

NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER



BRADFORD B. BRINER  
STATE TREASURER OF NORTH CAROLINA

# LGC Update

Becky Dzingeleski

Assistant Director, Fiscal

State and Local Government Finance Division

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# Agenda

- News from SLGFD: Staff Changes
- LOGOS and Audit Contract Changes for FY 2026
- GASB Implementation in FY 2026
  - GASB Statement No. 103, Financial Reporting Model Improvements
  - GASB Statement No. 104, Disclosure of Certain Capital Assets
- Updated Internal Control Memo
- What To Do About Pennies
- Statistical Data
- Online Resources
- Stay Connected With LGC Staff



# News from SLGFD

## **Staff Changes**

- New – Jahlesha Harris, MBA, and NeNe Adams recently joined fiscal staff as Accounting and Financial Management Advisors.
- Six new LGC fiscal staff hired since January 2025
- Retirement – Jones Norris

## **Fiscal Staff Job Openings**

- Two Accountant III staff accountants
- Two Coach Team positions:
  - Coach Team director and Coach Team manager (northeast)

## **Organizational Change**

- State Debt is now under the Debt Management Section



# Changes - LGC-203/COLL-91

LGC-203 Staff currently reviewing LGC-203/COLL-91 reports required by [G.S. 159-33: Semiannual reports on status of deposits and investments](#):

- Shanell McBride - Accounting and Financial Management Advisor
- Tony Edmundson- Accounting and Financial Management Advisor

**General Information on the LGC-203 report:** [LGC-203/COLL-91 Resources | NC Treasurer](#)

**General Information on the COLL-91 report:** [Collateralization of Public Deposits | NC Treasurer](#)

Units required to submit both an LGC-203 report and a COLL-91 form will now use the LGC-203/COLL-91 module to submit a single set of information in satisfaction of both reporting requirements.

Information received by the Department of State Treasurer's Financial Operations Division through the LGC-203/COLL-91 LOGOS report module will be forwarded to the relevant depositories on behalf of the units, thereby satisfying the requirement under [20 NCAC 07 .0103\(b\)](#) that units provide duplicate COLL-91 Forms to the Department of State Treasurer and to the relevant depository, respectively.



# Changes - LGC-203/COLL-91

## Contacts:

**Requesting LOGOS accounts:** (919) 814-4300; [LOGOS@nctreasurer.com](mailto:LOGOS@nctreasurer.com)

**Clarification on preparing your LGC-203/COLL-91 report:** (919) 814-4300; [LGC203@nctreasurer.com](mailto:LGC203@nctreasurer.com)

**Questions on the COLL-91 report:** (919) 814-3889; [SBU.Collateral@nctreasurer.com](mailto:SBU.Collateral@nctreasurer.com)



# LOGOS and Audit Contracts for FY 2026

## LOGOS Changes

- Audit reports in PDF format will be uploaded in LOGOS, not via the LGC File Transfer Portal.
- Finance officer sign-off required before the audit report is considered submitted.
- Require the finance officer to give final certification of the Data Input Report (DIR) in LOGOS before LGC staff reviews the submission. This clarifies that the financial statements are the responsibility of the finance officer, not the auditors.



# LOGOS and Audit Contracts for FY 2026

## Changes to Audit Contracts in FY 2026

- Audit Firm Employee Access
  - The contract will grant employees of the audit firm access to the unit's LOGOS audit module for the duration of the contract, simplifying access management.
- Submission Dates
  - Original contracts must justify any submission date that exceeds six months after the fiscal year end.

# LOGOS and Audit Contracts for FY 2026

## Changes to Audit Contracts in FY 2026

- Single Audit
  - Single audit threshold for federal single audits, determined by the Uniform Guidance, will increase to \$1,000,000, from \$750,000.
  - The threshold for a major federal program will also increase to \$1,000,000 for units that have total federal expenditures in a fiscal period of less than \$34 million.
  - We are changing the thresholds for the State Single Audit to match the federal threshold.
- The Yellow Book threshold will remain at \$100,000.





# GASB Statement No. 103 – Financial Reporting Model Improvements

## GASB Pronouncements

**Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.**

### **Major Changes Overview**

- Management's Discussion & Analysis (MD&A) enhancements
- Proprietary Funds presentation: operating vs. nonoperating revenues/expenses
- Budgetary Comparison Information now Required Supplementary Information (RSI)
- Major Component Units: separate columns required in government-wide statements
- Unusual and/or infrequent items presentation updated—no netting, must disclose details



# GASB Statement No. 104 – Disclosure of Certain Capital Assets

## GASB Pronouncements

**Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.**

- Separate disclosure of certain capital asset categories, including:
  - Lease assets under GASB 87
  - Intangible right-to-use assets under GASB 94
  - Subscription assets under GASB 96
  - Other intangible assets by major class
- Capital assets held for sale require:
  - Ending balances by major class
  - Historical cost and accumulated depreciation
  - Carrying amount of debt pledged against those assets



# Updated Internal Control Memo Issued

## LGC Internal Controls Memo #2026-04 (2025 Update vs. 2015 Version)

### Expanded and Modernized Guidance

- Modern internal control concerns: periodic reconciliation of subsidiary records, functioning preaudit process, immediate deactivation of passwords for terminated employees

### Stronger Control Environment Focus

- Adds detail on preaudit verification, reconciliations, password/security procedures, written organization plans, and clear lines of responsibility

### Tailored for Small Units

- Recognizes resource limits but provides concrete compensating controls and examples
- Update internal control policy documentation and practices to align with the newer memo



# What To Do About Pennies

The U.S. Mint officially ceased penny production on November 12, 2025, marking the end of a 232-year history of the one-cent coin due to rising production costs and declining cash usage.

Although production has stopped, pennies are still legal tender.

- [Penny Production Cessation FAQs | U.S. Department of the Treasury](#)
- [Penny FAQs | U.S. Mint](#)



# What To Do About Pennies

UNC School of Government: Kara Millonzi - Coates' Canons NC Local Government Law:  
[The Penny Shortage and Local Government Payments: Limiting Cash, Accepting Pennies, and Using Rounding Rules](#)

- Refusing cash payments
  - Property taxes: G.S. 105-357(a) provides that "Taxes shall be payable in existing national currency." (Only applies to property taxes)
- Setting administrative procedures for accepting cash
  - Even if a local government declines to accept cash for some payments, it likely must continue to accept cash, including pennies, for property taxes.
- Adopting rounding protocol/policy when payment is not exact change
  - Only applies when governing board has complete authority
  - Does NOT apply to sales tax or property tax
  - Can apply to Utility fees, permit fees, parks and recreation fees



# What to do about Pennies

- Adopting rounding protocol/policy when payment is not exact change
  - Unit must have a board-adopted policy
  - Understand what your software can do
  - Program based on your governing board decision
  - Some possible ideas:
    - Structuring fees, charges, and taxes so that the final billed amount naturally ends in \$.00 or \$.05
    - Rounding up to nearest 5 or 0
    - Apply over/under to their account then add or subtract from their bill
- Clearly communicate your actions to your citizens
  - Change to underlying fees
    - Public Hearing required only if there will be change to new development fees





## County & Municipal Investments

	<b>100 of 100 Counties Based on June 30, 2025</b>	<b>92 of 100 Counties Based on December 31, 2025</b>	<b>535 of 550 Municipalities Based on June 30, 2025</b>	<b>479 of 550 Municipalities Based on December 31, 2025</b>
<b>Government Securities</b>	<b>28</b>	<b>26</b>	<b>38</b>	<b>37</b>
<b>Government Agencies</b>	<b>26</b>	<b>21</b>	<b>34</b>	<b>28</b>
<b>Commercial Paper</b>	<b>21</b>	<b>20</b>	<b>15</b>	<b>17</b>
<b>State &amp; Municipal Obligations</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>
<b>OPEB Trust State Treasurer</b>	<b>13</b>	<b>10</b>	<b>14</b>	<b>13</b>
<b>LEO Trust State Treasurer</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>Mutual Fund Investment</b>	<b>91</b>	<b>86</b>	<b>400</b>	<b>377</b>
<b>Commingled Investment Pool</b>	<b>17</b>	<b>18</b>	<b>47</b>	<b>55</b>
<b>STIF</b>	<b>8</b>	<b>4</b>	<b>6</b>	<b>6</b>

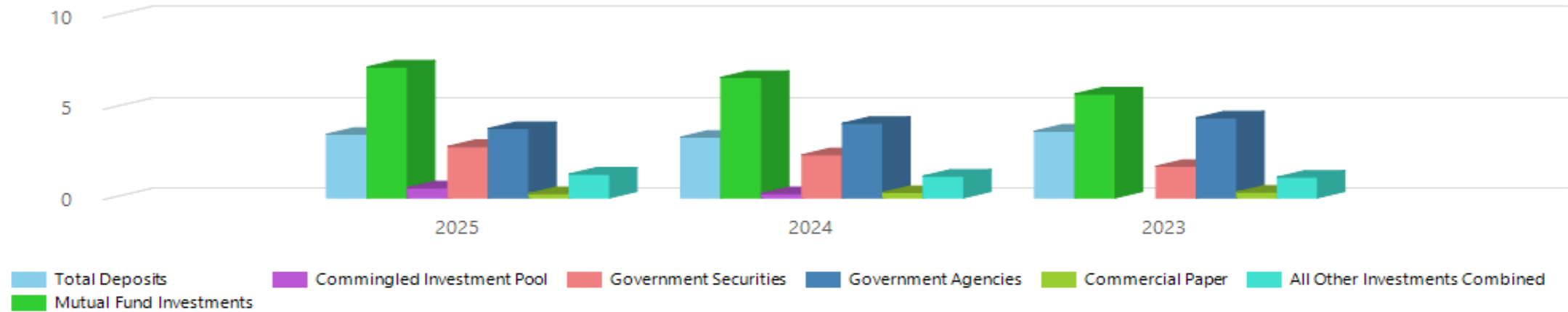




# Municipality Combined Portfolio – 3 Year Trend Based on June 30 Data

## Municipality Combined Portfolio - 3 Year Trend Based on June 30 Data

In Billions (\$)



Billions(\$) by Year	Total Deposits	Mutual Fund Investments	Commingled Investment Pool	Government Securities	Government Agencies	Commercial Paper	All Other Investments Combined
2025	3.47	7.16	0.55	2.81	3.79	0.23	1.30
2024	3.32	6.59	0.22	2.35	4.07	0.29	1.19
2023	3.65	5.68	-	1.72	4.37	0.31	1.13

\*\* Comingled Investment pool data was not broken out separately until the December 2023 LGC-203 report.

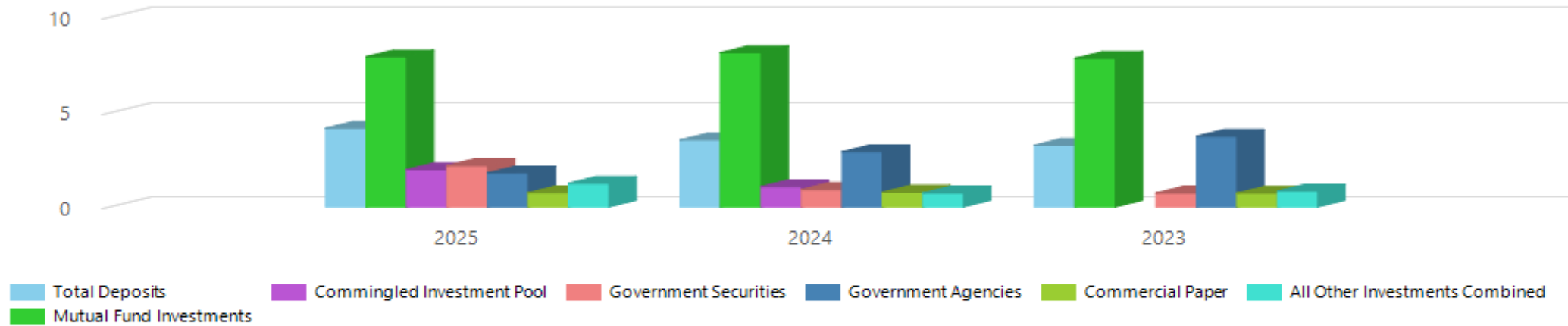




# County Combined Portfolio – 3 Year Trend Based on June 30 Data

## County Combined Portfolio - 3 Year Trend Based on June 30 Data

In Billions (\$)



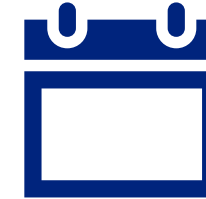
Billions(\$) by Year	Total Deposits	Mutual Fund Investments	Commingled Investment Pool	Government Securities	Government Agencies	Commercial Paper	All Other Investments Combined
2025	4.13	7.89	1.96	2.17	1.78	0.74	1.24
2024	3.51	8.10	1.06	0.92	2.89	0.78	0.73
2023	3.24	7.80	-	0.73	3.71	0.72	0.83

\*\* Comingled Investment pool data was not broken out separately until the December 2023 LGC-203 report.



# Online Resources

- [Five Things Every Finance Officer Should Know](#)
- [Information for Finance Officers](#) – collection of materials related to internal controls, debt applications, and other key subjects.
- [Fiscal Training Modules](#) – designed for governing boards but can be a useful refresher for finance officers.



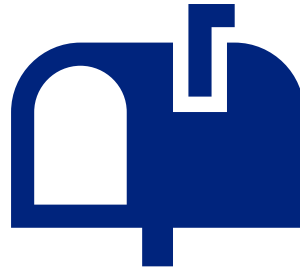
- [LGC Meeting Calendar](#)
- [LGC Reporting Requirements and Due Dates](#) – keep track of your unit's statutory obligations.
- [Submitting Your Audit](#) – your home for audit submission instructions and related links.



## Stay Connected With LGC Staff



Provide or update your contact information using our [online form](#).



Visit the LGC staff blog, [The Balance Sheet](#), and [sign up](#) to receive new blog posts in your email inbox.



Visit us on the [Department of State Treasurer website](#) for helpful information and resources.



## Automated Emails

Automated email responses are issued when LGC staff receive/review/approve audits, contracts, invoices, and FPIC responses, initiate LOGOS account requests, etc. Be on the lookout for emails from:

[LGCAuditReview@nctreasurer.com](mailto:LGCAuditReview@nctreasurer.com)

[LGCPortal@nctreasurer.com](mailto:LGCPortal@nctreasurer.com)

[LGCContract@nctreasurer.com](mailto:LGCContract@nctreasurer.com)

[LGCInvoice@nctreasurer.com](mailto:LGCInvoice@nctreasurer.com)

[LOGOS@nctreasurer.com](mailto:LOGOS@nctreasurer.com)



# Questions?

Feel free to contact us with any questions, concerns, or suggestions: [SLGFD@nctreasurer.com](mailto:SLGFD@nctreasurer.com)

[State and Local Government Finance | NC Treasurer](#)

