

NORTH CAROLINA
DEPARTMENT OF STATE TREASURER



BRADFORD B. BRINER
STATE TREASURER OF NORTH CAROLINA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION

LGC Update

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Agenda: Fiscal Management Section

- News from the Fiscal Management Section
 - Staff Changes
 - Audit Reviews
- Budgeting Considerations Related to SB 889
- Budgetary Comparison Presentation



News from the Fiscal Management Section

Staff Changes

- Departures
 - Jones Norris
 - Natalie Rountree
- Arrivals
 - Tyler Allison
 - Kim Denton
 - Jahlesha Harris
 - NeNe Adams



News from the Fiscal Management Section

Audit Reviews

2025 Audits

- Total of 914 submitted as of May 12, 2026
 - 87 counties (87%)..of those 84% submitted timely
 - 466 municipalities (84%)..of those 86% were timely
 - 115 boards of education (99%)..of those 93% were timely
 - 246 other types of units



News from the Fiscal Management Section

Audit Reviews

Experimenting with AI to pull statistics

- Timely submissions trends
- Fees charged by:
 - Unit expenditure level
 - Audit type
- Appreciate feedback from the audit community on what statistics could be helpful to them



News from the Fiscal Management Section

- NCACPA Governmental Accounting Resource Group
 - The purpose is to ensure the Association is responsive to the needs of accounting professionals in federal, state, and local governments.
 - More participation from smaller firms and Finance Officers would be helpful.



News from the Fiscal Management Section

Memorandum of Agreement Renewal

- The MOA formalizes coordination among the LGC, Office of the State Auditor (OSA), State Board of CPA Examiners, and NCACPA to improve governmental audit quality in NC
- Audit Review Communications(ARCs) are used to document deficiencies, reporting issues, or areas requiring correction.
- Persistent or significant concerns may be referred to the OSA or State Board



Budgeting Considerations Related to SB 889

- Local governments should use conservative and flexible budgeting strategies until final legislative action is known, particularly regarding anticipated property revaluation growth.
- Units may consider budgeting based on the existing tax base rather than anticipated revaluation growth.
- Avoid committing uncertain future revenues to recurring expenditures.
- Maintain sufficient fund balance and liquidity to absorb potential revenue disruptions.



Budgeting Considerations Related to SB 889

- Auditors should consider risk related to:
 - Budget-to-actual variances
 - Mid-year budget amendments
 - Liquidity and fund balance pressures
 - Reasonableness of revenue assumptions



Budgeting Considerations Related to SB 889

- The primary audit focus is whether the unit:
 - Used reasonable assumptions
 - Maintained legal budget compliance
 - Preserved fiscal stability
 - Responded to evolving legislative uncertainty



Budgetary Comparison Presentation

- Audited financial statements must be prepared in accordance with the NC General Statutes Chapter 159.
- GASB 103 requires budgetary comparison RSI for:
 - General Fund
 - Major special revenue funds with legally adopted annual budgets
- LGC expects budget-to-actual comparisons for all funds subject to budgetary control.



Budgetary Comparison Presentation

- Budgetary schedules should demonstrate compliance with legally adopted budgets.
- Insufficient budgetary information may result in follow-up, revisions, or delays in audit acceptance.
- GASB 103 does not change the reporting on budget to actual expectations.



Questions?

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