



Winston-Salem/Forsyth County Schools - Board April 14, 2026

GOVERNMENT

Agenda

1. Discussion of Audit Results
2. Auditor Responsibilities
3. Review of Communications to the Board
4. Review of Financial Highlights
5. Review of Compliance Audit



01

Discussion of Audit Results



Discussion of Audit Results

Opinions

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

In our opinion, the accompanying 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 Board, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, State Public School Fund, Special Revenue Fund, and Federal Grants Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

02

Auditor Responsibilities



Auditor Responsibilities

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 GAAS 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 GAAS 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 Board'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 Board'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.

02

Review of Communications to the Board



Required Communications to the Board of Education

- **Significant estimates and sensitive disclosures**
 - Useful lives of depreciable assets
 - Proportionate share of net pension and OPEB liabilities
 - Determination of lease term and incremental borrowing rate for contracts subject to GASB 87
 - Determination of subscription term and incremental borrowing rate for contracts subject to GASB 96
- **Difficulties or disagreements**
 - Delay in OMB Compliance Supplement which wasn't released until November 2025
- **Financial Statement Disclosures**
 - Stewardship, Compliance, and Accountability
 - Subsequent Events
- **Management representations**

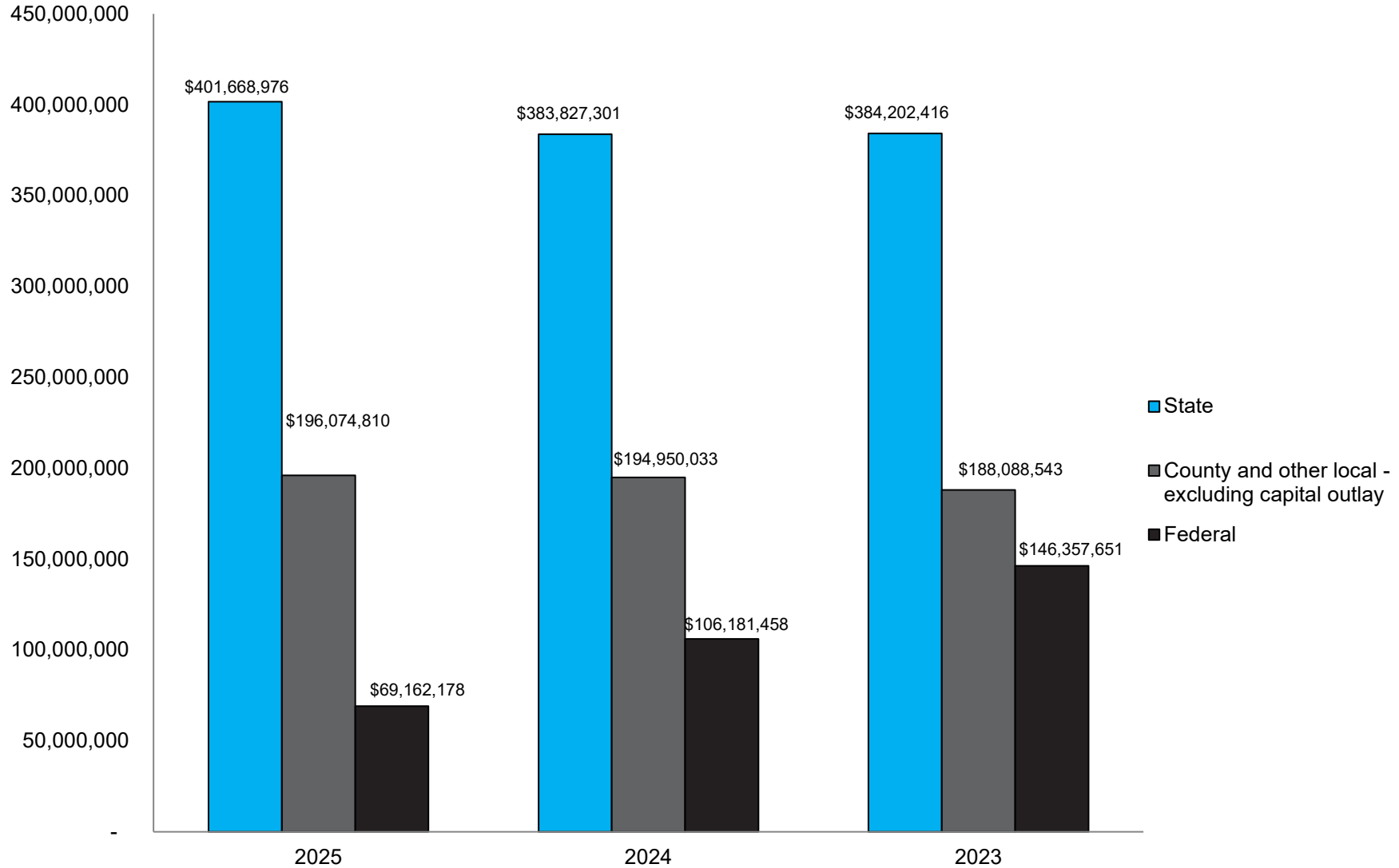
03

Financial Highlights



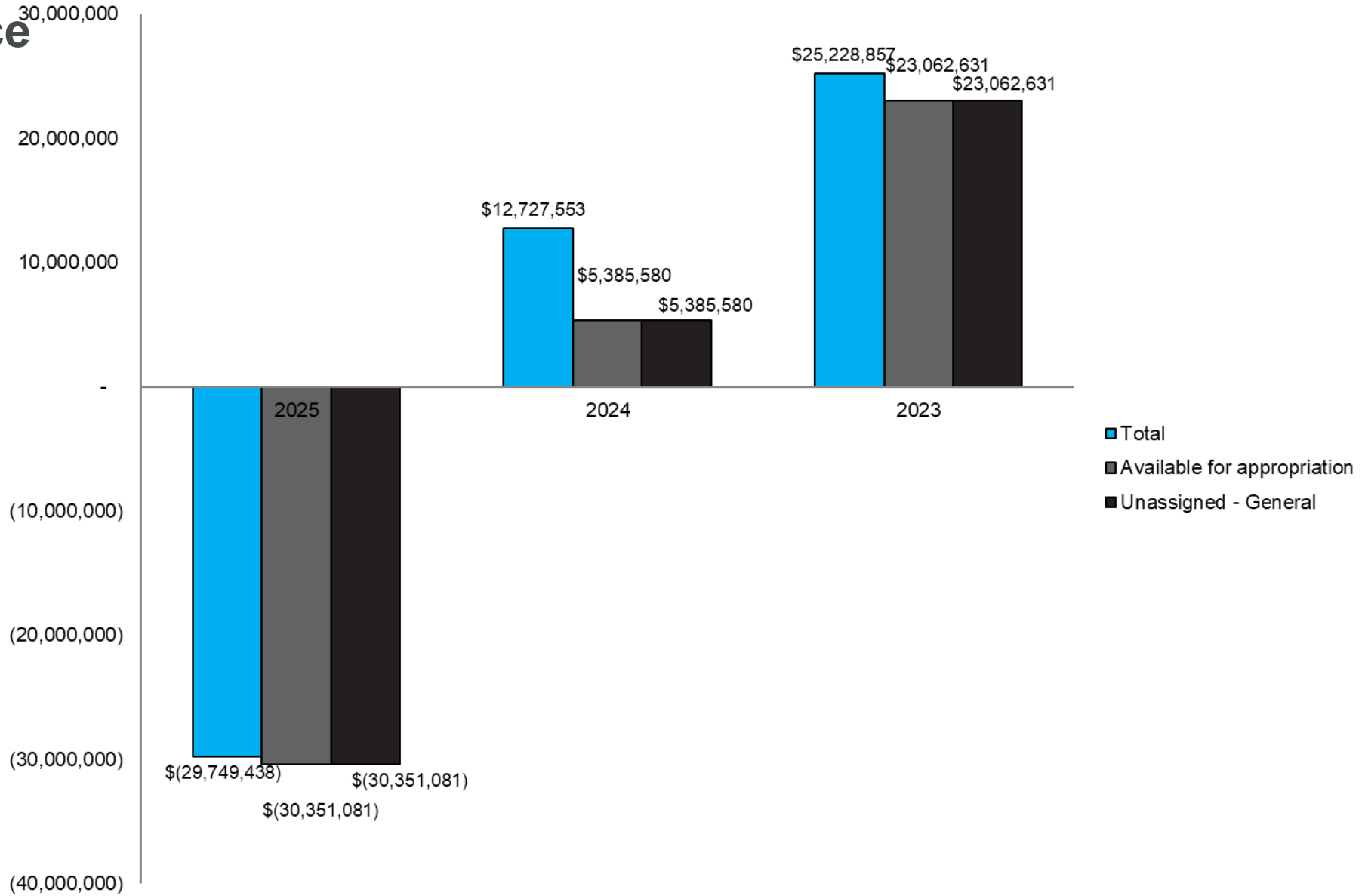
Revenues

Governmental Funds State, County and Other Local, and Federal Revenues



General and Other Special Revenues Fund Balance

Fund Balance



04

Compliance Audit



Compliance Audit – Federal Major Programs

Federal Programs

- 84.010 – Title I Cluster
- 84.027, 84.173 – Special Education Cluster
- 84.367 – Supporting Effective Instruction

Results:

- Findings: None

Compliance Audit – Financial Statements (Yellowbook)

Results:

- Findings:

2025-001 – Deficit in Fund Balances

2025-002 – Budget Violations

2025-003 – Reconciliations of Accounts Payable & Accrued Expense Balances

2025-004 – Inventory Balances

2025-005 – Cash Reconciliation

Page 81 – 83 in the audited Financial Statements

Compliance Audit – State Major Programs

State Programs

- State Public School Fund (Expenditures - \$359,368,676)

Results:

- Findings: 2025-002 – Budget Violations
- Findings: 2025-005 – Cash Reconciliations
- Findings: 2025-006 – Dollar Allotment Overdraft
- Findings: 2025-007 – Month Allotment Overdraft

Page 84 – 85 in the audited Financial Statements

Questions?

The information set forth in this presentation contains the analysis and conclusions of the author(s) based upon his/her/their research and analysis of industry information and legal authorities. Such analysis and conclusions should not be deemed opinions or conclusions by Forvis Mazars or the author(s) as to any individual situation as situations are fact-specific. The reader should perform their own analysis and form their own conclusions regarding any specific situation. Further, the author(s)' conclusions may be revised without notice with or without changes in industry information and legal authorities.

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