chief. Penn, who grew up in Winston-Salem, commanded the Investigative Services Bureau and has been District 1 commander. He has served with the police department for 25 years. He leads a department with more than 500 sworn officers and 148 civilian positions, and an annual budget of \$94.3 million.

In a move to provide better policing, the WSPD has transitioned to a system in which most patrol officers are now housed in three full-service district stations – constructed with funds from the 2014 bond referendum – instead of in the main station, the **Vivian H. Burke Public Safety Center**. The Center continues to serve as the hub of the department’s administrative offices.

The 2014 bond also included funds to replace, renovate or expand three aging facilities of the **Winston-Salem Fire**

**Department (WSFD)**. Led by **Chief William “Trey” Mayo**, the 343 certified and non-certified firefighters of the department serve the community by providing a timely response to calls involving fire, medical, and rescue situations. The City of Winston-Salem has 20 fire stations strategically located throughout the city, including one recently named for Lee D. Garrity, who retired in June 2023 after 17 years as the City Manager. The stations are located to provide maximum coverage with an average response time of under five minutes.

The department strives for the prevention of unwanted fires through enforcing fire codes, arson investigation activities, and community outreach. The Fire Department also conducts fire safety inspections, reviews construction plans, investigates fire scenes, and issues fire-inspection permits.

The local **Office of Emergency Management** coordinates activities within Winston-Salem and Forsyth County that contribute to the mitigation, preparedness, response, and recovery 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.

ughlin



PHOTO CREDIT: LAUREN MARTINEZ OLINGER / LAUREN OLINGER; RED CARDINAL STUDIO

SHOPPES AT REYNOLDA VILLAGE



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Winston-Salem  
North Carolina**

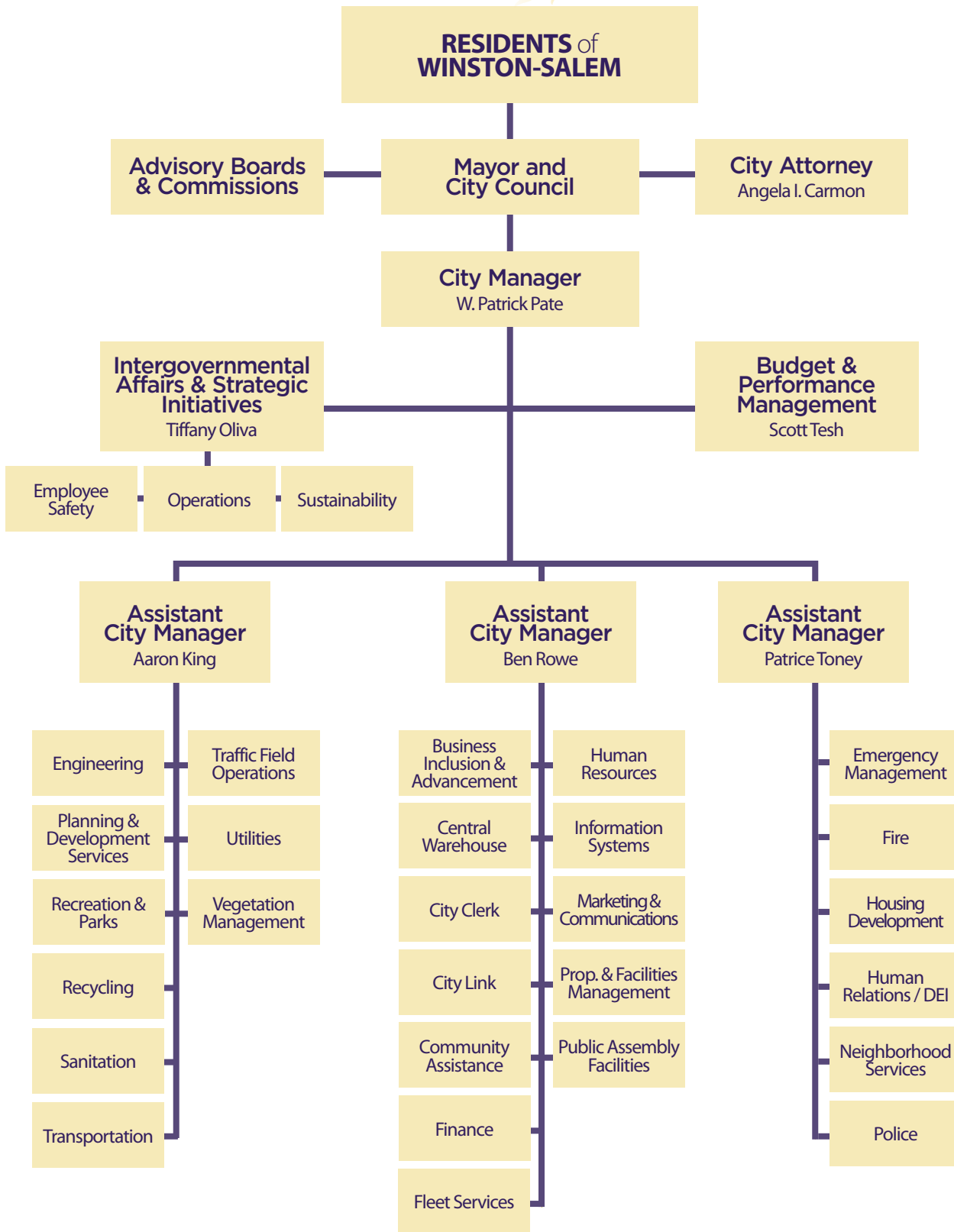
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morrill*

Executive Director/CEO

# ORGANIZATIONAL CHART







# MAYOR & CITY COUNCIL



**Allen Joines**  
Mayor



**Denise D. Adams**  
Mayor Pro Tempore  
North Ward



**Barbara H. Burke**  
Northeast Ward



**Kevin Mundy**  
Southwest Ward



**Robert C. Clark**  
West Ward



**John C. Larson**  
South Ward



**Jeff MacIntosh**  
Northwest Ward



**Annette Scippio**  
East Ward



**James Taylor, Jr.**  
Southeast Ward



**W. Patrick Pate**  
City Manager

**Aaron King**, Assistant City Manager

**Ben Rowe**, Assistant City Manager

**Patrice Toney**, Assistant City Manager

**Scott Tesh**, Budget and Performance  
Management Director

**Tiffany Oliva**, Director of Governmental  
Affairs and Strategic Initiatives

### General Counsel

**Angela I. Carmon**, City Attorney

### Bond Counsel

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

### Financial Management Services

**Kelly Latham**, Chief Financial Officer

**Mike Phelps**, Deputy Financial Officer

**Doris Godette**, Controller

**Julie Carter**, Risk Manager

**Wayne Clemens**, Payroll Manager

**Rory Davis**, Treasury Manager

**Nora Cowen**, City Revenue Collector

**Darren Redfield**, City/County Purchasing Director

### Bond Paying Agent

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

**U.S. Bank National Association**  
Charlotte, North Carolina

### Independent Auditors

**Cherry Bekaert LLP**  
Raleigh, North Carolina

## Report of Independent Auditor

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

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winston-Salem, North Carolina (the “City”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winston-Salem, North Carolina, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Emphasis of Matter**

As described in further detail in Note H, the City had one restatement to its June 30, 2022 financial statements related to a correction of an error. Our opinions on the June 30, 2023 financial statements were 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 financial statements and schedule of expenditures of federal and State awards as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

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

**Other Information**

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, 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.



Charlotte, North Carolina  
December 21, 2023

# 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, 2023. The financial statements and notes included in this report present the financial position and operations of the governmental and business activities and fiduciary responsibilities of the City. During the fiscal year, the City continued its sound current and long-range policies for financial management. These policies are intended to:

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

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

## Financial Highlights

Highlights of the City's fiscal year ended June 30, 2023, include:

- City of Winston-Salem total net position increased approximately \$102 million from \$1.297 billion (as restated) to \$1.399 billion.
- As of June 30, 2023, total net position of \$1.399 billion included \$262.1 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, 2023, the City's governmental funds reported combined fund balances of \$382.7 million. Approximately 14.3% of this amount is unassigned and is available for spending at the government's discretion.
- Unassigned fund balance of the general fund (approximately \$54.8 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 2024 budget includes a fund balance appropriation of \$8.03 million, an increase of \$1.94 million compared to the fiscal year 2023 appropriation. The unassigned fund balance was 20.01% of 2024 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 increased by \$133.1 million to \$1.18 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 increase: the issuance of \$63.9 million in general obligation bonds, the retirement of \$13.86 million in general obligation bonds, the issuance of \$25 million in installment financing contracts, the issuance of \$5.4 million in leases, the issuance of \$5.1 million in information technology subscriptions, retirement of \$12.2 million limited obligation bonds, and retirement of \$7.07 million in installment financing contracts. The City received funding from Clean Water and Drinking Water State Revolving Loan Funds in the amount of \$34.31 million

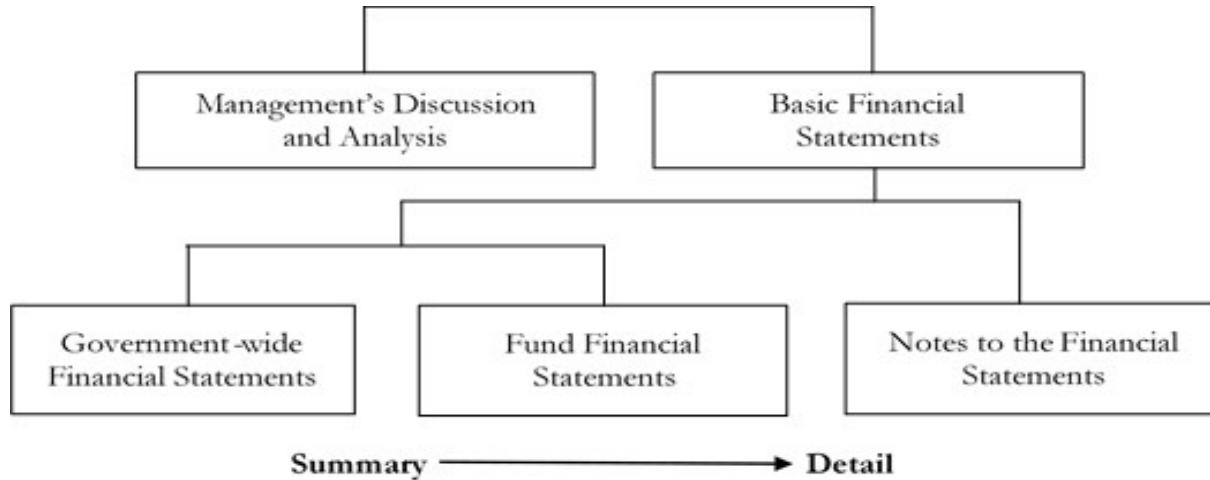
and retired \$5.5 million. The City had an increase in net pension liabilities of \$61.64 million and a decrease in OPEB liabilities of \$1.46 million.

- Property taxes supported 55.7% of governmental services to citizens and the community, and 52.2% of mass transportation expenses in 2023. The City increased the tax rate from \$.6124 to \$.6360 for fiscal year 2023.
- City of Winston-Salem maintained its AAA bond rating from all three major rating agencies.

## Overview of Financial Statements

### Required Components of Annual Financial Report

Figure 1



## Basic Financial Statements

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

## Government-wide Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the *Government-wide Financial Statements*. These financial statements provide a broad overview of the City’s financial position and operations, in a manner similar to a private-sector business. These statements also include 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 87% 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 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, 2023 (as shown in Exhibit 1) with comparative data for June 30, 2022.

### Net Position

**Figure 2**

	(dollars in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	Restated		2023	Restated 2022
			2023	2022		
Current and other assets	\$ 438,535	\$ 339,204	\$ 379,109	\$ 363,811	\$ 817,644	\$ 703,015
Capital assets	585,620	566,838	1,216,659	1,168,684	1,802,279	1,735,522
Net OPEB Asset	2,865	-	505	-	3,370	-
Total assets	1,027,020	906,042	1,596,273	1,532,495	2,623,293	2,438,537
Deferred outflows of resources	70,386	64,591	26,203	26,007	96,589	90,598
Long-term liabilities	551,078	440,121	618,928	594,968	1,170,006	1,035,089
Other liabilities	78,453	84,444	44,625	41,408	123,078	125,852
Total liabilities	629,531	524,565	663,553	636,376	1,293,084	1,160,941
Deferred inflows of resources	8,671	42,588	18,862	25,349	27,533	67,937
Net position:						
Net investment in capital assets	246,227	243,225	674,658	650,326	920,885	893,551
Restricted	182,721	144,992	33,526	38,111	216,247	183,103
Unrestricted	30,256	15,263	231,877	205,357	262,133	220,620
Total net position, as restated	\$ 459,204	\$ 403,480	\$ 940,061	\$ 893,794	\$ 1,399,265	\$ 1,297,274

As indicated above, assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources by \$1.399 billion as of June 30, 2023. Analysis of the business-type activities indicates that capital assets increased \$47.94 million and total net position increased \$43.28 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. The City issued revenue bonds in 2022, in part, to fund the AMI improvements. Business-type activities also experience an increase in cash due to favorable investment returns as well as a reduction in funding to capital projects, as revenue bond proceeds were available to fund the majority of capital improvements during this fiscal year.



Analysis of the governmental activities indicates that net position increased \$55.72 million; this is primarily attributable to an increase in cash due to various factors such as increased investment returns, a reduction in personnel expenditures due to increased vacancy rates, and revenue growth. The General Fund revenues came in \$5.6 million over budget as the City experienced higher growth than expected in sales tax revenues and property tax revenues.

A large portion of the City’s net position (66%) as of June 30, 2023, 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, 15.5% of the City’s net position, represents resources that are subject to external restrictions, such as the perpetual care fund and funds restricted for use under various grant programs. Restricted net position has increased by 18% as compared to the prior fiscal year, primarily due to an increase in the amount restricted by state statute due to an increase in encumbrances as well as an increase in the amount restricted for debt service as there is increased restricted cash due to the issuance of General Obligation Bonds during fiscal year 2023.

As of June 30, 2023, 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	
	2023	2022	2023	Restated 2022	2023	Restated 2022
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 39,539	\$ 30,018	\$ 159,474	\$ 157,272	\$ 199,013	\$ 187,290
Operating grants and contributions	37,519	62,290	9,464	10,139	46,983	72,429
Capital grants and contributions	1,349	769	12,006	7,395	13,355	8,164
General revenues:						
Property taxes	160,815	149,957	12,647	12,279	173,462	162,236
Sales taxes	68,476	62,962	-	-	68,476	62,962
Other local taxes	1,667	1,435	-	-	1,667	1,435
Telecommunications sales tax	1,051	1,051	-	-	1,051	1,051
Utilities sales tax	14,998	14,057	-	-	14,998	14,057
Piped natural gas sales tax	1,253	1,021	-	-	1,253	1,021
Video programming tax	1,827	1,903	-	-	1,827	1,903
Local tax reimbursements	1,134	992	-	-	1,134	992
Gain on disposal of capital assets	-	-	-	455	-	455
Investment income	9,801	(2,285)	19,520	(21,777)	29,321	(24,062)
Other	4,278	3,660	-	-	4,278	3,660
<b>Total revenues</b>	<b>343,707</b>	<b>327,830</b>	<b>213,111</b>	<b>165,763</b>	<b>556,818</b>	<b>493,593</b>

## Changes in Net Position

## Figure 3 Continued

(dollars in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	Restated 2022	2023	Restated 2022
<b>Expenses:</b>						
General government	44,475	38,897	-	-	44,475	38,897
Public protection	133,013	116,615	-	-	133,013	116,615
Environmental health	25,443	21,076	-	-	25,443	21,076
Transportation	21,846	20,139	-	-	21,846	20,139
Culture and recreation	17,027	15,475	-	-	17,027	15,475
Community and economic development	36,842	37,459	-	-	36,842	37,459
Human resources			-	-	-	-
Other						
Interest and fiscal charges	9,870	10,157	-	-	9,870	10,157
Water and sewer utility	-	-	107,884	96,459	107,884	96,459
Solid waste disposal	-	-	14,260	14,739	14,260	14,739
Stormwater management	-	-	7,320	6,595	7,320	6,595
Parking	-	-	1,537	1,449	1,537	1,449
Transit Authority	-	-	24,228	22,992	24,228	22,992
Public assembly facilities management	-	-	8,768	8,944	8,768	8,944
Fairgrounds	-	-	-	-	-	-
Risk management reserve	-	-	2,314	409	2,314	409
<b>Total expenses</b>	<b>288,516</b>	<b>259,818</b>	<b>166,311</b>	<b>151,587</b>	<b>454,827</b>	<b>411,405</b>
Increase in net position before transfers	55,191	68,012	46,800	14,176	101,991	82,188
<b>Transfers</b>						
Government-wide	533	(5,675)	(533)	5,675	-	-
Fiduciary funds	-	-	-	-	-	-
<b>Increase (decrease) in net position</b>	<b>55,724</b>	<b>62,337</b>	<b>46,267</b>	<b>19,851</b>	<b>101,991</b>	<b>82,188</b>
Net position - beginning	403,480	341,143	893,794	873,943	1,297,274	1,215,086
<b>Net position - ending</b>	<b>\$ 459,204</b>	<b>\$403,480</b>	<b>\$ 940,061</b>	<b>\$ 893,794</b>	<b>\$ 1,399,265</b>	<b>\$ 1,297,274</b>

## Governmental Activities

Net position of governmental activities increased by \$55.72 million. Key elements of this increase are as follows:

- Property tax revenues are recorded in governmental and business-type activities. During the fiscal year, property tax revenue increased by \$11.2 million which is a 6.5% increase. Governmental activities property tax revenue increased \$10.9 million or 6.75%. The increase in tax revenues is a result of an increase in the property tax rate as well as a 2.64% increase in assessed valuation. The 2023 property tax rate was \$0.6360, which was an increase of \$.0236 as compared to 2022. Current real and personal property tax collections during fiscal year 2023 were 99.4% of the current year levy.
- General revenues, other than property taxes and investment income, increased \$7.6 million, including a sales tax increase of \$5.5 million, which was 8.8% higher than 2022. Utilities sales tax increased \$941 thousand, which was 6.7% more than 2022.
- Investment income increased \$12.1 million as compared to 2022. During 2022, we sustained losses of \$2.3 million due to unusual market conditions. In 2023, the equity markets were favorable and short-term rates increased drastically. We also had a higher average cash balance available for investment during the fiscal year as compared to 2022.
- Program revenues provided 27.2% of the support for governmental services.
- Total governmental expenses increased \$28.7 million during fiscal year 2023. The largest increase can be seen in public protection, which is attributable to larger than average salary increases during the fiscal year, the creation of a new behavioral response team, and additional overtime expense as a result of increased position vacancies. Pension costs are also higher for 2023 due to increases in funding rates.

- Federal and state grants are an important source of supplementary funding for public facilities and programs. During fiscal year 2023, the City received \$38.9 million in grant revenue for restricted programs.

## Business-type Activities

Net position of business-type activities increased by \$46.3 million, primarily attributable to a \$41.3 million increase in investment income due to stronger market conditions as compared to 2022. An additional factor in the increase was charges for services which increased by \$2.2 million. Rate structures of enterprise operations, other than the Transit Authority and public assembly facilities management, are set, insofar as practicable, to recover full operating costs plus depreciation and interest expense and to provide a reasonable working capital and reserve. The parking and public assembly facilities funds are provided an operating subsidy through a transfer from the general fund. The Transit Authority is provided operating support from the 4.86 cents collected in property taxes to be used for mass transportation.

### Business-type Activities

June 30, 2023

Figure 4

(dollars in thousands)

	Operating Expenses		Nonoperating Revenues		Capital Contributions	Transfers In (Out)	Increase (Decrease) Net Position
	Operating Revenues	Before Depreciation Expense	Depreciation Expense	(Expenses)			
Water and sewer utility	\$ 129,694	\$ 53,779	\$ 36,723	\$ (7,722)	\$ 10,926	\$ (252)	\$ 42,144
Solid waste disposal	10,945	11,810	2,327	4,265	-	436	1,509
Stormwater management	10,782	5,664	1,433	1,507	-	(2,610)	2,582
Parking	621	1,064	473	(108)	-	769	(255)
Transit Authority	1,577	21,416	2,763	21,076	679	(34)	(881)
Public assembly facilities management	5,808	6,211	2,022	(445)	401	1,159	(1,310)
Risk management reserve	.	2,314	-	4,793	-	-	2,479
<b>Total</b>	<b>\$ 159,427</b>	<b>\$ 102,258</b>	<b>\$ 45,741</b>	<b>\$ 23,366</b>	<b>\$ 12,006</b>	<b>\$ (532)</b>	<b>\$ 46,268</b>

## 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 \$109.3 million of which \$54.8 million was unassigned. At year-end unassigned fund balance increased \$7.5 million as compared to fiscal year 2022 and was 20.01% of 2024 budgeted expenditures. The total fund balance of the general fund increased \$22.1 million during the fiscal year. This is primarily due to an increase in sales tax revenues as consumer demand and spending exceeded estimates. Another large factor in the growth of fund balance is an increase in property tax revenues which grew as a result of an increase in the tax rate. The City also realized expenditure savings primarily in the area of salaries and benefits due to unprecedented turnover and personnel vacancies experienced during the fiscal year.

The debt service fund has a fund balance of \$66.3 million as of June 30, 2023, an increase of \$13.8 million, all of which is restricted for payment of debt service.

The fund balance of the capital projects fund increased \$78.3 million, to \$150.4 million as of June 30, 2023, all of which is appropriated for capital projects.

**General Fund Budgetary Highlights.** The general fund revenues recognized a favorable budget variance of \$5.6 million during 2023. The City’s general fund budget had a favorable expenditure variance of \$32.8 million.

Major budget amendments included an increase in appropriations of \$5.2 million for carry over encumbrances, an increase of \$17.8 million to transfer American Rescue Plan funds to the general fund to be used for public protection salaries, as well as a transfer of \$4.4 million from the general fund to the capital projects fund for affordable housing. Funds were also appropriated during 2023 in the amount of \$1.5 million for sanitation operations and labor costs that were funded by additional sales tax revenues received.

**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 \$691.6 million, \$59.3 million and \$34.7 million on June 30, 2023, respectively. The net position of the water and sewer fund increased \$42.1 million primarily due to an increase in investment income as well as increase in charges for services. The water and sewer fund rates increased by 4.5% on average as compared to the fiscal year 2022 rates. In addition, the landfill rates were increased by \$1 per ton as compared to fiscal year 2022.

## 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, 2023, totals \$1.80 billion (net of accumulated depreciation and amortization). These assets include land, buildings, improvements other than buildings (infrastructure assets, such as streets, sidewalks, water and sewer lines), machinery and equipment, construction in progress, and right to use leased assets and subscription assets.

### Capital Assets (net of depreciation)

Figure 5

June 30, 2023 with Comparative Data for June 30, 2022

	(dollars in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 81,338	\$ 84,393	\$ 48,395	\$ 47,851	\$ 129,733	\$ 132,244
Buildings	169,444	152,359	157,727	164,732	327,171	317,091
Improvements other than buildings	243,040	218,193	859,046	826,651	1,102,086	1,044,844
Machinery and equipment	35,480	29,687	44,088	29,101	79,568	58,788
Construction in progress	43,669	76,764	106,061	100,349	149,730	177,113
Total	\$ 572,971	\$ 561,396	\$ 1,215,317	\$ 1,168,684	\$ 1,788,288	\$ 1,730,080
Right to use assets						
Leased equipment	\$ 135	\$ 365	\$ -	\$ -	\$ 135	\$ 365
Leased buildings	9,568	5,077	445	-	10,013	5,077
Subscription assets	2,946	-	897	-	3,843	-
Total right to use assets	\$ 12,649	\$ 5,442	\$ 1,342	\$ -	\$ 13,991	\$ 5,442
Grand total	\$ 585,620	\$ 566,838	\$ 1,216,659	\$ 1,168,684	\$ 1,802,279	\$ 1,735,522

Major capital asset transactions during the year include the following:

- Construction in progress for governmental activities was \$43.7 million, which reflects construction of street widening and resurfacing projects, improvements to recreation centers and parks, improvements to fire stations, and other economic development projects.
- Business-type capital assets increased \$48 million which included major improvements to the extension of water and sewer lines, installation of automated meter infrastructure, Hanes Landfill maintenance facility upgrade, stormwater system improvements, and the R. W. Neilson modernization project.

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

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

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

As of June 30, 2023, the City had total bonded debt outstanding of \$757 million, of which, \$243 million is backed by the City’s full faith and credit and taxing power, \$125 million is secured by city facilities, and \$389 million is secured solely by specified revenue sources. Revenues of the water and sewer utility system and stormwater management system are pledged as security for revenue bonds.

**Bonded Debt and Contractual Obligations Outstanding**

**Figure 6**

June 30, 2023 with Comparative Data for June 30, 2022

	(dollars in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Bonds</b>						
General obligation	\$ 243,195	\$ 193,160	\$ -	\$ -	\$ 243,195	\$ 193,160
Revenue	-	-	389,040	409,960	389,040	409,960
Limited obligation bonds (NCMLC)	101,356	112,190	23,714	25,079	125,070	137,269
<b>Other Contractual Obligations:</b>						
State loans	-	-	121,903	93,139	121,903	93,139
Installment contracts (NCMLC)	57,056	39,126	-	-	57,056	39,126
<b>Total</b>	<b>\$ 401,607</b>	<b>\$ 344,476</b>	<b>\$ 534,657</b>	<b>\$ 528,178</b>	<b>\$ 936,264</b>	<b>\$ 872,654</b>

The City has \$125 million in contractual lease obligations to the North Carolina Municipal Leasing Corporation (“NCMLC”) for limited obligation bonds issued by the corporation for property and equipment acquired by the City under installment agreements and issued to increase the funding level of the Winston-Salem Police Officers’ Retirement System. Installment financing agreements have funded equipment and certain real property acquired under the City’s internal leasing program for many years. Issues for equipment purchases have been between \$18 and \$25 million, approximately every other year since 1996. The City has \$57 million in outstanding installment purchase loans and \$122 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 63% of outstanding general obligation bonds will be repaid within 10 years as shown in the following schedule (excludes premium on issuance).

**General Obligation Bond Debt Service**

**Figure 7**

(dollars in thousands)

<u>Maturities</u>	<u>Principal</u>	<u>Percent of Total</u>	<u>Interest and Principal</u>
2024-2028	\$ 79,685	32.77%	\$ 118,910
2029-2033	73,395	30.18	97,240
2034-2038	65,475	26.92	75,494
2039-2043	24,640	10.13	26,863
	<u>\$ 243,195</u>	<u>100.00%</u>	<u>\$ 318,507</u>

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

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for the City is \$1,961,211,511.

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

**Budget Highlights for the Fiscal Year Ending June 30, 2024**

**Governmental Activities.** The general fund accounts for municipal services that are covered primarily by property and sales taxes. The fiscal year 2023-2024 adopted budget is \$273.9 million, an increase of \$23.0 million or 9.2% compared to the fiscal year 2022-2023 adopted budget.

The FY 2023-24 budget includes adjustments for the high rate of inflation, labor market tightening, and supply chain issues including increases in employee merit and retirement, and funding for critical infrastructure. The focus of the fiscal year 2024 budget is on strategic priorities and transformative outcomes. The City has maintained a AAA credit rating through strict adherence to sound budget principles and fiscal policies; it will be imperative to maintain this status.

The 2023-24 budget includes a general fund balance appropriation of \$8.03 million to be used exclusively for non-recurring purposes such as supplemental (one-time) pay adjustments, various management studies, one-time capital needs, and to fund a portion of year two of the Behavioral Evaluation and Response Team.

The fiscal year 2023-2024 operations budget is balanced by a tax rate of 66.1 cents per \$100, which is a 2.50 cent increase from the previous rate of 63.6 cents. The tax increase will cover the increased operating and personnel costs.

**Business-type Activities.** The City/County Utility Commission approved a resolution recommending the Mayor, Mayor Pro Tempore, and City Council adopt the fiscal year 2023-2024 budget for the water and sewer system and the solid waste fund. The recommended budget includes a volumetric and readiness to

serve rate increase that represents a 7% increase for the average residential water and sewer customer, as well as a \$1 per ton increase at the Hanes Mill Road Landfill.

The City Council also approved an 8% stormwater fee increase effective January 1, 2024, 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](http://www.cityofws.org).





# **Basic Financial Statements**

**City of Winston-Salem, North Carolina**  
**Statement of Net Position**

June 30, 2023

Exhibit 1

Page 1 of 2

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents/investments	\$ 271,270,983	\$ 225,765,647	\$ 497,036,630
Receivables			
Taxes, net	1,082,761	85,987	1,168,748
Accounts, net	3,508,992	16,858,346	20,367,338
Leases, net	402,873	510,389	913,262
Assessments, net	667,179	82,845	750,024
Loans, net	16,916,834	-	16,916,834
Total receivables	22,578,639	17,537,567	40,116,206
Due from other governments	29,768,220	8,074,599	37,842,819
Inventories	2,973,630	4,820,982	7,794,612
Prepaid items	202,506	115,794	318,300
Total current assets	326,793,978	256,314,589	583,108,567
<b>Noncurrent Assets</b>			
Restricted assets			
Cash and cash equivalents/investments	109,558,273	104,899,570	214,457,843
Net OPEB asset	2,865,421	505,478	3,370,899
Lease receivable, noncurrent	2,181,986	17,395,447	19,577,433
Capital assets			
Land	81,338,463	48,394,589	129,733,052
Construction in progress	43,669,123	106,060,625	149,729,748
Other capital assets, net of accumulated depreciation	447,963,334	1,060,861,361	1,508,824,695
Right to use leased assets, net of amortization	9,702,657	444,538	10,147,195
Right to use subscription assets, net of amortization	2,946,319	897,416	3,843,735
Accounts receivables	-	500,000	500,000
Total noncurrent assets	700,225,576	1,339,959,024	2,040,184,600
Total assets	1,027,019,554	1,596,273,613	2,623,293,167
<b>Deferred Outflows of Resources</b>			
Pension deferrals	67,289,262	9,036,470	76,325,732
OPEB deferrals	842,607	148,640	991,247
Charge on refunding	2,253,809	17,018,294	19,272,103
Total deferred outflows of resources	70,385,678	26,203,404	96,589,082

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

**City of Winston-Salem, North Carolina**  
**Statement of Net Position**

June 30, 2023

Exhibit 1

Page 2 of 2

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 17,931,757	\$ 9,792,468	\$ 27,724,225
Accrued payroll	2,399,848	581,365	2,981,213
Accrued vacation	8,465,633	1,542,956	10,008,589
Accrued interest payable	1,438,436	1,520,890	2,959,326
Loan escrow	8,719	-	8,719
Unearned revenue	1,519,217	122,538	1,641,755
Landfill closure and postclosure costs	-	378,000	378,000
Pollution remediation	-	21,793	21,793
Current maturities			
Claims payable	6,703,555	217,734	6,921,289
Leases payable	593,718	6,725	600,443
Subscriptions payable	1,284,768	654,984	1,939,752
Contracts payable	18,567,204	8,655,141	27,222,345
Bonds payable	17,670,000	21,130,000	38,800,000
Total current liabilities	<u>76,582,855</u>	<u>44,624,594</u>	<u>121,207,449</u>
<b>Noncurrent Liabilities</b>			
Construction contracts payable from restricted assets	-	17,408,491	17,408,491
Accrued vacation	8,476,732	1,064,446	9,541,178
Net pension liability	137,045,178	13,776,968	150,822,146
Landfill closure and postclosure costs	-	28,900,524	28,900,524
Pollution remediation	-	1,929,803	1,929,803
Claims payable	3,832,660	2,335,417	6,168,077
Leases payable	9,185,551	445,539	9,631,090
Subscriptions payable	1,078,506	118,093	1,196,599
Contracts payable	143,253,232	137,233,335	280,486,567
Bonds payable	250,075,827	415,715,774	665,791,601
Total noncurrent liabilities	<u>552,947,686</u>	<u>618,928,390</u>	<u>1,171,876,076</u>
Total liabilities	<u>629,530,541</u>	<u>663,552,984</u>	<u>1,293,083,525</u>
<b>Deferred Inflows of Resources</b>			
Leases	2,645,002	18,141,802	20,786,804
Accounts and assessments	136,337	-	136,337
Pension deferrals	4,995,078	501,126	5,496,204
OPEB deferrals	894,534	157,801	1,052,335
Charge on refunding	-	61,274	61,274
Total deferred inflows of resources	<u>8,670,951</u>	<u>18,862,003</u>	<u>27,532,954</u>
<b>Net Position</b>			
Net investment in capital assets	246,227,387	674,658,191	920,885,578
Restricted for:			
Stabilization by state statute	90,044,620	-	90,044,620
Debt service	63,160,804	-	63,160,804
Capital improvements	-	33,020,922	33,020,922
General government	124,805	-	124,805
Public protection	2,794,540	-	2,794,540
Environmental health	4,082	-	4,082
Transportation	8,813,663	-	8,813,663
Culture and recreation	1,199,488	-	1,199,488
Community and economic development	9,069,728	-	9,069,728
OPEB	2,865,421	505,478	3,370,899
Perpetual care	4,642,773	-	4,642,773
Unrestricted	30,256,429	231,877,439	262,133,868
<b>Total net position</b>	<u><b>\$ 459,203,740</b></u>	<u><b>\$ 940,062,030</b></u>	<u><b>\$ 1,399,265,770</b></u>

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

# City of Winston-Salem, North Carolina

## Statement of Activities

For the Fiscal Year Ended June 30, 2023

Exhibit 2

Page 1 of 2

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Activities:</b>				
<b>Governmental:</b>				
General government	\$ 44,475,366	\$ 16,065,314	\$ 1,002,087	\$ -
Public protection	133,013,095	2,391,089	20,324,981	-
Environmental health	25,443,236	2,081,710	-	-
Transportation	21,846,047	2,362,224	9,425,292	1,260,669
Culture and recreation	17,026,677	1,050,761	-	88,140
Community and economic development	36,842,122	15,588,350	6,767,005	-
Interest and fiscal charges	9,868,649	-	-	-
Total governmental activities	288,515,192	39,539,448	37,519,365	1,348,809
<b>Business-type:</b>				
Water and sewer utility	107,883,663	129,713,989	-	10,926,456
Solid waste disposal	14,258,736	10,945,273	1,162,577	-
Stormwater management	7,320,320	10,782,532	122,326	-
Parking	1,536,919	620,856	(137,431)	-
Transit Authority	24,228,158	1,603,338	8,316,786	678,816
Public assembly facilities management	8,767,927	5,808,019	-	400,567
Risk management reserve	2,314,103	-	-	-
Total business-type activities	166,309,826	159,474,007	9,464,258	12,005,839
<b>Total Primary Government</b>	<b>\$ 454,825,018</b>	<b>\$ 199,013,455</b>	<b>\$ 46,983,623</b>	<b>\$ 13,354,648</b>

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

**City of Winston-Salem, North Carolina**  
**Statement of Activities**

For the Fiscal Year Ended June 30, 2023

Exhibit 2

Page 2 of 2

Exhibit 2

Page 2 of 2

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Activities:</b>			
<b>Governmental:</b>			
General government	\$ (27,407,965)	\$ -	\$ (27,407,965)
Public protection	(110,297,025)	-	(110,297,025)
Environmental health	(23,361,526)	-	(23,361,526)
Transportation	(8,797,862)	-	(8,797,862)
Culture and recreation	(15,887,776)	-	(15,887,776)
Community and economic development	(14,486,767)	-	(14,486,767)
Interest and fiscal charges	(9,868,649)	-	(9,868,649)
Total governmental activities	(210,107,570)	-	(210,107,570)
<b>Business-type:</b>			
Water and sewer utility	-	32,756,782	32,756,782
Solid waste disposal	-	(2,150,886)	(2,150,886)
Stormwater management	-	3,584,538	3,584,538
Parking	-	(1,053,494)	(1,053,494)
Transit Authority	-	(13,629,218)	(13,629,218)
Public assembly facilities management	-	(2,559,341)	(2,559,341)
Risk management reserve	-	(2,314,103)	(2,314,103)
Total business-type activities	-	14,634,278	14,634,278
<b>Total Primary Government</b>	<b>(210,107,570)</b>	<b>14,634,278</b>	<b>(195,473,292)</b>
<b>General revenues:</b>			
<b>Taxes:</b>			
Property taxes	160,814,721	12,646,662	173,461,383
Sales taxes	68,476,430	-	68,476,430
Gross receipts taxes	538,339	-	538,339
Occupancy taxes	1,129,135	-	1,129,135
Beer and wine excise tax-state	1,134,212	-	1,134,212
Telecommunications sales tax	1,051,074	-	1,051,074
Utilities sales tax	14,998,250	-	14,998,250
Piped natural gas sales tax	1,252,678	-	1,252,678
Video programming tax	1,826,604	-	1,826,604
Payments in lieu of taxes	445,827	-	445,827
ABC store allocations	3,831,360	-	3,831,360
Investment income	9,801,311	19,520,067	29,321,378
<b>Transfers</b>			
Government-wide	532,715	(532,715)	-
Total general revenues and transfers	265,832,656	31,634,014	297,466,670
Change in net position	55,725,086	46,268,292	101,993,378
Net position - beginning, as previously stated	403,478,654	896,776,888	1,300,255,542
Restatement note H	-	(2,983,150)	(2,983,150)
Total net position - beginning, as restated	403,478,654	893,793,738	1,297,272,392
<b>Total net position - ending</b>	<b>\$ 459,203,740</b>	<b>\$ 940,062,030</b>	<b>\$ 1,399,265,770</b>

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

**City of Winston-Salem, North Carolina**  
**Balance Sheet**  
**Governmental Funds**

June 30, 2023

Exhibit 3

	General Fund	Debt Service Fund	Capital Projects Fund	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents/investments	\$ 91,099,317	\$ 63,261,005	\$ 55,791,898	\$ -	\$ 28,540,452	\$ 238,692,672
Restricted cash and cash equivalents	-	-	100,062,488	-	9,495,785	109,558,273
Receivables						
Taxes, net	899,342	182,072	-	-	1,347	1,082,761
Accounts, net	2,436,259	530,000	191,330	-	814	3,158,403
Leases, net	913,310	-	1,530,000	-	141,549	2,584,859
Assessments, net	666,899	-	280	-	-	667,179
Loans	-	-	-	-	16,916,834	16,916,834
Total receivables	4,915,810	712,072	1,721,610	-	17,060,544	24,410,036
Due from other governments	22,819,463	3,149,157	713,186	-	3,086,414	29,768,220
Due from other funds	419,430	-	-	-	-	419,430
Inventories	515,935	-	-	-	500,629	1,016,564
Prepaid items	62,883	-	-	-	-	62,883
<b>Total assets</b>	<b>\$ 119,832,838</b>	<b>\$ 67,122,234</b>	<b>\$ 158,289,182</b>	<b>\$ -</b>	<b>\$ 58,683,824</b>	<b>\$ 403,928,078</b>
<b>Liabilities</b>						
Accounts payable	\$ 5,613,297	\$ 58,043	\$ 5,488,901	\$ -	\$ 1,059,857	\$ 12,220,098
Accrued payroll	2,297,959	-	-	-	1,038	2,298,997
Due to other funds	-	-	-	-	137,770	137,770
Loan escrow	2,592	-	-	-	6,127	8,719
Unearned revenue	53,013	3,351	784,500	-	678,353	1,519,217
Total liabilities	7,966,861	61,394	6,273,401	-	1,883,145	16,184,801
<b>Deferred Inflows of Resources</b>						
Taxes	899,342	182,072	-	-	1,347	1,082,761
Leases	901,609	-	1,607,604	-	135,789	2,645,002
Accounts and Assessments	803,132	530,000	687	-	-	1,333,819
Total deferred inflows of resources	2,604,083	712,072	1,608,291	-	137,136	5,061,582
<b>Fund Balances</b>						
Nonspendable						
Leases	11,701	-	-	-	5,760	17,461
Inventories	515,935	-	-	-	500,629	1,016,564
Prepays	62,883	-	-	-	-	62,883
Perpetual care	-	-	-	-	4,642,773	4,642,773
Restricted						
Stabilization by state statute	43,702,742	3,187,964	33,137,483	-	10,016,431	90,044,620
Debt service	-	63,160,804	-	-	-	63,160,804
Capital improvements	-	-	100,062,488	-	-	100,062,488
General government	-	-	-	-	124,805	124,805
Public protection	-	-	-	-	2,794,540	2,794,540
Environmental health	-	-	-	-	4,082	4,082
Transportation	-	-	-	-	8,813,663	8,813,663
Culture and recreation	-	-	-	-	1,199,488	1,199,488
Community and economic development	-	-	-	-	9,069,728	9,069,728
Committed						
Capital improvements	-	-	17,207,519	-	-	17,207,519
Community and economic development	-	-	-	-	19,491,644	19,491,644
Assigned						
Subsequent year's budget	8,028,620	-	-	-	-	8,028,620
Local fiscal recovery	2,137,800	-	-	-	-	2,137,800
Unassigned	54,802,213	-	-	-	-	54,802,213
Total fund balances	109,261,894	66,348,768	150,407,490	-	56,663,543	382,681,695
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 119,832,838</b>	<b>\$ 67,122,234</b>	<b>\$ 158,289,182</b>	<b>\$ -</b>	<b>\$ 58,683,824</b>	<b>\$ 403,928,078</b>

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

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

*June 30, 2023*

Exhibit 3.1

Total fund balances for governmental funds (Exhibit 3)	\$ 382,681,695
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	888,244,708
Accumulated depreciation	(315,273,788)
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	11,009,097
Accumulated amortization	(1,306,440)
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	3,689,267
Accumulated amortization	(742,948)
Net OPEB asset	2,865,421
Pension deferrals in the current fiscal year are deferred outflows of resources on the statement of net position.	67,289,262
OPEB deferrals in the current fiscal year are deferred outflows of resources on the statement of net position.	842,607
Other assets not available to pay for current period expenditures and, therefore, are inflows of resources in fund statements.	4,534,052
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.	18,395,204
Net pension liability	(137,045,178)
Pension related deferrals	(4,995,078)
OPEB related deferrals	(894,534)
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities:	
Accrued payroll	
Accrued vacation	(16,942,365)
Accrued interest	(1,438,436)
Leases	(9,779,269)
Subscriptions	(2,363,274)
Contracts payable	(161,820,436)
Bonds payable	(267,745,827)
<b>Net position of governmental activities (Exhibit 1)</b>	<b><u>\$ 459,203,740</u></b>

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

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

For the Fiscal Year Ended June 30, 2023

Exhibit 4

	General Fund	Debt Service Fund	Capital Projects Fund	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 192,040,945	\$ 37,023,953	\$ -	\$ -	\$ 1,793,404	\$ 230,858,302
Licenses and permits	6,721,847	-	-	-	-	6,721,847
Intergovernmental	23,507,501	1,484,061	1,348,810	17,807,902	19,259,905	63,408,179
Investment income	-	6,831,372	527,157	176,029	1,512,648	9,047,206
Charges for services	17,630,918	-	142,096	-	8,107	17,781,121
NCMLC charges	-	-	408,514	-	-	408,514
Other	2,685,697	2,114,619	8,635,856	-	1,241,588	14,677,760
Total revenues	242,586,908	47,454,005	11,062,433	17,983,931	23,815,652	342,902,929
<b>Expenditures</b>						
<b>Current</b>						
General government	44,447,303	-	-	62,760	245,994	44,756,057
Public protection	122,233,792	-	-	-	2,810,220	125,044,012
Environmental health	25,942,743	-	-	-	-	25,942,743
Transportation	12,286,032	-	-	-	2,475,108	14,761,140
Culture and recreation	13,063,538	-	-	-	715,805	13,779,343
Community & econ development	16,478,784	-	-	-	9,078,965	25,557,749
Other	-	517,084	-	-	-	517,084
Capital outlay	-	-	42,949,771	-	-	42,949,771
Debt service						
Bond	-	13,860,000	-	-	-	13,860,000
Other	763,430	10,685,597	7,229,501	-	217,496	18,896,024
Interest and fiscal charges						
Bond	-	6,706,421	-	-	-	6,706,421
Other	105,136	3,442,945	1,129,220	-	2,004	4,679,305
Total expenditures	235,320,758	35,212,047	51,308,492	62,760	15,545,592	337,449,649
Excess of revenues over (under) expenditures	7,266,150	12,241,958	(40,246,059)	17,921,171	8,270,060	5,453,280
<b>Other Financing Sources (Uses)</b>						
Premium on general obligation bonds	-	-	8,240,117	-	-	8,240,117
Issuance of general obligation bonds	-	-	63,895,000	-	-	63,895,000
Issuance of contracts payable	-	-	31,166,829	-	-	31,166,829
Transfers in	26,269,248	2,102,410	15,467,457	-	3,445,012	47,284,127
Transfers out	(17,516,649)	(526,010)	(227,170)	(17,930,142)	(10,423,081)	(46,623,052)
Lease liabilities issued	4,979,884	-	-	-	-	4,979,884
IT subscription agreements	1,061,181	-	-	-	432,916	1,494,097
Total other financing sources (uses), net	14,793,664	1,576,400	118,542,233	(17,930,142)	(6,545,153)	110,437,002
Net change in fund balances	22,059,814	13,818,358	78,296,174	(8,971)	1,724,907	115,890,282
Fund balance - beginning	87,202,080	52,530,410	72,111,316	8,971	54,938,636	266,791,413
<b>Fund balances - ending</b>	<b>\$ 109,261,894</b>	<b>\$ 66,348,768</b>	<b>\$ 150,407,490</b>	<b>\$ -</b>	<b>\$ 56,663,543</b>	<b>\$ 382,681,695</b>

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



***City of Winston-Salem, North Carolina***  
***Reconciliation of the Statement of Revenues, Expenditures, and Changes***  
***in Fund Balances of Governmental Funds to the Statement of Activities***

*For the Fiscal Year Ended June 30, 2023*

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)	\$ 115,890,282
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.</p>	
Capital outlay expenditures which were capitalized	44,900,363
Depreciation expense for governmental assets	(20,939,534)
Amortization expense for right to use assets	(1,029,603)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(4,731,363)
Contributions to the pension plan in the current fiscal year are not included on the statement of activities.	13,152,072
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	50,529
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.	374,080
<p>The issuance of long-term debt is reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also governmental funds report the effect of issuance costs, premiums and discounts, and similar items as expenses when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	
Debt issued:	
Premium on general obligation bonds	(8,240,117)
Issuance of general obligation bonds	(63,895,000)
Issuance of leases	(4,979,884)
Equipment contracts payable	(31,166,829)
Issuance of subscription based IT agreements	(1,494,096)
Decrease in contracts payable	5,825,926
Repayments:	
Bonds	13,860,000
Leases	634,665
Limited obligation bonds and installment financing	17,681,078
Subscriptions	580,281
<p>Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.</p>	
Pension expense	(23,838,670)
OPEB expense	3,255,081
Accrued vacation	(1,681,250)
Amortization of financing costs	1,794,520
Accrued interest on bonds	(228,891)
Accrued interest on subscriptions	(9,096)
Accrued interest payable on leases	(15,986)
Accrued interest on limited obligation bonds	(23,472)
<b>Change in net position of governmental activities (Exhibit 2)</b>	<b>\$ 55,725,086</b>

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

**City of Winston-Salem, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**General Fund**

For the Fiscal Year Ended June 30, 2023

Exhibit 5  
Page 1 of 5

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes				
Property taxes				
Current levy	\$ 130,780,020	\$ 130,780,020	\$ 132,985,247	\$ 2,205,227
Prior years levies	450,000	450,000	408,181	(41,819)
Penalty and interest on taxes	400,000	400,000	520,883	120,883
Total property taxes	131,630,020	131,630,020	133,914,311	2,284,291
Other local taxes				
Local option sales taxes	54,649,990	56,099,990	57,588,295	1,488,305
Gross receipts taxes	360,000	360,000	538,339	178,339
Total other local taxes	55,009,990	56,459,990	58,126,634	1,666,644
Total taxes	186,640,010	188,090,010	192,040,945	3,950,935
Licenses and permits				
Building permits	2,030,850	2,030,850	1,793,920	(236,930)
Electrical permits	1,200,000	1,200,000	1,160,617	(39,383)
Plumbing permits	500,000	500,000	498,435	(1,565)
Heating permits	775,000	775,000	781,508	6,508
Erosion control permits	-	-	3,525	3,525
Zoning board ordinances	16,000	16,000	14,410	(1,590)
Other construction related permits	116,500	116,500	109,466	(7,034)
Site inspection permits	8,000	8,000	8,770	770
Zoning permits	250,000	250,000	227,510	(22,490)
Refrigeration permits	4,500	4,500	5,142	642
Privilege licenses and penalties	8,000	8,000	6,593	(1,407)
Motor vehicle licenses	1,878,140	1,878,140	1,866,410	(11,730)
Other licenses and permits	228,830	228,830	245,541	16,711
Total licenses and permits	7,015,820	7,015,820	6,721,847	(293,973)
Intergovernmental revenues				
Beer and wine excise tax - state	1,013,180	1,013,180	1,134,212	121,032
Telecommunications sales tax	1,015,660	1,015,660	1,051,074	35,414
Utilities sales tax	13,850,020	13,850,020	14,998,250	1,148,230
Piped natural gas sales tax	889,930	889,930	1,252,678	362,748
Video programming tax	1,727,250	1,727,250	1,826,604	99,354
Payments in lieu of taxes	217,700	217,700	445,827	228,127
Emergency management	62,500	62,500	80,907	18,407
Other federal support	-	-	146,926	146,926
Other state grants	-	-	16,783	16,783
ABC store allocations	2,241,310	2,241,310	2,554,240	312,930
Total intergovernmental revenues	21,017,550	21,017,550	23,507,501	2,489,951

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

**City of Winston-Salem, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**General Fund**

For the Fiscal Year Ended June 30, 2023

Exhibit 5  
Page 2 of 5

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues (continued)</b>				
Charges for sales and services				
Governmental services and sales				
Public safety services	\$ 92,800	\$ 92,800	\$ 50,761	\$ (42,039)
Transportation	200,000	200,000	241,704	41,704
Public works services	2,335,880	2,335,880	2,192,036	(143,844)
Governmental services	758,000	757,500	894,963	137,463
Miscellaneous sales and services	367,850	367,850	467,484	99,634
Total governmental services and sales	<u>3,754,530</u>	<u>3,754,030</u>	<u>3,846,948</u>	<u>92,918</u>
Charges to State of North Carolina				
Highway maintenance/special projects	224,760	224,760	220,254	(4,506)
Traffic control devices	375,000	375,000	370,628	(4,372)
Computerized traffic system	100,000	100,000	159,494	59,494
Total charges to state	<u>699,760</u>	<u>699,760</u>	<u>750,376</u>	<u>50,616</u>
Charges to Other Governments				
Forsyth County				
Planning board support	1,508,930	1,508,930	1,247,925	(261,005)
Emergency management	480,180	480,180	460,590	(19,590)
Inspections	-	-	22,625	22,625
Purchasing	152,040	152,040	134,393	(17,647)
Police	648,460	648,460	636,589	(11,871)
Other	28,000	28,000	28,973	973
Total charges to county	<u>2,817,610</u>	<u>2,817,610</u>	<u>2,531,095</u>	<u>(286,515)</u>
Interfund charges for services				
Engineering	1,325,000	1,325,000	1,242,402	(82,598)
Financial management services	1,238,780	1,238,780	1,238,780	-
Streets	150,000	150,000	126,780	(23,220)
Planning	500	500	0	(500)
Property management	1,816,500	1,816,500	1,455,744	(360,756)
Sanitation	40,000	40,000	38,390	(1,610)
Police	357,500	357,500	354,482	(3,018)
Real estate	100,000	100,000	105,164	5,164
Street cuts	-	-	2,590	2,590
Indirect cost allocation	5,476,780	5,476,780	5,340,010	(136,770)
Traffic engineering	427,000	427,000	449,192	22,192
Vegetation management services	50,000	50,000	46,741	(3,259)
Human relations	-	-	16,000	16,000
TURN program	166,660	166,660	72,044	(94,616)
Other	-	-	14,180	14,180
Total interfund charges for services	<u>11,148,720</u>	<u>11,148,720</u>	<u>10,502,499</u>	<u>(646,221)</u>
Total charges for sales and services	<u>18,420,620</u>	<u>18,420,120</u>	<u>17,630,918</u>	<u>(789,202)</u>

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

**City of Winston-Salem, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**General Fund**

For the Fiscal Year Ended June 30, 2023

Exhibit 5  
Page 3 of 5

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues (continued)</b>				
Other revenues				
Rentals	\$ 472,700	\$ 472,700	\$ 334,125	\$ (138,575)
Sales of property	310,000	310,000	636,878	326,878
Parking meters	110,000	110,000	97,833	(12,167)
Parking tickets	150,000	150,000	152,687	2,687
Fines and forfeitures	736,200	736,200	499,467	(236,733)
Miscellaneous revenue	592,383	623,557	964,707	341,150
Total other revenues	<u>2,371,283</u>	<u>2,402,457</u>	<u>2,685,697</u>	<u>283,240</u>
Total revenues	235,465,283	236,945,957	242,586,908	5,640,951
<b>Expenditures (by function)</b>				
General government				
Legislative	1,977,310	2,028,261	2,008,197	20,064
Executive	5,259,140	5,245,881	5,173,453	72,428
Staff services	8,572,120	8,986,266	8,679,177	307,089
Financial management	8,336,890	8,342,183	7,523,983	818,200
Intergovernmental services	13,853,062	14,506,851	13,669,432	837,419
Employee health	554,540	589,540	565,127	24,413
Human relations	1,005,420	1,046,071	946,503	99,568
Property tax collections	744,130	1,228,318	1,060,938	167,380
Total general government	<u>40,302,612</u>	<u>41,973,371</u>	<u>39,626,810</u>	<u>2,346,561</u>
Public protection				
Police	85,798,887	86,692,601	78,015,919	8,676,682
Fire	40,977,510	41,583,850	42,219,212	(635,362)
Emergency management	798,993	862,070	778,089	83,981
Total public protection	<u>127,575,390</u>	<u>129,138,521</u>	<u>121,013,220</u>	<u>8,125,301</u>
Environmental health				
Sanitation administration	1,046,686	1,126,818	1,000,342	126,476
Organic and solid waste collection	10,424,390	11,362,469	10,893,485	468,984
Sustainability	6,647,100	6,980,208	5,745,833	1,234,375
Yard waste collections	1,232,190	1,236,402	1,320,435	(84,033)
Curbside collection	7,338,830	7,830,877	6,982,648	848,229
Total environmental health	<u>26,689,196</u>	<u>28,536,774</u>	<u>25,942,743</u>	<u>2,594,031</u>

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

**City of Winston-Salem, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**General Fund**

For the Fiscal Year Ended June 30, 2023

Exhibit 5  
Page 4 of 5

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Expenditures (by function continued)</b>				
Transportation				
Technical support	\$ 2,177,425	\$ 2,325,389	\$ 1,533,710	\$ 791,679
Signal system operations	510,520	660,988	417,371	243,617
Traffic system maintenance	6,498,410	6,821,174	5,935,001	886,173
Street parking	328,100	416,086	318,578	97,508
Streets and sidewalks	6,152,441	7,921,695	4,081,372	3,840,323
Total transportation	15,666,896	18,145,332	12,286,032	5,859,300
Culture and recreation				
Recreation administration	1,651,630	1,563,922	1,476,732	87,190
Participant recreation	13,180,250	14,231,436	11,586,806	2,644,630
Total culture and recreation	14,831,880	15,795,358	13,063,538	2,731,820
Community and economic development				
Zoning and construction control	5,146,230	5,115,984	4,482,315	633,669
Real estate management	445,190	445,190	460,992	(15,802)
Planning board	2,648,180	2,738,035	2,264,732	473,303
Housing services	5,542,570	5,628,074	4,067,641	1,560,433
Housing and neighborhood development	1,148,030	1,149,800	909,048	240,752
Housing finance repayment	196,510	196,510	196,510	-
Economic development	1,900,920	2,001,191	1,386,794	614,397
Community agencies	824,450	14,451,786	2,710,752	11,741,034
Total community and economic development	17,852,080	31,726,570	16,478,784	15,247,786
Debt service				
Principal	763,430	763,430	763,430	-
Interest and other charges	105,136	105,136	105,136	-
Total debt service	868,566	868,566	868,566	-
Other				
Appropriated expenditure reductions	(4,067,150)	(4,067,150)	-	(4,067,150)
Total other	(4,067,150)	(4,067,150)	-	(4,067,150)
Total expenditures	239,719,470	262,117,342	229,279,693	32,837,649
Excess of expenditures (over) under revenues	(4,254,187)	(25,171,385)	13,307,215	38,478,600

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

**City of Winston-Salem, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**General Fund**

For the Fiscal Year Ended June 30, 2023

Exhibit 5  
Page 5 of 5

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in				
Community development fund	\$ 1,180,650	\$ 1,180,650	\$ 895,010	\$ (285,640)
Gasoline tax fund	5,146,100	5,146,100	4,498,517	(647,583)
Economic and housing development fund	65,000	65,000	65,000	-
American rescue plan fund	-	17,930,142	17,930,142	-
Capital projects fund	157,170	97,170	97,170	-
Cemetery perpetual care fund	229,127	229,127	229,127	-
Water and sewer utility fund	90,900	90,900	82,096	(8,804)
Stormwater fund	2,352,630	2,352,630	2,343,826	(8,804)
Workers' compensation fund	128,360	128,360	128,360	-
Total transfers in	<u>9,349,937</u>	<u>27,220,079</u>	<u>26,269,248</u>	<u>(950,831)</u>
Transfers out				
Grants fund	(508,740)	(519,860)	(276,978)	242,882
Economic and housing development fund	(3,078,740)	(3,078,740)	(3,078,740)	-
Debt service fund	(2,102,410)	(2,102,410)	(2,102,410)	-
Capital projects fund	(4,130,000)	(10,917,030)	(10,917,030)	-
Parking fund	(768,570)	(768,570)	(768,570)	-
Public assembly facilities management fund	(592,620)	(592,620)	(372,921)	219,699
Total transfers out	<u>(11,181,080)</u>	<u>(17,979,230)</u>	<u>(17,516,649)</u>	<u>462,581</u>
Total other financing sources, net	<u>(1,831,143)</u>	<u>9,240,849</u>	<u>8,752,599</u>	<u>(488,250)</u>
Appropriated fund balance	6,085,330	15,930,536	-	15,930,536
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	22,059,814	22,059,814
Fund balance July 1			<u>87,202,080</u>	
<b>Fund balance June 30</b>			<u><u>\$ 109,261,894</u></u>	
Other reconciling items:				
Lease liabilities issued			4,979,884	
IT subscription agreement			1,061,181	
Capital outlay - leases issued			(4,979,884)	
Capital outlay - subscription based information technology agreements			(1,061,181)	
<b>Fund balance June 30</b>			<u><u>\$ 109,261,894</u></u>	

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

**City of Winston-Salem, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**  
June 30, 2023

Exhibit 6  
Page 1 of 2

	Enterprise Funds				Total	Internal Service Funds
	Water and Sewer Utility	Solid Waste Disposal	Transit Authority	Nonmajor Funds		
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents						
/investments	\$ 103,995,296	\$ 33,344,737	\$ 4,968,973	\$ 32,533,737	\$ 174,842,743	83,501,215
Receivables for uncollectibles						
Taxes, net	-	-	85,987	-	85,987	-
Accounts, net	15,200,095	173,314	92,143	1,392,794	16,858,346	350,589
Assessments, net	82,845	-	-	-	82,845	-
Leases	63,211	-	-	447,178	510,389	-
Total receivables	15,346,151	173,314	178,130	1,839,972	17,537,567	350,589
Due from other governments	552,974	-	7,236,976	284,649	8,074,599	-
Inventories	4,458,970	-	362,012	-	4,820,982	1,957,066
Prepaid expenses	-	-	-	115,794	115,794	139,623
Total current assets	124,353,391	33,518,051	12,746,091	34,774,152	205,391,685	85,948,493
<b>Noncurrent Assets</b>						
Restricted assets						
Cash and cash equivalents						
/investments	75,431,646	29,278,524	-	189,400	104,899,570	-
Net OPEB asset	385,528	41,027	-	78,923	505,478	128,433
Capital assets						
Land	20,281,276	12,664,670	2,239,883	13,208,760	48,394,589	801,682
Construction in progress	92,929,835	2,512,308	3,563,560	7,054,922	106,060,625	219,254
Other capital assets, net of accumulated depreciation	944,575,804	16,434,899	18,070,478	81,780,180	1,060,861,361	5,458,222
Right to use assets, net of amortization	444,538	-	-	-	444,538	-
Right to use subscriptions, net of amortization	897,416	-	-	-	897,416	1,763,015
Accounts receivables	-	-	-	500,000	500,000	-
Lease receivable, noncurrent	451,277	-	-	16,944,170	17,395,447	-
Total noncurrent assets	1,135,397,320	60,931,428	23,873,921	119,756,355	1,339,959,024	8,370,606
Total assets	1,259,750,711	94,449,479	36,620,012	154,530,507	1,545,350,709	94,319,099
<b>Deferred Outflows of Resources</b>						
Pension deferrals	6,877,492	731,881	-	1,407,921	9,017,294	2,310,321
OPEB deferrals	113,368	12,064	-	23,208	148,640	37,767
Charge on refunding	17,012,227	-	-	6,067	17,018,294	-
Total deferred outflows of resources	24,003,087	743,945	-	1,437,196	26,184,228	2,348,088

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

**City of Winston-Salem, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**  
June 30, 2023

Exhibit 6  
Page 2 of 2

Liabilities	Enterprise Funds				Total	Internal Service Funds
	Water and Sewer Utility	Solid Waste Disposal	Transit Authority	Nonmajor Funds		
<b>Current Liabilities</b>						
Accounts payable	6,810,559	580,887	895,496	1,392,131	9,679,073	5,825,054
Accrued payroll	287,820	31,066	200,480	59,740	579,106	103,110
Accrued vacation	595,236	54,106	757,983	135,179	1,542,504	329,537
Accrued interest payable	1,451,959	7,592	-	61,339	1,520,890	13,963
Due to other funds	-	-	-	-	-	281,660
Unearned revenue	1,300	-	87,610	33,628	122,538	-
Landfill closure and postclosure costs	-	378,000	-	-	378,000	-
Pollution remediation	-	-	-	21,793	21,793	-
Current maturities						
Claims payable	-	-	-	-	-	6,921,289
Contracts payable	6,019,771	1,476,674	-	1,158,696	8,655,141	1,174,286
Lease Payable	6,725	-	-	-	6,725	-
Subscriptions payable	654,984	-	-	-	654,984	724,603
Bonds payable	20,500,000	-	-	630,000	21,130,000	-
<b>Total current liabilities</b>	<b>36,328,354</b>	<b>2,528,325</b>	<b>1,941,569</b>	<b>3,492,506</b>	<b>44,290,754</b>	<b>15,373,502</b>
<b>Noncurrent Liabilities</b>						
Construction contracts payable from restricted assets	17,408,491	-	-	-	17,408,491	-
Accrued vacation	802,308	78,425	-	183,713	1,064,446	160,606
Net pension liability	10,485,397	1,115,824	-	2,146,511	13,747,732	3,522,307
Landfill closure and postclosure costs	-	28,900,524	-	-	28,900,524	-
Pollution remediation	-	-	-	1,929,803	1,929,803	-
Claims payable	-	-	-	-	-	6,168,077
Contracts payable	116,813,158	3,195,134	-	17,225,043	137,233,335	2,066,206
Lease Payable	445,539	-	-	-	445,539	-
Subscriptions payable	118,093	-	-	-	118,093	724,856
Bonds payable	408,695,772	-	-	7,020,002	415,715,774	-
<b>Total noncurrent liabilities</b>	<b>554,768,758</b>	<b>33,289,907</b>	<b>-</b>	<b>28,505,072</b>	<b>616,563,737</b>	<b>12,642,052</b>
<b>Total liabilities</b>	<b>591,097,112</b>	<b>35,818,232</b>	<b>1,941,569</b>	<b>31,997,578</b>	<b>660,854,491</b>	<b>28,015,554</b>
<b>Deferred Inflows of Resources</b>						
Leases	511,403	-	-	17,630,399	18,141,802	-
Pension deferrals	381,398	40,587	-	78,078	500,063	128,121
OPEB deferrals	120,355	12,808	-	24,638	157,801	40,094
Charge on refunding	61,274	-	-	-	61,274	-
<b>Total deferred inflows of resources</b>	<b>1,074,430</b>	<b>53,395</b>	<b>-</b>	<b>17,733,115</b>	<b>18,860,940</b>	<b>168,215</b>
<b>Net Position</b>						
Net investment in capital assets	547,828,013	26,940,069	23,873,921	76,016,188	674,658,191	3,552,222
Restricted for capital improvements	58,023,155	-	-	-	58,023,155	-
Restricted for OPEB	385,528	41,027	-	78,923	505,478	128,433
Unrestricted	85,345,560	32,340,701	10,804,522	30,141,899	158,632,682	64,802,763
<b>Total net position</b>	<b>\$ 691,582,256</b>	<b>\$ 59,321,797</b>	<b>\$ 34,678,443</b>	<b>\$ 106,237,010</b>	<b>891,819,506</b>	<b>\$ 68,483,418</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					48,242,524	
<b>Net position of business-type activities</b>					<b>\$ 940,062,030</b>	

The accompanying notes are an integral part of the financial 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, 2023

Exhibit 7

	Enterprise Funds				Total	Internal Service Funds
	Water and Sewer Utility	Solid Waste Disposal	Transit Authority	Nonmajor Funds		
<b>Operating Revenues</b>						
Sales	\$ 122,317,943	\$ -	\$ -	\$ -	\$ 122,317,943	\$ -
Charges for services	7,291,561	10,934,141	1,266,398	15,807,361	35,299,461	90,781,167
Other	84,027	11,132	310,923	1,404,046	1,810,128	2,762,477
Total operating revenues	129,693,531	10,945,273	1,577,321	17,211,407	159,427,532	93,543,644
<b>Operating Expenses</b>						
Personal services	22,286,168	2,367,953	15,192,942	4,539,259	44,386,322	7,648,513
Maintenance and operations	31,492,655	9,441,960	6,223,295	8,399,822	55,557,732	86,438,390
Total operating expenses before depreciation	53,778,823	11,809,913	21,416,237	12,939,081	99,944,054	94,086,903
Depreciation and amortization	36,723,393	2,327,109	2,762,991	3,928,558	45,742,051	1,321,429
Total operating expenses	90,502,216	14,137,022	24,179,228	16,867,639	145,686,105	95,408,332
Operating income (loss)	39,191,315	(3,191,749)	(22,601,907)	343,768	13,741,427	(1,864,688)
<b>Nonoperating Revenues (Expenses)</b>						
Intergovernmental revenue	-	1,162,577	8,316,786	(15,105)	9,464,258	-
Property taxes	-	-	12,646,662	-	12,646,662	-
Lease revenue	20,458	-	-	-	20,458	-
Investment income (loss)	9,639,955	3,223,699	136,217	1,727,236	14,727,107	5,547,065
Gain (loss) on disposal of assets	(2,453,198)	-	(48,930)	(1,077)	(2,503,205)	(551,350)
Damage settlements	-	-	26,017	-	26,017	-
Interest and fiscal expense	(17,571,780)	(202,287)	-	(804,446)	(18,578,513)	(149,730)
Amortization of financing costs	2,643,531	80,573	-	47,996	2,772,100	-
Total nonoperating revenues (expenses), net	(7,721,034)	4,264,562	21,076,752	954,604	18,574,884	4,845,985
Income (loss) before capital contributions and transfers	31,470,281	1,072,813	(1,525,155)	1,298,372	32,316,311	2,981,297
<b>Capital Contributions</b>	10,926,456	-	678,816	400,567	12,005,839	-
<b>Transfers In</b>	120,720	436,383	-	2,034,691	2,591,794	-
<b>Transfers Out</b>	(373,018)	-	(34,294)	(2,717,197)	(3,124,509)	(128,360)
Total transfers	(252,298)	436,383	(34,294)	(682,506)	(532,715)	(128,360)
Change in net position	42,144,439	1,509,196	(880,633)	1,016,433	43,789,435	2,852,937
Total net position - beginning	649,437,817	60,795,751	35,559,076	105,220,577		65,630,481
Restatement (Note H)	-	(2,983,150)	-	-		-
Total net position - beginning, as restated	649,437,817	57,812,601	35,559,076	105,220,577		65,630,481
<b>Total net position - ending</b>	<b>\$ 691,582,256</b>	<b>\$ 59,321,797</b>	<b>\$ 34,678,443</b>	<b>\$ 106,237,010</b>		<b>\$ 68,483,418</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					2,478,857	
<b>Change in net position of business-type activities</b>					<b>\$ 46,268,292</b>	

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

**City of Winston-Salem, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**

For the Fiscal Year Ended June 30, 2023

Exhibit 8

Page 1 of 2

	Enterprise Funds				Total	Internal Service Funds
	Water and Sewer Utility	Solid Waste Disposal	Transit Authority	Nonmajor Funds		
<b>Cash Flows from Operating Activities</b>						
Cash received from sales	\$ 129,898,678	\$ 11,005,696	\$ 1,632,419	\$ 16,901,952	\$ 159,438,745	\$ 93,549,008
Cash payments to suppliers for goods and services	(29,814,549)	(5,317,724)	(6,105,496)	(8,042,399)	(49,280,168)	(86,670,991)
Cash payments to employees for services	(21,741,236)	(2,351,855)	(15,071,137)	(4,382,647)	(43,546,875)	(7,465,352)
Net cash provided (used) by operating activities	78,342,893	3,336,117	(19,544,214)	4,476,906	66,611,702	(587,335)
<b>Cash Flows from Noncapital Financing Activities</b>						
Intergovernmental revenue	-	1,162,577	4,848,966	122,565	6,134,108	-
Property taxes	-	-	12,469,848	-	12,469,848	-
Borrowings from other funds	-	-	-	-	-	143,492
Repayments to other funds	-	-	-	-	-	(121,219)
Transfers in	120,720	436,383	-	1,893,931	2,451,034	-
Transfers out	(373,018)	-	(34,294)	(2,717,197)	(3,124,509)	(128,360)
Net cash provided (used) by noncapital financing activities	(252,298)	1,598,960	17,284,520	(700,701)	17,930,481	(106,087)
<b>Cash Flows from Capital and Related Financing Activities</b>						
Proceeds from issuance of state loans	34,312,129	-	-	-	34,312,129	-
Intergovernmental revenue	6,199	-	358,425	-	364,624	-
Property taxes	-	-	169,559	-	169,559	-
Capital contributions	999,709	-	-	400,567	1,400,276	-
Transfers in	-	-	-	140,760	140,760	-
Acquisition of property and equipment	(73,520,422)	(885,105)	172,834	(3,164,039)	(77,396,732)	103,721
Retirement of bonds	(20,310,000)	-	-	(610,000)	(20,920,000)	-
Retirement of contracts payable	(6,289,911)	(1,641,725)	-	(1,195,172)	(9,126,808)	(1,306,228)
Retirement of subscriptions payable	(653,712)	-	-	-	(653,712)	(742,562)
Retirement of lease payable	(4,192)	-	-	-	(4,192)	-
Cash received from cell tower and license agreement	16,462	-	-	-	16,462	-
Interest paid on subscriptions	(22,119)	-	-	-	(22,119)	(22,052)
Interest and fiscal expense paid on bonds	(15,855,847)	-	-	(246,884)	(16,102,731)	-
Interest and fiscal expense paid on contracts payable	(1,381,281)	(205,203)	-	(560,874)	(2,147,358)	(127,678)
Debt issuance costs	(400,000)	-	-	-	(400,000)	-
Proceeds from sale of assets	47,530	-	-	-	47,530	72,153
Damage settlements	-	-	26,017	-	26,017	-
Net cash provided (used) by capital financing activities	(83,055,455)	(2,732,033)	726,835	(5,235,642)	(90,296,295)	(2,022,646)
<b>Cash Flows from Investing Activities</b>						
Investment income (loss)	9,639,955	3,223,699	136,217	1,727,236	14,727,107	5,547,065
Net increase (decrease) in cash and cash equivalents /investments July 1	4,675,095	5,426,743	(1,396,642)	267,799	8,972,995	2,830,997
Cash and cash equivalents /investments June 30	174,751,847	57,196,518	6,365,615	32,455,338	270,769,318	80,670,218
<b>Cash and cash equivalents /investments June 30</b>	<b>\$ 179,426,942</b>	<b>\$ 62,623,261</b>	<b>\$ 4,968,973</b>	<b>\$ 32,723,137</b>	<b>\$ 279,742,313</b>	<b>\$ 83,501,215</b>

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

# City of Winston-Salem, North Carolina

## Statement of Cash Flows

### Proprietary Funds

For the Fiscal Year Ended June 30, 2023

Exhibit 8

Page 2 of 2

	Enterprise Funds					Internal Service Funds
	Water and Sewer Utility	Solid Waste Disposal	Transit Authority	Nonmajor Funds	Total	
<b>Reconciliation of Cash and Cash Equivalents/Investments</b>						
Cash and investments - current	\$ 103,995,296	\$ 33,344,737	\$ 4,968,973	\$ 32,533,737	\$ 174,842,743	\$ 83,501,215
Cash and investments - restricted	75,431,646	29,278,524	-	189,400	104,899,570	-
<b>Cash and cash equivalents /investments June 30</b>	<b>\$ 179,426,942</b>	<b>\$ 62,623,261</b>	<b>\$ 4,968,973</b>	<b>\$ 32,723,137</b>	<b>\$ 279,742,313</b>	<b>\$ 83,501,215</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>						
Operating income (loss)	\$ 39,191,315	\$ (3,191,749)	\$ (22,601,907)	\$ 343,768	\$ 13,741,427	\$ (1,864,688)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation and amortization expense	36,723,393	2,327,109	2,762,991	3,928,558	45,742,051	1,321,429
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources						
(Increase) decrease in receivables	(299,693)	60,423	49,825	555,212	365,767	5,364
(Increase) decrease in inventories	164,298	-	(18,446)	-	145,852	(44,840)
(Increase) decrease in prepaid expenses	-	-	-	(114,937)	(114,937)	640,758
(Increase) decrease in net OPEB asset	(385,528)	(41,027)	-	(78,923)	(505,478)	(128,433)
(Increase) decrease in deferred outflows of resources - pensions	(2,115,486)	(190,919)	-	(481,858)	(2,788,263)	(698,006)
(Increase) decrease in deferred outflows of resources - OPEB	482,546	55,632	-	92,679	630,857	163,998
Increase (decrease) in net pension liability	7,268,213	750,353	-	1,520,867	9,539,433	2,433,037
Increase (decrease) in net OPEB liability	(172,906)	(19,642)	-	(33,625)	(226,173)	(58,542)
Increase (decrease) in deferred inflows of resources - leases	511,403	-	-	(873,217)	(361,814)	-
Increase (decrease) in deferred inflows of resources - pensions	(4,293,485)	(490,478)	-	(831,043)	(5,615,006)	(1,454,695)
Increase (decrease) in deferred inflows of resources - OPEB	(386,227)	(44,740)	-	(73,876)	(504,843)	(131,423)
Increase (decrease) in accounts payable	1,513,947	238,802	136,245	351,669	2,240,663	(3,979,126)
Increase (decrease) in accrued payroll	49,940	5,912	42,250	14,862	112,964	29,124
Increase (decrease) in employee taxes and deductions	-	-	(1,840)	-	(1,840)	-
Increase (decrease) in unearned revenue	(6,563)	-	5,273	8,550	7,260	-
Increase (decrease) in accrued vacation	97,865	(8,993)	81,395	27,529	197,796	28,101
Increase in landfill closure and postclosure costs	-	3,885,434	-	-	3,885,434	-
Increase (decrease) in claims payable	-	-	-	-	-	2,757,156
Increase (decrease) in contracts payable	(139)	-	-	120,691	120,552	379,488
Increase (decrease) in accrued pollution remediation	-	-	-	-	-	-
Increase (decrease) in interest payable	-	-	-	-	-	13,963
Total adjustments	39,151,578	6,527,866	3,057,693	4,133,138	52,870,275	1,277,353
<b>Net cash provided (used) by operating activities</b>	<b>\$ 78,342,893</b>	<b>\$ 3,336,117</b>	<b>\$ (19,544,214)</b>	<b>\$ 4,476,906</b>	<b>\$ 66,611,702</b>	<b>\$ (587,335)</b>

#### Noncash Investing, Capital, and Financing Activities

The City entered into contracts payable for new property and equipment of \$2,213,905 for the year ended June 30, 2023.

The City entered into leases and subscriptions for property and software in the amounts of \$456,456 and \$1,426,789 respectively, for the year ended June 30, 2023.

The City received contributed land amounting to \$9,750,570 during the year ended June 30, 2023, from various developers.

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

June 30, 2023

Exhibit 9

	<b>Benefits Trust Fund</b>
<b>Assets</b>	
Cash and cash equivalents	
Money market	\$ 10,117,432
Other cash and cash equivalents	661,964
Investments, at fair value	
Domestic stock and ADRs	159,707,793
Mutual funds	76,615,752
Corporate bonds	17,060,797
Municipal bonds	11,925,658
United States government treasuries and agencies	1,421,562
Prepaid Expenses	19,169
Total assets	<u>277,530,127</u>
<b>Deferred Outflows of Resources</b>	
Pension deferrals	<u>42,543</u>
<b>Liabilities</b>	
Accounts payable	3,898
Accrued payroll	1,817
Accrued vacation	7,314
Net pension liability	64,860
Claims payable	1,004,087
Total liabilities	<u>1,081,976</u>
<b>Deferred Inflows of Resources</b>	
Pension deferrals	<u>2,359</u>
<b>Net Position</b>	
Restricted for pensions	205,177,137
Restricted for post-employment benefits other than pensions	71,311,198
Total net position	<u><u>\$ 276,488,335</u></u>

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

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

For the Fiscal Year Ended June 30, 2023

Exhibit 10

	<b>Benefits Trust Fund</b>
<b>Additions</b>	
Contributions	
Employer	\$ 10,640,328
Plan members	3,268,986
Total contributions	<u>13,909,314</u>
Investment income	
Net appreciation in fair value	27,893,907
Interest and dividends	5,025,585
Total investment income	<u>32,919,492</u>
Less investment expense	<u>1,250,752</u>
Net investment income	<u>31,668,740</u>
Total additions	<u>45,578,054</u>
<b>Deductions</b>	
Benefits	25,186,781
Refund of contributions	43,757
Administrative expense	279,826
Total deductions	<u>25,510,364</u>
Net increase in net position	20,067,690
Net position - beginning	<u>256,420,645</u>
<b>Net position - ending</b>	<u><u>\$ 276,488,335</u></u>

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



# Notes to the Financial Statements

June 30, 2023

## 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.

**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 **American Rescue Plan Fund** accounts for the transactions related to the American Rescue Plan funds.

**The City reports the following major proprietary funds:**

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

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

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

**Additionally the City reports the following fund types:**

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

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

## **C. Measurement Focus and Basis of Accounting**

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

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

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

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

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

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

### **1. Deposits and Investments**

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

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

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

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

## 2. Receivables and Payables

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

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

## 3. Ad Valorem Taxes Receivable

The City property tax is based on the assessed valuation of property located in the City as of the preceding January first. The value of personal property is established annually, and by state law, real property must be appraised at least once every eight years. The last revaluation of real property became effective with the 2021 tax levy for fiscal year 2022. The City’s fiscal year 2023 tax rate was .6360 mills, allocated as follows: .4870 mills for general purposes, .1004 mills for general debt service, and .0486 mills for mass transit, and an additional tax rate of .09 mills 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, the American Rescue Plan and the national opioid settlement and these funds are classified as restricted cash due to restricted expenditure purpose.

### Restricted Cash June 30, 2023

Governmental activities	
General capital projects	\$ 100,062,488
Nonmajor governmental funds	
Unexpended Powell Bill proceeds	7,420,890
Unexpended State 911 proceeds	1,651,273
Unexpended opioid settlement proceeds	423,622
Total governmental activities	<u>109,558,273</u>
Business-type activities	
Water and sewer utility	
Unexpended bond proceeds	25,002,233
Equipment and replacement reserves	47,429,413
Economic development	3,000,000
Solid waste disposal	
Landfill closure and postclosure costs	29,278,524
Public assembly facilities management	
Capital reserve	189,400
Total business-type activities	<u>104,899,570</u>
<b>Total restricted cash</b>	<u><b>\$ 214,457,843</b></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.

## 7. Capital Assets

Capital assets, which include property, plant, equipment, right to use assets, and infrastructure assets (i.e. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide statements. Equipment purchases are considered capital assets when the individual cost is equal to or greater than \$5,000 and useful life is in excess of two years. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of the donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of road network and water and sewer system assets. These assets are reported at historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

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. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets should be amortized on a straight-line basis over the subscription term.

## **8. Deferred Outflows/Inflows of Resources**

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

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

## **9. Accumulated Vacation and Sick Leave Benefits**

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

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

## **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.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the State ("State Abatement Fund")
- 80% to abatement funds established by Local Governments ("Local Abatement Funds")
- 5% to a County Incentive Fund.

The City has received \$412,840 as part of this settlement as of June 30, 2023. Per the terms of the MOA, the City created a special revenue fund, the National Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30, 2023. The MOA offered the City two options of expending the funds. The City opted for Option A, which allows the City to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

## **11. Reimbursements for Pandemic-related Expenditures**

In fiscal year 2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The City was allocated \$51,732,065 of fiscal recovery funds to be paid in two equal installments. The first installment was received in fiscal year 2021 and the second installment was received in fiscal year 2022. The City used revenue replacement to fund \$31,272,890 in public safety salaries and \$107,153 for the SOAR program in fiscal year 2022. The City used revenue replacement to fund \$17,745,142 in public safety salaries in fiscal year 2023. Funds have also been spent for various purposes eligible under the ARPA framework in the amount of \$2,606,880. The City has spent all funds as of June 30, 2023.

## 12. 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.

## 13. 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, 2023

Stabilization by state statute	\$ 90,044,620
Debt service	63,160,804
OPEB	3,370,899
Capital improvements	33,020,922
Other purposes	
Nonmajor governmental	26,649,079
<b>Total</b>	<b><u>\$ 216,246,324</u></b>

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

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

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

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

**Restricted for Stabilization by State Statute** – N.C.G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units.

Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in N.C.G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as “restricted by State statute”. *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is “imposed by law through constitutional provisions or enabling legislation.” RSS is reduced by inventories, leases, and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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

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

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

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

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

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

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

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

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

**Committed for capital improvements** - portion of fund balance committed by City Council for capital improvements.

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

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

**Subsequent year’s budget** – portion of fund balance that is appropriated in the adopted 2023-2024 Budget Ordinance and as approved by City Council on June 20, 2023, 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 of Winston-Salem will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-City funds, City funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance, and lastly unassigned fund balance.

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

### **Fund Balance June 30, 2023**

Nonspendable	
Inventories	\$ 1,016,564
Lease Receivable, net	17,461
Prepays	62,883
Perpetual care	4,642,773
Restricted	
Stabilization by state statute	90,044,620
Debt service	63,160,804
Capital improvements	100,062,488
General government	124,805
Public protection	2,794,540
Environmental health	4,082
Transportation	8,813,663
Culture and recreation	1,199,488
Community and economic development	9,069,728
Committed	
Capital improvements	17,207,519
Community and economic development	19,491,644
Assigned	
Subsequent year's budget	8,028,620
Local fiscal recovery	2,137,800
Unassigned	54,802,213
<b>Total</b>	<b><u>\$ 382,681,695</u></b>

### **14. Defined Benefit Pensions and OPEB**

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

The City also administers two single-employer defined benefit pension plans; the Winston-Salem Police Officers’ Retirement System and the Winston-Salem Police Officers’ Separation Allowance. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from the pension plan’s fiduciary net position have been determined on the same basis as they are reported by the pension plans. For this purpose, the pension plans 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.

## 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, 2023, the City’s deposits had a carrying value of \$81,659,288 and bank balance of \$86,513,124. Of the bank balance, \$53,219,017 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. At June 30, 2023, the City maintained various petty cash funds totaling \$64,489.

#### 2. Investments

The City’s investment policy was adopted by the City Council in July 1999, (revised on April 15, 2013) and is designed to provide liquidity for disbursement needs and to maximize investment income. Since individual funds may deposit and withdraw funds at any time, the cash and investment types, short-term and longer-term fixed income investments and equity investments are essentially managed on demand deposit accounts. For the statement of cash flows, all proprietary fund types pooled cash is considered cash and cash equivalents. Restricted cash and cash equivalents are restricted by bond covenants and other financing intergovernmental agreements.

As of June 30, 2023, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Value</u>	<u>Less Than 6 Months</u>	<u>6 - 12 Months</u>	<u>Over 1 Year</u>
Domestic stock and ADRs	\$ 233,980,820	\$ 233,980,820	\$ -	\$ -
US Treasuries	57,506,824	876,862	1,242,463	55,387,499
US government agencies	109,240,555	974,335	12,133,382	96,132,838
Corporate bonds	34,646,194	1,114,088	1,490,620	32,041,486
Municipal bonds	11,925,657	44,693	118,034	11,762,930
Mutual funds	133,624,102	133,624,102	-	-
Money market funds	16,949,885	16,949,885	-	-
Government Portfolio	309,407,617	309,407,617	-	-
<b>Total</b>	<b>\$ 907,281,654</b>	<b>\$ 696,972,402</b>	<b>\$ 14,984,499</b>	<b>\$ 195,324,753</b>

The table above includes \$277,510,958 of fiduciary fund cash and investments.



At June 30, 2023, the City's investment balances measured at fair value were as follows:

Investment Type	Fair Value	Fair Value Measurements Using		Net Asset Value	Amortized Cost
		Level 1 Inputs	Level 2 Inputs		
Domestic stock and ADRs	\$ 233,980,820	\$ 233,980,820	\$ -	\$ -	\$ -
US Treasuries	57,506,824	57,506,824	-	-	-
US government agencies	109,240,555	-	109,240,555	-	-
Corporate bonds	34,646,194	-	34,646,194	-	-
Municipal bonds	11,925,657	-	11,925,657	-	-
Open-end mutual funds	133,624,102	132,465,691	-	1,158,411	-
Money market funds	16,949,885	-	-	-	16,949,885
NC Capital Management Trust					
Government Portfolio	309,407,617	309,407,617	-	-	-
<b>Total fair value investments</b>	<b>\$ 907,281,654</b>	<b>\$ 733,360,952</b>	<b>\$ 155,812,406</b>	<b>\$ 1,158,411</b>	<b>\$ 16,949,885</b>

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.

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

**Credit Risk.** The City's investment policy requires that all investments subject to N.C.G.S. 159-30 in bonds or notes, including commercial paper, bear the highest ratings of at least one nationally recognized rating service and do not bear a rating below the highest by any nationally recognized rating service which rates the particular obligation. The City's investment policy requires that investments in corporate bonds under its statutorily expanded investment authority for investments not subject to N.C.G.S. 159-30 must be investment grade or higher. The City's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's and AAA-mf by Moody's Investors Service as of June 30, 2023. The City's investments in US Agencies are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. All commercial paper of the City is rated A1 by Standard & Poor's and P1 by Moody's.

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

<u>Type of Bonds</u>	<u>S&amp;P</u>	<u>Moody's</u>	<u>Fair Value</u>
Municipal	AAA	AAA	\$ 893,025
	AAA	N/A	311,251
	AA+	AAA	550,706
	AA+	AA1	1,038,810
	AA+	AA2	106,550
	AA	AA1	419,616
	AA	AA2	299,331
	AA	AA3	147,156
	AA	A1	863,363
	AA	A3	25,362
	AA	BAA3	97,136
	AA	N/A	999,845
	AA-	AA2	304,670
	AA-	AA3	1,130,773
	AA-	A1	263,835
	AA-	N/A	399,307
	A+	AA3	201,084
	A+	A1	399,509
	A	A1	479,999
	A	A2	139,335
	A	A3	348,616
	A	N/A	24,230
	A-	A2	151,647
	A-	A3	360,253
	A-	N/A	107,810
	BBB+	N/A	233,795
	N/A	AA2	512,291
	N/A	A1	435,814
	N/A	A3	34,229
	N/A	BAA2	585,451
	N/A	N/A	10,136
	N/A	N/R	50,722
Total Municipal			<u>11,925,657</u>

<u>Type of Bonds</u>	<u>S&amp;P</u>	<u>Moody's</u>	<u>Fair Value</u>
Corporate	AAA	AAA	\$ 549,023
	AAA	N/A	60,691
	AA+	AAA	533,335
	AA+	AA1	507,341
	AA+	AA2	245,649
	AA	AA2	133,990
	AA	A1	679,636
	AA	A2	273,276
	AA	N/A	984,534
	AA-	AA2	260,392
	AA-	AA3	363,607
	AA-	A1	39,917
	AA-	A3	20,398
	AA-	N/A	66,181
	A+	AA2	310,052
	A+	A1	1,478,238
	A+	A2	513,149
	A+	A3	349,728
	A+	N/A	17,436
	A+	WR	532,447
	A	A1	609,582
	A	A2	1,676,025
	A	A3	140,665
	A	BAA1	115,870
	A	BAA2	58,677
	A	BAA3	136,625
	A-	A1	1,281,873
	A-	A2	779,142
	A-	A3	2,669,050
	A-	BAA1	672,792
	A-	BAA2	29,255
	A-	N/A	385,450
	A-	WR	51,765
	BBB+	A1	391,328
	BBB+	A2	460,045
	BBB+	A3	984,962
	BBB+	BAA1	2,379,633
	BBB+	BAA2	620,713
	BBB+	BAA3	44,010
	BBB+	N/A	224,418
	BBB+	WR	138,398
	BBB	A3	112,670
	BBB	BAA1	1,836,312
	BBB	BAA2	3,689,446
	BBB	BAA3	915,937
	BBB	N/A	370,477
	BBB	WR	15,758
	BBB-	BAA1	27,945
	BBB-	BAA2	194,967
	BBB-	BAA3	1,235,074
	BBB-	BA1	120,739
	BBB-	N/A	27,479
	BBB-	WR	191,724
	BB+	BAA2	46,164
	BB+	BAA3	28,028
	BB+	WR	112,373
	N/A	AAA	120,685
	N/A	A1	273,156
	N/A	A2	472,239
	N/A	BAA2	244,892
	N/A	BAA3	267,582
	N/A	N/A	1,433,025
	N/A	N/R	519,918
	N/R	N/A	40,000
	N/R	WR	580,306
Total Corporate			<u>34,646,194</u>
<b>Total</b>			<b><u>\$ 46,571,851</u></b>

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, 2023

General fund		
Taxes receivable	\$	1,252,565
Other receivables		3,569,148
Special revenue funds		
Nonmajor		
Taxes receivable		1,566
Other receivables		28,346,831
Debt service fund		
Taxes receivable		241,406
Enterprise funds		
Water and sewer utility		3,460,536
Solid waste disposal		1,209
Transit Authority		
Taxes receivable		121,864
Nonmajor		286,619
Internal service funds		
Nonmajor		10,124
<b>Total</b>	<b>\$</b>	<b>37,291,868</b>

## C. Interfund Receivables, Payables, and Transfers

The composition of interfund receivables and payables at June 30, 2023, is as follows:

	<b>Interfund Payables</b>	<b>Interfund Receivables</b>
General Fund	\$ -	\$ 419,430
Special revenue funds		
Nonmajor	137,770	-
Internal service fund - Warehouse Fund	119,392	-
Internal service fund - Fleet Services Fund	162,268	-
<b>Total</b>	<b>\$ 419,430</b>	<b>\$ 419,430</b>

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, 2023, include: a transfer of \$2,343,430 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 \$895,010 to cover housing rehabilitation expenditures; a gasoline tax fund transfer to the general fund for \$7,488,569; a transfer from general fund to the grants fund for \$519,860 to cover the City’s

share of grant expenditures; a transfer from general fund to economic and housing development fund of \$3,078,740 to fund economic development projects; a general fund transfer to the public assembly facilities management fund for \$592,620 for operations; a transfer from general fund to debt service fund of \$2,102,410 to cover debt service payments on economic development projects and the Bryce A. Stuart Building, and a transfer to the parking fund of \$768,590 for operations. In addition, there was a transfer from the American Rescue Plan Fund to the General Fund of \$17,930,142 for public safety salaries for revenue replacement. A transfer from the general fund to the capital project fund for \$10,917,030 was also completed, the majority of which is for the construction of affordable housing and transportation and recreations projects. Funds were also transferred from the community development fund to the general capital projects fund for housing needs.

### Transfers for Fiscal Year Ended June 30, 2023

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 26,269,248	\$ 17,516,649
Debt service fund	2,102,410	526,010
Capital projects fund	15,467,457	227,170
Special revenue funds		
American rescue plan	-	17,930,142
Nonmajor	3,445,012	10,423,081
Enterprise funds		
Water and sewer utility	120,720	373,018
Solid waste disposal	436,383	-
Transit authority	-	34,294
Nonmajor	2,034,691	2,717,197
Internal service funds	-	128,360
<b>Total</b>	<b><u>\$ 49,875,921</u></b>	<b><u>\$ 49,875,921</u></b>

## D. Capital Assets

The following tables summarize the changes in the components of capital assets for the year ended June 30, 2023:

### Governmental Activities

	<u>Balance June 30, 2022</u>	<u>Increase</u>	<u>Transfers</u>	<u>Decrease</u>	<u>Balance June 30, 2023</u>
Capital assets, not being depreciated:					
Land	\$ 84,392,923	\$ 75,439	\$ 909,077	\$ (4,038,976)	\$ 81,338,463
Construction in progress	76,764,238	24,531,350	(57,626,465)	-	43,669,123
Total capital assets, not being depreciated	<u>161,157,161</u>	<u>24,606,789</u>	<u>(56,717,388)</u>	<u>(4,038,976)</u>	<u>125,007,586</u>
Capital assets, being depreciated:					
Buildings	207,802,860	-	22,260,018	(52,842)	230,010,036
Improvements other than buildings	368,965,942	-	34,457,370	(23,342)	403,399,970
Machinery and equipment	125,369,325	14,175,280	-	(9,717,489)	129,827,116
Total capital assets, being depreciated	<u>702,138,127</u>	<u>14,175,280</u>	<u>56,717,388</u>	<u>(9,793,673)</u>	<u>763,237,122</u>
Less accumulated depreciation for:					
Buildings	55,443,869	5,174,983	-	(52,490)	60,566,362
Improvements other than buildings	150,773,284	9,599,834	-	(12,571)	160,360,547
Machinery and equipment	95,681,812	7,053,990	-	(8,388,923)	94,346,879
Total accumulated depreciation	<u>301,898,965</u>	<u>21,828,807</u>	<u>-</u>	<u>(8,453,984)</u>	<u>315,273,788</u>
Capital assets being amortized:					
Right to use assets:					
IT subscriptions	-	3,689,267	-	-	3,689,267
Leased equipment	594,651	-	-	-	594,651
Leased buildings	5,434,561	4,979,885	-	-	10,414,446
Total right to use assets	<u>6,029,212</u>	<u>8,669,152</u>	<u>-</u>	<u>-</u>	<u>14,698,364</u>
Less accumulated amortization for:					
IT subscriptions	-	742,948	-	-	742,948
Leased equipment	230,188	230,188	-	-	460,376
Leased buildings	357,441	488,623	-	-	846,064
Total accumulated amortization	<u>\$ 587,629</u>	<u>\$ 1,461,759</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,049,388</u>
Total capital assets, being depreciated, net	<u>400,239,162</u>				<u>447,963,334</u>
Right to use assets, net	<u>5,441,583</u>				<u>12,648,976</u>
Governmental activities capital assets, net	<b><u>\$ 566,837,906</u></b>				<b><u>\$ 585,619,896</u></b>

## Business-type Activities

	Balance June 30, 2022	Increase	Transfers	Decrease	Balance June 30, 2023
Capital assets, not being depreciated:					
Land	\$ 47,850,915	\$ -	\$ 543,674	\$ -	\$ 48,394,589
Construction in progress	100,349,341	61,611,465	(55,900,181)	-	106,060,625
Total capital assets, not being depreciated	<u>148,200,256</u>	<u>61,611,465</u>	<u>(55,356,507)</u>	<u>-</u>	<u>154,455,214</u>
Capital assets, being depreciated:					
Buildings	329,878,108	-	659,904	-	330,538,012
Improvements other than buildings	1,355,396,787	9,750,570	54,696,603	(30,848)	1,419,813,112
Machinery and equipment	85,947,314	23,627,585	-	(6,206,328)	103,368,571
Total capital assets, being depreciated	<u>1,771,222,209</u>	<u>33,378,155</u>	<u>55,356,507</u>	<u>(6,237,176)</u>	<u>1,853,719,695</u>
Less accumulated depreciation for:					
Buildings	165,146,119	7,665,016	-	-	172,811,135
Improvements other than buildings	528,746,047	32,035,488	-	(15,071)	560,766,464
Machinery and equipment	56,846,179	5,500,255	-	(3,065,699)	59,280,735
Total accumulated depreciation	<u>750,738,345</u>	<u>\$ 45,200,759</u>	<u>\$ -</u>	<u>\$ (3,080,770)</u>	<u>792,858,334</u>
Capital assets being amortized:					
Right to use assets:					
IT subscriptions	-	1,426,789	-	-	1,426,789
Leased buildings	-	456,457	-	-	456,457
Total right to use assets	<u>-</u>	<u>1,883,246</u>	<u>-</u>	<u>-</u>	<u>1,883,246</u>
Less accumulated amortization for:					
IT subscriptions	-	529,373	-	-	529,373
Leased buildings	-	11,919	-	-	11,919
Total accumulated amortization	<u>\$ -</u>	<u>\$ 541,292</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 541,292</u>
Total capital assets, being depreciated, net	1,020,483,864				1,060,861,361
Right to use assets, net	-				1,341,954
Business-type activities capital assets, net	<u><b>\$ 1,168,684,120</b></u>				<u><b>\$ 1,216,658,529</b></u>

The City has outstanding project authorizations for governmental activities capital projects in the amount of \$192,019,412 and \$32,610,596 in unexpended commitments; for capital projects in business-type activities outstanding project authorizations total to \$170,328,380 and \$148,508,594 in unexpended commitments. Funding for these commitments has been identified in capital project ordinances and should not require future financing.

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

## Governmental Activities

	Depreciation Expense For Year Ended June 30, 2023	Amortization Expense For Year Ended June 30, 2023	Total For Year Ended June 30, 2023
General government	\$ 2,284,255	\$ 1,006,492	\$ 3,290,747
Public protection	4,853,704	455,267	5,308,971
Environmental health	2,121,755	-	2,121,755
Transportation	7,153,287	-	7,153,287
Culture and recreation	3,147,435	-	3,147,435
Community and economic development	1,668,371	-	1,668,371
<b>Total</b>	<u><b>\$ 21,228,807</b></u>	<u><b>\$ 1,461,759</b></u>	<u><b>\$ 22,690,566</b></u>

## Business-type Activities

	<b>Depreciation Expense For Year Ended June 30, 2023</b>	<b>Amortization Expense For Year Ended June 30, 2023</b>	<b>Total For Year Ended June 30, 2023</b>
Water and sewer utility	\$ 36,182,101	\$ 541,293	\$ 36,723,394
Solid waste disposal	2,327,109	-	2,327,109
Transit Authority	2,762,991	-	2,762,991
Parking	473,099	-	473,099
Stormwater management	1,433,427	-	1,433,427
Public assembly facilities management	2,022,032	-	2,022,032
<b>Total</b>	<b>\$ 45,200,759</b>	<b>\$ 541,293</b>	<b>\$ 45,742,052</b>

## 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, 2023, \$32,035,000 of these bonds were unissued.

The City issued two-thirds general obligation bonds worth \$8,895,000 in May 2023. The net interest cost was 3.49%. The funds are being utilized for various public projects, including street and sidewalk improvements, parks and recreation, public safety, and public facilities improvement projects. In addition, the City issued general obligation bonds worth \$47,500,000 at a net interest cost of 3.48% to finance street and sidewalk improvements, park and recreation projects, and public safety improvements. The City also issued \$7,500,000 in taxable general obligations bonds at a net interest cost of 3.50% to finance housing and economic development.

Provisions of the state constitution and the Local Government Bond Act, as amended, permit the City statutory capacity for additional general obligation bonds in the amount of \$1.96 billion.

### General Obligation Bonds Debt Service Requirements to Maturity are:

<b>Fiscal Year</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2024	\$ 17,670,000	\$ 9,208,356
2025	15,660,000	8,382,845
2026	15,975,000	7,804,562
2027	15,055,000	7,206,659
2028	15,325,000	6,622,002
2029-2033	73,395,000	23,845,359
2034-2038	65,475,000	10,019,499
2039-2043	24,640,000	2,222,319
<b>Total</b>	<b>\$ 243,195,000</b>	<b>\$ 75,311,601</b>

### 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, 2023 were \$7,275,000 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, 2023, and the ratio was 3.2. In the event of a default, the City agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreements. The principal and interest remaining to be paid on the bonds is \$8,554,732. The principal and interest paid in the fiscal year ended June 30, 2023 was \$854,893.

**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>
2024	\$ 630,000	\$ 226,594
2025	655,000	201,394
2026	675,000	181,744
2027	695,000	161,494
2028	715,000	140,644
2029-2033	3,905,000	367,862
<b>Total</b>	<b>\$ 7,275,000</b>	<b>\$ 1,279,732</b>

**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, 2023, and the ratio was 2.42. 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 \$519,901,490. The principal and interest paid in the fiscal year ended June 30, 2023 was \$36,151,913.

Water and sewer revenue bonds outstanding at June 30, 2023 were \$381,765,000 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>
2024	\$ 20,500,000	\$ 14,845,200
2025	21,480,000	13,838,475
2026	22,490,000	12,782,710
2027	23,455,000	11,757,286
2028	24,240,000	10,766,826
2029-2033	104,685,000	39,326,050
2034-2038	86,885,000	21,099,224
2039-2043	40,800,000	8,838,656
2044-2048	24,995,000	4,029,425
2047-2053	12,235,000	852,638
<b>Total</b>	<b>\$ 381,765,000</b>	<b>\$ 138,136,490</b>

**State Revolving Loan**

During fiscal year 2023, the City’s Water and Sewer Utility fund received \$34,612,129 in proceeds from the direct borrowing Drinking Water State Revolving Fund. These loans carry fixed interest rates of 0% to 2% and are payable over 20 years. The total approved loan amounts are approximately \$211 million, which includes \$54.2 million



approved and unissued for the R. W. Neilson Water Treatment Plant modernization project. The City expects to take on an additional \$54.2 million in debt in the Water and Sewer Utility Fund over the next two fiscal years. Final amounts for each loan will be determined when the project is completed, and repayments will begin six months after the estimated project completion dates. In the event of a default, the City agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreements. Principal payments of \$5,547,995 were made in fiscal year 2023. At June 30, 2023, the City had \$121,902,985 outstanding.

## Leases

The City has entered into agreements to lease certain property and equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023 are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 593,718	\$ 308,654	\$ 6,725	\$ 18,494
2025	476,141	296,482	7,906	18,195
2026	494,506	283,933	9,169	17,846
2027	513,979	270,748	10,517	17,444
2028	528,034	256,891	11,955	16,984
2029-2033	2,322,705	1,072,236	84,869	75,745
2034-2038	2,495,386	687,938	137,533	53,227
2039-2043	2,354,800	204,968	183,590	18,315
<b>Total</b>	<b>\$ 9,779,269</b>	<b>\$ 3,381,850</b>	<b>\$ 452,264</b>	<b>\$ 236,250</b>

## Subscriptions

The City has entered into agreements to receive subscription-based software. The subscription agreements qualify as other than short-term subscriptions under GASB 96 and, therefore, have been recorded at the present value of the future minimum subscription payments as of the date of their inception.

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2023, were as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,284,769	\$ 56,518	\$ 654,984	\$ 15,647
2025	959,108	26,541	118,093	2,407
2026	84,009	2,573	-	-
2027	35,388	774	-	-
<b>Total</b>	<b>\$ 2,363,274</b>	<b>\$ 86,406</b>	<b>\$ 773,077</b>	<b>\$ 18,054</b>

## Contracts Payable

### Contracts Payable Debt Service Requirements to Maturity are:

<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 18,567,204	\$ 5,260,701	\$ 3,107,146	\$ 693,787
2025	35,457,108	3,368,031	2,742,907	583,274
2026	17,593,138	2,800,457	2,420,222	493,139
2027	15,205,718	2,411,141	1,343,410	441,586
2028	13,096,251	2,024,540	880,000	418,658
2029-2033	36,818,000	6,356,147	5,615,000	1,704,292
2034-2038	18,445,000	1,908,989	6,335,000	819,758
2039-2043	3,230,000	242,100	1,270,000	43,180
<b>Total</b>	<b>\$ 158,412,419</b>	<b>\$ 24,372,106</b>	<b>\$ 23,713,685</b>	<b>\$ 5,197,674</b>

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, 2023, the City had \$182,126,106 outstanding and due to NCMLC.

In fiscal year 2020, the City entered into an installment financing contract in the amount of \$25.5 million with Bank of America, N.A. to finance budgeted equipment for fiscal years 2020 and 2021 for \$18 million, and refinancing of the remaining balance of the 2016 equipment lease agreement of \$7.5 million. The terms of the lease include a stated interest rate of 1.61% for a 59-month term. At June 30, 2023, the City had \$18,000,000 outstanding.

In November 2021, the City entered into a \$20 million installment financing contract with TD Equipment Finance, Inc. The terms of the lease include a stated interest rate of 0.799% for a 59-month term. At June 30, 2023, the City had \$14,056,106 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, 2023, the City had \$25,000,000 outstanding.

The City has various limited obligation bond issues outstanding at June 30, 2023 in the amount of \$125,069,999.

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

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

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

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

## Long-term Liabilities at June 30, 2023

### Bonds Payable

General obligation bonds, issues dated 2012 to 2023, with stated interest rates of .50% to 5.00%	
General government	\$ 243,195,000
Discounts/premiums	24,550,827
Revenue bonds, water and sewer system	
Series 2014A, principal due annually through 2025, with stated interest rate of 5.0%	4,100,000
Series 2016A, principal due annually through 2039, with stated interest rates of 3.0% to 5.0%	96,955,000
Series 2017, principal due annually through 2047, with stated interest rates of 3.0% to 5.0%	50,075,000
Series 2020A, principal due annually through 2040, with stated interest rates of 2.0% to 5.0%	143,710,000
Series 2020B, principal due annually through 2033, with stated interest rates of .96% to 1.87%	23,550,000
Series 2022, principal due annually through 2052, with stated interest rates of 2.38% to 5.0%	63,375,000
Discounts/premiums	47,430,772
Revenue bonds, stormwater management	
Series 2013, principal due annually through 2033, with stated interest rates of 3.0% to 4.0%	7,275,000
Discounts/premiums	375,002

### Leases Payable

10,231,533

### Subscriptions Payable

3,136,351

### Contracts Payable

Limited obligation bonds issued by North Carolina Municipal Leasing Corporation	
Series 2010A, principal due annually through June 1, 2024, with stated interest rate of 3.0%	1,735,000
Series 2014B, principal due annually through June 1, 2034, with stated interest rates of 3.27% to 3.52%	135,000
Series 2014C, principal due annually through June 1, 2034, with stated interest rates of 5.0%	2,560,000
Series 2018, principal due annually through June 1, 2031, with stated interest rate of 3.07%	9,955,000
Series 2020A, principal due annually through June 1, 2027, with stated interest rates of 2.0% to 5.0%	7,850,000
Series 2020B, principal due annually through June 1, 2039, with stated interest rates of 2.06% to 3.4%	49,855,000
Series 2022A, principal due annually through June 1, 2042, with stated interest rates of 3.0% to 5.0%	15,345,000
Series 2022B, principal due annually through June 1, 2034, with stated interest rates of 1.10% to 2.7%	37,635,000
Discounts/premiums	3,679,821
Installment financing agreements	
Direct borrowing, Series 2019, principal due from August 1, 2020 to August 1, 2024, with a stated interest rate of 1.610%	18,000,000
Direct borrowing, Series 2022, principal due from March 1, 2022 to September 1, 2026, with a stated interest rate of 0.799%	14,056,106
Direct borrowing, Series 2023, principal due from November 15, 2023 to May 15, 2028, with a stated interest rate of 3.3207%	25,000,000
Direct borrowing, Clean/Drinking water state revolving loan fund, payable over 20 years, with stated interest rates of 0% to 2%	121,902,985

### Other

Net pension liability - LGERS	91,774,187
Net pension liability - WSPORS	41,773,478
Net pension liability - separation allowance	17,339,341
Accrued vacation	19,557,081
Accrued interest payable	2,959,326
Landfill closure and postclosure costs	29,278,524
Pollution remediation	1,951,596
Claims payable - employment and post-retirement benefits	11,540,302
Claims payable - risk management reserves fund	2,553,151

### Total long-term liabilities including current maturities

**\$ 1,244,395,383**

## Changes in Long-term Liabilities during Fiscal Year 2023

	Principal Outstanding June 30, 2022 As Restated	Additions	Retirement and Deferrals	Principal Outstanding June 30, 2023	Due Within Year
<b>Governmental Activities</b>					
General obligation bonds	\$ 193,160,000	\$ 63,895,000	\$ 13,860,000	\$ 243,195,000	\$ 17,670,000
Discount/premium	17,970,320	8,240,117	1,659,610	24,550,827	-
Lease liabilities	5,434,050	4,979,884	634,665	9,779,269	593,718
Subscription Liabilities	-	3,686,117	1,322,843	2,363,274	1,284,768
Contracts payable					
North Carolina Municipal					
Leasing Corporation	112,190,407	8,355,558	19,189,652	101,356,313	9,844,853
Discount/premium	3,838,149	-	430,132	3,408,017	-
Installment financing contracts	39,125,607	25,000,000	7,069,501	57,056,106	8,722,351
Net pension liability - LGERS	22,942,599	54,989,760	-	77,932,359	-
Net pension liability - WSPORS	47,711,548	-	5,938,070	41,773,478	-
Net pension liability - separation allowance	14,322,858	3,016,483	-	17,339,341	-
Net OPEB liability	1,233,036	-	1,233,036	-	-
Accrued vacation	15,233,466	8,077,711	6,368,812	16,942,365	8,465,633
Accrued interest payable	1,147,029	291,407	-	1,438,436	1,438,436
Claims payable-employment benefits	8,716,787	31,014,055	29,194,627	10,536,215	6,703,555
Total governmental activities debt	483,025,856	211,546,092	86,900,948	607,671,000	54,723,314
<b>Business-type Activities</b>					
Revenue bonds	409,960,000	-	20,920,000	389,040,000	21,130,000
Discount/premium	52,460,266	-	4,654,492	47,805,774	-
Contracts payable					
North Carolina Municipal					
Leasing Corporation	25,078,593	2,213,905	3,578,813	23,713,685	3,107,146
North Carolina Municipal					
Leasing Corporation discount/premium	363,755	-	91,949	271,806	-
Clean water state revolving loan fund	81,705,205	-	5,547,996	76,157,209	5,547,995
Drinking water state revolving loan fund	11,433,647	34,312,129	-	45,745,776	-
Net pension liability - LGERS	4,208,299	9,568,669	-	13,776,968	-
Net OPEB liability	226,173	-	226,173	-	-
Lease liabilities	-	456,456	4,192	452,264	6,725
Subscription Liabilities	-	1,426,789	653,712	773,077	654,984
Accrued vacation	2,409,154	1,884,446	1,686,198	2,607,402	1,542,956
Accrued interest payable	1,614,585	-	93,695	1,520,890	1,520,890
Landfill closure and postclosure costs	25,393,090	3,966,200	80,766	29,278,524	378,000
Pollution remediation	1,951,596	-	-	1,951,596	21,793
Claims payable - risk management reserve fund	1,804,374	1,899,475	1,150,698	2,553,151	217,734
Total business-type activities debt	618,608,737	55,728,069	38,688,684	635,648,122	34,128,223
<b>Fiduciary Funds</b>					
Net pension liability - LGERS	19,822	45,038	-	64,860	-
Accrued vacation	7,314	5,572	5,572	7,314	4,399
Claims payable - post-employment benefits	492,558	7,902,763	7,391,234	1,004,087	1,004,087
Total fiduciary fund debt	519,694	7,953,373	7,396,806	1,076,261	1,008,486
<b>Total</b>	<b>\$ 1,102,154,287</b>	<b>\$ 275,227,534</b>	<b>\$ 132,986,438</b>	<b>\$ 1,244,395,383</b>	<b>\$ 89,860,023</b>

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.

## F. Net Investment in Capital Assets

Net investment in capital assets at June 30, 2023

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Capital assets	\$ 585,619,896	\$ 1,216,658,529
less: long-term debt	(401,723,559)	(30,446,850)
less: short-term debt	(39,985,247)	(553,512,741)
add: unexpended debt proceeds	100,062,488	25,002,233
add: charge on refunding, net	2,253,809	16,957,020
<b>Net investment in capital assets</b>	<b><u>\$ 246,227,387</u></b>	<b><u>\$ 674,658,191</u></b>

## 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, 2023.

Total fund balance - general fund	\$ 109,261,894
Less:	
Leases	11,701
Inventories	515,935
Prepays	62,883
Stabilization by state statute	43,702,742
Subsequent year's budget	8,028,620
Local fiscal recovery	2,137,800
Unassigned fund balance	<u>\$ 54,802,213</u>

The fiscal year 2024 budget includes a fund balance appropriation of \$8.03 million, an increase of \$1.94 million compared to the fiscal year 2023 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. With the use of fund balance for fiscal year 2024, the amount of unassigned fund balance was 20.01% of 2024 estimated expenditures. The City will continue to closely monitor expenditures and revenues in fiscal year 2024.

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

### Encumbrances Outstanding at June 30, 2023

General fund	\$ 18,163,823
Debt service fund	38,807
Capital projects fund	32,310,978
Special revenue funds	
Nonmajor	9,196,508
Enterprise funds	
Water & sewer fund	145,216,959
Solid waste disposal fund	1,757,852
Transit Authority	3,013,218
Nonmajor	4,817,437
Internal service funds	2,500,967
Fiduciary funds	2,383
<b>Total</b>	<b><u>\$ 217,018,932</u></b>

### 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 of Winston-Salem 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](http://www.osc.nc.gov).

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

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

**Contributions.** Contribution provisions are established by N.C.G.S. 128-30 and may be amended only by the North Carolina General Assembly. City of Winston-Salem employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Winston-Salem's contractually required contribution rate for the year ended June 30, 2023, was 13.00% of compensation for law enforcement officers and 12.10% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of Winston-Salem were \$16,653,879 for the year ended June 30, 2023.

**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, 2023, the City reported a liability of \$91,774,187 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2022 (measurement date), the City’s proportion was 1.62679%, which was a decrease of .14491% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension expense of \$25,136,003. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 3,954,466	\$ 387,713
Changes of assumptions	9,157,006	-
Net difference between projected and actual earnings on pension plan investments	30,332,329	-
Changes in proportion and differences between City contributions and proportionate share of contributions	98,058	2,950,503
City contributions subsequent to the measurement date	16,653,879	-
<b>Total</b>	<b>\$ 60,195,738</b>	<b>\$ 3,338,216</b>

\$16,653,879 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, 2024.

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

<b><u>Year Ended June 30</u></b>	
2024	\$ 12,584,453
2025	10,597,293
2026	2,571,008
2027	14,450,889
<b>Total</b>	<b>\$ 40,203,643</b>

**Actuarial Assumptions.** The total pension liability in the December 31, 2021 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, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.1%
Global Equity	42.0	6.5
Real Estate	8.0	5.9
Alternatives	8.0	7.5
Opportunistic Fixed Income	7.0	5.0
Inflation Sensitive	6.0	2.7
<b>Total</b>	<b>100.0%</b>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. All rates of return and inflation are annualized.

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

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

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of the net pension liability (asset)	\$ 165,640,587	\$ 91,774,187	\$ 30,903,983

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



## b. Winston-Salem Police Officers' Retirement System

### Summary of Significant Accounting Policies

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

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

### Plan Description

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

**Plan Membership.** At January 1, 2023, the Winston-Salem Police Officers' Retirement System membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	481
Inactive plan members entitled to but not receiving benefits	80
Active plan members	228
<b>Total</b>	<b>789</b>

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

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

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

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

### Investments

**Investment Policy.** City Council has adopted an Investment Policy for all City funds inclusive of the investment of the retirement fund. The City Manager, with recommendation from the Chief Financial Officer, has the authority, with the assistance of financial consultants, to select and employ asset managers to direct investment activities of WSPORS in accordance with the Investment Policy. The City has ten 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, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 12.4%. 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, 2023 are as follows:

Total pension liability	\$ 234,066,869
Plan fiduciary net position	<u>(192,293,391)</u>
<b>Net pension liability</b>	<b>\$ 41,773,478</b>
Plan fiduciary net position as a percentage of total pension liability	82.2%

At June 30, 2023, the City reported a net pension liability of \$41,773,478. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2023.

**Actuarial Assumptions.** The total pension liability was determined by an actuarial valuation as of January 1, 2023, 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 (15 years remaining as of January 1, 2023).

**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, 2023, and the final investment return assumption, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Equity Funds	69%	6.25%
Fixed Income Funds	30	2.05
Cash	1	0.3
<b>Total Weighted Average Real Return</b>	<b>100%</b>	<b>4.93%</b>
Plus inflation		2.75
Total return w/o adjustment		7.68
Risk adjustment		(0.68)
<b>Total Expected Return</b>		<b>7.00%</b>

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

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

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

### Changes in the Net Pension Liability

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at June 30, 2022</b>	\$ 225,167,081	\$ 177,455,533	\$ 47,711,548
<b>Changes for the year:</b>			
Service cost	2,732,999	-	2,732,999
Interest	15,447,933	-	15,447,933
Differences between expected and actual experience	5,397,778	-	5,397,778
Contributions - employer	-	6,646,130	(6,646,130)
Contributions - member	-	1,284,976	(1,284,976)
Net investment income	-	21,696,175	(21,696,175)
Benefit payments, including refunds of member contributions	(14,678,922)	(14,678,922)	-
Administrative expense	-	(110,501)	110,501
<b>Net changes</b>	<b>8,899,788</b>	<b>14,837,858</b>	<b>(5,938,070)</b>
<b>Balances at June 30, 2023</b>	<b>\$ 234,066,869</b>	<b>\$ 192,293,391</b>	<b>\$ 41,773,478</b>

**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:

	<b>1% Decrease 6.00%</b>	<b>Current Discount Rate 7.00%</b>	<b>1% Increase 8.00%</b>
Total pension liability	\$ 261,632,435	\$ 234,066,869	\$ 211,133,217
Plan net position	(192,293,391)	(192,293,391)	(192,293,391)
<b>Net pension liability (asset)</b>	<b>\$ 69,339,044</b>	<b>\$ 41,773,478</b>	<b>\$ 18,839,826</b>

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

For the year ended June 30, 2023, the City recognized pension expense of \$9,606,191. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 3,598,519	\$ 846,070
Changes of assumptions	2,523,772	-
Net difference between projected and actual earnings on pension plan investments	1,895,236	-
<b>Total</b>	<b>\$ 8,017,527</b>	<b>\$ 846,070</b>

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

<b>Year Ended June 30</b>	
2024	\$ 2,932,409
2025	(570,446)
2026	6,708,254
2027	(1,898,760)
<b>Total</b>	<b>\$ 7,171,457</b>

**c. Winston-Salem Police Officers’ Separation Allowance**

**Summary of Significant Accounting Policies**

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

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

## Plan Description

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

**Plan Membership.** At January 1, 2023, the Winston-Salem Police Officers' Separation Allowance membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	153
Inactive plan members entitled to but not receiving benefits	-
Active plan members	387
<b>Total</b>	<b>540</b>

**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 ten equity managers, two fixed income managers, and two 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, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 12%. 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, 2023, are as follows:

Total pension liability	\$ 30,223,087
Plan fiduciary net position	(12,883,746)
<b>Net pension liability</b>	<b>\$ 17,339,341</b>
Plan fiduciary net position as a percentage of total pension liability	42.6%

At June 30, 2023, the City reported a net pension liability of \$17,339,341. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2023.

**Actuarial Assumptions.** The total pension liability was determined by an actuarial valuation as of January 1, 2023, 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 (1+5 years remaining as of January 1, 2023).

**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, 2023, 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 Rate of Return</u>
Equity Funds	69%	6.25
Fixed Income Funds	30	2.05
Cash	1	.30
<b>Total Weighted Average Real Return</b>	<b>100%</b>	<b>4.93</b>
Plus inflation		2.75
Total return w/o adjustment		7.68
Risk adjustment		(0.68)
<b>Total Expected Return</b>		<b>7.00%</b>

**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

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at June 30, 2022</b>	\$ 26,212,885	\$ 11,890,027	\$ 14,322,858
<b>Changes for the year:</b>			
Service cost	590,492	-	590,492
Interest	1,777,023	-	1,777,023
Differences between expected and actual experience	4,526,109	-	4,526,109
Changes of assumptions	-	-	-
Contributions - employer	-	2,472,624	(2,472,624)
Net investment income	-	1,410,600	(1,410,600)
Benefit payments, including refunds of member contributions	(2,883,422)	(2,883,422)	-
Administrative expense	-	(6,083)	6,083
<b>Net changes</b>	<b>4,010,202</b>	<b>993,719</b>	<b>3,016,483</b>
<b>Balances at June 30, 2023</b>	<b>\$ 30,223,087</b>	<b>\$ 12,883,746</b>	<b>\$ 17,339,341</b>

**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:

	<b>1% Decrease 6.00%</b>	<b>Current Discount Rate 7.00%</b>	<b>1% Increase 8.00%</b>
	Total pension liability	\$ 32,363,739	\$ 30,223,087
Plan net position	(12,883,746)	(12,883,746)	(12,883,746)
<b>Net pension liability</b>	<b>\$ 19,479,993</b>	<b>\$ 17,339,341</b>	<b>\$ 15,387,449</b>

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

For the year ended June 30, 2023, the City recognized pension expense of \$3,139,313. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,417,331	\$ 1,034,245
Changes of assumptions	523,905	280,032
Net difference between projected and actual earnings on pension plan investments	213,774	-
<b>Total</b>	<b><u>\$ 8,155,010</u></b>	<b><u>\$ 1,314,277</u></b>

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>	
2024	\$ 1,587,566
2025	1,338,884
2026	1,412,095
2027	581,489
2028	698,691
Thereafter	1,222,008
<b>Total</b>	<b><u>\$ 6,840,733</u></b>

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, 2023.

### Statement of Fiduciary Net Position June 30, 2023

	<u>Winston-Salem Police Officers'</u>	
	<u>Retirement System</u>	<u>Separation Allowance</u>
<b>Assets</b>		
Cash and cash equivalents/investments	\$ 6,160,711	\$ 609,453
Investments, at fair value		
Domestic stock and ADRs	110,479,890	7,147,742
United States government agencies	1,065,781	80,765
Corporate bonds	12,790,903	969,293
Municipal bonds	8,940,961	677,545
Mutual funds	52,855,723	3,398,948
Total assets	<u>192,293,969</u>	<u>12,883,746</u>
<b>Liabilities</b>		
Accounts payable	578	-
Total liabilities	<u>578</u>	<u>-</u>
<b>Net position</b>		
Restricted for pensions	<b><u>\$ 192,293,391</u></b>	<b><u>\$ 12,883,746</u></b>



**Statement of Changes in Fiduciary Net Position**  
For the Fiscal Year Ended June 30, 2023

	<b>Winston-Salem Police Officers'</b>	
	<b>Retirement System</b>	<b>Separation Allowance</b>
<b>Additions</b>		
Contributions		
Employer	\$ 6,646,130	\$ 2,472,624
Plan members	1,284,976	-
Total contributions	<u>7,931,106</u>	<u>2,472,624</u>
Investment income		
Net appreciation in fair value	19,049,958	1,228,283
Interest and dividends	3,518,286	240,619
Total investment income (loss)	<u>22,568,244</u>	<u>1,468,902</u>
Less investment expense	872,069	58,302
Net investment income	<u>21,696,175</u>	<u>1,410,600</u>
Total additions	<u>29,627,281</u>	<u>3,883,224</u>
<b>Deductions</b>		
Benefits	14,635,165	2,883,422
Refund of contributions	43,757	-
Administrative expense	110,501	6,083
Total deductions	<u>14,789,423</u>	<u>2,889,505</u>
Net increase (decrease) in net position	14,837,858	993,719
Net position - beginning	<u>177,455,533</u>	<u>11,890,027</u>
<b>Net position - ending</b>	<b><u>\$ 192,293,391</u></b>	<b><u>\$ 12,883,746</u></b>

**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:

	<b>LGERS</b>	<b>WSPORS</b>	<b>Separation</b>	<b>Total</b>
Pension expense	\$ 25,136,003	\$ 9,606,191	\$ 3,139,313	\$ 37,881,507
Pension liability	91,774,187	\$41,773,478	17,339,341	150,887,006
Proportionate share of the net pension liability	1.62679	n/a	n/a	
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience	3,954,466	3,598,519	7,417,331	14,970,316
Changes of assumptions	9,157,006	2,523,772	523,905	12,204,683
Net difference between projected and actual earnings on pension plan investments	30,332,329	1,895,236	213,774	32,441,339
Changes in proportion and differences between City contributions and proportionate share of contributions	98,058	-	-	98,058
City benefit payments and administrative costs paid subsequent to the measurement date	16,653,879	-	-	16,653,879
Total Deferred Outflows of Resources	<u>60,195,738</u>	<u>8,017,527</u>	<u>8,155,010</u>	<u>76,368,275</u>
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	387,713	846,070	1,034,245	2,268,028
Changes of assumptions	-	-	280,032	280,032
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between City contributions and proportionate share of contributions	2,950,503	-	-	2,950,503
Total Deferred Inflows of Resources	<u>3,338,216</u>	<u>846,070</u>	<u>1,314,277</u>	<u>5,498,563</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, 2023 were \$780,738 which consisted of \$390,369 from the City and \$390,369 from the law enforcement officers. Trust agreements have been adopted to hold the assets of the 457(b) plan for employee contributions and 401(a) plan for the employer contributions.

### **b. Supplemental Retirement Income Plan for Law Enforcement Officers**

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

**Funding Policy.** Article 12E of N.C.G.S. Chapter 143 requires the City to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. City contributions for the year ended June 30, 2023 were \$1,534,815.

### **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, 2023 were \$2,001,047. A trust agreement has been adopted to hold the assets of the 401(a) plan for employer contributions.

## **B. Other Post-employment Benefits (OPEB)**

### **Healthcare and Death Benefits**

### **Summary of Significant Accounting Policies**

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

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

## Plan Description

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

**Plan Membership.** At January 1, 2022, the Other Post-employment Benefits Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	1,299
Active plan members	826
<b>Total</b>	<u>2,125</u>

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

**Contributions.** The City Council establishes the contribution requirements of plan members. The current annual required contribution was 1% of estimated annual covered payroll. For the current year, the City contributed \$1,521,574 or 1.15% of annual covered payroll. The City of Winston-Salem is self-insured. Contributions were made by plan members of \$1,984,010 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 ten 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, 2023, the annual money-weighted rate of return on OPEB plan investments, net of investment expense was 13.2%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability (Asset)**

The components of the net OPEB liability (asset) of the City as of June 30, 2023 are as follows:

Total OPEB liability	\$ 67,940,299
Plan fiduciary net position	<u>(71,311,198)</u>
<b>Net OPEB liability (asset)</b>	<b>\$ (3,370,899)</b>
Plan fiduciary net position as a percentage of total OPEB asset	105.0%

At June 30, 2023, the City reported a net OPEB asset of 3,370,899. The net OPEB asset was measured as of June 30, 2023. The total OPEB liability as of this date is based on an actuarial valuation as of January 1, 2023, with adjustments made for the 6 month difference. Adjustments include service cost, interest on total OPEB liability, and expected benefit payments during the year. This is also known as a roll-forward.

**Actuarial Assumptions.** The total OPEB liability was determined by an actuarial valuation as of January 1, 2023, 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	6.00% 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 (23 remaining years) amortization of the unfunded liability and five year asset smoothing.

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

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

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

Best estimates of real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2023, and the final investment return assumption, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	40%	6.25%
International Funds	30	6.50
Fixed Income - U. S.	30	2.05
<b>Total Weighted Average Real Return</b>	<b>100%</b>	<b>5.07%</b>
Plus inflation		2.75
Total return w/o adjustment		7.82
Risk adjustment		(0.82)
<b>Total Expected Return</b>		<b>7.00%</b>

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

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

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

#### Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
<b>Balances at June 30, 2022</b>	\$ 68,534,294	\$ 67,075,085	\$ 1,459,209
<b>Changes for the year:</b>			
Service cost	456,421	-	456,421
Interest	4,633,768	-	4,633,768
Contributions - employer	-	1,521,574	(1,521,574)
Contributions - member	-	1,984,010	(1,984,010)
Net investment income	-	8,561,965	(8,561,965)
Benefit payments, including refunds of member contributions	(5,684,184)	(7,668,194)	1,984,010
Administrative expense	-	(163,242)	163,242
<b>Net changes</b>	<b>(593,995)</b>	<b>4,236,113</b>	<b>(4,830,108)</b>
<b>Balances at June 30, 2023</b>	<b>\$ 67,940,299</b>	<b>\$ 71,311,198</b>	<b>\$ (3,370,899)</b>

**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	\$ 76,097,125	\$ 67,940,299	\$ 61,156,093
Plan net position	(71,311,198)	(71,311,198)	(71,311,198)
<b>Net OPEB liability (asset)</b>	<b>\$ 4,785,927</b>	<b>\$ (3,370,899)</b>	<b>\$ (10,155,105)</b>

**Sensitivity of the Net OPEB Asset to Changes in the Trend Rate.** The following presents the net OPEB liability asset of the City, calculated using the healthcare trend rate of 6.0% 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	\$ 60,884,481	\$ 67,940,299	\$ 76,410,292
Plan net position	(71,311,198)	(71,311,198)	(71,311,198)
<b>Net OPEB liability (asset)</b>	<b>\$ (10,426,717)</b>	<b>\$ (3,370,899)</b>	<b>\$ 5,099,094</b>

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$2,493,544. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,052,335
Changes of assumptions	477,454	-
Net difference between projected and actual earnings on OPEB plan investments	513,793	-
<b>Total</b>	<b>\$ 991,247</b>	<b>\$ 1,052,335</b>

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

<u>Year Ended June 30</u>	
2024	\$ (872,220)
2025	(1,050,113)
2026	2,631,188
2027	(769,943)
<b>Total</b>	<b>\$ (61,088)</b>

The following are financial statements for the Post-employment Benefits Trust Funds included as Fiduciary Funds in Exhibits 9 and 10 at June 30, 2023.

**Statement of Fiduciary Net Position**

June 30, 2023

	<b>Post-employment Benefits Trust Funds</b>
<b>Assets</b>	
Cash and cash equivalents/investments	\$ 4,009,231
Investments, at fair value	
Domestic stock and ADRs	42,080,162
United States government agencies	275,017
Corporate bonds	3,300,601
Municipal bonds	2,307,151
Mutual funds	20,361,081
Prepaid expenses	19,169
Total assets	<u>72,352,412</u>
<b>Deferred Outflows of Resources</b>	
Pension deferrals	<u>42,543</u>
<b>Liabilities</b>	
Accounts payable	3,320
Accrued payroll	1,817
Accrued vacation	7,314
Net pension liability	64,860
Claims payable	1,004,087
Total liabilities	<u>1,081,398</u>
<b>Deferred Inflows of Resources</b>	
Pension deferrals	<u>2,359</u>
<b>Net position</b>	
Restricted for post-employment benefits other than pensions	<u><u>\$ 71,311,198</u></u>

**Statement of Changes in Fiduciary Net Position**

June 30, 2023

	<b>Post-employment Benefits Trust Funds</b>
<b>Additions</b>	
Contributions	
Employer	\$ 1,521,574
Plan members	1,984,010
Total contributions	<u>3,505,584</u>
Investment income	
Net appreciation in fair value	7,615,666
Interest and dividends	1,266,680
Total investment income (loss)	<u>8,882,346</u>
Less investment expense	320,381
Net investment income	<u>8,561,965</u>
Total additions	<u>12,067,549</u>
<b>Deductions</b>	
Benefits	7,668,194
Administrative expense	163,242
Total deductions	<u>7,831,436</u>
Net decrease in net position	4,236,113
Net position - beginning	67,075,085
<b>Net position - ending</b>	<u><u>\$ 71,311,198</u></u>

## C. Deferred Compensation

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

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

## D. Joint Ventures and Jointly Governed Organizations

**Joint Ventures.** The City of Winston-Salem, Village of Clemmons, Town of Kernersville, Town of Lewisville, Town of Oak Ridge, Town of Bermuda Run, and Town of Yadkinville jointly appoint the nine member Triad Municipal Alcoholic Beverage Control Board, which operates 15 liquor stores in Forsyth County, Davie County, Guilford County, and Yadkin County. N.C.G.S. 18B-805 requires the Triad Municipal Alcoholic Beverage Control Board to distribute its net income to the seven municipalities who appoint the Board and Forsyth County. During fiscal year 2023, the City received \$3,437,260 in distributed net income. The participating governments do not have equity interest in the joint venture. The City does not have financial responsibility for the Triad Municipal Alcoholic Beverage Control Board and is not held responsible for its debts. Audited financial statements for the Triad Municipal Alcoholic Beverage Control Board are available through their administrative offices at 3127 Starlight Drive, Winston-Salem, North Carolina 27107-4141.

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

**Jointly Governed Organizations.** The Piedmont Triad Regional Council (PTRC) was formed on July 1, 2011 by consolidating the Northwest Piedmont Council of Governments, and the Piedmont Triad Council of Governments. The PTRC was designated by the State of North Carolina to serve as the lead regional organization for the Piedmont Triad region. PTRC serves 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 \$51,395 to the council during the fiscal year ended June 30, 2023.

## 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, 2023, is \$29,278,524.

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 \$29,278,524 at June 30, 2023, 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, 2023. The total capacity for cells 1-7 at Hanes Mill Road Landfill is 12,065,688 cubic yards, of which approximately 55% 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, 2023. The total capacity for the Old Salisbury Road Landfill is 3,775,400 cubic yards, of which approximately 86% 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, 2023. 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.

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

Certain other sites associated with pollution activity within the City have been identified, primarily pertaining to former waste disposal or prior property use; however, costs for remediation activities are not estimable as of June 30, 2023.

In addition, we estimate no future recoveries to potentially reduce the recorded pollution liabilities in fiscal year 2023.

## **G. Risk Management**

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

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

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

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

## Changes in Claims Payable

	<u>2023</u>	<u>2022</u>
Claims payable July 1	\$ 11,013,719	\$ 12,327,023
Claims paid	(37,736,558)	(38,092,997)
New claims and changes in claim estimates	40,816,293	36,779,693
Claims payable June 30	<u>\$ 14,093,454</u>	<u>\$ 11,013,719</u>
Employment benefits funds	\$ 10,536,216	\$ 8,716,787
Post-employment benefits trust fund	1,004,087	492,558
Risk management reserves fund	2,553,151	1,804,374
	<u>\$ 14,093,454</u>	<u>\$ 11,013,719</u>
Due within year	\$ 7,925,376	\$ 5,033,761

## Contingent Liabilities and Commitments

### 1. Claims and Legal Action

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

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

### 2. Subsequent Event

The City has evaluated subsequent events through December 15, 2023, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

## H. Restatement

A restatement in the amount of \$2,983,150 is presented in the Solid Waste Disposal Fund. The effect of the restatement is a decrease in the net position of the Solid Waste Disposal Fund and Business-Type Activities, as shown in the table below. The restatement is due to an error in the calculation of the landfill closure and post-closure liability. The total closure and post-closure liability as of June 30, 2022, was previously presented as \$22,409,940. This adjustment restates the beginning landfill closure and post-closure liability to \$25,393,090, and the ending liability as of June 30, 2023, is \$29,278,524. The City was using a method to accrue estimated landfill closure and post-closure expenses that was based upon passage of time, as opposed to landfill use as required by Governmental Accounting Standards Board (GASB) Statement 18.

	<u>Solid Waste Disposal Fund</u> <u>Net Position</u>	<u>Business-Type</u> <u>Net Position</u>
Net position - beginning, as previously stated	\$ 60,795,751	\$ 896,776,888
Restatement, landfill closure and post-closure liability	(2,983,150)	(2,983,150)
Net position - beginning, as adjusted	<u>\$ 57,812,601</u>	<u>\$ 893,793,738</u>

# **Required Supplementary Information**

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

Exhibit 11  
Page 1 of 2

	Fiscal Year				
	2023	2022	2021	2020	2019
<b>Total pension liability</b>					
Service cost	\$ 2,732,999	\$ 2,969,143	\$ 2,905,668	\$ 2,931,903	\$ 2,822,356
Interest	15,447,933	15,347,148	14,678,729	14,274,058	13,900,788
Difference between expected and actual experience	5,397,778	(2,538,208)	4,722,267	702,442	3,723,670
Changes of assumptions	-	7,571,318	-	-	87,029
Benefit payments, including refunds of employee contributions	(14,678,922)	(13,558,713)	(12,756,479)	(11,860,183)	(11,514,176)
<b>Net change in total pension liability</b>	8,899,788	9,790,688	9,550,185	6,048,220	9,019,667
<b>Total pension liability, beginning</b>	225,167,081	215,376,393	205,826,208	199,777,988	190,758,321
<b>Total pension liability, ending (a)</b>	234,066,869	225,167,081	215,376,393	205,826,208	199,777,988
<b>Plan fiduciary net position</b>					
Contributions - employer	6,646,130	6,078,827	5,862,603	5,070,702	4,152,384
Contributions - member	1,284,976	1,266,106	1,339,105	1,437,121	1,470,001
Net investment income	21,696,175	(28,385,858)	56,872,827	2,571,341	10,731,236
Benefit payments, including refunds of employee contributions	(14,678,922)	(13,558,713)	(12,756,479)	(11,860,183)	(11,514,176)
Administrative expense	(110,501)	(117,194)	(105,904)	(98,836)	(100,775)
<b>Net change in plan fiduciary net position</b>	14,837,858	(34,716,832)	51,212,152	(2,879,855)	4,738,670
<b>Plan fiduciary net position, beginning</b>	177,455,533	212,172,365	160,960,213	163,840,068	159,101,398
<b>Plan fiduciary net position, ending (b)</b>	192,293,391	177,455,533	212,172,365	160,960,213	163,840,068
<b>Net pension liability, ending (a-b)</b>	\$ 41,773,478	\$ 47,711,548	\$ 3,204,028	\$ 44,865,995	\$ 35,937,920
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	82.2%	78.8%	98.5%	78.2%	82.0%
<b>Covered payroll</b>	\$ 19,135,735	\$ 20,363,014	\$ 23,501,713	\$ 23,569,786	\$ 23,797,216
<b>Net pension liability as a percentage of covered payroll</b>	218.3%	234.3%	13.6%	190.4%	151.0%

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

Exhibit 11  
Page 2 of 2

	Fiscal Year				
	2018	2017	2016	2015	2014
<b>Total pension liability</b>					
Service cost	\$ 2,800,881	\$ 2,786,122	\$ 2,839,943	\$ 2,972,457	\$ 2,915,276
Interest	13,818,009	12,280,395	11,744,716	11,314,615	12,240,404
Difference between expected and actual experience	4,119,005	2,916,465	1,289,927	2,594,276	-
Changes of assumptions	4,612,557	188,562	191,138	175,153	-
Benefit payments, including refunds of employee contributions	(10,937,034)	(10,502,703)	(9,968,384)	(9,429,751)	(8,933,487)
<b>Net change in total pension liability</b>	<b>14,413,418</b>	<b>7,668,841</b>	<b>6,097,340</b>	<b>7,626,750</b>	<b>6,222,193</b>
<b>Total pension liability, beginning</b>	<b>176,344,903</b>	<b>168,676,062</b>	<b>162,578,722</b>	<b>154,951,972</b>	<b>148,729,779</b>
<b>Total pension liability, ending (a)</b>	<b>190,758,321</b>	<b>176,344,903</b>	<b>168,676,062</b>	<b>162,578,722</b>	<b>154,951,972</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	4,034,558	4,034,169	4,035,399	4,205,640	34,382,951
Contributions - member	1,571,265	1,493,643	1,484,341	1,543,565	1,556,227
Net investment income	15,285,822	20,820,215	742,534	5,330,797	20,241,752
Benefit payments, including refunds of employee contributions	(10,937,034)	(10,502,703)	(9,968,384)	(9,429,751)	(8,933,487)
Administrative expense	(104,951)	(95,168)	(95,299)	(111,694)	(94,677)
<b>Net change in plan fiduciary net position</b>	<b>9,849,660</b>	<b>15,750,156</b>	<b>(3,801,409)</b>	<b>1,538,557</b>	<b>47,152,766</b>
<b>Plan fiduciary net position, beginning</b>	<b>149,251,738</b>	<b>133,501,582</b>	<b>137,302,991</b>	<b>135,764,434</b>	<b>88,611,668</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>159,101,398</b>	<b>149,251,738</b>	<b>133,501,582</b>	<b>137,302,991</b>	<b>135,764,434</b>
<b>Net pension liability, ending (a-b)</b>	<b>\$ 31,656,923</b>	<b>\$ 27,093,165</b>	<b>\$ 35,174,480</b>	<b>\$ 25,275,731</b>	<b>\$ 19,187,538</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	83.4%	84.6%	79.1%	84.5%	87.6%
<b>Covered payroll</b>	<b>\$ 24,217,617</b>	<b>\$ 23,336,940</b>	<b>\$ 23,733,206</b>	<b>\$ 25,206,604</b>	<b>\$ 24,880,178</b>
<b>Net pension liability as a percentage of covered payroll</b>	130.7%	116.1%	148.2%	100.3%	77.1%

**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				
	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ 6,646,130	\$ 6,078,827	\$ 5,862,603	\$ 5,070,702	\$ 4,152,384
Contributions in relation to the actuarially determined contribution	<u>6,646,130</u>	<u>6,078,827</u>	<u>5,862,603</u>	<u>5,070,702</u>	<u>4,152,384</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 19,135,735	\$ 20,363,014	\$ 23,501,713	\$ 23,569,786	\$ 23,797,216
Contributions as a percentage of covered payroll	34.7%	29.9%	24.9%	21.5%	17.4%

**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	15
Asset valuation method	7-year smoothed market
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

	<b>Fiscal Year</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contribution	\$ 3,746,180	\$ 3,421,184	\$ 3,370,392	\$ 3,326,051	\$ 6,216,781
Contributions in relation to the actuarially determined contribution	<u>4,034,558</u>	<u>4,034,169</u>	<u>4,035,399</u>	<u>4,205,640</u>	<u>34,382,951</u>
Contribution deficiency (excess)	<u>\$ (288,378)</u>	<u>\$ (612,985)</u>	<u>\$ (665,007)</u>	<u>\$ (879,589)</u>	<u>\$ (28,166,170)</u>
Covered payroll	\$ 24,217,617	\$ 23,336,940	\$ 23,733,206	\$ 25,206,604	\$ 24,880,178
Contributions as a percentage of covered payroll	16.7%	17.3%	17.0%	16.7%	138.2%

***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

	<b>Fiscal Year</b>				
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Annual money-weighted rate of return, net of investment expense	12.40%	-13.60%	35.89%	1.59%	6.87%



**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				
	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	10.94%	15.86%	0.56%	3.97%	17.61%

***City of Winston-Salem, North Carolina***  
***Schedule of Changes in Net Pension Liability and Related Ratios***  
***Winston-Salem Police Officers' Separation Allowance***  
*Last Ten Fiscal Years*

Exhibit 14  
Page 1 of 2

	Fiscal Year				
	2023	2022	2021	2020	2019
<b>Total pension liability</b>					
Service cost	\$ 590,492	\$ 669,107	\$ 604,860	\$ 579,453	\$ 600,358
Interest	1,777,023	1,864,054	1,793,410	1,763,549	1,752,912
Difference between expected and actual experience	4,526,109	(1,378,993)	1,914,676	381,917	2,822,846
Changes of assumptions	-	400,972	-	-	(746,747)
Benefit payments, including refunds of member contributions	(2,883,422)	(2,561,669)	(2,408,580)	(2,270,725)	(2,103,520)
<b>Net change in total pension liability</b>	<b>4,010,202</b>	<b>(1,006,529)</b>	<b>1,904,366</b>	<b>454,194</b>	<b>2,325,849</b>
<b>Total pension liability, beginning</b>	<b>26,212,885</b>	<b>27,219,414</b>	<b>25,315,048</b>	<b>24,860,854</b>	<b>22,535,005</b>
<b>Total pension liability, ending (a)</b>	<b>30,223,087</b>	<b>26,212,885</b>	<b>27,219,414</b>	<b>25,315,048</b>	<b>24,860,854</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	2,472,624	2,311,923	2,280,145	2,207,950	1,572,291
Net investment income	1,410,600	(1,876,425)	3,638,697	165,320	714,974
Benefit payments, including refunds of member contributions	(2,883,422)	(2,561,669)	(2,408,580)	(2,270,725)	(2,103,520)
Administrative expense	(6,083)	(8,340)	(13,254)	(8,006)	(5,070)
<b>Net change in plan fiduciary net position</b>	<b>993,719</b>	<b>(2,134,511)</b>	<b>3,497,008</b>	<b>94,539</b>	<b>178,675</b>
<b>Plan fiduciary net position, beginning</b>	<b>11,890,027</b>	<b>14,024,538</b>	<b>10,527,530</b>	<b>10,432,991</b>	<b>10,254,316</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>12,883,746</b>	<b>11,890,027</b>	<b>14,024,538</b>	<b>10,527,530</b>	<b>10,432,991</b>
<b>Net pension liability, ending (a-b)</b>	<b>\$ 17,339,341</b>	<b>\$ 14,322,858</b>	<b>\$ 13,194,876</b>	<b>\$ 14,787,518</b>	<b>\$ 14,427,863</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>42.6%</b>	<b>45.4%</b>	<b>51.5%</b>	<b>41.6%</b>	<b>42.0%</b>
<b>Covered payroll</b>	<b>\$ 26,625,979</b>	<b>\$ 29,320,555</b>	<b>\$ 34,511,461</b>	<b>\$ 33,547,308</b>	<b>\$ 29,916,749</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>65.1%</b>	<b>48.8%</b>	<b>38.2%</b>	<b>44.1%</b>	<b>48.2%</b>

**City of Winston-Salem, North Carolina**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Winston-Salem Police Officers' Separation Allowance**  
*Last Ten Fiscal Years*

Exhibit 14  
Page 2 of 2

	Fiscal Year				
	2018	2017	2016	2015	2014
<b>Total pension liability</b>					
Service cost	\$ 429,595	\$ 418,102	\$ 394,050	\$ 394,050	\$ 370,972
Interest	1,699,044	1,348,120	1,272,982	1,231,261	1,358,844
Difference between expected and actual experience	2,267,413	963,257	511,859	720,148	-
Changes of assumptions	885,664	4,156	4,028	3,995	-
Benefit payments, including refunds of member contributions	(1,854,762)	(1,648,310)	(1,596,792)	(1,535,057)	(1,451,797)
<b>Net change in total pension liability</b>	<b>3,426,954</b>	<b>1,085,325</b>	<b>586,127</b>	<b>814,397</b>	<b>278,019</b>
<b>Total pension liability, beginning</b>	<b>19,108,051</b>	<b>18,022,726</b>	<b>17,436,599</b>	<b>16,622,202</b>	<b>16,344,183</b>
<b>Total pension liability, ending (a)</b>	<b>22,535,005</b>	<b>19,108,051</b>	<b>18,022,726</b>	<b>17,436,599</b>	<b>16,622,202</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	1,402,746	1,312,250	1,205,933	1,035,697	1,000,073
Net investment income	905,322	1,340,751	39,642	375,053	1,491,827
Benefit payments, including refunds of member contributions	(1,854,762)	(1,648,310)	(1,596,792)	(1,535,057)	(1,451,797)
Administrative expense	(6,884)	(13,820)	(4,331)	(460)	(8,820)
<b>Net change in plan fiduciary net position</b>	<b>446,422</b>	<b>990,871</b>	<b>(355,548)</b>	<b>(124,767)</b>	<b>1,031,283</b>
<b>Plan fiduciary net position, beginning</b>	<b>9,807,894</b>	<b>8,817,023</b>	<b>9,172,571</b>	<b>9,297,338</b>	<b>8,266,055</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>10,254,316</b>	<b>9,807,894</b>	<b>8,817,023</b>	<b>9,172,571</b>	<b>9,297,338</b>
<b>Net pension liability, ending (a-b)</b>	<b>\$ 12,280,689</b>	<b>\$ 9,300,157</b>	<b>\$ 9,205,703</b>	<b>\$ 8,264,028</b>	<b>\$ 7,324,864</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	45.5%	51.3%	48.9%	52.6%	55.9%
<b>Covered payroll</b>	\$ 27,562,707	\$ 26,667,735	\$ 26,209,341	\$ 26,095,009	\$ 24,880,178
<b>Net pension liability as a percentage of covered payroll</b>	44.6%	34.9%	35.1%	31.7%	29.4%

**City of Winston-Salem, North Carolina**  
**Schedule of Contributions**  
**Winston-Salem Police Officers' Separation Allowance**  
*Last Ten Fiscal Years*

Exhibit 15  
Page 1 of 2

	Fiscal Year				
	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ 2,472,624	\$ 2,311,923	\$ 2,245,859	\$ 1,977,462	\$ 1,503,773
Contributions in relation to the actuarially determined contribution	<u>2,472,624</u>	<u>2,311,923</u>	<u>2,280,145</u>	<u>2,207,950</u>	<u>1,572,291</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (34,286)</u>	<u>\$ (230,488)</u>	<u>\$ (68,518)</u>
Covered payroll	\$ 26,625,979	\$ 29,320,555	\$ 34,511,461	\$ 33,547,308	\$ 29,916,749
Contributions as a percentage of covered payroll	9.3%	7.9%	6.6%	6.6%	5.3%

**Notes to Schedule**

Valuation date:

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

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar amount, closed
Remaining amortization period	15
Asset valuation method	7-year smoothed market
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

	<b>Fiscal Year</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contribution	\$ 1,356,667	\$ 1,235,894	\$ 1,203,418	\$ 1,086,587	\$ 975,918
Contributions in relation to the actuarially determined contribution	<u>1,402,746</u>	<u>1,312,250</u>	<u>1,205,933</u>	<u>1,035,697</u>	<u>1,000,073</u>
Contribution deficiency (excess)	<u>\$ (46,079)</u>	<u>\$ (76,356)</u>	<u>\$ (2,515)</u>	<u>\$ 50,890</u>	<u>\$ (24,155)</u>
Covered payroll	\$ 27,562,707	\$ 26,667,735	\$ 26,209,341	\$ 26,095,009	\$ 24,880,178
Contributions as a percentage of covered payroll	5.1%	4.9%	4.6%	4.0%	4.0%

**City of Winston-Salem, North Carolina**  
**Schedule of Investment Returns**  
**Winston-Salem Police Officers' Separation Allowance**  
*Last Ten Fiscal Years*

Exhibit 16  
Page 1 of 2

	Fiscal Year				
	2023	2022	2021	2020	2019
Annual money-weighted rate of return, net of investment expense	12.00%	-13.40%	34.56%	1.58%	7.11%

**City of Winston-Salem, North Carolina**  
**Schedule of Investment Returns**  
**Winston-Salem Police Officers' Separation Allowance**  
*Last Ten Fiscal Years*

Exhibit 16  
Page 2 of 2

	<b>Fiscal Year</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Annual money-weighted rate of return, net of investment expense	9.40%	15.54%	0.44%	4.15%	18.47%

**City of Winston-Salem, North Carolina**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**Post-employment Benefits**  
*Last Seven Fiscal Years <sup>(1)</sup>*

Exhibit 17  
Page 1 of 2

	Fiscal Year			
	2023	2022	2021	2020
<b>Total OPEB liability</b>				
Service cost	\$ 456,421	\$ 600,566	\$ 584,492	\$ 845,494
Interest	4,633,768	4,987,261	5,048,172	5,731,267
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	-	(3,157,003)	-	(8,682,182)
Changes of assumptions	-	1,432,364	-	-
Benefit payments, including refunds	(5,684,184)	(6,915,265)	(6,077,192)	(8,000,327)
<b>Net change in total OPEB liability</b>	<b>(593,995)</b>	<b>(3,052,077)</b>	<b>(444,528)</b>	<b>(10,105,748)</b>
<b>Total OPEB liability, beginning</b>	<b>68,534,294</b>	<b>71,586,371</b>	<b>72,030,899</b>	<b>82,136,647</b>
<b>Total OPEB liability, ending (a)</b>	<b>67,940,299</b>	<b>68,534,294</b>	<b>71,586,371</b>	<b>72,030,899</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	1,521,574	1,586,487	2,775,245	2,856,574
Contributions - member	1,984,010	2,063,707	2,178,222	1,950,101
Net investment income	8,561,965	(11,130,796)	22,944,124	1,017,246
Benefit payments, including refunds	(7,668,194)	(8,978,972)	(8,255,414)	(9,950,428)
Administrative expense	(163,242)	(150,898)	(135,014)	(143,333)
<b>Net change in plan fiduciary net position</b>	<b>4,236,113</b>	<b>(16,610,472)</b>	<b>19,507,163</b>	<b>(4,269,840)</b>
<b>Plan fiduciary net position, beginning</b>	<b>67,075,085</b>	<b>83,685,557</b>	<b>64,178,394</b>	<b>68,448,234</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>71,311,198</b>	<b>67,075,085</b>	<b>83,685,557</b>	<b>64,178,394</b>
<b>Net OPEB liability, ending (a-b)</b>	<b>\$ (3,370,899)</b>	<b>\$ 1,459,209</b>	<b>\$ (12,099,186)</b>	<b>\$ 7,852,505</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	105.0%	97.9%	116.9%	89.1%
<b>Covered-employee payroll</b>	\$ 51,875,353	\$ 49,411,757	\$ 56,809,190	\$ 61,842,481
<b>Net OPEB liability as a percentage of covered payroll</b>	-6.5%	3.0%	-21.3%	12.7%

<sup>(1)</sup> 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 Seven Fiscal Years <sup>(1)</sup>*

Exhibit 17  
Page 2 of 2

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

**City of Winston-Salem, North Carolina**  
**Schedule of Contributions**  
**Post-employment Benefits**  
*Last Ten Fiscal Years*

Exhibit 18  
Page 1 of 2

	Fiscal Year				
	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ -	\$ 1,340,078	\$ 1,304,212	\$ 2,448,424	\$ 2,448,424
Contributions in relation to the actuarially determined contribution	<u>1,521,574</u>	<u>1,586,487</u>	<u>2,775,245</u>	<u>2,856,574</u>	<u>3,949,401</u>
Contribution deficiency (excess)	<u>\$ (1,521,574)</u>	<u>\$ (246,409)</u>	<u>\$ (1,471,033)</u>	<u>\$ (408,150)</u>	<u>\$ (1,500,977)</u>
Covered payroll	\$ 51,875,353	\$ 49,411,757	\$ 56,809,190	\$ 61,842,481	\$ 68,916,592
Contributions as a percentage of covered payroll	2.9%	3.2%	4.9%	4.6%	5.7%

**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	23
Asset valuation method	5-year smoothed market
Inflation	2.75%
Investment rate of return	7.00%, net of investment expense and including inflation
Healthcare trend	6.00% initially, grading down to 4.25% ultimate 4.00% for Medicare coverage (Post 65)
Mortality	Mortality rates were based on the Pub 2010G and 2010S Tables and projected generationally using Scale SSA 2021 (50% of the tables apply for pre-retirement deaths).

**City of Winston-Salem, North Carolina**  
**Schedule of Contributions**  
**Post-employment Benefits**  
*Last Ten Fiscal Years*

Exhibit 18  
Page 2 of 2

	<b>Fiscal Year</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contribution	\$ 3,497,231	\$ 3,497,231	\$ 6,483,194	\$ 6,483,194	\$ 7,480,680
Contributions in relation to the actuarially determined contribution	<u>4,192,751</u>	<u>3,497,231</u>	<u>6,483,194</u>	<u>6,483,194</u>	<u>7,480,680</u>
Contribution deficiency (excess)	<u>\$ (695,520)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 75,814,665	\$ 107,640,260	\$ 107,640,260	\$ 104,119,336	\$ 104,119,336
Contributions as a percentage of covered payroll	5.5%	3.2%	6.0%	6.2%	7.2%

**City of Winston-Salem, North Carolina**  
**Schedule of Investment Returns**  
**Post-employment Benefits**  
*Last Seven Fiscal Years <sup>(1)</sup>*

Exhibit 19  
Page 1 of 2

	Fiscal Year			
	2023	2022	2021	2020
Annual money-weighted rate of return, net of investment expense	13.20%	-13.80%	36.60%	1.50%

<sup>(1)</sup> 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 Seven Fiscal Years <sup>(1)</sup>*

Exhibit 19  
Page 2 of 2

---

	<b>Fiscal Year</b>		
	<b>2019</b>	<b>2018</b>	<b>2017</b>
Annual money-weighted rate of return, net of investment expense	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				
	2023	2022	2021	2020	2019
Winston-Salem's proportion of the net pension liability (asset) (%)	1.62679	1.77170%	1.78316%	1.77345%	1.81132%
Winston-Salem's proportion of the net pension liability (asset) (\$)	\$ 91,774,187	\$ 27,170,720	\$ 63,719,903	\$ 48,431,536	\$ 42,970,705
Winston-Salem's covered payroll	\$ 122,428,341	\$ 122,086,793	\$ 124,907,991	\$ 119,568,576	\$ 117,262,357
Winston-Salem's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	74.9616%	22.2552%	51.0135%	40.5052%	36.6449%
Plan fiduciary net position as a percentage of the total pension liability **	84.14%	95.51%	88.61%	90.86%	91.63%

\*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				
	2018	2017	2016	2015	2014
Winston-Salem's proportion of the net pension liability (asset) (%)	1.74550%	1.73309%	1.80025%	1.80839%	1.89860%
Winston-Salem's proportion of the net pension liability (asset) (\$)	\$ 26,666,405	\$ 36,781,996	\$ 8,079,434	\$ (10,664,916)	\$ 22,885,421
Winston-Salem's covered payroll	\$ 111,203,433	\$ 104,723,508	\$ 101,433,133	\$ 99,590,382	\$ 100,511,092
Winston-Salem's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	23.9798%	35.1230%	7.9653%	(10.7088)%	22.7691%
Plan fiduciary net position as a percentage of the total pension liability **	94.18%	91.47%	98.09%	102.47%	94.35%

**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				
	2023	2022	2021	2020	2019
Contractually required contribution	\$ 16,653,879	\$ 14,169,348	\$ 12,660,516	\$ 11,103,950	\$ 9,566,443
Contributions in relation to the contractually required contribution	16,653,879	14,169,348	12,660,516	11,103,950	9,566,443
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Winston-Salem's covered payroll	\$ 134,504,545	\$ 122,428,341	\$ 122,086,793	\$ 124,907,991	\$ 119,568,576
Contributions as a percentage of covered payroll	12.38%	11.57%	10.37%	8.89%	8.00%



**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				
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 9,039,532	\$ 8,322,237	\$ 7,196,687	\$ 7,282,532	\$ 7,094,714
Contributions in relation to the contractually required contribution	9,039,532	8,322,237	7,196,687	7,282,532	7,094,714
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Winston-Salem's covered payroll	\$ 117,262,357	\$ 111,203,433	\$ 104,723,508	\$ 101,433,133	\$ 99,590,382
Contributions as a percentage of covered payroll	7.71%	7.48%	6.87%	7.18%	7.12%



# **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, 2023

Exhibit 22

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Property taxes	\$ 25,582,830	\$ 26,135,818	\$ 552,988
Local option sales taxes	9,955,940	10,888,135	932,195
Intergovernmental	1,330,650	1,484,061	153,411
Investment income	100,000	6,831,372	6,731,372
Other	2,139,620	2,114,619	(25,001)
Total revenues	<u>39,109,040</u>	<u>47,454,005</u>	<u>8,344,965</u>
<b>Expenditures</b>			
Other	621,860	517,084	104,776
Debt Service			
Principal retirement			
Bond	14,304,700	13,860,000	444,700
Other	10,711,690	10,685,597	26,093
Interest and fiscal charges	16,075,740	10,149,366	5,926,374
Total expenditures	<u>41,713,990</u>	<u>35,212,047</u>	<u>6,501,943</u>
Excess of expenditures over revenues	(2,604,950)	12,241,958	14,846,908
<b>Other Financing Sources (Uses)</b>			
Transfers in			
General fund	2,102,410	2,102,410	-
Transfers out			
Public assembly facilities management fund	(526,010)	(526,010)	-
Transit Authority fund	-	-	-
Total transfers, net	<u>1,576,400</u>	<u>1,576,400</u>	<u>-</u>
Appropriated fund balance	1,028,550	-	1,028,550
Net change in fund balance	<u>\$ -</u>	<u>13,818,358</u>	<u>\$ 13,818,358</u>
Fund balance - beginning		52,530,410	
Fund balance - ending		<u><u>\$ 66,348,768</u></u>	

# City of Winston-Salem, North Carolina

## Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2023

Exhibit 23

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Project Authorizations</u>
<b>Revenues</b>				
Intergovernmental - federal	\$ 562,855	\$ 860,349	\$ 1,423,204	\$ 8,203,460
Intergovernmental - state	785,955	1,973,431	2,759,386	23,838,461
Intergovernmental - local	-	33,880	33,880	-
Investment income	527,157	-	527,157	2
Sales and Services	142,096	4,353	146,449	231,050
NCMLC charges	408,514	-	408,514	757,330
Other	8,635,856	6,875,635	15,511,491	11,634,479
Total revenues	<u>11,062,433</u>	<u>9,747,648</u>	<u>20,810,081</u>	<u>44,664,782</u>
<b>Expenditures</b>				
General government	13,880,059	5,321,481	19,201,540	35,404,984
Public protection	4,090,770	16,560,862	20,651,632	37,791,149
Transportation	8,380,302	29,884,241	38,264,543	141,474,512
Culture and recreation	9,971,335	25,492,179	35,463,514	70,732,827
Community and economic development	6,627,305	9,204,447	15,831,752	77,558,496
Debt service				
Principal retirement	7,229,501	-	7,229,501	7,229,500
Interest and fiscal charges	1,129,220	141,504	1,270,724	511,400
Total expenditures	<u>51,308,492</u>	<u>86,604,714</u>	<u>137,913,206</u>	<u>370,702,868</u>
Excess of expenditures over revenues	(40,246,059)	(76,857,066)	(117,103,125)	(326,038,086)
<b>Other Financing Sources (Uses)</b>				
Premium on general obligation bonds	8,240,117	4,584,265	12,824,382	4,379,505
Issuance of limited obligation bonds	-	10,491,764	10,491,764	10,491,764
Issuance of general obligation bonds	63,895,000	78,388,364	142,283,364	174,348,214
Issuance of installment financing contract	-	2,356	2,356	2,356
Issuance of contracts payable	31,166,829	211,056	31,377,885	89,040,898
Lease liabilities issued	-	4,147,315	4,147,315	-
Transfers in	15,467,457	32,174,967	47,642,424	53,359,951
Transfers out	(227,170)	(4,628,867)	(4,856,037)	(4,658,826)
Appropriated fund balance	-	-	-	(925,776)
Total other financing sources, net	<u>118,542,233</u>	<u>125,371,220</u>	<u>243,913,453</u>	<u>326,038,086</u>
Excess of revenues and other financing sources over expenditures and other uses	78,296,174	48,514,154	126,810,328	<u>\$ -</u>
Fund balance - beginning	72,111,316	-	-	
Budgeted on an annual basis	-	23,597,162	23,597,162	
Fund balance - ending	<u>\$ 150,407,490</u>	<u>\$ 72,111,316</u>	<u>\$ 150,407,490</u>	



# City of Winston-Salem, North Carolina

## Special Revenue Funds

American Rescue Plan - Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2023

Exhibit 24

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Program Authorizations</u>
<b>Revenues</b>				
Intergovernmental	\$ 17,807,902	\$ 33,924,163	\$ 51,732,065	\$ 51,732,065
Investment income	176,029	8,971	185,000	185,000
Total revenues	<u>17,983,931</u>	<u>33,933,134</u>	<u>51,917,065</u>	<u>51,917,065</u>
<b>Expenditures</b>				
General government	<u>62,760</u>	<u>2,544,120</u>	<u>2,606,880</u>	<u>2,606,880</u>
Total expenditures	<u>62,760</u>	<u>2,544,120</u>	<u>2,606,880</u>	<u>2,606,880</u>
Excess of revenues over (under) expenditures	17,921,171	31,389,014	49,310,185	49,310,185
<b>Other Financing Sources (Uses)</b>				
Transfers out				
General fund	(17,930,142)	(31,380,043)	(49,310,185)	(49,310,185)
Total other financing sources, net	<u>(17,930,142)</u>	<u>(31,380,043)</u>	<u>(49,310,185)</u>	<u>(49,310,185)</u>
Net change in fund balance	(8,971)	8,971	-	<u>\$ -</u>
Fund balance - beginning	<u>8,971</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, 2023

Exhibit 25  
Page 1 of 2

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Operating Revenues</b>			
Sales			
Water	\$ 60,664,900	\$ 60,431,839	\$ (233,061)
Sewer	57,612,100	57,809,938	197,838
Industrial waste surcharge	3,300,000	4,076,166	776,166
Total sales	<u>121,577,000</u>	<u>122,317,943</u>	<u>740,943</u>
Charges for services			
New connections	105,000	99,791	(5,209)
Special area and privilege charges	-	2,448	2,448
Other charges for services	6,185,000	7,189,322	1,004,322
Total charges for services	<u>6,290,000</u>	<u>7,291,561</u>	<u>1,001,561</u>
Other	10,000	84,027	74,027
Total operating revenues	<u>127,877,000</u>	<u>129,693,531</u>	<u>1,816,531</u>
<b>Operating Expenditures</b>			
Personal services	24,591,690	21,889,041	2,702,649
Maintenance and operations	35,703,794	31,217,157	4,486,637
Capital outlay	146,860	83,290	63,570
Total operating expenditures	<u>60,442,344</u>	<u>53,189,488</u>	<u>7,252,856</u>
Operating income	67,434,656	76,504,043	9,069,387
<b>Nonoperating Revenues (Expenditures)</b>			
Investment income	-	9,639,955	9,639,955
Lease revenue	-	20,458	20,458
Proceeds from sale of assets	-	47,530	47,530
Interest and fiscal charges	(17,571,780)	(17,571,780)	-
Principal retirement	(27,257,815)	(27,257,815)	-
Total nonoperating expenditures, net	<u>(44,829,595)</u>	<u>(35,121,652)</u>	<u>9,707,943</u>
Income before capital contributions and transfers	22,605,061	41,382,391	18,777,330
<b>Capital Contributions</b>			
Conveyances	-	9,750,570	9,750,570
Intergovernmental revenue	-	176,177	176,177
Other	-	999,709	999,709
Total capital contributions	<u>-</u>	<u>10,926,456</u>	<u>10,926,456</u>
<b>Transfers In (Out)</b>			
Stormwater fund	120,720	120,720	-
General fund	(90,900)	(82,096)	8,804
Solid waste disposal fund	(390,570)	(290,922)	99,648
Total transfers out	<u>(360,750)</u>	<u>(252,298)</u>	<u>108,452</u>
Appropriated net position	<u>(22,244,311)</u>	<u>-</u>	<u>(22,244,311)</u>
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ 52,056,549</u>	<u>\$ 52,056,549</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, 2023

Exhibit 25  
Page 2 of 2

### Reconciliation of Modified Accrual Basis to Full Accrual Basis

Change in Net Position - Modified Accrual Basis	\$ 52,056,549
Depreciation	(36,182,101)
Amortization	(541,292)
Amortization of financing costs	2,643,531
Capital outlay	83,290
Building Lease	456,456
Capital outlay - Lease	(456,456)
IT subscription agreement	1,426,789
Capital outlay - subscription based information technology agreements	(1,426,789)
Principal retirement	27,257,815
Book value of disposed assets	(2,776,365)
Increase in contracts payable	139
Increase (decrease) in net OPEB asset	385,528
Increase (decrease) in deferred outflows of resources - pensions	2,115,486
Increase (decrease) in deferred outflows of resources - OPEB	(482,546)
(Increase) decrease in net pension liability	(7,268,213)
(Increase) decrease in deferred inflows of resources - pensions	4,293,485
(Increase) decrease in net OPEB liability	172,906
(Increase) decrease in deferred inflows of resources - OPEB	386,227
Change in Net Position - Full Accrual Basis	<u><u>\$ 42,144,439</u></u>

# City of Winston-Salem, North Carolina

## 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, 2023

Exhibit 26

	<u>Program Authorizations</u>	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>
<b>Revenues</b>				
Intergovernmental revenues	\$ 128,519,335	\$ 34,488,306	\$ 11,433,647	\$ 45,921,953
Contributions from operations	280,006,035	16,409,683	39,039,744	55,449,427
Other contributions	-	999,709	534,252	1,533,961
Proceeds from bonds	2,000,000	19,933,100	32,498,293	52,431,393
Total revenues	<u>410,525,370</u>	<u>71,830,798</u>	<u>83,505,936</u>	<u>155,336,734</u>
<b>Expenses</b>				
Water Capital	266,833,283	57,961,901	47,636,516	105,598,417
Sewer Capital	140,214,946	19,760,988	45,088,504	64,849,492
Water Distribution	2,836,821	621,741	211,454	833,195
Sewer Collection	640,320	314,642	9,392	324,034
Total expenses	<u>410,525,370</u>	<u>78,659,272</u>	<u>92,945,866</u>	<u>171,605,138</u>
Change in Net Position	<u>\$ -</u>	<u>\$ (6,828,474)</u>	<u>\$ (9,439,930)</u>	<u>\$ (16,268,404)</u>

# City of Winston-Salem, North Carolina

## Enterprise Funds

Solid Waste Disposal Fund - Schedule of Revenues, Expenditures,  
and Transfers - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2023

Exhibit 27

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Operating Revenues</b>			
Charges for services	\$ 11,976,560	\$ 10,934,141	\$ (1,042,419)
Other	-	11,132	11,132
Total operating revenues	11,976,560	10,945,273	(1,031,287)
<b>Operating Expenditures</b>			
Personal services	2,846,500	2,348,774	497,726
Maintenance and operations	9,635,169	5,556,526	4,078,643
Total operating expenditures	12,481,669	7,905,300	4,576,369
Operating income	(505,109)	3,039,973	3,545,082
<b>Nonoperating Revenues (Expenditures)</b>			
Intergovernmental revenue	1,080,970	1,162,577	81,607
Investment income	-	3,223,699	3,223,699
Interest and fiscal charges	(209,750)	(202,287)	7,463
Principal retirement	(1,771,360)	(1,641,725)	129,635
Total nonoperating expenditures, net	(900,140)	2,542,264	3,442,404
Income (loss) before transfers	(1,405,249)	5,582,237	6,987,486
<b>Transfers In</b>			
Water and sewer utility fund	390,570	290,922	(99,648)
Stormwater management fund	195,280	145,461	(49,819)
Total transfers in	585,850	436,383	(149,467)
Appropriated net position	819,399	-	819,399
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ 6,018,620</u>	<u>\$ 6,018,620</u>
<b>Reconciliation of Modified Accrual Basis to Full Accrual Basis</b>			
Change in Net Position - Modified Accrual Basis		\$ 6,018,620	
Depreciation		(2,327,109)	
Amortization of financing costs		80,573	
Principal retirement		1,641,725	
Increase (decrease) in net OPEB asset		41,027	
Increase (decrease) in deferred outflows of resources - pensions		190,919	
(Increase) decrease in net pension liability		(750,353)	
(Increase) decrease in deferred inflows of resources - pensions		490,478	
Increase (decrease) in deferred outflows of resources - OPEB		(55,632)	
(Increase) decrease in net OPEB liability		19,642	
(Increase) decrease in deferred inflows of resources - OPEB		44,740	
(Increase) decrease in landfill closure/post-closure liability		(3,885,434)	
Change in Net Position - Full Accrual Basis		<u>\$ 1,509,196</u>	

# City of Winston-Salem, North Carolina

## 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, 2023

Exhibit 28

	<b>Program</b>			<b>Total</b>
	<b>Authorizations</b>	<b>Current Year</b>	<b>Prior Years</b>	<b>to Date</b>
<b>Revenues</b>				
Contributions from operations	\$ 24,406,945	\$ -	\$ 1,730,694	\$ 1,730,694
Total revenues	<u>24,406,945</u>	<u>-</u>	<u>1,730,694</u>	<u>1,730,694</u>
<b>Expenses</b>				
Hanes Landfill Leachate System	22,643,282	847,722	1,672,565	2,520,287
Hanes Landfill Liners	1,163,663	-	93,120	93,120
Other Landfill Projects	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>24,406,945</u>	<u>847,722</u>	<u>1,765,685</u>	<u>2,613,407</u>
Change in Net Position	<u>\$ -</u>	<u>\$ (847,722)</u>	<u>\$ (34,991)</u>	<u>\$ (882,713)</u>

# City of Winston-Salem, North Carolina

## Enterprise Funds

Transit Authority Fund - Schedule of Revenues, Expenditures,  
and Transfers - Budget (Non-GAAP Basis) and Actual  
From Inception and for the Fiscal Year Ended June 30, 2023

Exhibit 29

	Budget	Actual	Variance Positive (Negative)
<b>Operating Revenues</b>			
Charges for services	\$ 1,653,300	\$ 1,266,398	\$ (386,902)
Other	412,340	310,923	(101,417)
Total operating revenues	2,065,640	1,577,321	(488,319)
<b>Operating Expenditures</b>			
Personal services	16,225,942	15,192,942	1,033,000
Maintenance and operations	6,527,972	6,026,502	501,470
Total operating expenditures	22,753,914	21,219,444	1,534,470
Operating Income (loss)	(20,688,274)	(19,642,123)	1,046,151
<b>Nonoperating Revenues (Expenditures)</b>			
Intergovernmental revenue			
FTA operating grant	1,100,000	968,000	(132,000)
FTA preventative maintenance grant	2,400,000	2,400,000	-
FTA CARES Act	-	203,530	203,530
FTA ARPA	4,731,250	2,916,420	(1,814,830)
Piedmont Triad COG	286,000	256,877	(29,123)
Forsyth County	393,480	403,820	10,340
State of North Carolina	1,168,140	1,168,139	(1)
Total intergovernmental revenues	10,078,870	8,316,786	(1,762,084)
Property taxes	11,032,540	12,646,662	1,614,122
Investment income	-	136,217	136,217
Damage settlements	10,000	26,017	16,017
Total nonoperating revenues (expenditures), net	21,121,410	21,125,682	4,272
Income (loss) before capital contributions and transfers	433,136	1,483,559	1,050,423
<b>Capital Contributions</b>			
Federal and state grants	-	678,816	678,816
Total capital contributions	-	678,816	678,816
<b>Transfers Out</b>			
Grants fund	(37,140)	(34,294)	2,846
Total transfers out	(37,140)	(34,294)	2,846
Appropriated net position	(395,996)	-	(395,996)
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ 2,128,081</u>	<u>\$ 2,128,081</u>
<b>Reconciliation of Modified Accrual Basis to Full Accrual Basis</b>			
Change in Net Position - Modified Accrual Basis		\$ 2,128,081	
Depreciation		(2,762,991)	
Book value of disposed assets		(245,723)	
Change in Net Position - Full Accrual Basis		<u>\$ (880,633)</u>	

# City of Winston-Salem, North Carolina

## 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, 2023

Exhibit 30

	<b>Program</b>			<b>Total</b>
	<b>Authorizations</b>	<b>Current Year</b>	<b>Prior Years</b>	<b>to Date</b>
<b>Revenues</b>				
Property tax revenue	\$ 6,028,130	\$ 169,559	\$ 1,658,084	\$ 1,827,643
Intergovernmental revenues	36,281,514	678,816	14,356,022	15,034,838
Transfers in from other funds	458,749	-	50,863	50,863
Total revenues	<u>42,768,393</u>	<u>848,375</u>	<u>16,064,969</u>	<u>16,913,344</u>
<b>Expenses</b>				
5307 capital	24,437,696	748,683	4,880,467	5,629,150
Bus replacement	17,705,697	97,982	10,565,579	10,663,561
Other capital improvements	625,000	4,214	568,060	572,274
Total expenses	<u>42,768,393</u>	<u>850,879</u>	<u>16,014,106</u>	<u>16,864,985</u>
Change in Net Position	<u>\$ -</u>	<u>\$ (2,504)</u>	<u>\$ 50,863</u>	<u>\$ 48,359</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, 2023

Exhibit 31  
Page 1 of 2

	Special Revenue				
	Community Development	Grants	Economic and Housing Development	Gasoline Tax	Occupancy Tax
<b>Assets</b>					
Cash and cash equivalents/investments	\$	\$ 2,925,067	\$ 20,150,251	\$ -	\$ 654,459
Restricted cash and cash equivalents	-	-	-	7,420,890	-
Receivables for uncollectibles					
Taxes, net	-	-	-	-	-
Accounts	-	814	-	-	-
Leases	-	141,549	-	-	-
Loans	7,235,249	-	9,681,585	-	-
Total receivables	7,235,249	142,363	9,681,585	-	-
Due from other governments	1,573,086	1,513,328	-	-	-
Inventories	-	-	500,629	-	-
Total assets	<u>\$ 8,808,335</u>	<u>\$ 4,580,758</u>	<u>\$ 30,332,465</u>	<u>\$ 7,420,890</u>	<u>\$ 654,459</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 361,434	\$ 311,847	\$ 315,682	\$ -	\$ 56,278
Accrued payroll	1,038	-	-	-	-
Unearned revenue	-	263,561	1,952	-	-
Due to other funds	137,770	-	-	-	-
Loan escrow	-	-	6,127	-	-
Total liabilities	500,242	575,408	323,761	-	56,278
<b>Deferred Inflows of Resources</b>					
Taxes	-	-	-	-	-
Leases	-	135,789	-	-	-
Total deferred inflows of resources	-	135,789	-	-	-
<b>Fund Balances</b>					
<b>Nonspendable</b>					
Leases	-	5,760	-	-	-
Inventories	-	-	500,629	-	-
Perpetual care	-	-	-	-	-
<b>Restricted</b>					
Stabilization by state statute	-	-	10,016,431	-	-
General government	-	124,805	-	-	-
Public protection	-	1,147,101	-	-	-
Environmental health	-	4,082	-	-	-
Transportation	-	1,392,773	-	7,420,890	-
Culture and recreation	-	601,307	-	-	598,181
Community and economic development	8,308,093	593,733	-	-	-
<b>Committed</b>					
Community and economic development	-	-	19,491,644	-	-
Total fund balances	8,308,093	3,869,561	30,008,704	7,420,890	598,181
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 8,808,335</u>	<u>\$ 4,580,758</u>	<u>\$ 30,332,465</u>	<u>\$ 7,420,890</u>	<u>\$ 654,459</u>

# City of Winston-Salem, North Carolina

## Combining Balance Sheet

Nonmajor Governmental Funds  
June 30, 2023

Exhibit 31  
Page 2 of 2

	Special Revenue			Permanent Cemetery Perpetual Care	Total Nonmajor Governmental Funds
	Emergency Telephone System	Downtown W-S Business Improv. District	National Opioid Settlement		
<b>Assets</b>					
Cash and cash equivalents/investments	\$	\$	\$	\$	\$
Restricted cash and cash equivalents	1,651,273	167,902	-	4,642,773	28,540,452
Receivables for uncollectibles					
Taxes, net	-	1,347	-	-	1,347
Accounts	-	-	-	-	814
Leases	-	-	-	-	141,549
Loans	-	-	-	-	16,916,834
Total receivables	-	1,347	-	-	17,060,544
Due from other governments	-	-	-	-	3,086,414
Inventories	-	-	-	-	500,629
Total assets	<u>\$ 1,651,273</u>	<u>\$ 169,249</u>	<u>\$ 423,622</u>	<u>\$ 4,642,773</u>	<u>\$ 58,683,824</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 14,616	\$ -	\$ -	\$ -	\$ 1,059,857
Accrued payroll	-	-	-	-	1,038
Unearned revenue	-	-	412,840	-	678,353
Due to other funds	-	-	-	-	137,770
Loan escrow	-	-	-	-	6,127
Total liabilities	14,616	-	412,840	-	1,883,145
<b>Deferred Inflows of Resources</b>					
Taxes	-	1,347	-	-	1,347
Leases	-	-	-	-	135,789
Total deferred inflows of resources	-	1,347	-	-	137,136
<b>Fund Balances</b>					
<b>Nonspendable</b>					
Leases	-	-	-	-	5,760
Inventories	-	-	-	-	500,629
Perpetual care	-	-	-	4,642,773	4,642,773
<b>Restricted</b>					
Stabilization by state statute	-	-	-	-	10,016,431
General government	-	-	-	-	124,805
Public protection	1,636,657	-	10,782	-	2,794,540
Environmental health	-	-	-	-	4,082
Transportation	-	-	-	-	8,813,663
Culture and recreation	-	-	-	-	1,199,488
Community and economic development	-	167,902	-	-	9,069,728
<b>Committed</b>					
Community and economic development	-	-	-	-	19,491,644
Total fund balances	<u>1,636,657</u>	<u>167,902</u>	<u>10,782</u>	<u>4,642,773</u>	<u>56,663,543</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 1,651,273</u>	<u>\$ 169,249</u>	<u>\$ 423,622</u>	<u>\$ 4,642,773</u>	<u>\$ 58,683,824</u>

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

Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2023

Exhibit 32  
Page 1 of 2

	<b>Special Revenue</b>				
	<b>Community Development</b>	<b>Grants</b>	<b>Economic and Housing Development</b>	<b>Gasoline Tax</b>	<b>Occupancy Tax</b>
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,129,135
Intergovernmental	7,184,179	4,838,112	51,171	7,186,443	-
Charges for services	-	8,107	-	-	-
Investment income (loss)	-	22,707	497,394	378,506	18,792
Other	140,628	252,625	848,162	-	-
Total revenues	<u>7,324,807</u>	<u>5,121,551</u>	<u>1,396,727</u>	<u>7,564,949</u>	<u>1,147,927</u>
<b>Expenditures</b>					
Current					
General government	-	245,994	-	-	-
Public protection	-	2,504,654	-	-	-
Transportation	-	2,475,108	-	-	-
Culture and recreation	-	65,820	-	-	649,985
Community and economic development	5,355,835	164,829	2,917,988	-	-
Debt service					
Principal	-	217,496	-	-	-
Interest and other charges	-	2,004	-	-	-
Total expenditures	<u>5,355,835</u>	<u>5,675,905</u>	<u>2,917,988</u>	<u>-</u>	<u>649,985</u>
Excess of revenues over (under) expenditures	1,968,972	(554,354)	(1,521,261)	7,564,949	497,942
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	366,272	3,078,740	-	-
Transfers out	(2,325,386)	-	(65,000)	(7,488,569)	(315,000)
IT subscription agreements	-	432,916	-	-	-
Total other financing sources (uses), net	<u>(2,325,386)</u>	<u>799,188</u>	<u>3,013,740</u>	<u>(7,488,569)</u>	<u>(315,000)</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	(356,414)	244,834	1,492,479	76,380	182,942
Fund balance July 1	8,664,507	3,624,727	28,516,225	7,344,510	415,239
Fund balances - ending	<u><u>\$ 8,308,093</u></u>	<u><u>\$ 3,869,561</u></u>	<u><u>\$ 30,008,704</u></u>	<u><u>\$ 7,420,890</u></u>	<u><u>\$ 598,181</u></u>

# City of Winston-Salem, North Carolina

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

Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2023

Exhibit 32  
Page 2 of 2

	Special Revenue			Permanent Cemetery Perpetual Care	Total Nonmajor Governmental Funds
	Emergency Telephone System	Downtown W-S Business Improv. District	National Opioid Settlement		
<b>Revenues</b>					
Taxes	\$ -	\$ 664,269	\$ -	\$ -	\$ 1,793,404
Intergovernmental	-	-	-	-	19,259,905
Charges for services	-	-	-	-	8,107
Investment income (loss)	45,420	4,303	10,764	534,762	1,512,648
Other	173	-	-	-	1,241,588
Total revenues	45,593	668,572	10,764	534,762	23,815,652
<b>Expenditures</b>					
Current					
General government	-	-	-	-	245,994
Public protection	305,566	-	-	-	2,810,220
Transportation	-	-	-	-	2,475,108
Culture and recreation	-	-	-	-	715,805
Community and economic development	-	640,313	-	-	9,078,965
Debt service					
Principal retirement	-	-	-	-	217,496
Interest and fiscal charges	-	-	-	-	2,004
Total expenditures	305,566	640,313	-	-	15,545,592
Excess of revenues over (under) expenditures	(259,973)	28,259	10,764	534,762	8,270,060
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	3,445,012
Transfers out	-	-	-	(229,126)	(10,423,081)
IT subscription agreements	-	-	-	-	432,916
Total other financing sources (uses), net	-	-	-	(229,126)	(6,545,153)
Excess of revenues and other financing sources over (under) expenditures and other uses	(259,973)	28,259	10,764	305,636	1,724,907
Fund balance July 1	1,896,630	139,643	18	4,337,137	54,938,636
Fund balances - ending	<b>\$ 1,636,657</b>	<b>\$ 167,902</b>	<b>\$ 10,782</b>	<b>\$ 4,642,773</b>	<b>\$ 56,663,543</b>

# 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, 2023

Exhibit 33

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Program Authorizations</u>
<b>Revenues</b>				
Intergovernmental	\$ 7,184,179	\$ 12,973,712	\$ 20,157,891	\$ 42,348,990
Other	1,140,257	5,453,299	6,593,556	6,058,342
Total revenues	8,324,436	18,427,011	26,751,447	48,407,332
<b>Expenditures</b>				
Community development	5,869,868	13,481,702	19,351,570	41,203,638
Debt service				
Principal retirement	-	666,000	666,000	666,000
Interest and fiscal charges	-	49,118	49,118	49,118
Total expenditures	5,869,868	14,196,820	20,066,688	41,918,756
Excess of revenues over expenditures	2,454,568	4,230,191	6,684,759	6,488,576
<b>Other Financing Uses</b>				
Transfers out				
General fund	(895,010)	(3,088,630)	(3,983,640)	(4,488,576)
Capital projects fund	(1,430,376)	(197,898)	(1,628,274)	(2,000,000)
Total other financing uses	(2,325,386)	(3,286,528)	(5,611,914)	(6,488,576)
Fund balance appropriated	-	-	-	-
Net change in fund balance	129,182	943,663	1,072,845	\$ -
Fund balance - beginning	943,663			
Fund balance - ending	<u>\$ 1,072,845</u>			
<b>Reconciling items for GAAP presentation</b>				
Fund balance at beginning of year (GAAP)	\$ 8,664,507			
Loans issued and adjustments	(151,215)			
Payments received on loan balances	(999,630)			
Change in estimate of loan portfolio allowance	665,249			
Total reconciling items	<u>8,178,911</u>			
Fund Balance at End of Year (GAAP Basis)	<u>\$ 8,308,093</u>			



# City of Winston-Salem, North Carolina

## Special Revenue Funds

Grants Fund - Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2023

Exhibit 34

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Program Authorizations</u>
<b>Revenues</b>				
Intergovernmental	\$ 4,838,112	\$ 13,321,836	\$ 18,159,948	\$ 31,731,633
Charges for services	8,107	8,107	16,214	-
Investment income	22,707	20,263	42,970	20,502
Other	258,625	1,169,288	1,427,913	1,852,266
Total revenues	<u>5,127,551</u>	<u>14,519,494</u>	<u>19,647,045</u>	<u>33,604,401</u>
<b>Expenditures</b>				
General government	245,994	337,098	583,092	1,375,500
Public protection	2,077,738	1,775,164	3,852,902	9,393,856
Environmental health	-	940,433	940,433	2,500,000
Transportation	2,475,108	6,638,412	9,113,520	17,705,097
Culture and recreation	65,820	74,241	140,061	1,013,211
Community and economic development	164,829	4,848,714	5,013,543	5,912,099
Debt service				
Principal	217,496	-	217,496	217,496
Interest and other charges	2,004	-	2,004	2,004
Total expenditures	<u>5,248,989</u>	<u>14,614,062</u>	<u>19,863,051</u>	<u>38,119,263</u>
Excess of expenditures over (under) revenues	(121,438)	(94,568)	(216,006)	(4,514,862)
<b>Other Financing Sources (Uses)</b>				
Transfers in				
General fund	276,978	3,232,432	3,509,410	3,927,207
Occupancy tax fund	55,000	287,085	342,085	342,085
Capital projects fund	-	250,220	250,220	250,220
Transit authority fund	34,294	26,048	60,342	71,840
Fleet services fund	-	48,510	48,510	48,510
Transfers out				
Capital projects fund	-	(125,000)	(125,000)	(125,000)
Total other financing sources, net	<u>366,272</u>	<u>3,719,295</u>	<u>4,085,567</u>	<u>4,514,862</u>
Fund balance appropriated	-	-	-	<u>\$ -</u>
Net change in fund balance	244,834	3,624,727	3,869,561	
Fund balance - beginning	<u>3,624,727</u>			
Fund balance - ending	<u>\$ 3,869,561</u>			
<b>Reconciling items for GAAP presentation</b>				
Fund balance at beginning of year (GAAP)	\$ 3,624,727			
Loans issued and adjustments	6,000			
Payments received on loan balances	(6,000)			
IT subscription agreement	432,916			
Capital outlay - subscription based information technology agreements	<u>(432,916)</u>			
Total reconciling items	<u>3,624,727</u>			
Fund Balance at End of Year (GAAP Basis)	<u>\$ 3,869,561</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, 2023

Exhibit 35

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Program Authorizations</u>
<b>Revenues</b>				
Intergovernmental	\$ 51,171	\$ 14,801,636	\$ 14,852,807	\$ 25,049,077
Investment income (loss)	497,394	2,145,317	2,642,711	2,802,825
Capital lease charges	-	1,004,928	1,004,928	1,000,000
Other	3,686,274	18,205,921	21,892,195	13,080,688
Total revenues	<u>4,234,839</u>	<u>36,157,802</u>	<u>40,392,641</u>	<u>41,932,590</u>
<b>Expenditures</b>				
Neighborhood stabilization	-	837,837	837,837	1,700,110
UDAG loan	-	378,991	378,991	413,593
Emergency rental assistance	41,170	13,349,064	13,390,234	13,395,640
Housing financing assistance loan	502,865	1,403,821	1,906,686	15,042,888
Economic development loan	2,586,636	3,408,903	5,995,539	7,168,398
Economic development project	1,897,803	20,845,106	22,742,909	32,424,378
Rental rehabilitation	291,915	-	291,915	1,000,000
Foreclosed property	16,849	-	16,849	-
Total expenditures	<u>5,337,238</u>	<u>40,223,722</u>	<u>45,560,960</u>	<u>71,145,007</u>
Excess of revenues over (under) expenditures	(1,102,399)	(4,065,920)	(5,168,319)	(29,212,417)
<b>Other Financing Sources (Uses)</b>				
Transfers in				
General fund	3,078,740	23,802,854	26,881,594	26,716,678
Economic and housing development fund	-	191,014	191,014	100,000
Capital projects fund	-	588,830	588,830	576,813
Transfers out				
General fund	(65,000)	(3,993)	(68,993)	(69,000)
Economic and housing development fund	-	(139,600)	(139,600)	(139,600)
Capital projects fund	-	(1,993,500)	(1,993,500)	(1,993,500)
Total other financing sources, net	<u>3,013,740</u>	<u>22,445,605</u>	<u>25,459,345</u>	<u>25,191,391</u>
Fund balance appropriated	-	-	-	4,021,026
Net change in fund balance	1,911,341	18,379,685	20,291,026	<u>\$ -</u>
Fund balance - beginning	<u>18,379,685</u>			
Fund balance - ending	<u>\$ 20,291,026</u>			
<b>Reconciling items for GAAP presentation</b>				
Fund balance at beginning of year (GAAP)	\$ 28,516,225			
Loans issued and adjustments	2,419,250			
Payments received on loan balances	(2,838,112)			
Total reconciling items	<u>28,097,363</u>			
Fund Balance at End of Year (GAAP Basis)	<u>\$ 30,008,704</u>			

# City of Winston-Salem, North Carolina

## Special Revenue Funds

Gasoline Tax Fund - Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2023

Exhibit 36

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental	\$ 7,257,180	\$ 7,186,443	\$ (70,737)
Investment income	-	378,506	378,506
Total revenues	<u>7,257,180</u>	<u>7,564,949</u>	<u>307,769</u>
<b>Other Financing Uses</b>			
Transfers out			
General fund	(5,146,100)	(4,498,517)	647,583
Capital projects fund	<u>(4,581,080)</u>	<u>(2,990,052)</u>	<u>1,591,028</u>
Total other financing uses	<u>(9,727,180)</u>	<u>(7,488,569)</u>	<u>2,238,611</u>
Fund balance appropriated	2,470,000	-	2,470,000
Net change in fund balance	<u>\$ -</u>	76,380	<u>\$ 76,380</u>
Fund balance - beginning		7,344,510	
Fund balance - ending		<u>\$ 7,420,890</u>	

# City of Winston-Salem, North Carolina

## Combining Statement of Net Position

Occupancy Tax Fund - Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2023

Exhibit 37

	<u>Budget</u>	<u>Actual</u>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Taxes	\$ 1,000,000	\$ 1,129,135	\$ 129,135
Investment income	-	18,792	18,792
Total revenues	<u>1,000,000</u>	<u>1,147,927</u>	<u>147,927</u>
<b>Expenditures</b>			
Culture and recreation	<u>802,350</u>	<u>649,985</u>	<u>152,365</u>
Excess of revenues over expenditures	197,650	497,942	300,292
<b>Other Financing Sources (Uses)</b>			
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	117,350	-	117,350
Net change in fund balance	<u>\$ -</u>	182,942	<u>\$ 182,942</u>
Fund balance - beginning		415,239	
Fund balance - ending		<u><u>\$ 598,181</u></u>	

# City of Winston-Salem, North Carolina

## Special Revenue Funds

Emergency Telephone System Fund - Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2023

Exhibit 38

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Program Authorizations</u>
<b>Revenues</b>				
Licenses	\$ -	\$ 3,491,610	\$ 3,491,610	\$ 3,844,674
Investment income (loss)	45,420	68,813	114,233	-
Other	173	-	173	-
	<u>45,593</u>	<u>3,560,423</u>	<u>3,606,016</u>	<u>3,844,674</u>
<b>Expenditures</b>				
Implemental functions	-	-	-	6,080,244
Telephone	198,987	823,589	1,022,576	-
Software maintenance	94,779	434,064	528,843	-
Hardware maintenance	11,800	370,478	382,278	-
Training	-	35,662	35,662	-
	<u>305,566</u>	<u>1,663,793</u>	<u>1,969,359</u>	<u>6,080,244</u>
Fund balance appropriated	-	-	-	2,235,570
Net change in fund balance	(259,973)	1,896,630	1,636,657	<u>\$ -</u>
Fund balance - beginning	<u>1,896,630</u>			
Fund balance - ending	<u><b>\$ 1,636,657</b></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, 2023

Exhibit 39

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Taxes	\$ 659,180	\$ 664,269	\$ 5,089
Investment income	-	4,303	4,303
Total revenues	<u>659,180</u>	<u>668,572</u>	<u>9,392</u>
<b>Expenditures</b>			
Community and economic development	<u>659,756</u>	<u>640,313</u>	<u>19,443</u>
Excess of revenues over expenditures	(576)	28,259	28,835
 Fund balance appropriated	 576	 -	 576
 Net change in fund balance	 <u>\$ -</u>	 28,259	 <u>\$ 28,259</u>
 Fund balance - beginning		 <u>139,643</u>	
Fund balance - ending		<u><u>\$ 167,902</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, 2023

Exhibit 40

	<u>Current Year</u>	<u>Prior Years</u>	<u>Total to Date</u>	<u>Program Authorizations</u>
<b>Revenues</b>				
Investment income	\$ 10,764	\$ 18	\$ 10,782	\$ -
Total revenues	<u>10,764</u>	<u>18</u>	<u>10,782</u>	<u>-</u>
<b>Expenditures</b>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	10,764	18	10,782	-
<b>Other Financing Sources (Uses)</b>				
Total other financing sources, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	10,764	18	10,782	<u>\$ -</u>
Fund balance - beginning	18			
Fund balance - ending	<u>\$ 10,782</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, 2023

Exhibit 41

	Parking	Stormwater Management	Public Assembly Facilities Management	Total
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents/investments	\$ 1,728,180	\$ 28,143,232	\$ 2,662,325	\$ 32,533,737
Accounts receivables, net	8,890	1,309,632	74,272	1,392,794
Lease receivable	52,253	-	394,925	447,178
Due from other governments	5,800	278,849	-	284,649
Prepaid expenses	-	-	115,794	115,794
<b>Total current assets</b>	<b>1,795,123</b>	<b>29,731,713</b>	<b>3,247,316</b>	<b>34,774,152</b>
<b>Noncurrent Assets</b>				
Restricted assets				
Cash and cash equivalents/investments	-	-	189,400	189,400
Net OPEB Asset	11,164	46,538	21,221	78,923
Capital assets				
Land	824,169	712,105	11,672,486	13,208,760
Construction in progress	52,024	6,625,955	376,943	7,054,922
Other capital assets, net of accumulated depreciation	7,162,870	36,675,562	37,941,748	81,780,180
Accounts receivables	-	-	500,000	500,000
Lease receivable, noncurrent	1,048,586	-	15,895,584	16,944,170
<b>Total noncurrent assets</b>	<b>9,098,813</b>	<b>44,060,160</b>	<b>66,597,382</b>	<b>119,756,355</b>
<b>Total assets</b>	<b>10,893,936</b>	<b>73,791,873</b>	<b>69,844,698</b>	<b>154,530,507</b>
<b>Deferred Outflows of Resources</b>				
Pension deferrals	199,155	830,202	378,564	1,407,921
OPEB deferrals	3,283	13,685	6,240	23,208
Charge on refunding	-	-	6,067	6,067
<b>Total deferred outflows of resources</b>	<b>202,438</b>	<b>843,887</b>	<b>390,871</b>	<b>1,437,196</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	16,858	379,572	995,701	1,392,131
Accrued payroll	8,409	35,851	15,480	59,740
Accrued vacation	9,448	72,246	53,485	135,179
Accrued interest payable	-	18,883	42,456	61,339
Unearned revenue	-	33,628	-	33,628
Pollution remediation	-	21,793	-	21,793
Current maturities				
Contracts payable	-	97,280	1,061,416	1,158,696
Bonds payable	-	630,000	-	630,000
<b>Total current liabilities</b>	<b>34,715</b>	<b>1,289,253</b>	<b>2,168,538</b>	<b>3,492,506</b>
<b>Noncurrent Liabilities</b>				
Accrued vacation	29,005	106,396	48,312	183,713
Net pension liability	303,631	1,265,723	577,157	2,146,511
Pollution remediation	-	1,929,803	-	1,929,803
Contracts payable	-	104,876	17,120,167	17,225,043
Bonds payable	-	7,020,002	-	7,020,002
<b>Total noncurrent liabilities</b>	<b>332,636</b>	<b>10,426,800</b>	<b>17,745,636</b>	<b>28,505,072</b>
<b>Total liabilities</b>	<b>367,351</b>	<b>11,716,053</b>	<b>19,914,174</b>	<b>31,997,578</b>
<b>Deferred Inflows of Resources</b>				
Leases	2,024,026	-	15,606,373	17,630,399
Pension deferrals	11,044	46,040	20,994	78,078
OPEB deferrals	3,485	14,528	6,625	24,638
<b>Total deferred inflows of resources</b>	<b>2,038,555</b>	<b>60,568</b>	<b>15,633,992</b>	<b>17,733,115</b>
<b>Net Position</b>				
Net investment in capital assets	8,039,063	36,161,464	31,815,661	76,016,188
Restricted for OPEB	11,164	46,538	21,221	78,923
Unrestricted	640,241	26,651,137	2,850,521	30,141,899
<b>Total net position</b>	<b>\$ 8,690,468</b>	<b>\$ 62,859,139</b>	<b>\$ 34,687,403</b>	<b>\$ 106,237,010</b>

# 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, 2023

Exhibit 42

	<u>Parking</u>	<u>Stormwater Management</u>	<u>Public Assembly Facilities Management</u>	<u>Total</u>
<b>Operating Revenues</b>				
Charges for services	\$ 597,553	\$ 10,536,970	\$ 4,672,838	\$ 15,807,361
Other	23,303	245,562	1,135,181	1,404,046
Total operating revenues	<u>620,856</u>	<u>10,782,532</u>	<u>5,808,019</u>	<u>17,211,407</u>
<b>Operating Expenses</b>				
Personal services	639,466	2,708,899	1,190,894	4,539,259
Maintenance and operations	424,134	2,955,396	5,020,292	8,399,822
Total operating expenses before depreciation	<u>1,063,600</u>	<u>5,664,295</u>	<u>6,211,186</u>	<u>12,939,081</u>
Depreciation	473,099	1,433,427	2,022,032	3,928,558
Total operating expenses	<u>1,536,699</u>	<u>7,097,722</u>	<u>8,233,218</u>	<u>16,867,639</u>
Operating income (loss)	(915,843)	3,684,810	(2,425,199)	343,768
<b>Nonoperating Revenues (Expenses)</b>				
Intergovernmental revenue	(137,431)	122,326	-	(15,105)
Investment income	30,034	1,607,248	89,954	1,727,236
Gain (loss) on disposal of assets	-	-	(1,077)	(1,077)
Interest and fiscal expense	(220)	(260,734)	(543,492)	(804,446)
Amortization of financing costs	-	38,136	9,860	47,996
Total nonoperating revenues (expenses), net	<u>(107,617)</u>	<u>1,506,976</u>	<u>(444,755)</u>	<u>954,604</u>
Income (loss) before capital contributions and transfers	(1,023,460)	5,191,786	(2,869,954)	1,298,372
<b>Capital Contributions</b>	-	-	400,567	400,567
<b>Transfers In</b>	768,570	-	1,266,121	2,034,691
<b>Transfers Out</b>	-	(2,610,007)	(107,190)	(2,717,197)
Total transfers	<u>768,570</u>	<u>(2,610,007)</u>	<u>1,158,931</u>	<u>(682,506)</u>
Change in net position	(254,890)	2,581,779	(1,310,456)	1,016,433
Total net position - beginning	8,945,358	60,277,360	35,997,859	105,220,577
<b>Total net position - ending</b>	<u><b>\$ 8,690,468</b></u>	<u><b>\$ 62,859,139</b></u>	<u><b>\$ 34,687,403</b></u>	<u><b>\$ 106,237,010</b></u>

# City of Winston-Salem, North Carolina

## Combining Statement of Cash Flows

Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2023

Exhibit 43  
Page 1 of 2

	<u>Parking</u>	<u>Stormwater Management</u>	<u>Public Assembly Facilities Management</u>	<u>Total</u>
<b>Cash Flows from Operating Activities</b>				
Cash received from sales	\$ 526,732	\$ 10,864,716	\$ 5,510,504	\$ 16,901,952
Cash payments to suppliers for goods and services	(413,201)	(3,044,457)	(4,584,741)	(8,042,399)
Cash payments to employees for services	(618,381)	(2,620,022)	(1,144,244)	(4,382,647)
Net cash provided (used) by operating activities	(504,850)	5,200,237	(218,481)	4,476,906
<b>Cash Flows from Noncapital Financing Activities</b>				
Intergovernmental revenue	-	122,565	-	122,565
Transfers in	768,570	-	1,125,361	1,893,931
Transfers out	-	(2,610,007)	(107,190)	(2,717,197)
Net cash provided (used) by noncapital financing activities	768,570	(2,487,442)	1,018,171	(700,701)
<b>Cash Flows from Capital and Related Financing Activities</b>				
Capital contributions	-	-	400,567	400,567
Transfers in	-	-	140,760	140,760
Acquisition of property and equipment	(52,022)	(2,401,696)	(710,321)	(3,164,039)
Retirement of bonds	-	(610,000)	-	(610,000)
Retirement of contracts payable	(7,395)	(169,370)	(1,018,407)	(1,195,172)
Interest and fiscal expense paid on bonds	-	(246,884)	-	(246,884)
Interest paid on contracts payable	(220)	(15,375)	(545,279)	(560,874)
Net cash provided (used) by capital and related financing activities	(59,637)	(3,443,325)	(1,732,680)	(5,235,642)
<b>Cash Flows from Investing Activities</b>				
Investment income (loss)	30,034	1,607,248	89,954	1,727,236
Net increase (decrease) in cash	234,117	876,718	(843,036)	267,799
Cash and cash equivalents/investments July 1	1,494,063	27,266,514	3,694,761	32,455,338
<b>Cash and cash equivalents/investments June 30</b>	<b>\$ 1,728,180</b>	<b>\$ 28,143,232</b>	<b>\$ 2,851,725</b>	<b>\$ 32,723,137</b>

# City of Winston-Salem, North Carolina

## Combining Statement of Cash Flows

Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2023

Exhibit 43  
Page 2 of 2

	Parking	Stormwater Management	Public Assembly Facilities Management	Total
<b>Reconciliation of Cash and Cash Equivalents/Investments</b>				
Cash and investments - current	\$ 1,728,180	\$ 28,143,232	\$ 2,662,325	\$ 32,533,737
Cash and investments - restricted	-	-	189,400	189,400
<b>Cash and cash equivalents/investments June 30</b>	<b><u>\$ 1,728,180</u></b>	<b><u>\$ 28,143,232</u></b>	<b><u>\$ 2,851,725</u></b>	<b><u>\$ 32,723,137</u></b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ (915,843)	\$ 3,684,810	\$ (2,425,199)	\$ 343,768
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation expense	473,099	1,433,427	2,022,032	3,928,558
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources				
(Increase) decrease in receivables	49,594	73,634	431,984	555,212
(Increase) decrease in prepaid expenses	-	-	(114,937)	(114,937)
(Increase) decrease in net OPEB asset	(11,164)	(46,538)	(21,221)	(78,923)
(Increase) decrease in deferred outflows of resources - pensions	(64,869)	(284,509)	(132,480)	(481,858)
(Increase) decrease in deferred outflows of resources - OPEB	13,521	54,603	24,555	92,679
Increase (decrease) in net pension liability	212,908	897,056	410,903	1,520,867
Increase (decrease) in net OPEB liability	(4,876)	(19,814)	(8,935)	(33,625)
Increase (decrease) in deferred inflows of resources - leases	(143,718)	-	(729,499)	(873,217)
Increase (decrease) in deferred inflows of resources - pensions	(120,786)	(489,669)	(220,588)	(831,043)
Increase (decrease) in deferred inflows of resources - OPEB	(10,800)	(43,523)	(19,553)	(73,876)
Increase (decrease) in accounts payable	10,933	(89,061)	429,797	351,669
Increase (decrease) in accrued payroll	2,015	8,036	4,811	14,862
Increase (decrease) in unearned revenue	-	8,550	-	8,550
Increase (decrease) in accrued vacation	5,136	13,235	9,158	27,529
Increase (decrease) in contracts payable	-	-	120,691	120,691
Total adjustments	<u>410,993</u>	<u>1,515,427</u>	<u>2,206,718</u>	<u>4,133,138</u>
<b>Net cash provided (used) by operating activities</b>	<b><u>\$ (504,850)</u></b>	<b><u>\$ 5,200,237</u></b>	<b><u>\$ (218,481)</u></b>	<b><u>\$ 4,476,906</u></b>

### Noncash Investing, Capital, and Financing Activities

The City entered into contracts payable for new property and equipment of \$262,421 for the year ended June 30, 2023.

# 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, 2023

Exhibit 44

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Operating Revenues</b>			
Charges for services	\$ 675,000	\$ 597,553	\$ (77,447)
Other	-	23,303	23,303
Total operating revenues	<u>675,000</u>	<u>620,856</u>	<u>(54,144)</u>
<b>Operating Expenditures</b>			
Personal services	696,500	625,532	70,968
Maintenance and operations	576,627	424,134	152,493
Total operating expenditures	<u>1,273,127</u>	<u>1,049,666</u>	<u>223,461</u>
Operating income (loss)	(598,127)	(428,810)	169,317
<b>Nonoperating Revenues (Expenditures)</b>			
Intergovernmental revenue	-	(137,431)	(137,431)
Investment income	-	30,034	30,034
Interest and fiscal charges	(28,170)	(220)	27,950
Principal retirement	(150,850)	(7,395)	143,455
Total nonoperating expenditures, net	<u>(179,020)</u>	<u>(115,012)</u>	<u>64,008</u>
Income (loss) before transfers	(777,147)	(543,822)	233,325
<b>Transfers In</b>			
General fund	768,570	768,570	-
Total transfers	<u>768,570</u>	<u>768,570</u>	<u>-</u>
Appropriated net position	8,577	-	8,577
Change in net position - modified accrual basis	<u>\$ -</u>	<u>224,748</u>	<u>\$ 224,748</u>
<b>Reconciliation of Modified Accrual Basis to Full Accrual Basis</b>			
Change in Net Position - Modified Accrual Basis		\$ 224,748	
Depreciation		(473,099)	
Principal retirement		7,395	
Increase (decrease) in net OPEB asset		11,164	
Increase (decrease) in deferred outflows of resources - pensions		64,869	
(Increase) decrease in net pension liability		(212,908)	
(Increase) decrease in deferred inflows of resources - pensions		120,786	
Increase (decrease) in deferred outflows of resources - OPEB		(13,521)	
(Increase) decrease in net OPEB liability		4,876	
(Increase) decrease in deferred inflows of resources - OPEB		10,800	
Change in Net Position - Full Accrual Basis		<u>\$ (254,890)</u>	

# City of Winston-Salem, North Carolina

## 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, 2023

Exhibit 45

	<b>Program</b>			<b>Total</b>
	<b>Authorizations</b>	<b>Current Year</b>	<b>Prior Years</b>	<b>to Date</b>
<b>Revenues</b>				
Contributions from operations	\$ 498,910	\$ -	\$ 498,910	\$ 498,910
NCML proceeds	250,000	-	-	-
Total revenues	<u>748,910</u>	<u>-</u>	<u>498,910</u>	<u>498,910</u>
<b>Expenses</b>				
Parking deck repair	498,910	51,699	324	52,023
6th-Cherry & Trade deck	250,000	-	-	-
Total expenses	<u>748,910</u>	<u>51,699</u>	<u>324</u>	<u>52,023</u>
Change in Net Position	<u>\$ -</u>	<u>\$ (51,699)</u>	<u>\$ 498,586</u>	<u>\$ 446,887</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, 2023

Exhibit 46

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Operating Revenues</b>			
Charges for services	\$ 10,253,000	\$ 10,536,970	\$ 283,970
Other	188,600	245,562	56,962
Total operating revenues	<u>10,441,600</u>	<u>10,782,532</u>	<u>340,932</u>
<b>Operating Expenditures</b>			
Personal services	3,796,240	2,641,293	1,154,947
Maintenance and operations	4,860,974	2,895,689	1,965,285
Total operating expenditures	<u>8,657,214</u>	<u>5,536,982</u>	<u>3,120,232</u>
Operating income	1,784,386	5,245,550	3,461,164
<b>Nonoperating Revenues (Expenditures)</b>			
Intergovernmental revenue	170,600	122,326	(48,274)
Investment income	-	1,607,248	1,607,248
Interest and fiscal charges	(270,230)	(260,734)	9,496
Principal retirement	(892,400)	(779,370)	113,030
Total nonoperating expenditures, net	<u>(992,030)</u>	<u>689,470</u>	<u>1,681,500</u>
Income before capital contributions and transfers	792,356	5,935,020	5,142,664
<b>Transfers Out</b>			
General fund	(2,352,630)	(2,343,826)	8,804
Solid waste fund	(195,280)	(145,461)	49,819
Water and sewer utility fund	(120,720)	(120,720)	-
Total transfers out	<u>(2,668,630)</u>	<u>(2,610,007)</u>	<u>58,623</u>
Appropriated net position	<u>1,876,274</u>	<u>-</u>	<u>1,876,274</u>
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ 3,325,013</u>	<u>\$ 3,325,013</u>

### Reconciliation of Modified Accrual Basis to Full Accrual Basis

Change in Net Position - Modified Accrual Basis	\$ 3,325,013
Depreciation	(1,433,427)
Amortization of financing costs	38,136
Principal retirement	779,370
Book value of disposed assets	(59,707)
Increase (decrease) in net OPEB asset	46,538
Increase (decrease) in deferred outflows of resources - pensions	284,509
Increase (decrease) in deferred outflows of resources - OPEB	(54,603)
(Increase) decrease in net pension liability	(897,056)
(Increase) decrease in deferred inflows of resources - pensions	489,669
(Increase) decrease in net OPEB liability	19,814
(Increase) decrease in deferred inflows of resources - OPEB	43,523
Change in Net Position - Full Accrual Basis	<u>\$ 2,581,779</u>



# City of Winston-Salem, North Carolina

## 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, 2023

Exhibit 47

	<b>Program</b>			<b>Total</b>
	<b>Authorizations</b>	<b>Current Year</b>	<b>Prior Years</b>	<b>to Date</b>
<b>Revenues</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 279,393	\$ 279,393
Contributions from operations	39,803,125	2,351,777	10,013,215	12,364,992
Other contributions	147,390	-	20,631	20,631
Proceeds from bonds	1,519,080	-	1,534,004	1,534,004
Transfers in from other funds	-	-	47,220	47,220
Total revenues	<u>41,469,595</u>	<u>2,351,777</u>	<u>11,894,463</u>	<u>14,246,240</u>
<b>Expenses</b>				
Stormwater System Improvements	17,529,584	2,301,981	5,554,899	7,856,880
Bath Branch (PTRP Project)	9,691,349	18,641	2,470	21,111
70/30 projects	2,015,580	-	38,596	38,596
Basin study updates	6,180,650	163,107	4,504,874	4,667,981
Other capital improvements	6,052,432	-	4,632	4,632
Total expenses	<u>41,469,595</u>	<u>2,483,729</u>	<u>10,105,471</u>	<u>12,589,200</u>
Change in Net Position	<u>\$ -</u>	<u>\$ (131,952)</u>	<u>\$ 1,788,992</u>	<u>\$ 1,657,040</u>

# City of Winston-Salem, North Carolina

## Enterprise Funds

Public Assembly Facilities Management Fund - Schedule of Revenues,  
and Transfers - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2023

Exhibit 48

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Operating Revenues</b>			
Charges for services	\$ 3,933,900	\$ 4,672,838	\$ 738,938
Other	1,405,500	1,135,181	(270,319)
Total operating revenues	5,339,400	5,808,019	468,619
<b>Operating Expenditures</b>			
Personal services	966,340	1,158,213	(191,873)
Maintenance and operations	5,084,310	4,863,167	221,143
Total operating expenditures	6,050,650	6,021,380	29,270
Operating income (loss)	(711,250)	(213,361)	497,889
<b>Nonoperating Revenues (Expenditures)</b>			
Investment income (loss)	-	89,954	89,954
Interest and fiscal charges	(544,340)	(543,492)	848
Principal retirement	(1,024,910)	(1,018,407)	6,503
Total nonoperating expenditures, net	(1,569,250)	(1,471,945)	97,305
Income (loss) before capital contributions and transfers	(2,280,500)	(1,685,306)	595,194
<b>Capital Contributions</b>			
Other	-	400,567	400,567
Total capital contributions	-	400,567	400,567
<b>Transfers In (Out)</b>			
General fund	451,860	372,921	(78,939)
Occupancy tax fund	260,000	260,000	-
Debt service fund	526,010	526,010	-
Winston-Salem Fairgrounds Fund	232,670	107,190	(125,480)
Bowman Gray Stadium Fund	(232,670)	(107,190)	125,480
Total transfers in (out)	1,237,870	1,158,931	(78,939)
Appropriated net position	1,042,630	-	1,042,630
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ (125,808)</u>	<u>\$ (125,808)</u>
<b>Reconciliation of Modified Accrual Basis to Full Accrual Basis</b>			
Change in Net Position - Modified Accrual Basis		\$ (125,808)	
Depreciation		(2,022,032)	
Amortization of financing costs		9,860	
Principal retirement		1,018,407	
Book value of disposed assets		(37,511)	
Increase in contracts payable		(120,691)	
Increase (decrease) in in net OPEB asset		21,221	
Increase (decrease) in in deferred outflows of resources - pensions		132,480	
(Increase) decrease in net pension liability		(410,903)	
(Increase) decrease in deferred inflows of resources - pensions		220,588	
Increase (decrease) in deferred outflows of resources - OPEB		(24,555)	
(Increase) decrease in net OPEB liability		8,935	
(Increase) decrease in deferred inflows of resources - OPEB		19,553	
Change in Net Position - Full Accrual Basis		<u>\$ (1,310,456)</u>	

# City of Winston-Salem, North Carolina

## Public Assembly Facilities Capital Projects Fund

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual  
From Inception and for Fiscal Year Ended June 30, 2023

Exhibit 49

	<b>Program</b>			<b>Total</b>
	<b>Authorizations</b>	<b>Current Year</b>	<b>Prior Years</b>	<b>to Date</b>
<b>Revenues</b>				
Intergovernmental revenues	\$ 530,020	\$ -	\$ -	\$ -
Contributions from operations	1,914,979	234,508	-	234,508
NCML proceeds	15,189	15,189	-	15,189
Transfers in from other funds	574,245	140,760	433,485	574,245
Other revenue	401,995	400,568	22,365	422,933
Total revenues	<u>3,436,428</u>	<u>791,025</u>	<u>455,850</u>	<u>1,246,875</u>
<b>Expenses</b>				
Downtown Ballpark	679,672	186,360	1,586	187,946
Winston-Salem Fairgrounds	1,305	-	-	-
Convention Center	578,360	168,759	-	168,759
Bowman Gray Stadium	548,779	-	850	850
Carolina Classic Fair	1,628,312	428,010	8,350	436,360
Total expenses	<u>3,436,428</u>	<u>783,129</u>	<u>10,786</u>	<u>793,915</u>
Change in Net Position	<u>\$ -</u>	<u>\$ 7,896</u>	<u>\$ 445,064</u>	<u>\$ 452,960</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, 2023

Exhibit 50  
Page 1 of 2

	<b>Central Warehouse</b>	<b>Fleet Services</b>	<b>Information Services</b>	<b>Workers' Compensation</b>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents/investments	\$ -	\$ -	\$ 274,185	\$ 10,140,378
Accounts receivables, net	-	-	-	-
Inventories	956,392	1,000,674	-	-
Prepaid expenses	-	-	67,513	-
	<u>956,392</u>	<u>1,000,674</u>	<u>341,698</u>	<u>10,140,378</u>
Total current assets	956,392	1,000,674	341,698	10,140,378
<b>Noncurrent Assets</b>				
Net OPEB asset	6,132	28,715	84,602	3,437
Capital assets				
Land	801,682	-	-	-
Construction in progress	-	-	219,254	-
Other capital assets, net of accumulated depreciation	141,344	2,287,137	3,029,741	-
Right to use subscriptions, net of amortization	-	-	1,763,015	-
Total noncurrent assets	<u>949,158</u>	<u>2,315,852</u>	<u>5,096,612</u>	<u>3,437</u>
<b>Total assets</b>	<b><u>1,905,550</u></b>	<b><u>3,316,526</u></b>	<b><u>5,438,310</u></b>	<b><u>10,143,815</u></b>
<b>Deferred Outflows of Resources</b>				
Pension deferrals	109,395	512,256	1,509,220	61,313
OPEB deferrals	1,803	8,444	24,878	1,011
<b>Total deferred outflows of resources</b>	<b><u>111,198</u></b>	<b><u>520,700</u></b>	<b><u>1,534,098</u></b>	<b><u>62,324</u></b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	2,084	266,428	629,384	-
Accrued interest payable	-	-	13,963	-
Accrued payroll	3,891	26,761	63,584	2,363
Accrued vacation	6,253	56,027	240,603	13,886
Due to other funds	119,392	162,268	-	-
Current maturities				
Claims payable	-	-	-	1,851,377
Subscriptions payable	-	-	724,603	-
Contracts payable	5,430	438,298	730,558	-
Total current liabilities	<u>137,050</u>	<u>949,782</u>	<u>2,402,695</u>	<u>1,867,626</u>
<b>Noncurrent Liabilities</b>				
Accrued vacation	2,920	18,464	120,636	7,874
Net pension liability	166,783	780,984	2,300,951	93,478
Claims payable	-	-	-	3,832,660
Subscriptions payable	-	-	724,856	-
Contracts payable	16,290	741,106	1,308,810	-
Total noncurrent liabilities	<u>185,993</u>	<u>1,540,554</u>	<u>4,455,253</u>	<u>3,934,012</u>
<b>Total liabilities</b>	<b><u>323,043</u></b>	<b><u>2,490,336</u></b>	<b><u>6,857,948</u></b>	<b><u>5,801,638</u></b>
<b>Deferred Inflows of Resources</b>				
Pension deferrals	6,067	28,408	83,695	3,400
OPEB deferrals	1,914	8,964	26,411	1,073
<b>Total deferred inflows of resources</b>	<b><u>7,981</u></b>	<b><u>37,372</u></b>	<b><u>110,106</u></b>	<b><u>4,473</u></b>
<b>Net Position</b>				
Net investment in capital assets	921,306	1,107,733	1,523,183	-
Restricted for OPEB	6,132	28,715	84,602	3,437
Unrestricted	758,286	173,070	(1,603,431)	4,396,591
<b>Total net position</b>	<b><u>\$ 1,685,724</u></b>	<b><u>\$ 1,309,518</u></b>	<b><u>\$ 4,354</u></b>	<b><u>\$ 4,400,028</u></b>

# City of Winston-Salem, North Carolina

## Combining Statement of Net Position

Internal Service Funds  
June 30, 2023

Exhibit 50  
Page 2 of 2

Assets	Health Benefits	Dental and Flex Benefits	Employee Benefits	Risk Management Reserve	Total
<b>Current Assets</b>					
Cash and cash equivalents/investments	\$ 8,737,364	\$ 4,837,876	\$ 8,588,508	\$ 50,922,904	\$ 83,501,215
Accounts receivables, net	348,351	-	2,238	-	350,589
Inventories	-	-	-	-	1,957,066
Prepaid expenses	72,110	-	-	-	139,623
<b>Total current assets</b>	<b>9,157,825</b>	<b>4,837,876</b>	<b>8,590,746</b>	<b>50,922,904</b>	<b>85,948,493</b>
<b>Noncurrent Assets</b>					
Net OPEB asset	5,547	-	-	-	128,433
Capital assets					
Land	-	-	-	-	801,682
Construction in progress	-	-	-	-	219,254
Other capital assets, net of accumulated depreciation	-	-	-	-	5,458,222
Right to use subscriptions, net of amortization	-	-	-	-	1,763,015
<b>Total noncurrent assets</b>	<b>5,547</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,370,606</b>
<b>Total assets</b>	<b>9,163,372</b>	<b>4,837,876</b>	<b>8,590,746</b>	<b>50,922,904</b>	<b>94,319,099</b>
<b>Deferred Outflows of Resources</b>					
Pension deferrals	98,961	-	-	19,176	2,310,321
OPEB deferrals	1,631	-	-	-	37,767
<b>Total deferred outflows of resources</b>	<b>100,592</b>	<b>-</b>	<b>-</b>	<b>19,176</b>	<b>2,348,088</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable	12,625	22,170	4,778,968	113,395	5,825,054
Accrued interest payable	-	-	-	-	13,963
Accrued payroll	4,252	-	-	2,259	103,110
Accrued vacation	12,316	-	-	452	329,537
Due to other funds	-	-	-	-	281,660
Current maturities					
Claims payable	4,727,784	124,394	-	217,734	6,921,289
Subscriptions payable	-	-	-	-	724,603
Contracts payable	-	-	-	-	1,174,286
<b>Total current liabilities</b>	<b>4,756,977</b>	<b>146,564</b>	<b>4,778,968</b>	<b>333,840</b>	<b>15,373,502</b>
<b>Noncurrent Liabilities</b>					
Accrued vacation	10,712	-	-	-	160,606
Net pension liability	150,875	-	-	29,236	3,522,307
Claims payable	-	-	-	2,335,417	6,168,077
Subscriptions payable	-	-	-	-	724,856
Contracts payable	-	-	-	-	2,066,206
<b>Total noncurrent liabilities</b>	<b>161,587</b>	<b>-</b>	<b>-</b>	<b>2,364,653</b>	<b>12,642,052</b>
<b>Total liabilities</b>	<b>4,918,564</b>	<b>146,564</b>	<b>4,778,968</b>	<b>2,698,493</b>	<b>28,015,554</b>
<b>Deferred Inflows of Resources</b>					
Pension deferrals	5,488	-	-	1,063	128,121
OPEB deferrals	1,732	-	-	-	40,094
<b>Total deferred inflows of resources</b>	<b>7,220</b>	<b>-</b>	<b>-</b>	<b>1,063</b>	<b>168,215</b>
<b>Net Position</b>					
Net investment in capital assets	-	-	-	-	3,552,222
Restricted for OPEB	5,547	-	-	-	128,433
Unrestricted	4,332,633	4,691,312	3,811,778	48,242,524	64,802,763
<b>Total net position</b>	<b>\$ 4,338,180</b>	<b>\$ 4,691,312</b>	<b>\$ 3,811,778</b>	<b>\$ 48,242,524</b>	<b>\$ 68,483,418</b>

**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, 2023

Exhibit 51  
Page 1 of 2

	<u>Central Warehouse</u>	<u>Fleet Services</u>	<u>Information Services</u>	<u>Workers' Compensation</u>
<b>Operating Revenues</b>				
Charges for services	\$ 506,045	\$ 10,922,210	\$ 11,935,593	\$ 4,440,160
Other	40	-	-	83,180
Total operating revenues	<u>506,085</u>	<u>10,922,210</u>	<u>11,935,593</u>	<u>4,523,340</u>
<b>Operating Expenses</b>				
Personal services	351,954	1,662,467	4,855,059	387,708
Maintenance and operations	219,603	8,686,230	6,203,696	2,943,996
Total operating expenses before depreciation and amortization	<u>571,557</u>	<u>10,348,697</u>	<u>11,058,755</u>	<u>3,331,704</u>
Depreciation and amortization	11,960	416,998	892,471	-
Total operating expenses	<u>583,517</u>	<u>10,765,695</u>	<u>11,951,226</u>	<u>3,331,704</u>
Operating income (loss)	(77,432)	156,515	(15,633)	1,191,636
<b>Nonoperating Revenues (Expenses)</b>				
Investment income (loss)	-	-	-	170,449
Gain (loss) on disposal of assets	32	36,009	(587,391)	-
Interest and fiscal expense	(247)	(43,068)	(106,415)	-
Total nonoperating revenues (expenses), net	<u>(215)</u>	<u>(7,059)</u>	<u>(693,806)</u>	<u>170,449</u>
Income (loss) before transfers	(77,647)	149,456	(709,439)	1,362,085
<b>Other Financing Sources (Uses)</b>				
Transfers Out	-	-	-	(128,360)
Total transfers	-	-	-	(128,360)
Change in net position	(77,647)	149,456	(709,439)	1,233,725
Total net position - beginning	<u>1,763,371</u>	<u>1,160,062</u>	<u>713,793</u>	<u>3,166,303</u>
<b>Total net position - ending</b>	<u><b>\$ 1,685,724</b></u>	<u><b>\$ 1,309,518</b></u>	<u><b>\$ 4,354</b></u>	<u><b>\$ 4,400,028</b></u>



**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, 2023

Exhibit 51  
Page 2 of 2

	<b>Health Benefits</b>	<b>Dental and Flex Benefits</b>	<b>Employee Benefits</b>	<b>Risk Management Reserve</b>	<b>Total</b>
<b>Operating Revenues</b>					
Charges for services	\$ 23,284,623	\$ 2,696,312	\$ 36,996,224	\$ -	\$ 90,781,167
Other	2,459,576	-	219,681	-	2,762,477
Total operating revenues	25,744,199	2,696,312	37,215,905	-	93,543,644
<b>Operating Expenses</b>					
Personal services	319,343	-	-	71,982	7,648,513
Maintenance and operations	26,510,397	1,902,879	37,729,468	2,242,121	86,438,390
Total operating expenses before depreciation	26,829,740	1,902,879	37,729,468	2,314,103	94,086,903
Depreciation and amortization	-	-	-	-	1,321,429
Total operating expenses	26,829,740	1,902,879	37,729,468	2,314,103	95,408,332
Operating income (loss)	(1,085,541)	793,433	(513,563)	(2,314,103)	(1,864,688)
<b>Nonoperating Revenues (Expenses)</b>					
Investment income (loss)	200,833	124,829	257,994	4,792,960	5,547,065
Gain (loss) on disposal of assets	-	-	-	-	(551,350)
Interest and fiscal expense	-	-	-	-	(149,730)
Total nonoperating revenues (expenses), net	200,833	124,829	257,994	4,792,960	4,845,985
Income (loss) before transfers	(884,708)	918,262	(255,569)	2,478,857	2,981,297
<b>Transfers Out</b>	-	-	-	-	(128,360)
Total transfers	-	-	-	-	(128,360)
Change in net position	(884,708)	918,262	(255,569)	2,478,857	2,852,937
Total net position - beginning	5,222,888	3,773,050	4,067,347	45,763,667	65,630,481
<b>Total net position - ending</b>	<b>\$ 4,338,180</b>	<b>\$ 4,691,312</b>	<b>\$ 3,811,778</b>	<b>\$ 48,242,524</b>	<b>\$ 68,483,418</b>

# City of Winston-Salem, North Carolina

## Combining Statement of Cash Flows

Internal Service Funds  
For the Fiscal Year Ended June 30, 2023

Exhibit 52  
Page 1 of 4

	<u>Central Warehouse</u>	<u>Fleet Services</u>	<u>Information Services</u>	<u>Workers' Compensation</u>
<b>Cash Flows from Operating Activities</b>				
Cash received from sales	\$ 506,506	\$ 10,922,210	\$ 11,935,593	\$ 4,523,340
Cash payments for suppliers for goods and services	(374,873)	(8,765,533)	(5,366,337)	(3,780,323)
Cash payments to employees for services	(359,765)	(1,625,791)	(4,744,529)	(372,778)
Net cash provided (used) by operating activities	<u>(228,132)</u>	<u>530,886</u>	<u>1,824,727</u>	<u>370,239</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Borrowings from other funds	143,492	-	-	-
Repayments to other funds	(24,100)	(97,119)	-	-
Transfers out	-	-	-	(128,360)
Net cash provided (used) by noncapital financing activities	<u>119,392</u>	<u>(97,119)</u>	<u>-</u>	<u>(128,360)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition of property and equipment	-	-	103,721	-
Retirement of contracts payable	(5,430)	(461,530)	(839,268)	-
Retirement of subscriptions payable	-	-	(742,562)	-
Interest paid on contracts payable	(247)	(43,068)	(84,363)	-
Interest paid on subscriptions	-	-	(22,052)	-
Proceeds from sale of assets	32	70,831	1,290	-
Net cash provided (used) by capital and related financing activities	<u>(5,645)</u>	<u>(433,767)</u>	<u>(1,583,234)</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>				
Investment income (loss)	-	-	-	170,449
Net increase (decrease) in cash	<u>(114,385)</u>	<u>-</u>	<u>241,493</u>	<u>412,328</u>
Cash and cash equivalents/investments July 1	<u>114,385</u>	<u>-</u>	<u>32,692</u>	<u>9,728,050</u>
<b>Cash and cash equivalents/investments June 30</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 274,185</u></b>	<b><u>\$ 10,140,378</u></b>

# City of Winston-Salem, North Carolina

## Combining Statement of Cash Flows

Internal Service Funds  
For the Fiscal Year Ended June 30, 2023

Exhibit 52  
Page 2 of 4

	Health Benefits	Dental and Flex Benefits	Employee Benefits	Risk Management Reserve	Total
<b>Cash Flows from Operating Activities</b>					
Cash received from sales	\$ 25,744,199	\$ 2,696,312	\$ 37,220,848	\$ -	\$ 93,549,008
Cash payments for suppliers for goods and services	(25,232,388)	(1,896,786)	(39,418,186)	(1,836,565)	(86,670,991)
Cash payments to employees for services	(304,342)	-	-	(58,147)	(7,465,352)
Net cash provided (used) by operating activities	207,469	799,526	(2,197,338)	(1,894,712)	(587,335)
<b>Cash Flows from Noncapital Financing Activities</b>					
Borrowings from other funds	-	-	-	-	143,492
Repayments to other funds	-	-	-	-	(121,219)
Transfers out	-	-	-	-	(128,360)
Net cash provided (used) by noncapital financing activities	-	-	-	-	(106,087)
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition of property and equipment	-	-	-	-	103,721
Retirement of contracts payable	-	-	-	-	(1,306,228)
Retirement of subscriptions payable	-	-	-	-	(742,562)
Interest paid on contracts payable	-	-	-	-	(127,678)
Interest paid on subscriptions	-	-	-	-	(22,052)
Proceeds from sale of assets	-	-	-	-	72,153
Net cash provided (used) by capital and related financing activities	-	-	-	-	(2,022,646)
<b>Cash Flows from Investing Activities</b>					
Investment income (loss)	200,833	124,829	257,994	4,792,960	5,547,065
Net increase (decrease) in cash	408,302	924,355	(1,939,344)	2,898,248	2,830,997
Cash and cash equivalents/investments July 1	8,329,062	3,913,521	10,527,852	48,024,656	80,670,218
<b>Cash and cash equivalents/investments June 30</b>	<b>\$ 8,737,364</b>	<b>\$ 4,837,876</b>	<b>\$ 8,588,508</b>	<b>\$ 50,922,904</b>	<b>\$ 83,501,215</b>

# City of Winston-Salem, North Carolina

## Combining Statement of Cash Flows

Internal Service Funds  
For the Fiscal Year Ended June 30, 2023

Exhibit 52  
Page 3 of 4

	Central Warehouse	Fleet Services	Information Services	Workers' Compensation
<b>Reconciliation of Cash and Cash Equivalents/Investments</b>				
Cash and investments - current	\$ -	\$ -	\$ 274,185	\$ 10,140,378
<b>Cash and cash equivalents/investments June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 274,185</b>	<b>\$ 10,140,378</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ (77,432)	\$ 156,515	\$ (15,633)	\$ 1,191,636
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation and amortization expense	11,960	416,998	892,471	-
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources				
(Increase) decrease in receivables	421	-	-	-
(Increase) decrease in inventories	(140,385)	95,545	-	-
(Increase) decrease in prepaid expenses	-	-	(67,513)	-
(Increase) decrease in net OPEB asset	(6,132)	(28,715)	(84,602)	(3,437)
(Increase) decrease in deferred outflows for pensions	(26,059)	(157,936)	(444,649)	(17,819)
(Increase) decrease in deferred outflows for OPEB	8,626	35,895	108,342	4,432
Increase (decrease) in net pension liability	110,482	541,608	1,581,733	64,094
Increase (decrease) in net OPEB liability	(3,026)	(12,865)	(38,654)	(1,579)
Increase (decrease) in deferred inflows for pensions	(75,744)	(319,429)	(961,399)	(39,298)
Increase (decrease) in deferred inflows for OPEB	(6,951)	(28,728)	(86,838)	(3,554)
Increase (decrease) in accounts payable	(14,885)	(174,848)	511,421	-
Increase (decrease) in accrued payroll	(85)	11,691	13,394	496
Increase (decrease) in accrued vacation	(8,922)	(4,845)	23,203	11,595
Increase (decrease) in claims payable	-	-	-	(836,327)
Increase (decrease) in interest payable	-	-	13,963	-
Increase (decrease) in contracts payable	-	-	379,488	-
Total adjustments	(150,700)	374,371	1,840,360	(821,397)
<b>Net cash provided (used) by operating activities</b>	<b>\$ (228,132)</b>	<b>\$ 530,886</b>	<b>\$ 1,824,727</b>	<b>\$ 370,239</b>

# City of Winston-Salem, North Carolina

## Combining Statement of Cash Flows

Internal Service Funds  
For the Fiscal Year Ended June 30, 2023

Exhibit 52  
Page 4 of 4

	Health Benefits	Dental and Flex Benefits	Employee Benefits	Risk Management Reserve	Total
<b>Reconciliation of Cash and Cash Equivalents/Investments</b>					
Cash and investments - current	\$ 8,737,364	\$ 4,837,876	\$ 8,588,508	\$ 50,922,904	\$ 83,501,215
<b>Cash and cash equivalents/investments June 30</b>	<b>\$ 8,737,364</b>	<b>\$ 4,837,876</b>	<b>\$ 8,588,508</b>	<b>\$ 50,922,904</b>	<b>\$ 83,501,215</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating income (loss)	\$ (1,085,541)	\$ 793,433	\$ (513,563)	\$ (2,314,103)	\$ (1,864,688)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation expense	-	-	-	-	1,321,429
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources					
(Increase) decrease in receivables	-	-	4,943	-	5,364
(Increase) decrease in inventories	-	-	-	-	(44,840)
(Increase) decrease in prepaid expenses	708,271	-	-	-	640,758
(Increase) decrease in net OPEB asset	(5,547)	-	-	-	(128,433)
(Increase) decrease in deferred outflows for pensions	(32,367)	-	-	(19,176)	(698,006)
(Increase) decrease in deferred outflows for OPEB	6,703	-	-	-	163,998
Increase (decrease) in net pension liability	105,884	-	-	29,236	2,433,037
Increase (decrease) in net OPEB liability	(2,418)	-	-	-	(58,542)
Increase (decrease) in deferred inflows for pensions	(59,888)	-	-	1,063	(1,454,695)
Increase (decrease) in deferred inflows for OPEB	(5,352)	-	-	-	(131,423)
Increase (decrease) in accounts payable	(2,081,047)	1,123	(1,877,670)	(343,220)	(3,979,126)
Increase (decrease) in accrued payroll	1,368	-	-	2,260	29,124
Increase (decrease) in accrued vacation	6,618	-	-	452	28,101
Increase (decrease) in claims payable	2,650,785	4,970	188,952	748,776	2,757,156
Increase (decrease) in interest payable	-	-	-	-	13,963
Increase (decrease) in contracts payable	-	-	-	-	379,488
Total adjustments	1,293,010	6,093	(1,683,775)	419,391	1,277,353
<b>Net cash provided (used) by operating activities</b>	<b>\$ 207,469</b>	<b>\$ 799,526</b>	<b>\$ (2,197,338)</b>	<b>\$ (1,894,712)</b>	<b>\$ (587,335)</b>

# 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, 2023

Exhibit 53

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Operating Revenues</b>			
Charges for services	\$ 616,060	\$ 506,045	\$ (110,015)
Other	-	40	40
Total operating revenues	616,060	506,085	(109,975)
<b>Operating Expenditures</b>			
Personal services	372,890	350,758	22,132
Maintenance and operations	235,820	219,603	16,217
Total operating expenditures	608,710	570,361	38,349
Operating income (loss)	7,350	(64,276)	(71,626)
<b>Nonoperating Revenues (Expenditures)</b>			
Proceeds from sale of assets	-	32	32
Interest and fiscal charges	(350)	(247)	103
Principal retirement	(7,000)	(5,430)	1,570
Total nonoperating expenditures, net	(7,350)	(5,645)	1,705
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ (69,921)</u>	<u>\$ (69,921)</u>
<b>Reconciliation of Modified Accrual Basis to Full Accrual Basis</b>			
Change in Net Position - Modified Accrual Basis		\$ (69,921)	
Depreciation		(11,960)	
Increase (decrease) in net OPEB asset		6,132	
Increase (decrease) in deferred outflows of resources - pensions		26,059	
Increase (decrease) in deferred outflows of resources - OPEB		(8,626)	
(Increase) decrease in net pension liability		(110,482)	
(Increase) decrease in net OPEB liability		3,026	
(Increase) decrease in deferred inflows of resources - pensions		75,744	
(Increase) decrease in deferred inflows of resources - OPEB		6,951	
Change in Net Position - Full Accrual Basis		<u>\$ (77,647)</u>	

# City of Winston-Salem, North Carolina

## Internal Service Funds

Fleet Services Fund - Schedule of Revenues, Expenditures,  
and Transfers - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2023

Exhibit 54

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Operating Revenues</b>			
Charges for services	\$ 11,759,370	\$ 10,922,210	\$ (837,160)
Total operating revenues	11,759,370	10,922,210	(837,160)
<b>Operating Expenditures</b>			
Personal services	1,814,830	1,632,637	182,193
Maintenance and operations	9,231,272	8,686,230	545,042
Total operating expenditures	11,046,102	10,318,867	727,235
Operating income (loss)	713,268	603,343	(109,925)
<b>Nonoperating Revenues (Expenditures)</b>			
Proceeds from sale of assets	-	37,965	37,965
Interest and fiscal charges	(82,220)	(43,068)	39,152
Principal retirement	(696,870)	(461,530)	235,340
Total nonoperating expenditures, net	(779,090)	(466,633)	312,457
<b>Other Financing Sources (Uses)</b>			
Appropriated net position	65,822	-	65,822
Total other financing sources (uses)	65,822	-	65,822
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ 136,710</u>	<u>\$ 136,710</u>
<b>Reconciliation of Modified Accrual Basis to Full Accrual Basis</b>			
Change in Net Position - Modified Accrual Basis		\$ 136,710	
Depreciation		(416,998)	
Principal retirement		461,530	
Book value of disposed assets		(1,956)	
Increase (decrease) in OPEB asset		28,715	
Increase (decrease) in deferred outflows of resources - pensions		157,936	
Increase (decrease) in deferred outflows of resources - OPEB		(35,895)	
(Increase) decrease in net pension liability		(541,608)	
(Increase) decrease in deferred inflows of resources - OPEB		28,728	
(Increase) decrease in net OPEB liability		12,865	
(Increase) decrease in deferred inflows of resources - pensions		319,429	
Change in Net Position - Full Accrual Basis		<u>\$ 149,456</u>	

# City of Winston-Salem, North Carolina

## Information Service Funds

Information Services Fund - Schedule of Revenues, Expenditures,  
and Transfers - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2023

Exhibit 55

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Operating Revenues</b>			
Charges for services	\$ 14,530,860	\$ 11,935,593	\$ (2,595,267)
Total operating revenues	14,530,860	11,935,593	(2,595,267)
<b>Operating Expenditures</b>			
Personal services	5,241,140	4,781,126	460,014
Maintenance and operations	8,544,152	5,827,359	2,716,793
Total operating expenditures	13,785,292	10,608,485	3,176,807
Operating income (loss)	745,568	1,327,108	581,540
<b>Nonoperating Revenues (Expenditures)</b>			
Proceeds from sales of assets	-	1,290	1,290
Interest and fiscal charges	(194,520)	(106,415)	88,105
Principal retirement	(1,581,830)	(839,268)	742,562
Total nonoperating expenditures, net	(1,776,350)	(944,393)	831,957
<b>Other financing sources (uses)</b>			
Appropriated net position	1,030,782	-	1,030,782
Total other financing sources (uses)	1,030,782	-	1,030,782
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ 382,715</u>	<u>\$ 382,715</u>
<b>Reconciliation of Modified Accrual Basis to Full Accrual Basis</b>			
Change in Net Position - Modified Accrual Basis		\$ 382,715	
Depreciation		(460,315)	
Amortization		(432,156)	
IT subscription agreement		2,195,171	
Capital outlay - subscription based information technology agreements		(2,192,021)	
Principal retirement		839,268	
Book value of disposed assets		(588,680)	
Increase in contracts payable		(379,488)	
Increase (decrease) in deferred outflows of resources - pensions		444,649	
(Increase) decrease in net pension liability		(1,581,733)	
(Increase) decrease in deferred inflows of resources - pensions		961,399	
Increase (decrease) in OPEB asset		84,602	
Increase (decrease) in deferred outflows of resources - OPEB		(108,342)	
(Increase) decrease in net OPEB liability		38,654	
(Increase) decrease in deferred inflows of resources - OPEB		86,838	
Change in Net Position - Full Accrual Basis		<u>\$ (709,439)</u>	



# City of Winston-Salem, North Carolina

## Internal Service Funds

Workers' Compensation Fund - Schedule of Revenues, Expenditures,  
and Transfers - Budget (Non-GAAP Basis) and Actual  
For the Fiscal Year Ended June 30, 2023

Exhibit 56

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Operating Revenues</b>			
Charges for services	\$ 4,205,000	\$ 4,440,160	\$ 235,160
Other	30,000	83,180	53,180
Total operating revenues	<u>4,235,000</u>	<u>4,523,340</u>	<u>288,340</u>
<b>Operating Expenditures</b>			
Personal services	295,810	384,869	(89,059)
Maintenance and operations	4,656,170	2,943,996	1,712,174
Total operating expenditures	<u>4,951,980</u>	<u>3,328,865</u>	<u>1,623,115</u>
Operating income (loss)	(716,980)	1,194,475	1,911,455
<b>Nonoperating Revenues (Expenditures)</b>			
Investment income	-	170,449	170,449
Total nonoperating revenues, net	<u>-</u>	<u>170,449</u>	<u>170,449</u>
Income (loss) before transfers	(716,980)	1,364,924	2,081,904
<b>Other Financing Sources (Uses)</b>			
Transfers Out			
General fund	(128,360)	(128,360)	-
Total transfers out	<u>(128,360)</u>	<u>(128,360)</u>	<u>-</u>
Appropriated net position	845,340	-	845,340
Total other financing sources (uses)	<u>716,980</u>	<u>(128,360)</u>	<u>845,340</u>
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ 1,236,564</u>	<u>\$ 1,236,564</u>
<b>Reconciliation of Modified Accrual Basis to Full Accrual Basis</b>			
Change in Net Position - Modified Accrual Basis		\$ 1,236,564	
Increase (decrease) in deferred outflows of resources - pensions		17,819	
(Increase) decrease in net pension liability		(64,094)	
(Increase) decrease in deferred inflows of resources - pensions		39,298	
Increase (decrease) in deferred outflows of resources - OPEB		(4,432)	
Increase (decrease) in net OPEB asset		3,437	
(Increase) decrease in net OPEB liability		1,579	
(Increase) decrease in deferred inflows of resources - OPEB		3,554	
Change in Net Position - Full Accrual Basis		<u>\$ 1,233,725</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, 2023

Exhibit 57

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Operating Revenues</b>			
Charges for services	\$ 23,433,100	\$ 23,284,623	\$ (148,477)
Other	<u>1,100,000</u>	<u>2,459,576</u>	<u>1,359,576</u>
Total operating revenues	24,533,100	25,744,199	1,211,099
<b>Operating Expenditures</b>			
Personal services	364,210	312,328	51,882
Maintenance and operations	<u>25,472,673</u>	<u>26,510,397</u>	<u>(1,037,724)</u>
Total operating expenditures	<u>25,836,883</u>	<u>26,822,725</u>	<u>(985,842)</u>
Operating income (loss)	(1,303,783)	(1,078,526)	225,257
<b>Nonoperating Revenues (Expenditures)</b>			
Investment income	<u>-</u>	<u>200,833</u>	<u>200,833</u>
Total nonoperating revenues, net	-	200,833	200,833
<b>Other Financing Sources (Uses)</b>			
Appropriated net position	<u>1,303,783</u>	<u>-</u>	<u>1,303,783</u>
Total other financing sources (uses)	<u>1,303,783</u>	<u>-</u>	<u>1,303,783</u>
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ (877,693)</u>	<u>\$ (877,693)</u>
<b>Reconciliation of Modified Accrual Basis to Full Accrual Basis</b>			
Change in Net Position - Modified Accrual Basis		\$ (877,693)	
Increase (decrease) in deferred outflows of resources - pensions		32,367	
(Increase) decrease in net pension liability		(105,884)	
(Increase) decrease in deferred inflows of resources - pensions		59,888	
Increase (decrease) in deferred outflows of resources - OPEB		(6,703)	
Increase (decrease) in net asset OPEB		5,547	
(Increase) decrease in net OPEB liability		2,418	
(Increase) decrease in deferred inflows of resources - OPEB		5,352	
Change in Net Position - Full Accrual Basis		<u>\$ (884,708)</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, 2023

Exhibit 58

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Operating Revenues</b>			
Charges for services	\$ 2,613,000	\$ 2,696,312	\$ 83,312
Total operating revenues	2,613,000	2,696,312	83,312
<b>Operating Expenditures</b>			
Maintenance and operations	2,255,600	1,902,879	352,721
Total operating expenditures	2,255,600	1,902,879	352,721
Operating income (loss)	357,400	793,433	436,033
<b>Nonoperating Revenues (Expenditures)</b>			
Investment income	-	124,829	124,829
Total nonoperating revenues, net	-	124,829	124,829
<b>Other Financing Sources (Uses)</b>			
Appropriated net position	357,400	-	357,400
Total other financing sources (uses)	357,400	-	357,400
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ 918,262</u>	<u>\$ 918,262</u>
<b>Reconciliation of Modified Accrual Basis to Full Accrual Basis</b>			
Change in Net Position - Modified Accrual Basis		\$ 918,262	
Change in Net Position - Full Accrual Basis		<u>\$ 918,262</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, 2023

Exhibit 59

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Operating Revenues</b>			
Charges for services	\$ 36,296,700	\$ 36,996,224	\$ 699,524
Other	1,000	219,681	218,681
Total operating revenues	<u>36,297,700</u>	<u>37,215,905</u>	<u>918,205</u>
<b>Operating Expenditures</b>			
Maintenance and operations	36,711,483	37,729,468	(1,017,985)
Total operating expenditures	<u>36,711,483</u>	<u>37,729,468</u>	<u>(1,017,985)</u>
Operating income (loss)	(413,783)	(513,563)	(99,780)
<b>Nonoperating Revenues (Expenditures)</b>			
Investment income	-	257,994	257,994
Total nonoperating revenues, net	-	257,994	257,994
<b>Other Financing Sources (Uses)</b>			
Appropriated net position	413,783	-	413,783
Total other financing sources (uses)	<u>413,783</u>	<u>-</u>	<u>413,783</u>
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ (255,569)</u>	<u>\$ (255,569)</u>
<b>Reconciliation of Modified Accrual Basis to Full Accrual Basis</b>			
Change in Net Position - Modified Accrual Basis		<u>\$ (255,569)</u>	
Change in Net Position - Full Accrual Basis		<u>\$ (255,569)</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, 2023

Exhibit 60

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Operating Expenditures</b>			
Personal services	\$ 96,940	\$ 60,859	\$ 36,081
Maintenance and operations	1,500,000	2,242,121	(742,121)
Total operating expenditures	<u>1,596,940</u>	<u>2,302,980</u>	<u>(706,040)</u>
Operating income (loss)	(1,596,940)	(2,302,980)	(706,040)
<b>Nonoperating Revenues (Expenditures)</b>			
Investment income	-	4,792,960	4,792,960
Total nonoperating revenues, net	<u>-</u>	<u>4,792,960</u>	<u>4,792,960</u>
<b>Other Financing Sources (Uses)</b>			
Appropriated net position	1,596,940	-	1,596,940
Total other financing sources (uses)	<u>1,596,940</u>	<u>-</u>	<u>1,596,940</u>
Change in net position - modified accrual basis	<u>\$ -</u>	<u>\$ 2,489,980</u>	<u>\$ 2,489,980</u>
<b>Reconciliation of Modified Accrual Basis to Full Accrual Basis</b>			
Change in Net Position - Modified Accrual Basis		\$ 2,489,980	
Increase (decrease) in deferred outflows of resources - pensions		19,176	
(Increase) decrease in net pension liability		(29,236)	
(Increase) decrease in deferred inflows of resources - pensions		<u>(1,063)</u>	
Change in Net Position - Full Accrual Basis		<u>\$ 2,478,857</u>	

# City of Winston-Salem, North Carolina

## 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, 2023

Exhibit 61

	<b>Program</b>			<b>Total</b>
	<b>Authorizations</b>	<b>Current Year</b>	<b>Prior Years</b>	<b>to Date</b>
<b>Revenues</b>				
NCML Proceeds	\$ 3,452,269	\$ 776,522	\$ 432,296	\$ 1,208,818
Transfers in from other funds	30,783	-	30,783	30,783
Other contributions	244,282	-	244,281	244,281
Total revenues	<u>3,727,334</u>	<u>776,522</u>	<u>707,360</u>	<u>1,483,882</u>
<b>Expenses</b>				
Information Services	<u>3,727,334</u>	<u>873,436</u>	<u>524,475</u>	<u>1,397,911</u>
Total expenses	<u>3,727,334</u>	<u>873,436</u>	<u>524,475</u>	<u>1,397,911</u>
Change in Net Position	<u>\$ -</u>	<u>\$ (96,914)</u>	<u>\$ 182,885</u>	<u>\$ 85,971</u>

# **Fiduciary Funds**

# City of Winston-Salem, North Carolina

## Combining Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2023

Exhibit 62

	Pension Trust Fund	Separation Allowance Trust Fund	Post-employment Benefits Trust Fund	Totals
<b>Assets</b>				
Cash and cash equivalents/investments	\$ 192,293,969	\$ 12,883,746	\$ 72,333,243	\$ 277,510,958
Prepaid expenses	-	-	19,169	19,169
<b>Total assets</b>	192,293,969	12,883,746	72,352,412	277,530,127
<b>Deferred Outflows of Resources</b>				
Pension deferrals	-	-	42,543	42,543
<b>Total deferred outflows of resources</b>	-	-	42,543	42,543
<b>Liabilities</b>				
Accounts payable	578	-	3,320	3,898
Accrued payroll	-	-	1,817	1,817
Accrued vacation	-	-	7,314	7,314
Net pension liability	-	-	64,860	64,860
Claims payable	-	-	1,004,087	1,004,087
<b>Total liabilities</b>	578	-	1,081,398	1,081,976
<b>Deferred Inflows of Resources</b>				
Pension deferrals	-	-	2,359	2,359
<b>Total deferred inflows of resources</b>	-	-	2,359	2,359
<b>Net Position</b>				
Restricted for pensions	192,293,391	12,883,746	-	205,177,137
Restricted for post-employment benefits other than pensions	-	-	71,311,198	71,311,198
<b>Total net position</b>	<b>\$ 192,293,391</b>	<b>\$ 12,883,746</b>	<b>\$ 71,311,198</b>	<b>\$ 276,488,335</b>



# City of Winston-Salem, North Carolina

## Combining Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended June 30, 2023

Exhibit 63

	Pension Trust Fund	Separation Allowance Trust Fund	Post-employment Benefits Trust Fund	Totals
<b>Additions</b>				
Contributions				
Employer	\$ 6,646,130	\$ 2,472,624	\$ 1,521,574	\$ 10,640,328
Plan members	1,284,976	-	1,984,010	3,268,986
Total contributions	7,931,106	2,472,624	3,505,584	13,909,314
Investment income (loss)				
Net appreciation in fair value	19,049,958	1,228,283	7,615,666	27,893,907
Interest and dividends	3,518,286	240,619	1,266,680	5,025,585
Total investment income (loss)	22,568,244	1,468,902	8,882,346	32,919,492
Less investment expense	872,069	58,302	320,381	1,250,752
Net investment income (loss)	21,696,175	1,410,600	8,561,965	31,668,740
Total additions	29,627,281	3,883,224	12,067,549	45,578,054
<b>Deductions</b>				
Benefits	14,635,165	2,883,422	7,668,194	25,186,781
Refund of contributions	43,757	-	-	43,757
Administrative expense	110,501	6,083	163,242	279,826
Total deductions	14,789,423	2,889,505	7,831,436	25,510,364
Net increase (decrease) in net position	14,837,858	993,719	4,236,113	20,067,690
Net position - beginning	177,455,533	11,890,027	67,075,085	256,420,645
<b>Net position - ending</b>	<b>\$ 192,293,391</b>	<b>\$ 12,883,746</b>	<b>\$ 71,311,198</b>	<b>\$ 276,488,335</b>



# **Schedule of General Obligation Bonded Debt**

**City of Winston-Salem, North Carolina**  
**Schedule of General Obligation Bonded Debt**  
 June 30, 2023

Exhibit 64  
 Page 1 of 2

<b>Purpose of Bond Issue</b>	<b>Date of Issue</b>	<b>Final Maturity Date</b>	<b>Interest Rate</b>	<b>Original Issue</b>	<b>Retired To Date</b>	<b>Principal Balance June 30, 2022</b>
<b>General Obligation Bonded Debt</b>						
Recreation, safety & streets	06/20/12	06/01/32	2.00 - 3.00%	\$ 2,955,000	\$ 1,650,000	\$ 1,455,000
Refunding	06/21/12	06/01/22	2.00 - 5.00%	14,255,000	14,255,000	-
Recreation, safety & streets	06/26/14	06/01/31	2.00 - 4.00%	3,945,000	1,800,000	2,345,000
Public improvement, recreation & streets	04/05/16	06/01/36	2.00 - 3.00%	3,810,000	1,030,000	2,945,000
Development, recreation, safety & streets	04/06/16	06/01/36	3.00 - 5.00%	47,820,000	7,435,000	42,695,000
Refunding	04/06/16	06/01/28	3.00 - 5.00%	12,655,000	6,460,000	7,390,000
Public improvement, recreation & streets	07/11/17	06/01/37	2.00 - 5.00%	4,775,000	915,000	4,055,000
Public improvement, recreation, streets & housing	07/12/17	06/01/37	3.00 - 5.00%	54,690,000	6,950,000	50,190,000
Streets and recreation	07/13/20	06/01/40	2.00 - 5.00%	6,005,000	425,000	5,800,000
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	5,220,000	13,720,000
Refunding	07/14/20	06/01/26	1.00 - 5.00%	18,300,000	8,465,000	12,795,000
Refunding	07/14/20	06/01/32	0.49 - 1.15%	5,870,000	1,645,000	5,630,000
Public Improvements, safety, recreation, streets	05/10/23	06/01/43	4.00 - 5.00%	8,895,000	-	-
Safety, recreation, streets	05/11/23	06/01/43	4.00 - 5.00%	47,500,000	-	-
Development & housing	05/11/23	06/01/26	4.00 - 5.00%	7,500,000	-	-
Total General Obligation Bonded Debt				<u>\$ 299,445,000</u>	<u>\$ 56,250,000</u>	<u>\$ 193,160,000</u>

**City of Winston-Salem, North Carolina**  
**Schedule of General Obligation Bonded Debt**  
 June 30, 2023

Exhibit 64  
 Page 2 of 2

Fiscal Year 2022-23		Principal Balance June 30, 2023	Debt Service Requirement Fiscal Year 2023-24			Principal Balance June 30, 2024
Retirements	Additions		Principal	Interest	Total	
\$ 150,000	\$ -	\$ 1,305,000	\$ 145,000	\$ 37,881	\$ 182,881	\$ 1,160,000
-	-	-	-	-	-	-
200,000	-	2,145,000	200,000	72,781	272,781	1,945,000
165,000	-	2,780,000	180,000	78,900	258,900	2,600,000
2,310,000	-	40,385,000	2,430,000	1,469,750	3,899,750	37,955,000
1,195,000	-	6,195,000	1,195,000	238,350	1,433,350	5,000,000
195,000	-	3,860,000	205,000	150,050	355,050	3,655,000
2,450,000	-	47,740,000	2,570,000	1,794,700	4,364,700	45,170,000
220,000	-	5,580,000	230,000	190,800	420,800	5,350,000
-	-	44,140,000	-	1,333,312	1,333,312	44,140,000
2,610,000	-	11,110,000	2,625,000	104,876	2,729,876	8,485,000
2,960,000	-	9,835,000	3,295,000	471,750	3,766,750	6,540,000
1,405,000	-	4,225,000	1,400,000	38,196	1,438,196	2,825,000
-	8,895,000	8,895,000	-	449,527	449,527	8,895,000
-	47,500,000	47,500,000	-	2,393,367	2,393,367	47,500,000
-	7,500,000	7,500,000	3,195,000	384,117	3,579,117	4,305,000
<b>\$ 13,860,000</b>	<b>\$ 63,895,000</b>	<b>\$ 243,195,000</b>	<b>\$ 17,670,000</b>	<b>\$ 9,208,356</b>	<b>\$ 26,878,356</b>	<b>\$ 225,525,000</b>



# Statistical Section

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain information to help the reader understand how the City's financial performance and well-being have changed over time.	206
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.	222
<b>Debt Capacity</b> 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.	230
<b>Demographic and Economic Information</b> 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.	238
<b>Operating Information</b> 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.	240

*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				
	2023	Restated 2022	2021	2020	2019
<b>Governmental activities</b>					
Net investment in capital assets	\$ 246,227,387	\$ 243,224,336	\$ 234,366,934	\$ 205,988,821	\$ 198,478,120
Restricted	182,719,924	144,991,802	107,418,521	77,921,104	65,043,267
Unrestricted	30,256,429	15,262,516	(642,509)	21,234,750	29,962,893
Total governmental activities net position, as restated	459,203,740	403,478,654	341,142,946	305,144,675	293,484,280
<b>Business-type activities</b>					
Net investment in capital assets	674,658,191	650,325,396	638,058,023	589,924,366	553,853,458
Restricted	33,526,400	38,111,166	1,875,155	-	-
Unrestricted	231,877,439	205,357,176	234,010,358	207,028,125	202,082,964
Total business-type activities net position, as restated	940,062,030	893,793,738	873,943,536	796,952,491	755,936,422
<b>Primary government</b>					
Net investment in capital assets	920,885,578	893,549,732	872,424,957	795,913,187	752,331,578
Restricted	216,246,324	183,102,968	109,293,676	77,921,104	65,043,267
Unrestricted	262,133,868	220,619,692	233,367,849	228,262,875	232,045,857
Total primary government net position, as restated	\$ 1,399,265,770	\$ 1,297,272,392	\$ 1,215,086,482	\$ 1,102,097,166	\$ 1,049,420,702



# 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				
	2018	2017	2016	2015	2014
<b>Governmental activities</b>					
Net investment in capital assets	\$ 166,252,662	\$ 164,415,590	\$ 153,711,370	\$ 131,696,233	\$ 146,689,379
Restricted	69,502,473	65,111,085	120,600,038	76,643,528	51,508,979
Unrestricted	41,526,432	51,074,905	31,498,836	85,333,859	118,607,260
Total governmental activities net position, as restated	277,281,567	280,601,580	305,810,244	293,673,620	316,805,618
<b>Business-type activities</b>					
Net investment in capital assets	507,218,169	483,821,989	473,054,885	419,642,228	425,441,820
Restricted	-	-	-	-	-
Unrestricted	204,209,597	182,382,886	163,448,423	185,351,836	158,045,211
Total business-type activities net position, as restated	711,427,766	666,204,875	636,503,308	604,994,064	583,487,031
<b>Primary government</b>					
Net investment in capital assets	673,470,831	648,237,579	626,766,255	551,338,461	572,131,199
Restricted	69,502,473	65,111,085	120,600,038	76,643,528	51,508,979
Unrestricted	245,736,029	233,457,791	194,947,259	270,685,695	276,652,471
Total primary government net position, as restated	\$ 988,709,333	\$ 946,806,455	\$ 942,313,552	\$ 898,667,684	\$ 900,292,649

# 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				
	2023	Restated 2022	2021	2020	2019
<b>Expenses</b>					
Governmental activities:					
General government <sup>(1)</sup>	\$ 44,475,366	\$ 38,897,499	\$ 34,021,230	\$ 34,700,220	\$ 34,337,104
Public protection	133,013,095	116,614,583	111,171,364	121,976,612	115,069,382
Environmental health	25,443,236	21,075,652	19,939,166	19,498,148	18,193,517
Transportation <sup>(2)</sup>	21,846,047	20,138,772	19,966,122	18,660,360	18,778,394
Culture and recreation	17,026,677	15,475,504	14,201,946	14,462,457	13,883,844
Community and economic development	36,842,122	37,459,323	30,128,749	30,384,963	26,454,980
Interest and fiscal charges	9,868,649	10,157,490	10,557,262	11,425,747	11,825,173
Total governmental activities	<u>288,515,192</u>	<u>259,818,823</u>	<u>239,985,839</u>	<u>251,108,507</u>	<u>238,542,394</u>
Business-type activities:					
Water and sewer utility	107,883,663	96,458,373	93,232,560	96,705,230	93,659,022
Solid Waste Disposal <sup>(3)</sup>	14,258,736	14,739,306	12,227,035	11,439,490	12,813,989
Cemeteries <sup>(1)</sup>	-	-	-	-	-
Stormwater management	7,320,320	6,595,348	6,959,722	7,458,955	6,883,864
Parking	1,536,919	1,449,184	1,447,463	1,433,620	1,401,592
Transit Authority <sup>(2)</sup>	24,228,158	22,992,304	23,038,976	21,852,043	21,903,029
Public assembly facilities management	8,767,927	8,943,894	6,642,279	8,349,857	8,099,018
Risk management reserves	2,314,103	408,547	3,382,981	1,532,932	2,854,467
Total business-type activities	<u>166,309,826</u>	<u>151,586,956</u>	<u>146,931,016</u>	<u>148,772,127</u>	<u>147,614,981</u>
Total primary government expenses	<u>\$ 454,825,018</u>	<u>\$ 411,405,779</u>	<u>\$ 386,916,855</u>	<u>\$ 399,880,634</u>	<u>\$ 386,157,375</u>

**Note:**

- <sup>(1)</sup> The City began reporting the Cemeteries fund as a general fund in fiscal year 2015. Prior to that, the operations were included as part of the City's enterprise fund.
- <sup>(2)</sup> The City began reporting the Mass Transit Tax fund as an enterprise fund in fiscal year 2015. Prior to that, the operations were included as part of the City's special revenue fund.
- <sup>(3)</sup> 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				
	2018	2017	2016	2015	2014
<b>Expenses</b>					
Governmental activities:					
General government <sup>(1)</sup>	\$ 32,345,702	\$ 32,646,249	\$ 30,553,493	\$ 28,112,510	\$ 30,214,307
Public protection	108,272,672	106,739,938	100,928,955	91,609,111	91,570,853
Environmental health	19,666,634	17,720,245	17,002,328	16,270,988	17,082,112
Transportation <sup>(2)</sup>	19,935,391	20,544,652	20,025,048	21,006,107	19,891,162
Culture and recreation	13,191,936	12,069,446	11,751,922	10,835,392	18,849,037
Community and economic development	23,993,835	36,064,551	21,981,252	19,105,095	20,425,689
Interest and fiscal charges	12,828,440	10,191,248	7,937,451	9,807,798	9,357,090
Total governmental activities	<u>230,234,610</u>	<u>235,976,329</u>	<u>210,180,449</u>	<u>196,747,001</u>	<u>207,390,250</u>
Business-type activities:					
Water and sewer utility	88,763,212	87,583,208	82,994,364	81,924,268	81,004,734
Solid waste disposal	12,159,440	13,579,703	10,717,746	10,288,446	10,460,084
Cemeteries <sup>(1)</sup>	-	-	-	-	531,689
Stormwater management	7,112,538	11,675,062	6,081,683	5,541,532	5,235,017
Parking	1,537,324	1,647,350	3,568,917	1,863,836	1,989,466
Transit Authority <sup>(2)</sup>	19,691,541	18,890,589	17,142,451	16,222,267	15,708,892
Public assembly facilities management	8,939,682	7,761,968	7,261,379	7,405,950	13,426,524
Risk management reserves	3,351,881	2,628,391	2,326,714	4,350,212	2,899,891
Total business-type activities	<u>141,555,618</u>	<u>143,766,271</u>	<u>130,093,254</u>	<u>127,596,511</u>	<u>131,256,297</u>
Total primary government expenses	<u>\$ 371,790,228</u>	<u>\$ 379,742,600</u>	<u>\$ 340,273,703</u>	<u>\$ 324,343,512</u>	<u>\$ 338,646,547</u>

# City of Winston-Salem, North Carolina

## Changes in Net Position

Last Ten Fiscal Years  
(accrual basis of accounting)

Table 2  
Page 3 of 4

	Fiscal Year				
	2023	2022	2021	2020	2019
<b>Program Revenues</b>					
Governmental activities:					
Charges for services					
General government <sup>(1)</sup>	\$ 16,065,314	\$ 14,367,449	\$ 16,329,762	\$ 16,777,155	\$ 16,211,409
Public protection	2,391,089	2,244,432	4,602,172	4,729,240	5,000,628
Environmental health	2,081,710	2,168,271	1,426,839	1,205,459	1,440,765
Transportation <sup>(2)</sup>	2,362,224	2,480,133	4,100,649	2,808,598	4,562,299
Culture and recreation	1,050,761	957,910	641,093	1,033,779	1,051,133
Community and economic development	15,588,350	7,798,756	7,354,628	8,017,217	8,643,868
Operating Grants and Contributions	37,519,365	62,290,459	20,451,877	16,740,028	15,166,964
Capital Grants and Contributions	1,348,809	769,274	806,263	1,398,672	4,399,817
Total governmental activities	<u>78,407,622</u>	<u>93,076,684</u>	<u>55,713,283</u>	<u>52,710,148</u>	<u>56,476,883</u>
Business-type activities:					
Charges for Services					
Water and sewer utility	129,713,989	126,622,867	118,156,556	115,210,981	114,816,710
Solid waste disposal	10,945,273	12,579,687	12,266,693	12,327,986	11,863,707
Cemeteries <sup>(1)</sup>	-	-	-	-	-
Stormwater management	10,782,532	10,829,599	11,089,995	10,465,247	10,714,457
Parking	620,856	520,125	404,346	713,074	783,427
Transit Authority <sup>(2)</sup>	1,603,338	1,509,019	984,222	1,721,077	2,133,136
Public assembly facilities management	5,808,019	5,210,414	1,486,664	5,425,875	6,543,535
Risk management reserves	-	-	1,130,735	1,108,560	1,086,820
Operating Grants and Contributions	9,464,258	10,139,353	8,401,362	11,130,441	12,198,440
Capital Grants and Contributions	12,005,839	7,394,735	17,969,214	15,286,839	10,572,472
Total business-type activities	<u>180,944,104</u>	<u>174,805,799</u>	<u>171,889,787</u>	<u>173,390,080</u>	<u>170,712,704</u>
Total primary government program revenues	<u>259,351,726</u>	<u>267,882,483</u>	<u>227,603,070</u>	<u>226,100,228</u>	<u>227,189,587</u>
<b>Net (Expense) Revenue</b>					
Governmental activities	(210,107,570)	(166,742,139)	(184,272,556)	(198,398,359)	(182,065,511)
Business activities	14,634,278	23,218,843	24,958,771	24,617,953	23,097,723
<b>Total primary government net expense</b>	<u><b>\$ (195,473,292)</b></u>	<u><b>\$ (143,523,296)</b></u>	<u><b>\$ (159,313,785)</b></u>	<u><b>\$ (173,780,406)</b></u>	<u><b>\$ (158,967,788)</b></u>

**Note:**

- (1) The City began reporting the Cemeteries fund as a general fund in fiscal year 2015. Prior to that, the operations were included as part of the City's enterprise fund.
- (2) The City began reporting the Mass Transit Tax fund as an enterprise fund in fiscal year 2015. Prior to that, the operations were included as part of the City's special revenue fund.

# City of Winston-Salem, North Carolina

## Changes in Net Position

Last Ten Fiscal Years  
(accrual basis of accounting)

Table 2  
Page 4 of 4

	Fiscal Year				
	2018	2017	2016	2015	2014
<b>Program Revenues</b>					
Governmental activities:					
Charges for services					
General government <sup>(1)</sup>	\$ 17,411,013	\$ 20,112,693	\$ 17,938,963	\$ 20,515,345	\$ 20,756,381
Public protection	5,248,085	4,236,530	3,861,336	3,808,576	3,834,986
Environmental health	2,296,645	2,306,884	2,285,788	2,425,703	2,287,169
Transportation <sup>(2)</sup>	5,152,192	3,632,920	2,591,367	3,325,676	5,342,862
Culture and recreation	1,281,661	953,931	1,010,177	1,458,330	19,390
Community and economic development	6,985,681	6,869,820	6,464,175	6,293,171	8,144,703
Operating Grants and Contributions	17,446,122	18,328,564	15,560,775	15,607,683	13,436,029
Capital Grants and Contributions	2,753,420	3,408,596	2,527,339	3,265,941	6,858,599
Total governmental activities	<u>58,574,819</u>	<u>59,849,938</u>	<u>52,239,920</u>	<u>56,700,425</u>	<u>60,680,119</u>
Business-type activities:					
Charges for Services					
Water and sewer utility	109,226,819	104,398,204	100,834,307	93,221,504	86,858,828
Solid waste disposal	11,472,389	10,510,422	10,575,534	9,382,726	10,372,085
Cemeteries <sup>(1)</sup>	-	-	-	-	469,031
Stormwater management	10,939,477	10,822,681	10,715,512	10,539,003	10,523,395
Parking	826,606	745,034	1,196,763	1,178,191	1,113,134
Transit Authority <sup>(2)</sup>	2,068,708	2,078,733	2,543,903	2,670,064	2,665,718
Public assembly facilities management	6,145,508	5,826,359	5,500,973	9,765,453	6,330,938
Risk management reserves	1,065,510	1,044,620	1,166,490	115,235	3,162,985
Operating Grants and Contributions	11,683,732	8,795,420	8,481,848	8,261,599	8,227,850
Capital Grants and Contributions	10,209,381	5,899,105	11,496,645	3,177,283	5,449,000
Total business-type activities	<u>163,638,130</u>	<u>150,120,578</u>	<u>152,511,975</u>	<u>138,311,058</u>	<u>135,172,964</u>
Total primary government program revenues	<u>222,212,949</u>	<u>209,970,516</u>	<u>204,751,895</u>	<u>195,011,483</u>	<u>195,853,083</u>
<b>Net (Expense) Revenue</b>					
Governmental activities	(171,659,791)	(176,126,391)	(157,940,529)	(140,046,576)	(146,710,131)
Business activities	22,082,512	6,354,307	22,418,721	10,714,547	3,916,667
<b>Total primary government net expense</b>	<u><b>\$ (149,577,279)</b></u>	<u><b>\$ (169,772,084)</b></u>	<u><b>\$ (135,521,808)</b></u>	<u><b>\$ (129,332,029)</b></u>	<u><b>\$ (142,793,464)</b></u>

# City of Winston-Salem, North Carolina

## General Revenues and Total Change in Net Position

Last Ten Fiscal Years  
(accrual basis of accounting)

Table 3  
Page 1 of 2

	Fiscal Year				
	2023	2022	2021	2020	2019
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (210,107,570)	\$ (166,742,139)	\$ (184,272,556)	\$ (198,398,359)	\$ (182,065,511)
Business-type activities	14,634,278	26,201,993	24,958,771	24,617,953	23,097,723
Total primary government expense	<u>\$ (195,473,292)</u>	<u>\$ (140,540,146)</u>	<u>\$ (159,313,785)</u>	<u>\$ (173,780,406)</u>	<u>\$ (158,967,788)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 160,814,721	\$ 149,957,339	\$ 139,314,797	\$ 135,466,442	\$ 124,204,213
Sales taxes	68,476,430	62,962,302	54,678,675	47,330,527	45,015,159
Gross receipt taxes	538,339	446,083	382,720	379,659	366,295
Occupancy taxes	1,129,135	988,566	537,520	754,826	904,606
Beer and wine excise-state	1,134,212	992,144	1,022,164	1,047,080	1,050,073
Telecommunications sales tax <sup>(3)</sup>	1,051,074	1,051,132	1,312,485	1,587,905	1,785,133
Utilities sales tax <sup>(3)</sup>	14,998,250	14,056,822	13,783,080	14,082,850	14,112,486
Piped natural gas sales tax <sup>(3)</sup>	1,252,678	1,021,262	841,770	755,015	874,571
Video programming tax <sup>(3)</sup>	1,826,604	1,902,960	1,890,996	1,947,918	2,089,991
Franchise taxes <sup>(3)</sup>	-	-	-	-	-
Payments in lieu of taxes	445,827	221,884	232,406	233,921	223,000
ABC store allocations	3,831,360	3,437,260	3,361,961	2,850,564	2,610,489
Federal bond interest subsidy	-	-	-	-	-
Hold harmless	-	-	-	-	-
Gain on Disposal of Assets	-	-	567,108	-	-
Investment income (loss)	9,801,311	(2,285,111)	2,865,176	2,837,353	4,386,880
Transfers					
Government-wide	532,715	(5,674,796)	(520,031)	784,694	645,328
Total governmental activities expenses	<u>265,832,656</u>	<u>229,077,847</u>	<u>220,270,827</u>	<u>210,058,754</u>	<u>198,268,224</u>
Business-type activities:					
Property taxes	12,646,662	12,279,057	11,169,671	10,789,311	10,662,035
Investment income (loss)	19,520,067	(21,777,151)	40,342,572	6,393,499	11,394,226
Gain on sale of fixed assets	-	454,657	-	-	-
Transfers					
Government-wide	(532,715)	5,674,796	520,031	(784,694)	(645,328)
Total business-type activities expenses	<u>31,634,014</u>	<u>(3,368,641)</u>	<u>52,032,274</u>	<u>16,398,116</u>	<u>21,410,933</u>
Total primary government	<u>297,466,670</u>	<u>225,709,206</u>	<u>272,303,101</u>	<u>226,456,870</u>	<u>219,679,157</u>
<b>Change in Net Position</b>					
Governmental activities	55,725,086	62,335,708	35,998,271	11,660,395	16,202,713
Business-type activities	46,268,292	22,833,352	76,991,045	41,016,069	44,508,656
Total change in net position	<u>\$ 101,993,378</u>	<u>\$ 85,169,060</u>	<u>\$ 112,989,316</u>	<u>\$ 52,676,464</u>	<u>\$ 60,711,369</u>

**Note:**

- (1) The City began reporting the Cemeteries fund as a general fund in fiscal year 2015. Prior to that, the operations were included as part of the City's enterprise fund.
- (2) The City began reporting the Mass Transit Tax fund as an enterprise fund in fiscal year 2015. Prior to that, the operations were included as part of the City's special revenue fund.
- (3) In fiscal year 2015 franchise taxes was separated between telecommunications sales tax, utilities sales tax, piped natural gas sales tax, and video programming tax.

# City of Winston-Salem, North Carolina

## General Revenues and Total Change in Net Position

Last Ten Fiscal Years  
(accrual basis of accounting)

Table 3  
Page 2 of 2

	Fiscal Year				
	2018	2017	2016	2015	2014
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (171,659,791)	\$ (176,126,391)	\$ (157,940,529)	\$ (140,046,576)	\$ (146,710,131)
Business-type activities	22,082,512	6,354,307	22,418,721	10,714,547	3,916,667
Total primary government expense	<u>\$ (149,577,279)</u>	<u>\$ (169,772,084)</u>	<u>\$ (135,521,808)</u>	<u>\$ (129,332,029)</u>	<u>\$ (142,793,464)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 121,372,562	\$ 114,867,555	\$ 109,495,096	\$ 101,672,305	\$ 108,353,348
Sales taxes	42,370,619	39,983,759	37,612,657	35,396,961	30,667,850
Gross receipt taxes	340,841	367,339	310,924	336,466	234,853
Occupancy taxes	842,962	783,673	738,282	676,361	606,076
Beer and wine excise-state	1,042,116	1,081,299	1,046,536	1,123,316	1,020,227
Telecommunications sales tax <sup>(3)</sup>	1,915,819	2,112,407	2,129,618	2,434,801	-
Utilities sales tax <sup>(3)</sup>	13,329,176	13,131,269	13,642,565	11,628,161	-
Piped natural gas sales tax <sup>(3)</sup>	862,091	673,437	618,280	874,111	-
Video programming tax <sup>(3)</sup>	2,170,118	2,224,104	2,211,617	2,299,732	-
Franchise taxes <sup>(3)</sup>	-	-	-	-	14,630,204
Payments in lieu of taxes	273,215	272,227	252,827	215,901	213,596
ABC store allocations	1,566,167	1,524,244	1,290,517	1,071,106	1,278,470
Federal bond interest subsidy	-	-	-	-	269,859
Hold harmless	-	-	-	-	1,032,842
Gain on Disposal of Assets	-	-	-	-	-
Investment income (loss)	2,901,158	1,369,676	989,065	713,752	1,651,593
Transfers					
Government-wide	(1,708,484)	770,910	(260,831)	280,537	2,191,574
Total governmental activities expenses	<u>187,278,360</u>	<u>179,161,899</u>	<u>170,077,153</u>	<u>158,723,510</u>	<u>162,150,492</u>
Business-type activities:					
Property taxes	10,434,990	7,176,905	7,090,014	6,889,480	-
Investment income (loss)	14,479,474	16,941,265	1,739,678	4,681,987	17,210,584
Gain on sale of fixed assets	-	-	-	-	-
Transfers					
Government-wide	1,708,484	(770,910)	260,831	(280,537)	(2,191,574)
Total business-type activities expenses	<u>26,622,948</u>	<u>23,347,260</u>	<u>9,090,523</u>	<u>11,290,930</u>	<u>15,019,010</u>
Total primary government	<u>213,901,308</u>	<u>202,509,159</u>	<u>179,167,676</u>	<u>170,014,440</u>	<u>177,169,502</u>
<b>Change in Net Position</b>					
Governmental activities	15,618,569	3,035,508	12,136,624	18,676,934	15,440,361
Business-type activities	48,705,460	29,701,567	31,509,244	22,005,477	18,935,677
Total change in net position	<u>\$ 64,324,029</u>	<u>\$ 32,737,075</u>	<u>\$ 43,645,868</u>	<u>\$ 40,682,411</u>	<u>\$ 34,376,038</u>

# City of Winston-Salem, North Carolina

## Program Revenues by Function/Program

Last Ten Fiscal Years  
(accrual basis of accounting)

Table 4  
Page 1 of 2

Function/Program	Fiscal Year				
	2023	2022	2021	2020	2019
<b>Governmental activities:</b>					
General government <sup>(1)</sup>	\$ 17,067,401	\$ 14,831,631	\$ 16,501,280	\$ 17,259,000	\$ 17,158,616
Public protection	22,716,070	37,944,658	8,835,585	7,642,355	6,886,607
Environmental health	2,081,710	2,168,271	1,426,839	1,611,835	1,440,765
Transportation <sup>(2)</sup>	13,048,185	12,346,054	12,741,027	10,336,353	16,324,869
Culture and recreation	1,138,901	985,270	641,093	1,033,779	1,051,133
Community and economic development	22,355,355	24,800,800	15,567,459	14,826,826	13,614,893
<b>Total governmental activities</b>	<b>78,407,622</b>	<b>93,076,684</b>	<b>55,713,283</b>	<b>52,710,148</b>	<b>56,476,883</b>
<b>Business-type activities:</b>					
Water and sewer utility	140,640,445	133,692,180	126,048,170	130,071,671	124,208,094
Solid waste disposal	12,107,850	14,054,378	12,989,792	13,708,747	12,906,593
Cemeteries <sup>(1)</sup>	-	-	-	-	-
Stormwater management	10,904,858	10,901,510	12,359,468	10,601,918	11,002,437
Parking	483,425	663,356	779,546	959,361	1,213,840
Transit Authority <sup>(2)</sup>	10,598,940	9,362,220	17,094,261	11,472,402	13,751,385
Public assembly facilities management	6,208,586	6,132,155	1,487,815	5,467,421	6,543,535
Risk management reserves	-	-	1,130,735	1,108,560	1,086,820
<b>Subtotal business-type activities</b>	<b>180,944,104</b>	<b>174,805,799</b>	<b>171,889,787</b>	<b>173,390,080</b>	<b>170,712,704</b>
<b>Total primary government</b>	<b>\$ 259,351,726</b>	<b>\$ 267,882,483</b>	<b>\$ 227,603,070</b>	<b>\$ 226,100,228</b>	<b>\$ 227,189,587</b>

**Note:**

<sup>(1)</sup> The City began reporting the Cemeteries fund as a general fund in fiscal year 2015. Prior to that, the operations were included as part of the City's enterprise fund.

<sup>(2)</sup> The City began reporting the Mass Transit Tax fund as an enterprise fund in fiscal year 2015. Prior to that, the operations were included as part of the City's special revenue fund.



# City of Winston-Salem, North Carolina

## Program Revenues by Function/Program

Last Ten Fiscal Years  
(accrual basis of accounting)

Table 4  
Page 2 of 2

Function/Program	Fiscal Year				
	2018	2017	2016	2015	2014
<b>Governmental activities:</b>					
General government <sup>(1)</sup>	\$ 18,666,497	\$ 21,363,164	\$ 19,085,167	\$ 21,556,561	\$ 20,756,381
Public protection	6,671,673	5,101,718	5,178,752	4,780,230	5,835,183
Environmental health	2,296,645	2,378,167	2,546,196	2,896,308	2,416,229
Transportation <sup>(2)</sup>	15,758,835	13,696,353	13,006,388	14,772,541	17,882,578
Culture and recreation	1,281,661	1,673,931	1,010,177	1,458,330	19,390
Community and economic development	13,899,508	15,636,605	11,413,240	11,236,455	13,770,358
<b>Total governmental activities</b>	<b>58,574,819</b>	<b>59,849,938</b>	<b>52,239,920</b>	<b>56,700,425</b>	<b>60,680,119</b>
<b>Business-type activities:</b>					
Water and sewer utility	123,077,090	109,977,029	105,365,491	97,416,530	89,174,025
Solid waste disposal	13,082,714	11,434,616	11,540,453	10,284,939	11,287,403
Cemeteries <sup>(1)</sup>	-	-	-	-	469,031
Stormwater management	11,108,011	10,975,967	11,001,768	10,616,379	10,570,348
Parking	1,218,399	1,180,382	1,632,111	1,604,832	1,543,574
Transit Authority <sup>(2)</sup>	7,940,898	9,683,642	16,251,424	8,440,319	11,278,044
Public assembly facilities management	6,145,508	5,834,322	5,554,238	9,832,824	7,687,554
Risk management reserves	1,065,510	1,044,620	1,166,490	115,235	3,162,985
<b>Subtotal business-type activities</b>	<b>163,638,130</b>	<b>150,130,578</b>	<b>152,511,975</b>	<b>138,311,058</b>	<b>135,172,964</b>
<b>Total primary government</b>	<b>\$ 222,212,949</b>	<b>\$ 209,980,516</b>	<b>\$ 204,751,895</b>	<b>\$ 195,011,483</b>	<b>\$ 195,853,083</b>

# City of Winston-Salem, North Carolina

## Fund Balances, Governmental Funds

Last Ten Fiscal Years  
(accrual basis of accounting)

Table 5  
Page 1 of 2

	Fiscal Year				
	2023	2022	2021	2020	2019
<b>General Fund</b>					
Nonspendable	\$ 590,519	\$ 664,350	\$ 437,400	\$ 469,850	\$ 1,348,546
Restricted	43,702,742	28,922,360	25,605,419	21,613,488	20,168,229
Assigned	10,166,420	10,349,690	1,350,000	5,430,000	2,000,000
Unassigned	54,802,213	47,265,680	33,117,280	21,544,816	27,952,999
Total general fund	<u>\$ 109,261,894</u>	<u>\$ 87,202,080</u>	<u>\$ 60,510,099</u>	<u>\$ 49,058,154</u>	<u>\$ 51,469,774</u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 5,149,162	\$ 4,859,953	\$ 5,874,871	\$ 4,760,637	\$ 4,988,097
Restricted	231,571,476	157,288,234	119,849,816	68,641,227	79,939,396
Committed	36,699,163	17,443,064	31,697,002	51,057,189	53,035,576
Unassigned	-	(1,918)	(47,105)	(77,960)	(1,927)
Total all other governmental funds	<u>\$ 273,419,801</u>	<u>\$ 179,589,333</u>	<u>\$ 157,374,584</u>	<u>\$ 124,381,093</u>	<u>\$ 137,961,142</u>

# City of Winston-Salem, North Carolina

## Fund Balances, Governmental Funds

Last Ten Fiscal Years  
(accrual basis of accounting)

Table 5  
Page 2 of 2

	Fiscal Year				
	2018	2017	2016	2015	2014
<b>General Fund</b>					
Nonspendable	\$ 1,314,636	\$ 1,272,235	\$ 1,109,012	\$ 1,181,005	\$ 237,306
Restricted	22,168,518	20,973,482	22,559,689	17,368,209	14,497,467
Assigned	2,000,000	2,035,000	4,365,350	2,879,210	4,325,000
Unassigned	24,697,951	25,273,474	23,403,739	29,673,717	26,906,450
Total general fund	<u>\$ 50,181,105</u>	<u>\$ 49,554,191</u>	<u>\$ 51,437,790</u>	<u>\$ 51,102,141</u>	<u>\$ 45,966,223</u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 4,737,641	\$ 4,415,950	\$ 33,763,623	\$ 32,952,496	\$ 3,947,208
Restricted	98,016,939	45,903,851	140,896,415	57,947,312	37,248,597
Committed	66,031,761	56,047,230	13,378,770	53,126,687	51,748,213
Unassigned	(367,477)	-	(9,144,109)	(3,316,322)	(2,606,931)
Total all other governmental funds	<u>\$ 168,418,864</u>	<u>\$ 106,367,031</u>	<u>\$ 178,894,699</u>	<u>\$ 140,710,173</u>	<u>\$ 90,337,087</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				
	2023	2022	2021	2020	2019
<b>Revenues</b>					
Taxes	\$ 230,858,302	\$ 214,364,924	\$ 195,297,034	\$ 183,480,271	\$ 170,551,871
Licenses and permits	6,721,847	7,104,086	7,221,974	6,631,106	7,217,854
Intergovernmental	63,408,179	85,743,197	44,270,110	40,663,560	41,890,520
Investment income (loss)	9,047,206	(835,880)	2,122,287	2,247,457	3,834,012
Charges for services	17,781,121	17,635,179	18,634,588	17,083,396	17,290,331
NCMLC charges	408,514	535,094	467,296	753,039	1,123,279
Other	14,677,760	6,399,487	8,216,508	10,061,437	11,160,397
Total revenues	342,902,929	330,946,087	276,229,797	260,920,266	253,068,264
<b>Expenditures</b>					
General government	44,756,057	36,373,971	32,741,038	33,045,017	33,270,116
Public protection	125,044,012	116,409,787	115,909,628	117,037,124	110,161,557
Environmental health	25,942,743	20,707,310	20,078,464	19,552,249	18,972,376
Transportation	14,761,140	13,318,371	13,527,352	13,089,877	14,127,749
Culture and recreation	13,779,343	12,988,634	11,965,180	12,131,168	11,999,323
Community and economic development	25,557,749	35,540,901	27,877,609	21,890,755	22,364,481
Other	517,084	426,918	766,575	425,808	304,885
Capital outlay	42,949,771	48,308,340	46,452,542	38,205,238	36,050,128
Debt service					
Contracts payable <sup>(1)</sup>	-	-	-	-	-
Principal retirement					
Bond	13,860,000	13,345,000	11,230,000	11,565,000	10,850,000
Other	18,896,024	18,018,392	19,386,183	24,457,596	20,345,412
Interest & fiscal charges					
Bond	6,706,421	7,425,639	7,712,936	7,278,145	7,076,345
Other	4,679,305	4,495,295	4,790,685	5,431,644	5,796,103
Total expenditures	337,449,649	327,358,558	312,438,192	304,109,621	291,318,475
Excess of revenues over (under) expenditures	5,453,280	3,587,529	(36,208,395)	(43,189,355)	(38,250,211)

# 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				
	2018	2017	2016	2015	2014
<b>Revenues</b>					
Taxes	\$ 164,925,559	\$ 156,135,468	\$ 148,399,035	\$ 138,451,639	\$ 140,258,130
Licenses and permits	6,658,529	6,609,148	6,296,921	8,630,553	8,634,524
Intergovernmental	41,359,369	42,757,909	39,280,074	38,521,025	38,739,826
Investment income (loss)	2,750,652	1,293,820	774,261	612,256	1,396,715
Charges for services	19,104,518	19,472,969	18,282,372	18,792,591	18,416,380
NCMLC charges	1,147,013	1,181,191	992,154	1,983,941	2,730,708
Other	11,740,795	9,158,744	8,785,375	8,510,071	11,776,135
Total revenues	247,686,435	236,609,249	222,810,192	215,502,076	221,952,418
<b>Expenditures</b>					
General government	32,218,813	30,894,515	29,729,507	28,142,891	28,324,210
Public protection	107,232,510	101,455,435	95,912,406	88,569,252	86,713,583
Environmental health	20,551,537	18,489,265	17,853,455	15,940,897	16,217,135
Transportation	16,496,237	14,014,244	14,260,344	14,075,040	14,135,490
Culture and recreation	11,601,727	10,510,943	10,305,086	9,547,647	9,144,183
Community and economic development	22,954,451	29,230,068	20,920,823	18,648,907	18,827,597
Other	369,425	361,645	370,143	-	-
Capital outlay	37,004,673	85,621,977	48,831,526	37,326,971	23,528,507
Debt service					
Contracts payable <sup>(1)</sup>	-	-	-	8,443,946	10,928,248
Principal retirement					
Bond	8,145,000	8,495,000	6,486,900	6,370,000	6,322,950
Other	17,082,571	22,619,730	9,114,563	18,176,842	5,808,970
Interest & fiscal charges					
Bond	7,192,077	5,381,551	3,794,371	3,707,737	4,430,618
Other	6,805,652	6,802,599	5,648,111	7,060,496	6,752,079
Total expenditures	287,654,673	333,876,972	263,227,235	256,010,626	231,133,570
Excess of revenues over (under) expenditures	(39,968,238)	(97,267,723)	(40,417,043)	(40,508,550)	(9,181,152)

# 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

### Other Financing Sources (Uses)

Proceeds of refunding bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance of refunding LOBS	-	-	-	54,685,090	-
Payment to refunded LOBS escrow agent	-	(39,471,128)	(27,476,440)	(45,331,823)	-
Premium on general obligation bonds	8,240,117	-	9,347,113	-	-
Issuance of general obligation bonds	63,895,000	-	90,645,000	-	-
Issuance of refunding general obligation bond	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Issuance of contracts payable <sup>(1)</sup>	31,166,829	26,161,418	8,533,559	25,926,345	8,316,590
Refunding IFC proceeds	-	-	-	(10,093,567)	-
Payment to refunded IFC escrow agent	-	-	-	-	-
Issuance of certificates of participation	-	-	-	-	-
Premium on installment financing contract	-	-	-	1,105,927	-
Premium on limited obligation bonds	-	2,220,195	-	-	-
Issuance of limited obligation bonds	-	55,930,000	-	-	-
Lease liabilities issued	4,979,884	6,029,212	-	-	-
IT subscription agreements	1,494,097	-	-	-	-
Transfers in	47,284,127	68,771,422	21,308,112	17,170,818	23,011,783
Transfers out	(46,623,052)	(74,321,918)	(21,703,513)	(16,265,104)	(22,247,215)
Total other financing sources (uses), net	<u>110,437,002</u>	<u>45,319,201</u>	<u>80,653,831</u>	<u>27,197,686</u>	<u>9,081,158</u>
Net change in fund balances	<u>\$ 115,890,282</u>	<u>\$ 48,906,730</u>	<u>\$ 44,445,436</u>	<u>\$ (15,991,669)</u>	<u>\$ (29,169,053)</u>

Debt service as a percentage of  
noncapital expenditures

<u>15.1%</u>	<u>15.6%</u>	<u>16.2%</u>	<u>18.0%</u>	<u>17.1%</u>
--------------	--------------	--------------	--------------	--------------

### Note:

<sup>(1)</sup> 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				
	2018	2017	2016	2015	2014
<b>Other Financing Sources (Uses)</b>					
Proceeds of refunding bonds	-	\$ -	\$ -	\$ 6,018,464	\$ -
Issuance on refunding LOBS	13,045,000	-	-	-	-
Payment to refunded LOBS escrow agent	(12,960,000)	-	-	(6,259,644)	-
Premium on general obligation bonds	6,810,320	-	7,261,851	-	286,024
Issuance of general obligation bonds	63,805,000	-	58,475,000	-	3,945,000
Issuance of refunding general obligation bonds	-	-	12,655,000	-	-
Payment to refunded bond escrow agent	-	-	(14,258,284)	-	-
Issuance of contracts payable <sup>(1)</sup>	31,510,479	22,541,776	15,403,662	18,937,813	8,902,633
Refunding IFC proceeds	-	-	-	-	-
Payment to refunded IFC escrow agent	-	-	-	-	-
Issuance of certificates of participation	-	-	-	-	-
Premium on installment financing contract	-	-	-	-	-
Premium on limited obligation bonds	-	-	-	5,613,000	114,829
Issuance of limited obligation bonds	2,015,000	-	-	45,170,000	14,000,000
Lease liabilities issued	-	-	-	-	-
IT subscription agreement	-	-	-	-	-
Transfers in	13,268,469	16,515,229	17,884,444	19,922,361	34,108,691
Transfers out	(14,847,283)	(16,200,549)	(18,484,455)	(20,255,654)	(36,135,741)
Total other financing sources (uses), net	102,646,985	22,856,456	78,937,218	69,146,340	25,221,436
Net change in fund balances	\$ 62,678,747	\$ (74,411,267)	\$ 38,520,175	\$ 28,637,790	\$ 16,040,284
Debt service as a percentage of noncapital expenditures	15.7%	17.1%	16.1%	11.2%	17.1%

# City of Winston-Salem, North Carolina

## Tax Revenues by Source, Governmental Funds

Last Ten Fiscal Years

(modified basis of accounting)

Table 7

<u>Fiscal Year</u>	<u>Property</u>	<u>Sales Tax</u>	<u>Gross Receipts Tax</u>	<u>Occupancy Tax</u>	<u>Total</u>
2023	\$ 160,714,398	\$ 68,476,430	\$ 538,339	\$ 1,129,135	\$ 230,858,302
2022	149,967,973	62,962,302	446,083	988,566	214,364,924
2021	139,698,119	54,678,675	382,720	537,520	195,297,034
2020	135,015,259	47,330,527	379,659	754,826	183,480,271
2019	124,265,811	45,015,159	366,295	904,606	170,551,871
2018	121,371,137	42,370,619	340,841	842,962	164,925,559
2017	115,000,697	39,983,759	367,339	783,673	156,135,468
2016	109,737,172	37,612,657	310,924	738,282	148,399,035
2015	102,041,851	35,396,961	336,466	676,361	138,451,639
2014	108,749,351	30,667,850	234,853	606,076	140,258,130

**Note:**

Mass Transit Tax fund moved from governmental to business type fund in fiscal year 2015.



# City of Winston-Salem, North Carolina

## Taxable Property Assessed Value

Last Ten Fiscal Years  
(dollars in thousands)

Table 8

<b>Fiscal Year Ended June 30</b>	<b>Tax Year Ended December 31</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Public Service Companies</b>	<b>Total Assessed Value</b>	<b>Property Tax Rate (Per \$100 Assessed Value)</b>	<b>Ratio of Assessed Value to Estimated Actual Value</b>
2023	2022	\$ 21,391,396	\$ 5,112,423	\$ 528,789	\$ 27,032,608	\$ 0.6360	100
2022	2021	21,035,151	4,788,209	467,052	26,290,412	0.6124	100
2021	2020	18,305,471	4,533,246	433,967	23,272,684	0.6374	100
2020	2019	18,061,228	4,468,448	426,566	22,956,242	0.6374	100
2019	2018	17,728,302	4,243,342	412,545	22,384,189	0.5974	100
2018	2017	17,515,404	4,004,029	394,811	21,914,244	0.5974	100
2017	2016	16,487,513	3,915,171	376,435	20,779,119	0.5850	100
2016	2015	16,250,408	3,751,102	367,725	20,369,235	0.5650	100
2015	2014	16,069,241	3,581,619	343,078	19,993,938	0.5400	100
2014	2013	15,874,483	3,605,449	331,307	19,811,239	0.5300	100

**Note:**

Taxable property was revalued on January 1, 2021.

**Source:**

Forsyth County Tax Department

# City of Winston-Salem, North Carolina

## Property Tax Rates

Last Ten Fiscal Years

Direct and Overlapping Local Government Jurisdictions

Table 9

Fiscal Year Ended June 30	City of Winston-Salem			Total City	Forsyth County	Combined Tax Rate
	General Fund	Mass Transit Tax Fund	Debt Service Fund			
2023	\$ 0.4870	\$ 0.0486	\$ 0.1004	\$ 0.6360	\$ 0.6778	\$ 1.3138
2022	0.4634	0.0486	0.1004	0.6124	0.6778	1.2902
2021	0.4746	0.0498	0.1130	0.6374	0.7435	1.3809
2020	0.4746	0.0498	0.1130	0.6374	0.7535	1.3909
2019	0.4746	0.0498	0.0730	0.5974	0.7235	1.3209
2018	0.4746	0.0498	0.0730	0.5974	0.7235	1.3209
2017	0.4729	0.0362	0.0759	0.5850	0.7310	1.3160
2016	0.4529	0.0362	0.0759	0.5650	0.7310	1.2960
2015	0.4529	0.0362	0.0509	0.5400	0.7168	1.2568
2014	0.4429	0.0362	0.0509	0.5300	0.7168	1.2468

**Note:**

All tax rates are expressed in dollars of tax per \$100 of assessed valuation. The tax rates were adjusted during the fiscal years ended June 30, 2014, June 30, 2018, and June 30, 2022 to reflect the revaluation of taxable property.

Effective July 1, 2014, the City created a Downtown Business District to fund enhanced services or projects via a tax rate of \$.09 per \$100 valuation of assessed valuation.

# City of Winston-Salem, North Carolina

## Principal Property Tax Payers

Current Year and Ten Fiscal Years Ago

Table 10

Name	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Reynolds American, Inc.	\$ 436,616,186	1	1.62%	\$ 319,612,850	1	1.61%
Duke Energy Corp/Piedmont Natural Gas	375,809,961	2	1.39	209,119,480	5	1.06
Wells Fargo	362,848,577	3	1.34	213,297,120	4	1.08
Caterpillar Inc.,	227,021,509	4	0.84	-		0.00
Lowes Data Center/Lowes Home Centers, Inc	205,618,684	5	0.76	313,841,890	2	1.58
Wexford Winston Salem	178,173,399	6	0.66	-		0.00
JG Winston-Salem LLC	147,578,099	7	0.55	226,971,770	3	1.15
Ardagh Metal Packaging USA Corp	120,380,816	8	0.45	-		0.00
Novant Health Inc.	108,389,887	9	0.40	-		0.00
Firstkey Homes	105,159,506	10	0.39	-		0.00
Wake Forest University	-		-	155,550,170	6	0.79
Truist Bank/Brank Banking & Trust Co	-		-	123,144,800	7	0.62
Wal-Mart Real Estate Bus Trust	-		-	115,481,870	8	0.58
Hanesbrands Inc.	-		-	85,953,890	9	0.43
Highwoods/Forsyth County Ltd.	-		-	82,443,730	10	0.42
<b>Total</b>	<u>\$ 2,267,596,624</u>		<u>8.40%</u>	<u>\$ 1,845,417,570</u>		<u>9.32%</u>

**Note:**

Above taxable assessed valuations are as of January 1, 2023 and 2014 respectively, and the associated tax levies of \$.6360 and \$.53 were due in fiscal years ended June 30, 2023 and 2014 respectively.

**Source:**

Forsyth County Tax Department and 2014 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
2023	\$ 173,171,803	\$ 172,047,199	99.4%	\$ -	\$ 172,047,199	99.4
2022	162,080,217	161,086,013	99.4	571,959	161,657,972	99.7
2021	149,974,068	149,037,995	99.4	485,214	149,523,209	99.7
2020	146,501,542	144,908,342	98.9	1,253,933	146,162,275	99.8
2019	134,990,411	134,043,909	99.3	565,362	134,609,271	99.7
2018	131,824,477	130,807,225	99.2	578,289	131,385,514	99.7
2017	122,245,565	121,216,436	99.2	585,082	121,801,518	99.6
2016	116,512,698	115,428,747	99.1	690,069	116,118,816	99.7
2015	108,648,243	107,491,815	98.9	748,121	108,239,936	99.6
2014	108,109,991	106,428,236	98.4	944,954	107,373,190	99.3

**Note:**

Tax collections do not include penalties and interest of \$523,351 and refunds of (\$221,607) in fiscal year 2023.

Outstanding delinquent taxes includes amounts considered uncollectible. The allowance for uncollectible accounts at June 30, 2023 was \$1,617,401.

**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, 2023

Table 12

	City - Wide			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Total Levy		
Original levy:					
Property taxed at current rate	\$ 27,032,607,127	\$ 0.6360	\$ 165,846,166	\$ 151,316,386	\$ 14,529,780
Downtown Business District <sup>(1)</sup>	-	0.090	664,569	646,350	18,219
Discoveries - current years	423,643,925	-	6,661,068	6,661,068	-
Total property valuation	<u>\$ 27,456,251,052</u>				
Net levy			173,171,803	158,623,804	14,547,999
Uncollected taxes at June 30, 2023			1,124,604	1,124,604	-
Current year's taxes collected			<u>\$ 172,047,199</u>	<u>\$ 157,499,200</u>	<u>\$ 14,547,999</u>
Current levy collection percentage			<u>99.35%</u>	<u>99.29%</u>	<u>100.00%</u>

**Note:**

Tax collections do not include penalties and interest of \$523,351 and refunds of (\$221,607) in fiscal year 2023.

<sup>(1)</sup> Downtown Business District is a part of the City's total property valuation and is included in the original levy. Downtown Business District pays an additional levy of \$0.09 to the current rate of \$0.636.



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

June 30, 2023

Table 13

<b>Fiscal Year Ended June 30</b>	<b>Uncollected Balance June 30, 2022</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Uncollected Balance June 30, 2023</b>
2023	\$ -	\$ 173,171,803	\$ 172,047,199	\$ 1,124,604
2022	994,204	-	592,913	401,291
2021	398,124	-	92,441	305,683
2020	273,141	-	44,361	228,780
2019	187,383	-	24,918	162,465
2018	134,345	-	19,075	115,270
2017	157,976	-	13,125	144,851
2016	100,495	-	11,763	88,732
2015	96,848	-	9,004	87,844
2014	86,174	-	7,774	78,400
	<u>\$ 2,428,690</u>	<u>\$ 173,171,803</u>	<u>\$ 172,862,573</u>	<u>2,737,920</u>
				Less: allowance for uncollectible accounts: <u>(1,617,401)</u>
				Ad valorem taxes receivable - net <u>\$ 1,120,519</u>
				<u>Reconciliation to revenues:</u>
				Collections and credits \$ 172,862,573
				Prior years Adj. and Releases (123,853)
				Taxes written off -
				Ad valorem taxes <u>172,738,720</u>
				Reconciling items:
				Refunds 221,607
				Interest 523,351
				Unearned tax revenue <u>(22,295)</u>
				Subtotal <u>722,663</u>
				Total property tax revenues <u>\$ 173,461,383</u>

# 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				Business-type Activities			
	General Obligation	Contracts Payable	Leases Payable	Subscription Payable	Special Obligation Bonds	Special Obligation Bonds	Revenue Bonds	Contracts Payable <sup>(2)</sup>
	Bonds				Bonds	Bonds	Bonds	
2023	\$ 267,745,827	\$ 161,820,436	\$ 9,779,269	\$ 2,363,274	\$ -	\$ -	\$ 436,845,774	\$ 145,888,477
2022	211,130,320	155,154,163	5,434,050	-	-	-	462,420,266	118,581,200
2021	226,500,762	128,015,029	-	-	5,730,000	-	415,898,230	111,016,407
2020	166,963,731	146,942,291	-	-	6,370,000	-	439,199,687	117,284,260
2019	179,144,303	149,710,764	-	-	6,985,000	14,419,145	435,171,625	105,144,385
2018	190,636,492	170,412,045	-	-	7,575,000	15,738,381	461,737,244	100,584,730
2017	128,823,361	162,250,524	-	-	8,150,000	18,283,125	426,168,456	96,676,279
2016	137,663,378	143,317,218	-	-	8,705,000	20,771,097	449,422,299	54,720,932
2015	79,424,827	145,020,555	-	-	9,241,900	23,672,637	461,217,653	28,791,050
2014	85,736,974	103,551,365	-	-	9,771,900	26,214,255	481,967,285	26,547,833

**Notes:**

<sup>(1)</sup> See Table 19 for personal income and population data.

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



# City of Winston-Salem, North Carolina

## Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Table 14  
Page 2 of 2

<b>Total Primary Government</b>	<b>Percentage of Personal Income <sup>(1)</sup></b>	<b>Per Capita <sup>(1)</sup></b>
\$ 1,024,443,059	7.52%	4,076
952,719,999	7.02	3,806
887,160,428	7.07	3,555
876,759,969	7.40	3,536
890,575,222	7.89	3,615
946,683,892	8.81	3,895
840,351,745	8.68	3,493
814,599,924	8.87	3,410
747,368,622	8.28	3,141
733,789,612	8.28	3,115

# City of Winston-Salem, North Carolina

## Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Table 15

General Bonded Debt Outstanding						
Fiscal Year	General Bonded Debt (1)	Net Bonded Debt (2)	Assessed Value (In Thousands)	Percentage of Actual Taxable Value of Property	Per Capita Bonded Debt	
					General (3)	Net
2023	\$ 267,745,827	\$ 201,397,059	\$ 27,032,608	0.99%	\$ 1,065.26	\$ 801.28
2022	211,130,320	158,599,910	26,290,412	0.80	843.38	633.55
2021	226,500,762	180,229,880	23,272,684	0.97	907.65	722.23
2020	166,963,731	133,514,517	22,956,242	0.73	673.39	538.48
2019	179,144,303	153,601,674	22,384,189	0.80	727.26	623.57
2018	190,636,492	165,672,415	21,914,244	0.87	784.43	681.71
2017	128,823,361	105,205,256	20,779,119	0.62	535.42	437.26
2016	137,663,378	114,918,662	20,369,235	0.68	576.24	481.03
2015	79,424,827	62,710,031	19,993,938	0.40	333.85	263.59
2014	85,736,974	73,164,393	19,811,239	0.43	364.02	310.64

**Note:**

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

(1) Total includes all general obligation bonded debt.

(2) Represents gross bonded debt less allowable statutory deductions.

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

# City of Winston-Salem, North Carolina

## Legal Debt Margin

Last Ten Fiscal Years  
(dollars in thousands)

Table 16

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Less: Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</u>
2023	\$ 2,162,608,570	\$ 201,397,059	\$ 1,961,211,511	9.31%
2022	2,103,232,963	158,599,910	1,944,633,053	7.54
2021	1,861,814,769	180,229,881	1,681,584,888	9.68
2020	1,836,499,392	133,514,517	1,702,984,875	7.27
2019	1,790,735,087	153,601,674	1,637,133,413	8.58
2018	1,753,139,497	165,672,415	1,587,467,082	9.45
2017	1,662,329,520	105,205,256	1,557,124,264	6.33
2016	1,629,538,827	114,918,662	1,514,620,165	7.05
2015	1,599,515,050	62,710,031	1,536,805,019	3.92
2014	1,584,899,136	73,164,393	1,511,734,743	4.62

### Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value	\$ 27,032,607,127
Debt Limit (8% of assessed value)	2,162,608,570
Debt applicable to limit:	
General obligation bonds	267,745,827
Less statutory deduction:	
Debt service fund	<u>(66,348,768)</u>
Total net debt applicable to limit	<u>201,397,059</u>
Legal debt margin	<u>\$ 1,961,211,511</u>



# City of Winston-Salem, North Carolina

## Direct and Overlapping Governmental Activities Debt

As of June 30, 2023  
(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	\$ 441,709	100.00%	\$ 441,709
Debt repaid with property taxes			
Forsyth County	816,548	61.03 <sup>(1)</sup>	498,339
<b>Total direct and overlapping debt</b>			<b>\$ 940,048</b>

**Notes:**

<sup>(1)</sup> Percentage of Direct and Overlapping Debt is based on the 6/30/23 assessed valuation of the City of Winston-Salem as compared to the 6/30/23 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						Coverage
	Water & Sewer Bonds						
	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service			
				Principal	Interest		
2023	\$ 140,809	\$ 53,563	\$ 87,246	\$ 20,310	\$ 15,759	2.4x	
2022	134,035	47,902	86,133	18,765	15,229	2.5x	
2021	126,161	47,857	78,304	18,235	14,865	2.4x	
2020	128,974	46,417	82,557	16,875	17,363	2.5x	
2019	122,586	44,849	77,737	24,425	18,698	1.8x	
2018	118,967	43,883	75,084	22,790	18,388	1.8x	
2017	108,362	43,208	65,154	21,280	17,167	1.7x	
2016	103,754	39,465	64,289	20,500	18,804	1.6x	
2015	95,789	39,044	56,745	19,800	19,637	1.4x	
2014	89,181	38,273	50,908	18,955	20,822	1.3x	

Fiscal Year	Special Obligation Bonds				
	Sales Tax	Debt Service		Coverage	
		Principal	Interest		
2023	\$ 56,113	\$ -	\$ -	NA	
2022	51,968	5,730	179	8.8x	
2021	45,563	640	238	51.9x	
2020	39,602	1,279	479	22.5x	
2019	37,716	1,904	723	14.4x	
2018	35,441	3,024	703	9.5x	
2017	33,658	2,939	671	9.3x	
2016	31,845	3,329	706	7.9x	
2015	30,129	3,214	761	7.6x	
2014	25,743	2,531	821	7.7x	

# City of Winston-Salem, North Carolina

## Pledged – Revenue Coverage

Last Ten Fiscal Years  
(dollars in thousands)

Table 18  
Page 2 of 2

Revenue Bonds						
Stormwater Bonds						
Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2023	\$ 10,905	\$ 8,147	\$ 2,758	\$ 610	\$ 243	3.2x
2022	10,961	7,283	3,678	585	266	4.3x
2021	12,359	7,255	5,104	570	284	6.0x
2020	10,602	7,624	2,978	545	307	3.5x
2019	11,002	7,353	3,649	520	333	4.3x
2018	11,108	7,767	3,341	505	347	3.9x
2017	10,976	9,146	1,830	490	362	2.1x
2016	10,995	7,365	3,630	475	376	4.3x
2015	10,616	6,860	3,756	465	390	4.4x
2014	10,566	6,685	3,881	430	420	4.6x

# City of Winston-Salem, North Carolina

## Demographic and Economic Statistics

Last Ten Fiscal Years

Table 19

<b>Fiscal Year Ended June 30</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Income</b>	<b>Median Age</b>	<b>Public School Enrollment</b>	<b>Unemployment Rate</b>
2023	251,343	\$ 13,621,533,885	\$ 54,195	36.2	51,304	3.6%
2022	250,337	13,575,274,836	54,228	36.4	51,936	4.0
2021	249,545	12,553,361,225	50,305	38.4	52,022	4.8
2020	247,945	11,852,514,835	47,803	38.3	51,822	7.7
2019	246,328	11,290,197,552	45,834	38.2	53,934	4.3
2018	243,026	10,747,095,772	44,222	36.0	54,133	4.1
2017	240,603	9,676,330,851	40,217	37.7	55,070	4.1
2016	238,899	9,183,994,257	38,443	37.6	54,483	4.8
2015	237,905	9,026,829,415	37,943	37.5	54,528	6.0
2014	235,527	8,861,703,375	37,625	37.3	54,064	6.1

**Sources:**

Bureau of Labor Statistics  
 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

<u>Employer</u>	2023			2014		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment <sup>(1)</sup></u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment <sup>(1)</sup></u>
Atrium Health Wake Forest Baptist	18,570	1	7.39%	14,336	1	6.09%
Novant Health, Inc.	11,010	2	4.38	8,145	2	3.46
Winston-Salem /Forsyth County School System	5,500	3	2.19	7,600	3	3.23
BB&T/Truist	4,000	4	1.59	2,200	9	0.93
Wells Fargo	3,500	5	1.39	2,800	4	1.19
Reynolds American Inc.	2,500	6	0.99	2,500	6	1.06
Hanesbrands Inc.	2,400	7	0.95	2,230	8	0.95
City of Winston-Salem	2,287	8	0.91	2,660	5	1.13
Wake Forest University	2,270	9	0.90	2,401	7	1.02
Forsyth County	2,127	10	0.85	2,029	10	0.86
Total	<u>54,164</u>		<u>21.54%</u>	<u>46,901</u>		<u>19.92%</u>

**Source:**

Winston-Salem Chamber

<sup>(1)</sup> 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

<b>Function/Program</b>	<b>Full-time-Equivalent Employees as of June 30</b>				
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
General government <sup>(4)</sup>	499.7	493.7	469.9	462.9	467.4
Public protection	1,102.0	1,087.0	1,080.0	1,091.0	1,110.0
Environmental health	164.9	162.9	162.9	162.9	169.9
Transportation	116.0	117.0	117.0	117.0	122.0
Culture and recreation	178.1	178.1	174.1	173.1	176.6
Community and economic development <sup>(1)</sup>	135.7	158.7	148.7	149.0	150.0
Human resources <sup>(2)</sup>	-	-	-	-	-
Water & sewer utility	347.0	347.0	346.0	344.0	339.0
Solid waste disposal	45.2	45.2	45.2	44.2	44.2
Cemeteries <sup>(4)</sup>	-	-	-	-	-
Stormwater management	56.0	56.0	56.0	56.0	56.0
Transit Authority	1.0	1.0	1.0	1.0	1.0
Public assembly facilities management <sup>(3)</sup>	31.8	31.8	31.8	31.8	31.8
	<u>2,677.4</u>	<u>2,678.4</u>	<u>2,632.6</u>	<u>2,632.9</u>	<u>2,667.9</u>

**Source:**

City of Winston-Salem Budget Department

<sup>(1)</sup> The Section 3 Construction Training Program ended in fiscal year 2014.

<sup>(2)</sup> Human resources moved to General Government in fiscal year 2014.

<sup>(3)</sup> Lawrence Joel Veterans Memorial Coliseum was sold in fiscal year 2014.

<sup>(4)</sup> Cemeteries moved to General Government in fiscal year 2015.

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

Table 21  
 Page 2 of 2

<b>Function/Program</b>	<b>Full-time-Equivalent Employees as of June 30</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
General government <sup>(4)</sup>	462.1	450.9	446.9	441.8	429.1
Public protection	1,120.0	1,106.0	1,093.5	1,079.0	1,074.5
Environmental health	188.9	193.9	188.9	191.0	199.0
Transportation	122.0	126.3	125.3	125.3	127.3
Culture and recreation	148.0	159.9	160.9	160.8	160.8
Community and economic development <sup>(1)</sup>	150.0	155.0	153.0	125.0	122.0
Human resources <sup>(2)</sup>	-	-	-	-	-
Water & sewer utility	339.0	338.0	331.0	331.0	331.0
Solid waste disposal	44.2	44.2	43.1	44.2	44.2
Cemeteries <sup>(4)</sup>	-	-	-	-	8.7
Stormwater management	56.0	54.0	49.0	49.0	49.0
Transit Authority	1.0	1.0	1.0	1.0	1.0
Public assembly facilities management <sup>(3)</sup>	31.8	31.8	30.8	25.2	21.8
	<u>2,663.0</u>	<u>2,661.0</u>	<u>2,623.4</u>	<u>2,573.3</u>	<u>2,568.4</u>

# City of Winston-Salem, North Carolina

## Operating Indicators by Function/Program

Last Ten Fiscal Years

Table 22  
Page 1 of 4

<b>Function/Program</b>	<b>Fiscal Year</b>				
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Public protection</b>					
Police					
Physical arrests	17,404	22,176	24,131	28,152	30,322
Traffic violations	16,073	20,290	31,279	45,048	46,018
Fire					
Fires extinguished	788	840	731	780	681
Emergency medical responses	12,577	11,596	6,650	13,828	17,518
Hazardous materials responses	1,222	989	391	26	317
<b>Environmental health</b>					
Sanitation services					
Residential refuse collected (tons)	73,035	69,020	69,373	65,319	61,398
Residential refuse collection points	97,869	81,589	81,589	81,589	81,589
Percentage of collections made at curbside	83	96	96	96	96
Tons of leaves collected	12,593	11,756	14,958	16,251	21,631
Tons of brush collected	13,057	12,070	18,868	15,849	21,963
Tons of goods recycled	10,801	10,823	11,440	10,842	13,045
Percentage of households participating in yard cart program	18	18	18	18	18
Transportation services					
City street mileage maintained (lane miles)	2,022	2,895	2,807	2,801	2,792
Street cuts repaired	24	261	366	477	262
Percentage of streets rated 85 or better	53	46	46	51	50
Traffic intersections studied	245	740	754	700	1,209
Traffic signal repairs	772	687	1,274	1,174	853
Traffic signs upgraded/repared	1,329	1,259	1,117	1,659	1,043
Traffic signs new installations	562	401	463	577	1,241
Pavement markings renewed (feet)	470,669	196,874	727,222	217,271	1,647,165
<b>Culture and recreation</b>					
Parks and recreation					
Swimming pool attendees	57,962	64,817	36,894	74,951	79,951
Golf rounds	41,100	40,324	44,230	33,540	29,152
Participants in special populations	3,688	8,226	8,675	14,939	30,793
<b>Community development</b>					
Housing code violations corrected	505	634	625	533	903
Building permits issued	3,999	4,444	4,342	4,147	4,328
Building inspections conducted	15,312	15,682	16,378	16,832	17,675
Zoning complaints responded to	425	401	292	355	370

**Source:**

City of Winston-Salem Departments

# City of Winston-Salem, North Carolina

## Operating Indicators by Function/Program

Last Ten Fiscal Years

Table 22  
Page 2 of 4

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Public protection					
Police					
Physical arrests	29,685	34,442	33,961	36,044	37,894
Traffic violations	41,723	53,065	61,166	78,196	70,947
Fire					
Fires extinguished	811	836	829	819	869
Emergency medical responses	16,069	17,469	16,962	12,477	12,674
Hazardous materials responses	429	429	440	353	221
Environmental health					
Sanitation services					
Residential refuse collected (tons)	58,893	57,707	57,064	53,220	52,008
Residential refuse collection points	81,589	77,907	77,907	77,907	76,064
Percentage of collections made at curbside	96	96	96	96	96
Tons of leaves collected	22,006	11,025	12,089	17,205	22,553
Tons of brush collected	16,351	14,146	14,097	11,778	17,747
Tons of goods recycled	14,169	14,609	14,473	12,695	12,879
Percentage of households participating in yard cart program	18	18	18	18	18
Transportation services					
City street mileage maintained (lane miles)	2,228	2,225	2,219	2,200	2,188
Street cuts repaired	337	749	296	545	525
Percentage of streets rated 85 or better	49	55	53	53	51
Traffic intersections studied	965	1,175	1,066	1,022	940
Traffic signal repairs	1,264	910	1,142	1,689	1,734
Traffic signs upgraded/repared	1,621	1,643	1,031	1,099	1,725
Traffic signs new installations	623	580	367	369	926
Pavement markings renewed (feet)	63,360	1,784,000	811,017	1,214,880	40,335
Culture and recreation					
Parks and recreation					
Swimming pool attendees	68,738	55,317	61,308	56,568	48,002
Golf rounds	7,005	10,817	10,289	9,779	7,016
Participants in special populations	31,843	31,352	32,334	36,221	30,274
Community development					
Housing code violations corrected	1,154	1,573	1,674	1,785	3,063
Building permits issued	4,565	4,591	3,721	3,797	3,450
Building inspections conducted	17,234	16,944	16,841	17,876	15,560
Zoning complaints responded to	654	450	486	568	513

# City of Winston-Salem, North Carolina

## Operating Indicators by Function/Program

Last Ten Fiscal Years

Table 22  
Page 3 of 4

	Fiscal Year				
	2023	2022	2021	2020	2019
Economic development					
Small business loans approved	1	-	-	2	3
Water & sewer utility					
New connections	1,233	1,314	1,125	1,036	2,287
Water main breaks	435	245	200	191	425
Average daily consumption (MGD)	36	38	36	36	36
Peak daily consumption (MGD)	45	63	47	48	48
Storage capacity (MG)	51	51	51	51	51
Average daily sewage treatment (MGD)	35	34	38	37	38
Treatment capacity (MGD)	51	51	51	51	51
Solid waste disposal					
Hanes Mill Road Landfill					
Tons of waste landfilled	238,866	297,426	281,228	268,726	269,801
Number of trips	125,596	133,421	137,742	126,110	113,507
Old Salisbury Road Landfill					
Tons of waste landfilled	33,751	26,626	43,177	49,122	47,691
Number of trips	18,542	14,004	22,470	22,124	23,772
Household hazardous waste (3RC)					
Tons of HHW collected	430	430	540	514	677
Number of trips	10,265	10,525	12,619	10,692	11,907
Transit Authority					
Total route miles	1,885,848	1,912,536	1,977,736	2,181,553	2,354,835
Passengers	1,552,470	1,422,744	1,715,494	2,230,143	2,474,906
Public assembly facilities management <sup>(1)</sup>					
Complex/Annex bookings	159	147	38	110	189
Complex/Annex usage days	547	455	566	503	490
Total spectators	443,965	329,689	197,932	462,268	563,239
Convention events	192	147	34	207	271
Fair attendees	229,761	182,048	9,839	292,354	325,856

**NOTE:**

<sup>(1)</sup> Lawrence Joel Veterans Memorial Coliseum was sold in fiscal year 2014.

# City of Winston-Salem, North Carolina

## Operating Indicators by Function/Program

Last Ten Fiscal Years

Table 22  
Page 4 of 4

	Fiscal Year				
	2018	2017	2016	2015	2014
Economic development					
Small business loans approved	4	4	3	1	4
Water & sewer utility					
New connections	1,269	1,388	1,320	1,289	1,244
Water main breaks	560	476	441	430	444
Average daily consumption (MGD)	36	36	37	36	36
Peak daily consumption (MGD)	48	48	47	53	49
Storage capacity (MG)	51	51	51	51	51
Average daily sewage treatment (MGD)	32	32	33	29	31
Treatment capacity (MGD)	51	51	51	51	51
Solid waste disposal					
Hanes Mill Road Landfill					
Tons of waste landfilled	259,420	258,867	252,744	233,786	243,644
Number of trips	107,817	105,893	97,360	88,461	85,631
Old Salisbury Road Landfill					
Tons of waste landfilled	38,646	42,426	37,987	30,902	42,613
Number of trips	22,207	24,219	21,041	19,169	20,904
Household hazardous Waste (3RC)					
Tons of HHW collected	737	720	712	522	386
Number of trips	12,063	12,387	11,555	9,208	8,057
Transit Authority					
Total route miles	1,887,834	1,688,812	1,589,633	1,582,989	1,574,886
Passengers	2,350,859	2,578,472	3,006,358	3,248,003	3,268,385
Public assembly facilities management <sup>(1)</sup>					
Complex/Annex bookings	205	197	159	139	120
Complex/Annex usage days	510	504	390	335	460
Total spectators	548,107	428,914	392,699	451,755	495,010
Convention events	253	141	149	246	235
Fair attendees	300,105	280,067	253,700	300,362	320,846

# City of Winston-Salem, North Carolina

## Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Table 23  
Page 1 of 2

<b>Function/Program</b>	<b>Fiscal Year</b>				
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Police					
Stations	4	4	4	4	4
Fire					
Stations	20	19	19	19	19
Environmental health					
Collection trucks	61	61	62	55	65
Transportation					
Streets (miles)	1,054	1,050	1,047	1,044	1,037
Streetlights	33,612	33,576	33,404	33,379	33,853
Traffic signals	388	391	389	387	384
Culture and recreation					
Acreage	3,794	3,816	3,972	3,972	3,900
Number of parks	88	87	82	87	80
Golf courses	2	2	2	2	2
Fishing and boating lakes	2	2	2	2	2
Swimming pools	8	8	8	8	9
Tennis courts	92	83	106	109	106
Baseball/softball diamonds	29	29	47	46	47
Soccer/football fields	41	43	50	50	50
Recreation centers	17	17	17	17	17
Water and Sewer Utility					
Water mains (miles)	2,346	2,375	2,349	2,341	2,359
Sanitary sewer (miles)	1,787	1,790	1,786	1,778	1,761

**Source:**

City of Winston-Salem Departments



**City of Winston-Salem, North Carolina**  
**Capital Asset Statistics by Function/Program**  
 Last Ten Fiscal Years

Table 23  
 Page 1 of 2

<b>Function/Program</b>	<b>Fiscal Year</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Police					
Stations	4	2	1	1	1
Fire					
Stations	19	19	19	19	19
Environmental health					
Collection trucks	42	42	38	38	38
Transportation					
Streets (miles)	1,037	1,035	1,034	1,024	1,023
Streetlights	33,847	33,963	34,172	34,195	33,805
Traffic signals	385	376	376	372	371
Culture and recreation					
Acreage	3,856	3,847	3,682	3,682	3,442
Number of parks	79	79	76	76	74
Golf courses	2	2	2	2	2
Fishing and boating lakes	2	2	2	2	2
Swimming pools	10	9	8	8	8
Tennis courts	106	106	109	112	112
Baseball/softball diamonds	47	47	47	47	47
Soccer/football fields	50	50	50	50	50
Recreation centers	17	17	17	17	17
Water and Sewer Utility					
Water mains (miles)	2,324	2,314	2,276	2,273	2,266
Sanitary sewer (miles)	1,770	1,760	1,750	1,750	1,748



# **Single Audit Section**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winston-Salem, North Carolina (the “City”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City’s basic financial statements, and have issued our report thereon dated December 21, 2023.

### **Report on Internal Control over Financial Reporting**

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

### **Report on Compliance and Other Matters**

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

### **City’s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of This Report**

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

*Cherry Bekaert LLP*

Charlotte, North Carolina  
December 21, 2023

## **Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act**

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

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited City of Winston-Salem, North Carolina (the “City”), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City’s major federal programs for the year ended June 30, 2023. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and the State Single Audit Implementation Act. Our responsibilities under those standards, Uniform Guidance and the State Single Audit Implementation Act are further described in the *Auditor’s Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City’s federal programs.

#### ***Auditor’s Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Charlotte, North Carolina  
December 21, 2023



## **Report of Independent Auditor on Compliance for Each Major State Program and on Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act**

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

### **Report on Compliance for Each Major State Program**

#### ***Opinion on Each Major State Program***

We have audited City of Winston-Salem, North Carolina (the “City”), compliance with the types of compliance requirements identified as subject to audit in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City’s major state programs for the year ended June 30, 2023. The City’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

#### ***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and the State Single Audit Implementation Act. Our responsibilities under those standards, Uniform Guidance and the State Single Audit Implementation Act are further described in the *Auditor’s Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City’s state programs.

#### ***Auditor’s Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance, and the State Single Audit Implementation Act we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Charlotte, North Carolina  
December 21, 2023

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

YEAR ENDED JUNE 30, 2023

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued on whether the financial Statements were prepared in accordance with GAAP:

*Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_X\_\_\_ yes    \_\_\_ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes    \_\_\_X\_\_\_ no

Noncompliance material to financial statements noted? \_\_\_\_\_ yes    \_\_\_X\_\_\_ no

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_\_\_ yes    \_\_\_X\_\_\_ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes    \_\_\_X\_\_\_ none reported

Noncompliance material to federal awards? \_\_\_\_\_ yes    \_\_\_X\_\_\_ no

Type of auditor’s report issued on compliance for major federal programs:

*Unmodified*

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516 (a)? \_\_\_\_\_ yes    \_\_\_X\_\_\_ no

Identification of major federal programs:

**Federal Assistance Listing Number**

14.218  
 21.023  
  
 20.500-CL  
 21.027  
  
 66.468

**Names of Federal Program or Cluster**

Community Development Block Grant Cluster  
 COVID-19: Emergency Rental Assistance Program  
 COVID-19: Federal Transit Cluster  
 COVID-19: Coronavirus State and Local Fiscal Recovery Funds  
 Drinking Water Revolving Loan Program

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

\$ 2,233,242

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes    \_\_\_X\_\_\_ no

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

YEAR ENDED JUNE 30, 2023

---

**State Awards**

Internal control over major state programs:

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      X   none reported

Noncompliance material to state awards? \_\_\_\_\_ yes      X   no

Type of auditor's report issued on compliance for major state programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with the *Audit Manual for Governmental Auditors in North Carolina*? \_\_\_\_\_ yes      X   no

Identification of major state programs:

- Names of State Program or Cluster**  
 Powell Bill Funds  
 State Maintenance Assistance Program

**Section II – Financial Statement Findings**

**Material Weakness**  
**Finding 2023-001**

**Criteria:** The City's estimate of their landfill liability should be calculated in accordance with generally accepted accounting principles ("U.S. GAAP").

**Condition:** The City calculated the landfill liability based on passage of time rather than based on landfill use, as required by Government Accounting Standards Board Statement 18 ("GASB 18").

**Effect:** The City understated the landfill liability and current year expenditures by approximately \$5,605,112 and \$2,621,962, respectively, and overstated its beginning net position by \$2,983,150. The City has corrected this as of June 30, 2023.

**Cause:** The City had a process to calculate the estimated liability that was not in accordance with GASB 18.

**Recommendation:** We recommend the City review GASB 18 to ensure the calculation for the landfill liability be completed in accordance with U.S. GAAP.

**Views of responsible officials:** Management agrees with the finding and is implementing procedures to correct this, which is further discussed in the corrective action plan.

**Section III – Federal Award Findings and Questioned Costs**

None reported.

**Section IV – State Award Findings and Questioned Costs**

None reported.



**Winston-Salem**

Financial Management Services

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

**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2023**

**Finding 2023-001 – Accounting and Reporting; Material Weakness**

**Responsible Person:** Kelly Latham, Chief Financial Officer

**Action:** The City’s auditor noted that the City was using an incorrect method for accruing expenses and related liabilities for landfill closure and post-closure. Upon review of Governmental Accounting Standards Board (GASB) Statement 18 and the City’s calculation, we confirmed the method of accruing this expense was based on the passage of time instead of landfill usage. The City prepared an entry to record the difference in the liability and this was corrected and recorded properly as of June 30, 2023. The City will ensure the liability continues to be calculated in accordance with GASB 18.

**Anticipated Completion Date:** November 2023

*Kelly Latham*

Kelly Latham, Chief Financial Officer

**CityLink311**

Call 311 or 336-727-8000  
[citylink@cityofws.org](mailto:citylink@cityofws.org)

**City Council:** Mayor Allen Joines; Denise D. Adams, Mayor Pro Tempore, North Ward; Barbara Hanes Burke, Northeast Ward; Robert C. Clark, West Ward; John C. Larson, South Ward; Jeff MacIntosh, Northwest Ward; Kevin Mundy, Southwest Ward; Annette Scippio, East Ward; James Taylor, Jr., Southeast Ward; City Manager: Lee D. Garrity

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

*YEAR ENDED JUNE 30, 2023*

---

**Section V – Schedule of Prior Year Audit Findings**

**2022-001** – Corrected – The City implemented an internal control to review all invoices related to the FTA and SMAP programs in August 2023.

**2022-002** – Corrected – The City implemented proper controls as it relates to reporting for ERAP.

# City of Winston-Salem, North Carolina

## Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2023

Page 1 of 4

Cash Programs Grantor/Pass-Through Grantor/Program/Project Title	Federal Assistance Listing Number	Grant Number	Federal Expenditures	State Expenditures	Local Expenditures	Pass- through to Subrecipients
<b>FEDERAL GRANTS</b>						
<b>US Department of Housing and Urban Development</b>						
Direct Programs						
CDBG Entitlement Grants Cluster						
CDBG Entitlement Grants	14.218	B-18-MC-37-0011	666,623	-	-	8,200
CDBG Entitlement Grants	14.218	B-19-MC-37-0011	558,782	-	-	40,056
CDBG Entitlement Grants	14.218	B-20-MC-37-0011	93,918	-	-	22,959
COVID-19: CDBG Entitlement Grants	14.218	B-20-MW-37-0011	367,587	-	-	367,587
CDBG Entitlement Grants	14.218	B-21-MC-37-0011	691,709	-	-	73,789
CDBG Entitlement Grants	14.218	B-22-MC-37-0011	786,662	-	-	233,627
Total CDBG Entitlement Grants Cluster			3,165,281	-	-	746,218
Continuum of Care Program						
Continuum of Care Program	14.267	NC0269L4F002008	76,818	-	-	-
Continuum of Care Program	14.267	NC0274L4F002008	299,397	-	-	299,397
Continuum of Care Program	14.267	NC0350L4F002004	37,604	-	-	37,604
Continuum of Care Program	14.267	NC0402L4F002002	63,964	-	-	63,964
Continuum of Care Program	14.267	NC0403L4F002002	15,548	-	-	15,548
Continuum of Care Program	14.267	NC0404D4F002002	58,398	-	-	58,398
Continuum of Care Program	14.267	NC0448L4F002000	41,236	-	-	-
Continuum of Care Program	14.267	NC0269L4F002109	38,775	-	-	-
Continuum of Care Program	14.267	NC0274L4F002109	269,307	-	-	269,307
Continuum of Care Program	14.267	NC0313L4F002108	52,014	-	-	52,014
Continuum of Care Program	14.267	NC0350L4F002105	103,282	-	-	103,282
Continuum of Care Program	14.267	NC0402L4F002103	231,011	-	-	231,011
Continuum of Care Program	14.267	NC0403L4F002103	22,805	-	-	22,805
Continuum of Care Program	14.267	NC0404D4F002103	175,546	-	-	175,546
Continuum of Care Program	14.267	NC0462L4F002100	28,665	-	-	-
Total Continuum of Care Program			1,514,370	-	-	1,328,876
Home Investment Partnerships Program						
Home Investment Partnerships Program	14.239	M-18-DC-37-0204	22,597	-	-	-
Home Investment Partnerships Program	14.239	M-20-DC-37-0204	103,600	-	-	74,000
Home Investment Partnerships Program	14.239	M-21-DC-37-0204	36,853	-	-	16,979
Home Investment Partnerships Program	14.239	M-22-DC-37-0204	168,951	-	-	168,557
Total Home Investment Partnerships Program			332,001	-	-	259,536
HOPWA Grant Program						
HOPWA Grant Program	14.241	NCH21F005	399,678	-	-	399,678
HOPWA Grant Program	14.241	NCH22F005	103,666	-	-	103,666
Total HOPWA Program			503,344	-	-	503,344
Fair Housing Initiatives Program						
Fair Housing Initiatives Program	14.408	FF204K194014	50,270	-	-	-
Fair Housing Initiatives Program	14.408	FF204K204014	21,267	-	-	-
Total Fair Housing Initiatives Program			71,537	-	-	-
COVID-19: Emergency Solutions Grant Program						
COVID-19: Emergency Solutions Grant Program	14.231	E-20-MW-37-0011	685,207	-	-	684,932
Emergency Solutions Grant Program	14.231	E-21-MC-37-0011	53,563	-	-	53,563
Emergency Solutions Grant Program	14.231	E-22-MC-37-0011	130,963	-	-	130,963
Passed through NC Department of DHHS - Division of Aging						
COVID-19: Emergency Solutions Grant Program	14.231	Contract 00041411	463,239	-	-	456,368
Emergency Solutions Grant Program	14.231	Contract 00043619	123,814	-	-	105,278
Emergency Solutions Grant Program	14.231	Contract 00045355	77,499	-	-	77,499
Total Emergency Solutions Grant Program			1,534,285	-	-	1,508,603
Total US Department of Housing and Urban Development			\$ 7,120,818	\$ -	\$ -	\$ 4,346,577



# City of Winston-Salem, North Carolina

## Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2023

Page 2 of 4

Cash Programs Grantor/Pass-Through Grantor/Program/Project Title	Federal Assistance Listing Number	Grant Number	Federal Expenditures	State Expenditures	Local Expenditures	Pass- through to Subrecipients
<b>US Department of Transportation Federal Transit Administration</b>						
Direct Programs						
Federal Transit Cluster						
Federal Transit Capital Investment Grants	20.500	NC-2019-046-00	\$ 113,201	\$ -	\$ 28,300	\$ -
Federal Transit Formula Grants	20.507	NC-90-543-00	23,414	-	5,853	-
Federal Transit Formula Grants	20.507	NC-90-565-00	633	-	167	-
Federal Transit Formula Grants	20.507	NC-95-086-00	3,371	-	843	-
Federal Transit Formula Grants	20.507	NC-2016-025-00	15,920	-	3,980	-
Federal Transit Formula Grants	20.507	NC-2017-026-00	38,072	-	9,518	-
Federal Transit Formula Grants	20.507	NC-2018-027-00	1,938	-	484	-
Federal Transit Formula Grants	20.507	NC-2018-031-00	330,180	-	82,544	-
Federal Transit Formula Grants	20.507	NC-2018-071-00	45,226	-	11,307	-
Federal Transit Formula Grants	20.507	NC-2019-042-00	13,719	-	3,430	-
Federal Transit Formula Grants	20.507	NC-2019-053-00	141,553	-	35,388	-
COVID-19: Federal Transit Formula Grants	20.507	NC-2020-050-00	299,038	-	-	95,508
COVID-19: Federal Transit Formula Grants	20.507	NC-2022-002-00	3,466,504	-	-	550,084
Bus and Bus Facilities Formula Program	20.526	NC-2016-017-00	2,107	-	372	-
Bus and Bus Facilities Formula Program	20.526	NC-2018-028-00	53,536	-	13,384	-
Bus and Bus Facilities Formula Program	20.526	NC-2020-052-00	9,147	-	2,287	-
Total Federal Transit Cluster			4,557,559	-	197,857	645,592
Transit Services Programs Cluster						
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-16-X006-00	10,017	-	-	6,392
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-16-X009-00	34,321	-	-	34,321
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2018-022-00	6,006	-	-	6,006
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2018-023-00	29,044	-	-	29,044
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2019-052-00	18,905	-	-	18,905
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2020-005-00	45,145	-	-	45,145
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2022-005-00	186,695	-	-	186,695
Job Access and Reverse Commute Program - 2019	20.516	NC-2019-053-00	19,249	-	-	19,249
Job Access and Reverse Commute Program - 2020	20.516	NC-2021-003-00	5,881	-	-	5,881
Total Transit Services Program Cluster			355,263	-	-	351,638
Passed Through NC Department of Transportation						
Highway Planning and Construction						
West First Street Bridge/Southern Railway	20.205	41111.1.1	9,825	-	2,456	-
Miller St/Cloverdale Avenue Improvements	20.205	44610	647,696	-	161,924	-
Fairlawn Drive	20.205	48428	155	-	39	-
University Parkway (NE Ward)	20.205	48429	450	-	113	-
Griffith Rd	20.205	48430	1,390	-	347	-
Silas Creek Parkway	20.205	50418	17	-	4	-
Meadowlark Drive	20.205	43740.3.7	570,707	-	142,668	-
Multi-Use Path - West	20.205	48624	40,863	-	10,216	-
Metropolitan Planning Grant	20.205	50341.1.19	291,272	-	72,818	-
Metropolitan Planning Grant	20.205	50247.1.1	77,853	-	19,463	-
Metropolitan Planning Grant	20.205	50247.1.3	113,122	-	28,281	-
Metropolitan Planning Grant	20.205	50247.1.4	107,682	-	26,921	-
Safe Routes to School	20.205	48778.4.5	112,606	-	28,152	-
Total Highway Planning and Construction			1,973,638	-	493,402	-
Highway Safety Cluster						
National Priority Safety Programs - Year 12	20.616	Contract 2000050969	14,296	-	42,888	39,367
National Priority Safety Programs - Year 13	20.616	M5HVE-23-15-07	41,631	-	124,894	-
National Priority Safety Programs - BikeSafe Year 1	20.616	M11MT-2022-16-06	4,282	-	-	-
National Priority Safety Programs - BikeSafe Year 3	20.616	M11MT-2023-16-07	1,444	-	-	-
Total Highway Safety Cluster			61,653	-	167,782	39,367
Other Passed Through NC Department of Transportation						
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	36230.29.22.6	137,527	17,191	17,191	-
Total Other Passed Through NC Department of Transportation			137,527	17,191	17,191	-
Total Passed Through NC Department of Transportation			2,172,818	17,191	678,375	39,367
Total US Department of Transportation Federal Transit Administration			\$ 7,085,640	\$ 17,191	\$ 876,232	\$ 1,036,597

**City of Winston-Salem, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
 For the Fiscal Year Ended June 30, 2023

Cash Programs Grantor/Pass-Through Grantor/Program/Project Title	Federal Assistance Listing Number	Grant Number	Federal Expenditures	State Expenditures	Local Expenditures	Pass-through to Subrecipients
<b>US Department of Homeland Security</b>						
Direct Programs						
Assistance to Firefighters Grant	97.044	EMW-2021-FG-05457	46,898		4,689	
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2021-FF-01781	271,259	-	-	-
Passed through NC Department of Emergency Management						
Disaster Grants						
Public Assistance - Tropical Storm Michael	97.036	FEMA-4412-DR-NC	4,649	1,550	-	-
Public Assistance - Hurricane Ian	97.036	FEMA-3586-DR-NC	14,888	4,963	-	-
Public Assistance - Tropical Storm Fred	97.036	FEMA-4617-DR-NC	33,962	11,321	-	-
COVID-19: Public Assistance - Public Communications	97.036	FEMA-4487-DR-NC	98,076	-	-	-
Passed through NC Department of Public Safety						
Emergency Management Performance Grants	97.042		90,641	-	-	-
Total US Department of Homeland Security			560,373	17,834	4,689	-
<b>US Department of Justice</b>						
Direct Programs						
COVID-19: Coronavirus Emergency Supplemental Funding	16.034	2020-VD-BX-0986	115,380	-	-	-
Drug Court Discretionary Grant Program	16.585	2020-VC-BX-0129	104,098	-	-	-
COPS Technology and Equipment Program	16.710	15JCOPS-22-GG-01515-TECP	95,999	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-WY-BX-0007	270,884	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DG-BX-0004	250,462	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0932	155,097	-	-	59,075
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01665-JAGX	118,542	-	-	-
Equitable Sharing Program	16.922		100,880	-	-	-
Passed through Forsyth County						
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0503	28,715	-	-	-
Total US Department of Justice			1,240,057	-	-	59,075
<b>US Environmental Protection Agency</b>						
Passed Through NC Department of Environmental Quality						
Drinking Water State Revolving Fund Cluster						
Capitalization Grants for State Revolving Funds	66.468	WIF1937	38,912,475	-	-	-
Total Drinking Water State Revolving Fund Cluster			38,912,475	-	-	-
<b>US Department of Health &amp; Human Services Administration for Community Living</b>						
Passed through Piedmont Triad Regional Council of Local Governments						
Aging Cluster						
Special Programs for the Aging	93.044		166,338	90,539	-	-
Total Aging Cluster			166,338	90,539	-	-
<b>US Department of the Treasury</b>						
Direct Program						
Equitable Sharing	21.016		356,611	-	-	-
COVID-19: Emergency Rental Assistance Program (ERA-1)	21.023		741,815	-	-	741,815
COVID-19: Emergency Rental Assistance Program (ERA-2)	21.023		51,170	-	-	-
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027		17,807,902	-	-	-
Passed through NC Department of Health and Human Services						
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP0129	193,225	-	-	-
Passed through NC Department of Environmental Quality						
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	SRP-D-ARP-0047	169,978	-	-	-
Total US Department of the Treasury			19,320,701	-	-	741,815
<b>US Department of the Interior</b>						
Passed through NC Department of Natural and Cultural Resources						
Historic Preservation Fund Grant	15.904	P21AF10696	35,000	-	14,000	-
Total US Department of the Interior			35,000	-	14,000	-
<b>Total Federal Programs</b>			<b>\$ 74,441,402</b>	<b>\$ 125,564</b>	<b>\$ 894,921</b>	<b>\$ 6,184,064</b>

# City of Winston-Salem, North Carolina

## Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2023

Page 4 of 4

Cash Programs Grantor/Pass-Through Grantor/Program/Project Title	State Number	Grant Number	Federal Expenditures	State Expenditures	Local Expenditures	Pass- through to Subrecipients
<b>STATE GRANTS</b>						
<b>NC Department of Transportation</b>						
Direct Programs						
Powell Bill Funds	DOT-4	32570	\$ -	\$ 7,488,570	\$ -	\$ -
State Maintenance Assistance	DOT-9	36234.51.11.2	-	1,168,139	-	-
Passed Through Forsyth County						
Elderly and Disabled Transportation and ROAP funds		36220.10.11.1	-	89,887	-	-
Total NC Department of Transportation			-	8,746,596	-	-
<b>NC Department of Administration</b>						
Direct Programs						
Advocacy Grant		Contract 202311	-	500	-	-
Total NC Department of Commerce			-	500	-	-
<b>NC Office of State Budget &amp; Management</b>						
Direct Programs						
SCIF Grant		Contract 10431	-	88,140	-	-
Total NC Department of Commerce			-	88,140	-	-
<b>Total State Programs</b>			-	8,835,236	-	-
<b>Total Assistance</b>			\$ 74,441,402	\$ 8,960,800	\$ 894,921	\$ 5,442,249



# Notes to Schedule of Expenditures of Federal and State Awards

*City of Winston-Salem, North Carolina  
For the Fiscal Year Ended June 30, 2023*

## **(1) Basis of Accounting**

The accompanying schedule of expenditures of federal and state awards (SEFSA) presents expenditures using the modified accrual basis of accounting, which is described in Note 1 of the City's basic financial statements, except for the expenditures of the U.S. Department of Transportation which are recorded on an accrual basis. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. The City of Winston-Salem has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

## **(2) Relationship to Basis Financial Statements**

The City records all federal and state financial award revenues in the special revenue funds except for the U.S. Department of Transportation and Emergency Management Assistance Funds which are recorded in the Transit Authority and General Fund, respectively.

## **(3) Loans Outstanding**

The City of Winston-Salem had the following loan balances outstanding as of June 30, 2023. The loans made during the year are included in the SEFSA in the federal expenditures presented in the schedule. Balances and transactions during related to these programs are included in the City of Winston-Salem's basic financial statements.

<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Amount Outstanding</u>
Capitalization Grants for State		
Revolving Funds		
Clean Water	66.458	\$76,157,209
Drinking Water	66.468	\$45,745,776





## Our Vision

A municipal government deserving of public confidence, that provides excellent and innovative services, and is an active and cooperative partner in creating a vital community.

## Our Mission

The City of Winston-Salem provides quality, affordable services that ensure the health, safety and well-being of citizens, while collaborating throughout the community to ensure its economic, social and environmental vitality.

## Our Values

- Openness
- Integrity
- Equity
- Accountability
- Teamwork
- Respect for all citizens
- Fiscal soundness
- Continuous learning & improvement

WINSTON-SALEM, NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023

