

**PIEDMONT TRIAD REGIONAL COUNCIL**

FINANCIAL STATEMENTS AND  
COMPLIANCE REPORT

For the Year Ended June 30, 2015

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**KERNERSVILLE, NORTH CAROLINA**  
**OFFICERS AND THE EXECUTIVE COMMITTEE**  
**OF THE BOARD OF DIRECTORS**

June 30, 2015

<u>Name</u>	<u>Position</u>	<u>County/City</u>	<u>Position</u>
Molly Leight	Chairman	City of Winston-Salem	Council Member
Nathaniel Hall	Vice-Chair	Caswell	Commissioner
Kevin Austin	Secretary	Yadkin	Commissioner
Steve Yokeley	Treasurer	Mount Airy	Mayor Pro Tem
Darrell Frye	Past-Chairman	Randolph	Commissioner
<u>Executive Committee</u>			
Linda Massey	Member	Alamance	Commissioner
Don Truell	Member	Davidson	Commissioner
John Ferguson	Member	Davie	Commissioner
Walter Marshall	Member	Forsyth	Commissioner
Vacant	Member	Guilford	
Jackie Morris	Member	Montgomery	Commissioner
C. Zane Cardwell	Member	Rockingham	Commissioner
Ernest Lankford	Member	Stokes	Commissioner
Larry Phillips	Member	Surry	Commissioner
Ronnie Wall	Member	Burlington	Mayor
Marikay Abuzuaiter	Member	City of Greensboro	Council Member
Latimer Alexander	Member	City of High Point	Council Member

<u>Name</u>	<u>Position</u>	<u>County/City</u>	<u>Position</u>
Ed Hooks	Member	Mebane	Council Member
Alvin Foster	Member	Yanceyville	Mayor Pro Tem
Joe Bennett	Member	Thomasville	Mayor
Will Marklin	Member	Mocksville	Mayor Pro Tem
Dan Pugh	Member	Lewisville	Mayor
Keith Volz	Member	Jamestown	Mayor
Jimmy Blake	Member	Biscoe	Mayor
Bert Lance Stone	Member	Archdale	Mayor
Darryl Carter	Member	Eden	Council Member
Dillard Burnette	Member	King	Mayor Pro Tem
Wayne Moore	Member	Jonesville	Commissioner

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## **FINANCIAL SECTION**



## **INDEPENDENT AUDITORS' REPORT**

Board of Delegates  
Piedmont Triad Regional Council  
Kernersville, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and each major fund of the Piedmont Triad Regional Council as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Piedmont Triad Regional Council's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Piedmont Triad Regional Development Corporation were not audited in accordance with *Governmental Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and each major fund of the Piedmont Triad Regional Council as of June 30, 2015, and the respective changes in financial position, and the respective budgetary comparison for the General Fund, Grant Project Fund and Local Project Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Other Post Employment Benefit on pages 11 through 19 and 62 and 63, respectively, Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset and Contributions, on pages 64 and 65, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Piedmont Triad Regional Council. The individual fund financial statements, budgetary schedules, and other schedules, the financial data schedules as required by the U.S. Department of Housing and Urban Development, as well as the accompanying Schedule of Federal and State Awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements, budgetary schedules, other schedules, financial data schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the individual fund statements, the budgetary schedules, other schedules, financial data schedules, and Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Fringe Benefits and Indirect Costs and Schedule of Detail Allocations – Fringe Benefits and Indirect Costs are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.



### **Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated November 25, 2015 on our consideration of the Piedmont Triad Regional Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Piedmont Triad Regional Council's internal control over financial reporting and compliance.

*Cannon & Company, S.L.P.*

November 25, 2015

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS**

## **Management's Discussion and Analysis**

As management of the Piedmont Triad Regional Council (the Council), we offer readers of the Council's financial statements this narrative overview and analysis of the financial activities of the Piedmont Triad Regional Council for the fiscal year ended June 30, 2015. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Council's financial statements, which follow this narrative.

### **Overview of the Piedmont Triad Regional Council**

The Piedmont Regional Council is a Council of Governments that serves twelve counties in the Piedmont area of North Carolina. We administer various federal, state, and local programs for the benefit of our member governments.

### **Financial Highlights**

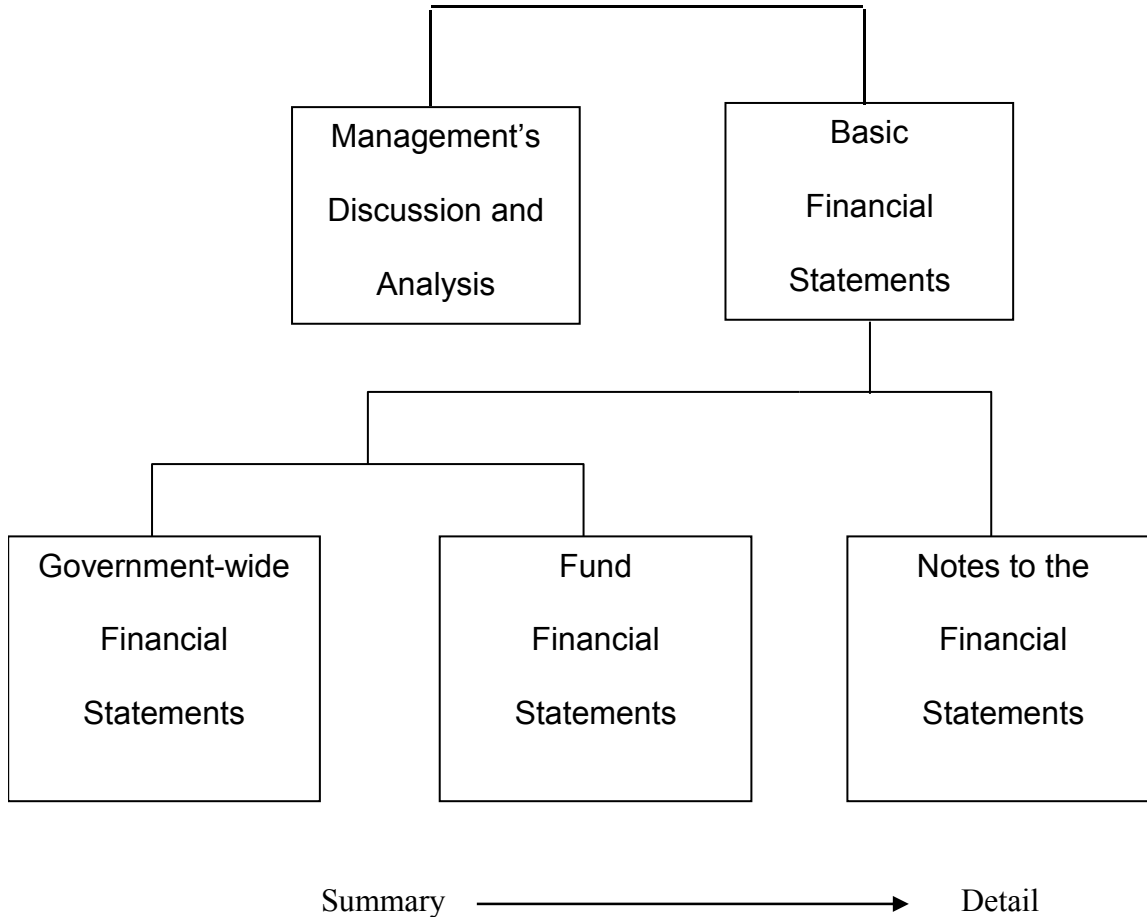
- The assets of the Council exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$3,307,945 (net position).
- The Council's total net position increased by \$734,099.
- As of the close of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$2,266,655, an increase of \$293,830 in comparison with the prior year. Of this total amount, no funds are available for spending at the Council's discretion due to the restricted amounts required for Stabilization of State Statutes.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,318,947.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements which consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Council through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Council.

**Required Components of Annual Financial Report**

**Figure 1**



**Basic Financial Statements**

The first two statements (Exhibits 1 and 2) in the basic financial statements are the ***Government-wide Financial Statements***. They provide both short and long-term information about the Council’s financial status.

The next statements (Exhibits 3 through 9) are ***Fund Financial Statements***. These statements focus on the activities of the individual parts of the Council’s government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the budgetary comparison statements.

The next section of the basic financial statements is the ***notes***. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, ***supplemental information*** is provided to show details about the Council’s individual funds. Budgetary information required by the North Carolina General Statutes also can be found in this part of the statements.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2015

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**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the Council's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Council's financial status as a whole.

The two government-wide statements report the Council's net position and how they have changed. Net position is the difference between the Council's total assets and total liabilities and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Council's financial condition.

The government-wide statements may be divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. However, the Council does not have any business-type activities. The governmental activities include all of the Council's basic services such as general administration, human services, regional planning and technical services. The final category is component units. Although legally separate from the Council, the Piedmont Triad Regional Development Corporation is important to the Council because the Council exercises financial control over this organization and thus, is reflected in the government-wide financial statements as a discretely presented component unit. As the Northwest Piedmont Job Training Consortium/Workforce Development Board has no operational responsibility it is presented as a blended component unit.

The government-wide financial statements can be found on Exhibits 1 and 2 of this report.

**Fund Financial Statements**

The fund financial statements (see Figure 1) provide a more detailed look at the Council's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Council's budget ordinance. All of the funds of the Council are governmental funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All the Council's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Council's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Council adopts an annual budget for its General Fund and Special Revenue Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the constituent member local governments of the Council, the management of the Council, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Council to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2015

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the General Fund and Special Revenue Fund demonstrates how well the Council complied with the budget ordinance and whether or not the Council succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund and Special Revenue Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 32 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Piedmont Triad Regional Council's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 60 of this report.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2015

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**Government – Wide Financial Analysis**

**Piedmont Triad Regional Council**  
**Net Assets**

Table A-1

	Governmental Activities	
	2015	2014
Current and other assets	\$ 5,168,590	\$ 4,577,096
Capital assets	4,418,572	4,890,607
Deferred outflows of resources	320,115	-
Total assets and deferred outflows of resources	<u>9,907,277</u>	<u>9,467,703</u>
Current liabilities	1,698,063	1,659,166
Long-term liabilities outstanding	3,548,868	3,781,340
Deferred inflows of resources	1,352,401	803,238
Total liabilities and deferred inflows of resources	<u>6,599,332</u>	<u>6,243,744</u>
Net position		
Invested in capital assets, net of related debt	937,868	1,096,607
Restricted	3,517,316	2,174,864
Unrestricted (deficit)	<u>(1,147,239)</u>	<u>(47,512)</u>
Total net position	<u>\$ 3,307,945</u>	<u>\$ 3,223,959</u>

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the Council exceeded liabilities and deferred inflows by \$3,307,945 as of June 30, 2015. The Council's net assets increased by \$83,986 for the fiscal year ended June 30, 2015. A portion of the Council's net position of \$937,868 reflects the Council's net investment in capital assets. An additional portion of the Piedmont Triad Regional Council Net Position of \$3,517,316 represents resources that are subject to external restrictions on how they may be used. Of the amount restricted \$2,909,493 is restricted by the State's Stabilization by State Statute. Also, the Council implemented GASB Statement 68 this year. With the new reporting change, the Council is allocated its proportionate share of the Local Government Employees' Retirement System's net pension asset, deferred outflows of resources, deferred inflows of resources, and pension expense. A restatement to record the effects of the new reporting guidance decreased beginning net position by \$650,113. Decisions regarding the allocations are made by the administrators of the pension plan, not by the Council's management.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2015

**Piedmont Triad Regional Council**  
**Changes in Net Position**  
**Table A-2**

	Governmental Activities	
	2015	2014
Revenues:		
Program revenues:		
Charges for services	\$ 2,302,661	\$ 1,818,994
Operating grants and contributions	25,764,311	24,027,377
General revenues:		
Investment earnings	36	288
Other	434,636	23,168
	<u>28,501,644</u>	<u>25,869,827</u>
Expenses:		
Administration	14,062	623,527
Crime control and public safety	883,682	755,887
Economic development	92,600	100,685
Environmental protection	527,194	297,353
Health and human services	12,392,628	12,360,762
Housing	4,186,532	3,940,363
Planning	273,526	440,669
Transportation	258,505	301,254
Workforce development	5,291,100	5,001,111
Weatherization	3,000,240	1,957,014
Local projects	834,628	69,158
Interest	12,848	(10,239)
	<u>27,767,545</u>	<u>25,837,544</u>
Total Expenses		
	27,767,545	25,837,544
Increase in net position	734,099	32,283
Net position, July 1	3,223,959	3,191,676
Net position, beginning, restated	<u>2,573,846</u>	<u>3,191,676</u>
Net assets, June 30	<u>\$ 3,307,945</u>	<u>\$ 3,223,959</u>



**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2015

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**Governmental activities.** Governmental activities increased the Council's net position by \$734,099.

**Financial Analysis of the Council's Funds**

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Piedmont Triad Regional Council's financial requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Council. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,318,947, while total fund balance reached \$1,728,861. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represented 297.3% percent of total General Fund expenditures. Total fund balance represented 389.8% percent of total General Fund expenditures.

As of June 30, 2015 the governmental funds of the Council reported a combined fund balance of \$2,266,655, an increase of \$293,830 (14.89%) from the prior year. Included in this change in fund balance is a decrease in fund balance in the Grant Project Fund due to changes in HUD procedures requiring PTRC to use the HAP reserve funds and the completion of the capital project.

**Governmental Funds Budgetary Highlights:** During the fiscal year, the Council revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Amendments to the General Fund decreased the budget by \$245,850. Amendments to the Grant Project Fund increased revenues and expenditures by \$1,426,100; this included increases for Administration, Planning (environmental protection, planning and transportation) programs, Aging, Workforce Investment Act Programs and Weatherization programs of \$71,468, \$170,289, \$402,590, \$511,784, and \$613,102 respectively; and decreases in Crime Control and Public Safety programs and Housing programs of \$227,562 and \$115,571 respectively. Amendments to the Local Projects Fund increased the budget by \$1,998,914. This included increases for Weatherization, local Aging programs, local Administrative Services projects, local Housing projects, miscellaneous other local technical assistance projects, and local administrative agreements for the criminal justice program in the amounts of \$1,633,817, \$16,000, \$339,231, \$4,332, and \$52,390 respectively; and decreases in Planning and Workforce Development local projects of \$31,206 and \$15,650 respectively.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2015

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**Capital Asset and Debt Administration**

**Capital assets.** The Council's investment in capital assets for its governmental activities as of June 30, 2015, totals \$4,418,572, (net of accumulated depreciation). These assets include building, land, furniture, equipment, and vehicles.

There were no major capital assets transactions during the year.

**Summary of Capital Assets (net of depreciation)**

**Table A-3**

	Governmental Activities	
	2015	2014
Land	\$ 634,324	\$ 725,600
Land improvements	84,416	-
Building	3,329,758	3,747,418
Equipment, furniture and fixtures	199,425	235,278
Vehicles	170,649	182,311
	<u>\$ 4,418,572</u>	<u>\$ 4,890,607</u>
Total	<u>\$ 4,418,572</u>	<u>\$ 4,890,607</u>

Additional information on the Council's capital assets can be found in note D of the Basic Financial Statements.

**Debt Administration**

	Governmental Activities	
	2015	2014
Note payable	\$ 3,480,704	\$ 3,794,000

Additional information on the Council's capital assets can be found in note E of the Basic Financial Statements.

**Economic Factors and Next Year's Budgets and Rates**

The Council relies on funding from state and federal sources for a majority of its revenues. Local revenues are comprised of membership dues and contract revenue from local governments served by the Council. Questions or information regarding the budget should be directed to Robin Shelton, Finance Director for the Piedmont Triad Regional Council.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2015

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**Requests for Information**

This report is intended to provide a general overview of the Piedmont Triad Regional Council's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Robin Shelton, Finance Director, Piedmont Triad Regional Council, 1398 Carrollton Crossing Drive, Kernersville, North Carolina, 27284. You may find additional information about the Council by visiting our website at [www.ptrc.org](http://www.ptrc.org).

## **BASIC FINANCIAL STATEMENTS**

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**STATEMENT OF NET POSITION**  
 June 30, 2015

	Primary Government	Component Unit
	Governmental Activities	Piedmont Triad Regional Development Corporation
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 1,396,824	\$ 48,269
Accounts receivable	85,246	-
Due from other governments	2,993,353	-
Due from component units	215,940	-
Other current assets	8,351	-
Prepaid expenses	46,087	-
Total current assets	<u>4,745,801</u>	<u>48,269</u>
Non-Current assets:		
Net pension asset	422,789	-
Capital assets:		
Land, nondepreciable	634,324	-
Depreciable, net of related depreciation	<u>3,784,248</u>	<u>-</u>
Total capital assets	<u>4,418,572</u>	<u>-</u>
Total assets	<u>9,587,162</u>	<u>48,269</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Contributions to pension plan in current fiscal year	<u>320,115</u>	<u>-</u>
Total deferred outflows of resources	<u>320,115</u>	<u>-</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	1,305,453	-
Accrued expenses	120,610	-
Due to primary government	-	215,940
Loan fee deposits	-	7,500
Current portion of long-term liabilities	272,000	-
Long-term liabilities		
Due in more than one year	<u>3,548,868</u>	<u>-</u>
Total liabilities	<u>5,246,931</u>	<u>223,440</u>
<b>Deferred inflows of resources</b>		
Pension deferrals	980,406	-
Unearned revenue	<u>371,995</u>	<u>-</u>
Total deferred inflows of resources	1,352,401	-
<b>NET POSITION</b>		
Net investment in capital assets	937,868	-
Restricted:		
Stabilization by State Statute	2,909,493	-
HUD	31,310	-
Projects	576,513	-
Unrestricted net deficit	<u>(1,147,239)</u>	<u>(175,171)</u>
Total net position	<u>\$ 3,307,945</u>	<u>\$ (175,171)</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2015

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary	Component
				Government	Unit
			Total Governmental Activities	Piedmont Triad Regional Development Corporation	
<b>Primary government:</b>					
<b>Governmental Activities</b>					
Administration	\$ 14,062	\$ 644,452	\$ 116,067	\$ 746,457	\$ -
Crime control and public safety	883,682	21,211	1,230,603	368,132	-
Economic development	92,600	-	-	(92,600)	-
Environmental protection	527,194	254,618	(960)	(273,536)	-
Health and human services	12,392,628	299,139	12,236,353	142,864	-
Housing	4,186,532	64,433	3,678,126	(443,973)	-
Planning	273,526	-	-	(273,526)	-
Transportation	258,505	76,087	576,531	394,113	-
Workforce development	5,291,100	611,220	4,977,402	297,522	-
Weatherization	3,000,240	112,566	2,916,984	29,310	-
Other local projects	834,628	218,935	33,205	(582,488)	-
Interest expense	12,848	-	-	(12,848)	-
Total governmental activities and primary government	<u>\$ 27,767,545</u>	<u>\$ 2,302,661</u>	<u>\$ 25,764,311</u>	<u>299,427</u>	
<b>Component Unit:</b>					
Piedmont Triad Regional Development Corporation	<u>\$ 28,683</u>	<u>\$ 42,352</u>	<u>\$ -</u>		<u>\$ 13,669</u>
<b>General revenues:</b>					
Unrestricted investment earnings				36	1,348
Miscellaneous				434,636	300
Total general revenues				<u>434,672</u>	<u>1,648</u>
Change in net position				734,099	15,317
Net position (deficit) - beginning previously reported				3,223,959	(190,488)
Restatement				(650,113)	-
Net position - beginning, restated				2,573,846	
Net position (deficit) - ending				<u>\$ 3,307,945</u>	<u>\$ (175,171)</u>

## **FUND FINANCIAL STATEMENTS**

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**BALANCE SHEETS**  
**GOVERNMENTAL FUNDS**  
June 30, 2015

	Major Funds			Total Governmental Funds
	General Fund	Grant Project Fund	Local Projects Fund	
<b>ASSETS</b>				
Cash and investments	\$ 1,323,938	\$ 72,887	\$ -	\$ 1,396,825
Sales tax receivables	2,162	77,752	5,332	85,246
Due from other governments	-	2,140,352	853,001	2,993,353
Due from other funds	408,302	-	-	408,302
Due from component unit	-	-	215,940	215,940
Prepaid expenses	-	44,241	1,846	46,087
Other assets	-	8,351	-	8,351
Total assets	<u>\$ 1,734,402</u>	<u>\$ 2,343,583</u>	<u>\$ 1,076,119</u>	<u>\$ 5,154,104</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	4,991	1,261,576	38,886	1,305,453
Due to other funds	-	-	408,302	408,302
Other liabilities	-	-	-	-
Total liabilities	<u>4,991</u>	<u>1,261,576</u>	<u>447,188</u>	<u>1,713,755</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	550	201,722	599,427	801,699
Unearned revenue	-	371,995	-	371,995
Total deferred inflows of resources	<u>550</u>	<u>573,717</u>	<u>599,427</u>	<u>1,173,694</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid expenses	-	44,241	1,846	46,087
Restricted:				
Stabilization by State Statute	409,914	2,024,733	474,846	2,909,493
Restricted by HUD	-	31,310	-	31,310
Restricted for local projects	-	-	576,513	576,513
Unassigned (deficit)	1,318,947	(1,591,994)	(1,023,701)	(1,296,748)
Total fund balances	<u>1,728,861</u>	<u>508,290</u>	<u>29,504</u>	<u>2,266,655</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,734,402</u>	<u>\$ 2,343,583</u>	<u>\$ 1,076,119</u>	<u>\$ 5,154,104</u>



**PIEDMONT TRIAD REGIONAL COUNCIL**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
June 30, 2015

Amounts reported for governmental activities in the Statement of net position (Exhibit 1) are different because:

Total fund balance, governmental funds		\$ 2,266,655
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 6,299,740	
Accumulated depreciation	<u>(1,881,168)</u>	4,418,572
Net pension asset		422,789
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position		320,115
Other assets are not considered to be financial resources and therefore not reported in the funds		
Revenues are unavailable in the funds due to their use not being considered to be available to pay liabilities of the current period. Such liabilities are recognized as revenues in the governmental activities of the Statement of Net Position.		801,698
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds		
Note payable	\$ (3,480,704)	
Accrued interest expense	(25,452)	
Other postemployment benefits	(51,976)	
Compensated absences	(288,188)	
Incurred but not reported claims	<u>(95,158)</u>	(3,941,478)
Pension related deferrals		<u>(980,406)</u>
Net position of governmental activities		<u>\$ 3,307,945</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2015

	Major Funds			Total Governmental Funds
	General Fund	Grant Project Fund	Local Projects Fund	
<b>REVENUES</b>				
Restricted intergovernmental	\$ -	\$ 24,985,581	\$ 559,420	\$ 25,545,001
Fees, local governments	566,706	425,654	151,370	1,143,730
Fees, program services	36	603,455	531,563	1,135,054
Miscellaneous	342	-	-	342
Total revenues	<u>567,084</u>	<u>26,014,690</u>	<u>1,242,353</u>	<u>27,824,127</u>
<b>EXPENDITURES</b>				
Administration	443,576	214,090	-	657,666
Crime control and public safety	-	464,152	419,875	884,027
Environmental protection	-	393,508	107,695	501,203
Health and human services	-	12,384,598	42,642	12,427,240
Housing	-	4,205,295	9,257	4,214,552
Planning	-	-	277,078	277,078
Transportation	-	258,505	-	258,505
Workforce development	-	5,085,536	94,704	5,180,240
Weatherization	-	2,436,718	551,051	2,987,769
Other local projects	-	-	142,267	142,267
Total expenditures	<u>443,576</u>	<u>25,442,402</u>	<u>1,644,569</u>	<u>27,530,547</u>
Excess (deficiency) of revenues over (under) Expenditures	123,508	572,288	(402,216)	293,580
<b>OTHER FINANCING SOURCES</b>				
Sale of capital assets	250	-	-	250
Net change in fund balance	123,758	572,288	(402,216)	293,830
Fund Balance, beginning	<u>1,605,103</u>	<u>(63,998)</u>	<u>431,720</u>	<u>1,972,825</u>
Fund Balance, ending	<u>\$ 1,728,861</u>	<u>\$ 508,290</u>	<u>\$ 29,504</u>	<u>\$ 2,266,655</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2015

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds \$ 293,830

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized	110,154	
Depreciation expense for governmental assets	(450,598)	
Loss on disposal of assets	<u>(1,896)</u>	(342,340)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities 320,115

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 219,310

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

New long-term debt issued	-	
Principal payments on long-term debt	313,296	
Increase in accrued interest payable	<u>(12,848)</u>	300,448

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued vacation leave	(12,027)	
Pension expense	(39,047)	
Other postemployment benefits	(1,502)	
Incurred but not reported claims	<u>(4,688)</u>	(57,264)

Total changes in net position of governmental activities \$ 734,099

**PIEDMONT TRIAD REGIONAL COUNCIL****GENERAL FUND****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final budget - Positive (Negative)
<b>Revenues:</b>				
Fees, local governments	\$ 62,560	\$ 566,706	\$ 566,706	\$ -
Program income	100	700	36	736
Miscellaneous	-	-	342	342
Total revenues	<u>62,660</u>	<u>567,406</u>	<u>567,084</u>	<u>(322)</u>
<b>Expenditures:</b>				
Administration	312,660	567,406	443,576	123,830
Excess (deficiency) of revenue over (under) expenditures	<u>(250,000)</u>	<u>-</u>	<u>123,508</u>	<u>123,508</u>
<b>Other financing sources:</b>				
Sale of capital assets	-	-	250	250
Total other financing sources	<u>-</u>	<u>-</u>	<u>250</u>	<u>250</u>
Fund balance appropriated	250,000	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	123,758	<u>\$ 123,758</u>
Fund balance, beginning			<u>1,605,103</u>	
Fund balance, ending			<u>\$ 1,728,861</u>	

**PIEDMONT TRIAD REGIONAL COUNCIL****MAJOR SPECIAL REVENUE FUND - GRANT PROJECT FUND****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final budget - Positive (Negative)
<b>Revenues:</b>				
Restricted intergovernmental	\$ 27,351,202	\$ 28,678,091	\$ 24,985,581	\$ (3,692,510)
Fees, local governments	458,897	519,839	425,654	(94,185)
Fees, program services	83,000	121,269	603,455	482,186
Total revenues	<u>27,893,099</u>	<u>29,319,199</u>	<u>26,014,690</u>	<u>(3,304,509)</u>
<b>Expenditures:</b>				
Administration	182,992	254,460	214,090	40,370
Crime control and public safety	1,361,608	1,134,046	464,152	669,894
Environmental protection	381,633	499,829	393,508	106,321
Health and human services	12,204,714	12,607,304	12,384,598	222,706
Housing	4,762,205	4,646,634	4,205,295	441,339
Transportation	240,938	293,030	258,505	34,525
Workforce development	6,589,779	7,101,563	5,085,536	2,016,027
Weatherization	2,169,230	2,782,333	2,436,718	345,615
Total expenditures	<u>27,893,099</u>	<u>29,319,199</u>	<u>25,442,402</u>	<u>3,876,797</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>\$ -</u>	 572,288	 <u>\$ 572,288</u>
 Fund balance, beginning			 <u>(63,998)</u>	
 Fund balance, ending			 <u>\$ 508,290</u>	

**PIEDMONT TRIAD REGIONAL COUNCIL**

## MAJOR SPECIAL REVENUE FUND - LOCAL PROJECT FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -

## BUDGET AND ACTUAL

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final budget - Positive (Negative)
<b>Revenues:</b>				
Restricted intergovernmental	\$ 531,256	\$ 2,210,507	\$ 559,420	\$ (1,651,087)
Fees, local governments	428,339	149,786	151,370	1,584
Fees, program services	714,497	1,312,712	531,563	(781,149)
Total revenues	<u>1,674,092</u>	<u>3,673,005</u>	<u>1,242,353</u>	<u>(2,430,652)</u>
<b>Expenditures:</b>				
Crime control and public safety	531,256	583,646	419,875	163,771
Environmental protection	110,100	110,100	107,695	2,405
Health and human services	131,000	147,000	42,642	104,358
Housing	11,000	15,332	9,257	6,075
Planning	413,432	343,562	277,078	66,484
Workforce development	183,462	167,812	94,704	73,108
Weatherization	-	1,633,817	551,051	1,082,766
Other local projects	293,842	671,736	142,267	529,469
Total expenditures	<u>1,674,092</u>	<u>3,673,005</u>	<u>1,644,569</u>	<u>2,028,436</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(402,216)</u>	<u>(4,459,088)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(402,216)</u>	<u>\$ (402,216)</u>
Fund balance, beginning			<u>431,720</u>	
Fund balance, ending			<u>\$ 29,504</u>	

## **NOTES TO THE FINANCIAL STATEMENTS**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Piedmont Triad Regional Council (the Council) conform to generally accepted accounting principles as applicable to governments. The accounting policies of the discretely presented component units of the Council conform to generally accepted accounting principles as applicable to nonprofit organizations. The following is a summary of the more significant accounting policies.

General

On July 1, 2011, the Northwest Piedmont Council of Governments and the Piedmont Triad Council of Governments were dissolved. Both Councils of Governments were merged together forming the Piedmont Triad Regional Council.

The Council's purpose is to enhance and promote the potential of the Piedmont Region of North Carolina in the counties of Alamance, Caswell, Davidson, Davie, Forsyth, Guilford, Montgomery, Randolph, Rockingham, Stokes, Surry and Yadkin (the Counties) along with municipalities in each county. Part of its powers and duties is to apply for, accept, receive and dispense funds and grants made available to the Council by the State of North Carolina or any agency thereof, by the United States of America or any agency thereof, by any unit of local government, and by any private or civic agency. It also studies regional governmental problems concerning matters affecting health, safety, welfare, education, recreation, economic conditions, regional planning and regional development. In addition, it is also engaged in regional planning related to land use, environmental concerns and needs of the elderly population.

Reporting Entity

The Council, a regional council of governments established under State Law (G.S. 160A-470), is governed by representatives from its member governments in the counties along with municipalities in each county. As required by generally accepted accounting principles, these financial statements present the Council and its component units, legally-separate entities for which the Council is financially accountable.

Blended Component Unit

*Northwest Piedmont Job Training Consortium/Workforce Development Board*

The Northwest Piedmont Job Training Consortium/Private Industry Council (the Consortium), a nonprofit corporation, was formed in 1989 for the purpose of applying for federal funds under the Job Training Partnership Act (J.T.P.A.). On May 28, 1999, the Consortium changed its name to Northwest Piedmont Job Training Consortium/Workforce Development Board.



**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Consortium was the grant recipient of J.T.P.A. funds through December 31, 1999, when the J.T.P.A. program was closed out and replaced with the Workforce Investment Act (W.I.A.) program. The members of the board of directors of the Consortium are appointed by county commissioners from each county in the W.I.A. Local Area. The Consortium's responsibility is to provide policy guidance for, and exercise oversight of activities under the Workforce Investment Act for the Workforce Investment Area in partnership with the units of local governments, partner agencies and businesses. The Consortium has no financial activity as all W.I.A. funds received are expended directly by the Council. The Council is also responsible for determining the program is carried out. The W.I.A. funds and expenditures are included in the Council's Grant Project Special Revenue Fund.

Discretely Presented Component Unit

The financial statements for the following discretely presented component unit are reported in a separate column from the primary government to emphasize that it is legally separate from the Council.

*Piedmont Triad Regional Development Corporation*

The Northwest Piedmont Development Corporation, a nonprofit corporation, was formed in 1983 for the purpose of being the regional organization for processing small business loan packages under the U.S. Small Business Administration's 504 Loan Program. On July 1, 2011, The Northwest Piedmont Development Corporation changed its name to the Piedmont Triad Regional Development Corporation (the Corporation). The Corporation's income is generated by fees it earns on loans it processes. The Council provides staff for the Corporation under a contractual agreement where the Corporation is billed for staff time and expenses. This contract may be revoked at any time by mutual consent. This contractual arrangement also makes the Corporation financially dependent upon the Council, which is legally entitled to access the Corporation's financial resources, and which budgets for and processes all of the Corporation's financial transactions on behalf of the Corporation. Also, the Council influences the Corporation by appointing members of the Corporation, who subsequently elect members of the board of directors for the Corporation, who are then approved by the Council. The Corporation issues a separate financial statement in accordance with the Financial Accounting Standards Board (FASB). There were no adjustments required to be made to the Corporation's financial statements in order to present the Corporation's financial information in accordance with Governmental Accounting Standards Board (GASB). The Corporation, which has a June 30 year-end, is presented as a proprietary fund. Complete financial statements for the Corporation may be obtained from the entity's administrative offices at Piedmont Triad Regional Development Corporation, 1398 Carrollton Crossing Drive, Kernersville, NC 27284.

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Basis of Presentation

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements present the *governmental activities* of the Council. Government activities generally are financed through intergovernmental revenues and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Council's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the Council's funds. Separate statements for each fund category - *governmental* - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

The Council reports the following major governmental funds:

*General Fund:* The General Fund is the general operating fund of the Council. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue source is dues from members. Expenditures are for administration.

*Special Revenue Fund - Grant Project Fund:* This fund accounts for grant funds that are restricted for use for a particular purpose.

*Special Revenue Fund - Local Projects Fund:* This fund accounts for activities designed to assist local area governments in developing growth plans and any other activity that may assist local governments in planning for the future communities. Local grant funds restricted for use are accounted for in this fund.

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Council are maintained during the year using the modified accrual basis of accounting.

*Government-wide Financial Statements.* The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Council gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues.

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of acquisitions under capital leases are reported as other financing sources.

The Council considers all revenues available if they are collected within 90 days after year-end.

Under the terms of grant agreements, the Council funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Council's policy to first apply cost-reimbursement grant resources to such programs followed by categorical block grants, and then by general revenues.

Budgetary Data

The Council's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Special Revenue Fund - Grant Project Fund, and the Special Revenue Fund - Local Projects Fund.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations. All

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

*Deposits and Investments:*

All deposits of the Council are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Council may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Council may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Council to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain nonguaranteed federal agencies; certain high-quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The securities of the NCCMT Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price.

*Cash and cash equivalents:*

The Council pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Council considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

*Allowance for Doubtful Accounts:*

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years. The allowance at June 30, 2015 was \$-0-.

*Prepaid Items:*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Capital Assets:*

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are \$5,000 except for assets purchased with Workforce Investment Act funds and Weatherization Assistance Program funds for which capitalization costs are \$500. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Building	15
Land improvements	10
Vehicles	10
Low voltage system	5
Furniture and equipment	5
Computer equipment	5
Computer software	5
Telephone equipment	10

Capital assets of the Corporation are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Vehicles	10
Furniture and equipment	5
Computer equipment	5
Computer software	5
Telephone equipment	10

*Due to Piedmont Triad Regional Council:*

The Corporation has entered into a contractual agreement with the Council under which the Corporation is billed for staff time and expenses. This contractual arrangement makes the Corporation financially dependent upon the Council, which is legally entitled to access the Corporation's financial resources. Under this agreement, the Council will cover any shortfalls or timing issues with funding that the Corporation may have resulting in an amount due to the Council at year end.

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Loan fee deposits:*

The Corporation introduced a loan fee deposit requirement during the year ended June 30, 1999. This deposit (lesser of \$2,500 or 1% of loan amount) represents the amount the SBA considers earned by the Corporation at the time of the receipt of the deposit. At loan closing, this deposit is credited toward closing costs. In the event the loan fails to close due to the borrower, the Corporation retains the loan fee deposit and recognizes it as revenue. If the failure to close is not due to the borrower, the deposit is refunded.

*Deferred outflows/inflows of resources:*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Council has one item that met this criterion, contributions made to the pension plan in the 2015 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Council has an item that meets the criterion for this category, listed in Note I - deferrals of pension expense that result from the implementation of GASB Statement 68.

*Long-Term Obligations:*

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities on the statement of net position.

*Compensated Absences:*

The vacation policy of the Council provides for the accumulation of up to 240 hours of earned vacation leave at year end with such leave being fully vested when earned. For the Council's government-wide financial statements, an expense and a liability for compensated absences and the salary-related payments are recorded at the fiscal year end. This is designated as a current liability in the government-wide financial statements.

The Council's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Council does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

*Net position/Fund Balances:*

Net position: Net position in government-wide financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Fund Balances: In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The government fund types classify fund balance as follows:

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Prepaid items – represents that portion of fund balance in the governmental funds for prepaid items, such as postage and other prepaid expenses.

Restricted fund balance: This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State Statute – portion of fund balance that is restricted by State Statute [G.S. 159-8 (s)].

Restricted by H.U.D. – portion of fund balance available for appropriation but separated for housing expenditures.

Restricted for projects – portion of fund balance that is restricted by revenue source for use with local government service programs.

Unassigned fund balance: The portion of total fund balance available for appropriation that has not been restricted, committed, or assigned to specific purposes or other funds.

The Council has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: federal funds, state funds, local funds, and other funds. The Executive Director has the authority to deviate from this policy if it is in the best interest of the Council. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Revenues, Expenditures and Expenses

*Indirect cost allocation:*

The Council has adopted an indirect cost allocation plan. The plan was adopted in order to recover expenditures that are not readily allocable directly to specific program activities. These expenditures (fringe benefits and indirect costs) are accumulated in a pool and are allocated based on provisional fringe benefit and indirect cost rates. The fringe benefit rate is determined based on the ratio of total fringe benefit costs to total salaries. The standard indirect cost rate is determined based on the ratio of total indirect costs to total direct salaries and allocated fringe benefits. A special indirect cost rate for workforce development and crime control satellite offices is determined based on the ratio of total indirect costs of the satellite offices to total direct salaries in those offices.

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Government Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Council employer contributions are recognized when due and the Council has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

The provisional standard rates for the fiscal year were reviewed and accepted by the U.S. Department of Housing and Urban Development at the rates of 30.00% for fringe benefits and 38.75% for indirect cost. The actual rates for the year ended June 30, 2015, for fringe benefits and indirect cost were 30.00% and 38.75%, respectively. All charges to programs for fringe and indirect costs were adjusted to actual as of June 30, 2015.

Grant Revenue

The Council recognizes revenues (net of estimated uncollectible amount, if any), when all applicable eligibility requirements, including time requirements, are met. Resources transmitted to the Council before meeting the eligibility requirements are recorded and reported as deferred revenues.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expense during the reporting period. Actual results could differ from those estimates.

**NOTE B - CASH AND INVESTMENTS**

Deposits

All the deposits of the Council are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Council's agent in the Council's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary



**NOTE B- CASH AND INVESTMENTS (CONTINUED)**

capacity for the Council, these deposits are considered to be held by the Council's agent in the Council's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Council or the escrow agent. Because of the inability to measure the exact amount of collateral pledges for the Council under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Council has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Council complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2015, the Council's deposits had a carrying amount of \$687,677 and a bank balance of \$1,430,042. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$930,042 in interest-bearing deposits was covered by collateral held under the Pooling Method. The Council had \$0 cash on hand.

At June 30, 2015, the Corporation's deposits had a carrying amount of \$48,269 and a bank balance of \$48,269. All of the bank balance was covered by federal depository insurance. The Corporation had \$0 cash on hand.

Investments

At June 30, 2015, the Piedmont Triad Regional Council had \$709,147 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAA by Standard and Poor's. The Council has no policy regarding credit risk.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE C - DUE FROM OTHER GOVERNMENTS**

Amounts due from other governments are summarized as follows:

**Special Revenue Fund - Grant Project Fund**

Appalachian Regional Commission	\$	41,005
U.S. Department of Housing and Urban Development		85,821
N.C. Department of Agriculture and Consumer Services		2,653
N.C. Environmental Protection Agency		121,858
N.C. Department of Environment and Natural Resources		487,860
N.C. Department of Commerce		291,652
N. C. Department of Crime Control and Public Safety		69,343
N.C. Department of Health and Human Services		825,269
N.C. Department of Transportation		84,081
Local governments and agencies		<u>130,810</u>
<b>Total Grant Project Fund</b>		<b>2,140,352</b>

**Special Revenue Fund - Local Projects Fund**

Local governments and agencies		<u>853,001</u>
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**Total Due from Other Governments** \$ 2,993,353

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE D - CAPITAL ASSETS**

**Primary Government**

Capital asset activity for the primary government for the year ended June 30, 2015, was as follows:

	Beginning Balances	Additions	Disposals	Ending Balances
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 634,324	\$ -	\$ -	\$ 634,324
Total capital assets not being depreciated	<u>634,324</u>	<u>-</u>	<u>-</u>	<u>634,324</u>
Capital assets being depreciated				
Building	3,806,868		-	3,806,868
Equipment, furniture and fixtures	1,098,551	55,565	25,417	1,128,699
Land improvements	91,276	8,160	-	99,436
Vehicles	599,784	46,428	15,800	630,412
Total capital assets being depreciated	<u>5,596,479</u>	<u>110,153</u>	<u>41,217</u>	<u>5,665,415</u>
Less accumulated depreciation for:				
Buildings	183,442	293,667	-	477,109
Equipment, furniture and fixtures	863,273	91,417	25,417	929,273
Land improvements	5,702	9,318	-	15,020
Vehicles	417,473	56,196	13,904	459,765
Total accumulated depreciation	<u>1,469,890</u>	<u>\$ 450,598</u>	<u>\$ 39,321</u>	<u>1,881,167</u>
Total capital assets being depreciated, net	<u>4,126,589</u>			<u>3,784,248</u>
Governmental activity capital assets, net	<u>\$ 4,760,913</u>			<u>\$ 4,418,572</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE D - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions/programs of the primary government as follows:

Administration	\$ 314,307
Crime control and public safety	874
Health and human services	8,030
Housing	5,478
Transportation	-
Weatherization	12,471
Workforce Investment Act	<u>109,438</u>
 Total depreciation expense	 <u><u>\$ 450,598</u></u>

**Discretely Presented Component Units**

Capital asset activity for the Piedmont Triad Regional Development Corporation for the year ended June 30, 2015, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets being depreciated:				
Equipment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Less accumulated depreciation for:				
Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Piedmont Triad Regional Development Corporation capital assets, net	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE E - LONG-TERM OBLIGATIONS**

On April 18, 2013, the Council entered into a note payable with a financial institution for the construction of the Council's new headquarters. The total available on the loan was \$3,690,000 of which the entire amount was borrowed. The note payable requires annual principal payments of \$246,000 plus interest at 2.69% per annum starting April 8, 2014 through April 8, 2028.

Annual debt service requirements to maturity for the note payable are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2016	246,000	86,026
2017	246,000	79,409
2018	246,000	72,791
2019	246,000	66,174
2020	246,000	59,557
2021-2025	1,230,000	198,522
2026-2028	738,000	39,704
	<u>\$ 3,198,000</u>	<u>\$ 602,183</u>

On October 16, 2013, the Council entered into a note payable with a financial institution to facilitate additional improvements for the construction of the Council's new headquarters. The loan amount was \$350,000. The note payable requires various annual principal payments plus interest at 1.97% per annum starting October 16, 2014 through October 16, 2018.

Annual debt service requirements to maturity for the note payable are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2016	68,622	5,569
2017	69,973	4,217
2018	71,352	2,839
2019	72,757	1,433
	<u>\$ 282,704</u>	<u>\$ 14,058</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE E - LONG-TERM OBLIGATIONS (CONTINUED)**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

	Balances July 1, 2014	Increases	Decreases	Balances June 30, 2015	Portion of Balances
Governmental activities:					
Note Payable	\$ 3,444,000	\$ -	\$ 246,000	\$ 3,198,000	\$ 246,000
Note Payable	350,000	-	67,296	282,704	68,622
Compensated absences	276,162	38,026	26,000	288,188	-
OPEB Liability	50,474	1,502	-	51,976	-
Net pension liability (LGERS)	835,331	-	835,331	-	-
	<u>\$ 4,955,967</u>	<u>\$ 39,528</u>	<u>\$ 1,174,627</u>	<u>\$ 3,820,868</u>	<u>\$ 314,622</u>

**NOTE F - LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM**

Plan Description. The Council contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service.

**NOTE F – PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (CONTINUED)**

The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Council employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Council contractually required contribution rate for the year ended June 30, 2015, was 7.07% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Council were \$320,115 for the year ended June 30, 2015.

*Refunds of Contributions* – Council employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2015, the Council reported an asset of \$422,789 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The Council's proportion of the net pension asset was based on a projection of the Council's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the Council's proportion was 0.072%.

For the year ended June 30, 2015, the Council recognized pension expense of \$39,047. At June 30, 2015, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**PIEDMONT TRIAD REGIONAL COUNCIL**  
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**NOTE F – PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (CONTINUED)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 46,197
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	984,243
Changes in proportion and differences between Council contributions and proportionate share of contributions	50,037	-
Council contributions subsequent to the measurement date	320,115	-
Total	<u>\$ 370,152</u>	<u>\$ 1,030,440</u>

\$320,115 reported as deferred outflows of resources related to pensions resulting from Council contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2016	\$ (245,098)
2017	(245,098)
2018	(245,098)
2019	(245,112)
2020	-
Thereafter	-
	<u>\$ (980,406)</u>



**NOTE F – PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (CONTINUED)**

*Actuarial Assumptions.* The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	4.0 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

**NOTE F – PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (CONTINUED)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

*Discount rate.* The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Council’s proportionate share of the net pension asset to changes in the discount rate.* The following presents the Council’s proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the Council’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

**NOTE F - LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM**  
**(CONTINUED)**

	<u>1% Decrease</u> <u>(6.25%)</u>	<u>Discount</u> <u>Rate</u> <u>(7.25%)</u>	<u>1% Increase</u> <u>(8.25%)</u>
Council's proportionate share of the net pension liability (asset)	\$ 1,435,129	\$ (422,789)	\$ (1,987,096)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

Funding Policy. Plan members are required to contribute 6% of their annual covered salary. The Council is required to contribute at an actuarially determined rate. For the Council, the rate for employers was 7.07% of annual covered payroll. The contribution requirements of members and of the Council are established and may be amended by the North Carolina General Assembly. The Council's contributions to LGERS for the years ended June 30, 2015, 2014, and 2013 were \$320,115, \$316,764, and \$286,730, respectively. The contributions made by the Council equaled the required contributions for each year.

Deferred Compensation Pension Plan. The Council sponsors a deferred compensation pension plan (under the provisions of Internal Revenue Code Section 457) through The National Association of Counties. This plan covers all full-time employees of the Council who elect to participate in this deferred compensation program. Plan contributions by employees amounted to \$42,963, during the fiscal year ended June 30, 2015, and ending investment balance in the plan at June 30, 2015 was \$1,106,763. The plan's assets remain the property of the Council until paid, subject only to the claims of the Council's general creditors. The fiduciary responsibility of the Council is to make regular, periodic payments as required by the plan. These payments are made to Nationwide Retirement Solutions, Inc., which acts as trustee and a third party administrator for the plan. Accordingly, Plan assets are not included in the Council's financial statements.

401(k) Retirement Plan. The Council participates in the Supplemental Retirement Income Plan under Internal Revenue Code Section 401(k), established by action of the 1984 North Carolina General Assembly for law enforcement officers and general employees. The Plan, which is available to all Council employees, is a defined contribution plan and is tax exempt under Section 401(k) of the Internal Revenue Code. The Council contributed each month an amount equal to

2.5% of each participant's gross wages for the fiscal year ended June 30, 2015. All amounts are vested immediately. Also, the participants may make voluntary contributions to the Plan.

Contributions for the year ended June 30, 2015 totaled \$196,468, which consisted of \$112,186 from the Council and \$84,282 from employees.

**NOTE G - OTHER POST-EMPLOYMENT BENEFITS – HEALTH CARE BENEFIT PLAN**

Plan Description. On July 11, 2011, under the terms of a Council resolution, the Council adopted a single-employer defined benefit Healthcare Benefits Plan (HCB plan). The HCB plan provides postemployment healthcare benefits to retirees of the Council, provided they participate in the North Carolina Local Government Employees’ Retirement System (NCLGERS), have at least twenty years of service with the Council or other Council of Government. The employee’s service retirement cannot be reduced by taking early retirement options by more than 15%.

Employees that meet these qualifications can purchase retiree coverage through the Council and can receive a portion of their coverage paid by the Council depending on the years of service.

The Council may amend the HCB plan at its discretion. A separate report was not issued for the HCB plan.

Membership of the HCB Plan at June 30, 2015, the alternative measurement valuation date, consisted of the following:

Active plan members	96
Retirees receiving benefits	<u>2</u>
Total	<u><u>98</u></u>

Funding Policy. The Council currently pays for postemployment healthcare benefits on a pay-as-you-go basis. Retirees contribute a substantial portion of the retiree healthcare coverage to the Council which then remits the entire premium amount to the private insurer. Postemployment benefit expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due. In the fiscal year ended June 30, 2015, the Council’s total contributions of \$5,874 include the amount due to the impact of the 54% implicit subsidy and actual cash contributions of \$0 paid.

Annual OPEB Cost and Net OPEB Obligation: The Council’s annual other postemployment benefit (OPEB) cost (expense) is based on an actuarial valuation report performed by Cavanaugh Macdonald Consulting, LLC.

The following table shows the components of the Council’s annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the Council’s net OPEB obligation for the postemployment healthcare benefits:

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**NOTE G - OTHER POST-EMPLOYMENT BENEFITS – HEALTH CARE BENEFIT PLAN**  
**(CONTINUED)**

Annual required contribution (ARC)	\$	7,286
Interest on OPEB obligation		2,019
Adjustment to ARC		1,929
Annual OPEB Cost (pay-as-you-go)		<u>7,376</u>
Contributions made		<u>5,874</u>
Increase in net OPEB obligation		1,502
Net OPEB obligation, beginning of year		<u>50,474</u>
Net OPEB obligation, end of year	\$	<u><u>51,976</u></u>

Trend information being accumulated for the Council’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation was as follows:

<u>For Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 7,376	79.60%	\$ 51,976
2014	22,520	21.31%	50,474
2013	22,402	21.43%	32,754

Funded Status and Funding Progress: As of December 31, 2014, the actuarial value accrued liability for benefits was \$65,730, which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$4,519,286, and the ratio of the unfunded accrued liability to the covered payroll was 1.45%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of event far into the future. Examples include assumptions about future employment, morality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about the value of plan assets and the accrued liabilities for benefits.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2015

**NOTE H - OTHER EMPLOYMENT BENEFITS**

The Council has also elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the Council, the Council does not determine the number of eligible participants. The Council has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State.

For the fiscal year ended June 30, 2015, the Council made contributions to the State for death benefits of \$0. The Council's required contributions for employees represented 0.00% of covered payroll. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

**NOTE I – DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES**

The balance in unavailable or unearned revenue on the fund statements and unearned revenues on the government-wide statements at year-end is composed of the following:

	Unavailable	Unearned
Special Revenue Fund - Grant Project Fund		
Receivables not available	\$ 201,722	\$ -
Revenue received in advance of timing requirements	-	371,995
<b>Total Grant Project Fund</b>	<b>\$ 201,722</b>	<b>\$ 371,995</b>
Special Revenue Fund - Local Project Fund		
Receivables not available	\$ 599,977	\$ -
Revenue received in advance of timing requirements	-	-
<b>Total Local Project Fund</b>	<b>599,977</b>	<b>-</b>
<b>Total Governmental Funds</b>	<b>\$ 801,699</b>	<b>\$ 371,995</b>
Contributions to pension plan in current fiscal year	\$ 320,115	
Total deferred outflows of resources	\$ 320,115	
Pension deferrals	\$ 980,406	
Total deferred inflows of resources	980,406	

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2015

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**NOTE J - RISK MANAGEMENT**

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council participates in a self-funded risk financing pool administered by the North Carolina League of Municipalities. Through this pool, the Council obtains general liability and auto liability coverage of \$2 million per occurrence and property coverage up to the total insurance values of the property policy. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants.

The pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability and property in excess of \$500,000. The property liability pool has an aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values.

The Council carries commercial coverage for all other risks of loss, including workers' compensation coverage up to statutory limits. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Council does not carry flood insurance since its main office and its satellite offices do not lie within a flood plain.

In accordance with G. S. 159-29, the Council's employees that have access to \$100 or more at any given time of the Council's funds are performance bonded through a surety bond. The finance officer is individually bonded for \$55,000. The remaining employees that have access to funds are bonded under a blanket bond for \$50,000 for dishonesty, forgery, and alteration and for \$5,000 for theft of money and securities.

The Council currently reimburses employees for exceeding their respective health insurance deductible. This benefit is self-funded by the Council and is subject to change at the discretion of the Board.

Changes in the Council's reserves for these potential claims for the years ended June 30, 2015 and 2014 are as follows:

	2015	2014
Reserve, beginning of year	\$ 90,470	\$ 116,550
Contributions to HRA by Piedmont Triad Regional Council	71,666	67,127
Less claims paid	(66,978)	(93,207)
Reserve, end of year	<u>\$ 95,158</u>	<u>\$ 90,470</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2015

**NOTE K - INTERFUND BALANCES**

The composition of interfund balances as of June 30, 2015, is as follows.

Due to/from primary government and component units:

Receivable Fund	Payable Fund	Balance
General Fund	Local Project Fund	\$ 408,302

Transfers to/from other funds at June 30, 2015, consist of the following:

From the General Fund to the Capital Project Fund	\$ - 0 -
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Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations.

**NOTE L – DUE TO PRIMARY GOVERNMENT**

The Corporation entered into an agreement with the Council in which the Council agreed to provide full funding for Corporation activities through staff time and other funding until such time as the Corporation becomes self-sufficient through SBA 503/504 fees revenue. All fees will be used to reimburse the Council for expenses incurred, such as salaries, indirect expenses, and allocated fringe benefits. Total expenses for these costs were \$20,727 in 2015. In return, the Corporation agreed to (1) transfer all current assets and revenues to the Council within ten days; (2) submit requests for budgeted expenditures to the Council for payment; (3) submit a budget for each for the coming years to the Council for approval; and (4) refrain from seeking funds directly from local governments.

Due to Council, beginning of year	\$ 289,098
Advances from Council	20,727
Less repayments to Council	(93,885)
Due to Council, end of year	\$ 215,940

**NOTE M – LEASE OBLIGATIONS**

The Council leases certain office spaces under operating leases, which expire at various times through September 30, 2018. The Council has the ability to renew these leases at its discretion.

These operating leases specify monthly payments of \$200 to \$19,333 with increases each year. These leases for office space have cancellation clauses under which the parties agree that the rental payment is dependent upon the appropriation, allocation, or availability of funds for this purpose to the Council, and the leases shall automatically terminate upon depletion of such funds.



**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2015

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**NOTE M – LEASE OBLIGATIONS - CONTINUED**

The Council leases various pieces of equipment, such as copiers and postage meters, on a month-to-month basis.

Rent expense for the year ended June 30, 2015, was comprised of \$305,187 for office space and \$87,269 for equipment.

The following is a summary of future operating lease commitments:

Fiscal Year Ending	Amount
2016	\$ 57,900
2017	57,900
2018	57,900
2019	14,475
2020	-
Thereafter	-
	\$ 188,175

**NOTE N - THIRD PARTY AGREEMENTS**

The Piedmont Triad Regional Council has entered into third party agreements with the following cities, Councils and counties to provide administrative services in connection with various grant programs:

- Alamance County
- Davie County
- Forsyth County
- Randolph County
- Rockingham County
- Stokes County
- Surry County
- Yadkin County
- City of Archdale
- City of Asheboro
- City of High Point
- City of Lexington
- City of Mebane
- City of Reidsville
- City of Winston Salem
- Town of Boonville
- Town of Gibsonville
- Town of Kernersville
- Town of Stoneville

The statement of revenues, expenditures and changes in fund balances – governmental funds reflects the administration reimbursements related to these programs.

**NOTE O - CONTRACTS**

The Council has entered into the Master Section 8 Annual Contributions No. A-3558 (ACC) for the Section 8 Housing Voucher Program.

The ACC with the Department of Housing and Urban Development is to provide decent, safe and sanitary housing for families pursuant to Section 8 of the Act by means of Housing Assistance Payments Contract with owners.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2015

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**NOTE O – CONTRACTS (CONTINUED)**

**Section 8 Housing Voucher Program**

NC 166

842 units

**NOTE P - CONTINGENCIES**

The Council has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statement for the refund of grant monies.

**NOTE Q – NET INVESTMENT IN CAPITAL ASSETS**

	<u>Governmental</u>
Capital assets	\$ 4,418,572
less: long-term debt	<u>3,480,704</u>
Net investment in capital asset	<u><u>\$ 937,868</u></u>

**NOTE R – FUND BALANCE**

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation:

Total fund balance - General Fund	\$ 1,728,861
Less:	
Stabilization by State Statute	409,914
Working Capital / Fund Balance Policy	
Remaining Fund Balance	<u>\$ 1,318,947</u>

**NOTE S – CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT**

The Council implemented Governmental Accounting Standards Board (GASB) statement 68, Accounting and Financial Reporting for Pension (an amendment of GASB Statement No.27), in the fiscal year ending June 30, 2015. The implementation of the statement required the Council to record beginning net pension liability and the effects on net position of contributions made by the Council during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental activities decreased by \$650,113.

## **REQUIRED SUPPLEMENTARY FINANCIAL DATA**

This section contains additional information required by generally accepted accounting principles.

- Schedule of Funding Progress for the Healthcare Benefit Plan
- Schedule of Employer Contributions for the Healthcare Benefit Plan
- Notes to the Required Schedules

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**HEALTHCARE BENEFITS PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**JUNE 30, 2015**

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (A.A.L.) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
6/30/2015	-	65,730	65,730	0.00%	4,519,286	1.50%
6/30/2014	-	310,899	310,899	0.00%	3,432,479	9.06%
6/30/2013	-	308,799	308,799	0.00%	3,235,180	9.55%
6/30/2012	-	267,245	267,245	0.00%	2,709,168	9.86%

**PIEDMONT TRIAD REGIONAL COUNCIL  
HEALTHCARE BENEFITS PLAN  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2015**

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<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2015	7,376	79.63%
2014	22,089	21.73%
2013	22,000	21.82%
2012	19,568	24.53%

Notes to the Required Schedules:

The information presented in the required supplementary schedules as determined from the actuarial valuation report performed by Cavanaugh Macdonald Consulting, LLC. Additional information as of the report follows:

Valuation date	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay open
Remaining amortization period	30 years
Asset valuation method	Market value of assets

**PIEDMONT TRIAD REGIONAL COUNCIL****PIEDMONT TRIAD REGIONAL COUNCIL'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)****REQUIRED SUPPLEMENTARY INFORMATION**

For the Fiscal Year Ended June 30, 2015

**Local Government Employees' Retirement System**

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Piedmont Triad Regional Council's proportion of the net pension liability (asset) (%)	0.072%
Piedmont Triad Regional Council's proportion of the net pension liability (asset) (\$)	\$ (422,789)
Piedmont Triad Regional Council's covered-employee payroll	\$ 4,674,445
Piedmont Triad Regional Council's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	-9.04%
Plan fiduciary net position as a percentage of the total pension liability	102.64%

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**PIEDMONT TRIAD REGIONAL COUNCIL'S CONTRIBUTIONS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
For the Fiscal Year Ended June 30, 2015

**Local Government Employees' Retirement System**

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Contractually required contribution	\$ 320,115
Contributions in relation to the contractually required contribution	<u>320,115</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
Piedmont Traid Regional Council's covered-employee payroll	\$ 4,674,445
Contributions as a percentage of covered- employee payroll	6.85%

**INDIVIDUAL FUND STATEMENTS AND SCHEDULES**



**PIEDMONT TRIAD REGIONAL COUNCIL**

## GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL

For the Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Fees, local governments	\$ 566,706	\$ 566,706	\$ -
Investment earnings	700	36	(664)
Program income	-	-	-
Miscellaneous	-	342	342
Total revenues	<u>567,406</u>	<u>567,084</u>	<u>(322)</u>
Expenditures:			
Administration			
General and administrative	23,795	(23,784)	47,579
Travel and training	32,015	23,078	8,937
Supplies	8,000	9,512	(1,512)
Rent	-	-	-
Local match	503,596	422,025	81,571
Indirect cost	-	12,745	(12,745)
Debt services	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>567,406</u>	<u>443,576</u>	<u>123,830</u>
Excess of revenues over (under) expenditures before other financing sources and uses	-	123,508	123,508
Other financing sources (uses):			
Transfer to other funds	-	-	-
Sale of capital assets	-	250	250
Total Other financing sources (uses):	<u>-</u>	<u>250</u>	<u>250</u>
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	123,758	<u>\$ 123,758</u>
Fund balance, beginning		<u>1,605,103</u>	
Fund balance, ending		<u>\$ 1,728,861</u>	

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MAJOR SPECIAL REVENUE FUND - GRANT PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
For the Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental revenues	28,678,091	24,985,581	(3,692,510)
Fees, local governments	519,839	425,654	(94,185)
Fees, program services	121,269	603,455	482,186
Total revenues	<u>29,319,199</u>	<u>26,014,690</u>	<u>(3,304,509)</u>
<b>Expenditures:</b>			
<b>Administration</b>			
Appalachian Regional Commission and CDBG Handbook			
Salaries and fringe	173,633	142,315	31,318
Travel and training	8,892	11,086	(2,194)
Professional services/consultants	1,000	1,415	
General administrative/occupancy	3,621	4,097	(476)
Supplies	30	30	-
Indirect costs	67,284	55,147	12,137
Total Appalachian Regional Commission and CDBG Handbook	<u>254,460</u>	<u>214,090</u>	<u>40,785</u>
<b>Crime control and public safety</b>			
Salaries and fringe	130,487	110,067	20,420
Travel and training	88,586	14,565	74,021
Professional services/consultants	817,024	215,154	601,870
General administrative/occupancy	7,079	114,424	(107,345)
Supplies	86,577	5,650	80,927
Capital outlay	-	-	-
Non-capital asset expenses	-	-	-
Indirect costs	4,293	4,292	1
Total crime control and public safety	<u>1,134,046</u>	<u>464,152</u>	<u>669,894</u>
<b>Environmental protection</b>			
Salaries and fringe	147,014	109,573	37,441
Travel and training	29,182	4,363	24,819
Professional services/consultants	255,341	230,708	24,633
General administrative/occupancy	8,619	6,388	2,231
Supplies	2,704	15	2,689
Indirect costs	56,969	42,461	14,508
Total environmental protection	<u>499,829</u>	<u>393,508</u>	<u>106,321</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MAJOR SPECIAL REVENUE FUND - GRANT PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
For the Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Health and Human services</b>			
<b>Aging and Home and Community Care Block Grant</b>			
Salaries and fringe	1,193,322	1,129,962	63,360
Travel and training	110,793	93,183	17,610
Professional services/consultants	99,056	45,491	53,565
General administrative/occupancy	127,024	153,587	(26,563)
Supplies	61,903	28,661	33,242
Non-capital asset expenses	-	-	-
Indirect costs	455,941	437,863	18,078
Sub recipient expenses	10,559,265	10,495,851	63,414
<b>Total Aging and Home and Community Care Block Grant</b>	<u>12,607,304</u>	<u>12,384,598</u>	<u>222,706</u>
<b>Housing</b>			
<b>Section 8 Housing Assistance</b>			
HAP payments	3,495,072	3,325,907	169,165
Salaries and fringe	283,095	288,702	(5,607)
Travel and training	10,855	9,892	963
Professional services/consultants	1,200	1,219	(19)
General administrative/occupancy	33,842	36,207	(2,365)
Supplies	-	-	-
Capital outlay	-	-	-
Non-capital asset expenses	-	-	-
Indirect costs	104,276	111,872	(7,596)
<b>Total Section 8 Housing Assistance</b>	<u>3,928,340</u>	<u>3,773,799</u>	<u>154,541</u>
<b>Home/SFR/CDBG</b>			
Salaries and fringe	238,679	150,277	88,402
Travel and training	7,730	5,202	2,528
Professional services/consultants	357,165	199,536	157,629
General administrative/occupancy	19,106	16,125	2,981
Supplies	3,124	2,124	1,000
Indirect costs	92,490	58,232	34,258
<b>Total Home and SFR</b>	<u>718,294</u>	<u>431,496</u>	<u>286,798</u>
<b>Total Housing</b>	<u>4,646,634</u>	<u>4,205,295</u>	<u>441,339</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MAJOR SPECIAL REVENUE FUND - GRANT PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
For the Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Indirect costs			
Salaries and fringe	2,342,221	2,096,843	245,378
Travel and training	199,299	20,032	179,267
Professional services/consultants	67,250	76,116	(8,866)
General administrative/occupancy	598,219	534,032	64,187
Supplies	82,505	115,394	(32,889)
Allocated indirect costs	(3,289,494)	(2,842,417)	(447,077)
Total indirect costs	-	-	-
Transportation			
Rural Transportation Planning			
Salaries and fringe	166,069	158,265	7,804
Travel and training	12,878	6,479	6,399
Professional services/consultants	25,586	8,647	16,939
General administrative/occupancy	18,260	19,651	(1,391)
Supplies	5,886	4,135	1,751
Capital outlay	-	-	-
Indirect costs	64,351	61,328	3,023
Total transportation	293,030	258,505	34,525
Workforce development			
Salaries and fringe	2,494,558	2,122,160	372,398
Travel and training	-	144,724	(144,724)
Professional services/consultants	751,823	23,897	727,926
General administrative	-	201,876	(201,876)
Rent	-	330,903	(330,903)
Supplies	-	56,305	(56,305)
Capital outlay	42,256	52,231	(9,975)
Sub recipient expenses	1,135,035	753,030	382,005
Participant costs	2,333,451	1,115,350	1,218,101
Indirect costs	344,440	285,060	59,380
Total workforce development	7,101,563	5,085,536	2,016,027

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MAJOR SPECIAL REVENUE FUND - GRANT PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
For the Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Weatherization			
Salaries and fringe	703,802	572,616	131,186
Travel and training	125,462	45,289	80,173
Professional services/consultants	1,601,332	1,491,317	110,015
General administrative/occupancy	70,515	84,303	(13,788)
Supplies	8,500	23,302	(14,802)
Capital outlay	-	25,040	(25,040)
Indirect costs	<u>272,722</u>	<u>194,851</u>	<u>77,871</u>
Total weatherization	<u>2,782,333</u>	<u>2,436,718</u>	<u>345,615</u>
Total expenditures	<u>29,319,199</u>	<u>25,442,402</u>	<u>3,877,212</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>572,288</u>	<u>572,703</u>
Fund balance, beginning		<u>(63,998)</u>	
Fund balance, ending		<u>508,290</u>	

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MAJOR SPECIAL REVENUE FUND - LOCAL PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
For the Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Restricted intergovernmental	\$ 2,210,507	\$ 559,420	(1,651,087)
Fees, local governments	149,786	151,370	1,584
Fees, program services	1,312,712	531,563	(781,149)
<b>Total Revenues</b>	<b>3,673,005</b>	<b>1,242,353</b>	<b>(2,430,652)</b>
<b>Expenditures:</b>			
Crime control and public safety local projects			
Criminal Justice Programs			
Salaries and fringe	310,692	310,392	300
Travel and training	102,978	6,862	96,116
Professional services/consultants	63,642	31,009	32,633
General administrative/occupancy	28,905	26,267	2,638
Supplies	24,899	3,394	21,505
Capital Outlay	9,000	-	9,000
Indirect costs	43,530	41,951	1,579
<b>Total Criminal Justice Programs</b>	<b>583,646</b>	<b>419,875</b>	<b>163,771</b>
Environmental protection local projects			
Water			
Salaries and fringe	68,821	64,739	4,082
Travel and training	3,871	8,603	(4,732)
Professional services/consultants	2,510	39	2,471
General administrative/occupancy	5,130	6,573	(1,443)
Supplies	3,100	2,655	445
Indirect costs	26,668	25,086	1,582
<b>Total GIS and Water</b>	<b>110,100</b>	<b>107,695</b>	<b>2,405</b>
Health and Human Service local grant projects			
Aging			
Travel and training	25,000	4,936	20,064
Professional services/consultants	15,000	314	14,686
General administrative/occupancy	-	12,118	(12,118)
Supplies	107,000	25,274	81,726
<b>Total Aging</b>	<b>147,000</b>	<b>42,642</b>	<b>104,358</b>
Housing local projects			
Salaries and fringe	4,882	4,914	(32)
Travel and training	6,241	118	6,123
Professional services/consultants	2,250	2,250	-
General administrative/occupancy	67	71	(4)
Indirect costs	1,892	1,904	(12)
<b>Total Housing local projects</b>	<b>15,332</b>	<b>9,257</b>	<b>6,075</b>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MAJOR SPECIAL REVENUE FUND - LOCAL PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
For the Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Planning local projects			
Local Technical Assistance Project and Planning			
Salaries and fringe	206,112	164,520	41,592
Travel and training	25,684	9,173	16,511
Professional services/consultants	11,124	20,815	(9,691)
General administrative/occupancy	13,380	18,216	(4,836)
Supplies	7,393	603	6,790
Indirect costs	79,869	63,751	16,118
Total Local Technical Assistance Project and Planning	<u>343,562</u>	<u>277,078</u>	<u>66,484</u>
Workforce Development local projects			
Salaries and fringe	77,091	45,766	31,325
Travel and training	22,739	4,130	18,609
Professional services/consultants	-	701	(701)
General administrative/occupancy	57,982	8,243	49,739
Supplies	10,000	10,542	(542)
Capital Outlay	-	3,160	(3,160)
Participant expenses	-	22,046	(22,046)
Indirect costs	-	116	(116)
Total Workforce Development local projects	<u>167,812</u>	<u>94,704</u>	<u>73,108</u>
Other local projects			
Piedmont Triad Development Corporation			
Salaries and fringe	-	-	-
Travel and training	1,000	1,313	(313)
Professional services/consultants	20,600	17,797	2,803
General administrative/occupancy	1,400	1,617	(217)
Indirect costs	-	-	-
Total Piedmont Triad Development Corporation	<u>23,000</u>	<u>20,727</u>	<u>2,273</u>
Management advisory services			
Salaries and fringe	116,002	88,878	27,124
Travel and training	195,073	7,438	187,635
Professional services/consultants	152,841	1,000	151,841
General administrative/occupancy	-	5,000	(5,000)
Supplies	2,000	2,229	(229)
Indirect costs	20,340	6,864	13,476
Total management advisory services	<u>486,256</u>	<u>111,409</u>	<u>374,847</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MAJOR SPECIAL REVENUE FUND - LOCAL PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
For the Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Weatherization			
Salaries and fringe	55,525	-	55,525
Travel and training	3,749	-	3,749
Professional services/consultants	1,553,027	527,403	1,025,624
General administrative/occupancy	-	-	-
Supplies	-	-	-
Capital outlay	-	-	-
Indirect costs	21,516	23,648	(2,132)
Total weatherization	<u>1,633,817</u>	<u>551,051</u>	<u>1,082,766</u>
Miscellaneous local projects			
Salaries and fringe	72,072	-	72,072
Travel and training	62,481	4,876	57,605
Professional services/consultants	-	4,024	(4,024)
General administrative/occupancy	-	222	(222)
Supplies	-	1,009	(1,009)
Indirect costs	27,927	-	27,927
Total miscellaneous local projects	<u>162,480</u>	<u>10,131</u>	<u>152,349</u>
Total other local projects	<u>671,736</u>	<u>142,267</u>	<u>529,469</u>
Total expenditures	<u>3,673,005</u>	<u>1,644,569</u>	<u>2,028,436</u>
Excess of revenues over expenditures	<u>\$ -</u>	(402,216)	<u>\$ (402,216)</u>
Fund balance, beginning		<u>431,720</u>	
Fund balance, ending		<u>\$ 29,504</u>	



**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF FRINGE BENEFITS AND INDIRECT COSTS**  
For the Year Ended June 30, 2015

	Expenditures		Rate	
	Proposed	Actual	Proposed	Actual
Fringe benefits				
FICA	\$ 369,868	\$ 345,118		
Group insurance	491,937	493,471		
Retirement and 401(k)	462,047	432,300		
Employee assistance plan and accrued vacation leave	54,000	13,359		
Employee healthcare advocacy	6,850	12,214		
Worker's Compensation and unemployment	40,900	34,205		
Health reimbursement arrangement	22,800	71,666		
	<u>\$ 1,448,402</u>	<u>\$ 1,402,333</u>	<u>30.00%</u>	<u>30.00%</u>
Indirect costs				
Salaries	\$ 659,954	605,560		
Fringe benefits	191,281	173,260		
Professional services	52,250	63,902		
Temporary secretarial service	-	-		
Telephone	47,019	28,304		
Postage	21,787	20,244		
Travel, parking, and other	199,295	20,032		
Equipment maintenance	15,653	6,555		
Building rent	-	-		
Equipment rent	48,000	54,573		
Advertising	1,500	249		
Office supplies	82,506	115,394		
Occupancy expense	244,359	217,027		
Printing costs	1,169	1,940		
Computer services	80,000	96,137		
Dues, subscriptions, memberships, miscellaneous	17,780	11,937		
Insurance	20,155	11,568		
Trash disposal	1,801	476		
	<u>\$ 1,684,509</u>	<u>\$ 1,427,158</u>	<u>38.75%</u>	<u>38.75%</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
Detail Allocations - Fringe Benefits and Indirect Costs  
For the Year Ended June 30, 2015

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Appalachian Regional Commission					
ARC 1-1-2014 to 12-31-2014	79,848	23,954	30.00%	40,223	38.75%
NC DOC CDBG Hankbook Project	7,227	2,168	30.00%	3,641	38.75%
Enviromental Protection Agency					
EPA Brownsfields Assessment	16,137	4,841	30.00%	8,129	38.75%
EPA Brownsfields-Petroleum	15,791	4,737	30.00%	7,955	38.75%
EPA - TJCOG - 205j Watershed Outreach	2,911	873	30.00%	1,466	38.75%
EPA- 205j # 6280 Eden Watershed	1,309	393	30.00%	660	38.75%
Corporation for National and Community Service					
Local Administration Agreements and Programs					
Alamance Class & Pay Study	529	159	30.00%	267	38.75%
Alamance Class & Pay Study	12,722	973	30.00%	-	0.00%
Alamance LA	3,773	1,132	30.00%	1,901	38.75%
Archdale Parks & Rec	1,891	567	30.00%	953	38.75%
Asheboro	1,688	129	7.65%	-	0.00%
Asheboro Pay	700	210	29.96%	353	38.76%
Beech Mt Pay & Class Study	2,191	168	7.65%	-	0.00%
Bob Barker Foundation	10,496	3,149	30.00%	-	0.00%
Cabarrus PTR	5,073	1,522	30.00%	-	0.00%
Caswell Land Use	1,338	401	30.00%	674	38.75%
Catawba Co Class & Pay Study	1,927	578	30.00%	971	38.75%
Catawba ReEntry	3,827	1,148	30.00%	-	0.00%
CODES	2,027	608	30.00%	1,021	38.75%
Crimnal Justice Partnership Program- Stokes County	3,055	1,013	33.15%	1,539	37.83%
Crimnal Justice Partnership Program- Stokes County	321	-	0.00%	-	0.00%
Davie Co Pay Study	728	218	30.00%	367	38.75%
Davie County - Local Pre Trial	26,132	7,840	30.00%	-	0.00%
Davie Pre-Trial Adm	13,969	4,191	30.00%	7,037	38.75%
DEC WAP Admin	-	-		7,920	
DGI Streetscape	872	261	30.00%	439	38.75%
East Bend Zoning	100	30	30.01%	51	38.76%
Elkin Greenway	1,425	427	30.00%	718	38.75%
Elkin -Jonesville ABC Placement	1,888	566	30.00%	951	38.75%
Elon	3,717	284	7.65%	-	0.00%
Elon Pay & Class Study	41	14	33.69%	23	42.30%
Forsyth Pay Study	784	235	30.00%	395	38.75%
Forsyth Pay Study	6,639	508	7.65%	-	0.00%
GIS Misc	1,402	420	30.00%	706	38.75%
Greensboro Mgmt LTA	1,753	526	30.00%	883	38.75%
Grogan Park Plan	6,232	1,870	30.00%	3,139	38.75%
Guilford Co Pay Study	3,601	1,080	30.00%	1,814	38.75%
Guilford Co Pay Study	3,193	244	7.65%	-	0.00%
Guilford County Planning	3,257	977	30.00%	1,641	38.75%
HAW River Zoning	1,898	569	30.00%	956	38.75%
HHA CTG Stoneville	1,474	442	30.00%	742	38.75%
HHF DEC H & S Admin	-	-		613	
HHF DEC HARRP Admin	-	-		13,700	
HHF DEP H & S Adm	-	-		630	
HHF DEP HARRP Adm	-	-		785	
HHS CTG Alamance Co.	-	-		-	
High Point Pay Study	1,468	440	30.00%	740	38.75%
High Point Pay Study	1,440	110	7.65%	-	0.00%
Jamestown Planning Services	1,294	388	30.00%	652	38.75%
Jonesville Planning Services	4,820	1,446	30.00%	2,428	38.75%
Jonesville Ped Plan	7,829	2,349	30.00%	3,944	38.75%

**PIEDMONT TRIAD REGIONAL COUNCIL**  
Detail Allocations - Fringe Benefits and Indirect Costs  
For the Year Ended June 30, 2015

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Kernersville Pay Study	186	56	30.00%	94	38.75%
Kernersville Pay Study & Class	720	55	7.65%	-	0.00%
Lewisville Bike Plan	4,063	1,219	30.00%	2,047	38.75%
Madison Streetscape Plan	4,867	1,460	30.00%	2,452	38.75%
Mebane Pay Study	2,906	222	7.65%	-	0.00%
Misc Adm LTA	1,609	483	30.00%	810	38.75%
Misc Admin LTA	2,390	183	7.65%	-	0.00%
Newton Pay & Class Study	13,919	1,065	7.65%	-	0.00%
Oakridge Pedestrian Plan	859	258	30.00%	433	38.75%
Pleasant Garden B & P	8,005	2,401	30.00%	4,032	38.75%
PTRWA Pay Study	1,980	151	7.65%	-	0.00%
Randleman Gateway	1,380	414	30.00%	695	38.75%
Randleman Pay Study	282	85	30.00%	142	38.75%
Randleman Pay Study	4,073	312	7.65%	-	0.00%
Regional Planning	29,079	8,724	30.00%	14,648	38.75%
Reidsville Pay Study	807	242	30.00%	407	38.75%
Reidsville Pay Study	5,412	414	7.65%	-	0.00%
Rockingham County Pay Study	639	192	30.00%	322	38.75%
SE Guilford Treail	58	17	30.01%	29	38.74%
Service Corp Golf Tournament	12	4	30.02%	6	38.72%
Service Corp/W's LTA	115	34	30.00%	58	38.75%
SMART	40,146	12,044	30.00%	20,224	38.75%
Statesville PTR	4,373	1,312	30.00%	-	0.00%
Surry County-Local Pre Trial	46,713	14,014	30.00%	-	0.00%
Surry Pre-Trial Adm	29,635	8,890	30.00%	14,928	38.75%
TriadWorks Cost Share	34,974	10,523	30.09%	-	0.00%
TriadWorks Cost Share	104	-	0.00%	52	50.38%
Trinity Planning Service	27,587	8,276	30.00%	13,897	38.75%
Upper Cape Fear	9,653	2,896	30.00%	4,863	38.75%
Vacation Leave	25,301	10,437	41.25%	12,745	35.66%
Vacation Leave	9,490	-	0.00%	-	0.00%
Wallburg Park Plan	6,146	1,844	30.00%	3,096	38.75%
Waughtown Plan	5,019	1,506	30.00%	2,528	38.75%
Winston-Salem Pay Study	315	94	30.00%	159	38.75%
WS Foundation STAMPP	16,687	5,006	30.00%	-	0.00%
Yadkin CJPP Adm	36,619	10,986	30.00%	18,447	38.75%
Yadkin Local Pre-Trial	41,863	12,559	30.00%	-	0.00%
YVEDDI Policy Review	3,123	239	7.65%	-	0.00%
NC Department of Agriculture					
USDA - Innovative Infrastructure	1,194	358	30.00%	602	38.75%
USDA - Piedmont Together	1,432	430	30.00%	721	38.75%
NC Department of Commerce					
ARC WaterRel 10-1-13 9-30-2014	4,039	1,212	30.00%	2,035	38.75%
ARC WaterRel 10-1-14 9-30-2015	5,000	1,500	30.00%	2,519	38.75%
ARC Tech TA 10/1/13 to 9/30/14	4,601	1,380	30.00%	2,318	38.75%
ARC Tech TA 10/1/14 to 9/30/15	5,017	1,505	30.00%	2,527	38.75%
ARC Hous T 10-1-13 to 09-30-14	525	157	30.00%	264	38.75%
ARC Hous T 10-1-14 to 09-30-15	3,217	965	30.00%	1,620	38.75%
NC CDBG Surry County	3,146	944	30.00%	1,584	38.73%
Randolph CDBG	5,465	1,639	30.00%	2,753	38.75%
Lexington CDBG	9,050	2,715	30.00%	4,559	38.75%

**PIEDMONT TRIAD REGIONAL COUNCIL**  
Detail Allocations - Fringe Benefits and Indirect Costs  
For the Year Ended June 30, 2015

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
NC Department of Human Resources					
AAA Administrative Support	26,757	8,027	30.00%	13,478	38.75%
CCNC	25,672	7,702	30.00%	12,933	38.75%
CRC LCA	2,982	228	7.65%	-	0.00%
CRC LTA	45,337	13,601	30.00%	13,650	23.16%
CRC MIPPA II	2,667	800	30.00%	-	0.00%
MIPPA II	535	41	7.65%	-	0.00%
Elder Abuse - 90 / 10	11,013	3,304	30.00%	5,548	38.75%
Family Caregiver Support	142,111	42,633	30.00%	72,687	39.34%
Family Caregiver Support	2,631	201	7.65%	-	0.00%
III-D Evidence Based Programs	49,094	14,728	30.00%	24,731	38.75%
Ombudsman Aging - 90 / 10	289,906	86,972	30.00%	152,782	40.54%
Ombudsman Aging - 90 / 10	2,638	202	7.65%	-	0.00%
P & A Planning 79.11/20.89	263,748	79,124	30.00%	142,054	41.43%
P & A Planning 79.11/20.89	6,789	519	7.65%	-	0.00%
NC Clean Water Management Trust Fund					
CWMTF - Elkin Water Supply	3,196	959	30.00%	1,610	38.75%
CWMTF - Swearing Creek No 201	17,228	5,168	30.00%	8,679	38.75%
NC Department of Commerce					
NC Department of Commerce and PT Job					
Adult - Mobile Unit	6,887	2,066	30.00%	-	0.00%
Adult NWP LA	16,651	1,274	7.65%	-	0.00%
Adult - Yadkin JRC	22,710	6,813	30.00%	-	0.00%
Adult- Stokes JRC	13,727	4,118	30.00%	-	0.00%
Adult- Surry JRC	48,795	14,638	30.00%	-	0.00%
Adult- W/S Forsyth County	151,979	53,636	35.29%	-	0.00%
Adult- W/S Forsyth County	26,808				
Adult-Davie JRC	23,126	6,938	30.00%	-	0.00%
Adult-Rockingham JRC	140,731	44,276	31.46%	-	0.00%
Adult-Rockingham JRC	6,856		0.00%		0.00%
Dislocated Worker-Davie JRC	18,417	5,525	30.00%	-	0.00%
Dislocated Worker-Rockingham J	104,102	32,990	31.69%	-	0.00%
Dislocated Worker-Rockingham J	5,863				
Dislocated Worker-Stokes JRC	10,731	3,219	30.00%	-	0.00%
Dislocated Worker-Surry JRC	60,411	18,123	30.00%	-	0.00%
Dislocated Worker-WS/Forsyth C	51,584	-	0.00%	-	0.00%
Dislocated Worker-WS/Forsyth C	195,241	74,048	37.93%	-	0.00%
Dislocated Worker-Yadkin JRC	5,983	1,795	30.00%	-	0.00%
DW -Mobile Unit	45,665	13,699	30.00%	-	0.00%
NWP LA Adult	102,558	31,406	30.62%	28,651	21.39%
NWP LA Adult	2,130	-	0.00%	-	0.00%
NWP LA Dislocated Worker	131,788	40,145	30.46%	37,435	21.77%
NWP LA Dislocated Worker	2,029		0.00%		0.00%
NWP LA Youth	29,158	8,748	30.00%	7,832	20.66%
Service Corp Adm	98,558	29,567	30.00%		0.00%
Service Corp	11,536	882	7.65%	-	0.00%
Service Corp Youth	40,391	12,117	30.00%	-	0.00%
WIA Administration	133,298	47,491	35.63%	211,142	116.79%
WIA Administration	25,004	-	0.00%	-	0.00%
Youth - Rockingham	25,412	-	0.00%	-	0.00%
Youth - Rockingham	39,515	19,478	49.29%	-	0.00%

**PIEDMONT TRIAD REGIONAL COUNCIL**  
Detail Allocations - Fringe Benefits and Indirect Costs  
For the Year Ended June 30, 2014

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Youth Yadkin JRC	17,761	5,328	30.00%	-	0.00%
NC Department of Correction					
DOC Project Reentry	1,971	591	30.00%	993	38.75%
NC Department of Crime Control and Public Safety					
Davie TECS	9,033	2,710	30.00%	-	0.00%
Forsyth TECS	325	97	30.00%	164	38.75%
Project Reentry / DOJ	11,001	3,300	30.00%	-	0.00%
Surry TECS	42,264	12,679	30.00%	-	0.00%
Yadkin TECS	9,920	2,976	30.00%	-	0.00%
NC Department of Transportation					
Clean Fuel Adv Tech	25,089	7,527	30.00%	12,639	38.75%
Rural Transp Plan (G)	59,978	17,993	30.00%	30,214	38.75%
Rural Transp Plan (NW)	56,475	16,942	30.00%	28,449	38.75%
Central Park NC Bike Route Tour	5,290	1,587	30.00%	2,665	38.75%
US Department of Housing and Urban Development					
Section 8 Voucher Program	13,448	1,029	7.65%	-	0.00%
US Department of Energy					
DOE WAP ADM Alamance	-	-		2,221	0.00%
DOE WAP ADM FY14	-	-		48,753	0.00%
DOE WAP Program Ops	96,780	29,034	30.00%	-	0.00%
DOE WAP Program Ops Alamance	4,409	1,323	30.00%	-	0.00%
LIHEAP WAP ADM Alamance	-	-		5,127	0.00%
LIHEAP WAP ADM FY14	-	-		108,938	0.00%
LIHEAP WAP Program Ops Alamance	26,001	7,800	30.00%	-	0.00%
LIHEAP WAP Program Ops	247,376	74,213	30.00%	-	0.00%
LIHEAP WAP	8,149	623	7.65%	-	0.00%
LIHEAP HARRP Admin Alamance	-	-		2,777	
LIHEAP HARRP Admin PY14	-	-		27,025	
LIHEAP HARRP Program Ops Alamance	5,512	1,654	30.00%	-	0.00%
LIHEAP HARRP Program Ops	53,648	16,094	30.00%	-	0.00%
LIHEAP HARRP					
US Department of Housing and Urban Development					
Alamance SFR	19,707	5,912	30.00%	9,927	38.75%
Alamance URP	231	69	30.00%	116	38.75%
Davidson Co SFR 14	6,388	1,916	30.00%	3,218	38.75%
Guilford Co SFR 14	12,135	3,641	30.00%	6,113	38.75%
Guilford County Home	6,175	1,853	30.00%	3,111	38.75%
HOME	31,937	9,581	30.00%	16,089	38.75%

**PIEDMONT TRIAD REGIONAL COUNCIL**  
Detail Allocations - Fringe Benefits and Indirect Costs  
For the Year Ended June 30, 2014

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Section 8 Voucher Program	210,942	63,283	30.00%	111,872	40.80%
Stokes SFR 13	19,422	5,827	30.00%	9,784	38.75%
Surry Co SFR	206	62	30.00%	104	38.75%
Surry URP	1,737	521	30.00%	875	38.75%
WS Project Reentry CDBG	6,223	3,046	48.95%	3,135	33.82%
WS Project Reentry CDBG	3,931	-	0.00%	-	0.00%
Indirect payroll	605,490	170,390	28.14%	-	0.00%
Indirect payroll		2,861		-	0.00%
	<u>4,843,426</u>	<u>1,415,250</u>		<u>1,427,157</u>	
Summary of Allocation Rates					
Standard fringe and indirect cost	2,809,032	842,710	30.00%	1,415,050	38.75%
FICA only fringe with standard indirect cost	29,023	2,220	7.65%	12,107	38.75%
Standard fringe with special indirect cost	1,297,439	389,233	30.00%	-	0.00%
FICA only fringe with special indirect cost	102,447	7,837	7.65%	-	0.00%
Standard fringe on indirect payroll	567,970	170,390	30.00%	-	0.00%
FICA only fringe on indirect payroll	37,516	2,860	7.65%	-	0.00%
	<u>4,843,426</u>	<u>1,415,250</u>		<u>1,427,157</u>	

**PIEDMONT TRIAD REGIONAL COUNCIL**

HUD Housing Choice Vouchers Program

Financial Data Schedule - Balance Sheet

June 30, 2015

<u>Line Item #</u>		<u>14.871 Housing Choice Vouchers</u>
<b>Assets</b>		
<b>Current Assts</b>		
111	Cash - Unrestricted	\$ 178,126
113	Cash - other restricted	31,310
100	<b>Total Cash</b>	<u>209,436</u>
<b>Accounts Receivable</b>		
122	Accounts Receivable - HUD Other Projects	9,856
125	Accounts Receivable - Miscellaneous	2,958
120	Total Recievables, net of allowance for doubtful accounts	<u>12,814</u>
150	<b>Total Current Assets</b>	<u>222,250</u>
290	<b>Total Assets</b>	<u>\$ 222,250</u>
<b>Liabilities and Equity</b>		
<b>Current Liabilities</b>		
345	Other Current Liabilities	\$ 57,814
310	<b>Total Current Liabilities</b>	<u>57,814</u>
300	<b>Total Liabilities</b>	<u>57,814</u>
<b>Equity</b>		
509.3	Restricted Fund Balance	\$ 31,310
512.3	Unassigned Fund Balance	133,126
513	<b>Total Equity / Net Position</b>	<u>164,436</u>
600	<b>Total Liabilities and Equity / Net Position</b>	<u>\$ 222,250</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
 HUD Housing Choice Vouchers Program  
 Financial Data Schedule - Revenues and Expenses  
 For the Year Ended June 30, 2015

<u>Line Item #</u>		<u>14,871 Housing Choice Vouchers</u>
<b>Revenues</b>		
70600	HUD PHA Operating Grants	\$ 3,761,410
71500	Other Revenue	1,200
70000	<b>Total Revenues</b>	<u>3,762,610</u>
<b>Expenses</b>		
91100	Administrative Salaries	224,390
91500	Employee Benefit contributions - Administrative	64,311
91600	Office Expense	19,377
91800	Travel	9,891
91900	Other	126,857
91000	<b>Total Operating - Administrative</b>	<u>444,826</u>
96200	Other General Expenses	3,066
96000	<b>Total Other General Expenses</b>	<u>3,066</u>
96900	<b>Total Operating Expenses</b>	<u>447,892</u>
97000	<b>Excess of Operating Revenue over Operating Expenses</b>	<u>3,314,718</u>
97300	Housing Assistance Payments	3,325,907
97350	HAP Portability - In	-
90000	<b>Total Expenses</b>	<u>3,773,799</u>
10000	<b>Total Revenue Over Total Expenses</b>	(11,189)
11030	Beginning Equity	175,625
11170	Administrative Fee Equity	133,126
11180	Housing Assistance Payments Equity	31,310
11190	Unit Months Available	10,104
11210	Number of Unit Months Leased	8,713



## **COMPLIANCE SECTION**



cannon&company  
Certified Public Accountants LLP

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Delegates  
Piedmont Triad Regional Council  
Kernersville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the discretely presented component units, and each major fund of the Piedmont Triad Regional Council as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprises the Piedmont Triad Regional Councils' basic financial statements, and have issued our report thereon dated November 25, 2015. The financial statements of the Piedmont Triad Regional Development Corporation were not audited in accordance with Governmental Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Piedmont Triad Regional Councils' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Piedmont Triad Regional Councils' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify

any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the members of the Board of Delegates, management, others within the entity, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Cannon & Company, S.P.A.*

November 25, 2015



cannon&company  
Certified Public Accountants LLP

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR FEDERAL PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

Board of Delegates  
Piedmont Triad Regional Council  
Kernersville, North Carolina

**Report on Compliance for Each Major Federal Program**

We have audited the Piedmont Triad Regional Council compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Piedmont Triad Regional Councils' major federal programs for the year ended June 30, 2015. The Piedmont Triad Regional Councils' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The Council's basic financial statements include the discretely presented component unit financial statements of the Piedmont Triad Regional Development Corporation, which did not receive federal awards and is not included in the schedule during the year ended June 30, 2015. Our audit, described below, did not include the operations of Piedmont Triad Regional Development Corporation because it was not subject to an audit performed in accordance with OMB Circular A-133 or the State Single Audit Implementation Act of North Carolina.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Piedmont Triad Regional Council's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State

Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Piedmont Triad Regional Councils' compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Piedmont Triad Regional Councils' compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the Piedmont Triad Regional Councils' complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

Management of the Piedmont Triad Regional Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Council's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Cannon & Company, S.L.P.*

November 25, 2015



cannon&company  
Certified Public Accountants L.L.P.

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR STATE PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

Board of Delegates  
Piedmont Triad Regional Council  
Kernersville, North Carolina

**Report on Compliance for Each Major State Program**

We have audited the Piedmont Triad Regional Council compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Piedmont Triad Regional Councils' major state programs for the year ended June 30, 2015. The Piedmont Triad Regional Councils' major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The Council's basic financial statements include the discretely presented component unit financial statements of the Piedmont Triad Regional Development Corporation, which did not receive state awards and is not included in the schedule during the year ended June 30, 2015. Our audit, described below, did not include the operations of Piedmont Triad Regional Development Corporation because it was not subject to an audit performed in accordance with OMB Circular A-133 or the State Single Audit Implementation Act of North Carolina.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Piedmont Triad Regional Council's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State

Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Piedmont Triad Regional Councils' compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Piedmont Triad Regional Councils' compliance.

### **Opinion on Each Major State Program**

In our opinion, the Piedmont Triad Regional Councils' complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

Management of the Piedmont Triad Regional Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Council's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Cannon & Company, L.L.P.*

November 25, 2015

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended June 30, 2015

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**Section I. Summary of Auditors' Results**

Financial Statements

Type of auditor's report issued: Unmodified  
Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_yes    X no
- Significant deficiency(s) identified that are not considered to be material weaknesses \_\_\_yes    X none reported
- Noncompliance material to financial statements noted \_\_\_yes    X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_yes    X no
- Significant deficiency(s) that are not considered to be material weaknesses \_\_\_yes    X none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 \_\_\_yes    X no

Identification of major federal programs:

CFDA Numbers                      Name of Federal Program or Cluster

	Workforce Investment Act (WIA) Cluster:
17.258	WIA - Adult Programs
17.259	WIA - Youth Activities
17.278	WIA – Dislocated Worker Formula Grants
	Aging Cluster:
93.044	Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers
93.045	Special Programs for the Aging – Title III, Part C – Nutrition Services
93.053	Nutrition Services Incentive Program – (NSIP)
	Family Caregiver Support Program:
93.052	National Family Caregiver Support – Title III, Part E

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended June 30, 2015

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Dollar threshold used to distinguish  
between Type A and Type B Programs \$ 570,283

Auditee qualified as low-risk auditee? X yes    no

State Awards

Internal control over major State programs:

- Material weakness(es) identified?    yes X no
- Significant Deficiency(s) identified  
that are not considered to be  
material weaknesses    yes X none reported

Type of auditor's report issued on compliance for major State programs: Unmodified

Any audit findings disclosed that are required  
to be reported in accordance with the State  
Single Audit Implementation Act    yes X no

Identification of major State programs:

Program Name

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended June 30, 2015

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**Section II – Financial Statement Findings**

None reported.

**Section III – Federal Award Findings and Questioned Costs**

None reported.

**Section IV – State Award Findings and Questioned Costs**

None reported.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**CORRECTIVE ACTION PLAN**  
For the Year Ended June 30, 2014

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**Section II – Financial Statement Findings**

None.

**Section III – Federal Award Findings and Questioned Costs**

None.

**Section IV – State Award Findings and Questioned Costs**

None.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
For the Year Ended June 30, 2014

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Finding: 14-1

Status: Management and supervisors are overseeing that no expenditures should be made without corresponding to a budgeted item.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2015

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures	
			Federal	State
<b>FEDERAL AWARDS</b>				
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Section 8 Housing Choice Vouchers	14.871	N/A	\$ 3,773,799	\$ -
Passed-through N.C. Dept. of Commerce				
Passed through the City of Winston-Salem:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	17,500	-
Passed-through Surry County:				
Community Development Block Grant	14.228	N/A	5,876	-
Passed through Mebane:				
Community Development Block Grant	14.228	N/A	-	-
Passed through Randolph:				
Community Development Block Grant	14.228	N/A	6,418	-
Passed through City of Lexington:				
Community Development Block Grant	14.228	N/A	15,275	-
Passed through Surry County Consortium:				
Home Investment Parnership Program	14.228	N/A	-	-
<b>Total Passed through N.C. Department of Commerce</b>			<b>45,069</b>	<b>-</b>
Passed through N.C. Housing Finance Agency:				
Passed-through Surry County:				
Home Investment Parnership Program 2009	14.239	N/A	-	-
Home Investment Parnership Program 2012	14.239	N/A	371	-
Passed-through Alamance County:				
Home Investment Parnership Program 2012	14.239	N/A	31,430	-
Passed-through Stokes County:				
Home Investment Parnership Program 2013	14.239	N/A	172,025	-
Passed-through Davidson County:				
Home Investment Parnership Program 2014	14.239	N/A	12,729	-
Passed-through Guilford County:				
Home Investment Parnership Program 2014	14.239	N/A	47,116	-
<b>Total Passed through N.C. Housing Finance Agency</b>			<b>263,671</b>	<b>-</b>
Passed-through Guilford County:				
Home Investment Parnership Program 2014	14.239	N/A	11,713	-
Passed-through Surry County:				
Home Investment Parnership Program 2014	14.239	N/A	29,277	-
<b>Total U.S. Department of Housing and Urban Development</b>			<b>4,123,529</b>	<b>-</b>
U.S. DEPARTMENT OF JUSTICE				
Passed through N.C. Department of Crime Control and Public Safety:				
Passed through the City of High Point:				
Edward Byrne Memorial Formula Grant Program				
Governor's Crime Commission Re-entry	16.579	N/A	-	-
Passed through N.C. Department of Crime Control and Public Safety:				
Passed through Tri-County Industries:				
Edward Byrne Memorial Formula Grant Program				
Project Re-entry Replication	16.579	N/A	1,811	-
Passed through N.C. Department of Crime Control and Public Safety:				
Edward Byrne Memorial Formula Grant Program				
Project Re-entry	16.738	N/A	71,987	-
<b>Total Passed through N.C. Department of Crime Control and Public Safety</b>			<b>73,798</b>	<b>-</b>
Passed through N.C. Department of Correction:				
Edward Byrne Memorial Justice Assistance Grant Program				
Project Re-entry	16.738	N/A	4,241	-
<b>Total U.S. Department of Justice</b>			<b>78,039</b>	<b>-</b>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2015

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures	
			Federal	State
<b>U.S. DEPARTMENT OF LABOR</b>				
Passed-through N.C. Department of Commerce:				
Workforce Investment Act Cluster:				
WIA-Adult Programs	17.258	2013-2020-47	509,593	-
WIA-Adult Programs	17.258	2014-2020-47	1,376,699	-
WIA-Adult Programs - Administration	17.258	2013-2020-47	30,500	-
WIA-Adult Programs - Administration	17.258	2014-2020-47	111,989	-
<b>Total CFDA # 17.258</b>			<u>2,028,781</u>	-
WIA - Youth Programs	17.259	2013-2040-47	187,628	-
WIA - Youth Programs	17.259	2014-2040-47	1,106,417	-
WIA - Youth Programs - Administration	17.259	2013-2040-47	30,082	-
WIA - Youth Programs - Administration	17.259	2014-2040-47	110,456	-
<b>Total CFDA # 17.259</b>			<u>1,434,583</u>	-
WIA- Dislocated Worker Programs	17.278	2013-2030-47	916,425	-
WIA- Dislocated Worker Programs	17.278	2014-2030-47	384,380	-
WIA- Dislocated Worker Programs - Administration	17.278	2013-2030-47	34,059	-
WIA- Dislocated Worker Programs - Administration	17.278	2014-2030-47	125,054	-
WIA- Dislocated Worker Programs - Capacity Building - On-the-Job Training - Sturm, Rugar & Co, Inc.	17.278	2012-2031-47	7,763	-
WIA- Dislocated Worker Programs - Capacity Building - Incumbent Worker - Hibco Plastics	17.278	2013-2031-47	7,883	-
WIA- Dislocated Worker Programs - Capacity Building - Incumbent Worker - Americraft Carton	17.278	2013-2031-47	17,794	-
WIA- Dislocated Worker Programs - Capacity Building - Incumbent Worker - Commonwealth Brands, Inc.	17.278	2013-2031-47	23,616	-
WIA- Dislocated Worker Programs - Capacity Building - On-the-Job Training - Sturm, Rugar & Co, Inc.	17.278	2014-2031-47	493	-
WIA- Dislocated Worker Programs - Capacity Building - Incumbent Worker - Hayward Industries	17.278	2014-2031-47	4,766	-
<b>Total CFDA # 17.278</b>			<u>1,522,233</u>	-
<b>Total Workforce Investment Act Cluster</b>			<u>4,985,597</u>	-
<b>Total U.S. Department of Labor</b>			<u>4,985,597</u>	-
<b>U. S. DEPARTMENT OF TRANSPORTATION</b>				
Passed through N.C. Department of Transportation:				
Federal Transit- Metropolitan Planning Grants:				
Northwest Piedmont Rural Transportation Planning	20.205	N/A	92,500	-
Piedmont Triad Rural Planning Organization	20.205	N/A	100,250	-
Passed through the NC Solar Center/NC State University:				
Clean Fuel Advanced Technology Project III	20.205	2013-15	46,749	-
Passed through the City of Winston Salem:				
Federal Transit- Metropolitan Planning Grants:	20.205	N/A	-	-
<b>Total U.S. Department of Transportation</b>			<u>239,499</u>	-
<b>APPALACHIAN REGIONAL COMMISSION</b>				
Appalachian Local Development Direct Assistance (2014)				
Appalachian Local Development Direct Assistance (2014)	23.009	N/A	77,746	-
Appalachian Local Development Direct Assistance (2015)	23.009	N/A	-	-
<b>Total CFDA # 23.009</b>			<u>77,746</u>	-
Passed through the N.C. Department of Commerce:				
Appalachian Technical Assistance (2013)	23.011	N/A	7,285	-
Appalachian Technical Assistance (2013)	23.011	N/A	8,300	-
Appalachian Technical Assistance (2013)	23.011	N/A	2,009	-
Appalachian Technical Assistance (2014)	23.011	N/A	9,166	-
Appalachian Technical Assistance (2014)	23.011	N/A	9,168	-
Appalachian Technical Assistance (2014)	23.011	N/A	9,166	-
<b>Total CFDA # 23.011</b>			<u>45,094</u>	-
<b>Total Appalachian Regional Commission</b>			<u>122,840</u>	-



**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2015

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures	
			Federal	State
Brownsfields Assessment and Cleanup Cooperative Agreement Passed through the N.C. Department of Environmental : Natural Resources: Division of Water Quality: Eden Watershed Restoration Plan	68.818	BF-00D12113-0	276,154	-
<b>Total Division of Water Quality</b>			2,408	-
Passed through Triangle J. Council of Governments: Watershed Outreach	66.454	4292	4,000	-
<b>Total Environmental Protection Agency</b>			282,562	-
<b>U.S. DEPARTMENT OF ENERGY</b>				
Passed through N.C. State Energy Office: Weatherization Assistance Program for low income persons Weatherization Assistance Program for low income persons Alamance Area	81.042-1	6047	371,562	-
<b>Total U.S. Department of Energy</b>			407,983	-
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Passed through N.C. Department of Agriculture and Consumer: Services, N.C. Forestry Service: Urban & Community Forestry Grant - Governmental Urban & Community Forestry Grant - Governmental	10.664	G40100282714FOR	2,284	-
<b>Total U.S. Department of Agriculture</b>	10.675	G40100319216FOR	2,653	-
			4,937	-
<b>U.S. Department of Health and Human Services</b>				
Passed through the N.C. Department of Health & Human Resources: Passed through the division of Aging and Adult Services: Special Programs fo the Aging-				
Elder Abuse - Title VII-B	93.041	NC-07 (15)	21,785	1,282
Regional Ombudsman - Title VII-E	93.042	NC-07 (15)	160,948	9,468
Health Promotion - Title III-D	93.043	NC-07 (15)	96,391	5,668
<b>Total Special Programs for the Aging</b>			279,124	16,418
Special Programs for the Aging - Title III-B Grants for Supportive Services and Senior Centers Planning & Administration - Title III-B Regional Ombudsman - Title III-B and State Access and In-Home Services - Title III-B and State Legal Services - Title III-B Special Programs for the Aging - Title III-C Nutrition Services Planning & Administration - Title III-C-1 and State Congregate Meals - Title III-C-1 and State Home Delivered Meals - Title III-C-2 and State Nutrition Services Incentive Program ( NSIP)	93.044	NC-07 (15)	143,964	7,889
	93.044	NC-07 (15)	234,497	159,615
	93.044	NC-07 (15)	2,083,409	817,385
	93.044	NC-07 (15)	75,158	4,415
	93.045	NC-07 (15)	249,307	13,630
	93.045	NC-07 (15)	1,109,906	65,289
	93.045	NC-07 (15)	1,138,674	953,369
<b>Total Aging Cluster</b>	93.053	NC-07 (15)	709,395	-
			5,744,310	2,021,592

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
 For the Year Ended June 30, 2015

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures	
			Federal	State
Family Caregiver - Title III-E	93.052	NC-07 (15)	602,387	40,159
Planning and Administration - Title III-E	93.052	NC-07 (15)	93,781	5,139
MIPPA Medicare Enrollment Assistance Program - Carry Forward	93.071	RQ 17318667	45,782	-
OLTS MIPPA/Options Counseling/CRC-LCA	93.517	NC-07 (15)	-	-
Money Follows the Person CRC/LCA	93.791	29826	82,898	-
Passed through N.C. Department of Commerce/State Energy Office:				
Low Income Home Energy Assistance Program-Weatherization Assistance Program for low income persons and Heat and Air Repair and Replacement Program - Alamance Area	93.568	6249	176,488	-
Low Income Home Energy Assistance Program-Weatherization Assistance Program for low income persons and Heat and Air Repair and Replacement Program	93.568	6057	1,739,663	-
<b>Total U.S. Department of Health and Human Services</b>			<u>8,764,433</u>	<u>2,083,308</u>
Cooperation for National and Community Service Retired and Senior Volunteer Program	94.002	N/A	-	-
<b>Total Cooperation for National and Community Services</b>			<u>-</u>	<u>-</u>
<b>Total Federal Awards</b>			<u>19,009,419</u>	<u>2,083,308</u>
<b>STATE AWARDS</b>				
Clean Water Management Trust Fund				
Elkin Municipal Watershed Surface Drinking Water Protection and Restoration Planning Supply	N/A	2012-2005	-	4,374
Swearing Creek Watershed Restoration Plan	N/A	2013-802	-	23,726
<b>Total Clean Water Management Trust Fund</b>			<u>-</u>	<u>28,100</u>
N.C. Department of Commerce State Technical Assistance Grant-COG Allocation			-	-
<b>Total N.C. Department of Commerce</b>			<u>-</u>	<u>-</u>
N.C. Department of Correction				
Passed through Davie County				
Criminal Justice Partnership Program-Pretrial Program			\$ -	\$ -
Passed through Surry County				
Criminal Justice Partnership Program-Pretrial Program			-	-
Passed through Yadkin County				
Criminal Justice Partnership Program-Pretrial Program			-	-
<b>Total N.C. Department of Corrections</b>			<u>-</u>	<u>-</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2015

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures	
			Federal	State
N.C. Department of Public Safety				
N.C. Department of Public Safety-Passed through to Davidson County			-	48,181
N.C. Department of Public Safety-Passed through to Rockingham County			-	53,781
N.C. Department of Public Safety-Passed through to Forsyth County			-	88,388
N.C. Department of Public Safety-Passed through to Stokes County			-	26,879
N.C. Department of Public Safety-Passed through to Wilkes County			-	25,569
N.C. Department of Public Safety-Passed through to Yadkin County			-	36,501
N.C. Department of Public Safety-Passed through to Davie County			-	27,794
N.C. Department of Public Safety-Passed through to Surry County			-	61,220
<b>Total N.C. Department of Public Safety</b>			-	368,313
N.C. Department of Environmental and Natural Resources				
Brownfield Inventory			-	-
<b>Total N.C. Department of Environmental and Natural Resources</b>			-	-
N.C. Department of Health & Human Services				
Passed through the Division of Aging and Adult Services:				
Aging Administrative Support		NC-07(15)	-	48,261
Senior Center General Purpose		NC-07(15)	-	253,057
Passed through the Division of Medical Assistance:				
Passed through N.C. Community Care Network NC, Inc. dba Community Care of NC				
State Medicaid Care Management			-	49,856
<b>Total N.C. Department of Health &amp; Human Services</b>			-	351,174
N.C. Department of Transportation				
Cental Park Bicycle Routing, Signage & Tourism Plan		2252	-	17,566
<b>Total N.C. Department of Transportation</b>			-	17,566
Passed through N.C. Housing Finance Agency:				
Passed-through Alamance County:				
NC Housing Trust Fund			-	460
Passed-through Surry County:				
NC Housing Trust Fund			-	47,046
<b>Total Passed through N.C. Housing Finance Agency:</b>			-	47,506
<b>Total State Awards</b>			-	812,659
<b>Total Federal and State Awards</b>			\$ 19,009,419	\$ 2,895,967

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2015

Notes to the Schedule of Expenditures of Federal and State Awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of the Piedmont Triad Regional Council and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. The expenditures of the Section 8 Housing Choice Vouchers Program on this schedule are the same as the net Section 8 Voucher dollars received. This is based on the interpretation by the Real Estate Assessment Center (a division of the U. S. Department of Housing and Urban Development) of what constitutes federal awards expended for this program. This amount differs from the amount presented in, or used in, the preparation of the basic financial statements.

2. Subrecipients

Of the federal and State expenditures presented in this schedule, Piedmont Triad Regional Council provided federal and State awards to subrecipients as follows:

Program Title	CFDA Number	Pass-through Grantor's Number	Federal	State
			Expenditures	Expenditures
Workforce Investment Act -Youth Activities	17.259	2014-2040-47	\$ 690,715	\$ -
Workforce Investment Act - Dislocated Worker	17.278	2012-2031-47	7,763	-
Workforce Investment Act - Dislocated Worker	17.278	2013-2031-47	49,293	-
Workforce Investment Act - Dislocated Worker	17.278	2014-2031-47	5,259	-
Health Promotions - Title III D	93.043	NC-07(15)	8,510	501
Aging Access & In-Home Services- Title III-B & State	93.044	NC-07(15)	2,083,409	3,747,373
Aging Legal Services-Title III-B	93.044	NC-07(15)	75,158	4,415
Congregate Meals - Title III-C-1	93.045	NC-07(15)	1,109,854	65,341
Home Delivered Meals- Title III-C-2	93.045	NC-07(15)	1,138,699	953,344
Family Caregiver- Title III-E	93.052	NC-07(15)	324,300	4,934
Nutrition Services Incentive Program (NSIP)	93.053	NC-07(15)	709,395	-
MIPPA Medicare Enrollment Assitance	93.071	RQ17318667	19,551	-
Senior Center General Purpose	N/A	NC-07(15)	-	253,057
			<u>\$ 6,221,906</u>	<u>\$ 5,028,965</u>