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DEPARTMENT OF STATE TREASURER

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STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

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Memorandum #2027-04

TO:	**Finance Officers of North Carolina, Local Governments and Public Authorities**
FROM:	**Kendra Boyle, Director, Fiscal Management Section**
SUBJECT:	**Timeline for Annual Audit Preparation and Submission for North Carolina Local Government Finance Officers**
DATE:	**November 12, 2026**

Purpose

This memo provides a timeline of steps to facilitate completion of your unit's annual audit by the required deadline.

TIMELINE STEPS

This timeline is intended to implement and clarify the timing and responsibilities established in the standard LGC-205 audit contract. It has been prepared by the staff of the Local Government Commission (LGC) to outline key steps for local governments and public authorities as they prepare and submit statutorily required annual audit reports.

This document is intended to guide unit staff through the audit season and to serve as a practical reference for future audit seasons. It does not create new requirements. It organizes existing LGC-205 audit contract responsibilities into a sequence that finance officers, preparers, reviewers, management, and auditors can follow.

The dates below are recommended best-practice timeframes from LGC staff and assume a June 30 fiscal year-end. Required deadlines are noted where applicable. The date ranges show the recommended order of work and do not change any legal or LGC submission deadlines.

For audit-related questions, contact SLGFD@nctreasurer.gov.

Annual LGC Current Resources Confirmation

During the August LGC resource checkpoint, units should confirm that they are using the current materials posted on the NC Department of State Treasurer website for LGC annual audit and financial statement resources. These materials may include pension and OPEB templates, journal entry templates, financial statement worksheets, conversion workbooks, audit submission guidance, and year-end memos for information reported annually to the LGC.

The finance officer or preparer should keep a copy, link, or dated reference to the LGC resources used. Prior-year templates and memoranda should not be carried forward without checking the

current-year versions, because reported amounts, instructions, and disclosure expectations may change from year to year.

Definitions of various terms and acronyms are found at the end of this memorandum.

Statutory Compliance Checklist Integration

The Statutory Compliance Checklist is a new tool released by the UNC School of Government to help ensure a unit is in compliance with accounting and reporting laws and regulations. It is referenced at the end of each timeline step as a checkpoint reminder with a link to the Checklist. Use the reference as a parallel compliance process throughout this timeline, not as a separate audit phase. It is intended to give the finance officer a practical way to confirm that statutory processes were followed during the year and that supporting documentation is ready for audit fieldwork.

An audit has multiple phases where the checklist should be utilized.

- Planning – Units should begin assembling supporting documentation
- Fieldwork – Units should provide the checklist and supporting documentation to auditors
- Pre-issuance – Units should answer auditor inquiries resulting from fieldwork, address any issues identified, and form a corrective action plan, if applicable, for any audit findings

Checklist exceptions are items marked in the Statutory Compliance Checklist as not meeting criteria. This could mean either the checklist item cannot be completed or the necessary documentation for the item could not be located. Checklist exceptions should be considered with Financial Performance Indicators (FPIs), Financial Performance Indicators of Concern (FPICs), and the applicable Financial Reporting Checklist for your unit so that compliance issues, financial-condition risks, and required financial statement disclosures are addressed consistently before the audit is submitted to the LGC.

How This Timeline Connects to the LGC-205 Audit Contract

The timeline described below helps units meet responsibilities already included in the standard LGC-205 audit contract. It does not add new requirements; it places existing responsibilities into a workable sequence from pre-year-end preparation through LGC submission, board presentation, and follow-up.

Why This Matters

Contract deadlines drive the schedule. The annual audit is not a single event but rather should be included in your year-round workflow process. Audit documents should be prepared proactively, rather than as the auditor requests them. The annual audit timeline works backward from the requirement that the audit be submitted to the LGC within six months after fiscal year-end. For a June 30 fiscal year-end, that deadline to submit your audited financial statements and data input report (DIR) to the secretary of the LGC is December 31. It is very important to create and adhere to a timeline to meet audit preparation milestones. Audit firms often have schedules booked months

in advance, and if a client is not prepared at the scheduled time, the client may be moved to the end of the schedule. This could potentially delay the submission of your audited financial statements by months.

Early preparation improves audit quality. Interim closes, draft schedules, timely checklist work, and independent internal review help reduce corrections late in the audit. The August LGC resource checkpoint also helps units use current pension and OPEB templates, financial statement worksheets, year-end memos, and other annually reported LGC information before schedules and disclosures are finalized.

Clear roles reduce delays. The timeline distinguishes work performed by the finance officer, preparer, independent reviewer, management, and auditor. When responsibilities are assigned early, requests are easier to track and resolve.

Review checkpoints catch issues before submission. The timeline includes multiple internal review points before financial statements are issued to the auditor and before the audit is submitted. The Statutory Compliance Checklist adds a process-based check, while FPIs, FPICs, and the Financial Reporting Checklist help identify risk, reporting, or disclosure matters that may need attention.

Board presentation and corrective action are part of the process. The timeline reserves time for the governing board presentation and for responses to findings, FPICs, or other fiscal concerns. Checklist exceptions can help management explain corrective action plans in practical terms.

How the Statutory Compliance Checklist, FPIs, and the Financial Reporting Checklist Work Together

The Statutory Compliance Checklist, Financial Performance Indicators (FPIs), Financial Performance Indicators of Concern (FPICs), and the Financial Reporting Checklist are complementary tools that support fiscal oversight under Chapter 159 of the NC General Statutes. Each tool has a different role.

The Statutory Compliance Checklist is preventive and process focused. It helps a unit confirm that required statutory steps were followed during the fiscal year, including budgeting, reconciliations, cash management, preaudit and disbursement controls, investments, budget ordinances, project ordinances, debt service, taxes, and finance officer bonding.

FPIs and FPICs are risk indicators based on audited financial information. They help identify signs of fiscal stress, control weaknesses, operating issues, or other matters that may need follow-up. The Financial Reporting Checklist supports the financial statement side of the audit by helping ensure that required disclosures, classifications, and statutory compliance disclosures are included in the audit report.

The tools overlap in areas such as budget compliance, debt service, internal controls, and bonding, but they are not duplicative. Used together, they create layered oversight: the Statutory Compliance Checklist helps prevent and document issues, FPIs and FPICs help detect emerging

concerns, and the Financial Reporting Checklist helps ensure that those matters are reported clearly in the audited financial statements.

Bottom Line

Following this timeline helps units meet the LGC-205 audit contract requirements, stay on schedule to submit their audit by the deadline, reduce audit risk, avoid preventable delays, improve financial reporting, and support timely LGC debt approvals

TIMELINE

April – May

Preparations Before Year-End

1. Complete a Preliminary Year-End Close and Update Key Schedules

Complete a trial run of the year-end close, with the goal of a preliminary trial balance being created before June 30. This helps identify issues early, before they become audit delays.

During this practice close, look for:

- Revenues earned but not yet received;
- Potential budget violations or overages;
- Bills or expenses incurred but not yet paid;
- Revenue received before it has been earned;
- Depreciation entries;
- Inventory counts;
- Fund balance amounts that will need to be categorized; and
- Other year-end adjustments.

Also begin preparing a working version of the fund balance classifications. This means determining whether amounts are:

- Legally or externally restricted;
- Set aside by formal board action;
- Intended for a specific purpose; or
- Available for general use.

Reconcile supporting records to the general ledger. This includes areas such as:

- Accounts receivable;
- Accounts payable;
- Payroll records; and
- Other subsidiary ledgers.

Also update important schedules, including:

- Capital assets;

- Debt;
- Leases under GASB 87;
- Subscription-based IT arrangements, or SBITAs, under GASB 96;
- Pension information;
- OPEB information; and
- SEFSA information.

Flag pension, OPEB, and other annually reported items that must be updated using current-year LGC resources during the August LGC current resources confirmation. Prior-year templates should not be carried forward without checking the current-year versions before finalizing GAAP entries, disclosures, or audit submission materials.

2. Decide Whether You Need Outside Help Preparing GAAP Financial Statements

Determine whether staff can prepare the GAAP financial statements in-house.

If staff do not have the time or expertise to prepare the statements, consider hiring an outside preparer. If you plan to hire an outside preparer, issue a request for proposals early enough to meet the audit timeline. For example, if the goal is to have financial statements ready by December 31, work backward from that date. If you hire an outside preparer, make sure you have a contractual agreement with your third-party preparer, stipulating deliverable dates for each step. Make sure these deliverable dates are in line with deadlines agreed upon with your auditor. Also make sure independence rules are followed. If the same firm that is helping prepare the financial statements is performing the audit, the unit must make sure this arrangement is allowed under independence standards.

3. Complete the LGC-205 Audit Contract

The audit contract must be approved by the secretary of the LGC before audit work begins.

The standard contract generally expects:

- Draft financial statements by August 31; and
- Final audit submission to the secretary of the LGC by December 31.

The contract must also be properly preaudited before it is signed. This means the finance officer must certify that funds are available, and the contract has been properly approved.

4. Choose an Independent Reviewer

Select someone with governmental accounting knowledge to review the financial statements. The independent reviewer can be employed by the unit or be a third-party hired by the unit. The important characteristic is that the independent reviewer is not involved in the preparation of the financial statements.

This person should not be the same person who prepared the final statements or footnotes. Set up a written review process with clear checkpoints and timeframes so the reviewer knows when to review drafts and what they are expected to review.

Statutory Compliance Checklist Checkpoint: Begin the checklist support file. Assign staff responsibility to review the areas of cash management, budget, taxes, obligation & disbursement fiscal controls, and personnel (bonding items). Ask staff to perform a baseline review of their assigned areas and identify any immediate issues.

May – June

Begin Interim Audit Preparation

Provide the auditor or preparer with interim information using data through April 30 or May 1.

This should include:

- An interim trial balance;
- Supporting schedules;
- Prior-year audited financial statements; and
- Prior-year footnotes.

The preparation of interim documents aids in identifying any transactions that have been overlooked or improperly presented in the unit records. Financial activities that are conducted infrequently should be especially reviewed for accuracy. A review before fiscal year-end will allow an opportunity for journal entries to be updated or corrected before closing.

The independent reviewer should complete an initial proofread by May 15.

All interim materials should be clearly marked as "Unaudited and subject to year-end adjustment." This makes clear that the numbers are preliminary and will change after June 30.

Statutory Compliance Checklist Checkpoint: Start collecting supporting documentation, including board minutes, budget ordinance and amendments, depository designations, investment records, preaudit documentation, disbursement policies, debt service records, bond records, and other records needed to support checklist responses. Review financial activities for the fiscal year to ensure transactions have been included

July – August

Prepare the First Round of Year-End Schedules

After June 30, begin preparing the first draft of the major GAAP schedules using actual year-end data.

These schedules should include:

- Capital asset activity from July 1 through June 30;
- Debt activity from July 1 through June 30;
- Lease activity from July 1 through June 30; and
- SBITA activity from July 1 through June 30th.

The independent reviewer should complete a second review by August 15.

The reviewer should keep a documented list of comments, questions, and needed corrections.

Statutory Compliance Checklist Checkpoint: The finance officer should perform a preliminary self-assessment, identify any likely "No" or "N/A" responses, and begin drafting explanations or corrective actions.

Beginning of September

Finish the Year-End Close and Prepare the First Full Audit Draft

By this point, the unit should be completing the final year-end accounting work.

This includes recording:

- Accruals;
- Deferrals;
- Depreciation;
- Interfund eliminations; and
- Other final June 30 adjustments.

The unit should also finalize its fund balance classifications based on actual board actions.

For this purpose, confirm whether fund balance amounts are:

- Restricted by law, grant, or outside party;
- Formally committed by the governing board;
- Assigned for a specific purpose; or
- Unassigned and available for general use.

The preparer should give management and the auditor the first complete draft of the basic financial statements at this stage. The final footnotes may also still be in progress at this stage.

The independent reviewer should complete a third proofread by August 30.

Locking the Trial Balance

The finance officer should approve and lock the adjusted June 30 trial balance for audit fieldwork.

Once the trial balance is locked, it should not change unless there is an audit adjustment agreed to by the unit and the auditor.

This helps prevent confusion and delays during fieldwork.

Statutory Compliance Checklist Checkpoint: Confirm year-end support for bank reconciliations, subsidiary ledger reconciliations, debt service, cost allocations, budget-to-actual records, tax support, and other checklist documentation needed for audit fieldwork.

August – September

Draft the Footnotes and Complete a Full Review

The preparer should draft all required footnotes and the Management's Discussion and Analysis, commonly called the MD&A, using final June 30 information. The drafting of, as well as the contents of, the MD&A is the responsibility of management of the unit, not the auditor. The MD&A is management's plain-language explanation of the unit's financial statements.

The independent reviewer should complete a full review of the footnotes and disclosure checklist in September.

The auditor's entrance conference should occur in late August.

This meeting should be used to confirm:

- Audit timing;
- Responsibilities;
- Outstanding items;
- Expected fieldwork dates; and
- Any known concerns.

LGC Resource Checkpoint: Assign responsibility for checking the North Carolina Department of State Treasurer website for current LGC annual audit resources, including pension and OPEB templates, year-end memos, and other annually reported information that may affect GAAP entries, disclosures, or audit submission.

Statutory Compliance Checklist Checkpoint: Cross-check checklist exceptions against disclosures, MD&A discussion, debt footnotes, budgetary schedules, the Financial Reporting Checklist from the LGC resources website, and any potential internal control or compliance findings.

Before footnotes, the MD&A, required supplementary information, and other schedules are finalized, confirm that pension and OPEB disclosures and other annually reported data agree to the latest LGC templates, year-end memos, and instructions

September to December

Main Audit Fieldwork Period

During this period, the auditor performs the main audit work.

This may include:

- Testing account balances;
- Reviewing transactions;
- Testing internal controls;
- Reviewing documentation;
- Testing grant programs, if a Single Audit is required;
- Asking follow-up questions; and
- Unit site visits for testing.

The unit should respond to auditor requests as quickly as possible and provide complete documentation.

Delays in answering auditor questions are one of the most common reasons audits fall behind schedule.

Statutory Compliance Checklist Checkpoint: Provide the completed or near-final checklist and supporting documentation to the auditor. The auditor may use Appendix B suggested audit procedures from the statutory compliance checklist to test selected compliance areas and may also consider related items in the Financial Reporting Checklist from the LGC resources website.

December

Finish Fieldwork and Hold the Exit Conference

The auditor should finish testing and begin preparing draft audit reports.

The unit and auditor should hold an exit conference to discuss:

- Proposed audit adjustments;
- Internal control findings;
- Financial Performance Indicators of Concern (FPICs);
- Other audit issues; and
- Any remaining items needed to complete the audit.

Management should post all agreed audit adjustments and update the financial statements as needed.

Statutory Compliance Checklist Checkpoint: Discuss checklist exceptions, corrective action needs, internal control findings, compliance issues, FPI results, and any FPIC implications during the exit conference.

December

Finalize the Financial Statements

The preparer should finalize:

- Financial statements;
- Footnotes;
- MD&A;
- Schedule of Expenditures of Federal and State Awards, or SEFSA, if applicable; and
- Any other required schedules.

The independent reviewer should complete the final proofread and sign off on major disclosures.

Statutory Compliance Checklist Checkpoint: Finalize the checklist, explanations for any "No" responses, corrective action notes, and finance officer certification. Retain the signed checklist and support in the audit support file.

Confirm that the final audit support file includes the LGC pension and OPEB templates, year-end memos, and annual reporting instructions relied on by the preparer, finance officer, independent reviewer, or auditor

October – December

Submit the Audit and Plan for Any Debt Applications

The auditor must submit the completed audit package no later than December 31 for fiscal years ended June 30th. A completed audit package consists of:

- A single .pdf containing the audited financial statements and compliance report (if applicable)
- Any auditor communication letters (AU-C 260, AU-C 265, Management Letter)
- A complete Data Input Report (DIR), which has also been certified by the finance officer

If the unit is applying for LGC approval of debt, the audit must be submitted at least two months before the LGC meeting where the debt will be considered.

Submitting the audit late can delay debt approval.

Statutory Compliance Checklist Checkpoint: Make sure any compliance issues that could affect audit acceptance, LGC review, debt approval, or FPIC response timing are clearly resolved or explained

November – February

Present the Audit to the Board and Respond to FPICs

The auditor must present the audited financial statements and any FPICs to the governing board within 45 days after the audit is submitted to the LGC. If there are FPICs, written responses are due to LGC staff within 60 days after the board presentation.

The FPIC response must include a written description of the procedure, process, or action plan developed by the unit to address the FPIC in question. The response must also provide specific and detailed steps with measurable results that allow the unit to conclude that it will address each specific FPIC.

Statutory Compliance Checklist Checkpoint: Use checklist exceptions to support board-level discussion of compliance weaknesses, audit findings, FPIC responses, and corrective action plans.

January – March

Wrap Up the Audit and Prepare for Next Year

After the audit is submitted, the LGC staff review any FPIC responses and any debt applications, if applicable.

The unit should also:

- Implement corrective action plans;
- Consider additional Board training;
- Update accounting policies if needed;
- Address internal control issues;
- Train staff on lessons learned; and
- Begin planning for the next audit cycle.

The goal is to use the results of the current audit to improve the financial management practices of the unit and make next year's audit smoother.

Statutory Compliance Checklist checkpoint: Convert checklist exceptions into next-year internal control improvements, policy updates, staff training topics, and recurring compliance calendar reminders.

Summary Table of Statutory Compliance Checklist Checkpoints

The statutory compliance checklist should function as a parallel compliance process that supports the audit timeline. The following checkpoints summarize how it should move through the audit cycle.

Timing	Checklist milestone
April – May	Assign checklist categories and begin the audit support file for statutory compliance documentation.
May – June	Collect core documentation for cash management, budget, taxes, preaudit, disbursement, and personnel/bonding.
June – August	Complete preliminary finance officer self-assessment, identify likely exceptions, compare issues to known FPI or FPIC risk areas, and begin drafting explanations or corrective actions.
August – September	LGC resource checkpoint: Confirm the unit is using the most current LGC annual audit resources posted on the NC Department of State Treasurer website, including pension and OPEB templates, year-end memos, and other annually reported information. Provide the checklist and support to the auditor, confirm template versions and year-end memo support, and compare disclosures to the Financial Reporting Checklist from the LGC resources website.
September – October	Resolve exceptions, finalize explanations and certification, retain final LGC resources used, and consider any FPI, FPIC, or disclosure effects.
October – December	Use exceptions to support board presentation, FPIC responses, corrective action plans, and debt review.
January – March	Update policies, training, and recurring compliance calendar reminders for the next cycle.

Statutory Authority Footnotes

The following laws support the steps in this timeline.

The Statutory Compliance Checklist is also tied to the annual audit process and should be maintained as part of the unit's audit support documentation.

The Statutory Compliance Checklist, FPIs, and the Financial Reporting Checklist from the LGC resources website should be used together to support compliance, risk assessment, and accurate audit reporting under Chapter 159 of the NC General Statutes.

[1] April – May Planning and Year-End Preparation

G.S. 159-25; 159-26; and 159-28(a) generally describe the finance officer's duties, requirements of internal controls, accounting records, and budgetary controls.

In plain language, these laws require the unit to keep accurate records, maintain proper controls, and make sure financial obligations are properly approved.

[2] Interim Materials and Audit Kickoff

G.S. 159-25(a) requires the finance officer to keep accurate accounts and supporting records throughout the year.

In plain language, the finance officer should not wait until audit time to organize records. The records should be maintained throughout the fiscal year.

[3] Year-End Close, Draft Schedules, and Financial Statements

G.S. 159-34(a)–(b) requires annual audits and gives the secretary of the LGC authority over audit scope, timing, contracts, and deliverables.

In plain language, the unit must have an annual audit, and the secretary of the LGC has authority over how that audit is arranged and submitted.

[4] Audit Fieldwork and LGC Review

G.S. 159-34(a) and (c) address submission of audit reports and LGC staff review.

In plain language, the completed audit must be submitted on time, and the LGC may review the audit, ask questions, request clarification, or require corrections.

[5] Board Presentation, Findings, and Corrective Action

Rules 20 NCAC 03 .0502(c)(5) and 20 NCAC 03 .0508 require the auditor to present the audited financial statements to the governing board at an official public meeting, including all findings and FPICs and require the governing board to respond to any findings or FPICs.

In plain language, the audit must be presented to the board within 45 days of submission to LGC staff, and the unit must respond in writing to findings or fiscal concerns, if applicable.

[6] Debt Applications

G.S. 159-51, G.S. 159-52, and G.S. 159-55 address LGC approval of debt.

In plain language, if a unit seeks to borrow money or issue debt requiring LGC approval, the LGC can require financial information, including audited financial statements, FPIC responses (if applicable), and other information, if required, before approving the debt.

Statute Crosswalk

Planning, Oversight, and Audit Contracting

These laws explain why units must plan for the audit early and get the audit contract approved before work begins.

- **G.S. 159-34(a):** Requires annual audits and allows the secretary of the LGC to set audit requirements.
- **G.S. 159-34(a):** Requires LGC approval of auditors and approval of audit contracts by the secretary.
- **G.S. 159-28(a1):** Requires contracts to be properly preaudited before execution.
- **G.S. 159-25:** Makes the finance officer responsible for accounting records and internal controls.

Interim Accounting, Internal Controls, and Year-End Close

These laws support keeping records accurate throughout the year, not just at audit time.

- **G.S. 159-25(a):** Requires accurate accounts and financial records.
- **G.S. 159-25:** Requires basic internal controls and proper documentation.
- **G.S. 159-28(a):** Requires proper budget authority before obligations are incurred.

Statutory Compliance Checklist and Audit Support Documentation

These laws support using the checklist to document compliance with key statutory requirements throughout the year.

G.S. 159-34: Requires annual audits and supports the checklist as part of audit procedures and audit support documentation.

G.S. 159-25 and G.S. 159-26: Require accurate accounts, internal controls, and supporting records.

G.S. 159-28: Supports preaudit and disbursement controls documented through the checklist.

Audit Fieldwork, Adjustments, and LGC Review

These laws support the audit submission and review process.

- **G.S. 159-34(a):** Requires the completed audit to be submitted to the secretary of the LGC by the required deadline.
- **G.S. 159-34(a):** Allows the secretary of the LGC to review audits and ask questions or request clarification.
- **G.S. 159-25(d) and (e):** Allows the LGC to require corrective action if accounting practices or controls are inadequate.

Board Presentation, Findings, and Corrective Action

These laws explain the governing board's role after the audit is completed.

- **Rule 20 NCAC 03 .0502(c)(5)** Requires the governing board to receive and consider the audit report.
- **Rule 20 NCAC 03 .0508(b)** Allows the LGC to require written responses or corrective action plans when there are findings or fiscal concerns.

Debt Application and LGC Approval

These laws explain why a timely audit matters when a unit wants to borrow money.

- **G.S. 159-51:** Gives the LGC authority to approve debt applications.
- **G.S. 159-52:** Requires financial information, including audited financial statements, as part of a debt application.

Helpful Definitions

Accruals: Amounts earned or owed by year-end, even if cash has not been received or paid yet.

Assigned fund balance: Money intended for a specific purpose but not formally committed.

Checklist Exceptions: Items marked in the Statutory Compliance Checklist as not meeting criteria. This could mean either the checklist item cannot be completed or the necessary documentation for the item could not be located.

Checklist support file: The documentation maintained by the unit to support checklist responses, such as bank reconciliations, budget ordinances and amendments, board minutes, depository

records, investment records, preaudit approvals, disbursement support, tax allocation records, and bonding documentation.

Committed fund balance: Money set aside by formal board action.

Deferrals: Amounts received or paid before they should be recognized as revenue or expense.

Depreciation: The process of spreading the cost of a capital asset over its useful life.

Fieldwork: The part of an audit when auditors examine records, test transactions and controls, ask questions, and gather evidence that the financial statements are materially correct.

Financial Reporting Checklist: A financial statement preparation and review checklist, updated annually by the LGC staff, as an LGC year-end resource and published with the Illustrative Statements for City of Dogwood and Carolina County, used to help ensure required GASB disclosures, classifications, presentation items, and statutory compliance disclosures are reflected in the audit report.

FPI: Financial Performance Indicator - a measure derived from audited financial data that may identify fiscal stress, weak controls, operational deterioration, or other oversight concerns.

FPIC: Financial Performance Indicator of Concern. This is a fiscal concern identified through the audit or LGC review process.

Fund balance: The remaining balance in a governmental fund after accounting for assets, liabilities, and other items.

GAAP: Generally Accepted Accounting Principles – the standard accounting rules used to prepare financial statements.

GAAP close: The process of making year-end accounting entries so the financial statements follow GAAP.

GASB: Governmental Accounting Standards Board

LGC year-end resources: Current-year Annual Audit resources, Financial Statement Resources, pension and OPEB templates, journal entry templates, submission instructions, and LGC memos posted on the NC Department of State Treasurer website that support financial statement preparation and annually reported information.

MD&A: Management's Discussion and Analysis. This is a narrative section of the financial statements that explains major financial results and trends.

OPEB: Other post-employment benefits, usually retiree benefits other than pensions.

Planning: The part of an audit process where auditors learn about the organization, perform a risk assessment to identify areas that may contain errors or require additional testing, and decide which records, transactions, and controls they will examine.

Pre-issuance: The final stage before the audit report is released, when auditors resolve outstanding items, review the financial statements and disclosures, complete required quality reviews, and confirm that the report is ready to issue.

Restricted fund balance: Money limited by law, grant, or outside requirement.

SBITA: Subscription-based information technology arrangement, such as certain software subscription contracts.

SEFSA: Schedule of Expenditures of Federal and State Awards. This is required when the unit has certain federal or state grant activity.

Statutory Compliance Checklist: The annual checklist used to document compliance with key statutory requirements for budgeting, cash management, internal controls, preaudit, disbursement, taxes, and finance officer qualifications.

Trial balance: A report listing all account balances. It is the starting point for preparing financial statements.

Unassigned fund balance: Money available for general use.