

PIEDMONT TRIAD REGIONAL COUNCIL

FINANCIAL STATEMENTS AND COMPLIANCE REPORT

As of and for the Year Ended June 30, 2020

And Report of Independent Auditor

**PIEDMONT TRIAD REGIONAL COUNCIL
KERNERSVILLE, NORTH CAROLINA**

**OFFICERS AND THE EXECUTIVE COMMITTEE
OF THE BOARD OF DIRECTORS**

JUNE 30, 2020

<u>Name</u>	<u>Position</u>	<u>County / City</u>	<u>Position</u>
<u>Executive Committee Officers:</u>			
Kevin Austin	Chairman	Yadkin	Commissioner
Alvin Foster	Vice-Chair	Yanceyville	Mayor
Don Truell	Treasurer	Davidson	Commissioner
Marikay Abuzuaiter	Secretary	Greensboro	Council Member
Steve Yokeley	Past-Chairman	Mount Airy	Commissioner
<u>Executive Committee:</u>			
Eddie Boswell	Member	Alamance	Commissioner
Nathaniel Hall	Member	Caswell	Commissioner
Don Truell	Member	Davidson	Commissioner
Terry Renegar	Member	Davie	Commissioner
Fleming El-Amin	Member	Forsyth	Commissioner
Alan Branson	Member	Guilford	Commissioner
Dottie Robinson	Member	Montgomery	Commissioner
Darrell Frye	Member	Randolph	Commissioner
Mark Richardson	Member	Rockingham	Commissioner
Rick Morris	Member	Stokes	Commissioner
Van Tucker	Member	Surry	Commissioner
Kevin Austin	Member	Yadkin	Commissioner
Marikay Abuzuaiter	Member	Greensboro	Council Member

**PIEDMONT TRIAD REGIONAL COUNCIL
KERNERSVILLE, NORTH CAROLINA**

**OFFICERS AND THE EXECUTIVE COMMITTEE
OF THE BOARD OF DIRECTORS**

JUNE 30, 2020

<u>Name</u>	<u>Position</u>	<u>County / City</u>	<u>Position</u>
<u>Executive Committee (continued):</u>			
John Larson	Member	Winston-Salem	Council Member
Victor Jones	Member	High Point	Council Member
Jim Butler	Member	Burlington	Council Member
Ricky Hall	Member	Graham	Council Member
Alvin Foster	Member	Yanceyville	Mayor
Larry Ward	Member	Denton	Mayor
Rick Cross	Member	Bermuda Run	Mayor
Peggy Leight	Member	Walkertown	Commissioner
Carla Strickland	Member	Pleasant Garden	Mayor
Damon Prince	Member	Troy	Commissioner
Renee Bryant	Member	Randleman	Alderwoman
Darryl Carter	Member	Eden	Council Member
Rick McCraw	Member	King	Council Member
Scott Needham	Member	Pilot Mountain	Commissioner
Wayne Moore	Member	Jonesville	Commissioner

PIEDMONT TRIAD REGIONAL COUNCIL

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PIEDMONT TRIAD REGIONAL COUNCIL

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FINANCIAL SECTION

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Report of Independent Auditor

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 Piedmont Triad Regional Council (the "Council"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the 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 *Government 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.

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 Council'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 Council'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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Council as of June 30, 2020, and the respective changes in financial position and, where applicable, 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 the management's discussion and analysis and the required supplemental financial data as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of 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 supplemental financial data 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 Council. The supplementary information as listed in the table of contents and the Schedule of Expenditures of Federal and State Awards as required by the U.S. Department of Housing and Urban Development, and the accompanying Schedule of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance")*, 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 supplementary information as listed in the table of contents 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 supplementary information as listed in the table of contents and the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2020 on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements, and other matters. The purpose of the 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 Council's internal control over financial reporting and compliance.

Cheryl Behrnt LLP

Charlotte, North Carolina
October 30, 2020

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

PIEDMONT TRIAD REGIONAL COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

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 Council for the fiscal year ended June 30, 2020. 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 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 and deferred outflows of resources of the Council exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$5,545,479 (net position).
- The Council's total net position increased by \$848,780.
- As of the close of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$5,386,042, an increase of \$1,310,384 in comparison with the prior year. Approximately 46% of this total amount or \$2,457,804, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,928,238.

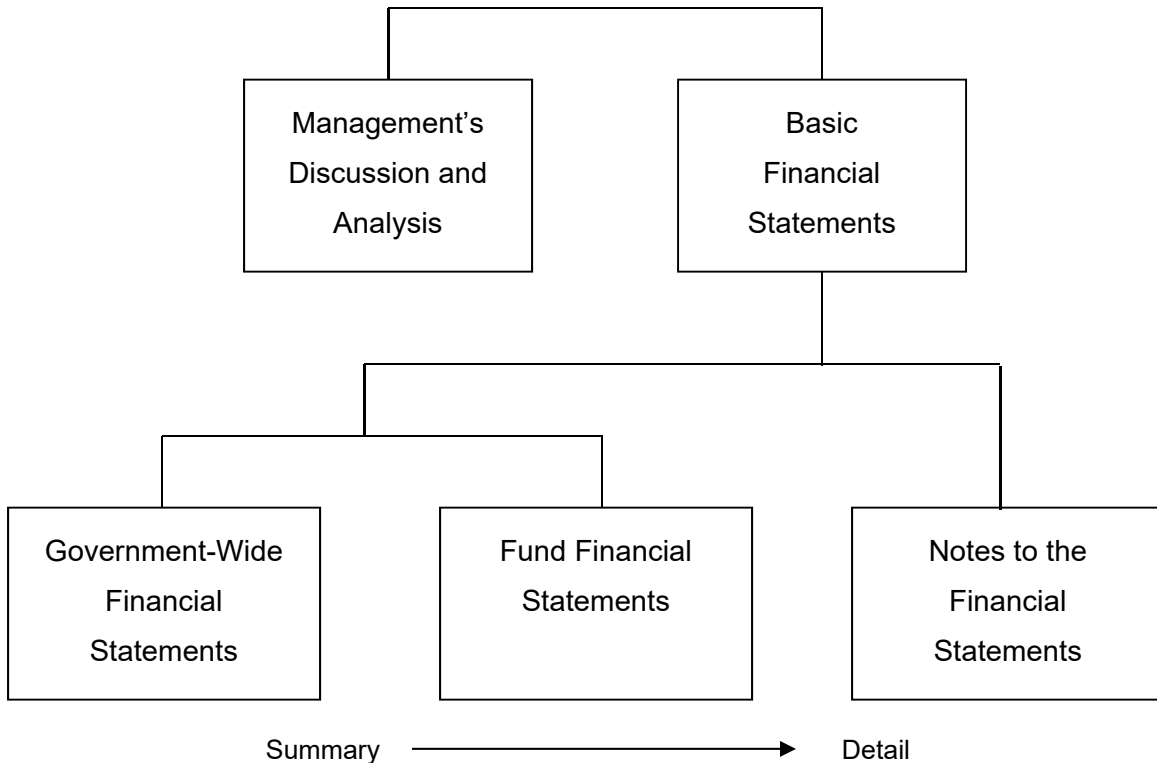
Overview of the Financial Statements

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.

**PIEDMONT TRIAD REGIONAL COUNCIL
MANAGEMENT’S DISCUSSION AND ANALYSIS**

JUNE 30, 2020

**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 7) 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.

Following the notes is the required supplemental information. This section contains funding information about the Council’s pension and benefit plans.

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.

PIEDMONT TRIAD REGIONAL COUNCIL

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

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 Funds, 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 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 19 of this report.

PIEDMONT TRIAD REGIONAL COUNCIL
MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2020

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Council’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 38 of this report.

Interdependence with Other Entities – The Council depends on financial resources flowing from, or associated with, both the federal government and the state of North Carolina. Because of this dependency, the Council is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and state appropriations.

Government-Wide Financial Analysis
Piedmont Triad Regional Council
Net Position
Table A-1

	Governmental Activities	
	2020	2019
Current and other assets	\$ 7,955,019	\$ 7,645,208
Capital assets	3,079,228	3,355,163
Deferred outflows of resources	846,013	965,029
Total Assets and Deferred Outflows of Resources	<u>11,880,260</u>	<u>11,965,400</u>
Current liabilities	2,654,826	3,799,237
Long-term liabilities outstanding	3,585,587	3,333,387
Deferred inflows of resources	94,368	136,077
Total Liabilities and Deferred Inflows of Resources	<u>6,334,781</u>	<u>7,268,701</u>
Net Position:		
Net investment in capital assets	1,111,228	1,141,163
Restricted	2,404,014	4,822,342
Unrestricted (deficit)	2,025,033	(1,266,806)
Total Net Position	<u>\$ 5,545,479</u>	<u>\$ 4,696,699</u>

As noted earlier, net position may serve over time as one useful indicator of a government’s financial condition. The assets and deferred outflows of the Council exceeded liabilities and deferred inflows by \$5,545,479 as of June 30, 2020. The Council’s liabilities and deferred inflows of resources decreased due to a decrease in the unearned revenue and payments on the note payable offset by an increase in the pension liability. The Council’s net position increased by \$848,780 for the fiscal year ended June 30, 2020. The net position increase year over year is due to excess actual revenues over actual expenditures. A portion of the Council’s net position of \$1,111,228 reflects the Council’s net investment in capital assets. An additional portion of the Council’s Net Position of \$2,404,014 represents resources that are subject to external restrictions on how they may be used. Of the amount restricted \$5,832 is restricted by the State’s Stabilization by State Statute.

PIEDMONT TRIAD REGIONAL COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

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

	Governmental Activities	
	2020	2019
Revenues:		
Program Revenues:		
Charges for services	\$ 2,664,694	\$ 2,770,782
Operating grants and contributions	29,935,020	26,470,540
General Revenues:		
Unrestricted investment earnings	23,064	35,500
Miscellaneous	4,850	4,850
Total Revenues	<u>32,627,628</u>	<u>29,281,672</u>
Expenses:		
Administration	1,108,028	889,264
Crime control and public safety	1,183,640	1,038,095
Health and human services	14,055,665	13,535,619
Housing	5,122,150	4,781,722
Planning	1,436,145	1,035,639
Workforce development	5,150,562	4,189,193
Weatherization	3,507,409	3,580,345
Local projects	156,283	12,783
Interest	58,966	65,012
Total Expenses	<u>31,778,848</u>	<u>29,127,672</u>
Increase in net position	848,780	154,000
Net position, beginning	<u>4,696,699</u>	<u>4,542,699</u>
Net assets, ending	<u>\$ 5,545,479</u>	<u>\$ 4,696,699</u>

Governmental activities. Governmental activities increased the Council's net position by \$843,780. This increase is primarily the result of new funding related to health and human services for the Families First Coronavirus Response Act, additional funding from the Kate B. Reynolds Charitable Trust and Blue Cross and Blue Shield of North Carolina, and the close out of crime control and public safety contracts with the North Carolina Treatment for Effective Community Services and Recidivism Reduction Services.

PIEDMONT TRIAD REGIONAL COUNCIL MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

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 Council's financial requirements.

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 \$2,928,238, while total fund balance reached \$2,934,070. 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 1,572.93% of total General Fund expenditures. Total fund balance represented 1,576.07% of total General Fund expenditures.

As of June 30, 2020, the governmental funds of the Council reported a combined fund balance of \$5,386,042, an increase of \$1,310,384 (32.15%) from the prior year. Included in this change in fund balance is an increase in fund balance in the Grant Projects Fund and the Local Projects Fund due to the collection of deferred inflows.

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 increased the budget by \$412,133. Amendments to the Grant Project Fund and Local Project Fund increased the budget by \$9,639,996; this included increases for Administration, Administrative Services, Crime Control and Public Safety, Health and Human Services, Planning (environmental protection, planning, and transportation) programs, Workforce Innovation and Opportunity Act Programs, and Weatherization, and Housing programs and other local project programs of \$-0-, \$174,225, \$672,525, \$6,297,529, \$286,934, \$746,762, \$472,997, \$696,024, and \$20,000, respectively.

Capital Asset and Debt Administration

Capital Assets – The Council's investment in capital assets for its governmental activities as of June 30, 2020, totaled \$3,079,228, (net of accumulated depreciation). These assets include building, land, furniture, equipment, and vehicles.

There were no major capital assets transactions during the year.

**PIEDMONT TRIAD REGIONAL COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2020

**Summary of Capital Assets (net of depreciation)
Table A-3**

	Governmental Activities	
	2020	2019
Land	\$ 634,324	\$ 634,324
Land improvements	34,696	44,642
Building	2,010,447	2,249,765
Equipment, furniture and fixtures	19,329	34,413
Vehicles	380,432	392,019
Total	<u>\$ 3,079,228</u>	<u>\$ 3,355,163</u>

Additional information on the Council's capital assets can be found in Note 4 of the Basic Financial Statements.

Debt Administration

	Governmental Activities	
	2020	2019
Note payable	<u>\$ 1,968,000</u>	<u>\$ 2,214,000</u>

Additional information on the Council's long-term obligations can be found in Note 5 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 Jarrod Hand, Finance Director for the Piedmont Triad Regional Council.

Requests for Information

This report is intended to provide a general overview of the 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 Jarrod Hand, 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.

BASIC FINANCIAL STATEMENTS

PIEDMONT TRIAD REGIONAL COUNCIL
STATEMENT OF NET POSITION

Exhibit 1

JUNE 30, 2020

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Piedmont Triad Regional Development Corporation</u>
ASSETS		
Current Assets:		
Cash and investments	\$ 4,611,690	\$ 614,557
Accounts receivable	143,275	159,326
Due from other governments	2,833,247	-
Due from component units	313,017	-
Current portion loan receivable	-	30,458
Prepaid expenses	53,790	-
Total Current Assets	<u>7,955,019</u>	<u>804,341</u>
Noncurrent Assets:		
Loan receivable - net	-	486,615
Capital Assets:		
Land, nondepreciable	634,324	-
Depreciable, net of related depreciation	2,444,904	-
Total Capital Assets	<u>3,079,228</u>	<u>-</u>
Total Assets	<u>11,034,247</u>	<u>1,290,956</u>
DEFERRED OUTFLOWS OF RESOURCES		
Contributions to pension plan in current year	357,699	-
Pension deferrals	488,314	-
Total Deferred Outflows of Resources	<u>846,013</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	1,552,489	-
Accrued interest payable	13,235	-
Due to primary government	-	313,017
Deferred federal revenue	-	-
Deferred private grant revenue	-	235,558
Current portion of claims payable	89,060	-
Unearned revenue	722,034	-
Current portion of long-term liabilities	278,008	-
Total Current Liabilities	<u>2,654,826</u>	<u>548,575</u>
Long-Term Liabilities:		
Net pension liability	1,347,710	-
Claims payable	278,844	-
Due in more than one year	1,959,033	-
Total Long-Term Liabilities	<u>3,585,587</u>	<u>-</u>
Total Liabilities	<u>6,240,413</u>	<u>548,575</u>
DEFERRED INFLOWS OF RESOURCES		
Pension deferrals	94,368	-
Total Deferred Inflows of Resources	<u>94,368</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	1,111,228	-
Restricted:		
Stabilization by State Statute	5,832	-
HUD	124,533	-
Projects	2,273,649	-
Other functions	-	212,670
Unrestricted	2,030,237	529,711
Total Net Position	<u>\$ 5,545,479</u>	<u>\$ 742,381</u>

The notes to the financial statements are an integral part of this statement.

PIEDMONT TRIAD REGIONAL COUNCIL
STATEMENT OF ACTIVITIES

Exhibit 2

YEAR ENDED JUNE 30, 2020

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges Services	Operating Grants and Contributions	Primary	Component
				Governmental Activities	Unit Piedmont Triad Regional Development Corporation
Primary Government:					
Governmental Activities:					
Administration	\$ 1,108,028	\$ 855,254	\$ 247,612	\$ (5,162)	\$ -
Crime control and public safety	1,183,640	120	1,634,491	450,971	-
Health and human services	14,055,665	266,214	14,068,260	278,809	-
Housing	5,122,150	3,775	4,932,905	(185,470)	-
Planning	1,436,148	556,268	962,086	82,206	-
Workforce development	5,150,562	1,900	5,155,367	6,705	-
Weatherization	3,507,409	907,804	2,772,757	173,152	-
Other local projects	156,280	73,359	161,542	78,621	-
Interest expense	58,966	-	-	(58,966)	-
Total Governmental Activities and Primary Government	<u>\$ 31,778,848</u>	<u>\$ 2,664,694</u>	<u>\$ 29,935,020</u>	<u>820,866</u>	<u>-</u>
Component Unit:					
Piedmont Triad Regional Development Corporation	<u>\$ 297,086</u>	<u>\$ 523,509</u>	<u>\$ -</u>	<u>-</u>	<u>226,423</u>
General Revenues:					
Unrestricted investment earnings				23,064	-
Miscellaneous				4,850	-
Total General Revenues				<u>27,914</u>	<u>-</u>
Change in net position				848,780	226,423
Net position, beginning				4,696,699	515,958
Net position (deficit), ending				<u>\$ 5,545,479</u>	<u>\$ 742,381</u>

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

PIEDMONT TRIAD REGIONAL COUNCIL
BALANCE SHEETS
GOVERNMENTAL FUNDS

Exhibit 3

JUNE 30, 2020

	Major Funds			Total Governmental Funds
	General Fund	Grant Project Fund	Local Projects Fund	
ASSETS				
Cash and investments	\$ 2,938,295	\$ 528,553	\$ 1,144,842	\$ 4,611,690
Sales tax receivables	884	111,933	30,458	143,275
Due from other governments	-	2,507,011	326,236	2,833,247
Due from component unit	-	111,550	201,467	313,017
Prepaid expenses	-	43,223	10,567	53,790
Total Assets	<u>\$ 2,939,179</u>	<u>\$ 3,302,270</u>	<u>\$ 1,713,570</u>	<u>\$ 7,955,019</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ 161	\$ 1,468,171	84,157	\$ 1,552,489
Unearned revenue	4,948	702,336	14,750	722,034
Total Liabilities	<u>5,109</u>	<u>2,170,507</u>	<u>98,907</u>	<u>2,274,523</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	294,454	-	294,454
Total Deferred Inflows of Resources	<u>-</u>	<u>294,454</u>	<u>-</u>	<u>294,454</u>
FUND BALANCES				
Nonspendable:				
Prepaid expenses	-	43,223	10,567	53,790
Restricted:				
Stabilization by State Statute	5,832	-	-	5,832
Restricted by HUD	-	124,533	-	124,533
Restricted for grant projects	-	669,553	-	669,553
Restricted for local projects	-	-	1,604,096	1,604,096
Unassigned (deficit)	2,928,238	-	-	2,928,238
Total Fund Balances	<u>2,934,070</u>	<u>837,309</u>	<u>1,614,663</u>	<u>5,386,042</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,939,179</u>	<u>\$ 3,302,270</u>	<u>\$ 1,713,570</u>	<u>\$ 7,955,019</u>

The notes to the financial statements are an integral part of this statement.

PIEDMONT TRIAD REGIONAL COUNCIL
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION

Exhibit 3 (cont)

JUNE 30, 2020

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

Total fund balance, governmental funds		\$ 5,386,042
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Gross capital assets at historical cost	\$ 5,678,246	
Accumulated depreciation	<u>(2,599,018)</u>	3,079,228
Contributions subsequent to the measurement date		357,699
Other deferred outflows of resources related to pensions are not reported in the funds		488,314
Earned revenues considered deferred inflows of resources in fund statements		294,454
Long-term liabilities used in governmental activities are not financial uses and, therefore, are not reported in the funds		
Notes payable	(1,968,000)	
Accrued interest expense	(13,235)	
Compensated absences	(269,041)	
Incurred but not reported claims	(367,904)	
Net pension liability	<u>(1,347,710)</u>	(3,965,890)
Deferred inflows of resources related to pensions are not reported in the funds		<u>(94,368)</u>
Net position of governmental activities		<u>\$ 5,545,479</u>

PIEDMONT TRIAD REGIONAL COUNCIL

Exhibit 4

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

YEAR ENDED JUNE 30, 2020

	Major Funds			Total Governmental Funds
	General Fund	Grant Project Fund	Local Projects Fund	
Revenues:				
Restricted intergovernmental	\$ -	\$ 28,974,054	\$ 955,762	\$ 29,929,816
Fees, local governments	587,985	347,579	168,878	1,104,442
Fees, program services	-	55,877	1,504,375	1,560,252
Miscellaneous	23,064	-	-	23,064
Total Revenues	611,049	29,377,510	2,629,015	32,617,574
Expenditures:				
Administration	186,164	258,987	-	445,151
Crime control and public safety	-	827,695	355,945	1,183,640
Health and human services	-	13,825,527	230,138	14,055,665
Housing	-	5,122,150	-	5,122,150
Planning	-	977,433	458,715	1,436,148
Workforce development	-	5,148,517	2,045	5,150,562
Weatherization	-	2,772,757	734,652	3,507,409
Administrative services	-	-	255,035	255,035
Other local projects	-	-	156,280	156,280
Total Expenditures	186,164	28,933,066	2,192,810	31,312,040
Excess of Revenues over Expenditures	424,885	444,444	436,205	1,305,534
Other Financing Sources:				
Sale of capital assets	-	-	4,850	4,850
Net change in fund balance	424,885	444,444	441,055	1,310,384
Fund balances, beginning	2,509,185	392,865	1,173,608	4,075,658
Fund balances, ending	\$ 2,934,070	\$ 837,309	\$ 1,614,663	\$ 5,386,042

PIEDMONT TRIAD REGIONAL COUNCIL

Exhibit 4 (cont)

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2020

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

Net changes in fund balances - total governmental funds \$ 1,310,384

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	\$ 60,071	
Depreciation expense for governmental assets	(321,140)	
Disposal of assets, net of depreciation	<u>(14,866)</u>	(275,935)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities 357,699

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 5,204

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 government 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.

Principal payments on long-term debt	\$ 246,000	
Decrease in accrued interest payable	<u>1,644</u>	247,644

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	\$ (109,516)	
Pension expense	(576,855)	
Incurred but not reported claims	<u>(109,845)</u>	<u>(796,216)</u>

Total changes in net position of governmental activities \$ 848,780

PIEDMONT TRIAD REGIONAL COUNCIL

Exhibit 5

GENERAL FUND

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

YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Fees, local governments	\$ 175,852	\$ 587,985	\$ 587,985	\$ -
Investment earnings	30,000	30,000	23,064	(6,936)
Total Revenues	<u>205,852</u>	<u>617,985</u>	<u>611,049</u>	<u>(6,936)</u>
Expenditures:				
Administration	<u>205,852</u>	<u>617,985</u>	<u>186,164</u>	<u>431,821</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>424,885</u>	<u>424,885</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	424,885	<u>\$ 424,885</u>
Fund balance, beginning			<u>2,509,185</u>	
Fund balance, ending			<u>\$ 2,934,070</u>	

PIEDMONT TRIAD REGIONAL COUNCIL

Exhibit 6

MAJOR SPECIAL REVENUE FUND - GRANT PROJECT FUND

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

YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Restricted intergovernmental	\$ 29,330,898	\$ 37,877,323	\$ 28,974,054	\$ (8,903,269)
Fees, local governments	456,083	481,501	347,579	(133,922)
Fees, program services	69,000	91,600	55,877	(35,723)
Total Revenues	<u>29,855,981</u>	<u>38,450,424</u>	<u>29,377,510</u>	<u>(9,072,914)</u>
Expenditures:				
Administration	332,644	332,644	258,987	73,657
Crime control and public safety	1,511,694	2,150,399	827,695	1,322,704
Health and human services	12,848,952	18,985,808	13,825,527	5,160,281
Housing	5,457,101	6,426,125	5,122,150	1,303,975
Planning	1,097,708	1,192,557	977,433	215,124
Workforce development	5,902,429	6,564,191	5,148,517	1,415,674
Weatherization	2,705,453	2,798,700	2,772,757	25,943
Total Expenditures	<u>29,855,981</u>	<u>38,450,424</u>	<u>28,933,066</u>	<u>9,517,358</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>444,444</u>	<u>444,444</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>444,444</u>	<u>\$ 444,444</u>
Fund balance, beginning			<u>392,865</u>	
Fund balance, ending			<u>\$ 837,309</u>	

PIEDMONT TRIAD REGIONAL COUNCIL

Exhibit 7

MAJOR SPECIAL REVENUE FUND - LOCAL PROJECT FUND

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

YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Restricted intergovernmental	\$ -	\$ 1,264,203	\$ 955,762	\$ (308,441)
Fees, local governments	157,000	215,561	168,878	(46,683)
Fees, program services	3,679,963	3,402,752	1,504,375	(1,898,377)
Total Revenues	<u>3,836,963</u>	<u>4,882,516</u>	<u>2,629,015</u>	<u>(2,253,501)</u>
Expenditures:				
Crime control and public safety	567,633	601,453	355,945	245,508
Health and human services	404,827	565,500	230,138	335,362
Planning	434,057	626,142	458,715	167,427
Workforce development	163,731	248,731	2,045	246,686
Weatherization	845,250	1,225,000	734,652	490,348
Administrative services	470,514	644,739	255,035	389,704
Other local projects	950,951	970,951	156,280	814,671
Total Expenditures	<u>3,836,963</u>	<u>4,882,516</u>	<u>2,192,810</u>	<u>2,689,706</u>
Excess of Revenues over Expenditures	-	-	436,205	436,205
Other Financing Sources:				
Sale of capital assets	-	-	4,850	4,850
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	441,055	<u>\$ 441,055</u>
Fund balance, beginning			<u>1,173,608</u>	
Fund balance, ending			<u>\$ 1,614,663</u>	

NOTES TO THE FINANCIAL STATEMENTS

PIEDMONT TRIAD REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Note 1—Nature of organization and summary of 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.

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. W.I.A. was replaced by the Workforce Innovation and Opportunity Act (“W.I.O.A.”) on July 1, 2015. The members of the board of directors of the Consortium are appointed by county commissioners from each county in the W.I.O.A. Local Area. The Consortium’s responsibility is to provide policy guidance for, and exercise oversight of activities under the W.I.O.A. for the W.I.O.A. Local Area in partnership with the units of local governments, partner agencies and businesses. The Consortium has no financial activity as all W.I.O.A. funds received are expended directly by the Council. The Council is also responsible for determining the program is carried out. The W.I.O.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 COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Note 1—Nature of organization and summary of significant accounting policies (continued)

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"). In August of 2017, the Corporation voluntarily resigned from the SBA 503/504 Program. Currently, the Corporation processes loan packages under a program from the Economic Development Administration (EDA). The Corporation's income is generated from loan fees and interest and various grants funds from federal and local sources. 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 discretely presented component unit. 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.

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 nonoperating revenues are ancillary activities such as investment earnings.

PIEDMONT TRIAD REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Note 1—Nature of organization and summary of significant accounting policies (continued)

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.

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. Non-exchange 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.

PIEDMONT TRIAD REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Note 1—Nature of organization and summary of significant accounting policies (continued)

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 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 Balance—

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. The Council's investments are reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

Cash and Cash Equivalents – The Council pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be 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. An allowance of \$1,197 was deemed necessary at June 30, 2020.

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.

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 W.I.O.A. funds and Weatherization Assistance Program funds for which capitalization costs are \$500. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. 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.

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Note 1—Nature of organization and summary of significant accounting policies (continued)

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building	15
Land improvements	10
Vehicles	10
Low voltage system	5
Furniture and equipment	5
Computer equipment	5

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Vehicles	10
Furniture and equipment	5
Computer equipment	5

Due from component unit— 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.

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, pension deferrals for the 2020 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 three items that meet this criterion, other pension deferrals, revenues received in advance of timing requirements, and revenue unavailable at the fund level.

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.

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.

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Note 1—Nature of organization and summary of significant accounting policies (continued)

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 positions 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.

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 amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State Statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute ("RSS", is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by state statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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

Restricted for Grant Projects – portion of fund balance that is restricted by revenue source for use with the grant projects.

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

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Council's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. The Council does not currently have any committed fund balance.

PIEDMONT TRIAD REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Note 1—Nature of organization and summary of significant accounting policies (continued)

Assigned Fund Balance – Portion of fund balance that the Council intends to use for specific purposes. The Council does not currently have any assigned fund balance.

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. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Council.

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.

The provisional standard rates for the fiscal year submitted for review to the U.S. Department of Housing and Urban Development at the rates of 45.50% for fringe benefits and 37.00% for indirect cost. The actual rates for the year ended June 30, 2020, for fringe benefits and indirect cost were 45.50% and 37.00%, respectively. All charges to programs for fringe and indirect costs were adjusted to actual as of June 30, 2020.

Defined Benefit Cost-Sharing Plans – For purposes of measuring the net pension liability, 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.

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 unearned 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/expenses during the reporting period. Actual results could differ from those estimates.

PIEDMONT TRIAD REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Note 2—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 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. 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, 2020, the Council's deposits had a carrying amount of \$2,829,604 and a bank balance of \$4,129,850. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$3,879,850 in interest-bearing deposits was covered by collateral held under the pooling method.

At June 30, 2020, the Corporation's deposits had a carrying amount of \$614,557 and a bank balance of \$614,557. Of the bank balance, \$250,000 was covered by federal depository insurance.

Investments – At June 30, 2020, the Council had \$1,782,086 invested with the NCCMT's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Council has no formal policy regarding credit risk of its investments.

Interest Rate Risk – The Council does not have a formal policy to limit interest rate risk.

Credit Risk – The Council limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations; however, the Council has no formal policy on credit risk.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Council will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Council has no formal policy on custodial risk.

Concentration of Credit Risk – The Council places no limit on the amount that the Council may invest in any one issuer.

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Note 3—Due from Other Governments

Amounts due from other governments are summarized as follows:

Special Revenue Fund - Grant Project Fund:

N.C. Department of Crime Control and Public Safety	\$ 85,011
N.C. Department of Commerce	583,494
N.C. Department of Environmental Quality	26,783
N.C. Department of Health and Human Services	1,063,098
N.C. Department of Transportation	87,991
N.C. Housing Finance Agency	426,075
U.S. Environmental Protection Agency	73,062
U.S. Economic Development Agency	114,792
U.S. Department of Agriculture	21,752
U.S. Department of Housing and Urban Development	<u>133,485</u>
Total Grant Project Fund	2,615,543

Special Revenue Fund - Local Projects Fund:

Local governments and agencies	<u>217,704</u>
Total Due from Other Governments	<u><u>\$ 2,833,247</u></u>

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Note 4—Capital assets

Primary Government

Capital asset activity for the primary government for the year ended June 30, 2020 was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balances</u>
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	3,876,045	-	-	3,876,045
Equipment, furniture and fixtures	172,677	1,471	28,403	145,745
Land improvements	99,436	-	-	99,436
Vehicles	903,742	58,600	39,646	922,696
Total capital assets being depreciated	<u>5,051,900</u>	<u>60,071</u>	<u>68,049</u>	<u>5,043,922</u>
Less accumulated depreciation for:				
Buildings	1,626,279	239,319	-	1,865,598
Equipment, furniture and fixtures	138,264	15,839	27,687	126,416
Land improvements	54,796	9,944	-	64,740
Vehicles	511,722	56,038	25,496	542,264
Total accumulated depreciation	<u>2,331,061</u>	<u>\$ 321,140</u>	<u>\$ 53,183</u>	<u>2,599,018</u>
Total capital assets being depreciated, net	<u>2,720,839</u>			<u>2,444,904</u>
Governmental activity capital assets, net	<u>\$ 3,355,163</u>			<u>\$ 3,079,228</u>

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

Administration	\$ 263,847
Aging	4,740
WAP	11,233
WIOA	41,320
Total	<u>\$ 321,140</u>

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Note 5—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>
2021	\$ 246,000	\$ 52,939
2022	246,000	46,322
2023	246,000	29,704
2024	246,000	33,087
2025	246,000	26,470
2026-2028	738,000	19,861
	<u>\$ 1,968,000</u>	<u>\$ 208,383</u>

The following is a summary of changes in long-term liabilities for the year ended June 30, 2020:

	<u>Balances</u>			<u>Balances</u>	<u>Current</u>
	<u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2020</u>	<u>Portion of</u>
					<u>Balances</u>
Governmental activities:					
Note payable	\$ 2,214,000	\$ -	\$ 246,000	\$ 1,968,000	\$ 246,000
Compensated absences	159,526	165,463	55,948	269,041	32,008
Net pension liability (LGERS)	1,205,861	141,849	-	1,347,710	-
	<u>\$ 3,579,387</u>	<u>\$ 307,312</u>	<u>\$ 301,948</u>	<u>\$ 3,584,751</u>	<u>\$ 278,008</u>

The General Fund primarily is used to liquidate the liabilities for compensated absences and the net pension liability with governmental activities.

Note 6—Pension plan and postemployment obligations

Local Government Employees' Retirement System

Plan Description – The Council is a participating employer in 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.

PIEDMONT TRIAD REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Note 6—Pension plan and postemployment obligations (continued)

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. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. 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, 2020, was 8.95% 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 \$357,699 for the year ended June 30, 2020.

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, 2020, the Council reported a liability of \$1,347,710 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The Council's proportion of the net pension liability 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, 2020, the Council's proportion was 0.04935% (measured as of June 30, 2019), which was a decrease of 0.00148% from its proportion measured as of June 30, 2019 (measured as of June 30, 2018).

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Note 6—Pension plan and postemployment obligations (continued)

For the year ended June 30, 2020, the Council recognized pension expense of \$576,853. At June 30, 2020, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 230,762	\$ -
Changes of assumptions	219,654	-
Net difference between projected and actual earnings on pension plan investments	32,872	-
Changes in proportion and differences between Council contributions and proportionate share of contributions	5,026	94,368
Council contributions subsequent to the measurement date	357,699	-
Total	\$ 846,013	\$ 94,368

\$357,699 reported as deferred outflows of resources related to pensions resulting from Council contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years ending June 30:</u>	
2021	\$ 207,741
2022	39,879
2023	108,102
2024	38,224
	\$ 393,946

Actuarial Assumptions – The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.0 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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Note 6—Pension plan and postemployment obligations (continued)

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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 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 3.05%. All rates of return and inflation are annualized.

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. 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 Liability to Changes in the Discount Rate – The following presents the Council's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Council's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Council's proportionate share of the net pension liability (asset)	\$ 3,082,459	\$ 1,347,710	\$ (94,218)

PIEDMONT TRIAD REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Note 6—Pension plan and postemployment obligations (continued)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued CAFR for the state of North Carolina.

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 employees of the Council who elect to participate in this deferred compensation program. Plan contributions by employees amounted to \$63,160, during the fiscal year ended June 30, 2020, and ending investment balance in the plan at June 30, 2020 was \$1,287,895. 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 full-time 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, 2020. All amounts are vested immediately. Also, the participants may make voluntary contributions to the Plan.

Contributions for the year ended June 30, 2020 totaled \$257,001, which consisted of \$98,544 from the Council and \$158,457 from employees.

Note 7—Other employment benefits

The Council has also elected to provide death benefits to employees through the Death Benefit Plan for members of the LGERS (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. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. The Council considers these contributions to be immaterial.

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Note 8—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 N.C. 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 commercial 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, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Reserve, beginning of year	\$ 69,829	\$ 100,000
Contributions to HRA by Piedmont Triad Regional Council	81,643	44,385
Less claims paid	(68,186)	(74,556)
Reserve, end of year	<u>\$ 80,000</u>	<u>\$ 69,829</u>
	<u>2020</u>	<u>2019</u>
Reserve, beginning of year	\$ 188,230	\$ 82,423
Contributions to Health Insurance Reserve by Piedmont Triad Regional Council	1,048,857	1,176,391
Less claims paid	(949,183)	(1,070,584)
Reserve, end of year	<u>\$ 287,904</u>	<u>\$ 188,230</u>

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Note 9—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. 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 \$301,688 in 2020. 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 of the coming years to the Council for approval, and 4) refrain from seeking funds directly from local governments.

Due to Council, beginning of year	\$ 17,729
Advances from Council	301,688
Less repayments to Council	<u>(302,575)</u>
Due to Council, end of year	16,842
Accounts payable to the Council, end of year	<u>296,175</u>
Net Due to Council, end of year	<u><u>\$ 313,017</u></u>

Note 10—Lease obligations

The Council leases various pieces of equipment, such as the postage meter and copiers with lease terms ending at various times through the fiscal year ending June 30, 2024. Rent expense for the year ended June 30, 2020, was comprised of \$3,256 for office space and storage and \$66,194 for equipment.

The following is a summary of future operating lease commitments:

<u>Years Ending June 30,</u>	<u>Amount</u>
2021	\$ 62,987
2022	62,987
2023	57,189
2024	<u>44,854</u>
	<u><u>\$ 228,017</u></u>

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Note 11—Third party agreements

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

<p><u>County</u></p> <ul style="list-style-type: none"> • Alamance County • Caswell County • Davidson County • Davie County • Forsyth County • Guilford County • Iredell County • Lee County • Person County • Randolph County • Rowan County • Rockingham County • Stokes County • Surry County • Warren County • Yadkin County <p><u>City</u></p> <ul style="list-style-type: none"> • City of Asheboro • City of Archdale • City of Burlington 	<p><u>City (Continued)</u></p> <ul style="list-style-type: none"> • City of Claremont • City of Goldsboro • City of Graham • City of High Point • City of Lexington • City of Mebane • City of Randleman • City of Reidsville • City of Winston-Salem <p><u>Town</u></p> <ul style="list-style-type: none"> • Town of Angier • Town of Denton • Town of Haw River • Town of Jonesville • Town of Kernersville • Town of Lewisville • Town of Liberty • Town of Mooresville • Town of Mount Gilead 	<p><u>Town (Continued)</u></p> <ul style="list-style-type: none"> • Town of Pilot Mountain • Town of Rural Hall • Town of Rolesville • Town of Smithfield • Town of Southern Shores • Town of Spencer • Town of Walnut Cove • Town of Yanceyville • Town of Walkertown • Town of Wendell <p><u>Other</u></p> <ul style="list-style-type: none"> • Centralina Council of Government • Triangle J Council of Government • Upper Coastal Plan Council of Government • Village of Clemmons
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The statement of revenues, expenditures, and changes in fund balances – governmental funds reflects the administration reimbursements related to these programs.

Note 12—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.

Section 8 Housing Voucher Program
 NC 166

842 units

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Note 13—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 monies 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.

During 2020 an outbreak of a novel strain of coronavirus (“COVID-19”) emerged globally. As a result of the spread of COVID-19, economic uncertainties have arisen that could negatively impact the Council’s revenue and operation for an indeterminable time period. Other financial impact could occur that are unknown at this time.

Note 14—Net investment in capital assets

Capital assets	\$ 3,079,228
Less long-term debt	<u>(1,968,000)</u>
Net investments in capital assets	<u>\$ 1,111,228</u>

Note 15—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	\$ 2,934,070
Less Stabilization by state statute	<u>(5,832)</u>
Unrestricted fund balance - General Fund	<u>\$ 2,928,238</u>

Note 16—Subsequent events

Subsequent events were evaluated through October 30, 2020, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles

- Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System

PIEDMONT TRIAD REGIONAL COUNCIL**Exhibit A-1****PIEDMONT TRIAD REGIONAL COUNCIL'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION***LAST SEVEN YEARS*
YEAR ENDED JUNE 30, 2020***Local Government Employees' Retirement System**

	2020	2019	2018	2017	2016	2015	2014
Piedmont Triad Regional Council's proportion of the net pension liability (asset) (%)	0.04935%	0.05083%	0.06506%	0.07117%	0.07085%	0.07169%	0.06930%
Piedmont Triad Regional Council's proportion of the net pension liability (asset) (\$)	\$ 1,347,710	\$ 1,205,861	\$ 993,937	\$ 1,510,467	\$ 317,971	\$ (422,789)	\$ 835,331
Piedmont Triad Regional Council's covered payroll	\$ 3,629,135	\$ 3,454,914	\$ 4,001,662	\$ 4,488,389	\$ 4,674,445	\$ 4,443,980	\$ 2,613,085
Piedmont Triad Regional Council's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	37.14%	34.90%	24.84%	33.65%	6.80%	-9.51%	31.97%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This will be the same percentage for all participant employers in the LGERS plan.

PIEDMONT TRIAD REGIONAL COUNCIL
PIEDMONT TRIAD REGIONAL COUNCIL'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit A-2

LAST SEVEN YEARS
YEAR ENDED JUNE 30, 2020

Local Government Employees' Retirement System

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 357,699	\$ 286,339	\$ 264,301	\$ 297,323	\$ 307,024	\$ 320,115	\$ 316,764
Contributions in relation to the contractually required contribution	<u>357,699</u>	<u>286,339</u>	<u>264,301</u>	<u>297,323</u>	<u>307,024</u>	<u>320,115</u>	<u>316,764</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Piedmont Triad Regional Council's covered payroll	\$ 4,037,303	\$ 3,629,135	\$ 3,454,914	\$ 4,001,662	\$ 4,488,389	\$ 4,674,445	\$ 4,443,980
Contributions as a percentage of covered payroll	8.86%	7.89%	7.65%	7.43%	6.84%	6.85%	7.13%

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INDIVIDUAL FUND STATEMENTS AND SCHEDULES

PIEDMONT TRIAD REGIONAL COUNCIL

Exhibit B

GENERAL FUND

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

YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Fees, local governments	\$ 587,985	\$ 587,985	\$ -
Investment earnings	30,000	23,064	(6,936)
Total Revenues	<u>617,985</u>	<u>611,049</u>	<u>(6,936)</u>
Expenditures:			
Administration:			
Salaries and fringe	27,645	40,838	(13,193)
General and administrative	515,361	304,860	210,501
Travel and training	28,000	11,284	16,716
Professional services/consultants	3,750	245	3,505
Supplies	8,000	8,591	(591)
Indirect cost	10,229	15,110	(4,881)
Capital outlay	25,000	-	25,000
Miscellaneous	-	(194,764)	194,764
Total Expenditures	<u>617,985</u>	<u>186,164</u>	<u>431,821</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>424,885</u>	<u>424,885</u>
Net change in fund balance	<u>\$ -</u>	<u>424,885</u>	<u>\$ 424,885</u>
Fund balance, beginning		<u>2,509,185</u>	
Fund balance, ending		<u>\$ 2,934,070</u>	

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

Exhibit C

Page 1 of 3

YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental revenues	\$ 37,877,323	\$ 28,974,054	\$ (8,903,269)
Fees, local governments	481,501	347,579	(133,922)
Fees, program services	91,600	55,877	(35,723)
Total Revenues	<u>38,450,424</u>	<u>29,377,510</u>	<u>(9,072,914)</u>
Expenditures:			
Administration:			
Appalachian Regional Commission/PTRDC EDA:			
Salaries and fringe	92,422	130,201	(37,779)
Travel and training	112,247	5,049	107,198
Professional services/consultants	86,500	60,018	26,482
General administrative/occupancy	7,278	14,288	(7,010)
Supplies	-	1,570	(1,570)
Indirect costs	34,197	47,861	(13,664)
Total Administration	<u>332,644</u>	<u>258,987</u>	<u>73,657</u>
Crime Control and Public Safety:			
Salaries and fringe	414,539	261,998	152,541
Travel and training	82,295	16,985	65,310
Professional services/consultants	1,255,301	206,793	1,048,508
General administrative/occupancy	20,752	28,565	(7,813)
Supplies	52,207	86,468	(34,261)
Rent	2,600	-	2,600
Participant costs	94,176	50,552	43,624
Indirect costs	228,529	176,334	52,195
Total Crime Control and Public Safety	<u>2,150,399</u>	<u>827,695</u>	<u>1,322,704</u>
Health and Human Services:			
Aging and Home and Community Care Block Grant:			
Salaries and fringe	1,323,055	1,234,791	88,264
Travel and training	67,197	48,555	18,642
Professional services/consultants	11,001	4,695	6,306
General administrative/occupancy	136,746	155,124	(18,378)
Supplies	276,386	70,443	205,943
Indirect costs	489,502	456,819	32,683
Sub recipient expenses	16,681,921	11,855,100	4,826,821
Total Aging and Home and Community Care Block Grant	<u>18,985,808</u>	<u>13,825,527</u>	<u>5,160,281</u>

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

Exhibit C

Page 2 of 3

YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Housing:			
Section 8 Housing Assistance:			
HAP payments	\$ 3,200,000	\$ 3,140,930	\$ 59,070
Salaries and fringe	340,683	340,069	614
Travel and training	25,500	11,530	13,970
Professional services/consultants	3,500	650	2,850
General administrative/occupancy	40,255	31,709	8,546
Supplies	14,009	10,094	3,915
Indirect costs	126,053	125,826	227
Miscellaneous	-	681	(681)
Total Section 8 Housing Assistance	<u>3,750,000</u>	<u>3,661,489</u>	<u>88,511</u>
Home/SFR/CDBG/URP:			
Salaries and fringe	553,080	272,257	280,823
Travel and training	25,388	9,442	15,946
Professional services/consultants	1,866,675	1,021,901	844,774
General administrative/occupancy	23,841	47,798	(23,957)
Supplies	2,500	8,528	(6,028)
Indirect costs	204,641	100,735	103,906
Total Home/SFR/CDBG/URP	<u>2,676,125</u>	<u>1,460,661</u>	<u>1,215,464</u>
Total Housing	<u>6,426,125</u>	<u>5,122,150</u>	<u>1,303,975</u>
Indirect Costs:			
Salaries and fringe	3,038,254	2,923,859	114,395
Travel and training	125,000	24,259	100,741
Professional services/consultants	71,000	80,532	(9,532)
General administrative/occupancy	520,173	431,852	88,321
Rent	75,000	65,658	9,342
Supplies	120,000	83,894	36,106
Miscellaneous	-	70	(70)
Allocated indirect costs	(3,949,427)	(3,610,124)	(339,303)
Total Indirect Costs	<u>-</u>	<u>-</u>	<u>-</u>
Planning:			
Salaries and fringe	508,750	354,199	154,551
Travel and training	32,191	9,527	22,664
Professional services/consultants	420,487	460,472	(39,985)
General administrative/occupancy	41,410	24,282	17,128
Supplies	6,585	1,850	4,735
Rent	-	195	(195)
Indirect costs	183,134	126,908	56,226
Total Planning	<u>1,192,557</u>	<u>977,433</u>	<u>215,124</u>

PIEDMONT TRIAD REGIONAL COUNCIL

Exhibit C

MAJOR SPECIAL REVENUE FUND - GRANT PROJECT FUND

Page 3 of 3

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

YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Workforce Development:			
Salaries and fringe	\$ 1,045,037	\$ 855,034	\$ 190,003
Travel and training	16,401	36,384	(19,983)
Professional services/consultants	95,033	132,986	(37,953)
General administrative	54,959	162,144	(107,185)
Rent	-	3,596	(3,596)
Supplies	-	11,977	(11,977)
Capital outlay	8,500	1,469	7,031
Sub recipient expenses	3,763,012	3,215,649	547,363
Participant costs	1,227,307	425,235	802,072
Indirect costs	353,942	304,043	49,899
Total Workforce Development	<u>6,564,191</u>	<u>5,148,517</u>	<u>1,415,674</u>
Weatherization:			
Salaries and fringe	620,536	648,506	(27,970)
Travel and training	122,393	43,584	78,809
Professional services/consultants	1,817,496	1,846,104	(28,608)
General administrative/occupancy	82,251	52,546	29,705
Supplies	10,000	1,052	8,948
Capital outlay	-	34,900	(34,900)
Indirect costs	146,024	146,065	(41)
Total Weatherization	<u>2,798,700</u>	<u>2,772,757</u>	<u>25,943</u>
Total Expenditures	<u>38,450,424</u>	<u>28,933,066</u>	<u>9,517,358</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>444,444</u>	<u>444,444</u>
Net change in fund balance	<u>\$ -</u>	<u>444,444</u>	<u>\$ 444,444</u>
Fund balance, beginning		<u>392,865</u>	
Fund balance, ending		<u>\$ 837,309</u>	

PIEDMONT TRIAD REGIONAL COUNCIL

Exhibit D

MAJOR SPECIAL REVENUE FUND - LOCAL PROJECT FUND

Page 1 of 3

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

YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental	\$ 1,264,203	955,762	\$ (308,441)
Fees, local governments	215,561	168,878	(46,683)
Fees, program services	3,402,752	1,504,375	(1,898,377)
Total Revenues	<u>4,882,516</u>	<u>2,629,015</u>	<u>(2,253,501)</u>
Expenditures:			
Crime Control and Public Safety Local Projects:			
Criminal Justice Programs:			
Salaries and fringe	267,525	312,020	(44,495)
Travel and training	45,252	1,662	43,590
Professional services/consultants	140,416	-	140,416
General administrative/occupancy	18,120	5,329	12,791
Rent	25,378	-	25,378
Supplies	50,942	881	50,061
Participant expenses	29,989	-	29,989
Indirect costs	23,831	36,053	(12,222)
Total Criminal Justice Programs	<u>601,453</u>	<u>355,945</u>	<u>245,508</u>
Health and Human Service Local Grant Projects:			
Aging:			
Salaries and fringe	64,413	39,399	25,014
Travel and training	75,000	10,439	64,561
Professional services/consultants	370,065	136,522	233,543
General administrative/occupancy	15,000	13,741	1,259
Supplies	2,000	930	1,070
Indirect costs	19,022	13,859	5,163
Subrecipient expenses	20,000	15,248	4,752
Total Aging	<u>565,500</u>	<u>230,138</u>	<u>335,362</u>
Planning Local Projects			
Local Technical Assistance Project and Planning:			
Salaries and fringe	285,298	252,556	32,742
Travel and training	28,864	13,545	15,319
Professional services/consultants	174,764	43,005	131,759
General administrative/occupancy	32,199	53,422	(21,223)
Supplies	4,880	9,377	(4,497)
Indirect costs	100,137	86,810	13,327
Total Local Technical Assistance Project and Planning	<u>626,142</u>	<u>458,715</u>	<u>167,427</u>

PIEDMONT TRIAD REGIONAL COUNCIL

Exhibit D

MAJOR SPECIAL REVENUE FUND - LOCAL PROJECT FUND

Page 2 of 3

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

YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Workforce Development Local Projects:			
Salaries and fringe	\$ -	\$ -	\$ -
Travel and training	82,500	623	81,877
Professional services/consultants	9,750	-	9,750
General administrative/occupancy	1,500	1,177	323
Supplies	100,000	34	100,000
Subrecipient expenses	23,731	-	23,731
Participant expenses	31,250	211	31,039
Total Workforce Development Local Projects	<u>248,731</u>	<u>2,045</u>	<u>246,686</u>
Other Local Projects:			
Miscellaneous Local Projects:			
Travel and training	50,877	2,898	47,979
Professional services/consultants	323,000	129,143	193,857
General administrative/occupancy	553,701	(48,565)	602,266
Salaries and fringe	31,659	50,747	(19,088)
Supplies	-	6,908	(6,908)
Indirect costs	11,714	15,149	(3,435)
Capital Outlay	-	-	-
Miscellaneous	-	-	-
Total Miscellaneous Local Projects	<u>970,951</u>	<u>156,280</u>	<u>814,671</u>
Management Advisory Services:			
Salaries and fringe	462,350	207,350	255,000
Travel and training	136,881	12,221	124,660
Professional services/consultants	1,005	718	287
General administrative/occupancy	-	9,016	(9,016)
Supplies	-	1,707	(1,707)
Indirect costs	44,503	24,023	20,480
Total Management Advisory Services	<u>644,739</u>	<u>255,035</u>	<u>389,704</u>
Total Other Local Projects	<u>1,615,690</u>	<u>411,315</u>	<u>1,204,375</u>

PIEDMONT TRIAD REGIONAL COUNCIL

Exhibit D

MAJOR SPECIAL REVENUE FUND - LOCAL PROJECT FUND

Page 3 of 3

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

YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Weatherization:			
Salaries and fringe	\$ 29,100	\$ 11,022	\$ 18,078
Travel and training	6,500	874	5,626
Professional services/consultants	1,095,099	603,320	491,779
General administrative/occupancy	-	11,331	(11,331)
Supplies	-	10,144	(10,144)
Indirect costs	94,301	97,961	(3,660)
Total Weatherization	<u>1,225,000</u>	<u>734,652</u>	<u>490,348</u>
Total Expenditures	<u>4,882,516</u>	<u>2,192,810</u>	<u>2,689,706</u>
Excess of Revenues over Expenditures	-	436,205	436,205
Other Financing Sources:			
Sale of capital assets	-	4,850	4,850
Net change in fund balance	<u>\$ -</u>	<u>441,055</u>	<u>\$ 441,055</u>
Fund balance, beginning		<u>1,173,608</u>	
Fund balance, ending		<u>\$ 1,614,663</u>	

PIEDMONT TRIAD REGIONAL COUNCIL
SCHEDULE OF FRINGE BENEFITS AND INDIRECT COSTS

Exhibit E

YEAR ENDED JUNE 30, 2020

	Expenditures		Rate	
	Proposed	Actual	Proposed	Actual
Fringe Benefits:				
FICA	\$ 328,539	\$ 312,670		
Group insurance	925,289	868,858		
Retirement and 401(k)	470,760	456,243		
Employee assistance plan and accrued vacation leave	37,950	88,642		
Employee healthcare advocacy	10,991	24,706		
Worker's compensation and unemployment	28,000	13,538		
Health reimbursement arrangement	48,180	71,916		
	<u>\$ 1,849,709</u>	<u>\$ 1,836,573</u>	<u>45.50%</u>	<u>45.50%</u>
Indirect Costs:				
Salaries	\$ 803,938	\$ 782,333		
Fringe benefits	340,332	330,293		
Professional services	52,336	55,826		
Telephone	39,000	26,052		
Postage	18,000	17,193		
Travel, parking, and other	24,105	23,695		
Equipment maintenance	10,000	1,166		
Equipment rent	52,000	65,659		
Advertising	5,000	65		
Office supplies	83,600	83,894		
Occupancy expense	241,488	234,142		
Payroll processing fee	34,611	38,964		
Computer services	80,000	67,071		
Dues, subscriptions, memberships, miscellaneous	18,000	20,590		
Insurance	23,000	26,608		
	<u>\$ 1,825,410</u>	<u>\$ 1,773,551</u>	<u>37.00%</u>	<u>37.00%</u>

PIEDMONT TRIAD REGIONAL COUNCIL
DETAIL ALLOCATIONS - FRINGE BENEFITS AND INDIRECT COSTS

YEAR ENDED JUNE 30, 2020

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Appalachian Regional Commission:					
ARC 1/1/2020-12/31/2020	\$ 18,165	\$ 8,265	45.50%	\$ 9,779	37.00%
ARC 1/1/2019-12/31/2019	48,706	22,161	45.50%	26,221	37.00%
BlueCross BlueShield of NC Foundation					
PTRDC BCBS Food Initiative	27,739	12,621	45.50%	14,933	37.00%
Blue Cross NC Foundation Pub Ed Value-Based Care	7,216	3,283	45.50%	3,885	37.00%
PTRDC BCBS Food Initiative	65	5	7.69%	-	0.00%
Duke Energy:					
HHF DEP H&S Admin	-	-	0.00%	3,583	0.00%
DEC WAP Admin	-	-	0.00%	42,138	0
DEC WAP Ops	7,575	3,447	45.50%	52,240	473.96%
Environmental Protection Agency:					
EPA Brownfields Assessment & Clean-up Exp	6,935	3,155	45.49%	3,733	37.00%
EPA Brownfield-Petroleum	8,324	3,788	45.51%	4,481	37.00%
205J TJCOG- Jordan Lake One Water	3,947	1,796	45.50%	2,125	37.00%
205J Richland Creek Watershed	797	363	45.55%	429	36.98%
Kate B. Reynolds Charitable Trust					
KBR Public Ed Value-Based Care	16,312	7,422	45.50%	8,781	37.00%
Local Administration Agreements and Programs:					
CDBG - Yanceyville Sewer Project	18,309	8,330	45.50%	9,856	37.00%
Upper Cape Fear River Basin Assoc	10,219	4,650	45.50%	5,501	37.00%
Piedmont Triad Regional Development Corp	401	183	45.64%	216	36.99%
UNC-CH/West Health Bridge Study	337	153	45.40%	955	194.90%
Aging Fee for Service	144	65	45.14%	236	112.92%
SOAR - City of W-S	5,017	2,283	45.51%	2,701	37.00%
Davie Pre-Trial Adm	14,355	6,531	45.50%	7,728	37.00%
Davie Pre-Trial Local	46,879	21,330	45.50%	-	0.00%
Stokes Pre-Trial Adm	1,297	590	45.49%	698	36.99%
Surry Pre-Trial Adm	27,060	12,312	45.50%	14,568	37.00%
Surry Pre-Trial Local	60,273	27,424	45.50%	2,436	2.78%
Yadkin Pre-Trial Adm	14,717	6,696	45.50%	7,923	37.00%
Yadkin Pre-Trial Loca	44,850	20,407	45.50%	-	0.00%
Stormwater S.M.A.R.T	44,177	20,101	45.50%	23,783	37.00%
Stormwater SMART Mass Media	3,134	1,426	45.50%	1,687	37.00%
Planning Board Training LTA	756	344	45.50%	407	37.00%
Jonesville Planning Services	1,792	815	45.48%	965	37.02%
Yanceyville Planning Services	839	382	45.53%	452	37.02%
Walnut Cove Planning Services	2,804	1,276	45.51%	1,510	37.01%
Clemmons LDP	120	55	45.83%	65	37.14%
Surry Co. LDP	5,189	2,361	45.50%	2,794	37.01%
Davie Comprehensive Plan	9,918	4,513	45.50%	5,339	37.00%
Yadkin Riverkeeper Project	187	85	45.45%	101	37.13%
Mount Gilead GIS	143	65	45.45%	77	37.02%

PIEDMONT TRIAD REGIONAL COUNCIL
DETAIL ALLOCATIONS - FRINGE BENEFITS AND INDIRECT COSTS

YEAR ENDED JUNE 30, 2020

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Local Administration Agreements and Programs: (continued)					
Pilot Mountain Greenway	\$ 4,133	\$ 1,880	45.49%	\$ 2,225	37.00%
Graham Parks & Rec Master Plan	11,236	5,113	45.51%	6,049	37.00%
Jonesville Greenway	707	322	45.54%	381	37.03%
Denton Ordinance Update	4,585	2,086	45.50%	2,469	37.01%
Kernersville Strategic Plan Update	6,130	2,789	45.50%	3,300	37.00%
Reidsville CDGG-I Survey Project	592	269	45.44%	318	36.93%
Walkertown Rec Master Plan	2,335	1,062	45.48%	1,257	37.00%
Archdale Stormwater Asset Mapping	15,921	7,244	45.50%	8,571	37.00%
Asheboro Parks & Rec LDP	13,121	5,970	45.50%	7,249	37.97%
Lewisville Stormwater Mapping	5,701	2,594	45.50%	2,921	35.21%
Mebane Small Area Plan	11,556	5,258	45.50%	6,221	37.00%
Surry TDA	2,165	985	45.50%	1,165	36.98%
160D Zoning Projects	2,773	1,262	45.51%	1,493	37.00%
Graham Better Block	943	429	45.49%	508	37.03%
Management Services Miscellaneous LTA	24,629	11,206	45.50%	13,259	37.00%
Asheboro Pay Study	2,429	1,105	45.49%	1,308	37.01%
Forsyth Pay & Classification Study	59	27	45.76%	31	36.05%
Kernersville Pay Study	1,320	601	45.53%	711	37.01%
Regional Drug Testing Program	467	212	45.40%	251	36.97%
Reidsville Pay Study	537	244	45.44%	289	37.00%
High Point Pay Study	6,544	2,978	45.51%	3,523	37.00%
Burlington Pay and Class Study	2,007	913	45.49%	1,080	36.99%
Davidson Pay & Class	1,051	478	45.48%	566	37.02%
CCOG-Mooresville Admin Pay & Class	2,667	1,213	45.48%	1,436	37.01%
Rural Hall Pay & Class Study	1,031	469	45.49%	555	37.00%
Reidsville Training Facilitation	146	66	45.21%	78	36.79%
Spencer Pay & Class Study	1,090	496	45.50%	587	37.01%
Uwharrie Charter Academy Application Screening	174	79	45.40%	94	37.15%
PART Pay & Class Study	345	157	45.51%	186	37.05%
Randelman Pay & Class	128	58	45.31%	69	37.10%
Local Dues Expenditures	28,067	12,771	45.50%	15,110	37.00%
Upper Cape Fear River Basin Assoc	72	7	9.72%	-	0.00%
UNC-CH/West Health Bridge Study	3,549	271	7.64%	-	0.00%
Aging Fee for Service	599	47	7.85%	-	0.00%
Stormwater S.M.A.R.T	13,622	1,042	7.65%	-	0.00%
Pilot Mountain Greenway	108	9	8.33%	-	0.00%
Graham Parks & Rec Master Plan	150	11	7.33%	-	0.00%
Archdale Stormwater Asset Mapping	2,809	215	7.65%	-	0.00%
Management Services Miscellaneous LTA	12,984	993	7.65%	-	0.00%
Asheboro Pay Study	4,046	309	7.64%	-	0.00%
Forsyth Pay & Classification Study	6,591	504	7.65%	-	0.00%
Kernersville Pay Study	3,330	255	7.66%	-	0.00%
Reidsville Pay Study	1,284	98	7.63%	-	0.00%
High Point Pay Study	8,166	625	7.65%	-	0.00%

PIEDMONT TRIAD REGIONAL COUNCIL
DETAIL ALLOCATIONS - FRINGE BENEFITS AND INDIRECT COSTS

YEAR ENDED JUNE 30, 2020

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Local Administration Agreements and Programs: (continued)					
Burlington Pay and Class Study	\$ 5,141	\$ 393	7.64%	\$ -	0.00%
Denton Pay and Class	75	6	8.00%	-	0.00%
Davidson Pay & Class	7,010	541	7.72%	-	0.00%
CCOG-Mooresville Admin Pay & Class	214	12	5.61%	-	0.00%
Denton Human Resources Services	2,575	197	7.65%	-	0.00%
Rolesville Pay and Class	1,199	92	7.67%	-	0.00%
Angier Pay and Class	2,584	198	7.66%	-	0.00%
Person Co. Pay and Class	1,289	99	7.68%	-	0.00%
TJCOG-Smithfield Pay & Class	7	1	14.29%	-	0.00%
UCPCOG Pay & Class	5,377	411	7.64%	-	0.00%
Isothermal Planning & Development Comm Pay Study	4,642	355	7.65%	-	0.00%
Haw River Job Classification Study	1,300	99	7.62%	-	0.00%
Lexington Management Study	2,278	174	7.64%	-	0.00%
Goldsboro Personnel Policy Review	1,749	134	7.66%	-	0.00%
Southern Shores Pay & Class Study	1,841	141	7.66%	-	0.00%
Rural Hall Pay & Class Study	1,142	87	7.62%	-	0.00%
Reidsville Training Facilitation	31	2	6.45%	-	0.00%
Spencer Pay & Class Study	1,785	137	7.68%	-	0.00%
TJCOG - Wendell Pay & Class	5,125	392	7.65%	-	0.00%
Uwharrie Charter Academy Application Screening	1,828	140	7.66%	-	0.00%
Iredell Comp & Benefit Plan for Elected Officials	3,140	240	7.64%	-	0.00%
TJCOG - Lee Co. Market Study	17,204	1,315	7.64%	-	0.00%
PART Pay & Class Study	812	62	7.64%	-	0.00%
Randelman Pay & Class	2,794	214	7.66%	-	0.00%
Warren Co Pay & Class	22,708	1,737	7.65%	-	0.00%
Claremont Market Pay Study	2,052	157	7.65%	-	0.00%
NC Clean Water Management Trust Fund					
CWMTF 2018-807 Thomas Built Bus Preserve Rest Plan	2,317	1,054	45.49%	1,247	36.99%
NC Dept of Commerce - Division of Workforce Solutions and NWP Job Training Consortium					
Adult-NWP LA	137,929	62,757	45.50%	45,663	22.75%
Adult-NWP LA	6,857	524	7.64%	-	0.00%
Dislocated Worker-Mobile Unit	206	94	45.63%	-	0.00%
Dislocated Worker-Mobile Unit	11,466	876	7.64%	-	0.00%
Dislocated Worker-NWP LA	164,355	74,785	45.50%	45,426	19.00%
Dislocated Worker-NWP LA	6,899	528	7.65%	-	0.00%
WIA Administration	111,667	50,808	45.50%	197,038	121.27%
Youth-NWP LA	57,433	26,132	45.50%	15,874	19.00%
Youth-NWP LA	5,709	436	7.64%	-	0.00%
2017-4050 #8031-Business Services exp 12/31/19	41,554	18,907	45.50%	-	0.00%
2018-4050 #8025/6 Talent Portal	77	35	45.45%	42	37.50%
2018-4050 #8031 Business Services Funds	51,546	23,454	45.50%	-	0.00%

PIEDMONT TRIAD REGIONAL COUNCIL
DETAIL ALLOCATIONS - FRINGE BENEFITS AND INDIRECT COSTS

YEAR ENDED JUNE 30, 2020

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
NC Dept of Crime Control and Public Safety:					
WS Project Reentry CDBG	\$ 15,627	\$ 7,110	45.50%	\$ 8,413	37.00%
LRC Intermediary Agency - Forsyth	41,670	18,960	45.50%	22,433	37.00%
LRC Administration - Forsyth	82	37	45.12%	44	36.97%
Davidson TECS RRS	5,505	2,505	45.50%	2,964	37.00%
Rockingham TECS RRS	6,263	2,850	45.51%	3,372	37.00%
Stokes TECS RRS	6,702	3,049	45.49%	3,608	37.00%
Wilkes TECS RRS	5,750	2,616	45.50%	3,096	37.01%
Yadkin TECS RRS	5,783	2,631	45.50%	24,434	290.40%
Davie TECS RRS	4,261	1,939	45.51%	23,812	384.06%
Surry TECS RRS	33,360	15,178	45.50%	41,627	85.76%
Rowan County TECS	7,543	3,432	45.50%	4,061	37.00%
Rockingham TECS 9/1/15 to 8/31/18	8,355	3,802	45.51%	4,498	37.00%
Stokes TECS 9/1/15 to 8/31/18	4,560	2,075	45.50%	2,455	37.00%
Wilkes TECS 9/1/15 to 8/31/18	12,497	5,686	45.50%	6,728	37.00%
Yadkin TECS 9/1/15 to 8/31/18	5,226	2,378	45.50%	5,637	74.13%
Davie TECS 9/1/15 to 8/31/18	1,467	668	45.54%	4,509	211.19%
Surry TECS 9/1/15 to 8/31/18	8,674	3,947	45.50%	11,013	87.26%
Rowan TECS RRS	6,742	3,068	45.51%	3,630	37.00%
NC Dept of Environmental Quality -					
Division of Water Resources:					
TJCOG-NCDOT Rail Promotion Project	14,643	6,663	45.50%	7,883	37.00%
Clean Fuel Advanced Technology (CFAT) Project	15,520	7,061	45.50%	8,355	37.00%
205J #7752 Elkin&Jonesville Stormwater Map & Assessment	5,485	2,496	45.51%	2,953	37.00%
205J #7756 Haskett Creek Watershed Plan	8,190	3,727	45.51%	4,372	36.69%
205J #7752 Elkin&Jonesville Stormwater Map & Assessment	4,091	312	7.63%	-	0.00%
205J #7756 Haskett Creek Watershed Plan	990	76	7.68%	-	0.00%
NC Dept of Environmental Quality -					
Weatherization Assistance Program:					
DOE WAP T&TA	24,514	11,154	45.50%	-	0.00%
DOE WAP Program	109,363	49,760	45.50%	32,926	20.69%
LIHEAP WAP Program	222,428	101,205	45.50%	71,583	22.12%
LIHEAP HARRP Program	89,404	40,678	45.50%	41,556	31.95%
NC Dept of Transportation:					
Rural Trans Planning (RPO)	64,612	29,398	45.50%	34,783	37.00%
Rural Trans Planning NW (RPO)	60,311	27,442	45.50%	32,469	37.00%
NCDOT Yadkin Valley Regional Bike Plan Exp 6/30/20	2,933	1,334	45.48%	1,579	37.00%
Rural Trans Planning (RPO)	2,688	206	7.66%	-	0.00%
Rural Trans Planning NW (RPO)	2,499	191	7.64%	-	0.00%
TJCOG-NCDOT Rail Promotion Project	48	4	8.33%	-	0.00%
US Dept of Agriculture - NIFA:					
USDA PTRC Food Council Policy exp 8/31/20	10,911	4,964	45.50%	5,874	37.00%
US Dept of Commerce:					
PTRDC-EDA	21,216	9,653	45.50%	11,421	37.00%
PTRDC Davie Co Public Works EDA 04-01-07243	817	372	45.53%	440	37.01%
PTRDC-EDA	786	60	7.63%	-	0.00%

PIEDMONT TRIAD REGIONAL COUNCIL
DETAIL ALLOCATIONS - FRINGE BENEFITS AND INDIRECT COSTS

YEAR ENDED JUNE 30, 2020

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
NC Dept of Health and Human Service -					
Divison of Aging and Adult Services:					
Aging Administration	\$ 24,211	\$ 11,016	45.50%	\$ 13,034	37.00%
Aging Planning & Admin	333,551	151,766	45.50%	183,031	37.71%
Aging Regional Ombudsman	299,147	136,112	45.50%	161,046	37.00%
Aging Elder Abuse	5,257	2,392	45.50%	2,830	37.00%
Family Caregiver Support	97,093	44,177	45.50%	52,377	37.08%
MIPPA II Year 1	5,420	2,466	45.50%	2,947	37.37%
MIPPA II Year 2	3,018	1,373	45.49%	1,636	37.26%
III-D Evidence Based Programs	48,939	22,267	45.50%	31,264	43.91%
UNC-A CDSM Education Program	16,074	7,314	45.50%	8,654	37.00%
Aging Planning & Admin	8,695	665	7.65%	-	0.00%
Family Caregiver Support	269	21	7.81%	-	0.00%
MIPPA II Year 1	74	6	8.11%	-	0.00%
MIPPA II Year 2	163	12	7.36%	-	0.00%
III-D Evidence Based Programs	12,348	945	7.65%	-	0.00%
US Dept of Housing and Urban Development:					
CDBG - Liberty Sewer Project	12,569	5,719	45.50%	6,766	37.00%
Section 8 Voucher Program	230,102	104,696	45.50%	125,826	37.58%
Section 8 Voucher Program	4,896	375	7.66%	-	
NC Housing Finance Agency:					
Davie eSFR 16	6,047	2,752	45.51%	3,256	37.00%
Randolph eSFR16	7,702	3,504	45.49%	4,146	37.00%
Davidson eSFR17	16,864	7,673	45.50%	9,079	37.00%
Guilford eSRF17	42,198	19,200	45.50%	22,717	37.00%
Alamance eSFR18	20,812	9,469	45.50%	11,204	37.00%
Montgomery eSFR18	9,233	4,201	45.50%	4,971	37.00%
Rockingham eSFR18	39,411	17,932	45.50%	21,217	37.00%
Surry eSFR18	6,025	2,742	45.51%	3,244	37.00%
Caswell ESFRLP19 exp 6/30/22	4,036	1,836	45.49%	2,173	37.01%
Davie ESFRLP19 exp 6/30/22	894	407	45.53%	482	37.05%
Randolph ESFRLP19 exp 6/30/22	8,671	3,945	45.50%	4,668	37.00%
Stokes ESFRLP19 exp 6/30/22	3,668	1,669	45.50%	1,975	37.01%
Yadkin ESFRLP19 exp 6/30/22	209	95	45.45%	111	36.51%
US Dept of Housing and Urban Development and Surry County Housing Consortium:					
HOME Administration	6,805	3,096	45.50%	3,663	37.00%
HOME	14,543	6,617	45.50%	7,830	37.00%
Indirect Payroll	782,332	330,295	42.22%	-	0.00%
	<u>\$ 4,277,306</u>	<u>\$ 1,836,573</u>		<u>\$ 1,773,551</u>	
Summary of Allocation Rates:					
Standard fringe and indirect cost	\$ 3,273,223	\$ 1,489,316	45.50%	\$ 1,762,138	37.00%
FICA only fringe with standard indirect cost	28,653	2,192	7.65%	11,413	37.00%
FICA only fringe with special indirect cost	193,096	14,772	7.65%	-	0.00%
Standard fringe on indirect payroll	714,515	325,105	45.50%	-	0.00%
FICA only fringe on indirect payroll	67,819	5,188	7.65%	-	0.00%
	<u>\$ 4,277,306</u>	<u>\$ 1,836,573</u>		<u>\$ 1,773,551</u>	

PIEDMONT TRIAD REGIONAL COUNCIL
HUD HOUSING CHOICE VOUCHERS PROGRAM
FINANCIAL DATA SCHEDULE - BALANCE SHEET

Exhibit G

JUNE 30, 2020

<u>Line Item #</u>		<u>14.871 Housing Choice Vouchers</u>	<u>14.HCC HCV CARES Act Funding</u>
	Assets		
	Current Assts		
111	Cash - unrestricted	\$ 83,234	\$ -
113	Cash - other restricted	-	88,892
100	Total Cash	<u>83,234</u>	<u>88,892</u>
	Accounts Receivable		
122	Accounts receivable - HUD other projects	20,858	-
125	Accounts receivable - Miscellaneous	1,148	-
128	Fraud recovery	2,788	-
128	Allowance for doubtful accounts - fraud recovery	(1,197)	-
120	Total Receivables, net of allowance for doubtful accounts	<u>23,597</u>	<u>-</u>
150	Total Current Assets	<u>106,831</u>	<u>88,892</u>
290	Total Assets	<u>\$ 106,831</u>	<u>\$ 88,892</u>
	Liabilities and Equity		
	Current Liabilities		
312	Accounts payable <= 90 days	\$ 71,189	\$ -
342	Unearned revenue	-	88,892
310	Total Current Liabilities	<u>71,189</u>	<u>88,892</u>
300	Total Liabilities	<u>71,189</u>	<u>88,892</u>
	Equity		
509.3	Restricted fund balance	-	-
512.3	Unassigned fund balance	<u>35,642</u>	<u>-</u>
513	Total Equity / Net Position	<u>35,642</u>	<u>-</u>
600	Total Liabilities and Equity / Net Position	<u>\$ 106,831</u>	<u>\$ 88,892</u>

PIEDMONT TRIAD REGIONAL COUNCIL
HUD HOUSING CHOICE VOUCHERS PROGRAM
FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES

Exhibit H

YEAR ENDED JUNE 30, 2020

Line Item #		14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding
	Revenues		
70600	HUD PHA operating grants	\$ 3,516,900	\$ 8,536
71400	Fraud recovery	10,522	-
71500	Other revenue	-	-
70000	Total Revenues	<u>3,527,422</u>	<u>8,536</u>
	Expenses		
91100	Administrative salaries	234,998	-
91500	Employee benefit contributions - administrative	105,071	-
91600	Office expense	17,159	-
91800	Travel	11,254	-
91900	Other	142,924	-
91000	Total Operating - Administrative	<u>511,406</u>	<u>-</u>
92400	Tenant Services - Other	-	8,536
92500	Total Tenant Services - Other	<u>-</u>	<u>8,536</u>
96200	Other general expenses	781	-
96000	Total Other General Expenses	<u>781</u>	<u>-</u>
96900	Total Operating Expenses	<u>512,187</u>	<u>8,536</u>
97000	Excess of Operating Revenue over Operating Expenses	<u>3,015,235</u>	<u>-</u>
97300	Housing assistance payments	3,140,507	-
90000	Total Expenses	<u>3,652,694</u>	<u>8,536</u>
10000	Total Revenue Over Total Expenses	<u>\$ (125,272)</u>	<u>\$ -</u>
11030	Beginning equity	\$ 160,914	\$ -
11100	Changes in allowance for doubtful accounts - other	\$ (5,100)	\$ -
11170	Administrative fee equity	\$ 35,642	\$ -
11180	Housing assistance payments equity	\$ -	\$ -
11190	Unit months available	10,104	-
11210	Number of unit months leased	9,336	-

COMPLIANCE SECTION

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**Report of Independent Auditor on Internal Control over Financial Reporting
and 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 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 unit, and each major fund of the Piedmont Triad Regional Council (the "Council"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated October 30, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 result of that testing, and not to provide an opinion on the effectiveness of the Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cheryl Behant LLP

Charlotte, North Carolina
October 30, 2020

**Report of Independent Auditor on Compliance with Requirements Applicable to
Each Major Federal Program and Internal Control over Compliance Required by the
OMB Uniform Guidance 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 (the “Council”) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the North Carolina Local Government Commission, that could have a direct and material effect on each of the Council's major federal programs for the year ended June 30, 2020. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The Council's basic financial statement include the discretely present component unit financial statements of the Piedmont Triad Regional Development Corporation (the “Corporation”) and is not included in the schedule during the year ended June 30, 2020. Our audit, described below, did not include the operations of the Corporation because it was not subject to an audit performed in accordance with the Uniform Guidance 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 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”); and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, 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 Agency's 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 Council's compliance.

Opinion on Each Major Federal Program

In our opinion, the Council 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, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on each major federal program is not modified with respect to this matter.

The Council's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The Council's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the 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 the 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 the Uniform Guidance, 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 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 a 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.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cheryl Behrnt LLP

Charlotte, North Carolina
October 30, 2020

**Report of Independent Auditor on Compliance with Requirements Applicable to
Each Major State Program and on Internal Control over Compliance Required by the
OMB Uniform Guidance 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 (the “Council”) compliance with the types of compliance requirements described in 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 its major state programs for the year ended June 30, 2020. The Council's major state programs are identified in the summary of auditor's 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 (the “Corporation”), which did not receive state awards and is not included in the schedule during the year ended June 30, 2020. Our audit, described below, did not include the operations of the Corporation because it was not subject to an audit performed in accordance with the Uniform Guidance 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 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, 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 Council's 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 Council's compliance.

Opinion on Each Major State Program

In our opinion, the Council complied, in all material respects, with the 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, 2020.

Report on Internal Control over Compliance

Management of the 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 the 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 the Uniform Guidance, 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 a 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.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cheryl Behrnt LLP

Charlotte, North Carolina
October 30, 2020

PIEDMONT TRIAD REGIONAL COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2020

Part I – Summary of Audit Results

Financial Statement

Type of auditor's report issued:	<u>Unmodified</u>	
Internal control over financial reporting:		
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to financial statement noted?	<u> </u> yes	<u> X </u> no

Federal Awards

Internal control over major federal program:		
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported

Type of auditor's report on compliance for major federal programs:	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> X </u> yes	<u> </u> no

Identification of the major federal programs:

<u>CFDA Number</u>	<u>Program Name</u>
93.044	Aging Cluster:
93.045	Special Programs for the Aging - Title III B
93.053	Special Programs for the Aging - Title III C
	Nutrition Services Incentive Program
14.239	Home Investment Partnerships Program
14.871	Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	<u> X </u> yes <u> </u> no

PIEDMONT TRIAD REGIONAL COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

State Awards

Internal control over major State program:
 Material weakness(es) identified? _____ yes X no
 Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor’s report 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:

The major State program for Piedmont Triad Regional Council is the Aging Cluster, which is a State match on the federal program. Therefore, this program has been included in the list of major federal programs above.

Part II – Financial Statement Findings

None reported.

Part III – Federal Award Findings and Questioned Costs

U.S. Department of Housing and Urban Development
Program Name: Section 8 Housing Choice Vouchers
CFDA#14.871
Non-Material Non-Compliance – Special Tests and Provisions
Finding 2020-001

Criteria: The Council is responsible for having written policies in its Housing Choice Voucher Program administrative plan for selecting applicants from the waiting list and documentation that shows that the Council follows these policies when selecting applicants for admission from the waiting list.

Condition: While the Council has a written policy, we could not substantiate two of the fourteen applicants selected were at the top of the list at the time they were admitted.

Effect: Without clear documentation showing the wait list at the time they are admitted, it cannot be determined if the Council’s wait list policy was properly followed.

Cause: The Council’s software does not allow a user to view the wait list at a certain point in time, it only allows a user to view the wait list at that point in time, and documentation of the wait list was not retained for two of the fourteen applicants selected when each were admitted into the program.

Recommendation: We recommend the Council keep a print out of the waiting list prior to admitting an applicant into the program and keep on file to document the Council’s wait list policy was properly followed.

Views of responsible officials: See Corrective Action Plan.

PIEDMONT TRIAD REGIONAL COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2020

Part IV – State Award Findings and Questioned Costs

None reported.



PIEDMONT TRIAD REGIONAL COUNCIL

1398 CARROLLTON CROSSING DRIVE
KERNERSVILLE, NC 27284
(336) 904-0300
MATTHEW L. DOLGE • EXECUTIVE DIRECTOR

October 30, 2020

Please see below for Piedmont Triad Regional Council's Section 8 Housing Choice Voucher program corrective action plan in response to FY2020 Single Audit findings.

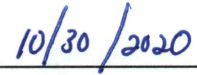
Finding 2020-001 Nonmaterial Noncompliance

Corrective Action Plan: The following Corrective Action Plan (CAP) will be put in place in response to the findings for nonmaterial noncompliance.

1. Documentation
 - a. Council staff are required to maintain file copies of the waitlist reports used to issue "Top-of-the-Waitlist" letters to document compliance with establish policies and regulations.
 - b. Status: Corrected as of July 1, 2020.



Jarrod R. Hand, Finance Director



Date

PIEDMONT TRIAD REGIONAL COUNCIL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2020

None noted.

PIEDMONT TRIAD REGIONAL COUNCIL

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures		Subrecipient Expenditures	
			Federal	State	Federal	State
FEDERAL AWARDS						
<u>U.S. Department of Housing and Urban Development</u>						
Passed through N.C. Department of Commerce:						
Passed through the City of Winston-Salem:						
Community Development Block Grant/Entitlement Grant	14.218		\$ 31,150	\$ -	\$ -	\$ -
Passed through the Town of Liberty:						
Community Development Block Grant/Infrastructure Grant	14.228-2		27,063	-	-	-
Total Passed through N.C. Department of Commerce:			58,213	-	-	-
Passed through N.C. Housing Finance Agency:						
Passed through Surry County Consortium:						
Home Investment Partnership Program	14.239		76,351	-	-	-
Passed through Davie County:						
Home Investment Partnership Program eSFR16	14.239		214,865	-	-	-
Passed through Randolph County:						
Home Investment Partnership Program eSFR16	14.239		26,687	-	-	-
Home Investment Partnership Program eSFR17 - Davidson Co.	14.239		154,591	-	-	-
Home Investment Partnership Program eSFR17 - Guilford Co.	14.239		451,755	-	-	-
Home Investment Partnership Program eSFR18 - Alamance Co.	14.239		159,613	-	-	-
Home Investment Partnership Program eSFR18 - Ashe Co.	14.239		-	-	-	-
Home Investment Partnership Program eSFR18 - Montgomery Co.	14.239		26,852	-	-	-
Home Investment Partnership Program eSFR18 - Rockingham Co.	14.239		187,441	-	-	-
Home Investment Partnership Program eSFR18 - Surry Co.	14.239		19,173	-	-	-
Home Investment Partnership Program eSFR19 - Caswell Co.	14.239		9,075	-	-	-
Home Investment Partnership Program eSFR19 - Davie Co.	14.239		1,887	-	-	-
Home Investment Partnership Program eSFR19 - Randolph Co.	14.239		55,264	-	-	-
Home Investment Partnership Program eSFR19 - Stokes Co.	14.239		9,045	-	-	-
Home Investment Partnership Program eSFR19 - Yadkin Co.	14.239		502	-	-	-
Total Passed through N.C. Housing Finance Agency:			1,393,101	-	-	-
Section 8 Housing Choice Vouchers			14.871	3,661,231	-	-
Total U.S. Department of Housing and Urban Development			5,112,545	-	-	-
<u>U.S. Department of Labor</u>						
Passed through N.C. Department of Commerce:						
Passed through Northwest Piedmont Job Training Consortium/Workforce Development Board:						
Workforce Innovation Opportunity Act Cluster:						
WIOA - Adult Programs	17.258	2018-4020-47	993,052	-	833,142	-
WIOA - Adult Programs	17.258	2019-4020-47	828,955	-	695,559	-
WIOA - Adult Programs - Administration	17.258	2018-4010-47	96,771	-	-	-
WIOA - Adult Programs - Administration	17.258	2019-4010-47	86,345	-	-	-
WIOA - Statewide Activities #8025/6 Talent Portal	17.258	2019-4050-47	17,772	-	-	-
WIOA - Statewide Activities #8140 One-time Telework	17.258	2017-4050-47	5,000	-	-	-
Total CFDA #17.258			2,027,895	-	1,528,701	-
WIOA - Youth Programs	17.259	2018-4040-47	493,549	-	444,981	-
WIOA - Youth Programs	17.259	2019-4040-47	889,851	-	816,177	-
WIOA - Youth Programs - Administration	17.259	2018-4010-47	16,985	-	-	-
WIOA - Youth Programs - Administration	17.259	2019-4010-47	87,817	-	-	-
WIOA - Statewide Activities #8029 IFA Costs	17.259	2019-4050-47	71,762	-	71,762	-
Total CFDA #17.259			1,559,964	-	1,332,920	-
WIOA - Dislocated Workers Programs	17.278	2018-4030-47	485,321	-	305,980	-
WIOA - Dislocated Workers Programs	17.278	2019-4030-47	443,532	-	279,628	-
WIOA - Dislocated Workers Programs - Administration	17.278	2018-4010-47	30,978	-	-	-
WIOA - Dislocated Workers Programs - Administration	17.278	2019-4010-47	67,639	-	-	-
WIOA - Statewide Activities #8031 Business Services Funds	17.278	2017-4050-47	75,000	-	-	-
WIOA - Statewide Activities #8089 FLG Davidson Co CC	17.278	2017-4050-47	2,744	-	2,744	-
WIOA - Statewide Activities #8090 FLG Forsyth Tech CC	17.278	2017-4050-47	28,082	-	28,082	-
WIOA - Statewide Activities #8091 FLG Piedmont CC (Caswell)	17.278	2017-4050-47	3,933	-	3,933	-
WIOA - Statewide Activities #8092 FLC Rockingham CC	17.278	2017-4050-47	15,106	-	15,106	-
WIOA - Statewide Activities #8093 FLG Surry CC	17.278	2017-4050-47	15,041	-	15,041	-
WIOA - Statewide Activities #8031 Business Services Funds	17.278	2018-4050-47	75,000	-	-	-
WIOA - Statewide Activities #8089 FLG Davidson Co CC	17.278	2018-4050-47	339	-	339	-
WIOA - Statewide Activities #8090 FLG Forsyth Tech CC	17.278	2018-4050-47	101,628	-	101,628	-
WIOA - Statewide Activities #8091 FLG Piedmont CC (Caswell)	17.278	2018-4050-47	19,469	-	19,469	-
WIOA - Statewide Activities #8092 FLC Rockingham CC	17.278	2018-4050-47	17,623	-	17,623	-
WIOA - Statewide Activities #8025/6 Talent Portal	17.278	2018-4050-47	100,000	-	-	-
WIOA - Statewide Activities #8025/6 Talent Portal	17.278	2019-4050-47	17,772	-	-	-
WIOA - Statewide Activities #8092 FLC Rockingham CC	17.278	2018-4050-47	45,000	-	45,000	-
WIOA - Statewide Activities #8093 FLG Surry CC	17.278	2019-4050-47	16,451	-	16,451	-
Total CFDA #17.278			1,560,658	-	851,024	-
Total Workforce Innovation Opportunity Act Cluster			5,148,517	-	3,712,645	-
Total U.S. Department of Labor			5,148,517	-	3,712,645	-

PIEDMONT TRIAD REGIONAL COUNCIL

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures		Subrecipient Expenditures	
			Federal	State	Federal	State
U.S. Department of Transportation						
Passed through N.C. Department of Transportation:						
Federal Transit - Metropolitan Planning Grants						
Northwest Piedmont Rural Planning Organization	20.205		\$ 106,375	\$ -	\$ -	\$ -
Piedmont Triad Rural Planning Organization	20.205		115,287	-	-	-
Clean Fuel Advanced Technology Project III	20.205	C-5702A CMAQ-000S(895)	11,070	-	-	-
Passed through Rail Division to Triangle J Council of Government:						
Regional Emissions Reduction with Passenger Rail	20.205		30,056	-	-	-
Total U.S. Department of Transportation			262,788	-	-	-
Appalachian Regional Commission						
Appalachian Local Development Direct Assistance (2019)						
	23.009	NC-706-H-C8	50,627	-	-	-
Appalachian Local Development Direct Assistance (2020)						
	23.009	NC-706-H-C9	19,510	-	-	-
Total CFDA #23.009			70,137	-	-	-
Passed through the N.C. Department of Commerce:						
ARCPower (2018)						
	23.002	PW-19331-TA	44,710	-	-	-
Total CFDA #23.011			44,710	-	-	-
Total Appalachian Regional Commission			114,847	-	-	-
U.S. Environmental Protection Agency						
Brownfields Assessment and Cleanup Cooperative Agreements						
	68.818		298,695	-	-	-
Passed through the N.C. Department of Environmental and Natural Resources:						
Division of Water Quality:						
Elkin & Jonesville Stormwater Map & Assessment 205(j)						
	66.454	7752	14,102	-	-	-
Haskett Creek Watershed Plan 205(j)						
	66.454	7756	11,538	-	-	-
Richland Creek Watershed 205(j)						
	66.454	8097	1,588	-	-	-
Passed through NC Div. of Water Resource to Triangle J Council of Government:						
Jordan Lake One Water 205(j)						
	66.454		7,867	-	-	-
Total Environmental Protection Agency			333,790	-	-	-
U.S. Department of Energy						
Passed through N.C. Dept. of Environment Quality:						
Weatherization Assistance Program for Low Income Persons						
	81.042	8002	623,926	-	-	-
Total U.S. Department of Energy			623,926	-	-	-
U.S. Department of Agriculture						
Passed through National Institute of Food and Agriculture:						
Passed through Piedmont Triad Regional Development Corporation:						
Food Council Policy						
	10.225	18-829-33800	21,752	-	-	-
Total U.S. Department of Agriculture			21,752	-	-	-
U.S. Department of Commerce						
Passed through Economic Development Agency:						
Passed through Piedmont Triad Regional Development Corporation:						
EDA District Planning Grant						
	11.302	ED18ATL3020016	70,000	-	-	-
EDA Davie Co. Public Works						
	11.303	04-01-07243	1,672	-	-	-
EDA Disaster Planning Grant						
	11.303		1,570	-	-	-
Total U.S. Department of Commerce			73,242	-	-	-
U.S. Department of Health and Human Services						
Passed through the N.C. Department of Health & Human Services:						
Passed through the Division of Aging and Adult Services:						
Special Programs for the Aging -						
Elder Abuse – Title VII-B						
	93.041	NC-07(20)	21,804	1,283	-	-
Regional Ombudsman – Title VII-E						
	93.042	NC-07(20)	146,468	8,616	-	-
Health Promotion – Title III-D						
	93.043	NC-07(20)	132,387	7,787	-	-
Total Special Programs for the Aging			300,659	17,686	-	-

PIEDMONT TRIAD REGIONAL COUNCIL

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures		Subrecipient Expenditures	
			Federal	State	Federal	State
Special Programs for the Aging - Title III-B Grants for Supportive Services and Senior Centers						
Planning & Administration – Title III-B	93.044	NC-07(20)	\$ 174,746	\$ 9,576	\$ -	\$ -
Regional Ombudsman – Title III-B and State	93.044	NC-07(20)	221,441	234,436	-	-
Access and In-Home Services – Title III-B and State Funds for Caregiver Match	93.044	NC-07(20)	2,338,440	3,520,929	2,338,440	3,520,929
Legal Services – Title III-B	93.044	NC-07(20)	53,248	3,132	53,248	3,132
Special Programs for the Aging - Title III-C Nutrition Services						
Planning and Administration – Title III-C-1 and State	93.045	NC-07(20)	302,613	16,583	-	-
Congregate Meals – Title III-C-1 and State	93.045	NC-07(20)	1,009,223	59,366	1,009,223	59,366
Families First Congregate Meals – Title III-C-1	93.045	NC-07(20)	71,464	-	71,464	-
Home Delivered Meals – Title III-C-2 and State	93.045	NC-07(20)	2,004,338	793,364	2,004,338	793,364
Families First Home Delivered Meals – Title III-C-2	93.045	NC-07(20)	167,635	-	167,635	-
Nutrition Services Incentive Program (NSIP)	93.053	NC-07(20)	726,978	-	726,978	-
Total Aging Cluster			<u>7,070,126</u>	<u>4,637,386</u>	<u>6,371,326</u>	<u>4,376,791</u>
Family Caregiver - Title III-E	93.052	NC-07(20)	722,578	48,172	521,790	34,786
Planning and Administration – Title III-E	93.052	NC-07(20)	113,798	6,236	-	-
			<u>836,376</u>	<u>54,408</u>	<u>521,790</u>	<u>34,786</u>
Access and In-Home Services – SSBG	93.667	NC-07(20)	308,836	8,824	-	-
Passed through the N.C. Department of Insurance: Passed through the Division of SHIIP:						
MIPPA Medicare Enrollment Assistance Program	93.071	RQ 18294097	69,684	-	-	-
Passed through N.C. Department of Environmental Quality:						
Low Income Home Energy Assistance Program -Weatherization Assistance Program for Low Income Persons	93.568	8002	1,252,252	-	-	-
Low Income Home Energy Assistance Program - Heat & Air Repair and Replacement Program	93.568	8002	896,579	-	-	-
Total U.S. Department of Health and Human Services			<u>10,734,512</u>	<u>4,718,304</u>	<u>6,893,116</u>	<u>4,411,577</u>
Total Federal Awards			<u>22,425,919</u>	<u>4,718,304</u>	<u>10,605,761</u>	<u>4,411,577</u>
STATE AWARDS						
Clean Water Management Trust Fund						
Thomas Built Bus Preserve Restoration Plan		2018-807	-	41,222	-	-
Total Clean Water Management Trust Fund			<u>-</u>	<u>41,222</u>	<u>-</u>	<u>-</u>
Passed through N.C. Housing Finance Agency:						
N.C. Housing Trust Fund - Urgent Repair Program 2019			-	64,085	-	-
Total Passed through N.C. Housing Finance Agency:			<u>-</u>	<u>64,085</u>	<u>-</u>	<u>-</u>
N.C. Department of Public Safety						
LRC Intermediary Agency - Forsyth County		RQ20866093	-	113,300	-	-
Passed through NC Gang Investigators Association: Project Safe Neighborhoods - PSN/Video Project		2018-GP-BX-0044	-	4,205	-	-
Total N. C. Department of Public Safety			<u>-</u>	<u>4,205</u>	<u>-</u>	<u>-</u>
N.C. Department of Health & Human Services						
Passed through the Division of Aging and Adult Services: Aging Administrative Support		NC-07(20)	-	48,261	-	-
Senior Center General Purpose		NC-07(20)	-	230,486	-	230,486
Total N.C. Department of Health & Human Services			<u>-</u>	<u>278,747</u>	<u>-</u>	<u>230,486</u>
N.C. Department of Transportation						
Public Transportation Division DOT Traveler's Aid		17-TA-125	-	13,065	-	-
Yadkin Valley Regional Bike Plan #8088		41794.14	-	161,116	-	-
Total N.C. Department of Transportation			<u>-</u>	<u>174,181</u>	<u>-</u>	<u>-</u>
Total State awards			<u>-</u>	<u>675,740</u>	<u>-</u>	<u>230,486</u>
Total Federal and State awards			<u>\$ 22,425,919</u>	<u>\$ 5,394,044</u>	<u>\$ 10,605,761</u>	<u>\$ 4,642,063</u>

PIEDMONT TRIAD REGIONAL COUNCIL

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2020

Note 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 (the "Council") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") 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 statement.

The Council has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 2—Summary of significant accounting policies

Expenditures reported in the SEFSA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and State Single Audit Implementation Act, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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