

Whereas	Primary Government Unit Winston-Salem Forsyth County Schools
and	Discretely Presented Component Unit (DPCU) (if applicable)
and	Auditor Forvis Mazars LLP

entered into a contract in which the Auditor agreed to audit the accounts of the Primary Government Unit and DPCU (if applicable)

for	Fiscal Year Ending 06/30/25	and originally due on	Audit Report Due Date 12/31/25
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hereby agree that it is now necessary that the contract be modified as follows.

☒ Modification to date

Original due date

12/31/25

Modified due date

Unknown

☐ Modification to fee

Original fee

Modified fee

Primary Other
(choose 1)(choose 0-2)

Reason(s) for Contract Amendment

- | | | |
|----------------------------------|--------------------------|--|
| ☒ | ☐ | Change in scope |
| ☒ | ☐ | Issue with unit staff/turnover |
| ☒ | ☐ | Issue with auditor staff/workload |
| ☒ | ☐ | Third-party financial statements not prepared by agreed-upon date |
| ☐ | ☐ | Unit did not have bank reconciliations complete for the audit period |
| ☒ | ☐ | Unit did not have reconciliations between subsidiary ledgers and general ledger complete |
| ☒ | ☐ | Unit did not post previous years adjusting journal entries resulting in incorrect beginning balances in the general ledger |
| ☐ | ☐ | Unit did not have information required for audit complete by the agreed-upon time |
| ☒ | ☐ | Delay in component unit reports |
| ☒ | ☐ | Software - implementation issue |
| ☒ | ☐ | Software - system failure |
| ☒ | ☐ | Software - ransomware/cyberattack |
| ☒ | ☐ | Natural or other disaster |
| ☒ | ☐ | Other (please explain) |

Plan to Prevent Future Late Submissions

If the amendment is submitted to extend the due date, please indicate the steps the unit and auditor will take to prevent late filing of audits in subsequent years. Indicate NA if this is an amendment due to a change in cost only.

N/A

Additional Information

Please provide any additional explanation or details regarding the contract modification.

See memo.

By their signatures on the following pages, the Auditor, the Primary Government Unit, and the DPCU (if applicable), agree to these modified terms.

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Forvis Mazars LLP	
Authorized Firm Representative* (typed or printed) S. Tyler Baity	Signature* <i>S. Tyler Baity</i>
Date* 09/05/25	Email Address tyler.baity@us.forvismazars.com

GOVERNMENTAL UNIT

Governmental Unit* Winston-Salem Forsyth County Schools	
Date Primary Government Unit Governing Board Approved Amended Audit Contract* (If required by governing board policy)	
Mayor/Chairperson* (typed or printed) Deanna Kaplan	Signature*
Date	Email Address dkaplan@wsfcs.k12.nc.us

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

ONLY REQUIRED IF FEES ARE MODIFIED IN THE AMENDED CONTRACT*(Pre-audit certificate not required for hospitals)*

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Primary Governmental Unit Finance Officer*	Signature*
Date of Pre-Audit Certificate*	Email Address*

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU	
Date DPCU Governing Board Approved Amended Audit Contract (If required by governing board policy)	
DPCU Chairperson (typed or printed)	Signature
Date	Email Address

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

DPCU – PRE-AUDIT CERTIFICATE
ONLY REQUIRED IF FEES ARE MODIFIED IN THE AMENDED CONTRACT
(Pre-audit certificate not required for hospitals)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

DPCU Finance Officer (typed or printed)	Signature
Date of Pre-Audit Certificate	Email Address

On, or around, September 4, 2025, the North Carolina State Board of Education voted to exercise its authority under N.C.G.S 115C-447(b) (the "Statute") which allows for the Local Government Commission (the "LGC") and/or the North Carolina State Board of Education to employ an "audit firm to review internal control procedures". The statute later states that the local administrative unit shall pay for the cost of this "audit".

Per our audit contract with Winston-Salem Forsyth County Schools ("WS/FCS"), dated May 5, 2025, Forvis Mazars, LLP has been engaged to provide audit services for the year ended June 30, 2025 to WS/FCS. Through August 2025, we have completed the majority of our interim planning procedures, interim compliance procedures, and have begun our final fieldwork procedures liaising with WS/FCS management.

As further described in our engagement letter, our audit has the following broad objectives:

1. Obtaining reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
2. Expressing an opinion on the financial statements
3. Issuing a report on your internal control over financial reporting and compliance and other matters based on the audit of your financial statements in accordance with *Government Auditing Standards*
4. Expressing an opinion on your compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect to each of your major federal award programs in accordance with 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)
5. Issuing a report on your internal control over compliance in accordance with the Uniform Guidance
6. Issuing a report on your schedule of expenditures of federal awards

In accordance with *Government Auditing Standards*, and as further described in an Independent Auditor's Report 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*, our responsibilities, as it relates to internal controls over financial reporting and compliance, generally are:

In planning and performing our audit of the financial statements, we considered WS/FCS'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 WS/FCS's internal control. Accordingly, we do not express an opinion on the effectiveness of the WS/FCS's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the above paragraph of this section 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.

Further, as reiterated by our engagement letter and *Government Auditing Standards*, our procedures around internal controls are concentrated on such internal controls over financial reporting and compliance. It is unclear how those procedures, which are designed for the purpose of planning our audit, relate to the procedures that will be performed in response to the North Carolina State Board of Education's request.

In accordance with *Government Audit Standards*, in addition to an audit, there are also other attestation engagements that can be performed which can cover a broad range of financial and nonfinancial objectives about the subject matter depending on the user's needs. In an attestation engagement, the subject matter or an assertion by a party other than the auditors is measured or evaluated in accordance with suitable criteria. The work the auditors and/or accountants perform and the level of assurance associated with the report vary based on the type of attestation engagement. The three types of attestation engagements are as follows:

- a. **Examination:** An auditor obtains reasonable assurance by obtaining sufficient, appropriate evidence about the measurement or evaluation of subject matter against criteria in order to be able to

draw reasonable conclusions on which to base the auditor's opinion about whether the subject matter is in accordance with (or based on) the criteria or the assertion is fairly stated, in all material respects. The auditor obtains the same level of assurance in an examination as in a financial statement audit.

b. **Review:** An auditor obtains limited assurance by obtaining sufficient, appropriate review evidence about the measurement or evaluation of subject matter against criteria in order to express a conclusion about whether any material modification should be made to the subject matter in order for it to be in accordance with (or based on) the criteria or to the assertion in order for it to be fairly stated. Review-level work does not include reporting on internal control or compliance with provisions of laws, regulations, contracts, and grant agreements. The auditor obtains the same level of assurance in a review engagement as in a review of financial statements.

c. **Agreed-upon procedures engagement:** An auditor performs specific procedures on subject matter or an assertion and reports the findings without providing an opinion or a conclusion on it. The specified parties to the engagement agree upon and are responsible for the sufficiency of the procedures for their purposes. The specified parties are the intended users to whom use of the report is limited.

As outlined above; there are separate scopes of work that can be performed by an auditor and/or an accountant in accordance with *Government Auditing Standards*. Scopes of work outside a financial statement audit generally are not correlated with one another. However, attestation engagements performed in addition to an audit of the financial statements could be, and likely should be, used as accompanying audit evidence in order for the auditor to gain reasonable assurance and express an opinion on the financial statements.

Since the Statute does not clearly specify what work the other "audit firm" may perform, the scope of the procedures to be performed by another firm in response to the North Carolina State Board of Education is unknown, as are the results of those procedures. The results of those procedures may contain information that is material to our conclusions. As a result, we must pause our work until those procedures are known and completed and we can determine the impact, if any, on our scope, planned procedures, and conclusions as they relate to the audit of the financial statements and compliance.

Once we have gained an understanding to any proposed nature and scope of additional work, Forvis Mazars LLP will consider this work to determine the impact of our audit in accordance with *Government Auditing Standards*. Additionally, Forvis Mazars LLP will work with WS/FCS on a revised timeline, fee, and provide a subsequent Amended Contract with an update.