

Highlanders urged to understand county finances

BY ANNE ADAMS • STAFF WRITER

MONTEREY — Highlander Steve Fullerton wants county residents and landowners to take a look at the county financial records and learn how to interpret the numbers.

“It’s not that complicated,” he said. “The county has about \$1.8 million out there, which is not too much and not too little.”

Fullerton was one of the speakers at an educational seminar held Sunday by Highlanders for Responsible Development.

Fullerton, a certified public accountant who has spent years studying government audits, says Highland is in good financial shape. “Is the county in dire straits? No,” he said. “The county has been managed relatively well from a general perspective.”

The audit report issued recently on the county’s 2005 financial picture is a good source of information, Fullerton said. It indicates how the county did with detailed comparisons, but notes the audit report does not give an entire picture. “Auditors only have a certain level of responsibility,” he said.

Fullerton used the 2005 Comprehensive Annual Financial Report to illustrate the kind of information citizens have access to, and how

to sort through the document.

Last year, Highland County had an accumulated excess of about \$1.5 million in the unrestricted fund balance after expenses, Fullerton said.

About \$428,000 of that is in a designated fund balance — money set aside for certain expenses the county expects to incur, like a grant match for the Monterey sidewalk project and a records preservation grant. About \$175,000 in the designated fund is for reserve cash, Fullerton said, which is not unusual.

Fullerton’s examination of the financial report showed the county took in about \$3.65 million in revenues last year, and spent \$3.2 million. However, about \$770,000 was transferred out, leaving a net change in the fund balance of minus \$347,000.

The money transferred out included \$239,000 for school capital projects; \$270,000 for county capital projects like the courthouse renovation; and \$205,650 for the McDowell water system.

Fullerton pointed out the 2005 audit report showed the county had overspent money that had not been properly appropriated, which is against the law in Virginia. The county spent about \$316,000 for which there were no ap-

propriations, he said, mostly having to do with the school system.

Auditors pointed out the county’s need for better internal controls and the weaknesses in its accounting system, all comments related to school spending, Fullerton said. Those weaknesses included: A lack of receipts collected, payments to the Virginia Retirement System that could not be reconciled with handwritten checks; two end-of-year payrolls that were not posted until the 2006 year; and “many invoices” that had no corresponding purchase orders.

As for the county’s recent reassessment, Fullerton said citizens should focus on county expenses, and not current property values, in watching how to control their tax rates.

Property values are market-driven, he said, “and there’s nothing you can do about that.” But residents concerned about their tax rates should closely follow how the county spends their tax dollars if they want to stay involved in controlling property tax rates.

Fullerton stressed that citizens should stay educated about the county’s financial health, and learn how to interpret its financial documents, including the annual audit report.