

# **PIEDMONT TRIAD REGIONAL COUNCIL**

## **FINANCIAL STATEMENTS AND COMPLIANCE REPORT**

*As of and for the Year Ended June 30, 2021*

*And Reports of Independent Auditor*

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

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

*JUNE 30, 2021*

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>County / City</u></b>	<b><u>Position</u></b>
<b><u>Executive Committee Officers:</u></b>			
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
<b><u>Executive Committee:</u></b>			
Craig Turner	Member	Alamance	Commissioner
Nathaniel Hall	Member	Caswell	Commissioner
Don Truell	Member	Davidson	Commissioner
Terry Renegar	Member	Davie	Commissioner
Fleming El-Amin	Member	Forsyth	Commissioner
Carly Cooke	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, 2021*

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>County / City</u></b>	<b><u>Position</u></b>
<b><u>Executive Committee (continued):</u></b>			
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
Lynne Devaney	Member	Summerfield	Council Member
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
Monta Davis-Oliver	Member	Yadkinville	Mayor

# PIEDMONT TRIAD REGIONAL COUNCIL

## TABLE OF CONTENTS

---

	<u>Exhibit</u>	<u>Page</u>
<b>FINANCIAL SECTION</b>		
<b>REPORT OF INDEPENDENT AUDITOR</b>		1-2
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>		3-9
<b>BASIC FINANCIAL STATEMENTS</b>		
Government-wide Financial Statements:		
Statement of Net Position	1	10
Statement of Activities	2	11
<b>FUND FINANCIAL STATEMENTS</b>		
Balance Sheet – Governmental Funds	3	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	3	13
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	4	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statements of Activities	4	15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	5	16
Major Special Revenue Fund – Grant Project Fund Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	6	17
Major Special Revenue Fund – Local Project Fund Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	7	18
Notes to the Financial Statements		19-37
<b>REQUIRED SUPPLEMENTAL FINANCIAL DATA</b>		
Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Government Employees’ Retirement System	A-1	38
Schedule of Contributions to Local Governments Employees’ Retirement System	A-2	39

# PIEDMONT TRIAD REGIONAL COUNCIL

## TABLE OF CONTENTS

---

	<u>Exhibit</u>	<u>Page</u>
<b>SUPPLEMENTARY INFORMATION</b>		
General Fund – Statement of Revenues and Expenditures – Budget and Actual	B	40
Special Revenue Fund – Grant Project Fund Statement of Revenues and Expenditures – Budget and Actual	C	41-43
Special Revenue Fund – Local Project Fund Statement of Revenues and Expenditures – Budget and Actual	D	44-46
Schedule of Fringe Benefits and Indirect Costs	E	47
Detail Allocations – Fringe Benefits and Indirect Costs	F	48-52
HUD Housing Choice Vouchers Program – Financial Data Schedule – Balance Sheet	G	53
HUD Housing Choice Vouchers Program – Financial Data Schedule – Revenue and Expenses	H	54
<b>COMPLIANCE SECTION</b>		
Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		55-56
Report of Independent Auditor on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control over Compliance in Accordance with the Uniform Guidance and the State Single Audit Implementation Act		57-58
Report of Independent Auditor on Compliance with Requirements Applicable to Each Major State Program and Internal Control over Compliance in Accordance with the Uniform Guidance and the State Single Audit Implementation Act		59-60
Schedule of Findings and Questioned Costs		61-62
Summary Schedule of Prior Audit Findings		63
Schedule of Expenditures of Federal and State Awards		64-67
Notes to the Schedule of Expenditures of Federal and State Awards		68

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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, 2021, 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, 2021, 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 officers and the executive committee of the board of directors, 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.

The officers and the executive committee of the board of directors has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2021 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 the effectiveness of the Council's 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 Behart LLP*

Charlotte, North Carolina  
October 31, 2021

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS**

# **PIEDMONT TRIAD REGIONAL COUNCIL**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

*JUNE 30, 2021*

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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, 2021. 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 \$5,885,295 (net position).
- The Council's total net position increased by \$339,816.
- As of the close of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$5,826,824, an increase of \$440,782 in comparison with the prior year. Approximately 44% of this total amount or \$2,585,162, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,241,662.

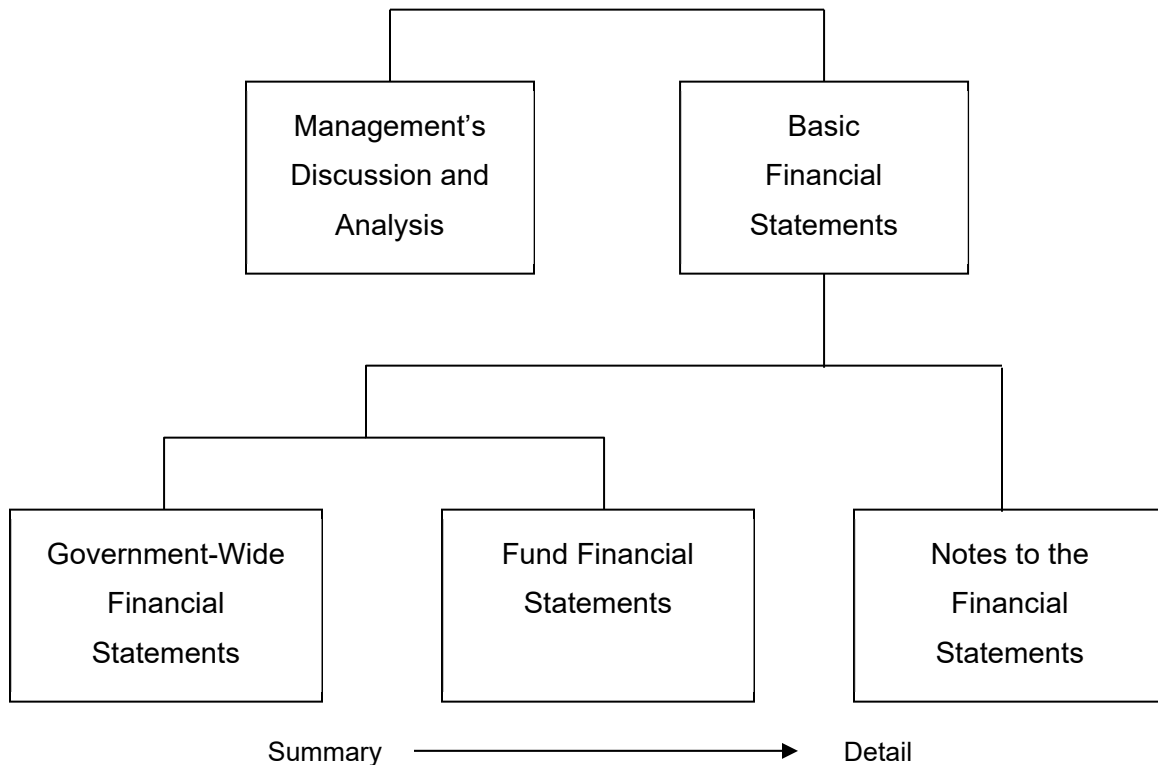
### **Overview of the Financial Statements**

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, 2021

**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, 2021

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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, 2021

**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**

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Current and other assets	\$ 11,152,629	\$ 7,955,019
Capital assets	2,814,065	3,079,228
Deferred outflows of resources	1,108,458	846,013
Total Assets and Deferred Outflows of Resources	<u>15,075,152</u>	<u>11,880,260</u>
Current liabilities	5,603,754	2,654,826
Long-term liabilities outstanding	3,527,202	3,585,587
Deferred inflows of resources	58,901	94,368
Total Liabilities and Deferred Inflows of Resources	<u>9,189,857</u>	<u>6,334,781</u>
<b>Net Position:</b>		
Net investment in capital assets	1,092,065	1,111,228
Restricted	2,511,301	2,404,014
Unrestricted	2,281,929	2,030,237
Total Net Position	<u>\$ 5,885,295</u>	<u>\$ 5,545,479</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 \$5,885,295 as of June 30, 2021. The Council’s liabilities and deferred inflows of resources increased due to a increase in accounts payable due to timing of payments and an increase in the net pension liability offset by payment on the note payable. The Council’s net position increased by \$339,816 for the fiscal year ended June 30, 2021. 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 \$1,092,065 reflects the Council’s net investment in capital assets. An additional portion of the Council’s Net Position of \$2,511,301 represents resources that are subject to external restrictions on how they may be used. Of the amount restricted \$86,890 is restricted by the State’s Stabilization by State Statute.

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

JUNE 30, 2021

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

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Revenues:		
Program Revenues:		
Charges for services	\$ 2,589,130	\$ 2,664,694
Operating grants and contributions	31,438,542	29,935,020
General Revenues:		
Unrestricted investment earnings	340	23,064
Miscellaneous	6,495	4,850
Total Revenues	<u>34,034,507</u>	<u>32,627,628</u>
Expenses:		
Administration	1,056,472	1,108,028
Crime control and public safety	1,073,897	1,183,640
Health and human services	17,089,612	14,055,665
Housing	4,955,920	5,122,150
Planning	964,210	1,436,145
PTRDC	502,994	-
Workforce development	4,725,234	5,150,562
Weatherization	3,373,418	3,507,409
Local projects	(98,593)	156,283
Interest	51,527	58,966
Total Expenses	<u>33,694,691</u>	<u>31,778,848</u>
Increase in net position	339,816	848,780
Net position, beginning	<u>5,545,479</u>	<u>4,696,699</u>
Net assets, ending	<u>\$ 5,885,295</u>	<u>\$ 5,545,479</u>

**Governmental Activities** – Governmental activities increased the Council's net position by \$339,816. 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, 2021

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## 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 \$3,241,662, while total fund balance reached \$3,328,552. 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 1,618.10% of total General Fund expenditures. Total fund balance represented 1,661.47% of total General Fund expenditures.

As of June 30, 2021, the governmental funds of the Council reported a combined fund balance of \$5,826,824, an increase of \$440,782 (8.18%) from the prior year. Included in this change in fund balance is a decrease in fund balance in the Grant Projects Fund of (\$74,829) and an increase in the Local Projects Fund of \$121,129.

**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 \$29,204. Amendments to the Grant Project Fund and Local Project Fund increased the budget by \$1,774,550; this included increases (decreases) for Administrative Services, Health and Human Services, Piedmont Triad Regional Development Corporation, Planning (environmental protection, planning, and transportation) programs, Workforce Innovation and Opportunity Act Programs, PTRDC, Weatherization and other local project programs of (\$3,023), \$321,804, \$420,300, \$231,580, \$311,783, 503,944, \$362,962 and (\$374,800), respectively.

## Capital Asset and Debt Administration

**Capital Assets** – The Council's investment in capital assets for its governmental activities as of June 30, 2021, totaled \$2,814,065, (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, 2021*

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

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Land	\$ 634,324	\$ 634,324
Land improvements	24,752	34,696
Building	1,771,127	2,010,447
Equipment, furniture and fixtures	38,198	19,329
Vehicles	345,664	380,432
Total	<u>\$ 2,814,065</u>	<u>\$ 3,079,228</u>

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

**Debt Administration**

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Note payable	\$ 1,722,000	\$ 1,968,000

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](http://www.ptrc.org).

## **BASIC FINANCIAL STATEMENTS**

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**STATEMENT OF NET POSITION**

**Exhibit 1**

*JUNE 30, 2021*

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Piedmont Triad Regional Development Corporation</u>
<b>ASSETS</b>		
Current Assets:		
Cash and investments	\$ 4,720,765	\$ 1,097,689
Accounts receivable	127,714	396,622
Due from other governments	5,727,281	-
Due from component units	503,008	-
Current portion loan receivable	-	236,351
Prepaid expenses	73,861	-
Total Current Assets	<u>11,152,629</u>	<u>1,730,662</u>
Noncurrent Assets:		
Loan receivable - net	-	2,008,045
Capital Assets:		
Land, nondepreciable	634,324	-
Depreciable, net of related depreciation	2,179,741	-
Total Capital Assets	<u>2,814,065</u>	<u>-</u>
Total Assets	<u>13,966,694</u>	<u>3,738,707</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Contributions to pension plan in current year	459,095	-
Pension deferrals	649,363	-
Total Deferred Outflows of Resources	<u>1,108,458</u>	<u>-</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	3,943,327	-
Accrued interest payable	11,580	-
Due to primary government	-	503,008
Deferred private grant revenue	-	763,928
Current portion of claims payable	504,328	-
Unearned revenue	852,197	-
Current portion of long-term liabilities	292,322	-
Total Current Liabilities	<u>5,603,754</u>	<u>1,266,936</u>
Long-Term Liabilities:		
Net pension liability	1,785,284	-
Due in more than one year	1,741,918	-
Total Long-Term Liabilities	<u>3,527,202</u>	<u>-</u>
Total Liabilities	<u>9,130,956</u>	<u>1,266,936</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension deferrals	58,901	-
Total Deferred Inflows of Resources	<u>58,901</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	1,092,065	-
Restricted:		
Stabilization by State Statute	86,890	-
HUD	331,356	-
Projects	2,093,055	-
Other functions	-	173,252
Unrestricted	2,281,929	2,298,519
Total Net Position	<u>\$ 5,885,295</u>	<u>\$ 2,471,771</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, 2021

<b>Functions/Programs</b>	<b>Program Revenue</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>	
	<b>Expenses</b>	<b>Charges Services</b>	<b>Operating Grants and Contributions</b>	<b>Primary</b>	<b>Component</b>
				<b>Governmental Activities</b>	<b>Unit Piedmont Triad Regional Development Corporation</b>
Primary Government:					
Governmental Activities:					
Administration	\$ 1,056,472	\$ 940,210	\$ 176,401	\$ 60,139	\$ -
Crime control and public safety	1,073,897	25	1,029,507	(44,365)	-
Health and human services	17,089,612	233,162	16,685,723	(170,727)	-
Housing	4,955,920	-	5,136,246	180,326	-
Planning	964,210	583,350	411,721	30,861	-
PTRDC	502,994	18,057	484,937	-	-
Workforce development	4,725,234	32,368	4,714,019	21,153	-
Weatherization	3,373,418	777,204	2,799,988	203,774	-
Other local projects	(98,593)	4,754	-	103,347	-
Interest expense	51,527	-	-	(51,527)	-
Total Governmental Activities and Primary Government	<u>\$ 33,694,691</u>	<u>\$ 2,589,130</u>	<u>\$ 31,438,542</u>	<u>332,981</u>	<u>-</u>
<b>Component Unit:</b>					
Piedmont Triad Regional Development Corporation	<u>\$ 502,908</u>	<u>\$ 2,232,298</u>	<u>\$ -</u>	<u>-</u>	<u>1,729,390</u>
<b>General Revenues:</b>					
Unrestricted investment earnings				340	-
Gain on sale of capital assets				6,495	-
Total General Revenues				<u>6,835</u>	<u>-</u>
Change in net position				339,816	1,729,390
Net position, beginning				<u>5,545,479</u>	<u>742,381</u>
Net position, ending				<u>\$ 5,885,295</u>	<u>\$ 2,471,771</u>

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## **FUND FINANCIAL STATEMENTS**

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**BALANCE SHEETS**  
**GOVERNMENTAL FUNDS**

**Exhibit 3**

*JUNE 30, 2021*

	<b>Major Funds</b>			<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Grant Project Fund</b>	<b>Local Projects Fund</b>	
<b>ASSETS</b>				
Cash and investments	\$ 3,251,469	\$ 403,740	\$ 1,065,556	\$ 4,720,765
Sales tax receivables	931	110,751	16,032	127,714
Due from other governments	79,025	5,078,315	569,941	5,727,281
Due from other funds	6,934	-	-	6,934
Due from component unit	-	381,190	121,818	503,008
Prepaid expenses	-	21,089	52,772	73,861
Total Assets	<u>\$ 3,338,359</u>	<u>\$ 5,995,085</u>	<u>\$ 1,826,119</u>	<u>\$ 11,159,563</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 368	\$ 3,862,765	80,194	\$ 3,943,327
Due to other funds	-	6,934	-	6,934
Unearned revenue	9,439	840,958	1,800	852,197
Total Liabilities	<u>9,807</u>	<u>4,710,657</u>	<u>81,994</u>	<u>4,802,458</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	521,948	8,333	530,281
Total Deferred Inflows of Resources	<u>-</u>	<u>521,948</u>	<u>8,333</u>	<u>530,281</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid expenses	-	21,089	52,772	73,861
Restricted:				
Stabilization by State Statute	86,890	-	-	86,890
Restricted by HUD	-	331,356	-	331,356
Restricted for grant projects	-	410,035	-	410,035
Restricted for local projects	-	-	1,683,020	1,683,020
Unassigned (deficit)	3,241,662	-	-	3,241,662
Total Fund Balances	<u>3,328,552</u>	<u>762,480</u>	<u>1,735,792</u>	<u>5,826,824</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,338,359</u>	<u>\$ 5,995,085</u>	<u>\$ 1,826,119</u>	<u>\$ 11,159,563</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, 2021*

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

Total fund balance, governmental funds		\$ 5,826,824
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Gross capital assets at historical cost	\$ 5,661,807	
Accumulated depreciation	<u>(2,847,742)</u>	2,814,065
Contributions subsequent to the measurement date		459,095
Other deferred outflows of resources related to pensions are not reported in the funds		649,363
Earned revenues considered deferred inflows of resources in fund statements		530,281
Long-term liabilities used in governmental activities are not financial uses and, therefore, are not reported in the funds		
Notes payable	(1,722,000)	
Accrued interest expense	(11,580)	
Compensated absences	(312,240)	
Incurred but not reported claims	(504,328)	
Net pension liability	<u>(1,785,284)</u>	(4,335,432)
Deferred inflows of resources related to pensions are not reported in the funds		<u>(58,901)</u>
Net position of governmental activities		<u>\$ 5,885,295</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**

**Exhibit 4**

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

YEAR ENDED JUNE 30, 2021

	Major Funds			Total Governmental Funds
	General Fund	Grant Project Fund	Local Projects Fund	
<b>Revenues:</b>				
Restricted intergovernmental	\$ -	\$ 30,683,380	\$ 519,335	\$ 31,202,715
Fees, local governments	593,641	322,840	205,729	1,122,210
Fees, program services	839	10,881	1,455,200	1,466,920
Miscellaneous	340	-	-	340
<b>Total Revenues</b>	<b>594,820</b>	<b>31,017,101</b>	<b>2,180,264</b>	<b>33,792,185</b>
<b>Expenditures:</b>				
Administration	200,338	266,962	-	467,300
Crime control and public safety	-	686,877	387,020	1,073,897
Health and human services	-	16,887,629	201,983	17,089,612
Housing	-	4,955,920	-	4,955,920
Planning	-	480,688	483,522	964,210
PTRDC	-	299,851	203,143	502,994
Workforce development	-	4,714,017	11,217	4,725,234
Weatherization	-	2,799,986	573,432	3,373,418
Administrative services	-	-	303,906	303,906
Other local projects	-	-	(98,593)	(98,593)
<b>Total Expenditures</b>	<b>200,338</b>	<b>31,091,930</b>	<b>2,065,630</b>	<b>33,357,898</b>
 Excess of Revenues over Expenditures	 394,482	 (74,829)	 114,634	 434,287
<b>Other Financing Sources:</b>				
Sale of capital assets	-	-	6,495	6,495
 Net change in fund balance	 394,482	 (74,829)	 121,129	 440,782
Fund balances, beginning	2,934,070	837,309	1,614,663	5,386,042
<b>Fund balances, ending</b>	<b>\$ 3,328,552</b>	<b>\$ 762,480</b>	<b>\$ 1,735,792</b>	<b>\$ 5,826,824</b>

**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, 2021

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

Net changes in fund balances - total governmental funds	\$	440,782
<p>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.</p>		
Capital outlay expenditures which were capitalized	\$	52,281
Depreciation expense for governmental assets		(317,444)
Disposal of assets, net of depreciation		-
		<u>(265,163)</u>
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		459,095
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		235,827
<p>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.</p>		
Principal payments on long-term debt	\$	246,000
Decrease in accrued interest payable		1,655
		<u>247,655</u>
<p>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.</p>		
Accrued vacation leave	\$	(43,199)
Pension expense		(598,757)
Incurred but not reported claims		(136,424)
		<u>(778,380)</u>
Total changes in net position of governmental activities	\$	<u>339,816</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**

**Exhibit 5**

**GENERAL FUND**

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

*YEAR ENDED JUNE 30, 2021*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues:</b>				
Fees, local governments	\$ 104,452	\$ 161,156	\$ 593,641	\$ 432,485
Fees, program services	-	1,000	839	(161)
Investment earnings	30,000	1,500	340	(1,160)
Total Revenues	<u>134,452</u>	<u>163,656</u>	<u>594,820</u>	<u>431,164</u>
<b>Expenditures:</b>				
Administration	<u>134,452</u>	<u>163,656</u>	<u>200,338</u>	<u>(36,682)</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>394,482</u>	<u>394,482</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	394,482	<u>\$ 394,482</u>
Fund balance, beginning			<u>2,934,070</u>	
Fund balance, ending			<u>\$ 3,328,552</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, 2021*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 34,772,794	\$ 36,031,385	\$ 30,683,380	\$ (5,348,005)
Fees, local governments	471,383	447,350	322,840	(124,510)
Fees, program services	32,275	32,275	10,881	(21,394)
Total Revenues	<u>35,276,452</u>	<u>36,511,010</u>	<u>31,017,101</u>	<u>(5,493,909)</u>
<b>Expenditures:</b>				
Administration	580,072	468,574	266,962	201,612
Crime control and public safety	1,551,206	1,551,206	686,877	864,329
Health and human services	17,851,329	18,173,133	16,887,629	1,285,504
Housing	5,634,000	5,694,000	4,955,920	738,080
Planning	863,469	941,900	480,688	461,212
PTRDC	-	503,944	299,851	204,093
Workforce development	5,742,898	5,935,713	4,714,017	1,221,696
Weatherization	3,053,478	3,242,540	2,799,986	442,554
Total Expenditures	<u>35,276,452</u>	<u>36,511,010</u>	<u>31,091,930</u>	<u>5,419,080</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>(74,829)</u>	<u>(74,829)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(74,829)</u>	<u>\$ (74,829)</u>
Fund balance, beginning			<u>837,309</u>	
Fund balance, ending			<u>\$ 762,480</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, 2021*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues:</b>				
Restricted intergovernmental	\$ -	\$ 1,036,047	\$ 519,335	\$ (516,712)
Fees, local governments	237,074	195,593	205,729	10,136
Fees, program services	4,453,941	3,977,910	1,455,200	(2,522,710)
Investment Earnings	-	21,457	-	(21,457)
Total Revenues	<u>4,691,015</u>	<u>5,231,007</u>	<u>2,180,264</u>	<u>(3,050,743)</u>
<b>Expenditures:</b>				
Crime control and public safety	572,204	572,204	387,020	185,184
Health and human services	385,684	385,684	201,983	183,701
PTRDC	-	360,300	203,143	157,157
Planning	647,656	800,805	483,522	317,283
Workforce development	248,731	367,699	11,217	356,482
Weatherization	1,225,000	1,398,900	573,432	825,468
Administrative services	569,739	678,214	303,906	374,308
Other local projects	<u>1,042,001</u>	<u>667,201</u>	<u>(98,593)</u>	<u>765,794</u>
Total Expenditures	<u>4,691,015</u>	<u>5,231,007</u>	<u>2,065,630</u>	<u>3,165,377</u>
Excess of Revenues over Expenditures	-	-	114,634	114,634
<b>Other Financing Sources:</b>				
Sale of capital assets	<u>-</u>	<u>-</u>	<u>6,495</u>	<u>6,495</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	121,129	<u>\$ 121,129</u>
Fund balance, beginning			<u>1,614,663</u>	
Fund balance, ending			<u>\$ 1,735,792</u>	

## **NOTES TO THE FINANCIAL STATEMENTS**

# PIEDMONT TRIAD REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

---

### **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, 2021

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### **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, 2021

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**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, 2021

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**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. No allowance was deemed necessary at June 30, 2021.

*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, 2021

**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 two items that met this criterion, pension deferrals and contributions to pensions plan for the 2021 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 two items that met this criterion, revenue unavailable at the fund level and pension deferrals.

*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, 2021

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### 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 Local 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, 2021

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### **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 49.50% for fringe benefits and 33.50% for indirect cost. The actual rates for the year ended June 30, 2021, for fringe benefits and indirect cost were 49.50% and 33.50%, respectively. All charges to programs for fringe and indirect costs were adjusted to actual as of June 30, 2021.

*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.

*Stewardship, Compliance and Accountability* – For the fiscal year ended June 30, 2021, administration expenditures exceeded budget in the general fund by \$36,682 due to the annual local government membership dues charged by the general fund being budgeted partially to the special revenue funds rather than only in the general fund to support general fund expenditures for the year; however, fund balance was available to cover the expenditures.

# PIEDMONT TRIAD REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

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### **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, 2021, the Council's deposits had a carrying amount of \$2,938,339 and a bank balance of \$3,166,824. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$2,916,824 in interest-bearing deposits was covered by collateral held under the pooling method.

At June 30, 2021, the Corporation's deposits had a carrying amount of \$1,097,689 and a bank balance of \$1,118,983. Of the bank balance, \$250,000 was covered by federal depository insurance.

*Investments* – At June 30, 2021, the Council had \$1,782,426 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, 2021

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**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	\$ 130,489
N.C. Department of Commerce	634,501
N.C. Department of Environmental Quality	253,185
N.C. Department of Health and Human Services	3,504,411
N.C. Department of Transportation	53,673
N.C. Housing Finance Agency	363,985
U.S. Environmental Protection Agency	62,551
U.S. Economic Development Agency	377,662
U.S. Department of Agriculture	3,528
U.S. Department of Housing and Urban Development	1,165
Passed-through Local Governments	<u>53,736</u>
Total Grant Project Fund	5,438,886

Special Revenue Fund - Local Projects Fund:

Local governments and agencies	<u>288,395</u>
Total Due from Other Governments	<u>\$ 5,727,281</u>



**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2021

**Note 4—Capital assets**

**Primary Government**

Capital asset activity for the primary government for the year ended June 30, 2021 was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balances</u>
<b>Governmental activities:</b>				
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	145,745	29,514	68,720	106,539
Land improvements	99,436	-	-	99,436
Vehicles	922,696	22,767	-	945,463
Total capital assets being depreciated	<u>5,043,922</u>	<u>52,281</u>	<u>68,720</u>	<u>5,027,483</u>
Less accumulated depreciation for:				
Buildings	1,865,598	239,320	-	2,104,918
Equipment, furniture and fixtures	126,416	10,645	68,720	68,341
Land improvements	64,740	9,944	-	74,684
Vehicles	542,264	57,535	-	599,799
Total accumulated depreciation	<u>2,599,018</u>	<u>\$ 317,444</u>	<u>\$ 68,720</u>	<u>2,847,742</u>
Total capital assets being depreciated, net	<u>2,444,904</u>			<u>2,179,741</u>
Governmental activity capital assets, net	<u>\$ 3,079,228</u>			<u>\$ 2,814,065</u>

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

Administration	\$ 260,811
Aging	4,685
WAP	11,104
WIOA	40,844
Total	<u>\$ 317,444</u>

**PIEDMONT TRIAD REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2021

**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>
2022	\$ 246,000	\$ 46,322
2023	246,000	39,704
2024	246,000	33,087
2025	246,000	26,470
2026	246,000	19,852
2027-2028	492,000	19,852
	<u>\$ 1,722,000</u>	<u>\$ 185,287</u>

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

	<u>Balances July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances June 30, 2021</u>	<u>Current Portion of Balances</u>
Governmental activities:					
Note payable	\$ 1,968,000	\$ -	\$ 246,000	\$ 1,722,000	\$ 246,000
Compensated absences	269,041	84,942	41,743	312,240	46,322
Net pension liability (LGERS)	1,347,710	437,574	-	1,785,284	-
	<u>\$ 3,584,751</u>	<u>\$ 522,516</u>	<u>\$ 287,743</u>	<u>\$ 3,819,524</u>	<u>\$ 292,322</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 Annual Comprehensive Financial Report ("ACFR") for the state of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

# PIEDMONT TRIAD REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

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### **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, 2021, was 10.15% 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 \$459,095 for the year ended June 30, 2021.

*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, 2021, the Council reported a liability of \$1,785,284 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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 (measurement date), the Council's proportion was 0.04996% which was an increase of 0.00061% from its proportion measured as of June 30, 2019.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2021

**Note 6—Pension plan and postemployment obligations (continued)**

For the year ended June 30, 2021, the Council recognized pension expense of \$598,757. At June 30, 2021, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 225,450	\$ -
Changes of assumptions	132,860	-
Net difference between projected and actual earnings on pension plan investments	251,231	-
Changes in proportion and differences between Council contributions and proportionate share of contributions	39,822	58,901
Council contributions subsequent to the measurement date	459,095	-
Total	<u>\$ 1,108,458</u>	<u>\$ 58,901</u>

\$459,095 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, 2022. 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>	
2022	\$ 149,769
2023	218,686
2024	147,656
2025	74,351
	<u>\$ 590,462</u>

*Actuarial Assumptions* – The total pension liability in the December 31, 2019 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, 2019 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, 2021

**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, 2020 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 2020 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)	\$ 3,622,146	\$ 1,785,284	\$ 258,722

# PIEDMONT TRIAD REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

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### **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 ACFR 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 \$81,389, during the fiscal year ended June 30, 2021, and ending investment balance in the plan at June 30, 2021 was \$823,005. 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, 2021. All amounts are vested immediately. Also, the participants may make voluntary contributions to the Plan.

Contributions for the year ended June 30, 2021 totaled \$298,119, which consisted of \$127,343 from the Council and \$170,776 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, 2021

**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, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Reserve, beginning of year	\$ 80,000	\$ 69,829
Contributions to HRA by Piedmont Triad Regional Council	60,167	78,367
Less claims paid	(60,167)	(68,196)
Reserve, end of year	<u>\$ 80,000</u>	<u>\$ 80,000</u>
	<u>2021</u>	<u>2020</u>
Reserve, beginning of year	\$ 287,904	\$ 188,230
Contributions to Health Insurance Reserve by Piedmont Triad Regional Council	1,297,089	1,048,857
Less claims paid	(1,160,664)	(949,183)
Reserve, end of year	<u>\$ 424,329</u>	<u>\$ 287,904</u>

**PIEDMONT TRIAD REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2021

**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 \$503,008 in 2021. 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.

<b>Due to Council, beginning of year</b>	\$ 313,017
Advances from Council	503,008
Less repayments to Council	<u>(313,017)</u>
<b>Due to Council, end of year</b>	<u><u>\$ 503,008</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, 2026. Rent expense for the year ended June 30, 2021, was comprised of \$4,598 for office space and storage and \$69,646 for equipment.

The following is a summary of future operating lease commitments:

<u>Years Ending June 30,</u>	<u>Amount</u>
2022	\$ 60,832
2023	47,532
2024	1,391
2025	1,391
2026	928
	<u><u>\$ 112,074</u></u>



**PIEDMONT TRIAD REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2021

**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:

<u>County</u>	<u>City (Continued)</u>	<u>Town (Continued)</u>
<ul style="list-style-type: none"> <li>• Alamance County</li> <li>• Burke County</li> <li>• Cabarrus County</li> <li>• Caswell County</li> <li>• Cleveland County</li> <li>• Davidson County</li> <li>• Davie County</li> <li>• Forsyth County</li> <li>• Guilford County</li> <li>• Montgomery County</li> <li>• Pitt County</li> <li>• Randolph County</li> <li>• Rockingham County</li> <li>• Stokes County</li> <li>• Surry County</li> <li>• Yadkin County</li> </ul>	<ul style="list-style-type: none"> <li>• City of Claremont</li> <li>• City of Graham</li> <li>• City of High Point</li> <li>• City of Lincolton</li> <li>• City of Mebane</li> <li>• Moorehead City</li> <li>• City of Newton</li> <li>• City of Randleman</li> <li>• City of Statesville</li> <li>• City of Thomasville</li> <li>• City of Washington</li> <li>• City of Winston-Salem</li> </ul>	<ul style="list-style-type: none"> <li>• Town of Mocksville</li> <li>• Town of Mooresville</li> <li>• Town of Rolesville</li> <li>• Town of Spencer</li> <li>• Town of Stoneville</li> <li>• Town of Summerfield</li> <li>• Town of Yanceyville</li> <li>• Town of Walkertown</li> </ul>
<p><u>City</u></p> <ul style="list-style-type: none"> <li>• City of Albemarle</li> <li>• City of Asheboro</li> <li>• City of Archdale</li> <li>• City of Burlington</li> </ul>	<p><u>Town</u></p> <ul style="list-style-type: none"> <li>• Town of Denton</li> <li>• Town of Gibsonville</li> <li>• Town of Haw River</li> <li>• Town of Jamestown</li> <li>• Town of Jonesville</li> <li>• Town of Kernersville</li> <li>• Town of Lewisville</li> <li>• Town of Liberty</li> </ul>	<p><u>Other</u></p> <ul style="list-style-type: none"> <li>• Centralina Regional Council</li> <li>• Lumber River Council of Government</li> <li>• Piedmont Authority on Regional Transportation</li> <li>• Triangle J Council of Government</li> <li>• Upper Coastal Plain Council of Government</li> </ul>

The statement of revenues, expenditures, and changes in fund balances – governmental funds reflect 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, 2021

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**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.

**Note 14—Net investment in capital assets**

Capital assets	\$ 2,814,065
Less long-term debt	<u>(1,722,000)</u>
Net investments in capital assets	<u>\$ 1,092,065</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	\$ 3,328,552
Less Stabilization by state statute	<u>(86,890)</u>
Unrestricted fund balance - General Fund	<u>\$ 3,241,662</u>

**Note 16—Subsequent events**

Subsequent events were evaluated through October 31, 2021, 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**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) FOR LOCAL**  
**GOVERNEMENT EMPLOYEES' RETIREMENT SYSTEM**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**Exhibit A-1**

*LAST EIGHT FISCAL YEARS*

**Local Government Employees' Retirement System**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Piedmont Triad Regional Council's proportion of the net pension liability (asset) (%)	0.04996%	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) (\$)	\$ 1,785,284	\$ 1,347,710	\$ 1,205,861	\$ 993,937	\$ 1,510,467	\$ 317,971	\$ (422,789)	\$ 835,331
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	\$ 2,613,085
Piedmont Triad Regional Council's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	44.22%	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**	88.61%	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**  
**SCHEDULE OF CONTRIBUTIONS TO LOCAL**  
**GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**Exhibit A-2**

*LAST EIGHT FISCAL YEARS*

**Local Government Employees' Retirement System**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 459,095	\$ 357,699	\$ 286,339	\$ 264,301	\$ 297,323	\$ 307,024	\$ 320,115	\$ 316,764
Contributions in relation to the contractually required contribution	459,095	357,699	286,339	264,301	297,323	307,024	320,115	316,764
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Piedmont Triad Regional Council's covered payroll	\$ 4,496,118	\$ 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	10.21%	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**  
**GENERAL FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL**

**Exhibit B**

*YEAR ENDED JUNE 30, 2021*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Fees, local governments	\$ 161,156	\$ 593,641	\$ 432,485
Fees, program services	1,000	839	(161)
Investment earnings	1,500	340	(1,160)
Total Revenues	<u>163,656</u>	<u>594,820</u>	<u>431,164</u>
<b>Expenditures:</b>			
Administration:			
Salaries and fringe	37,375	31,268	6,107
General and administrative	18,476	317,093	(298,617)
Travel and training	31,284	1,428	29,856
Professional services/consultants	30,000	6,500	23,500
Supplies	15,000	16,081	(1,081)
Indirect cost	12,521	10,475	2,046
Capital outlay	19,000	-	19,000
Miscellaneous	-	(182,507)	182,507
Total Expenditures	<u>163,656</u>	<u>200,338</u>	<u>(36,682)</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>394,482</u>	<u>394,482</u>
Net change in fund balance	<u>\$ -</u>	<u>394,482</u>	<u>\$ 394,482</u>
Fund balance, beginning		2,934,070	
Fund balance, ending		<u>\$ 3,328,552</u>	



**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SPECIAL REVENUE FUND - GRANT PROJECT FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL**

**Exhibit C**  
 Page 1 of 3

YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental revenues	\$ 36,031,385	\$ 30,683,380	\$ (5,348,005)
Fees, local governments	447,350	322,840	(124,510)
Fees, program services	32,275	10,881	(21,394)
Total Revenues	<u>36,511,010</u>	<u>31,017,101</u>	<u>(5,493,909)</u>
<b>Expenditures:</b>			
Administration:			
Salaries and fringe	336,062	187,685	148,377
Travel and training	12,733	1,089	11,644
Professional services/consultants	-	5,000	(5,000)
General administrative/occupancy	-	9,726	(9,726)
Supplies	7,200	-	7,200
Indirect costs	112,579	63,462	49,117
Total Administration	<u>468,574</u>	<u>266,962</u>	<u>201,612</u>
Crime Control and Public Safety:			
Salaries and fringe	299,860	285,221	14,639
Capital Outlay	12,317	-	12,317
Travel and training	82,993	1,574	81,419
Professional services/consultants	840,768	170,856	669,912
General administrative/occupancy	11,508	33,809	(22,301)
Supplies	32,041	46,484	(14,443)
Rent	5,000	-	5,000
Participant costs	115,286	630	114,656
Indirect costs	151,433	148,303	3,130
Total Crime Control and Public Safety	<u>1,551,206</u>	<u>686,877</u>	<u>864,329</u>
Health and Human Services:			
Aging and Home and Community Care Block Grant:			
Salaries and fringe	1,697,646	1,466,348	231,298
Travel and training	26,680	14,173	12,507
Professional services/consultants	56,550	17,925	38,625
General administrative/occupancy	234,001	142,566	91,435
Supplies	139,929	108,340	31,589
Indirect costs	568,711	491,225	77,486
Sub recipient expenses	15,449,616	14,647,052	802,564
Total Aging and Home and Community Care Block Grant	<u>18,173,133</u>	<u>16,887,629</u>	<u>1,285,504</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SPECIAL REVENUE FUND - GRANT PROJECT FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL**

**Exhibit C**  
*Page 2 of 3*

*YEAR ENDED JUNE 30, 2021*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Housing:			
Section 8 Housing Assistance:			
HAP payments	\$ 3,200,000	\$ 3,040,764	\$ 159,236
Salaries and fringe	361,275	372,428	(11,153)
Travel and training	15,943	6,212	9,731
Professional services/consultants	3,500	7,675	(4,175)
General administrative/occupancy	40,255	31,759	8,496
Supplies	8,000	11,071	(3,071)
Indirect costs	121,027	124,763	(3,736)
Total Section 8 Housing Assistance	<u>3,750,000</u>	<u>3,594,672</u>	<u>155,328</u>
Home/SFR/CDBG/URP:			
Salaries and fringe	310,775	283,457	27,318
Travel and training	89,901	13,370	76,531
Professional services/consultants	1,371,599	911,664	459,935
General administrative/occupancy	60,660	43,429	17,231
Miscellaneous	-	525	(525)
Supplies	6,957	13,845	(6,888)
Indirect costs	104,108	94,958	9,150
Total Home/SFR/CDBG/URP	<u>1,944,000</u>	<u>1,361,248</u>	<u>582,752</u>
Total Housing	<u>5,694,000</u>	<u>4,955,920</u>	<u>738,080</u>
Indirect Costs:			
Salaries and fringe	3,321,726	3,240,702	81,024
Travel and training	59,000	10,268	48,732
Professional services/consultants	93,750	71,176	22,574
General administrative/occupancy	563,715	479,475	84,240
Rent	75,000	69,435	5,565
Supplies	218,830	81,000	137,830
Allocated indirect costs	(4,332,021)	(3,952,056)	(379,965)
Total Indirect Costs	<u>-</u>	<u>-</u>	<u>-</u>
Piedmont Triad Regional Development Corporation:			
General administrative/occupancy	45,000	41,878	3,122
Professional services/consultants	66,500	77,463	(10,963)
Salaries and fringe	270,494	132,408	138,086
Supplies	5,000	1,945	3,055
Travel and training	26,334	1,800	24,534
Indirect costs	90,616	44,357	46,259
Total Piedmont Triad Regional Development Corporation	<u>503,944</u>	<u>299,851</u>	<u>204,093</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SPECIAL REVENUE FUND - GRANT PROJECT FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL**

**Exhibit C**  
*Page 3 of 3*

*YEAR ENDED JUNE 30, 2021*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Planning:			
Salaries and fringe	\$ 372,534	\$ 253,939	\$ 118,595
Travel and training	14,108	1,618	12,490
Professional services/consultants	397,535	108,797	288,738
General administrative/occupancy	27,412	31,852	(4,440)
Supplies	5,509	-	5,509
Indirect costs	124,802	84,482	40,320
Total Planning	<u>941,900</u>	<u>480,688</u>	<u>461,212</u>
Workforce Development:			
Salaries and fringe	977,479	893,234	84,245
Travel and training	9,925	3,797	6,128
Professional services/consultants	69,456	103,632	(34,176)
General administrative	259,563	306,351	(46,788)
Rent	-	4,209	(4,209)
Supplies	-	27,013	(27,013)
Capital outlay	87,000	27,118	59,882
Sub recipient expenses	3,752,352	2,740,298	1,012,054
Participant costs	452,483	309,131	143,352
Indirect costs	327,455	299,234	28,221
Total Workforce Development	<u>5,935,713</u>	<u>4,714,017</u>	<u>1,221,696</u>
Weatherization:			
Salaries and fringe	738,172	678,341	59,831
Travel and training	91,251	74,489	16,762
Professional services/consultants	2,118,862	1,817,211	301,651
General administrative/occupancy	95,381	56,103	39,278
Supplies	33,063	7,907	25,156
Capital outlay	10,000	10,124	(124)
Indirect costs	155,811	155,811	-
Total Weatherization	<u>3,242,540</u>	<u>2,799,986</u>	<u>442,554</u>
Total Expenditures	<u>36,511,010</u>	<u>31,091,930</u>	<u>5,214,987</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>(74,829)</u>	<u>(74,829)</u>
Net change in fund balance	<u>\$ -</u>	<u>(74,829)</u>	<u>\$ (74,829)</u>
Fund balance, beginning		837,309	
Fund balance, ending		<u>\$ 762,480</u>	

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

**Exhibit D**  
*Page 1 of 3*

YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Restricted intergovernmental	\$ 1,036,047	\$ 519,335	\$ (516,712)
Fees, local governments	195,593	205,729	10,136
Fees, program services	3,977,910	1,455,200	(2,522,710)
Investment earnings	21,457	-	(21,457)
Total Revenues	<u>5,231,007</u>	<u>2,180,264</u>	<u>(3,050,743)</u>
<b>Expenditures:</b>			
Crime Control and Public Safety Local Projects:			
Criminal Justice Programs:			
Salaries and fringe	300,317	314,449	(14,132)
Travel and training	53,737	307	53,430
Professional services/consultants	82,983	1,320	81,663
General administrative/occupancy	2,481	16,363	(13,882)
Rent	6,000	-	6,000
Supplies	47,076	1,995	45,081
Participant expenses	29,987	-	29,987
Indirect costs	49,623	52,586	(2,963)
Total Criminal Justice Programs	<u>572,204</u>	<u>387,020</u>	<u>185,184</u>
Health and Human Service Local Grant Projects:			
Aging:			
Salaries and fringe	12,880	-	12,880
Travel and training	50,000	-	50,000
Professional services/consultants	281,489	173,733	107,756
General administrative/occupancy	15,000	12,998	2,002
Supplies	2,000	4	1,996
Indirect costs	4,315	-	4,315
Subrecipient expenses	20,000	15,248	4,752
Total Aging	<u>385,684</u>	<u>201,983</u>	<u>183,701</u>
Planning Local Projects			
Local Technical Assistance Project and Planning:			
Salaries and fringe	435,386	275,546	159,840
Travel and training	21,533	6,296	15,237
Professional services/consultants	159,450	76,127	83,323
General administrative/occupancy	36,450	27,906	8,544
Supplies	2,130	5,339	(3,209)
Indirect costs	145,856	92,308	53,548
Total Local Technical Assistance Project and Planning	<u>800,805</u>	<u>483,522</u>	<u>317,283</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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Piedmont Trial Regional Development Corporation:			
General administrative/occupancy	\$ 27,500	\$ 9,641	\$ 17,859
Professional services/consultants	134,041	85,419	48,622
Salaries and fringe	144,685	80,198	64,487
Supplies	-	384	(384)
Travel and training	5,604	635	4,969
Indirect costs	48,470	26,866	21,604
Total Piedmont Triad Regional Development Corporation	<u>360,300</u>	<u>203,143</u>	<u>157,157</u>
Workforce Development Local Projects:			
Travel and training	82,500	7,638	74,862
Professional services/consultants	109,750	-	109,750
General administrative/occupancy	1,500	315	1,185
Supplies	19,366	3,264	19,366
Subrecipient expenses	23,333	-	23,333
Participant expenses	131,250	-	131,250
Total Workforce Development Local Projects	<u>367,699</u>	<u>11,217</u>	<u>356,482</u>
Other Local Projects:			
Miscellaneous Local Projects:			
Travel and training	41,000	-	41,000
Professional services/consultants	100,000	950	99,050
General administrative/occupancy	526,201	(109,752)	635,953
Salaries and fringe	-	10,209	(10,209)
Supplies	-	-	-
Capital Outlay	-	-	-
Total Miscellaneous Local Projects	<u>667,201</u>	<u>(98,593)</u>	<u>765,794</u>
Management Advisory Services:			
Salaries and fringe	322,020	217,315	104,705
Travel and training	80,973	5,314	75,659
Professional services/consultants	68,003	1,075	66,928
General administrative/occupancy	79,340	7,549	71,791
Capital outlay	10,000	-	10,000
Supplies	10,000	3	9,997
Indirect costs	107,878	72,650	35,228
Total Management Advisory Services	<u>678,214</u>	<u>303,906</u>	<u>374,308</u>
Total Other Local Projects	<u>1,345,415</u>	<u>205,313</u>	<u>1,140,102</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, 2021

	<u>Budget</u>	<u>Actual</u>	<b>Variance Positive (Negative)</b>
Weatherization:			
Salaries and fringe	\$ 20,511	\$ 21,148	\$ (637)
Travel and training	50,000	12,659	37,341
Professional services/consultants	1,229,766	425,292	804,474
General administrative/occupancy	-	16,401	(16,401)
Supplies	-	18,814	(18,814)
Indirect costs	98,623	78,518	20,105
Rent	-	600	(600)
Total Weatherization	<u>1,398,900</u>	<u>573,432</u>	<u>825,468</u>
Total Expenditures	<u>5,231,007</u>	<u>2,065,630</u>	<u>3,165,377</u>
Excess of Revenues over Expenditures	-	114,634	114,634
<b>Other Financing Sources:</b>			
Sale of capital assets	-	6,495	6,495
Net change in fund balance	<u>\$ -</u>	<u>121,129</u>	<u>\$ 121,129</u>
Fund balance, beginning		1,614,663	
Fund balance, ending		<u>\$ 1,735,792</u>	

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF FRINGE BENEFITS AND INDIRECT COSTS**

**Exhibit E**

YEAR ENDED JUNE 30, 2021

	Expenditures		Rate	
	Proposed	Actual	Proposed	Actual
<b>Fringe Benefits:</b>				
FICA	\$ 330,656	\$ 330,206		
Group insurance	1,087,622	1,043,508		
Retirement and 401(k)	544,643	555,344		
Employee assistance plan and accrued vacation leave	23,000	52,746		
Employee healthcare advocacy	48,441	40,707		
Worker's compensation and unemployment	25,000	29,378		
Health reimbursement arrangement	50,160	60,167		
	<u>\$ 2,109,522</u>	<u>\$ 2,112,056</u>	<u>49.50%</u>	<u>49.50%</u>
<b>Indirect Costs:</b>				
Salaries	\$ 796,570	\$ 808,745		
Fringe benefits	367,350	364,552		
Professional services	60,750	32,673		
Telephone	25,250	24,223		
Postage	18,000	19,184		
Travel, parking, and other	24,105	6,563		
Equipment maintenance	10,000	618		
Equipment rent	62,500	69,435		
Advertising	5,000	1,050		
Office supplies	82,250	79,284		
Occupancy expense	241,489	237,246		
Payroll processing fee	36,025	40,201		
Computer services	60,000	102,949		
Dues, subscriptions, memberships, miscellaneous	23,500	25,317		
Insurance	27,500	27,959		
	<u>\$ 1,840,289</u>	<u>\$ 1,839,999</u>	<u>33.50%</u>	<u>33.50%</u>

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

YEAR ENDED JUNE 30, 2021

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Appalachian Regional Commission:					
ARC 1/1/2020-12/31/2020	\$ 61,019	\$ 30,205	49.50%	\$ 30,560	33.50%
ARC Housing Tech 10/1/19-09/30/20	6,748	3,340	49.50%	3,380	33.51%
ARC Housing Tech 10/1/20-9/30/21	4,384	2,170	49.50%	2,196	33.51%
ARC WaterRel 10/1/19-9/30/20	6,193	3,066	49.51%	3,689	39.84%
ARC WaterRel 10/1/19-9/30/20	558	43	7.71%	201	33.44%
ARC WaterRel 10/1/20-9/30/21	6,889	3,410	49.50%	3,450	33.50%
BlueCross BlueShield of NC Foundation:					
PTRDC BCBS Food Initiative	53,571	26,517	49.50%	26,829	33.50%
PTRDC BCBS Food Initiative	102	8	7.84%	37	33.64%
Duke Energy:					
DEC WAP Ops	7,157	3,543	49.50%	75,018	701.10%
Local Administration Agreements and Programs:					
160D Zoning Projects	19,604	9,704	49.50%	9,818	33.50%
160D Zoning Projects	1,160	89	7.67%	418	33.47%
Alamance GREAT	1,021	505	49.46%	511	33.49%
Albemarle Pay & Class	15,778	1,207	7.65%	5,690	33.50%
Archdale Stormwater Asset Mapping	11,314	5,600	49.50%	5,666	33.50%
Archdale Stormwater Asset Mapping	14,267	1,091	7.65%	5,145	33.50%
Asheboro Parks & Rec LDP	11,385	5,636	49.50%	5,702	33.50%
Asheboro Pay Study	2,243	1,110	49.49%	1,123	33.49%
Asheboro Pay Study	45	3	6.67%	16	33.33%
Burke Co Pay Study	3,327	255	7.66%	1,200	33.50%
Burlington Pay and Class Study	83	41	49.40%	42	33.87%
Burlington Pay and Class Study	219	17	7.76%	79	33.47%
Cabarrus PTR Replication Project	6,054	2,997	49.50%	3,032	33.50%
Catawba Reentry	2,884	1,428	49.51%	1,445	33.51%
CCOG - Mooresville Pay & Class	252	125	49.60%	126	33.42%
CCOG - Mooresville Pay & Class	254	19	7.48%	92	33.70%
CCOG-Mooresville Admin Pay & Class	583	289	49.57%	292	33.49%
CCOG-Mooresville Admin Pay & Class	2,783	213	7.65%	1,004	33.51%
CD Training Center	6,988	3,459	49.50%	3,500	33.50%
Claremont Market Pay Study	2,958	226	7.64%	1,067	33.51%
Cleveland Co Pay Study	21,100	1,614	7.65%	7,609	33.50%
Davidson Co Zoning Ordinance Update	1,737	860	49.51%	870	33.50%
Davidson Pay & Class	790	391	49.49%	396	33.53%
Davidson Pay & Class	7,314	560	7.66%	2,638	33.50%
Davie Pre-Trial Adm	7,756	3,839	49.50%	3,885	33.51%
Davie Pre-Trial Local	55,315	27,381	49.50%	-	0.00%
Deep River Environmental Review	3,138	1,554	49.52%	1,572	33.50%
Denton Human Resources Services	176	87	49.43%	88	33.46%
Denton Ordinance Update	1,124	557	49.56%	563	33.49%
Forsyth Pay & Classification Study	235	116	49.36%	118	33.62%
Forsyth Pay & Classification Study	756	58	7.67%	273	33.54%
Gibsonville LDP	1,326	656	49.47%	664	33.50%
GIS Misc LTA	394	195	49.49%	197	33.45%
Goldsboro Personnel Policy Review	41	3	7.32%	15	34.09%
Graham Better Block	2,135	1,057	49.51%	1,069	33.49%
Graham Parks & Rec Master Plan	151	75	49.67%	76	33.63%
Haw River Personnel Manual	3,150	241	7.65%	1,136	33.50%
High Point Pay Study	1,078	533	49.44%	540	33.52%
High Point Pay Study	4,140	317	7.66%	1,493	33.50%
Jamestown Training	387	191	49.35%	194	33.56%



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

YEAR ENDED JUNE 30, 2021

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Local Administration Agreements and Programs: (continued)					
Jonesville Planning Services	\$ 2,721	\$ 1,347	49.50%	\$ 1,363	33.51%
Kernersville Pay Study	372	184	49.46%	186	33.45%
Kernersville Pay Study	3,011	230	7.64%	1,086	33.51%
Kernersville Strategic Plan Update	2,068	1,024	49.52%	1,036	33.51%
Lewisville Stormwater Mapping	6,421	3,200	49.84%	3,216	33.43%
Lewisville Stormwater Mapping	1,967	129	6.56%	709	33.83%
Liberty ADA Assessment	558	43	7.71%	201	33.44%
Liberty Pay & Class	48	4	8.33%	17	32.69%
Lincolnton Pay & Class	6,901	528	7.65%	2,489	33.50%
Local Dues Expenditures	20,915	10,353	49.50%	10,475	33.50%
LRCOG - Maxton Pay & Class	2,558	196	7.66%	923	33.51%
Management Services Miscellaneous LTA	5,418	2,682	49.50%	2,714	33.51%
Management Services Miscellaneous LTA	12,163	930	7.65%	4,386	33.50%
Mebane Current Planning	1,663	823	49.49%	833	33.51%
Mebane Small Area Plan	11,318	5,602	49.50%	5,668	33.50%
Mocksville Manager Search	1,050	520	49.52%	526	33.50%
Mocksville Manager Search	2,539	194	7.64%	916	33.52%
Montgomery Current Planning	14,812	7,332	49.50%	7,418	33.50%
Montgomery Current Planning	326	25	7.67%	118	33.62%
Montgomery GIS Services	117	58	49.57%	58	33.14%
Montgomery GIS Services	61	5	8.20%	22	33.33%
Morehead City Pay & Class	13,529	1,035	7.65%	4,879	33.50%
NCSU BAND NC	2,708	1,340	49.48%	1,356	33.50%
Newton Pay Study	2,917	223	7.64%	1,052	33.50%
PART Pay & Class Study	1,800	138	7.67%	649	33.49%
Pitt County Internal Investigation	4,085	313	7.66%	1,473	33.49%
Planning & TA Non-bill	171	85	49.71%	86	33.59%
Randleman Manager Search	5,373	411	7.65%	1,938	33.51%
Regional Drug Testing Program	227	112	49.34%	114	33.63%
Reidsville Pay Study	58	4	6.90%	21	33.87%
Rockingham Co Pay Study	808	400	49.50%	405	33.53%
Rockingham Co Pay Study	1,974	151	7.65%	712	33.51%
Rockingham Planning Services	43	21	48.84%	21	32.81%
Rockingham Planning Services	215	107	49.77%	108	33.54%
Rural Hall HR Policy Review	4,250	325	7.65%	1,533	33.51%
SOAR - City of W-S	5,010	2,480	49.50%	2,509	33.50%
Southwestern Commission Pay & Class	2,376	182	7.66%	857	33.50%
Spencer HR Policy Review	5,779	442	7.65%	2,084	33.50%
Spencer Manager Search	4,518	346	7.66%	1,629	33.49%
Spencer Pay & Class Study	754	373	49.47%	378	33.54%
Spencer Pay & Class Study	760	58	7.63%	274	33.50%
Statesville Pay & Class	1,290	639	49.53%	646	33.49%
Statesville Pay & Class	6,058	463	7.64%	2,185	33.51%
Statevilles PTR Replication Project	5,545	2,745	49.50%	2,777	33.50%
Stokes Pre-Trial Adm	1,498	741	49.47%	750	33.50%
Stormwater S.M.A.R.T	48,720	24,117	49.50%	24,400	33.50%
Stormwater S.M.A.R.T	4,251	325	7.65%	1,533	33.50%
Stormwater SMART Mass Media	710	352	49.58%	356	33.52%
Summerfield LDP	9,112	4,510	49.50%	4,564	33.50%
Summerfield LDP	1,286	98	7.62%	464	33.53%
Surry Pre-Trial Adm	14,696	7,275	49.50%	7,360	33.50%
Surry Pre-Trial Local	54,775	27,114	49.50%	27,433	33.50%
Surry TDA	224	111	49.55%	112	33.43%

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

YEAR ENDED JUNE 30, 2021

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Local Administration Agreements and Programs: (continued)					
Thomasville CARES Grant Admin	\$ 1,969	\$ 974	49.47%	\$ 986	33.50%
Thomasville HR Director Search	760	376	49.47%	381	33.54%
TJCOG - Aberdeen Pay Study	3,368	258	7.66%	1,215	33.51%
TJCOG - Chatham Co Pay & Class	26,302	2,012	7.65%	9,485	33.50%
TJCOG - Zebulon Pay Study	5,239	401	7.65%	1,889	33.49%
Upper Cape Fear River Basin Assoc	7,198	3,563	49.50%	3,605	33.50%
Upper Cape Fear River Basin Assoc	293	22	7.51%	106	33.65%
Uwharrie Charter Academy Application Screening	4	-	0.00%	1	25.00%
Washington Class Audit	1,053	81	7.69%	380	33.51%
W-S Foundation-Bob Pate Memorial Fund Project	40	20	50.00%	20	33.33%
Yadkin Pre-Trial Adm	6,782	3,357	49.50%	3,396	33.49%
Yadkin Pre-Trial Loca	50,019	24,759	49.50%	-	0.00%
Yadkin River State Trail Map	3,159	1,564	49.51%	1,582	33.50%
Yadkin River State Trail Map	233	18	7.73%	84	33.47%
Yadkin Riverkeeper Project	1,069	529	49.49%	535	33.48%
Yanceyville Planning Services	923	457	49.51%	462	33.48%
NC Clean Water Management Trust Fund					
CWMTF 2018-807 Thomas Built Bus Preserve Rest Plan	713	353	49.51%	357	33.49%
NC Dept of Commerce - Division of Workforce Solutions and NWP Job Training Consortium					
4050 - 8145 Employer Services	33,445	16,555	49.50%	-	0.00%
Adult-NWP LA	198,807	98,409	49.50%	44,085	14.83%
Adult-NWP LA	2,123	162	7.63%	-	0.00%
Dislocated Worker-Mobile Unit	5,793	443	7.65%	143	2.29%
Dislocated Worker-NWP LA	197,566	97,795	49.50%	43,444	14.71%
Dislocated Worker-NWP LA	2,179	167	7.66%	-	0.00%
WIA Administration	81,649	40,416	49.50%	194,658	159.47%
Youth-NWP LA	77,070	38,150	49.50%	16,904	14.67%
Youth-NWP LA	2,326	178	7.65%	-	0.00%
NC Dept of Crime Control and Public Safety:					
Davidson TECS RRS	12,028	5,954	49.50%	6,024	33.50%
Davie TECS RRS	3,733	1,848	49.50%	29,573	529.89%
DOC Project Reentry	4,608	2,281	49.50%	2,308	33.50%
High Pt GCC Project Reentry	1,543	764	49.51%	773	33.51%
LRC Administration - Forsyth	5,920	2,930	49.49%	2,965	33.50%
LRC Intermediary Agency - Forsyth	43,140	21,354	49.50%	21,606	33.50%
Rockingham TECS RRS	9,869	4,885	49.50%	4,943	33.50%
Rowan TECS RRS	13,256	6,562	49.50%	6,639	33.50%
Stokes TECS RRS	7,915	3,918	49.50%	3,964	33.50%
Surry TECS RRS	51,012	25,251	49.50%	25,548	33.50%
Wilkes TECS RRS	10,561	5,228	49.50%	5,289	33.50%
WS Project Reentry CDBG	15,608	7,726	49.50%	7,817	33.50%
Yadkin TECS RRS	11,591	5,738	49.50%	30,856	178.06%

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

**Exhibit F**  
 Page 4 of 5

YEAR ENDED JUNE 30, 2021

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
NC Dept of Environmental Quality -					
Divison of Water Resources:					
205J #7752 Elkin&Jonesville Stormwater Map & Assessment	\$ 581	\$ 288	49.57%	\$ -	0.00%
205J #7752 Elkin&Jonesville Stormwater Map & Assessment	821	63	7.67%	-	0.00%
205J Richland Creek Watershed	7,426	3,676	49.50%	3,719	33.50%
205J Richland Creek Watershed	436	33	7.57%	157	33.48%
205J TJCOG- Jordan Lake One Water	8,584	4,249	49.50%	4,299	33.50%
NC Dept of Environmental Quality -					
Weatherization Assistance Program:					
DOE WAP Program Ops	89,907	44,504	49.50%	-	0.00%
DOE WAP T&TA	6,779	3,355	49.49%	-	0.00%
LIHEAP HARRP Program Ops	84,020	41,590	49.50%	-	0.00%
LIHEAP WAP Program Ops	273,035	135,152	49.50%	-	0.00%
NC Dept of Health and Human Service -					
Divison of Aging and Adult Services:					
Aging Administration	24,181	11,970	49.50%	12,110	33.50%
Aging Elder Abuse	12,843	6,358	49.51%	6,432	33.50%
Aging Planning & Admin	343,492	170,028	49.50%	171,811	33.46%
Aging Planning & Admin	64	5	7.81%	23	33.33%
Aging Regional Ombudsman	314,081	155,469	49.50%	157,518	33.55%
CARES P & A	82,288	40,733	49.50%	41,212	33.50%
Family Caregiver Support	105,475	52,210	49.50%	52,824	33.50%
III-D Evidence Based Programs	50,011	24,756	49.50%	25,047	33.50%
III-D Evidence Based Programs	16,495	1,262	7.65%	5,949	33.50%
MIPPA II Year 1	1,994	987	49.50%	999	33.51%
MIPPA II Year 2	5,548	2,747	49.51%	2,779	33.50%
MIPPA II Year 2	130	10	7.69%	47	33.57%
NC Dept of Transportation:					
NCDOT Yadkin Valley Regional Bike Plan Exp 6/30/20	6,156	3,047	49.50%	3,083	33.50%
Rural Trans Planning (RPO)	66,169	32,754	49.50%	33,139	33.50%
Rural Trans Planning (RPO)	168	13	7.74%	60	33.15%
Rural Trans Planning NW (RPO)	61,193	30,291	49.50%	30,647	33.50%
NC Dept of Transportation and Triangle J Council of Government:					
TJCOG-NCDOT Rail Promotion Project	428	212	49.53%	214	33.44%
NC Housing Finance Agency:					
Alamance eSFR18	44,963	22,257	49.50%	22,519	33.50%
Ashe eSFR18	8,564	4,239	49.50%	4,289	33.50%
Caswell ESFRLP19 exp 6/30/22	9,493	4,699	49.50%	4,754	33.50%
Davidson eSFR17	4,189	2,073	49.49%	2,098	33.50%
Davidson ESFR20	3,785	1,873	49.48%	1,895	33.49%
Davie ESFRLP19 exp 6/30/22	2,934	1,452	49.49%	1,469	33.49%
Guilford eSRF17	6,485	3,210	49.50%	3,248	33.50%
Montgomery eSFR18	3,274	1,620	49.48%	1,639	33.49%
Randolph ESFRLP19 exp 6/30/22	9,225	4,566	49.50%	4,620	33.50%
Rockingham eSFR18	40,670	20,132	49.50%	20,369	33.50%
Stokes ESFRLP19 exp 6/30/22	2,487	1,231	49.50%	1,245	33.49%
Surry eSFR18	2,191	1,085	49.52%	1,097	33.49%
URP19	9,094	4,501	49.49%	4,554	33.50%
Wilkes eSFR18	5,245	2,596	49.49%	2,627	33.50%
Yadkin ESFRLP19 exp 6/30/22	175	87	49.71%	88	33.59%

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

**Exhibit F**  
 Page 5 of 5

YEAR ENDED JUNE 30, 2021

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
US Dept of Agriculture - NIFA and PTR Development Corporation: PTRDC USDA NIFA Food Council Policy exp 8/31/20	\$ 1,768	\$ 875	49.49%	\$ 885	33.48%
US Dept of Commerce-Economic Development Agency: EDA Disaster Recovery	38,604	19,109	49.50%	19,334	33.50%
EDA Disaster Recovery	1,807	138	7.64%	652	33.52%
US Dept of Commerce-EDA and PTR Development Corporation: PTRDC Davie Co Public Works EDA 04-01-07243	2,074	1,027	49.52%	1,039	33.51%
PTRDC EDA CARES Planning	47,904	23,712	49.50%	23,991	33.50%
PTRDC EDA CARES Planning	10,406	796	7.65%	3,753	33.50%
PTRDC EDA CARES RLF Admin	24,144	11,951	49.50%	12,092	33.50%
PTRDC EDA CARES RLF Admin	88	7	7.95%	32	33.68%
PTRDC-EDA	5,053	2,501	49.50%	2,531	33.51%
PTRDC-EDA	95	7	7.37%	34	33.33%
US Dept of Health and Human Services: UNC-A CDSM Education Program	2,923	1,447	49.50%	1,464	33.50%
UNCA Nutrition Grant	25,983	12,861	49.50%	13,013	33.50%
US Dept of Housing and Urban Development: Section 8 Voucher Program	244,216	120,887	49.50%	122,310	33.50%
Section 8 Voucher Program	6,804	521	7.66%	2,454	33.50%
US Dept of Housing and Urban Development and City of Burlington: Burlington CD Admin	25,391	12,569	49.50%	12,717	33.50%
US Dept of Housing and Urban Development and Surry Co Housing Consortium HOME	3,773	1,868	49.51%	1,890	33.50%
HOME Administration	6,262	3,100	49.50%	3,136	33.50%
Surry HOME Rehab Soft Costs FY20-21	1,403	694	49.47%	703	33.52%
US Dept of Housing and Urban Development and Town of Liberty CDBG - Liberty Sewer Project	5,320	2,633	49.49%	2,664	33.50%
CDBG - Liberty Sewer Project	642	49	7.63%	232	33.57%
US Dept of Housing and Urban Development and Town of Yanceyville CDBG - Yanceyville Sewer Project	3,558	1,761	49.49%	1,782	33.50%
US Environmental Protection Agency EPA Brownfield-Petroleum	5,064	2,507	49.51%	2,536	33.50%
EPA Brownfields Assessment & Clean-up Exp	1,208	598	49.50%	605	33.50%
Indirect Payroll	808,748	364,551	45.08%	-	0.00%
	<u>\$ 4,553,776</u>	<u>\$ 2,112,056</u>		<u>\$ 1,684,194</u>	
Summary of Allocation Rates: Standard Fringe and Indirect Cost	\$ 3,491,063	\$ 1,728,097	49.50%	\$ 1,748,411	33.50%
FICA Only and Indirect Cost	253,968	19,407	7.64%	91,588	33.50%
Standard Fringe on Indirect Payroll	723,256	358,012	49.50%	-	0.00%
FICA Only on Indirect Payroll	85,489	6,540	7.65%	-	0.00%
	<u>\$ 4,553,776</u>	<u>\$ 2,112,056</u>		<u>\$ 1,839,999</u>	

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

**Exhibit G**

*JUNE 30, 2021*

<u>Line Item #</u>		<u>14.871 Housing Choice Vouchers</u>	<u>14.HCC HCV CARES Act Funding</u>
	<b>Assets</b>		
	<b>Current Assts</b>		
111	Cash - unrestricted	\$ 336,148	\$ -
113	Cash - other restricted	67,592	-
<b>100</b>	<b>Total Cash</b>	<u>403,740</u>	<u>-</u>
	<b>Accounts Receivable</b>		
121	Accounts receivable - PHA projects	-	-
122	Accounts receivable - HUD other projects	1,165	-
128	Fraud recovery	-	-
128	Allowance for doubtful accounts - fraud recovery	-	-
120	Total Receivables, net of allowance for doubtful accounts	<u>1,165</u>	<u>-</u>
<b>150</b>	<b>Total Current Assets</b>	<u>404,905</u>	<u>-</u>
<b>290</b>	<b>Total Assets</b>	<u>\$ 404,905</u>	<u>\$ -</u>
	<b>Liabilities and Equity</b>		
	<b>Current Liabilities</b>		
312	Accounts payable <= 90 days	\$ 73,549	\$ -
342	Unearned revenue	-	-
<b>310</b>	<b>Total Current Liabilities</b>	<u>73,549</u>	<u>-</u>
<b>300</b>	<b>Total Liabilities</b>	<u>73,549</u>	<u>-</u>
	<b>Equity</b>		
509.3	Restricted fund balance	67,592	-
512.3	Unassigned fund balance	263,764	-
<b>513</b>	<b>Total Equity / Net Position</b>	<u>331,356</u>	<u>-</u>
<b>600</b>	<b>Total Liabilities and Equity / Net Position</b>	<u>\$ 404,905</u>	<u>\$ -</u>

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

**Exhibit H**

YEAR ENDED JUNE 30, 2021

Line Item #		<b>14.871 Housing Choice Vouchers</b>	<b>14.HCC HCV CARES Act Funding</b>
	<b>Revenues</b>		
70600	HUD PHA operating grants	\$ 3,663,535	\$ 216,569
71400	Fraud recovery	10,284	-
71500	Other revenue	-	-
70000	<b>Total Revenues</b>	<u>3,673,819</u>	<u>216,569</u>
	<b>Expenses</b>		
91100	Administrative salaries	141,433	-
91500	Employee benefit contributions - administrative	68,833	-
91600	Office expense	17,159	-
91800	Travel	6,212	-
91900	Other	102,895	-
91000	<b>Total Operating - Administrative</b>	<u>336,532</u>	<u>-</u>
92100	Tenant Services - Salaries	-	109,588
92300	Employee Benefit Contributions - Tenant Services	-	52,574
92400	Tenant Services - Other	-	54,407
92500	<b>Total Tenant Services - Other</b>	<u>-</u>	<u>216,569</u>
96200	Other general expenses	809	-
96000	<b>Total Other General Expenses</b>	<u>809</u>	<u>-</u>
96900	<b>Total Operating Expenses</b>	<u>337,341</u>	<u>216,569</u>
97000	<b>Excess of Operating Revenue over Operating Expenses</b>	<u>3,336,478</u>	<u>-</u>
97300	Housing assistance payments	3,040,764	-
90000	<b>Total Expenses</b>	<u>3,378,105</u>	<u>216,569</u>
10000	<b>Total Revenue Over Total Expenses</b>	<u>\$ 295,714</u>	<u>\$ -</u>
11030	Beginning equity	\$ 35,642	\$ -
11170	Administrative fee equity	\$ 263,764	\$ -
11180	Housing assistance payments equity	\$ 67,592	\$ -
11190	Unit months available	10,104	-
11210	Number of unit months leased	9,138	-

## **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, 2021, 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 31, 2021.

**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 Behrnt LLP*

Charlotte, North Carolina  
October 31, 2021

**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, 2021. 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 operations of Piedmont Triad Regional Development Corporation (the “Corporation”), a discretely present component unit, which expended \$2,569,717 in federal awards which is not included in the Council's schedule of expenditures of federal and state awards during the year ending June 30, 2021. Our audit, described below, did not include the operations of the Corporation because a separate single audit was performed in accordance with the Uniform Guidance and the State Single Audit Implementation Act of North Carolina.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards 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, 2021.

## 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.

*Cherry Behant LLP*

Charlotte, North Carolina  
October 31, 2021

**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, 2021. 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 statement include the operations of Piedmont Triad Regional Development Corporation (the “Corporation”), a discretely present component unit, which expended \$804,603 in state awards which is not included in the Council’s schedule of expenditures of federal and state awards during the year ending June 30, 2021. Our audit, described below, did not include the operations of the Corporation because a separate single audit was performed in accordance with the Uniform Guidance and the State Single Audit Implementation Act of North Carolina.

**Management’s Responsibility**

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards 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, 2021.

## 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.

*Cherry Behrnt LLP*

Charlotte, North Carolina  
October 31, 2021

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2021

**Part I – Summary of Audit Results**

**Financial Statement**

Type of auditor’s report issued on whether the  
 Financial statements were prepared in accordance  
 With GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ yes        X   no

Significant deficiency(ies) identified?

\_\_\_\_\_ yes        X   none reported

Noncompliance material to financial  
 statement noted?

\_\_\_\_\_ yes        X   no

**Federal Awards**

Internal control over major federal 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 federal programs:

Unmodified

Any audit findings disclosed that are  
 required to be reported in accordance with  
 2 CFR 200.516(a)?

\_\_\_\_\_ yes        X   no

**Identification of the major federal programs:**

**Federal Assistance Listing Number**

**Program Name**

93.044  
 93.045  
 93.053

Aging Cluster:

Special Programs for the Aging - Title III B  
 Special Programs for the Aging - Title III C  
 Nutrition Services Incentive Program

21.019  
 94.568

Coronavirus Relief Fund  
 Low-Income Home Energy Assistance

Dollar threshold used to distinguish between  
 Type A and Type B programs:  
 Auditee qualified as low-risk auditee?

\$750,000

  X   yes      \_\_\_\_\_ no

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

YEAR ENDED JUNE 30, 2021

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**State Awards**

Internal control over major State program:

Material weakness(es) identified?	_____ yes	<u>  X  </u> no
Significant deficiency(ies) identified?	_____ yes	<u>  X  </u> 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**

None reported.

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

None reported.



**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

*YEAR ENDED JUNE 30, 2021*

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Finding 2020-001: This finding has been corrected.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

YEAR ENDED JUNE 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Expenditures		Passed-Through to Subrecipients	
			Federal	State	Federal	State
<b>FEDERAL AWARDS</b>						
<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 City of High Point:						
Community Development Block Grant/Entitlement Grant	14.218		3,081	-	-	-
Passed through the Town of Liberty:						
Community Development Block Grant/Infrastructure Grant	14.228-2		15,761	-	-	-
Total Passed through N.C. Department of Commerce:			<u>49,992</u>	<u>-</u>	<u>-</u>	<u>-</u>
Passed through N.C. Housing Finance Agency:						
Passed through Surry County Consortium:						
Home Investment Partnership Program	14.239		34,338	-	-	-
Passed through City of Burlington:						
Home Investment Partnership Program	14.239		58,811	-	-	-
Home Investment Partnership Program eSFR17 - Davidson Co.	14.239		80,545	-	-	-
Home Investment Partnership Program eSFR17 - Davidson Co.	14.239		80,545	-	-	-
Home Investment Partnership Program eSFR17 - Guilford Co.	14.239		105,538	-	-	-
Home Investment Partnership Program eSFR18 - Alamance Co.	14.239		353,949	-	-	-
Home Investment Partnership Program eSFR18 - Ashe Co.	14.239		23,120	-	-	-
Home Investment Partnership Program eSFR18 - Montgomery Co.	14.239		58,172	-	-	-
Home Investment Partnership Program eSFR18 - Rockingham Co.	14.239		279,021	-	-	-
Home Investment Partnership Program eSFR18 - Surry Co.	14.239		7,353	-	-	-
Home Investment Partnership Program eSFR18 - Wilkes Co.	14.239		13,716	-	-	-
Home Investment Partnership Program eSFR19 - Caswell Co.	14.239		22,127	-	-	-
Home Investment Partnership Program eSFR19 - Davie Co.	14.239		6,594	-	-	-
Home Investment Partnership Program eSFR19 - Randolph Co.	14.239		118,158	-	-	-
Home Investment Partnership Program eSFR19 - Stokes Co.	14.239		67,298	-	-	-
Home Investment Partnership Program eSFR19 - Yadkin Co.	14.239		391	-	-	-
Total Passed through N.C. Housing Finance Agency:			<u>1,309,676</u>	<u>-</u>	<u>-</u>	<u>-</u>
COVID-19: Section 8 Housing Choice Vouchers CARES Act	14.871		216,569	-	-	-
Section 8 Housing Choice Vouchers	14.871		3,378,105	-	-	-
Total U.S. Department of Housing and Urban Development			<u>4,954,342</u>	<u>-</u>	<u>-</u>	<u>-</u>
<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	2019-4020-47	410,386	-	205,193	-
WIOA - Adult Programs	17.258	2020-4020-47	757,440	-	582,042	-
WIOA - Adult Programs - Administration	17.258	2019-4010-47	51,360	-	-	-
WIOA - Adult Programs - Administration	17.258	2020-4010-47	58,926	-	-	-
WIOA - Statewide Activities #8025/6 Talent Portal	17.258	2019-4050-47	15,215	-	-	-
Total CFDA #17.258			<u>1,293,327</u>	<u>-</u>	<u>787,235</u>	<u>-</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)**

YEAR ENDED JUNE 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Expenditures		Passed-Through to Subrecipients	
			Federal	State	Federal	State
WIOA - Youth Programs	17.259	2019-4040-47	\$ 370,597	\$ -	\$ 370,597	\$ -
WIOA - Youth Programs	17.259	2020-4040-47	896,195	-	746,674	-
WIOA - Youth Programs - Administration	17.259	2019-4010-47	52,233	-	-	-
WIOA - Youth Programs - Administration	17.259	2020-4010-47	59,859	-	-	-
WIOA - Statewide Activities #8045 Employer Services	17.259	2019-4050-47	50,000	-	-	-
Total CFDA #17.259			1,428,884	-	1,117,271	-
WIOA - Dislocated Workers Programs	17.278	2019-4030-47	530,035	-	265,018	-
WIOA - Dislocated Workers Programs	17.278	2020-4030-47	714,320	-	595,111	-
WIOA - Dislocated Workers Programs - Administration	17.278	2019-4010-47	40,536	-	-	-
WIOA - Dislocated Workers Programs - Administration	17.278	2020-4010-47	49,419	-	-	-
WIOA - Statewide Activities #8025/6 Talent Portal	17.278	2019-4050-47	15,215	-	-	-
WIOA - Statewide Activities #8029 IFA Costs	17.278	2020-4050-47	84,843	-	84,843	-
WIOA - Statewide Activities #8089 FLG Davidson Co CC	17.278	2020-4050-47	3	-	3	-
WIOA - Statewide Activities #8090 FLG Forsyth Tech CC	17.278	2020-4050-47	28,080	-	28,080	-
WIOA - Statewide Activities #8091 FLG Piedmont CC (Caswell)	17.278	2020-4050-47	-	-	-	-
WIOA - Statewide Activities #8092 FLC Rockingham CC	17.278	2020-4050-47	9,609	-	9,609	-
WIOA - Statewide Activities #8093 FLG Surry CC	17.278	2020-4050-47	-	-	-	-
WIOA - Statewide Activities #8089 FLG Davidson Co CC	17.278	2018-4050-47	5,174	-	5,174	-
WIOA - Statewide Activities #8090 FLG Forsyth Tech CC	17.278	2018-4050-47	48,372	-	48,372	-
WIOA - Statewide Activities #8091 FLG Piedmont CC (Caswell)	17.278	2018-4050-47	10,531	-	10,531	-
WIOA - Statewide Activities #8092 FLC Rockingham CC	17.278	2018-4050-47	11,836	-	11,836	-
WIOA - Statewide Activities #8137 FLC Ops	17.278	2019-4050-47	45,000	-	45,000	-
WIOA - Statewide Activities #8093 FLG Surry CC	17.278	2019-4050-47	15,403	-	15,403	-
Total CFDA #17.278			1,608,376	-	1,118,980	-
Total Workforce Innovation Opportunity Act Cluster			4,330,587	-	3,023,486	-
National Dislocated Worker Grant COVID-19	17.277	2020-3110-47	120,785	-	120,785	-
Total U.S. Department of Labor			4,451,372	-	3,144,271	-
<b>U.S. Department of Transportation</b>						
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)	-	-	-	-
Passed through Rail Division to Triangle J Council of Government:						
Regional Emissions Reduction with Passenger Rail	20.205		854	-	-	-
Total U.S. Department of Transportation			222,516	-	-	-
<b>U.S. Department of Treasury</b>						
Passed through N.C. Office of State Budget and Management:						
Passed through Triad Workforce Solutions Collaborative:						
Eastern Triad Workforce Initiative	21.019		262,649	-	-	-
Total U.S. Department of Treasury			262,649	-	-	-
<b>Appalachian Regional Commission</b>						
Appalachian Local Development Direct Assistance (2020)						
Appalachian Local Development Direct Assistance (2021)	23.009	NC-706-H-C9	63,061	-	-	-
Appalachian Local Development Direct Assistance (2021)	23.009	NC-706-H-C10	-	-	-	-
Total CFDA #23.009			63,061	-	-	-
Passed through the N.C. Department of Commerce:						
Appalachian Technical Assistance (2020)	23.011		13,750	-	-	-
Appalachian Technical Assistance (2020)	23.011		13,750	-	-	-
Total CFDA #23.011			27,500	-	-	-
Total Appalachian Regional Commission			90,561	-	-	-

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)**

YEAR ENDED JUNE 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Expenditures		Passed-Through to Subrecipients	
			Federal	State	Federal	State
<b>U.S. Environmental Protection Agency</b>						
Brownfields Assessment and Cleanup Cooperative Agreements	68.818		\$ 91,925	\$ -	\$ -	\$ -
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	1,883	-	-	-
Richland Creek Watershed 205(j)	66.454	8097	13,025	-	-	-
Passed through NC Div. of Water Resource to Triangle J Council of Government:						
Jordan Lake One Water 205(j)	66.454		17,133	-	-	-
Total Environmental Protection Agency			123,966	-	-	-
<b>U.S. Department of Energy</b>						
Passed through N.C. Dept. of Environment Quality:						
Weatherization Assistance Program for Low Income Persons	81.042	8002	537,387	-	-	-
Total U.S. Department of Energy			537,387	-	-	-
<b>U.S. Department of Agriculture</b>						
Passed through National Institute of Food and Agriculture:						
Passed through Piedmont Triad Regional Development Corporation:						
Food Council Policy	10.225	18-829-33800	3,528	-	-	-
Total U.S. Department of Agriculture			3,528	-	-	-
<b>U.S. Department of Commerce</b>						
Passed through Economic Development Agency:						
Passed through Piedmont Triad Regional Development Corporation:						
EDA District Planning Grant	11.302	ED18ATL3020016	12,330	-	-	-
COVID-19: EDA District Planning Grant CARES Act	11.302	ED20ATL3070032	183,146	-	-	-
COVID-19: EDA Revolving Loan Fund Admin CARES Act	11.307	04-79-07495	96,346	-	-	-
EDA Davie Co. Public Works	11.303	04-01-07243	4,503	-	-	-
EDA Disaster Planning Grant	11.303	04-79-07428	85,840	-	-	-
Total U.S. Department of Commerce			382,165	-	-	-
<b>U.S. Department of Health and Human Services</b>						
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)	21,787	1,282	-	-
Regional Ombudsman – Title VII-E	93.042	NC-07(20)	43,598	2,565	-	-
COVID-19: CARES Act Grant Ombudsman – Title VII-E	93.042	NC-07(20)	54,301	-	-	-
Health Promotion – Title III-D	93.043	NC-07(20)	128,910	7,583	-	-
Total Special Programs for the Aging			248,596	11,430	-	-
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)	175,910	9,640	-	-
Regional Ombudsman – Title III-B and State	93.044	NC-07(20)	421,261	129,327	-	-
Access and In-Home Services – Title III-B and State Funds for Caregiver Match	93.044	NC-07(20)	1,428,979	3,850,192	1,428,979	3,850,192
COVID-19: CARES Act- Access and In-Home Services – Title III-B	93.044	NC-07(20)	528,777	-	528,777	-
Legal Services – Title III-B	93.044	NC-07(20)	105,595	6,211	105,595	6,211
Special Programs for the Aging - Title III-C						
Nutrition Services						
Planning and Administration – Title III-C-1 and State	93.045	NC-07(20)	304,628	16,694	-	-
COVID-19: CARES Act Planning and Administration – Title III-C-1	93.045	NC-07(20)	187,414	-	-	-
Congregate Meals – Title III-C-1 and State	93.045	NC-07(20)	15,167	892	15,167	892
Families First Congregate Meals – Title III-C-1	93.045	NC-07(20)	283,844	-	283,844	-
COVID-19: CARES Act Congregate Meals – Title III-C-1	93.045	NC-07(20)	784,936	-	784,936	-
Home Delivered Meals – Title III-C-2 and State	93.045	NC-07(20)	2,464,970	1,675,176	2,464,970	1,675,176
Families First Home Delivered Meals – Title III-C-2	93.045	NC-07(20)	539,575	-	539,575	-
COVID-19: CARES Act Home Delivered Meals – Title III-C-2	93.045	NC-07(20)	834,046	-	834,046	-
Nutrition Services Incentive Program (NSIP)	93.053	NC-07(20)	650,305	-	650,305	-
Total Aging Cluster			8,725,407	5,688,132	7,636,194	5,532,471

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)**

YEAR ENDED JUNE 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal Assistance	Pass-through Grantor's	Expenditures		Passed-Through to Subrecipients	
	Listing Number	Number	Federal	State	Federal	State
Family Caregiver - Title III-E	93.052	NC-07(20)	\$ 721,211	\$ 48,081	\$ 492,763	\$ 32,851
COVID-19: CARES Act Family Caregiver - Title III-E	93.052	NC-07(20)	356,830	-	356,830	-
Planning and Administration – Title III-E	93.052	NC-07(20)	114,555	6,278	-	-
			<u>1,192,596</u>	<u>54,359</u>	<u>849,593</u>	<u>32,851</u>
Access and In-Home Services – SSBG	93.667	NC-07(20)	355,033	10,144	355,033	10,144
Local Contact Agency (LCA) activities	93.791	32815	-	-	-	-
Passed through the N.C. Department of Insurance: Passed through the Division of SHIIP:						
MIPPA Medicare Enrollment Assistance Program	93.071	RQ 18294097	63,313	-	-	-
Passed through N.C. Department of Environmental Quality: Low Income Home Energy Assistance Program -Weatherization Assistance Program for Low Income Persons	93.568	8219	1,311,679	-	-	-
COVID-19: Low Income Home Energy Assistance Program - Weatherization Assistance Program for Low Income Persons - CARES Act	93.568	CW19467	17,463	-	-	-
Low Income Home Energy Assistance Program - Heat & Air Repair and Replacement Program	93.568	8219	907,458	-	-	-
COVID-19: Low Income Home Energy Assistance Program - Heat & Air Repair and Replacement Program - CARES Act	93.568	CW19467	26,000	-	-	-
<b>Total U.S. Department of Health and Human Services</b>			<u>12,847,545</u>	<u>5,764,065</u>	<u>8,840,820</u>	<u>5,575,466</u>
<b>Total Federal Awards</b>			<u>23,876,031</u>	<u>5,764,065</u>	<u>11,985,091</u>	<u>5,575,466</u>
<b>STATE AWARDS</b>						
Clean Water Management Trust Fund Thomas Built Bus Preserve Restoration Plan		2018-807	-	8,030	-	-
Total Clean Water Management Trust Fund			<u>-</u>	<u>8,030</u>	<u>-</u>	<u>-</u>
Passed through N.C. Housing Finance Agency: N.C. Housing Trust Fund - Urgent Repair Program 2019			-	122,227	-	-
Total Passed through N.C. Housing Finance Agency:			<u>-</u>	<u>122,227</u>	<u>-</u>	<u>-</u>
N.C. Department of Public Safety LRC Intermediary Agency - Forsyth County		RQ20866093	-	129,731	-	-
Passed through NC Gang Investigators Association: Project Safe Neighborhoods - PSN/Video Project		2018-GP-BX-0044	-	-	-	-
Total N. C. Department of Public Safety			<u>-</u>	<u>129,731</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)	-	230,837	-	230,837
<b>Total N.C. Department of Health &amp; Human Services</b>			<u>-</u>	<u>279,098</u>	<u>-</u>	<u>230,837</u>
N.C. Department of Transportation Public Transportation Division Yadkin Valley Regional Bike Plan #8088		41794.14	-	34,718	-	-
Total N.C. Department of Transportation			<u>-</u>	<u>34,718</u>	<u>-</u>	<u>-</u>
<b>Total State Awards</b>			<u>-</u>	<u>573,804</u>	<u>-</u>	<u>230,837</u>
<b>Total Federal and State Awards</b>			<u>\$ 23,876,031</u>	<u>\$ 6,337,869</u>	<u>\$ 11,985,091</u>	<u>\$ 5,806,303</u>

## **PIEDMONT TRIAD REGIONAL COUNCIL**

### **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

*YEAR ENDED JUNE 30, 2021*

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#### **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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