


NORTH CAROLINA
DEPARTMENT OF STATE TREASURER



Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION
6th Annual Government Fiscal Sustainability Workgroup Meeting
Washington, DC
October 21-22, 2019

Greg Gaskins, Deputy Treasurer



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

State and Local Government Finance Division



STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA
Dale R. Folwell, CPA

NORTH CAROLINA LOCAL GOVERNMENT STAFF



```
graph TD; A[Greg C. Gaskins, Deputy Treasurer and Secretary] --> B[Debt Management Local Governments 14 employees]; A --> C[Debt Management State Government & NCCFFA 2 employees]; A --> D[Fiscal Management 18 employees];
```

Greg C. Gaskins, Deputy Treasurer and Secretary

Debt Management
Local Governments
14 employees

Debt Management
State Government & NCCFFA
2 employees

Fiscal Management
18 employees

Unit Assistance List

- Updated recently to add units severely affected by Hurricane Florence
 - Expect to continue to add as adverse affects continue
 - Not intended to be punitive or lay blame; organizational tool for LGC staff
- Update based on 2017 audits showed some reduction
 - 91 municipalities compared to 115; expect the 91 to increase due to storm-related issues
 - 17 counties, up from 11; continue to be primarily due to internal control challenges; two primarily related to financial concerns; may increase due to storm-related issues

2019 Unit Assistance List
(Based on June 30, 2018 Audited Financial Data)
As of October 16, 2019

Units	County	Internal Control Issues ¹	Financial Issues General Fund ²	Financial Issues Water/Sewer Fund ³	Internal Control Issues ¹	Financial Issues General Fund ²	Financial Issues Water/Sewer Fund ³	Internal Control Issues ¹	Financial Issues General Fund ²	Financial Issues Water/Sewer Fund ³
MUNICIPALITIES										
Ahoskie	Hertford	1	1	1	3	1	1			NOT ON UAL FOR 2016
Andrews	Cherokee	1	2	1	1	1	1	2	2	1
Angier	Harnett	2	2	3						NOT ON UAL FOR 2016
Atkinson	Pender	1	3	2	1	3	3	1	3	3
Bald Head Island	Brunswick	1	3	2						NOT ON UAL FOR 2016
Bath	Beaufort	1	1	1	2	2	1	1	2	2
Belhaven	Beaufort	2	3	2	1	2	1	1	2	1
Bethel	Pitt	2	3	1	1	2	2	1	2	1
Boardman	Columbus	1	2	1	1	2	1	1	2	1
Bolton	Columbus	2	2	1	2	2	2	2	1	2
Broadway	Lee	2	3	2						NOT ON UAL FOR 2016
Candor	Montgomery	1	3	2						NOT ON UAL FOR 2016
Casar	Cleveland	2	1	NA						NOT ON UAL FOR 2016
Cerro Gordo	Columbus	1	2	1	1	3	1			NOT ON UAL FOR 2016
Chimney Rock	Rutherford	2	3	1						NOT ON UAL FOR 2016
Colerain	Bertie	2	3	2						NOT ON UAL FOR 2016
Creswell	Washington	1	3	1	2	3	1	1	3	1
Dover	Craven	1	2	1	1	2	1	1	2	1
East Arcadia	Bladen	2	3	2						NOT ON UAL FOR 2016
East Spencer	Rowan	3	1	1	2	3	1	2	3	1
Ellerbe	Richmond	1	3	3	1	3	3	1	3	3
Elm City	Wilson	2	1	1	2	1	1	2	2	1
Enfield	Hallifax	1	1	2						NOT ON UAL FOR 2016
Eureka	Wayne	1	1	1	2	2	1	2	2	1
Everetts	Martin	2	3	1						NOT ON UAL FOR 2016
Fair Bluff	Columbus	1	1	1	2	2	1	2	3	2
Fairmont	Robeson	3	2	2						NOT ON UAL FOR 2016
Falcon	Cumberland	1	3	2	1	3	3	2	3	3
Fontana Dam	Graham	3	2	2	1	3	2	1	3	NA
Four Oaks	Johnston	2	2	2						NOT ON UAL FOR 2016
Fremont	Wayne	1	2	1	3	2	2	2	2	2

2019 Unit Assistance List
(Based on June 30, 2018 Audited Financial Data)
As of October 16, 2019

Units	County	Internal Control Issues ¹	Financial Issues General Fund ²	Financial Issues Water/Sewer Fund ²	Internal Control Issues ¹	Financial Issues General Fund ²	Financial Issues Water/Sewer Fund ²	Internal Control Issues ¹	Financial Issues General Fund ²	Financial Issues Water/Sewer Fund ²
Gamewell	Caldwell	3	2	2				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Gaston	Northampton	3	2	NA				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Gatesville	Gates	3	3	NA	3	3	NA	3	3	NA
Glen Alpine	Burke	3	3	2				NOT ON UAL IN 2017		2
Godwin	Cumberland	3	2		3	3	2	2	3	2
Greeneviers	Duplin	3	2		3	3	2	3	3	2
Green Level	Alamance	2	2	2				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Grifton	Pitt	3	3	2	3	3	2			NOT ON UAL FOR 2016
Grover	Cleveland	3	2	1				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Halifax	Halifax	3	3	2	2	2	2			NOT ON UAL FOR 2016
Hamilton	Martin	3	3	2				Not on UAL in 2017		NOT ON UAL FOR 2017
Hemby Bridge	Union	2	3	NA	2	3	NA	3	3	NA
Henderson	Vance	2	3	2				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Hertford	Perquimans	2	3	2				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Hillsborough	Orange	2	3	3				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Hoffman ³	Richmond	3	3	1	2	3	NA	2	3	NA
Holly Ridge	Onslow	2	3	NA				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Hookerton	Greene	2	2	2				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Hot Springs	Madison	3	3	1	2	3	1	3	2	3
Kenansville	Duplin	2	3	3	2	3	3	2	3	3
Kingstown	Cleveland	3	2	1	3	3	1	3	3	1
Lake Santeetlah	Graham	3	3	2				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Landis	Rowan	3	3	1	2	2	3	2	2	3
Leggett	Edgecombe	2	3	NA				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Ulesville	Anson	3	2	2				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Lincolnton	Lincoln	2	2	3				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Littleton	Halifax	3	2	2				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Love Valley	Iredell	3	3	1	3	3	1	3	3	1
Lumberton	Robeson	3	2	2				NOT ON UAL IN 2017		NOT ON UAL FOR 2016

2019 Unit Assistance List
(Based on June 30, 2018 Audited Financial Data)
As of October 16, 2019

Units	County	Internal Control Issues ¹	Financial Issues General Fund ²	Financial Issues Water/Sewer Fund ²	Internal Control Issues ¹	Financial Issues General Fund ²	Financial Issues Water/Sewer Fund ²	Internal Control Issues ¹	Financial Issues General Fund ²	Financial Issues Water/Sewer Fund ²
Macesfield	Edgecombe	2	3	1	3	3	2	2	3	1
Maysville	Jones	3	3	1	3	3	3	3	3	1
Milton	Caswell	3	3	1	3	3	3	3	3	1
Mount Olive	Wayne	2	3	1	2	3	1			NOT ON UAL FOR 2016
Morven	Anson	2	3	1	3	3	2	3	3	1
Mufreesboro	Hertford	2	3	3				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Nashville	Nash	2	2	3				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Navassa	Brunswick	1	2	1	2	3	1	2	3	1
North Topsail Beach	Onslow	2	2	NA				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Northwest	Brunswick	2	3	1	2	3	1			NOT ON UAL FOR 2016
Norwood	Stanly	1	2	1	3	2	2	2	2	2
Oak Island	Brunswick	2	3	3				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Oasipee	Alamance	1	3	1	2	3	1			NOT ON UAL FOR 2016
Pikeville	Wayne	2	1	1	3	3	3	2	3	1
Polkville	Cleveland	3	3	1	3	3	1	3	3	1
Pollockville	Jones	1	3	3				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Powellsville	Bertie	1	3	1	3	3	1	3	3	1
Proctorville	Robeson	1	3	1	3	3	3			NOT ON UAL FOR 2016
Ramsour	Randolph	2	3	3				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Red Springs	Robeson	3	1	2	2	2	3			NOT ON UAL FOR 2016
Robbins	Moore	3	2	2				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Roper	Washington	1	3	2	3	3	3	3	3	3
Rosman	Transylvania	2	3	3				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Saint Pauls	Robeson	1	3	1	2	2	1	2	2	2
Scotland Neck	Halifax	1	3	2	3	3	1	3	3	1
Seaboard	Northampton	2	2	2	3	3	3	3	3	3
Seagrove	Randolph	2	2	NA	2	3	NA	3	3	NA
Seven Springs	Wayne	3	3	2	3	3	1	3	3	2
Sharpsburg	Nash	2	3	3	2	3	3	2	3	3
Snow Hill	Greene	1	3	2				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Speed	Edgecombe	1	3	NA	3	3	NA			NOT ON UAL FOR 2016
Staley	Randolph	2	3	NA	3	3	NA	2		NA
Stedman	Cumberland	2	3	NA				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Stovall	Granville	3	3	2				NOT ON UAL IN 2017		NOT ON UAL FOR 2016

2019 Unit Assistance List
(Based on June 30, 2018 Audited Financial Data)
As of October 16, 2019

Units	County		Internal Control Issues ¹	Financial Issues General Fund ²	Financial Issues Water/Sewer Fund ³	Internal Control Issues ¹	Financial Issues General Fund ²	Financial Issues Water/Sewer Fund ³	Internal Control Issues ¹	Financial Issues General Fund ²	Financial Issues Water/Sewer Fund ³
Tabor City	Columbus	↓	2	2	3				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Tar Heel	Bladen	↑	3	2	2	1	3	3	1	3	3
Taylorsville	Alexander	↑	3	2	3				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Tryon	Polk	↑	2	3	3	1	3	2	1	3	3
Taylortown	Moore	↓	1	3	1	2	3	1	2	3	1
Walnut Cove	Stokes	↓	2	3	3				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Whitakers	Nash	↓	1	3	3				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Whiteville	Columbus	↓	2	2	2				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Woodfin	Buncombe	→	2	2	NA	2	3	NA	1	3	NA
Total Number of Municipalities			103								
Total Municipalities in each category with a 1 or 2 rating			84	49	74	53	23	38	48	19	31

2019 Unit Assistance List
(Based on June 30, 2018 Audited Financial Data)
As of October 16, 2019

Units	County		Internal Control Issues ¹	Financial Issues General Fund ²	Financial Issues Water/Sewer Fund ³	Internal Control Issues ¹	Financial Issues General Fund ²	Financial Issues Water/Sewer Fund ³	Internal Control Issues ¹	Financial Issues General Fund ²	Financial Issues Water/Sewer Fund ³
COUNTIES											
Buncombe County		↓	1	3	NA				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Edgecombe County		→	1	3	2	2	3	2	1	3	2
Gates County		↓	1	1	3	1	3	3			NOT ON UAL FOR 2016
Hertford County		↓	1	3	3	2	3	3			NOT ON UAL FOR 2016
Hoke County		↑	1	3	3	1	3	3	1	3	3
Hyde County		→	1	3	3	1	3	3	2	3	3
Madison County		↓	2	3	3				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Orange County		↓	1	3	2	2	3	3			NOT ON UAL FOR 2019
Pender County		↓	1	3	2	2	3	2	2	3	2
Person County		↓	2	3	NA				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Richmond County		↓	1	1	2				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Robeson County		↓	1	2	2	1	2	2	2	3	3
Yadkin County		↓	3	3	2				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Total Number of Counties			13								
Total Number of Counties in each category with a 1 or 2 rating			12	3	6	8	1	3	5	0	2
OTHER ENTITY TYPES											
Goldston/Gulf Sanitary District	Chatham	↑	2	NA	2	1	NA	2	1	NA	2
Seagrove-Ulah Metropolitan Water District	Randolph	↓	2	NA	2				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Stanly Water & Sewer Authority	Stanly	→	3	NA	1	3	NA	1	3	NA	1
Wilkes Transportation Authority	Wilkes	↓	1	NA	1				NOT ON UAL IN 2017		NOT ON UAL FOR 2016
Total Number of Other Entities			3								
Total Number of Other Entities in each category with a 1 or 2 rating			2	0	3	1	0	2	1	0	2

2019 Unit Assistance List
(Based on June 30, 2018 Audited Financial Data)
As of October 16, 2019

Units	County		Internal Control Issues	Financial Issues General Fund	Financial Issues Water/Sewer Fund	Internal Control Issues	Financial Issues General Fund	Financial Issues Water/Sewer Fund	Internal Control Issues	Financial Issues General Fund	Financial Issues Water/Sewer Fund
Audits not Submitted as of Date of Report											
MUNICIPALITIES											
Askeville	Bertie										
Belville	Brunswick										
Black Creek	Wilson										
Castalia	Nash										
Cofield	Hertford										
Earl	Cleveland										
East Laurinburg	Scotland										
Franklinville	Randolph										
Magnolia	Duplin										
Newport	Carteret										
Norlina	Warren										
Princeville	Edgecombe										
Ranlo	Gaston										
Richfield	Stanly										
Robersonville	Martin										
Ronda	Wilkes										
Sims	Wilson										
Southport	Brunswick										
Spring Lake	Cumberland										
Surf City	Pender										
Vanceboro	Craven										
Weldon	Halifax										
Winfall	Perquimans										
Total Number of Municipal Audits Not Submitted											23







Page 6

2019 Unit Assistance List
(Based on June 30, 2018 Audited Financial Data)
As of October 16, 2019

Units	County		Internal Control Issues	Financial Issues General Fund	Financial Issues Water/Sewer Fund	Internal Control Issues	Financial Issues General Fund	Financial Issues Water/Sewer Fund	Internal Control Issues	Financial Issues General Fund	Financial Issues Water/Sewer Fund
COUNTIES											
Anson County											
Greene County											
Northampton County											
Total Number of County Audits Not Submitted											3
OTHER ENTITY TYPES											
Anson County TDA	Anson										
Brunswick Regional Water and Sewer H2GO	Brunswick										
Buncombe County Tourism Dev. Authority	Buncombe separate										
Cliffside Sanitary District	Rutherford										
Davie County Soil & Water Conservation District	Davie										
Northampton TDA	Northampton										
Total Number of Other Entity Audits Not Submitted											6

Page 7

2019 Unit Assistance List
 (Based on June 30, 2018 Audited Financial Data)
 As of October 16, 2019

Units	County	Internal Control Issues ¹	Financial Issues General Fund ²	Financial Issues Water/Sewer Fund ³	Internal Control Issues ¹	Financial Issues General Fund ²	Financial Issues Water/Sewer Fund ³	Internal Control Issues ¹	Financial Issues General Fund ²	Financial Issues Water/Sewer Fund ³
RISK ASSESSMENT LEGEND:		PROGRESS METER LEGEND:								
HIGH RISK		CONDITIONS WORSENE								
MODERATE RISK		CONDITIONS STAYED SAME								
LOW RISK		CONDITIONS IMPROVED								
Footnotes:										
¹ For more information about internal controls requirements and best practices, please see GFOA Best Practices on Internal Control, which are located under Accounting http://gfoa.org/best-practices										
² For more information about fiscal matters related to the General Fund, please see our annual statistical reports on fund balance and tax collections for municipalities Memo 2019-11 for counties: https://www.nctreasurer.com/slp/Memos/2019-11.pdf Memo 2019-12 for municipalities: https://www.nctreasurer.com/slp/Memos/2019-12.pdf										
³ For more information about fiscal matters related to municipal water and/or sewer operations, please see the Environmental Finance Center Dashboard for North https://efc.soc.unc.edu/resource/north-carolina-water-and-wastewater-rates-dashboard										
⁴ Does not include schools or charter schools or entities with FYEs other than June 30										
⁵ Units that are on the UAL this year but not last, or whose audits are not in are generally assumed to have declined in progress, but there are some exceptions based on										
⁶ Unit is in the process of installing a municipal sewer system										
General Note:										
Audited financial data is used to make the initial assessment on all units but the final decision on whether a not a unit is on the UAL, and whether or not conditions improved, stayed the same, or declined, is also based on knowledge that may have come from sources other than the audited financial statements. These sources can include, but are not limited to, information gained on unit visits, phone calls, and other interactions with unit staff and leadership.										

North Carolina Local Government Units Currently on Unit Assistance List

Based on Audited Financial Statements as of June 30, 2017



Troubled Counties:

- | | | |
|------------------|--------------------|----------------|
| Anson County | Hyde County | Pender County |
| Edgecombe County | Jones County | Robeson County |
| Gates County | Martin County | Stanly County |
| Greene County | Northampton County | Swain County |
| Hertford County | Orange County | Vance County |
| Hoke County | | Warren County |



COACH Team

- 255 visits since inception in July, 2016
- Primary focus is on units on UAL but also visit others
 - Some at unit's request
 - Some are units that have issues that are not severe enough to land them on the UAL
 - Work collaboratively with representatives from other groups providing assistance
 - DEQ, NCLM, NCACC, USDA, Rural Water Association



ACC 3240 – Community College Course

- Been offered at 11 different campuses, 153 students completed through Summer, 2018
- Recently updated content
- Are learning that Spring semester works better for most than Fall
- Added printed materials at students' request



ACC 3240 – Community College Course

- NCCCS is working to add as a curriculum, for-credit course
- Discussion on adding a second continuing ed course on utility finances
- Units are utilizing for training not only finance staff but non-finance department heads and some elected officials
- Still get very positive feedback from participants

North Carolina Local Government Units Currently on Unit Assistance List

Based on Audited Financial Statements as of June 30, 2017



Campuses:

- Beaufort County
- Bladen County
- Brunswick County
- Cleveland County
- College of the Albemarle
- Johnston County
- Lenoir County
- Randolph County
- Rowan-Cabarrus
- Southwestern
- Wilkes

Troubled Counties:

- Anson County
- Edgecombe County
- Gates County
- Greene County
- Hertford County
- Hoke County

- Hyde County
- Jones County
- Martin County
- Northampton County
- Orange County

- Pender County
- Robeson County
- Stanly County
- Swain County
- Vance County
- Warren County

