



*Wake County,
North Carolina*



Presentation of Audit Results
June 30, 2025



Agenda

- Engagement Team
- Overview of:
 - Audit Opinion
 - Compliance Reports
- Required Communications
- Accounting Recommendations and Related Matters
- Answer Questions



Engagement Team Leaders

- LeAnn Bagasala, Engagement Partner
- Tim Lyons, Quality Review Partner
- Jake Connor, Senior Associate



Audit Opinion

- **Our Responsibility Under Auditing Standards Generally Accepted in the United States of America (GAAS)**
 - We considered the internal control structure for the purpose of expressing our opinion on **Wake County, North Carolina's (the "County")** basic financial statements and not for the purpose of providing an opinion on the effectiveness of internal controls.
 - Our audit was performed in accordance with GAAS and *Government Auditing Standards*.
 - Our objective is to provide reasonable—not absolute—assurance that the basic financial statements are free of material misstatement.
 - The basic financial statements are the responsibility of the County's management.



Audit Opinion

- **Report on Basic Financial Statements**

- Unmodified (“clean”) opinion on basic financial statements.
- Presented fairly in accordance with accounting principles generally accepted in the United States of America.
- Our responsibility does not extend beyond financial information contained in our report.



Compliance Report and Audit Scopes & Procedures

- ***Government Auditing Standards ("Yellow Book") Report***

- The financial report package contains a report on our tests of the County's internal controls and compliance with laws, regulations, etc. The report is not intended to provide an opinion on internal controls nor is it intended to provide a legal determination on the County's compliance with applicable laws and regulations.
- This report and the procedures performed are required by *Government Auditing Standards*.
- One material weakness noted.



Compliance Report and Audit Scopes & Procedures

- **Compliance Reports**

- We were required to perform Single Audit procedures on nine (9) major programs (4 Federal and 5 State of North Carolina programs).
- We issued a report on the County's federal programs in accordance with the Uniform Guidance. That report contained an unmodified opinion on compliance and included two significant deficiencies.
- We issued a report on the County's state programs in accordance with the State of North Carolina Single Audit Implementation Act. That report contained an unmodified opinion on compliance and included two significant deficiencies.



Required Communications

- **Significant Accounting Policies**

- Management is responsible for the selection and use of appropriate accounting policies.
- The significant accounting policies used by the County are described in Note 1 to the basic financial statements.



Required Communications (Continued)

- **Significant Accounting Policies**

- During the current year, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and GASB No. 102, *Certain Risk Disclosures*.
- The policies used by the County are in accordance with generally accepted accounting principles.
- In considering the qualitative aspects of its policies, the County is not involved in any controversial or emerging issues for which guidance is not available.



Required Communications (Continued)

- **Management Judgment/Accounting Estimates**
 - Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.
 - The County uses various estimates as part of its financial reporting process – including actuarial assumptions.



Required Communications (Continued)

- **Relationship with Management**

- We received full cooperation from the County's management and staff.
- There were no disagreements with management on accounting issues or financial reporting matters.

- **Management Representation**

- We requested, and received, written representations from management relating to the accuracy of information included in the financial statements and the completeness and accuracy of various information requested by us.



Required Communications (Continued)

- **Consultation with Other Accountants**
 - To the best of our knowledge, management has not consulted with, or obtained opinions from, other independent accountants during the year, nor did we face any issues requiring outside consultation.
- **Significant Issues Discussed with Management**
 - There were no significant issues discussed with management related to business conditions, plans, or strategies that may have affected the risk of material misstatement of the financial statements.



Required Communications (Continued)

- **Audit Adjustments**

- There were no unrecorded or passed audit adjustments.

- **Financial Statement Disclosures**

- The footnote disclosures to the financial statements are also an integral part of the financial statements and the process used by management to accumulate the information included in the disclosures was the same process used in accumulating the statements. The overall neutrality, consistency, and clarity of the disclosures was considered as part of our audit.



Required Communications (Continued)

- **Information in Documents Containing Audited Financial Statements**
 - Our responsibility for other information in documents containing the County's basic financial statements and our report thereon does not extend beyond the information identified in our report. If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, we must be provided with printers' proof for our review and approval before printing. You must also provide us with a copy of the final reproduced material for our approval before it is distributed.
- **Auditor Independence**
 - In accordance with AICPA professional standards, M&J is independent with regard to the County and its respective financial reporting processes.



Questions & Comments



Thank You for the Opportunity to Serve