



City of Winston-Salem City Council  
**Council Agenda Item Summary**

<b>Title</b>	Information on the Financial Statement Audit, Single Audit, and the Annual Comprehensive Financial Report
City Council Committee	Finance Committee
Staff Lead (Presenter)	Kelly Latham, Chief Financial Officer
Department Head	Kelly Latham, Chief Financial Officer
City Manager/ACM	Ben Rowe, ACM

### **Agenda Item Summary**

Recommended Council Action	Information Item
Suggested Action/ Motion Options	NA
Strategic Focus Area	Good Government
Strategic Plan Objective	GG2: Strengthening the Organization's Financial Practices and Position
Anticipated Fiscal Impact	No Material Fiscal Impact

### **Summary of Information**

The FY 2025 annual financial statement audit for the City of Winston-Salem was completed on December 19, 2025, prior to the December 31 due date.

Due to the federal government shutdown, and the delayed release of the Federal Compliance Supplement for grants testing, the external auditors were unable to complete the federal and state grants single audit by December 31, 2025. Due to the shutdown, The Local Government Commission (LGC) is allowing for additional time to submit the grants audit (until February 2, 2026). The City will submit the grants single audit to the LGC by the revised due date and will not be considered late.

The City's external auditors, Cherry Bekaert LLP, issued an unmodified or "clean" opinion for the fiscal year ended June 30, 2025. The auditor is required to present audit information to the City Council annually. Dan Gougherty, Audit Director for Cherry Bekaert, will present this information, which is also attached (Exhibit A - Audit Executive Summary).

The Annual Comprehensive Financial Report (ACFR) is provided electronically (Exhibit B); however, due to the delay of the grants audit, the grants compliance single audit section is excluded. The ACFR includes the auditor opinions as well as the financial statements.

A subsequent report will be released to include the grants single audit section at a later date. This report will be shared with City Council and posted on the City's website. A hard copy of the ACFR will be provided upon request.

The City received the Government Finance Officers' Association (GFOA) award for excellence in financial reporting for the fiscal year 2023 ACFR. Although we have not yet received notice of the award for the fiscal year 2024 ACFR, staff believes the 2024 report meets the standards for the award. In addition, the City will apply for the GFOA award for excellence in financial reporting for the fiscal year 2025 ACFR.

### **Attachments**

- Presentation – Cherry Bekaert FY 2025 Audit Executive Summary
- Exhibit A – Annual Comprehensive Financial Report (excluding grants information)