



ROWAN COUNTY FINANCE DEPARTMENT

130 W. Innes Street, Salisbury, NC 28144

704.216.8170

www.rowancountync.gov

James M. Howden, CPA | Finance Director

MEMORANDUM

TO: Local Government Commission

FROM: James M. Howden, Rowan County Finance Director

RE: Response Performance Indicators

DATE: March 7, 2022

-
- Statutory violation – excess of expenditures over appropriations

Reason: The payments on behalf of beneficiaries made in the Representative Payee Fund (DSS Fund) and the fines and forfeitures collected and remitted to Rowan County schools were previously reported in agency funds. Agency funds do not have revenue and expenses, only balance sheet accounts. As agency funds, these payments were not subject to the budgeting requirements of the N.C. General Statutes and were, therefore, not included in the County's budgeting process for FY 2021. At year end, counties were required to record entries to revenue and expenditure accounts to meet the implementation of GASB Statement No. 84 *Fiduciary Activities* requirements. We prepared these entries with our Auditors, but after yearend and without the ability to adjust the budgets to match.

Correction: These funds have been budgeted for in Fiscal Year 2022 and are now part of the budget process going forward.

- Audit submitted > 5 months after year end

Reason: The annual audit and financials should be submitted to the LGC by October 31st but no later than 5 months after year end, November 30th.

1. New personnel in Finance and new audit team from Martin Starnes
2. Delay in OPEB valuation reports being sent to and returned from our Actuary Vendor
3. Delay in tax schedules - ten-year history in new tax software

Correction: I believe that we can and should complete our audit process and submission of financials earlier than we have in the past. We will strive for a 'same calendar year' submission at the end of this fiscal year.

1. The Finance staff will have another year of experience under our belt. We also plan on closing our books sooner than previous years. Our auditors will also have another year working with us.
2. We'll work with the Department on getting necessary information to our actuary vendor on time.
3. The prior year's outstanding property tax reports have been fixed in new tax software and should not be an issue in the future.

Please let me know if you have any questions.

Thank You



James M. Howden
Finance Director

Chairman Gregory Edds

Vice Chairman Jim Greene

Commissioner Craig Pierce

Commissioner Judy Klusman

Commissioner Mike Caskey, Jr.