

PIEDMONT TRIAD REGIONAL COUNCIL

FINANCIAL STATEMENTS AND COMPLIANCE REPORT

As of and for the Year Ended June 30, 2022

And Reports of Independent Auditor

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

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

JUNE 30, 2022

<u>Name</u>	<u>Position</u>	<u>County / City</u>	<u>Position</u>
<u>Executive Committee Officers:</u>			
Alvin Foster	Chairman	Yanceyville	Mayor
Don Truell	Vice-Chair	Davidson	Commissioner
Marikay Abuzuaiter	Treasurer	Greensboro	Council Member
Mark Richardson	Secretary	Rockingham	Commissioner
Kevin Austin	Past-Chairman	Yadkin	Commissioner
<u>Executive Committee:</u>			
Steve Carter	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
John Shaw	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, 2022

<u>Name</u>	<u>Position</u>	<u>County / City</u>	<u>Position</u>
<u>Executive Committee (continued):</u>			
John Larson	Member	Winston-Salem	Council Member
Victor Jones	Member	High Point	Council Member
Jim Butler	Member	Burlington	Mayor
Emily Sharpe	Member	Elon	Mayor
Alvin Foster	Member	Yanceyville	Mayor
Larry Ward	Member	Denton	Mayor
Rick Cross	Member	Bermuda Run	Mayor
Peggy Leight	Member	Walkertown	Commissioner
Yvonne Maizland	Member	Gibsonville	Alderwoman
Lynne Devaney	Member	Summerfield	Council Member
Damon Prince	Member	Troy	Commissioner
Renee Bryant	Member	Randleman	Alderwoman
Dwight Lake	Member	Mayodan	Council Member
Jane Cole	Member	King	Council Member
Scott Needham	Member	Pilot Mountain	Commissioner
Monta Davis-Oliver	Member	Yadkinville	Mayor

PIEDMONT TRIAD REGIONAL COUNCIL
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FINANCIAL SECTION

Report of Independent Auditor

To the Board of Delegates
Piedmont Triad Regional Council
Kernersville, North Carolina

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, and each major fund of the Council, as of June 30, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 is the responsibility of management and, 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 Council's basic financial statements. The accompanying supplementary information, as listed in the table of contents, and the Schedule of Expenditures 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")*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Executive Committee of the Board of Directors but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2022 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 solely 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.

Cherry Bekaert LLP

Charlotte, North Carolina
December 1, 2022

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

PIEDMONT TRIAD REGIONAL COUNCIL MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

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, 2022. We encourage readers to read the information presented here in conjunction with additional information 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 12 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

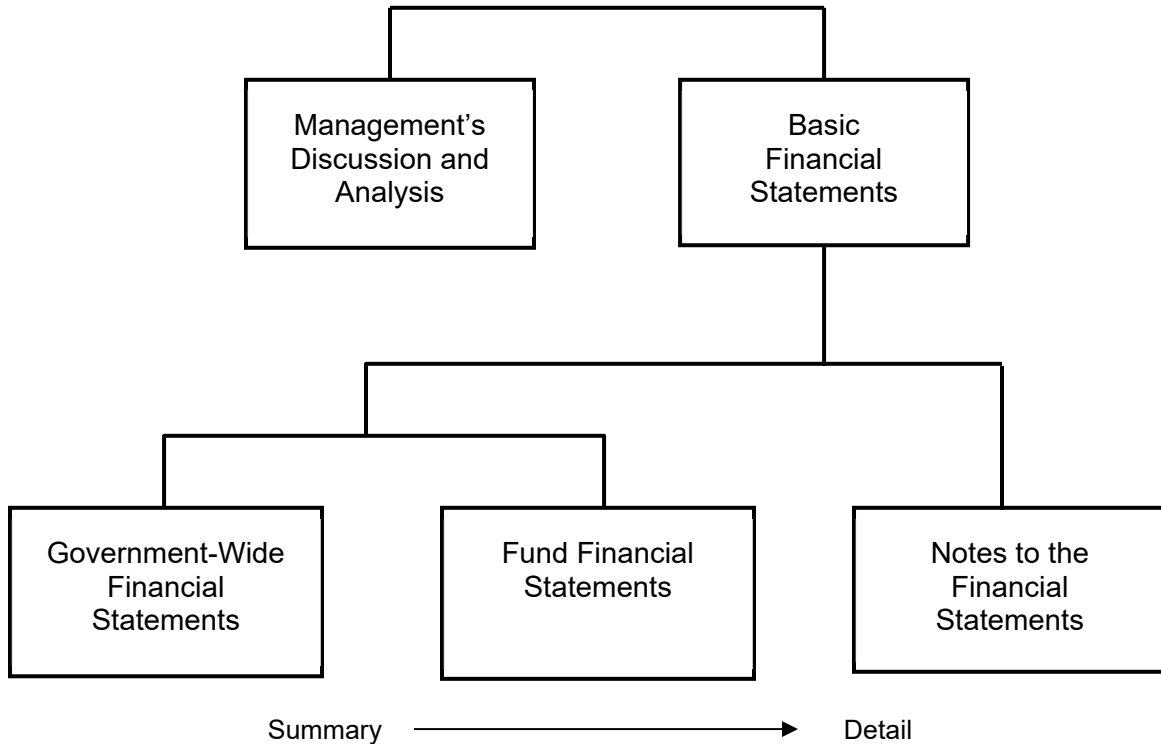
- The assets and deferred outflows of resources of the Council exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$6,949,596 (net position).
- The Council's total net position increased by \$1,064,301.
- As of the close of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$6,603,457, an increase of \$776,633 in comparison with the prior year. Approximately 58% of this total amount or \$3,803,803, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,799,654.

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.

JUNE 30, 2022

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, **supplementary 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, 2022

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 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 20 of this report.

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

JUNE 30, 2022

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

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

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

	Governmental Activities	
	2022	2021
Current and other assets	\$ 10,336,851	\$ 11,152,629
Capital assets	2,651,174	2,814,065
Deferred outflows of resources	1,552,219	1,108,458
Total Assets and Deferred Outflows of Resources	14,540,244	15,075,152
Current liabilities	3,881,649	5,603,754
Long-term liabilities outstanding	2,415,416	3,527,202
Deferred inflows of resources	1,293,583	58,901
Total Liabilities and Deferred Inflows of Resources	7,590,648	9,189,857
Net Position:		
Net investment in capital assets	1,175,174	1,092,065
Restricted	3,789,885	2,511,301
Unrestricted	1,984,537	2,281,929
Total Net Position	\$ 6,949,596	\$ 5,885,295

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 \$6,949,596 as of June 30, 2022. The Council's liabilities decreased due to a decrease in accounts payable and a decrease in the pension liability due to changes in actuarial assumptions impacting the pension plan. The change in actuarial assumptions also caused an increase in the deferred inflows of resources. The Council's net position increased by \$1,064,301 for the fiscal year ended June 30, 2022. 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 \$1,175,174 reflects the Council's net investment in capital assets. An additional portion of the Council's net position of \$3,789,885 represents resources that are subject to external restrictions on how they may be used. Of the amount restricted, \$788,246 is restricted by the state's Stabilization by State Statute.

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

JUNE 30, 2022

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

	Governmental Activities	
	2022	2021
Revenues:		
Program Revenues:		
Charges for services	\$ 3,101,385	\$ 2,589,130
Operating grants and contributions	31,555,865	31,438,542
General Revenues:		
Unrestricted investment earnings	2,861	340
Miscellaneous	-	6,495
Total Revenues	<u>34,660,111</u>	<u>34,034,507</u>
Expenses:		
Administration	610,832	1,056,472
Crime control and public safety	1,058,207	1,073,897
Health and human services	16,865,406	17,089,612
Housing	5,015,384	4,955,920
Planning	1,217,566	964,210
PTRDC	494,315	502,994
Workforce development	4,124,943	4,725,234
Weatherization	4,197,989	3,373,418
Local projects	(34,118)	(98,593)
Interest	45,286	51,527
Total Expenses	<u>33,595,810</u>	<u>33,694,691</u>
Increase in net position	1,064,301	339,816
Net position, beginning	<u>5,885,295</u>	<u>5,545,479</u>
Net assets, ending	<u>\$ 6,949,596</u>	<u>\$ 5,885,295</u>

Governmental Activities. Governmental activities increased the Council's net position by \$1,064,301. This increase is primarily the result of an increase in administration and weatherization services as well as a slight decrease in expenses.

PIEDMONT TRIAD REGIONAL COUNCIL MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

Financial Analysis of the Council's Funds

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

Governmental Funds – The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Council's financial requirements.

The General Fund is the chief operating fund of the Council. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,799,654, while total fund balance reached \$3,587,900. 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 825.04% of total General Fund expenditures. Total fund balance represented 1,057.33% of total General Fund expenditures.

As of June 30, 2022, the governmental funds of the Council reported a combined fund balance of \$6,603,457, an increase of \$776,633 (13.33%) from the prior year. Included in this change in fund balance is an increase in fund balance in the Grant Projects Fund and the Local Projects Fund due to the collection of deferred inflows.

Governmental Funds Budgetary Highlights – During the fiscal year, the Council revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available, 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants, and 3) increases in appropriations that become necessary to maintain services. Amendments to the General Fund increased the budget by \$376,897. Amendments to the Grant Project Fund and Local Project Fund increased the budget by \$13,483,633; this included increases for Administration, Crime Control and Public Safety, Health and Human Services, Piedmont Triad Regional Development Corporation, Planning (environmental protection, planning, and transportation) programs, Workforce Innovation and Opportunity Act Programs, Weatherization, and housing programs of \$430,267, \$138,197, \$8,802,402, (\$16,824), \$733,400, \$578,738, \$1,645,953, \$1,171,500, respectively.

Capital Asset and Debt Administration

Capital Assets – The Council's investment in capital assets for its governmental activities as of June 30, 2022, totaled \$2,651,174, (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, 2022

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

	Governmental Activities	
	2022	2021
Land	\$ 634,324	\$ 634,324
Land improvements	14,808	24,752
Building	1,531,808	1,771,127
Equipment, furniture and fixtures	53,015	38,198
Vehicles	417,219	345,664
Total	<u>\$ 2,651,174</u>	<u>\$ 2,814,065</u>

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

Debt Administration

	Governmental Activities	
	2022	2021
Note payable	\$ 1,476,000	\$ 1,722,000

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.

BASIC FINANCIAL STATEMENTS

PIEDMONT TRIAD REGIONAL COUNCIL
STATEMENT OF NET POSITION

Exhibit 1

JUNE 30, 2022

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Piedmont Triad Regional Development Corporation</u>
ASSETS		
Current Assets:		
Cash and investments	\$ 4,709,264	\$ 1,539,362
Accounts receivable	151,113	402,041
Due from other governments	4,597,967	-
Due from component units	864,589	-
Current portion loan receivable	-	364,406
Prepaid expenses	13,918	-
Total Current Assets	<u>10,336,851</u>	<u>2,305,809</u>
Noncurrent Assets:		
Loan receivable - net	-	2,868,692
Capital Assets:		
Land, nondepreciable	634,324	-
Depreciable, net of related depreciation	<u>2,016,850</u>	-
Total Capital Assets	<u>2,651,174</u>	-
Total Assets	<u>12,988,025</u>	<u>5,174,501</u>
DEFERRED OUTFLOWS OF RESOURCES		
Contributions to pension plan in current year	534,948	-
Pension deferrals	<u>1,017,271</u>	-
Total Deferred Outflows of Resources	<u>1,552,219</u>	-
LIABILITIES		
Current Liabilities:		
Accounts payable	2,029,606	-
Accrued interest payable	9,926	-
Due to primary government	-	864,589
Deferred private grant revenue	-	566,142
Current portion of claims payable	308,162	-
Unearned revenue	1,248,251	-
Current portion of long-term liabilities	<u>285,704</u>	-
Total Current Liabilities	<u>3,881,649</u>	<u>1,430,731</u>
Long-Term Liabilities:		
Net pension liability	889,026	-
Due in more than one year	<u>1,526,390</u>	-
Total Long-Term Liabilities	<u>2,415,416</u>	-
Total Liabilities	<u>6,297,065</u>	<u>1,430,731</u>
DEFERRED INFLOWS OF RESOURCES		
Pension deferrals	<u>1,293,583</u>	-
Total Deferred Inflows of Resources	<u>1,293,583</u>	-
NET POSITION		
Net investment in capital assets	1,175,174	-
Restricted:		
Stabilization by State Statute	788,246	-
HUD	297,799	-
Projects	2,703,840	-
Other functions	-	163,715
Unrestricted	<u>1,984,537</u>	<u>3,580,055</u>
Total Net Position	<u>\$ 6,949,596</u>	<u>\$ 3,743,770</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, 2022

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position	
		Charges Services	Operating Grants and Contributions	Primary Government	Component Unit
				Total Governmental Activities	Piedmont Triad Regional Development Corporation
Primary Government:					
Governmental Activities:					
Administration	\$ 610,832	\$ 1,224,373	\$ 250,192	\$ 863,733	\$ -
Crime control and public safety	1,058,207	500	1,035,266	(22,441)	-
Health and human services	16,865,406	255,287	16,584,258	(25,861)	-
Housing	5,015,384	5,000	5,002,907	(7,477)	-
Planning	1,217,566	578,304	864,402	225,140	-
PTRDC	494,315	660	287,752	(205,903)	-
Workforce development	4,124,943	506	4,092,283	(32,154)	-
Weatherization	4,197,989	1,015,371	3,438,805	256,187	-
Other local projects	(34,118)	21,384	-	55,502	-
Interest expense	45,286	-	-	(45,286)	-
Total Governmental Activities and Primary Government	\$ 33,595,810	\$ 3,101,385	\$ 31,555,865	1,061,440	-
Component Unit:					
Piedmont Triad Regional Development Corporation	\$ 667,897	\$ 1,939,896	\$ -	-	1,271,999
General Revenues:					
Unrestricted investment earnings				2,861	-
Total General Revenues				2,861	-
Change in net position				1,064,301	1,271,999
Net position, beginning				5,885,295	2,471,771
Net position, ending				\$ 6,949,596	\$ 3,743,770

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

FUND FINANCIAL STATEMENTS

PIEDMONT TRIAD REGIONAL COUNCIL
BALANCE SHEETS
GOVERNMENTAL FUNDS

Exhibit 3

JUNE 30, 2022

	Major Funds			Total Governmental Funds
	General Fund	Grant Project Fund	Local Projects Fund	
ASSETS				
Cash and investments	\$ 2,802,318	\$ 358,514	\$ 1,548,432	\$ 4,709,264
Accounts receivables	2,276	132,271	16,566	151,113
Due from other governments	2,256	4,080,427	515,284	4,597,967
Due from other funds	783,714	-	-	783,714
Due from component unit	-	732,134	132,455	864,589
Prepaid expenses	-	10,918	3,000	13,918
Total Assets	<u>\$ 3,590,564</u>	<u>\$ 5,314,264</u>	<u>\$ 2,215,737</u>	<u>\$ 11,120,565</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ 1,564	\$ 1,964,857	63,185	\$ 2,029,606
Due to other funds	-	783,714	-	783,714
Unearned revenue	1,100	1,247,151	-	1,248,251
Total Liabilities	<u>2,664</u>	<u>3,995,722</u>	<u>63,185</u>	<u>4,061,571</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	455,537	-	455,537
Total Deferred Inflows of Resources	<u>-</u>	<u>455,537</u>	<u>-</u>	<u>455,537</u>
FUND BALANCES				
Nonspendable:				
Prepaid expenses	-	10,918	3,000	13,918
Restricted:				
Stabilization by State Statute	788,246	-	-	788,246
Restricted by HUD	-	297,799	-	297,799
Restricted for grant projects	-	554,288	-	554,288
Restricted for local projects	-	-	2,149,552	2,149,552
Unassigned	2,799,654	-	-	2,799,654
Total Fund Balances	<u>3,587,900</u>	<u>863,005</u>	<u>2,152,552</u>	<u>6,603,457</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,590,564</u>	<u>\$ 5,314,264</u>	<u>\$ 2,215,737</u>	<u>\$ 11,120,565</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, 2022

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

Total fund balance, governmental funds	\$	6,603,457
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Gross capital assets at historical cost	\$	5,825,276
Accumulated depreciation		<u>(3,174,102)</u>
		2,651,174
Contributions subsequent to the measurement date		534,948
Other deferred outflows of resources related to pensions are not reported in the funds		1,017,271
Earned revenues considered deferred inflows of resources in fund statements		455,537
Long-term liabilities used in governmental activities are not financial uses and, therefore, are not reported in the funds		
Notes payable	\$	(1,476,000)
Accrued interest expense		(9,926)
Compensated absences		(336,094)
Incurred but not reported claims		(308,162)
Net pension liability		<u>(889,026)</u>
		(3,019,208)
Deferred inflows of resources related to pensions are not reported in the funds		<u>(1,293,583)</u>
Net position of governmental activities	\$	<u><u>6,949,596</u></u>

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

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

YEAR ENDED JUNE 30, 2022

	Major Funds			Total Governmental Funds
	General Fund	Grant Project Fund	Local Projects Fund	
Revenues:				
Restricted intergovernmental	\$ -	\$ 31,102,959	\$ 527,650	\$ 31,630,609
Fees, local governments	595,644	368,407	165,313	1,129,364
Fees, program services	180	19,719	1,952,122	1,972,021
Miscellaneous	2,861	-	-	2,861
Total Revenues	<u>598,685</u>	<u>31,491,085</u>	<u>2,645,085</u>	<u>34,734,855</u>
Expenditures:				
Administration	339,337	257,702	-	597,039
Crime control and public safety	-	670,165	388,042	1,058,207
Health and human services	-	16,795,407	69,999	16,865,406
Housing	-	5,015,384	-	5,015,384
Planning	-	802,294	415,272	1,217,566
PTRDC	-	372,934	121,381	494,315
Workforce development	-	4,058,071	66,872	4,124,943
Weatherization	-	3,418,603	779,386	4,197,989
Administrative services	-	-	421,491	421,491
Other local projects	-	-	(34,118)	(34,118)
Total Expenditures	<u>339,337</u>	<u>31,390,560</u>	<u>2,228,325</u>	<u>33,958,222</u>
Excess of Revenues over Expenditures	259,348	100,525	416,760	776,633
Net change in fund balance	259,348	100,525	416,760	776,633
Fund balances, beginning	<u>3,328,552</u>	<u>762,480</u>	<u>1,735,792</u>	<u>5,826,824</u>
Fund balances, ending	<u>\$ 3,587,900</u>	<u>\$ 863,005</u>	<u>\$ 2,152,552</u>	<u>\$ 6,603,457</u>

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

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, 2022

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

Net changes in fund balances - total governmental funds	\$	776,633
<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	\$	163,469
Depreciation expense for governmental assets		<u>(326,360)</u>
		(162,891)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		534,948
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(74,744)
<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		<u>1,654</u>
		247,654
<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>		
Compensated absences	\$	(23,854)
Pension expense		(429,611)
Incurred but not reported claims		<u>196,166</u>
		(257,299)
Total changes in net position of governmental activities	\$	<u><u>1,064,301</u></u>

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

PIEDMONT TRIAD REGIONAL COUNCIL

Exhibit 5

GENERAL FUND

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

YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Fees, local governments	\$ 219,902	\$ 596,799	\$ 595,644	\$ (1,155)
Fees, program services	-	-	180	180
Investment earnings	5,000	5,000	2,861	(2,139)
Total Revenues	224,902	601,799	598,685	(3,114)
Expenditures:				
Administration	224,902	601,799	339,337	262,462
Excess of Revenues over Expenditures	-	-	259,348	259,348
Net change in fund balance	\$ -	\$ -	259,348	\$ 259,348
Fund balance, beginning			3,328,552	
Fund balance, ending			\$ 3,587,900	

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

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, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Restricted intergovernmental	\$ 33,600,937	\$ 46,176,372	\$ 31,102,959	\$ (15,073,413)
Fees, local governments	432,586	439,065	368,407	(70,658)
Fees, program services	25,775	24,275	19,719	(4,556)
Total Revenues	<u>34,059,298</u>	<u>46,639,712</u>	<u>31,491,085</u>	<u>(15,148,627)</u>
Expenditures:				
Administration	357,644	383,381	257,702	125,679
Crime control and public safety	1,842,277	1,973,323	670,165	1,303,158
Health and human services	16,363,298	25,165,700	16,795,407	8,370,293
Housing	6,364,000	7,535,500	5,015,384	2,520,116
Planning	608,230	1,223,892	802,294	421,598
PTRDC	529,500	512,676	372,934	139,742
Workforce development	4,857,338	5,436,076	4,058,071	1,378,005
Weatherization	3,137,011	4,409,164	3,418,603	990,561
Total Expenditures	<u>34,059,298</u>	<u>46,639,712</u>	<u>31,390,560</u>	<u>15,249,152</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>100,525</u>	<u>100,525</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>100,525</u>	<u>\$ 100,525</u>
Fund balance, beginning			<u>762,480</u>	
Fund balance, ending			<u>\$ 863,005</u>	

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

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, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Restricted intergovernmental	\$ -	\$ 940,188	\$ 527,650	\$ (412,538)
Fees, local governments	161,178	161,178	165,313	4,135
Fees, program services	4,341,947	4,304,978	1,952,122	(2,352,856)
Total Revenues	4,503,125	5,406,344	2,645,085	(2,761,259)
Expenditures:				
Crime control and public safety	568,037	575,188	388,042	187,146
Health and human services	385,684	385,684	69,999	315,685
PTRDC	240,000	240,000	121,381	118,619
Planning	427,529	545,267	415,272	129,995
Workforce development	367,699	367,699	66,872	300,827
Weatherization	1,260,900	1,634,700	779,386	855,314
Administrative services	586,075	990,605	421,491	569,114
Other local projects	667,201	667,201	(34,118)	701,319
Total Expenditures	4,503,125	5,406,344	2,228,325	3,178,019
 Excess of Revenues over Expenditures	 -	 -	 416,760	 416,760
 Net change in fund balance	 \$ -	 \$ -	 416,760	 \$ 416,760
Fund balance, beginning			1,735,792	
Fund balance, ending			\$ 2,152,552	

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

NOTES TO THE FINANCIAL STATEMENTS

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

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, 2022

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 (“SBA”) 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. 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. 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.

New Accounting Pronouncement – As of July 1, 2021, the Council adopted the provisions of GASB 87, *Leases*, which amended the existing accounting standards for lease reporting. The new guidance requires lessees in a leasing arrangement recognize a right-to-use asset and a lease liability for most leases (other than leases that meet the definition of a short-term lease) at lease commencement. The liability will be equal to the present value of lease payments. Additionally, the new guidance requires lessors in a leasing arrangement to recognize a lease receivable and a deferred inflow of resources for most leases (other than leases that meet the definition of a short-term lease) at lease commencement. The liability (lessees) or deferred inflow (lessors) will be equal to the present value of lease payments. Following the adoption of the standard, the Council determined there were no material leases that would be considered subject to the standard and, therefore, no leases have been recorded.

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.

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

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

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.

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.

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

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

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

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

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations. All 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, 2022.

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, 2022

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 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 2022 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, 2022

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

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

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

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

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

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

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

Assigned Fund Balance – Portion of fund balance 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 50.25% for fringe benefits and 28.50% for indirect cost. The actual rates for the year ended June 30, 2022, for fringe benefits and indirect cost were 50.25% and 28.50%, respectively. All charges to programs for fringe and indirect costs were adjusted to actual as of June 30, 2022.

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

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

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

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

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 noninterest-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, 2022, the Council's deposits had a carrying amount of \$2,923,977 and a bank balance of \$4,448,487. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$4,198,487 in interest-bearing deposits was covered by collateral held under the pooling method.

At June 30, 2022, the Corporation's deposits had a carrying amount of \$1,539,362 and a bank balance of \$1,539,362. Of the bank balance, \$250,000 was covered by federal depository insurance.

Investments – At June 30, 2022, the Council had \$1,785,287 invested with the NCCMT's Government Portfolio which carried a credit rating of AAAM by Standard & 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, 2022

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	\$ 123,739
N.C. Department of Commerce	678,492
N.C. Department of Environmental Quality	497,460
N.C. Department of Health and Human Services	1,556,056
N.C. Department of Transportation	205,553
N.C. Housing Finance Agency	529,831
U.S. Environmental Protection Agency	291,137
U.S. Economic Development Agency	25,875
U.S. Department of Housing and Urban Development	22,543
U.S. Appalachian Regional Commission	27,500
Passed-through local governments	101,350
Due from component unit	<u>753,025</u>
Total grant project fund	<u>4,812,561</u>

Special Revenue Fund - Local Projects Fund:

Local governments and agencies	536,175
Due from component unit	<u>111,564</u>
Total special revenue fund	<u>647,739</u>

General Fund:

Local governments and agencies	<u>2,256</u>
Total due from other governments	<u><u>\$ 5,462,556</u></u>

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

Note 4—Capital assets

Primary Government

Capital asset activity for the primary government for the year ended June 30, 2022 was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 634,324	\$ -	\$ -	\$ 634,324
Total capital assets not being depreciated	<u>634,324</u>	<u>-</u>	<u>-</u>	<u>634,324</u>
Capital assets being depreciated:				
Building	3,876,045	-	-	3,876,045
Equipment, furniture, and fixtures	106,539	28,617	-	135,156
Land improvements	99,436	-	-	99,436
Vehicles	945,463	134,852	-	1,080,315
Total capital assets being depreciated	<u>5,027,483</u>	<u>163,469</u>	<u>-</u>	<u>5,190,952</u>
Less accumulated depreciation for:				
Buildings	2,104,918	239,319	-	2,344,237
Equipment, furniture, and fixtures	68,341	13,800	-	82,141
Land improvements	74,684	9,944	-	84,628
Vehicles	599,799	63,297	-	663,096
Total accumulated depreciation	<u>2,847,742</u>	<u>\$ 326,360</u>	<u>\$ -</u>	<u>3,174,102</u>
Total capital assets being depreciated, net	<u>2,179,741</u>			<u>2,016,850</u>
Governmental activity capital assets, net	<u>\$ 2,814,065</u>			<u>\$ 2,651,174</u>

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

Administration	\$ 265,141
Aging	3,805
WAP	19,902
WIOA	37,512
	<u>326,360</u>
	<u>\$ 326,360</u>

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

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>
2023	\$ 246,000	\$ 39,704
2024	246,000	33,087
2025	246,000	26,470
2026	246,000	19,852
2027	246,000	13,235
2028	246,000	6,617
	<u>\$ 1,476,000</u>	<u>\$ 138,965</u>

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

	<u>Balances</u> <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u> <u>June 30, 2022</u>	<u>Current</u> <u>Portion of</u> <u>Balances</u>
Governmental activities:					
Note payable	\$ 1,722,000	\$ -	\$ 246,000	\$ 1,476,000	\$ 246,000
Compensated absences	312,240	198,228	174,374	336,094	39,704
Net pension liability (LGERS)	1,785,284	-	896,258	889,026	-
	<u>\$ 3,819,524</u>	<u>\$ 198,228</u>	<u>\$ 287,743</u>	<u>\$ 2,701,120</u>	<u>\$ 285,704</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. LGERS 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.

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

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 postretirement 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, 2022, was 11.35% 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 \$534,948 for the year ended June 30, 2022.

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, 2022, the Council reported a liability of \$889,026 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2021 (measurement date), the Council's proportion was 0.05797% which was an increase of 0.00801% from its proportion measured as of June 30, 2020.

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

Note 6—Pension plan and postemployment obligations (continued)

For the year ended June 30, 2022, the Council recognized pension expense of \$429,611. At June 30, 2022, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 282,831	\$ -
Changes of assumptions	558,535	-
Net difference between projected and actual earnings on pension plan investments	-	1,270,151
Changes in proportion and differences between Council contributions and proportionate share of contributions	175,905	23,432
Council contributions subsequent to the measurement date	534,948	-
	<u>\$ 1,552,219</u>	<u>\$ 1,293,583</u>

\$534,948 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30:

2023	\$ 122,547
2024	36,373
2025	(46,557)
2026	(388,675)
	<u>\$ (276,312)</u>

Actuarial Assumptions – The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% to 8.25%, including inflation and productivity factor
Investment rate of return	6.5%, 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, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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, 2022

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, 2021 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%
	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 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 6.50%. 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 6.50%, 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 (5.50%) or one percentage point higher (7.50%) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Council's proportionate share of the net pension liability (asset)	\$ 3,451,123	\$ 889,026	\$ (1,219,432)

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

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 (“IRC”) 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 \$157,057, during the fiscal year ended June 30, 2022, and ending investment balance in the plan at June 30, 2022 was \$753,369. 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 IRC 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 IRC. 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, 2022 totaled \$299,788, which consisted of \$115,513 from the Council and \$184,275 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 postemployment 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, 2022

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 are as follows:

	2022	2021
Reserve, beginning of year:	\$ 80,000	\$ 80,000
Contributions to HRA by Piedmont Triad Regional Council	66,640	60,167
Less claims paid	(53,889)	(60,167)
Less reduction in accrual	(75,810)	-
Reserve, end of year	<u>\$ 16,941</u>	<u>\$ 80,000</u>
	2022	2021
Reserve, beginning of year:	\$ 424,329	\$ 287,904
Contributions to Health Insurance Reserve by Piedmont Triad Regional Council	1,172,043	1,297,089
Less claims paid	(1,169,107)	(1,160,664)
Less reduction in accrual	(136,044)	-
Reserve, end of year	<u>\$ 291,221</u>	<u>\$ 424,329</u>

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

JUNE 30, 2022

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 \$864,589 in 2022. In return, the Corporation agreed to 1) transfer all current assets and revenues to the Council within 10 days, 2) submit requests for budgeted expenditures to the Council for payment, 3) submit a budget for each of the coming years to the Council for approval, and 4) refrain from seeking funds directly from local governments.

Due to Council, beginning of year	\$ 503,008
Advances from Council	655,947
Less repayments to Council	<u>(294,366)</u>
Due to Council, end of year	<u><u>\$ 864,589</u></u>

Note 10—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>
• Alamance County	• City of Graham	• Town of Liberty
• Alexander County	• City of High Point	• Town of Mocksville
• Burke County	• City of Kings Mountain	• Town of Ramseur
• Cabarrus County	• City of Lincolnton	• Town of Rolesville
• Caldwell County	• City of Mebane	• Town of Spencer
• Caswell County	• Morehead City	• Town of Stoneville
• Catawba County	• City of Mount Airy	• Town of Summerfield
• Davidson County	• City of New Bern	• Town of Walnut Cove
• Davie County	• City of Reidsville	• Town of Warrenton
• Forsyth County	• City of Shelby	• Town of Waxhaw
• Halifax County	• City of Statesville	• Town of Weaverville
• Iredell County	• City of Trinity	
• Montgomery County	• City of Wilson	
• Rockingham County	• City of Winston-Salem	
• Surry County		
• Yadkin County		
	<u>Town</u>	<u>Other</u>
	• Town of Biscoe	• Cape Fear Council of Government
	• Town of Denton	• Centralina Council of Government
	• Town of Gibsonville	• Metropolitan Sewerage District
	• Town of Haw River	• Piedmont Authority on Regional Transportation
	• Town of Jamestown	• Triangle J Council of Government
	• Town of Jonesville	
	• Town of Lewisville	
<u>City</u>		
• City of Asheboro		
• City of Archdale		
• City of Burlington		
• City of Conover		
• City of Creedmoor		

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

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

Note 11—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	<u>842 units</u>

Note 12—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 any required refunds will be immaterial. No provision has been made in the accompanying financial statement for the refund of grant monies.

Note 13—Net investment in capital assets

Capital assets	\$ 2,651,174
Less long-term debt	<u>(1,476,000)</u>
Net investments in capital assets	<u>\$ 1,175,174</u>

Note 14—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	\$ 3,587,900
Less stabilization by state statute	<u>(788,246)</u>
Unrestricted fund balance - General Fund	<u>\$ 2,799,654</u>

Note 15—Subsequent events

Subsequent events were evaluated through December 1, 2022, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles

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

PIEDMONT TRIAD REGIONAL COUNCIL

Exhibit A-1

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

LAST NINE FISCAL YEARS

Local Government Employees' Retirement System

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Piedmont Triad Regional Council's proportion of the net pension liability (asset) (%)	0.05797%	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) (\$)	\$ 889,026	\$ 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	\$ 4,496,118	\$ 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	19.77%	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**	95.51%	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

Exhibit A-2

PIEDMONT TRIAD REGIONAL COUNCIL'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION

LAST NINE FISCAL YEARS

Local Government Employees' Retirement System

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 534,948	\$ 459,095	\$ 357,699	\$ 286,339	\$ 264,301	\$ 297,323	\$ 307,024	\$ 320,115	\$ 316,764
Contributions in relation to the contractually required contribution	534,948	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	\$ 4,743,081	\$ 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	11.28%	10.21%	8.86%	7.89%	7.65%	7.43%	6.84%	6.85%	7.13%

SUPPLEMENTARY INFORMATION

PIEDMONT TRIAD REGIONAL COUNCIL

Exhibit B

GENERAL FUND

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

YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Fees, local governments	\$ 596,799	\$ 595,644	\$ (1,155)
Fees, program services	-	180	180
Investment earnings	5,000	2,861	(2,139)
Total Revenues	<u>601,799</u>	<u>598,685</u>	<u>(3,114)</u>
Expenditures:			
Administration:			
Salaries and fringe	52,588	45,233	7,355
General and administrative	407,651	314,453	93,198
Travel and training	56,572	16,894	39,678
Professional services/consultants	35,000	18,183	16,817
Supplies	35,000	27,372	7,628
Indirect cost	14,988	12,891	2,097
Capital outlay	-	-	-
Miscellaneous	-	(95,689)	95,689
Total Expenditures	<u>601,799</u>	<u>339,337</u>	<u>262,462</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>259,348</u>	<u>259,348</u>
Net change in fund balance	<u>\$ -</u>	<u>259,348</u>	<u>\$ 259,348</u>
Fund balance, beginning		<u>3,328,552</u>	
Fund balance, ending		<u>\$ 3,587,900</u>	

PIEDMONT TRIAD REGIONAL COUNCIL

Exhibit C

MAJOR SPECIAL REVENUE FUND - GRANT PROJECT FUND

Page 1 of 3

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

YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental revenues	\$ 46,176,372	\$ 31,102,959	\$ (15,073,413)
Fees, local governments	439,065	368,407	(70,658)
Fees, program services	24,275	19,719	(4,556)
Total Revenues	46,639,712	31,491,085	(15,148,627)
Expenditures:			
Administration:			
Appalachian Regional Commission/PTRDC EDA:			
Salaries and fringe	201,073	191,379	9,694
Travel and training	20,002	1,554	18,448
Professional services/consultants	100,000	-	100,000
General administrative/occupancy	-	7,732	(7,732)
Supplies	5,000	2,494	2,506
Indirect costs	57,306	54,543	2,763
Total Administration	383,381	257,702	125,679
Crime Control and Public Safety:			
Salaries and fringe	312,300	290,065	22,235
Travel and training	25,800	10,582	15,218
Professional services/consultants	1,425,422	197,805	1,227,617
General administrative/occupancy	10,525	30,650	(20,125)
Supplies	18,711	13,982	4,729
Rent	2,500	1,081	1,419
Participant costs	40,638	-	40,638
Indirect costs	137,427	126,000	11,427
Total Crime Control and Public Safety	1,973,323	670,165	1,303,158
Health and Human Services:			
Aging and Home and Community Care Block Grant:			
Salaries and fringe	2,126,968	1,700,950	426,018
Travel and training	126,782	41,435	85,347
Professional services/consultants	578,924	285,641	293,283
General administrative/occupancy	400,530	201,930	198,600
Supplies	333,868	110,496	223,372
Indirect costs	606,186	484,770	121,416
Rent	-	3,784	(3,784)
Sub recipient expenses	20,992,442	13,966,401	7,026,041
Total Aging and Home and Community Care Block Grant	25,165,700	16,795,407	8,370,293

PIEDMONT TRIAD REGIONAL COUNCIL

Exhibit C

MAJOR SPECIAL REVENUE FUND - GRANT PROJECT FUND

Page 2 of 3

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

YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Housing:			
Section 8 Housing Assistance:			
HAP payments	\$ 3,200,000	\$ 3,208,936	\$ (8,936)
Salaries and fringe	377,963	386,800	(8,837)
Travel and training	13,960	14,696	(736)
Professional services/consultants	3,500	1,610	1,890
General administrative/occupancy	38,857	25,697	13,160
Supplies	8,000	463	7,537
Indirect costs	107,720	110,238	(2,518)
Total Section 8 Housing Assistance	<u>3,750,000</u>	<u>3,748,440</u>	<u>1,560</u>
Home/SFR/CDBG/URP:			
Salaries and fringe	693,094	385,494	307,600
Travel and training	103,968	22,826	81,142
Professional services/consultants	2,697,450	717,126	1,980,324
General administrative/occupancy	53,456	25,572	27,884
Miscellaneous	-	450	450
Supplies	40,000	5,610	34,390
Indirect costs	197,532	109,866	87,666
Total Home/SFR/CDBG/URP	<u>3,785,500</u>	<u>1,266,944</u>	<u>2,519,456</u>
Total Housing	<u>7,535,500</u>	<u>5,015,384</u>	<u>2,521,016</u>
Indirect Costs:			
Salaries and fringe	3,321,726	3,416,377	(94,651)
Travel and training	198,518	35,044	163,474
Professional services/consultants	76,750	77,670	(920)
General administrative/occupancy	606,738	454,570	152,168
Rent	85,000	67,396	17,604
Supplies	125,000	100,937	24,063
Allocated indirect costs	(4,413,732)	(4,151,994)	(261,738)
Total Indirect Costs	<u>-</u>	<u>-</u>	<u>-</u>
Piedmont Triad Regional Development Corporation:			
General administrative/occupancy	10,000	13,529	(3,529)
Professional services/consultants	206,084	127,127	78,957
Salaries and fringe	209,213	177,254	31,959
Supplies	5,000	74	4,926
Travel and training	22,753	4,433	18,320
Indirect costs	59,626	50,517	9,109
Total Piedmont Triad Regional Development Corporation	<u>512,676</u>	<u>372,934</u>	<u>139,742</u>

PIEDMONT TRIAD REGIONAL COUNCIL

Exhibit C

MAJOR SPECIAL REVENUE FUND - GRANT PROJECT FUND

Page 3 of 3

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

YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Planning:			
Salaries and fringe	\$ 587,932	\$ 312,477	\$ 275,455
Travel and training	22,172	9,441	12,731
Professional services/consultants	410,100	366,239	43,861
General administrative/occupancy	27,411	25,480	1,931
Supplies	8,717	308	8,409
Indirect costs	167,560	88,349	79,211
Total Planning	<u>1,223,892</u>	<u>802,294</u>	<u>421,598</u>
Workforce Development:			
Salaries and fringe	1,098,297	919,899	178,398
Travel and training	27,159	19,248	7,911
Professional services/consultants	38,028	32,940	5,088
General administrative	50,270	67,262	(16,992)
Rent	-	3,857	(3,857)
Supplies	-	2,636	(2,636)
Capital outlay	16,000	2,200	13,800
Sub recipient expenses	2,743,177	2,412,115	331,062
Participant costs	900,130	335,743	564,387
Indirect costs	563,015	262,171	300,844
Total Workforce Development	<u>5,436,076</u>	<u>4,058,071</u>	<u>1,378,005</u>
Weatherization:			
Salaries and fringe	903,328	841,118	62,210
Travel and training	135,567	100,989	34,578
Professional services/consultants	2,753,302	2,163,585	589,717
General administrative/occupancy	145,381	52,167	93,214
Supplies	221,060	14,174	206,886
Capital outlay	55,000	75,358	(20,358)
Indirect costs	195,526	171,212	24,314
Total Weatherization	<u>4,409,164</u>	<u>3,418,603</u>	<u>990,561</u>
Total Expenditures	<u>46,639,712</u>	<u>31,390,560</u>	<u>15,109,860</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>100,525</u>	<u>100,525</u>
Net change in fund balance	<u>\$ -</u>	<u>100,525</u>	<u>\$ 100,525</u>
Fund balance, beginning		<u>762,480</u>	
Fund balance, ending		<u>\$ 863,005</u>	

PIEDMONT TRIAD REGIONAL COUNCIL

Exhibit D

MAJOR SPECIAL REVENUE FUND - LOCAL PROJECT FUND

Page 1 of 3

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

YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental	\$ 940,188	\$ 527,650	\$ (412,538)
Fees, local governments	161,178	165,313	4,135
Fees, program services	4,304,978	1,952,122	(2,352,856)
Investment earnings	-	-	-
Total Revenues	<u>5,406,344</u>	<u>2,645,085</u>	<u>(2,761,259)</u>
Expenditures:			
Crime Control and Public Safety Local Projects:			
Criminal Justice Programs:			
Salaries and fringe	321,943	331,578	(9,635)
Travel and training	28,390	604	27,786
Professional services/consultants	100,296	-	100,296
General administrative/occupancy	10,115	1,290	8,825
Rent	6,000	2	5,998
Supplies	37,924	3,399	34,525
Participant expenses	27,187	-	27,187
Indirect costs	43,333	51,169	(7,836)
Total Criminal Justice Programs	<u>575,188</u>	<u>388,042</u>	<u>187,146</u>
Health and Human Service Local Grant Projects:			
Aging:			
Salaries and fringe	-	3,344	(3,344)
Travel and training	35,000	442	34,558
Professional services/consultants	308,684	25,298	283,386
General administrative/occupancy	20,000	12,803	7,197
Supplies	2,000	11,911	(9,911)
Indirect costs	-	953	(953)
Subrecipient expenses	20,000	15,248	4,752
Total Aging	<u>385,684</u>	<u>69,999</u>	<u>315,685</u>
Planning Local Projects			
Local Technical Assistance Project and Planning:			
Salaries and fringe	275,276	251,383	23,893
Travel and training	16,373	8,138	8,235
Professional services/consultants	150,141	15,690	134,451
General administrative/occupancy	20,025	57,021	(36,996)
Supplies	5,000	11,107	(6,107)
Indirect costs	78,452	71,933	6,519
Total Local Technical Assistance Project and Planning	<u>545,267</u>	<u>415,272</u>	<u>129,995</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Piedmont Triad Regional Development Corporation:			
General administrative/occupancy	\$ 30,000	\$ 13,089	\$ 16,911
Professional services/consultants	106,617	3,557	103,060
Salaries and fringe	71,893	78,358	(6,465)
Supplies	-	28	(28)
Travel and training	11,000	4,020	6,980
Indirect costs	20,490	22,329	(1,839)
Total Piedmont Triad Regional Development Corporation	<u>240,000</u>	<u>121,381</u>	<u>118,619</u>
Workforce Development Local Projects:			
Travel and training	82,500	9,017	73,483
Professional services/consultants	109,750	57,555	52,195
General administrative/occupancy	1,500	300	1,200
Supplies	19,366	-	19,366
Subrecipient expenses	23,333	-	23,333
Participant expenses	131,250	-	131,250
Total Workforce Development Local Projects	<u>367,699</u>	<u>66,872</u>	<u>300,827</u>
Other Local Projects:			
Miscellaneous Local Projects:			
Travel and training	41,000	-	41,000
Professional services/consultants	100,000	1,225	98,775
General administrative/occupancy	526,201	(46,266)	572,467
Salaries and fringe	-	10,786	(10,786)
Supplies	-	137	(137)
Total Miscellaneous Local Projects	<u>667,201</u>	<u>(34,118)</u>	<u>701,319</u>
Management Advisory Services:			
Salaries and fringe	520,373	310,104	210,269
Travel and training	74,209	15,026	59,183
Professional services/consultants	146,377	405	145,972
General administrative/occupancy	81,341	6,781	74,560
Supplies	10,000	795	9,205
Indirect costs	158,305	88,380	69,925
Total Management Advisory Services	<u>990,605</u>	<u>421,491</u>	<u>569,114</u>
Total Other Local Projects	<u>1,657,806</u>	<u>387,373</u>	<u>1,270,433</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Weatherization:			
Salaries and fringe	\$ 132,187	\$ 47,657	\$ 84,530
Travel and training	23,079	30,097	(7,018)
Professional services/consultants	1,348,077	487,073	861,004
General administrative/occupancy	-	18,749	(18,749)
Supplies	10,157	27,811	(17,654)
Indirect costs	81,200	82,089	(889)
Rent	15,000	-	15,000
Capital outlay	25,000	85,910	(60,910)
Total Weatherization	<u>1,634,700</u>	<u>779,386</u>	<u>855,314</u>
Total Expenditures	<u>5,406,344</u>	<u>2,228,325</u>	<u>3,178,019</u>
Excess of Revenues over Expenditures	-	416,760	416,760
Net change in fund balance	<u>\$ -</u>	416,760	<u>\$ 416,760</u>
Fund balance, beginning		1,735,792	
Fund balance, ending		<u>\$ 2,152,552</u>	

PIEDMONT TRIAD REGIONAL COUNCIL

Exhibit E

SCHEDULE OF FRINGE BENEFITS AND INDIRECT COSTS

YEAR ENDED JUNE 30, 2022

	Expenditures		Rate	
	Proposed	Actual	Proposed	Actual
Fringe Benefits:				
FICA	\$ 371,239	\$ 373,519		
Group insurance	1,155,017	1,124,948		
Retirement and 401(k)	662,265	646,408		
Employee assistance plan and accrued vacation leave	30,900	86,934		
Employee healthcare advocacy	50,950	40,258		
Worker's compensation and unemployment	36,900	25,549		
Health reimbursement arrangement	71,400	66,641		
	<u>\$ 2,378,671</u>	<u>\$ 2,364,257</u>	<u>50.25%</u>	<u>50.25%</u>
Indirect Costs:				
Salaries	\$ 750,759	\$ 746,602		
Fringe benefits	335,900	345,775		
Professional services	60,750	38,353		
Telephone	25,250	23,390		
Postage	18,000	19,569		
Travel, parking, and other	58,725	35,044		
Equipment maintenance	10,000	155		
Equipment rent	62,500	67,396		
Advertising	5,000	1,326		
Office supplies	63,067	100,728		
Occupancy expense	241,489	242,037		
Payroll processing fee	40,000	43,058		
Computer services	75,000	72,569		
Dues, subscriptions, memberships, miscellaneous	23,500	24,698		
Insurance	40,000	27,036		
	<u>\$ 1,809,940</u>	<u>\$ 1,787,736</u>	<u>28.50%</u>	<u>28.50%</u>

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

Exhibit F
Page 1 of 5

YEAR ENDED JUNE 30, 2022

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Appalachian Regional Commission:					
ARC 1/1/2021-12/31/2021	\$ 80,774	\$ 40,589	50.25%	\$ 34,589	28.50%
ARC Housing Tech 10/1/21-09/30/22	7,122	3,579	50.25%	3,050	28.50%
ARC Planning 10/1/21-9/30/22	7,122	3,579	50.25%	3,050	28.50%
BlueCross BlueShield of NC Foundation:					
BCBS H&S Admin	-	-	0.00%	6,087	0.00%
PTRDC BCBS Food Initiative	52,098	26,179	50.25%	22,309	28.50%
Duke Energy of Carolinas:					
DEC WAP Admin	-	-	0.00%	27,733	0.00%
DEC WAP Ops	11,047	5,551	50.25%	27,952	168.41%
HHF DEC H&S Admin	-	-	0.00%	5,880	0.00%
HHF DEP H&S Admin	-	-	0.00%	5,586	0.00%
Local Administration Agreements and Programs:					
160D Zoning Projects	1,061	533	50.25%	454	28.50%
Alamance GREAT	208	104	50.26%	89	28.50%
Alexander Co Market Pay Study	6,000	459	7.65%	1,841	28.50%
Archdale Stormwater Asset Mapping	1,801	905	50.25%	771	28.50%
Archdale Stormwater Asset Mapping	7,738	592	7.65%	2,374	28.50%
Asheboro Parks & Rec LDP	9,510	4,779	50.25%	4,072	28.50%
Asheboro Parks & Rec LDP	661	51	7.65%	203	28.50%
Asheboro Pay Study	724	364	50.25%	310	28.50%
Biscoe Pay & Class	117	59	50.25%	50	28.50%
Bob Barker Company Foundation Project Reentry	3,089	1,552	50.25%	1,323	28.50%
Burke Co Pay Study	5,508	421	7.65%	1,690	28.50%
Burlington ACM Search	630	48	7.65%	193	28.50%
Burlington Pay and Class Study	4,308	2,165	50.25%	1,845	28.50%
Burlington Pay and Class Study	5,524	423	7.65%	1,695	28.50%
Burlington Planning Services	7,122	3,579	50.25%	3,050	28.50%
Cabarrus PTR Replication Project	121	61	50.24%	52	28.49%
Caldwell Co. Pay Study	10,265	785	7.65%	3,149	28.50%
Catawba Reentry	8,124	4,082	50.25%	3,479	28.50%
CCOG - Mooresville Pay & Class	1,429	718	50.25%	612	28.50%
CCOG - Mooresville Pay & Class	327	25	7.65%	100	28.50%
CCOG-Mooresville Admin Pay & Class	488	245	50.25%	209	28.50%
CCOG-Mooresville Admin Pay & Class	3,617	277	7.65%	1,110	28.50%
CD Training Center	20,671	10,387	50.25%	8,852	28.50%
CFCOG - Brunswick Co Pay Study	46	23	50.26%	20	28.48%
CFCOG - Brunswick Co Pay Study	29,700	2,272	7.65%	9,112	28.50%
CFCOG - Lake Waccamaw Pay & Class Study	1,850	142	7.65%	568	28.50%
CFCOG - Surf City Pay Study	3,000	230	7.65%	920	28.50%
Conover Pay & Class	5,062	387	7.65%	1,553	28.50%
Creedmore Pay & Class	2,491	1,252	50.25%	1,139	30.42%
Criminal Justice Local	151	76	50.24%	65	28.50%
Davidson Co Zoning Ordinance Update	823	413	50.25%	352	28.50%
Davidson Pay & Class	2,583	1,298	50.25%	1,106	28.50%
Davidson Pay & Class	2,180	167	7.65%	669	28.50%
Davie Pre-Trial Adm	15,313	7,695	50.25%	6,557	28.50%
Davie Pre-Trial Local	54,734	27,504	50.25%	-	0.00%
Denton Town Manager Search	793	398	50.25%	340	28.50%
Elder Abuse Walk	2,225	1,118	50.25%	953	28.50%
Forsyth Pay & Classification Study	202	101	50.25%	86	28.50%

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

YEAR ENDED JUNE 30, 2022

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Local Administration Agreements and Programs: (continued)					
Forsyth Pay & Classification Study	14,598	1,117	7.65%	4,479	28.50%
Gibsonville LDP	7,899	3,969	50.25%	3,383	28.50%
Gibsonville Pay & Class	565	284	50.25%	242	28.50%
GIS Misc LTA	3,389	1,703	50.25%	1,451	28.50%
Haw River Personnel Manual	2,800	214	7.65%	859	28.50%
High Point Pay Study	2,976	1,495	50.25%	1,274	28.50%
High Point Pay Study	5,021	384	7.65%	1,541	28.50%
Iredell Co. Market Study	9,237	707	7.65%	2,834	28.50%
Jamestown Ops Continuity Plan	811	407	50.25%	347	28.50%
Jamestown Ops Continuity Plan	400	31	7.65%	123	28.50%
Jamestown Utility GIS	3,752	1,886	50.25%	1,607	28.50%
Jamestown Utility GIS	2,866	219	7.65%	879	28.50%
Jonesville Planning Services	1,856	933	50.25%	795	28.50%
Kernersville Pay Study	1,961	986	50.25%	840	28.50%
Kernersville Pay Study	205	16	7.66%	63	28.50%
Kings Mountain Pay & Class	8,967	686	7.65%	2,751	28.50%
Liberty ADA Assessment	623	313	50.25%	267	28.50%
Liberty ADA Assessment	318	24	7.65%	98	28.50%
Lincolnton Pay & Class	4,017	307	7.65%	1,232	28.50%
Local Dues Expenditures	30,105	15,128	50.25%	12,891	28.50%
Management Services Miscellaneous LTA	31,972	16,066	50.25%	13,691	28.50%
Management Services Miscellaneous LTA	15,596	1,193	7.65%	4,785	28.50%
Metropolitan Sewerage District Pay & Class	14	7	50.22%	6	28.51%
Metropolitan Sewerage District Pay & Class	2,474	189	7.65%	759	28.50%
Mocksville Pay & Class	702	353	50.25%	300	28.50%
Mocksville Pay & Class	1,200	92	7.65%	368	28.50%
Mocksville Personnel Policy	5,742	439	7.65%	1,762	28.50%
Montgomery Co. Pay & Class	141	71	50.25%	60	28.50%
Montgomery Co. Pay & Class	4,375	335	7.65%	1,342	28.50%
Montgomery Current Planning	23,158	11,637	50.25%	9,916	28.50%
Montgomery GIS Services	3,291	1,654	50.25%	1,409	28.50%
Montgomery GIS Services	765	59	7.65%	235	28.50%
Mt. Airy Pay & Class	6,951	532	7.65%	2,133	28.50%
NCSU BAND NC	493	248	50.25%	211	28.50%
PART Pay & Class Study	94	47	50.25%	40	28.50%
PTRDC Workforce Talent Portal Project	47	24	50.25%	20	28.51%
Ramseur LDP	7,655	3,847	50.25%	3,278	28.50%
Randleman LDP	6,502	3,267	50.25%	2,784	28.50%
Reidsville LDP	2,305	1,158	50.25%	987	28.50%
Reidsville Pay Study	1,388	697	50.25%	594	28.50%
Reidsville Pay Study	2,583	198	7.65%	793	28.50%
Reidsville Training Facilitation	275	21	7.65%	84	28.50%
Rockingham Co Pay Study	2,022	1,016	50.25%	866	28.50%
Rockingham Co Pay Study	7,092	543	7.65%	2,176	28.50%
Rockingham Planning Services	577	290	50.25%	247	28.50%
Rolesville Pay and Class	2,224	170	7.65%	682	28.50%
Shelby Pay & Class	4,626	354	7.65%	1,419	28.50%
SOAR - City of W-S	5,179	2,603	50.25%	2,218	28.50%
Spencer HR Assistance	689	346	50.25%	223	21.54%
Spencer Manager Search	9	5	50.22%	4	28.49%
Spencer Pay & Class Study	17	9	50.24%	7	28.49%

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

Exhibit F
Page 3 of 5

YEAR ENDED JUNE 30, 2022

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Local Administration Agreements and Programs: (continued)					
Spencer Pay & Class Study	54	4	7.65%	17	28.51%
Statesville Pay & Class	1,966	988	50.25%	842	28.50%
Statesville Pay & Class	2,451	187	7.65%	752	28.50%
Statevilles PTR Replication Project	3,379	1,698	50.25%	1,447	28.50%
Stokes Pre-Trial Adm	296	149	50.25%	127	28.50%
Stoneville Pay & Class	1,332	102	7.65%	409	28.50%
Stormwater S.M.A.R.T	45,915	23,072	50.25%	19,661	28.50%
Stormwater S.M.A.R.T	8,342	638	7.65%	2,559	28.50%
Stormwater SMART Mass Media	1,085	545	50.25%	464	28.50%
Summerfield LDP	16,457	8,269	50.25%	7,047	28.50%
Summerfield LDP	198	15	7.65%	61	28.50%
Surry Pre-Trial Adm	15,899	7,989	50.25%	6,808	28.50%
Surry Pre-Trial Local	53,941	27,106	50.25%	23,098	28.50%
Thomasville Asst City Manager Search	640	322	50.25%	274	28.50%
Thomasville Asst City Manager Search	1,580	121	7.65%	485	28.50%
Thomasville HR Director Search	107	54	50.25%	46	28.50%
TJCOG - Chatham Co Pay & Class	224	113	50.25%	96	28.50%
TJCOG - Chatham Co Pay & Class	5,351	409	7.65%	1,642	28.50%
TJCOG - Fuquay-Varina Market Study	7,028	3,532	50.25%	3,009	28.50%
TJCOG - Fuquay-Varina Market Study	1,550	119	7.65%	476	28.50%
TJCOG - Hillsborough Pay & Class	233	117	50.25%	100	28.50%
TJCOG - Pittsboro Pay & Class	2,725	208	7.65%	836	28.50%
Tobaccoville Pay & Class	71	36	50.25%	31	28.50%
Trinity Manager Search	910	457	50.25%	390	28.50%
Trinity Manager Search	838	64	7.65%	257	28.50%
Upper Cape Fear River Basin Assoc	3,523	1,770	50.25%	1,798	33.97%
Waxhaw Police Pay & Organizational Study	2,620	200	7.65%	804	28.50%
Weaverville Pay & Class	2,925	224	7.65%	897	28.50%
Wilson Pay Study	54	27	50.25%	23	28.50%
Yadkin Pre-Trial Adm	6,644	3,339	50.25%	3,358	33.63%
Yadkin Pre-Trial Loca	53,813	27,041	50.25%	2,638	3.26%
Yadkin River State Trail Map	3,069	1,542	50.25%	1,314	28.50%
Yadkin River State Trail Map	378	29	7.65%	116	28.50%
NC Clean Water Management Trust Fund					
NCLWF #2021-807 DRBA - Dan River Corridor Phase 2	2,876	1,445	50.25%	1,231	28.50%
NCLWF #2021-807 DRBA - Dan River Corridor Phase 2	153	12	7.65%	47	28.50%
NC Dept of Commerce - Division of Workforce Solutions and NWP Job Training Consortium					
Adult-NWP LA	227,316	114,227	50.25%	42,071	12.32%
Adult-NWP LA	535	41	7.65%	164	28.50%
Dislocated Worker-Mobile Unit	7,255	555	7.65%	2,226	28.50%
Dislocated Worker-NWP LA	228,755	114,950	50.25%	44,663	12.99%
Dislocated Worker-NWP LA	535	41	7.65%	164	28.50%
WIA Administration	63,726	32,022	50.25%	156,031	162.96%
Youth-NWP LA	86,483	43,458	50.25%	16,852	12.97%
NC Dept of Crime Control and Public Safety:					
Davidson TECS RRS	10,880	5,467	50.25%	4,659	28.50%
Davie TECS RRS	6,873	3,454	50.25%	26,381	255.45%
Forsyth LRC Supplement	4,152	2,087	50.25%	1,778	28.50%

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

Exhibit F
Page 4 of 5

YEAR ENDED JUNE 30, 2022

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
NC Dept of Crime Control and Public Safety: (continued)					
High Pt GCC Project Reentry	7,351	3,694	50.25%	3,148	28.50%
LRC Administration - Forsyth	459	231	50.25%	197	28.50%
LRC Intermediary Agency - Forsyth	40,032	20,116	50.25%	17,142	28.50%
PSN/Video Project	3,519	1,769	50.25%	1,507	28.50%
Rockingham TECS RRS	6,337	3,185	50.25%	2,714	28.50%
Rowan TECS RRS	7,506	3,772	50.25%	3,214	28.50%
Stokes TECS RRS	8,885	4,464	50.25%	3,804	28.50%
Surry TECS RRS	59,479	29,888	50.25%	25,470	28.50%
Wilkes TECS RRS	5,208	2,617	50.25%	2,230	28.50%
WS Project Reentry CDBG	16,134	8,107	50.25%	6,909	28.50%
Yadkin TECS RRS	16,238	8,160	50.25%	26,846	110.04%
NC Dept of Environmental Quality -					
Divison of Water Resources:					
205j Asheboro-Haskett Creek #CW24482	209	105	50.25%	90	28.50%
205j Denton Stormwater	10,913	5,484	50.25%	4,384	26.74%
205j Denton Stormwater	701	54	7.65%	215	28.50%
205J Richland Creek Watershed	3,038	1,527	50.26%	1,301	28.50%
205J Richland Creek Watershed	201	15	7.65%	62	28.50%
TJCOG - JLOW 205j	3,092	1,554	50.25%	1,324	28.50%
NC Dept of Environmental Quality -					
Weatherization Assistance Program:					
ARPA LIHEAP WAP Ops	1,500	754	50.25%	642	28.50%
DOE WAP Program Ops	129,244	64,945	50.25%	43,030	22.16%
DOE WAP T&TA	28,398	14,270	50.25%	-	0.00%
HUD WAP-LEAD	102	51	50.25%	44	28.50%
LIHEAP HARRP Program Ops	102,214	51,363	50.25%	43,178	28.11%
LIHEAP WAP Program Ops	298,355	149,923	50.25%	84,318	18.81%
Divison of Aging and Adult Services:					
Aging Administration	24,997	12,561	50.25%	10,703	28.50%
Aging Elder Abuse	8,405	4,224	50.25%	3,599	28.50%
Aging Planning & Admin	334,741	168,208	50.25%	143,340	28.50%
Aging Regional Ombudsman	319,187	160,391	50.25%	136,680	28.50%
CARES Ombudsman	528	265	50.25%	226	28.50%
CARES P & A	72,417	36,390	50.25%	31,010	28.50%
COVID-19 Vaccine Access	25,771	12,950	50.25%	11,035	28.50%
Family Caregiver Support	118,467	59,530	50.25%	50,729	28.50%
HDC5 Supplemental Nutrition Admin	35,166	17,671	50.25%	15,059	28.50%
HRSA RISE Stokes Vaccine	1,491	749	50.25%	639	28.50%
III-D Evidence Based Programs	57,436	28,862	50.25%	24,595	28.50%
III-D Evidence Based Programs	16,104	1,232	7.65%	4,941	28.50%
MIPPA II Year 1	2,924	1,469	50.25%	1,252	28.50%
MIPPA II Year 2	4,026	2,023	50.25%	1,724	28.50%
NC Dept of Transportation:					
Clean Fuel Advanced Technology (CFAT) Project	18,475	9,284	50.25%	7,911	28.50%
Rural Trans Planning (RPO)	68,582	34,462	50.25%	29,368	28.50%
Rural Trans Planning (RPO)	814	62	7.65%	250	28.50%
Rural Trans Planning NW (RPO)	60,464	30,383	50.25%	25,892	28.50%
Rural Trans Planning NW (RPO)	843	65	7.65%	259	28.50%
NC Dept of Health and Human Services-Div of Aging and Adult Services:					
NC DHHS In-Home Vaccination Project	76,259	38,320	50.25%	32,655	28.50%

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

YEAR ENDED JUNE 30, 2022

	Fringe Benefits			Indirect Costs	
	Salaries	Amount	%	Amount	%
NC Housing Finance Agency:					
ESFR Soft Cost Ops	172,119	86,490	50.25%	73,703	28.50%
US Dept of Commerce-Economic Development Agency:					
EDA BBBRC	19,260	9,678	50.25%	8,247	28.50%
EDA BBBRC	283	22	7.65%	87	28.50%
EDA Disaster Recovery	31,859	16,009	50.25%	13,642	28.50%
EDA Disaster Recovery	694	53	7.65%	213	28.50%
US Dept of Commerce-EDA and PTR Development Corporation:					
PTRDC Davie Co Public Works EDA 04-01-07243	1,250	628	50.25%	535	28.50%
PTRDC Davie Co Public Works EDA 04-01-07243	1,683	129	7.65%	516	28.50%
PTRDC EDA CARES Planning	43,370	21,793	50.25%	18,572	28.50%
PTRDC EDA CARES Planning	14,487	1,108	7.65%	4,445	28.50%
PTRDC EDA CARES RLF Admin	41,112	20,659	50.25%	17,605	28.50%
PTRDC EDA CARES RLF Admin	869	66	7.65%	267	28.50%
PTRDC EDA Yadtel	171	86	50.25%	73	28.50%
PTRDC-EDA EDD	18,017	9,054	50.25%	7,715	28.50%
PTRDC-EDA EDD	2,574	197	7.65%	790	28.50%
US Dept of Health and Human Services:					
UNCA Nutrition Grant	38,725	19,460	50.25%	16,583	28.50%
US Dept of Housing and Urban Development:					
Section 8 Voucher Program	245,163	123,194	50.25%	104,982	28.50%
Section 8 Voucher Program	17,132	1,311	7.65%	5,256	28.50%
US Dept of Housing and Urban Development and City of Burlington:					
Burlington CD Admin	44,057	22,139	50.25%	18,866	28.50%
US Dept of Housing and Urban Development and Surry Co Housing Consortium					
HOME	4,021	2,020	50.25%	1,722	28.50%
HOME Administration	18,706	9,400	50.25%	8,010	28.50%
SCHC Opiod House	5,282	2,654	50.25%	2,262	28.50%
Surry HOME Rehab Soft Costs FY21-22	9,370	4,709	50.25%	4,012	28.50%
US Dept of Housing and Urban Development and Town of Liberty					
CDBG - Liberty Sewer Project	14,648	7,361	50.25%	6,272	28.50%
CDBG - Liberty Sewer Project	428	33	7.65%	131	28.50%
US Dept of Housing and Urban Development and City of Winston-Salem					
Winston-Salem Rehab Soft Costs	3,013	1,514	50.25%	1,290	28.50%
US Environmental Protection Agency					
EPA Brownfield-Petroleum	3,617	1,818	50.25%	1,549	28.50%
EPA Brownfields Assessment & Clean-up Exp	128	64	50.25%	54	28.17%
Indirect Cost	677,606	340,497	50.25%	-	0.00%
Indirect Cost	68,996	5,278	7.65%	-	0.00%
	<u>\$ 5,000,878</u>	<u>\$ 2,364,257</u>		<u>\$ 1,787,737</u>	
Summary of Allocation Rates:					
Standard Fringe and Indirect Cost	3,974,249	1,997,060	50.25%	1,701,823	28.50%
FICA Only and Indirect Cost	280,027	21,422	7.65%	85,913	28.50%
Standard Fringe on Indirect Payroll	677,606	340,497	50.25%	-	0.00%
FICA Only on Indirect Payroll	68,996	5,278	7.65%	-	0.00%
	<u>\$ 5,000,878</u>	<u>\$ 2,364,257</u>		<u>\$ 1,787,736</u>	

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

Exhibit G

JUNE 30, 2022

<u>Line Item #</u>		<u>14,871 Housing Choice Vouchers</u>
	Assets	
	Current Assts	
111	Cash - unrestricted	\$ 358,514
113	Cash - other restricted	-
100	Total Cash	<u>358,514</u>
	Accounts Receivable	
121	Accounts receivable - PHA projects	-
122	Accounts receivable - HUD other projects	20,891
125	Accounts receivable - Miscellaneous	1,652
128	Fraud recovery	-
128.1	Allowance for doubtful accounts - fraud recovery	-
120	Total Receivables, net of allowance for doubtful accounts	<u>22,543</u>
150	Total Current Assets	<u>381,057</u>
290	Total Assets	<u>\$ 381,057</u>
	Liabilities and Equity	
	Current Liabilities	
312	Accounts payable <= 90 days	\$ 74,397
331	Accounts payable - PHA projects	8,861
310	Total Current Liabilities	<u>83,258</u>
300	Total Liabilities	<u>83,258</u>
	Equity	
509.3	Restricted fund balance	-
512.3	Unassigned fund balance	297,799
513	Total Equity / Net Position	<u>297,799</u>
600	Total Liabilities and Equity / Net Position	<u>\$ 381,057</u>

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

Exhibit H

YEAR ENDED JUNE 30, 2022

<u>Line Item #</u>		<u>14,871 Housing Choice Vouchers</u>
	Revenues	
70600	HUD PHA operating grants	\$ 3,706,255
71400	Fraud recovery	8,590
71500	Other revenue	-
70000	Total Revenues	<u>3,714,845</u>
	Expenses	
91100	Administrative salaries	262,295
91500	Employee benefit contributions - administrative	124,505
91600	Office expense	13,226
91800	Travel	14,517
91900	Other	124,633
91000	Total Operating - Administrative	<u>539,176</u>
92100	Tenant Services - Salaries	-
92300	Employee Benefit Contributions - Tenant Services	-
92400	Tenant Services - Other	-
92500	Total Tenant Services - Other	<u>-</u>
96200	Other general expenses	289
96000	Total Other General Expenses	<u>289</u>
96900	Total Operating Expenses	<u>539,465</u>
97000	Excess of Operating Revenue over Operating Expenses	<u>3,175,380</u>
97300	Housing assistance payments	<u>3,208,937</u>
90000	Total Expenses	<u>3,748,402</u>
10000	Total Revenue Over Total Expenses	<u>\$ (33,557)</u>
11030	Beginning equity	\$ 331,356
11170	Administrative fee equity	\$ 297,799
11180	Housing assistance payments equity	\$ -
11190	Unit months available	10,104
11210	Number of unit months leased	9,398

COMPLIANCE SECTION

**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**

To the 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, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated December 1, 2022.

Report on 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 or significant deficiencies may exist that have not been identified.

Report on 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.

Cherry Bekaert LLP

Charlotte, North Carolina
December 1, 2022

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

To the Board of Delegates
Piedmont Triad Regional Council
Kernersville, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Piedmont Triad Regional Council (the “Council”)’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Council’s major federal programs for the year ended June 30, 2022. 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 statements include the operations of Piedmont Triad Regional Development Corporation (the “Corporation”), a discretely presented component unit, which expended \$3,714,533 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, 2022. 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.

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 federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and the State Single Audit Implementation Act. Our responsibilities under those standards, Uniform Guidance, and the State Single Audit Implementation Act are further described in the *Auditor’s Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Council’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Council's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Council's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Council's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Bekaert LLP

Charlotte, North Carolina
December 1, 2022

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

To the Board of Delegates
Piedmont Triad Regional Council
Kernersville, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Piedmont Triad Regional Council (the "Council")'s compliance with the types of compliance requirements identified as subject to audit 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 the Council's major state programs for the year ended June 30, 2022. The Council's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The Council's basic financial statements include the operations of Piedmont Triad Regional Development Corporation (the "Corporation"), a discretely presented component unit, which expended \$1,030,789 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major State Program

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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and the State Single Audit Implementation Act. Our responsibilities under those standards, Uniform Guidance, and the State Single Audit Implementation Act are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Council's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Council's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Council's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance, and State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Council's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 The Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Bekaert LLP

Charlotte, North Carolina
December 1, 2022

PIEDMONT TRIAD REGIONAL COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

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

Aging Cluster:

93.044

Special Programs for the Aging - Title III B

93.045

Special Programs for the Aging - Title III C

93.053

Nutrition Services Incentive Program

93.052

National Family Caregiver Support – Title III E

17.258

Workforce Innovation Opportunity Act Cluster:

17.259

WIOA – Adult Programs

17.278

WIOA – Youth Programs

WIOA – Dislocated Worker Programs

81.042

Weatherization Assistance Program for Low Income Persons

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X yes _____ no

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

YEAR ENDED JUNE 30, 2022

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, 2022

None noted.

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

YEAR ENDED JUNE 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Financial Assistance Listing Number	Pass-through Grantor's Number	Expenditures		Subrecipient Expenditures	
			Federal	State	Federal	State
FEDERAL AWARDS						
<u>U.S. Department of Housing and Urban Development</u>						
Passed through N.C. Department of Commerce:						
Passed through the City of Winston-Salem:						
Community Development Block Grant/Entitlement Grant	14.218		\$ 31,150	\$ -	\$ -	\$ -
Passed through the City of High Point:						
Community Development Block Grant/Entitlement Grant	14.218		14,193	-	-	-
Passed through the Town of Liberty:						
Community Development Block Grant/Infrastructure Grant	14.228-2		32,944	-	-	-
Total Passed through N.C. Department of Commerce:			<u>78,287</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		79,915	-	-	-
Passed through City of Burlington:						
Home Investment Partnership Program	14.239		93,179	-	-	-
Home Investment Partnership Program eSFR18 - Alamance Co.	14.239		68,136	-	-	-
Home Investment Partnership Program eSFR18 - Ashe Co.	14.239		118,149	-	-	-
Home Investment Partnership Program eSFR18 - Rockingham Co.	14.239		150,050	-	-	-
Home Investment Partnership Program eSFR18 - Surry Co.	14.239		78,766	-	-	-
Home Investment Partnership Program eSFR18 -Wilkes Co.	14.239		78,766	-	-	-
Home Investment Partnership Program eSFR19 - Caswell Co.	14.239		113,423	-	-	-
Home Investment Partnership Program eSFR19 - Randolph Co.	14.239		245,987	-	-	-
Home Investment Partnership Program eSFR19 - Stokes Co.	14.239		141,700	-	-	-
Home Investment Partnership Program eSFR20 - Davidson Co.	14.239		93,968	-	-	-
Total Passed through N.C. Housing Finance Agency			<u>1,262,039</u>	<u>-</u>	<u>-</u>	<u>-</u>
Passed through the City of Winston-Salem						
Community Development Block Grant/Entitlement Grant	14.218		4,906	-	-	-
			4,906			
Health Homes & Weatherization Cooperation Demonstration						
	14.901	NCLHH0008-21	197	-	-	-
Section 8 Housing Choice Vouchers						
	14.871		3,748,402	-	-	-
Total U.S. Department of Housing and Urban Development			<u>5,093,831</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

YEAR ENDED JUNE 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Financial Assistance Listing Number	Pass-through Grantor's Number	Expenditures		Subrecipient Expenditures	
			Federal	State	Federal	State
<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	2020-4020-47	\$ 330,659	\$ -	\$ 201,945	\$ -
WIOA - Adult Programs	17.258	2021-4020-47	741,337	-	452,760	-
WIOA - Adult Programs - Administration	17.258	2020-4010-47	61,974	-	-	-
WIOA - Adult Programs - Administration	17.258	2021-4010-47	25,866	-	-	-
WIOA - Statewide Activities #8025/6 Talent Portal	17.258	2019-4050-47	34,027	-	-	-
Total ALN #17.258			<u>1,193,863</u>	<u>-</u>	<u>654,705</u>	<u>-</u>
WIOA - Youth Programs	17.259	2020-4040-47	759,153	-	646,171	-
WIOA - Youth Programs	17.259	2021-4040-47	314,125	-	267,374	-
WIOA - Youth Programs - Administration	17.259	2020-4010-47	62,957	-	-	-
WIOA - Youth Programs - Administration	17.259	2021-4010-47	25,870	-	-	-
Total ALN #17.259			<u>1,162,105</u>	<u>-</u>	<u>913,545</u>	<u>-</u>
WIOA - Dislocated Workers Programs	17.278	2020-4030-47	383,196	-	247,398	-
WIOA - Dislocated Workers Programs	17.278	2021-4030-47	823,644	-	531,758	-
WIOA - Dislocated Workers Programs - Administration	17.278	2020-4010-47	52,527	-	-	-
WIOA - Dislocated Workers Programs - Administration	17.278	2021-4010-47	21,779	-	-	-
WIOA - Statewide Activities #8029 IFA Costs	17.278	2020-4050-47	98,058	-	98,058	-
WIOA - Statewide Activities #8089 FLG Davidson Co CC	17.278	2020-4050-47	2,469	-	2,469	-
WIOA - Statewide Activities #8090 FLG Forsyth Tech CC	17.278	2020-4050-47	91,478	-	91,478	-
WIOA - Statewide Activities #8091 FLG Piedmont CC (Caswell)	17.278	2020-4050-47	4,488	-	4,488	-
WIOA - Statewide Activities #8092 FLC Rockingham CC	17.278	2020-4050-47	10,904	-	10,904	-
WIOA - Statewide Activities #8093 FLG Surry CC	17.278	2020-4050-47	2,575	-	2,575	-
WIOA - Statewide Activities #8093 FLG Surry CC	17.278	2019-4050-47	7,167	-	7,167	-
Total ALN #17.278			<u>1,498,285</u>	<u>-</u>	<u>996,295</u>	<u>-</u>
Total Workforce Innovation Opportunity Act Cluster			<u>3,854,253</u>	<u>-</u>	<u>2,564,545</u>	<u>-</u>
National Dislocated Worker Grant COVID-19	17.277	2020-3110-47	203,313	-	203,313	-
Total U.S. Department of Labor			<u>4,057,566</u>	<u>-</u>	<u>2,767,858</u>	<u>-</u>

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

YEAR ENDED JUNE 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Financial Assistance Listing Number	Pass-through Grantor's Number	Expenditures		Subrecipient Expenditures	
			Federal	State	Federal	State
<u>U.S. Department of Transportation</u>						
Passed through N.C. Department of Transportation:						
Federal Transit - Metropolitan Planning Grants:						
Northwest Piedmont Rural Planning Organization	20.205		\$ 106,375	\$ -	\$ -	-
SPR Mocksville - Davie County	20.205		43,541	-	-	-
SPR Walnut Cove	20.205		52,519	-	-	-
Piedmont Triad Rural Planning Organization	20.205		115,287	-	-	-
Clean Fuel Advanced Technology Project III	20.205	C-5702A CMAQ-000S(895)	36,000	-	-	-
Total U.S. Department of Transportation			<u>353,722</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Appalachian Regional Commission</u>						
Appalachian Local Development Direct Assistance (2021)	23.009	NC-706-H-C10	80,572	-	-	-
Total ALN #23.009			<u>80,572</u>	<u>-</u>	<u>-</u>	<u>-</u>
Passed through the N.C. Department of Commerce:						
Appalachian Technical Assistance (2022)	23.011		13,750	-	-	-
Appalachian Technical Assistance (2022)	23.011		13,750	-	-	-
Total ALN #23.011			<u>27,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Appalachian Regional Commission			<u>108,072</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U.S. Environmental Protection Agency</u>						
Brownfields Assessment and Cleanup Cooperative Agreements	68.818		157,134	-	-	-
Passed through the N.C. Department of Environmental and Natural Resources:						
Division of Water Quality:						
Richland Creek Watershed 205(j)	66.454	8097	5,046	-	-	-
Denton Stormwater Inventory 205(j)	66.454	CW18119	19,457	-	-	-
Designing H2O Quality SCMs Haskett Creek - Asheboro 205(j)	66.454	CW24482	404	-	-	-
Passed through NC Div. of Water Resource to Triangle J Council of Government:						
Jordan Lake One Water 205(j)	66.454		6,512	-	-	-
Total Environmental Protection Agency			<u>188,553</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

YEAR ENDED JUNE 30, 2022

<u>Grantor/Pass-through Grantor/Program Title</u>	Federal Financial Assistance Listing Number	Pass-through Grantor's Number	Expenditures		Subrecipient Expenditures	
			Federal	State	Federal	State
<u>U.S. Department of Energy</u>						
Passed through N.C. Dept. of Environment Quality:						
Weatherization Assistance Program for Low Income Persons	81.042	8219	\$ 771,368	\$ -	\$ -	\$ -
Total U.S. Department of Energy			<u>771,368</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Commerce</u>						
Passed through Economic Development Agency:						
EDA Disaster Planning Grant	11.303	04-79-07428	55,278	-	-	-
EDA Build Back Better Regional Challenge	11.307	ED22HDQ3070063	144,993	-	-	-
Passed through Piedmont Triad Regional Development Corporation:						
EDA District Planning Grant	11.302	ED21ATL3020018	43,700	-	-	-
EDA District Planning Grant CARES Act	11.302	ED20ATL3070032	216,855	-	-	-
EDA Davie Co. Public Works	11.303	04-01-07243	5,645	-	-	-
EDA Revolving Loan Fund Admin CARES Act	11.307	04-79-07495	105,654	-	-	-
EDA Yadtel	11.307	04-79-07585	420	-	-	-
Total U.S. Department of Commerce			<u>372,274</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Health and Human Services</u>						
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)	21,965	1,292	-	-
Regional Ombudsman – Title VII-E	93.042	NC-07(20)	47,014	2,766	-	-
COVID-19: CARES Act Grant Ombudsman – Title VII-E	93.042	NC-07(20)	46,449	-	-	-
Health Promotion – Title III-D	93.043	NC-07(20)	134,439	7,908	-	-
Total Special Programs for the Aging			<u>249,867</u>	<u>11,966</u>	<u>-</u>	<u>-</u>

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

YEAR ENDED JUNE 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Financial Assistance Listing Number	Pass-through Grantor's Number	Expenditures		Subrecipient Expenditures	
			Federal	State	Federal	State
Special Programs for the Aging - Title III-B						
Grants for Supportive Services and Senior Centers						
Planning & Administration – Title III-B	93.044	NC-07(20)	\$ 184,510	\$ 10,111	\$ -	\$ -
Regional Ombudsman – Title III-B and State	93.044	NC-07(20)	481,368	71,460	-	-
Access and In-Home Services – Title III-B and State Funds for Caregiver Match	93.044	NC-07(20)	2,684,871	3,146,670	2,684,871	3,146,670
COVID-19: CARES Act- Access and In-Home Services – Title III-B	93.044	NC-07(20)	398,156	-	398,156	-
CDC ACL Expanding Access to COVID Vaccine	93.044	NC-07(20)	116,082	-	-	-
Legal Services – Title III-B	93.044	NC-07(20)	132,926	7,819	132,926	7,819
Special Programs for the Aging - Title III-C						
Nutrition Services						
Planning and Administration – Title III-C-1 and State	93.045	NC-07(20)	319,521	17,510	-	-
COVID-19: CARES Act Planning and Administration – Title III-C-1	93.045	NC-07(20)	224,939	-	-	-
HDC5 Supplemental Nutrition Planning and Administration	93.045	NC-07(20)	73,562	-	-	-
ARPA Planning and Administration	93.045	NC-07(20)	86,400	28,800	-	-
Congregate Meals – Title III-C-1 and State	93.045	NC-07(20)	453,178	115,503	453,178	115,503
Families First Congregate Meals – Title III-C-1	93.045	NC-07(20)	84,102	-	84,102	-
COVID-19: CARES Act Congregate Meals – Title III-C-1	93.045	NC-07(20)	179,296	-	179,296	-
Home Delivered Meals – Title III-C-2 and State	93.045	NC-07(20)	1,102,425	2,620,529	1,102,425	2,620,529
Families First Home Delivered Meals – Title III-C-2	93.045	NC-07(20)	116,680	-	116,680	-
COVID-19: CARES Act Home Delivered Meals – Title III-C-2	93.045	NC-07(20)	428,695	-	428,695	-
HDC5 Supplemental Nutrition for Older Adults	93.045	NC-07(20)	477,378	-	477,378	-
Nutrition Services Incentive Program (NSIP)	93.053	NC-07(20)	688,165	-	688,165	-
Total Aging Cluster			8,232,254	6,018,402	6,745,872	5,890,521
Family Caregiver - Title III-E	93.052	NC-07(20)	760,172	50,678	526,080	35,072
COVID-19: CARES Act Family Caregiver - Title III-E	93.052	NC-07(20)	173,684	-	173,684	-
Planning and Administration – Title III-E	93.052	NC-07(20)	120,156	6,585	-	-
			1,054,012	57,263	699,764	35,072

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

YEAR ENDED JUNE 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Financial Assistance Listing Number	Pass-through Grantor's Number	Expenditures		Subrecipient Expenditures	
			Federal	State	Federal	State
Access and In-Home Services – SSBG	93.667	NC-07(20)	\$ 357,213	\$ 10,206	\$ 357,213	\$ 10,206
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	44,751	-	-	-
Passed through N.C. Department of Environmental Quality:						
COVID-19: Low Income Home Energy Assistance Program -Weatherization Assistance Program for Low Income Persons	93.568	CW22623	1,483,989	-	-	-
COVID-19: Low Income Home Energy Assistance Program -Weatherization Assistance Program for Low Income Persons - CARES Act	93.568	CW19467	15,599	-	-	-
COVID-19: Low Income Home Energy Assistance Program -Weatherization Assistance Program for Low Income Persons - ARPA	93.568	CW26100	2,896	-	-	-
COVID-19: Low Income Home Energy Assistance Program - Heat & Air Repair and Replacement Program	93.568	CW22623	927,543	-	-	-
COVID-19: Low Income Home Energy Assistance Program - Deferrals - ARF	93.568	CW26689	147,129	-	-	-
Passed through Triangle J Council of Governments						
COVID-19: Low Income Home Energy Assistance Program - Deferrals CARES Act	93.568		49,884	-	-	-
COVID-19: Low Income Home Energy Assistance Program - Deferrals - ARPA	93.568		20,000	-	-	-
Total U.S. Department of Health and Human Services			12,585,137	6,097,837	7,802,849	5,935,799
Total Federal Awards			23,730,794	6,097,837	10,570,707	5,935,799
STATE AWARDS						
Passed through N.C. Housing Finance Agency:						
N.C. Department of Public Safety:						
LRC Intermediary Agency - Forsyth County		RQ20866093	-	126,874	-	-
Total N. C. Department of Public Safety			-	126,874	-	-
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)	-	243,195	-	243,195
Passed through Piedmont Triad Regional Development Corporation:						
In-Home Vaccination Project		30-2021-COVID-055	-	175,914	-	-
Total N.C. Department of Health & Human Services			-	291,456	-	243,195
N.C. Land and Water Fund:						
Passed through the Dan River Basin Association:						
Dan River Recreation Stewardship Plan		2021-807	-	5,810	-	-
Total N.C. Land and Water Fund			-	5,810	-	-
Total State Awards			-	600,054	-	-
Total Federal and State Awards			\$ 23,730,794	\$ 6,697,891	\$ 10,570,707	\$ 6,178,994

PIEDMONT TRIAD REGIONAL COUNCIL

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2022

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal and state awards (“SEFSA”) 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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