

**Piedmont Triad Regional Council
Kernersville, North Carolina
Financial Statements
For the Year Ended June 30, 2023**

**Piedmont Triad Regional Council
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June 30, 2023**

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FINANCIAL SECTION



Thompson, Price, Scott, Adams & Co, P.A.

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

Independent Auditor's Report

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

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Piedmont Triad Regional Council (the "Council") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Piedmont Triad Regional Council's basic financial statements as listed in the table of contents.

In our opinion, based upon our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Piedmont Triad Regional Council as of June 30, 2023, and the respective changes in financial position, thereof and the respective budgetary comparison for the General Fund, Grant Project Fund, and Local Project Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Piedmont Triad Regional Council and to meet our other

ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Audit of the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 raises substantial doubt about the Piedmont Triad Regional Council's ability to continue as a going concern for the twelve months 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 of 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 GAAS and *Governmental Auditing Standards* will always detect 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Governmental Auditing Standards* we

- exercised professional judgement and maintained 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 responsible 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 Piedmont Triad Regional 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Piedmont Triad Regional 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, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 combining and individual fund financial statements, budgetary schedules, other schedules as well as the accompanying 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* and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules, and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2024, on our consideration of the Piedmont Triad Regional Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that

report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Piedmont Triad Regional 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 Piedmont Triad Regional Council's internal control over financial reporting and compliance.

Thompson, Price, Scott, Adams & Co., PA

Whiteville, North Carolina

January 10, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Piedmont Triad Regional Council (the "Council"), we offer readers of the Council's financial statements this narrative overview and analysis of the financial activities of the Council for the fiscal year ended June 30, 2023. 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

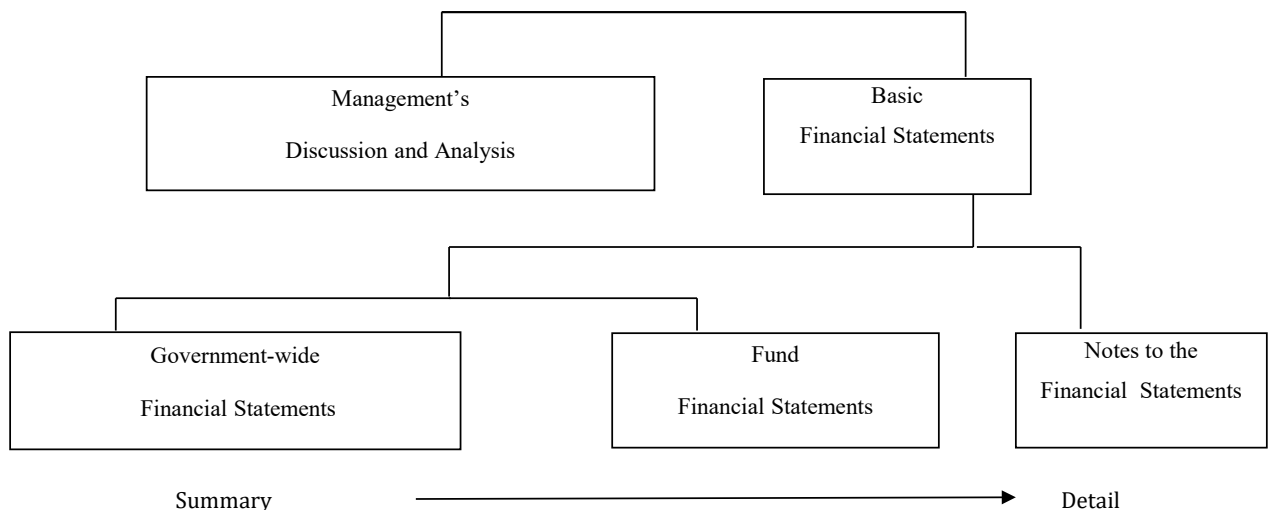
- The assets and deferred outflows of the Council exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$6,480,074 (net position).
- The Council's total net position decreased by \$469,522.
- At the close of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$6,826,971, an increase of \$223,514 in comparison with the prior year. Approximately 46% of this total amount or \$3,173,043, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,653,928.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3 through 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 for major governmental funds.

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 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.

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 financial 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.

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.

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	
	2023	2022
Current and other assets	\$ 10,000,425	\$ 10,336,851
Capital assets	2,364,925	2,651,174
Deferred outflows of resources	2,353,305	1,552,219
Total assets and deferred outflows of resources	14,718,655	14,540,244
Current liabilities	3,475,151	3,881,649
Long-term liabilities outstanding	4,749,152	2,415,416
Deferred inflows of resources	14,278	1,293,583
Total liabilities and deferred inflows of resources	8,238,581	7,590,648
Net position:		
Net investment in capital assets	1,134,925	1,175,174
Restricted	3,108,115	3,789,885
Unrestricted	2,237,034	1,984,537
Total net position	\$ 6,480,074	\$ 6,949,596

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 \$6,480,074 as of June 30, 2023. The Council's liabilities increased due to an increase in unearned revenue and an increase in the pension liability due to changes in actuarial assumptions impacting the pension plan. The change in actuarial assumptions also caused a decrease in the deferred inflows of resources. The Council's net position decreased by \$469,522 for the fiscal year ended June 30, 2023. The net position decrease is due to excess actual expenditures over actual revenues. A portion of the Council's net position of \$1,134,925 reflects the Council's net investment in capital assets. An additional portion of the Council's net position of \$3,108,115 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,237,034 is unrestricted.

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

	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Charges for Services	\$ 3,761,094	\$ 3,101,385
Operating grants and contributions	31,790,903	31,555,865
General revenues:		
Unrestricted investment earnings	567,500	2,861
Total revenues	36,119,497	34,660,111
Expenses:		
Administration	2,540,452	610,832
Crime control and public safety	1,120,455	1,058,207
Health and human services	16,812,744	16,865,406
Housing	5,516,285	5,015,384
Planning	914,285	1,217,566
PTRDC	658,128	494,315
Workforce development	4,214,048	4,124,943
Weatherization	4,263,945	4,197,989
Local projects	506,571	(34,118)
Interest	42,106	45,286
Total expenses	36,589,019	33,595,810
Change in net position	(469,522)	1,064,301
Net position, beginning	6,949,596	5,885,295
Net assets, ending	\$ 6,480,074	\$ 6,949,596

Governmental activities: Governmental activities decreased the Council's net position by \$469,522. This decrease is primarily the result of an increase in administration and crime control and public safety expenses.

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 financing requirements.

The General Fund is the chief operating fund of the Council. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,653,928, while total fund balance reached \$3,657,514. 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 610% of total General Fund expenditures. Total fund balance represented 611% of total General Fund expenditures.

As of June 30, 2023, the government funds of the Council reported a combined fund balance of \$6,826,971, an increase of \$223,514 (3%) from the prior year. Included in this change in fund balance is an increase in fund balance in the Grant Projects Fund and a decrease in the Local Projects Fund due to the increase in expenditures.

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 expenditures' budget by \$620,000. Amendments to the Grant Project Fund and Local Project Fund increased the budget by \$2,841,323; this included increases for Administration.

Capital Asset and Debt Administration

Capital assets. The Council's investment in capital assets for its governmental activities as of June 30, 2023, totaled \$2,364,925, (net of accumulated depreciation). These assets include building, land, furniture, equipment, and vehicles. There was new equipment of \$42,493 added to the capital assets.

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

	Governmental Activities	
	2023	2022
Land	\$ 634,324	\$ 634,324
Land improvements	4,864	14,808
Building	1,292,489	1,531,808
Equipment, furniture and fixtures	79,097	53,015
Vehicles	354,151	417,219
Total	\$ 2,364,925	\$ 2,651,174

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

Debt Administration

	Governmental Activities	
	2023	2022
Note payable	\$ 1,230,000	\$ 1,476,000

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.

Request for Information

This report is designed to provide an 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
June 30, 2023

	Primary Government	Component Unit Piedmont Triad Regional Development Corporation
	Governmental Activities	Governmental Activities
ASSETS		
Current Assets:		
Cash and investments	\$ 5,727,779	\$ 1,379,554
Accounts receivable	157,290	243,895
Due from other governments	4,050,428	-
Current portion loan receivable	-	333,438
Prepaid expenses	64,928	-
Total Current Assets	<u>10,000,425</u>	<u>1,956,887</u>
Non-Current Assets:		
Loan receivable- net	-	2,695,930
Capital assets:		
Land, nondepreciable	634,324	-
Depreciable, net of related depreciation	1,730,601	-
Total capital assets	<u>2,364,925</u>	<u>-</u>
Total assets	<u>12,365,350</u>	<u>4,652,817</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferrals	2,353,305	-
Total Deferred Outflows of Resources	<u>2,353,305</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	1,788,582	-
Accrued interest payable	7,524	-
Due to primary government	-	416,198
Deferred private grant revenue	-	426,803
Current portion of compensated absences	48,173	-
Unearned revenue	1,384,872	-
Current portion of long-term liabilities	246,000	-
Total Current Liabilities	<u>3,475,151</u>	<u>843,001</u>
Long-term liabilities:		
Net pension liability	3,379,780	-
Compensated absences	385,372	-
Due in more than one year	984,000	-
Total Long-Term Liabilities	<u>4,749,152</u>	<u>-</u>
Total liabilities	<u>8,224,303</u>	<u>843,001</u>
DEFERRED INFLOWS OF RESOURCES		
Pension deferrals	14,278	-
Total Deferred Inflows of Resources	<u>14,278</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	1,134,925	-
Restricted:		
Stabilization by State Statute	3,586	-
HUD	380,206	-
Projects	934,954	-
Other functions	1,789,369	57,637
Unrestricted (deficit)	2,237,034	3,752,179
Total net position	<u>\$ 6,480,074</u>	<u>\$ 3,809,816</u>

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

Piedmont Triad Regional Council
 Statement of Activities
 For the Year Ended June 30, 2023

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges Services	Operating Grants and Contributions	Primary Government	Component Unit
				Total Governmental Activities	Piedmont Triad Regional Development Corporation
Primary government:					
Governmental Activities:					
Administration	\$ 2,540,452	\$ 1,709,997	\$ 216,410	\$ (614,045)	\$ -
Crime control and public safety	1,120,455	99	1,739,225	618,869	-
Health and human services	16,812,744	257,393	16,559,868	4,517	-
Housing	5,516,285	149,283	5,510,609	143,607	-
Planning	914,285	518,542	307,301	(88,442)	-
PTRDC	658,128	246,400	97,400	(314,328)	-
Workforce development	4,214,048	15,000	4,122,740	(76,308)	-
Weatherization	4,263,945	836,738	3,237,350	(189,857)	-
Other local projects	506,571	27,642	-	(478,929)	-
Interest expense	42,106	-	-	(42,106)	-
Total Governmental Activities and Primary Government	<u>\$ 36,589,019</u>	<u>\$ 3,761,094</u>	<u>\$ 31,790,903</u>	<u>(1,037,022)</u>	<u>-</u>
Component Unit:					
Piedmont Triad Regional Development Corporation	<u>\$ 716,806</u>	<u>\$ 782,852</u>	<u>\$ -</u>	<u>-</u>	<u>66,046</u>
General revenues:					
Miscellaneous				500,488	
Unrestricted investment earnings				67,012	-
Total general revenues				<u>567,500</u>	<u>-</u>
Change in net position				(469,522)	66,046
Net position, beginning				6,949,596	3,743,770
Net position, ending				<u>\$ 6,480,074</u>	<u>\$ 3,809,816</u>

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

Piedmont Triad Regional Council
Balance Sheet
Governmental Funds
June 30, 2023

	Major Funds			Total Governmental Funds
	General Fund	Grant project Fund	Local Projects Fund	
ASSETS				
Cash and investments	\$ 3,703,741	\$ 717,439	\$ 1,306,599	\$ 5,727,779
Accounts receivable	3,586	136,109	17,595	157,290
Due from other governments	-	3,386,389	664,039	4,050,428
Prepaid expenses	-	24,887	40,041	64,928
Total assets	<u>3,707,327</u>	<u>4,264,824</u>	<u>2,028,274</u>	<u>10,000,425</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	5,653	1,611,929	171,000	1,788,582
Due to other funds	-	-	-	-
Unearned revenue	44,160	1,312,848	27,864	1,384,872
Total Liabilities	<u>49,813</u>	<u>2,924,777</u>	<u>198,864</u>	<u>3,173,454</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Prepaid expenses	-	24,887	40,041	64,928
Restricted:				
Stabilization by State Statute	3,586	-	-	3,586
Restricted by HUD	-	380,206	-	380,206
Restricted for grant projects	-	934,954	-	934,954
Restricted for local projects	-	-	1,789,369	1,789,369
Unassigned	3,653,928	-	-	3,653,928
Total fund balances	<u>3,657,514</u>	<u>1,340,047</u>	<u>1,829,410</u>	<u>6,826,971</u>
Total liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,707,327</u>	<u>\$ 4,264,824</u>	<u>\$ 2,028,274</u>	<u>\$ 10,000,425</u>

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

Total Fund Balance, Governmental Funds	\$ 6,826,971
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Gross capital assets at historical cost	5,867,769
Accumulated depreciation	<u>(3,502,844)</u>
Other deferred outflows of resources related to pensions are not reported in the funds.	2,353,305
Long-term liabilities used in governmental activities are not financial uses and, therefore, are not reported in the funds	
Notes payable	(1,230,000)
Accrued interest expense	(7,524)
Compensated absences	(433,545)
Net pension liability	<u>(3,379,780)</u>
Deferred inflows of resources related to pensions are not reported in the funds	(14,278)
Total net position of governmental activities	<u>\$ 6,480,074</u>

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

Piedmont Triad Regional Council
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Major Fund			
	General Fund	Grant Project Fund	Local Projects Fund	Total Government Funds
REVENUES				
Restricted intergovernmental	\$ -	\$ 31,645,257	\$ 460,017	\$ 32,105,274
Fees, local governments	601,168	452,324	169,092	1,222,584
Fees, program services	-	276,848	1,947,292	2,224,140
Miscellaneous	-	6,521	493,967	500,488
Interest income	67,012	-	-	67,012
Total revenues	<u>668,180</u>	<u>32,380,950</u>	<u>3,070,368</u>	<u>36,119,498</u>
EXPENDITURES				
Administration	598,566	608,652	-	1,207,218
Crime control and public safety	-	742,657	377,798	1,120,455
Health and human services	-	16,772,713	40,031	16,812,744
Housing	-	5,513,513	2,772	5,516,285
Planning	-	418,900	495,385	914,285
PTRDC	-	302,523	355,605	658,128
Workforce development	-	4,156,592	57,456	4,214,048
Weatherization	-	3,388,358	875,587	4,263,945
Administrative services	-	-	682,305	682,305
Other local projects	-	-	506,571	506,571
Total expenditures	<u>598,566</u>	<u>31,903,908</u>	<u>3,393,510</u>	<u>35,895,984</u>
Excess of Revenues over Expenditures	69,614	477,042	(323,142)	223,514
Net change in fund balance	69,614	477,042	(323,142)	223,514
Fund balances, beginning	3,587,900	863,005	2,152,552	6,603,457
Fund balances, ending	<u>\$ 3,657,514</u>	<u>\$ 1,340,047</u>	<u>\$ 1,829,410</u>	<u>\$ 6,826,971</u>

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

Piedmont Triad Regional Council
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 -Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2023

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

Net changes in fund balances - total governmental funds	\$	223,514
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Governmental funds report capital outlays as expenditures.

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

Capital outlay expenditures which were capitalized	42,493		
Depreciation expense for governmental assets	<u>(328,742)</u>		(286,249)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		608,075
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(455,537)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on long-term debt	246,000		
Decrease in accrued interest payable	<u>2,402</u>		248,402

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.

Compensated absences	(97,451)		
Pension expense	(1,018,438)		
Incurred but not reported claims	<u>308,162</u>		<u>(807,727)</u>

Total changes in net position of governmental activities	\$	<u><u>(469,522)</u></u>
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The notes to the financial statements are an integral part of this statement.

Piedmont Triad Regional Council
 General Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2023

	General Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues				
Fees, local governments	\$ 602,184	\$ 602,184	\$ 601,168	\$ (1,016)
Fees, program services	-	-	-	-
Miscellaneous	-	-	-	-
Investment earnings	5,000	100,000	67,012	(32,988)
Total Revenues	<u>607,184</u>	<u>702,184</u>	<u>668,180</u>	<u>(34,004)</u>
Expenditures				
Administration	<u>607,184</u>	<u>1,227,184</u>	<u>598,566</u>	<u>628,618</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>(525,000)</u>	<u>69,614</u>	<u>594,614</u>
Fund balance appropriated	<u>-</u>	<u>525,000</u>	<u>-</u>	<u>525,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	69,614	<u>\$ 69,614</u>
Fund balances, beginning			<u>3,587,900</u>	
Fund balances, ending			<u>\$ 3,657,514</u>	

Piedmont Triad Regional Council
Major Special Revenue Fund- Grant Project Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	Grant Project Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues				
Restricted intergovernmental	\$ 44,866,403	\$ 46,149,005	\$ 31,645,257	\$ (14,503,748)
Fees, local governments	436,163	503,343	452,324	(51,019)
Fees, program services	20,500	20,500	276,848	256,348
Miscellaneous	-	-	6,521	6,521
Investment interest	-	331,250	-	(331,250)
Total Revenues	<u>45,323,066</u>	<u>47,004,098</u>	<u>32,380,950</u>	<u>(14,623,148)</u>
Expenditures				
Administration	320,410	1,456,366	608,652	847,714
Crime control and public safety	1,960,238	2,195,625	742,657	1,452,968
Health and human services	22,463,262	22,463,262	16,772,713	5,690,549
Housing	7,210,233	7,210,233	5,513,513	1,696,720
Planning	880,492	700,492	418,900	281,592
PTRDC	397,958	833,455	302,523	530,932
Workforce development	4,837,217	5,490,760	4,156,592	1,334,168
Weatherization	4,640,363	4,041,012	3,388,358	652,654
Indirect costs	-	-	-	-
Total Expenditures	<u>42,710,173</u>	<u>44,391,205</u>	<u>31,903,908</u>	<u>12,487,297</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>477,042</u>	<u>(2,135,851)</u>
Net change in fund balance	<u>\$ 2,612,893</u>	<u>\$ 2,612,893</u>	477,042	<u>\$ (2,135,851)</u>
Fund balances, beginning			863,005	
Fund balances, ending			<u>\$ 1,340,047</u>	

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

Piedmont Triad Regional Council
Major Special Revenue Fund- Local Project Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	Local Project Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Resticted intergovernmental	\$ 954,488	\$ 870,227	\$ 460,017	\$ (410,210)
Fees, local governments	165,313	185,313	169,092	(16,221)
Fees, program services	4,093,605	5,333,857	1,947,292	(3,386,565)
Miscellaneous	15,700	-	493,967	493,967
Total Revenues	<u>5,229,106</u>	<u>6,389,397</u>	<u>3,070,368</u>	<u>(3,319,029)</u>
Expenditures				
Crime control and public safety	575,188	534,139	377,798	156,341
Health and Human Services	385,684	400,684	40,031	360,653
PTRDC	270,000	470,000	355,605	114,395
Housing	-	4,000	2,772	1,228
Planning	378,593	729,043	495,385	233,658
Workforce development	367,699	204,787	57,456	147,331
Weatherization	1,634,700	1,547,550	875,587	671,963
Administrative services	950,041	1,681,993	682,305	999,688
Other local projects	667,201	817,201	506,571	310,630
Total Expenditures	<u>5,229,106</u>	<u>6,389,397</u>	<u>3,393,510</u>	<u>2,995,887</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>(323,142)</u>	<u>(323,142)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(323,142)</u>	<u>(323,142)</u>
Fund balances, beginning			2,152,552	
Fund balances, ending			<u>\$ 1,829,410</u>	

NOTES TO THE FINANCIAL STATEMENTS

Piedmont Triad Regional Council
Notes to the Financial Statements
For the Year Ended June 30, 2023

I. 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.

A. Reporting Entity

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 principals, 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 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.

B. 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 unit. 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. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions.

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

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

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

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 Funds- 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.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

D. 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.

E. 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, 2023.

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.

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 2023 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.

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 governmental fund types classify fund balances 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 - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

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

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

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

Unassigned Fund Balance - The portion of total fund balance 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 Director will use resources in the following hierarchy: bond proceeds (if applicable), Federal funds, State funds, Local funds. 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 Director 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 47.50% for fringe benefits and 27.00% for indirect cost. The actual rates for the year ended June 30, 2023, for fringe benefits and indirect cost were 47.50% and 27.00%, respectively. All charges to programs for fringe and indirect costs were adjusted to actual as of June 30, 2023.

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 principals generally accepted in the United States of America requires managements 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.

II. Note 2- Cash and investments

1. Deposits

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, 2023, the Council's deposits had a carrying amount of \$3,875,481 and a bank balance of \$5,847,662. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$5,597,662 in interest-bearing deposits was covered by collateral held under the pooling method.

At June 30, 2023, the Corporation's deposits had a carrying amount of \$1,379,554 and a bank balance of \$1,379,554. Of the bank balance, \$250,000 was covered by federal depository insurance.

2. Investments

Investments- At June 30, 2023, the Council had \$1,852,298 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.

III. Note 3- Stewardship, Compliance, and Accountability

A. Significant Violations of Finance-related Legal and Contractual Provisions

1. Noncompliance with North Carolina General Statutes

None.

2. Contractual Violations

None.

B. Deficit in Fund Balance or Net Position of Individual Funds

None.

C. Excess of Expenditures over Appropriations

None.

IV. Note 4- 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	\$ 136,615
N.C. Department of Commerce	620,238
N.C. Department of Environmental Quality	54,651
N.C. Department of Health and Human Services	1,373,593
N.C. Department of Transportation	54,718
N.C. Housing Finance Agency	260,615
U.S. Environmental Protection Agency	70,615
U.S. Economic Development Agency	209,400
U.S. Department of Housing and Urban Development	94,588
U.S. Appalachian Regional Commission	3,453
Passed through local governments	205,481
Due from component unit	302,322
Total Grant Project Fund	<u>3,386,289</u>
Special Revenue Fund- Local Projects Fund:	
Local governments and agencies	664,039
Total special revenue fund	<u>664,039</u>
General Fund:	
Local governments and other agencies	100
Total due from other governments	<u>\$ 4,050,428</u>

V. Note 5- Capital assets

Capital asset activity for the primary government for the year ended June 30, 2023 was as follows:

	Beginning Balances July 1, 2022	Additions	Disposals	Ending Balances June 30, 2023
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 634,324	\$ -	\$ -	\$ 634,324
Total capital assets not being depreciated	634,324	-	-	634,324
Capital assets being depreciated:				
Building	3,876,045	-	-	3,876,045
Equipment, furniture, and fixtures	135,156	42,493	-	177,649
Land improvements	99,436	-	-	99,436
Vehicles	1,080,315	-	-	1,080,315
Total capital assets being depreciated	5,190,952	42,493	-	5,233,445
Less accumulated depreciation for:				
Buildings	2,344,237	239,319	-	2,583,556
Equipment, furniture, and fixtures	82,141	16,411	-	98,552
Land improvements	84,628	9,944	-	94,572
Vehicles	663,096	63,068	-	726,164
Total accumulated depreciation	3,174,102	\$ 328,742	-	3,502,844
Total capital assets being depreciated, net	2,016,850			1,730,601
Governmental activity capital assets, net	\$ 2,651,174			\$ 2,364,925

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

Administration	\$ 266,389
WAP	28,997
WIOA	33,356
	<u>\$ 328,742</u>

VI. Note 6- 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:

Fiscal Year	Principal	Interest
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>\$ 1,230,000</u>	<u>\$ 99,261</u>

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

	Balances July 1, 2022	Increases	Decreases	Balances June 30, 2023	Current portion of Balances
Governmental activities:					
Note payable	\$ 1,476,000	\$ -	\$ 246,000	\$ 1,230,000	\$ 246,000
Compensated absences	336,094	272,147	174,696	433,545	48,173
Net pension liability (LRS)	889,026	2,490,754	-	3,379,780	-
	<u>\$ 2,701,120</u>	<u>\$ 2,762,901</u>	<u>\$ 420,696</u>	<u>\$ 5,043,325</u>	<u>\$ 294,173</u>

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

VII. Note 7- 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.

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, 2023, was 12.20% 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 \$608,071 for the year ended June 30, 2023.

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, 2023, the Council reported a liability of \$3,79,780 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2022 (measurement date), the Council's proportion was 0.05991% which was an increase of 0.00194% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Council recognized pension expense of \$1,018,438. At June 30, 2023, 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	\$ 145,632	\$ 14,278
Changes of assumptions	337,226	-
Net difference between projected and actual earnings on pension plan investments	1,117,053	-
Changes in proportion and differences between Council's contributions and proportionate share of contributions	145,323	-
Council's contributions subsequent to the measurement date	608,071	-
	<u>\$ 2,353,305</u>	<u>\$ 14,278</u>

\$608,071 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June	
30	
2024	\$ 573,730
2025	488,469
2026	136,571
2027	532,186
	<u>\$ 1,730,956</u>

Actuarial Assumptions- The total pension liability in the December 31, 2021 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	6.50%, 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, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2020.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis.

These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	33.0%	0.9%
Global equity	38.0%	6.5%
Real estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation protection	6.0%	2.7%
	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2021 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 3.00%. 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:

	1 % Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Council's proportionate share of the net pension liability (asset)	\$6,100,067	\$3,379,780	\$1,138,105

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 \$53,721, during the fiscal year ended June 30, 2023, and ending investment balance in the plan at June 30, 2023 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, 2023. All amounts are vested immediately. Also, the participants may make voluntary contributions to the Plan.

Contributions for the year ended June 30, 2023 totaled \$276,999, which consisted of \$124,605 from the Council and \$152,394 from employees

VIII. Note 8- 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.

IX. Note 9- 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, 2023 are as follows:

	2023	2022
Reserve, beginning of year:	\$ 16,941	\$ 80,000
Contributions to HRA by Piedmont Triad Regional Council	-	66,640
Less claims paid	(1,444)	(53,889)
Less reduction in accrual	(15,497)	(75,810)
Reserve, end of year	<u>\$ -</u>	<u>\$ 16,941</u>
	2023	2022
Reserve, beginning of year:	\$ 291,221	\$ 424,329
Contributions to Health Insurance Reserve by Piedmont Triad Regional Council	1,200,488	1,172,043
Less claims paid	(1,194,188)	(1,169,107)
Less reduction in accrual	(121,848)	(136,044)
Reserve, end of year	<u>\$ 175,673</u>	<u>\$ 291,221</u>

X. Note 10- 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 \$416,198 in 2023. 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	\$ 864,589
Advances from Council	411,779
Less repayments to Council	(860,170)
Due to Council, end of year	<u>\$ 416,198</u>

XI. Note 11- Third party agreements

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

<u>County</u>	<u>City (continued)</u>	<u>Town (continued)</u>
<ul style="list-style-type: none"> • Alexander County • Burke County • Cabarrus County • Caldwell County • Caswell County • Catawba County • Davidson County • Davie County • Forsyth County • Halifax County • Iredell County • Montgomery County • Rockingham County • Surry County • Yadkin County 	<ul style="list-style-type: none"> • City of High Point • City of Kings Mountain • City of Lincolnton • City of Mebane • Morehead City • City of Mount Airy • City of New Bern • City of Reidsville • City of Shelby • City of Statesville • City of Trinity • City of Wilson • City of Winston-Salem <p><u>Town</u></p> <ul style="list-style-type: none"> • Town of Biscoe • Town of Denton • Town of Gibsonville • Town of Haw River • Town of Jamestown • Town of Jonesville • Town of Lewisville 	<ul style="list-style-type: none"> • Town of Liberty • Town of Mocksville • Town of Ramseur • Town of Rolesville • Town of Spencer • Town of Stoneville • Town of Summerfield • Town of Walnut Cove • Town of Warrenton • Town of Waxhaw • Town of Weaverville <p><u>Other</u></p> <ul style="list-style-type: none"> • Cape Fear Council of Government • Centralina Council of Government • Metropolitan Sewerage District • Piedmont Authority on Regional Transportation • Triangle J Council of Government

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

XII. Note 12- Contracts

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

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

Section 8 Housing Voucher Program	
NC 166	842 units

XIII. Note 13- Contingencies

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

XIV. Note 14- Net investment in capital assets

Capital assets	\$ 2,364,925
Less long-term debt	(1,230,000)
Net investments in capital assets	\$ 1,134,925

XV. Note 15- Fund balance

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

Total fund balance- General Fund	\$ 3,657,514
Less stabilization by state statute	(3,586)
Unrestricted fund balance- General Fund	\$ 3,653,928

XVI. Note 16- Subsequent events

Subsequent events were evaluated through January 10, 2024, which is the date the financial statements were available to be issued.

**REQUIRED
SUPPLEMENTAL FINANCIAL DATA**

This section contains additional information required by generally accounting principals.

- Schedule of the Proportionate Share of the Net Pension Asset – Local Government Employees’ Retirement System

- Schedule of Contributions – Local Government Employees’ Retirement System

**Piedmont Triad Regional Council
Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Ten Fiscal Years***

Local Government Employees' Retirement System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Piedmont Triad Regional Council's proportion of the net pension liability (asset) (%)	0.05991%	0.05797%	0.04996%	0.04935%	0.05083%	0.06506%	0.07007%	0.07085%	0.07169%	0.06930%
Piedmont Triad Regional Council's proportion of the net pension liability (asset) (\$)	\$ 3,379,780	\$ 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-employee 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	\$ 2,613,085
Piedmont Triad Regional Council's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	71.26%	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**	84.14%	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
Council's Contributions
Required Supplementary Information
Last Ten Fiscal Years**

Local Government Employees' Retirement System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 608,071	\$ 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	<u>608,071</u>	<u>534,948</u>	<u>459,095</u>	<u>357,699</u>	<u>286,339</u>	<u>264,301</u>	<u>297,323</u>	<u>307,024</u>	<u>320,115</u>	<u>316,764</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Piedmont Triad Regional Council's covered payroll	\$ 4,984,191	\$ 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	12.20%	11.28%	10.21%	8.86%	7.89%	7.65%	7.43%	6.84%	6.85%	7.13%

GENERAL FUND

The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

Piedmont Triad Regional Council
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Fees, local governments		\$ 601,168	
Investment earnings		67,012	
Total Revenues	<u>\$ 702,184</u>	<u>668,180</u>	<u>\$ (34,004)</u>
Expenditures:			
Administration:			
Salaries and fringe		66,869	
General and administrative		15,265	
Travel and training		36,986	
Professional services/consultants		13,797	
Local match expenses		417,225	
Supplies		28,294	
Indirect costs		18,055	
Capital outlay		-	
Miscellaneous		2,075	
Total Expenditures	<u>1,227,184</u>	<u>598,566</u>	<u>628,618</u>
Excess of Revenues over Expenditures	<u>(525,000)</u>	<u>69,614</u>	<u>594,614</u>
Fund balance appropriated	<u>525,000</u>	<u>-</u>	<u>525,000</u>
Net change in fund balance	<u>\$ -</u>	<u>69,614</u>	<u>\$ 69,614</u>
Fund balance, beginning		<u>3,587,900</u>	
Fund balance, ending		<u><u>\$ 3,657,514</u></u>	

Piedmont Triad Regional Council
Major Special Revenue Fund- Grant Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental revenues		\$ 31,645,257	
Fees, local governments		452,324	
Fees, program services		276,848	
Miscellaneous		6,521	
Investment earnings		-	
Total Revenues	<u>\$ 47,004,098</u>	<u>32,380,950</u>	<u>\$ (14,623,148)</u>
Expenditures:			
Administration:			
Appalachian Regional Commission/PTRDC EDA:			
Salaries and fringe		409,014	
Travel and training		3,698	
Professional services/consultants		76,525	
General administrative/occupancy		8,486	
Supplies		495	
Indirect costs		110,434	
Total Administration	<u>1,456,366</u>	<u>608,652</u>	<u>847,714</u>
Crime Control and Public Safety:			
Salaries and fringe		320,235	
Travel and training		3,965	
Professional services/consultants		233,886	
General administrative/occupancy		26,556	
Supplies		28,517	
Rent		-	
Participant costs		-	
Indirect costs		129,498	
Total Crime Control and Public Safety	<u>2,195,625</u>	<u>742,657</u>	<u>1,452,968</u>
Fringe Benefits:			
Salaries and fringe		65,584	
Travel and training		2,756	
Professional services/consultants		2,342,911	
Allocated fringe cost		(2,411,251)	
Total Fringe Benefits	<u>2,612,893</u>	<u>-</u>	<u>2,612,893</u>

Piedmont Triad Regional Council
Major Special Revenue Fund- Grant Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Health and Human Services:			
Aging and Home and Community Care Block Grant:			
Salaries and fringe		1,533,229	
Travel and training		64,728	
Professional services/consultants		127,798	
General administrative/occupancy		326,864	
Supplies		19,595	
Indirect costs		413,972	
Rent		2,922	
Sub recipient expenses		14,283,605	
Total Aging and Home and Community Care Block Grant	<u>22,463,262</u>	<u>16,772,713</u>	<u>5,690,549</u>
Housing:			
Section 8 Housing Assistance:			
HAP payments		3,320,204	
Salaries and fringe		399,603	
Travel and training		15,962	
Professional services/consultants		2,425	
General administrative/occupancy		56,306	
Supplies		1,999	
Indirect costs		107,893	
Total Section 8 Housing Assistance	<u>4,100,000</u>	<u>3,904,392</u>	<u>195,608</u>
Home/SFR/CDBG/URP:			
Salaries and fringe		436,311	
Travel and training		22,253	
Professional services/consultants		977,638	
General administrative/occupancy		49,410	
Miscellaneous		150	
Supplies		5,555	
Indirect costs		117,804	
Total Home/SFR/CDBG/URP	<u>3,110,233</u>	<u>1,609,121</u>	<u>1,501,112</u>
Total Housing	<u>7,210,233</u>	<u>5,513,513</u>	<u>1,696,720</u>
Indirect Costs:			
Salaries and fringe		1,110,699	
Travel and training		43,655	
Professional services/consultants		58,354	
General administrative/occupancy		425,159	
Rent		92,255	
Supplies		79,516	
Allocated indirect costs		(1,809,638)	
Total indirect costs	<u>-</u>	<u>-</u>	<u>-</u>

Piedmont Triad Regional Council
Major Special Revenue Fund- Grant Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual
For the Fiscal Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
Piedmont Triad Regional Development Corporation:			
General administrative/occupancy		93,166	
Professional services/consultants		139,061	
Salaries and fringe		49,010	
Supplies		1,736	
Travel and training		6,317	
Indirect costs		13,233	
Total Piedmont Triad Regional Development Corporation	<u>833,455</u>	<u>302,523</u>	<u>530,932</u>
Planning:			
Salaries and fringe		269,007	
Travel and training		7,101	
Professional services/consultants		31,950	
General administrative/occupancy		34,236	
Supplies		3,974	
Indirect costs		72,632	
Total Planning	<u>700,492</u>	<u>418,900</u>	<u>281,592</u>
Workforce Development:			
Salaries and fringe		1,039,972	
Travel and training		26,379	
Professional services/consultants		126,715	
General administrative/occupancy		59,188	
Rent		5,077	
Supplies		4,065	
Capital outlay		5,228	
Sub recipient expenses		2,498,208	
Participant costs		110,968	
Indirect costs		280,792	
Total Workforce Development	<u>5,490,760</u>	<u>4,156,592</u>	<u>1,334,168</u>
Weatherization:			
Salaries and fringe		852,883	
Travel and training		53,121	
Professional services/consultants		2,195,495	
General administrative/occupancy		103,505	
Supplies		36,195	
Capital outlay		-	
Indirect costs		147,159	
Total Weatherization	<u>4,041,012</u>	<u>3,388,358</u>	<u>652,654</u>
Total Expenditures	<u>47,004,098</u>	<u>31,903,908</u>	<u>15,100,190</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>477,042</u>	<u>477,042</u>
Net change in fund balance	<u>\$ -</u>	<u>477,042</u>	<u>\$ 477,042</u>
Fund balance, beginning		863,005	
Fund balance, ending		<u>\$ 1,340,047</u>	

Piedmont Triad Regional Council
Major Special Revenue Fund- Local Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual
For the Fiscal Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental		\$ 460,017	
Fees, local governments		169,092	
Fees, program services		1,947,292	
Miscellaneous		493,967	
Total Revenues	<u>\$ 6,389,397</u>	<u>3,070,368</u>	<u>\$ (3,319,029)</u>
Expenditures:			
Administration:			
Salaries and fringe		494,368	
Travel and training		23,487	
Professional services/consultants		9,731	
General administrative/occupancy		6,583	
Supplies		14,656	
Indirect costs		133,480	
Total Administration	<u>1,681,993</u>	<u>682,305</u>	<u>999,688</u>
Crime Control and Public Safety Local Projects:			
Criminal Justice Programs:			
Salaries and fringe		324,806	
Travel and training		173	
Professional services/consultants		-	
General administrative/occupancy		509	
Supplies		2,727	
Rent		4,920	
Indirect costs		44,663	
Total Criminal Justice Programs	<u>534,139</u>	<u>377,798</u>	<u>156,341</u>
Health and Human Service Local Grant Projects:			
Aging:			
Travel and training		5,784	
Professional services/consultants		334	
General administrative/occupancy		12,988	
Supplies		5,677	
Sub recipient expenses		15,248	
Total Aging	<u>400,684</u>	<u>40,031</u>	<u>360,653</u>

Piedmont Triad Regional Council
Major Special Revenue Fund- Local Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Planning Local Projects:			
Local Technical Assistance Project and Planning:			
Salaries and fringe		292,560	
Travel and training		11,681	
Professional services/consultants		27,100	
General administrative/occupancy		60,159	
Supplies		24,894	
Indirect costs		78,991	
Total Local Technical Assistance Project and Planning	<u>729,043</u>	<u>495,385</u>	<u>233,658</u>
Piedmont Triad Regional Development Corporation:			
General administrative/occupancy		64,232	
Professional services/consultants		161,559	
Salaries and fringe		96,045	
Supplies		62	
Travel and training		5,925	
JRC costs		1,850	
Indirect costs		25,932	
Total Piedmont Triad Regional Development Corporation	<u>470,000</u>	<u>355,605</u>	<u>114,395</u>
Workforce Development:			
Travel and training		774	
Professional services/consultants		38,541	
General administrative/occupancy		-	
Supplies		-	
Sub recipient expenses		18,126	
Participant expenses		15	
Total Workforce Development Local Projects	<u>204,787</u>	<u>57,456</u>	<u>147,331</u>
Housing:			
Salaries and fringe		1,932	
General administrative/occupancy		318	
Indirect costs		522	
Total Section 8 Housing Assistance	<u>4,000</u>	<u>2,772</u>	<u>1,228</u>

Piedmont Triad Regional Council
Major Special Revenue Fund- Local Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Other Local Projects:			
Miscellaneous Local Projects:			
Travel and training		5,827	
Professional services/consultants		36,490	
General administrative/occupancy		409,438	
Salaries and fringe		10,634	
Capital outlay		37,265	
Supplies		6,917	
Indirect costs		-	
Total Miscellaneous Local Projects	<u>817,201</u>	<u>506,571</u>	<u>310,630</u>
Total Other Local Projects	<u>817,201</u>	<u>506,571</u>	<u>310,630</u>
Weatherization:			
Salaries and fringe		115,417	
Travel and training		46,170	
Professional services/consultants		539,638	
General administrative/occupancy		37,798	
Supplies		22,282	
Capital outlay		-	
Indirect costs		114,282	
Total Weatherization	<u>1,547,550</u>	<u>875,587</u>	<u>671,963</u>
Total Expenditures	<u>6,389,397</u>	<u>3,393,510</u>	<u>2,995,887</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>(323,142)</u>	<u>(323,142)</u>
Net change in fund balance	<u>\$ -</u>	<u>(323,142)</u>	<u>\$ (323,142)</u>
Fund balance, beginning		2,152,552	
Fund balance, ending		<u>\$ 1,829,410</u>	

Piedmont Triad Regional Council
Schedule of Fringe Benefits and Indirect Costs
For the Fiscal Year Ended June 30, 2023

	Expenditures		Rate	
	Proposed	Actual	Proposed	Actual
Fringe Benefits:				
FICA	\$ 397,632	\$ 401,123		
Group Insurance	1,203,617	1,127,054		
Retirement and 401(k)	808,652	732,675		
Employee assistance plan and accrued vacation leave	39,500	54,418		
Employee healthcare advocacy	55,228	65,584		
Worker's compensation and unemployment	48,000	30,397		
Health reimbursement arrangement	60,264	-		
	<u>\$ 2,612,893</u>	<u>\$ 2,411,251</u>	<u>47.50%</u>	<u>47.50%</u>
Indirect Costs:				
Salaries	\$ 830,875	\$ 770,017		
Fringe benefits	350,937	340,682		
Professional services	84,000	58,354		
Telephone	20,000	22,986		
Postage	18,000	16,733		
Travel, parking, and other	70,500	43,655		
Equipment maintenance	10,000	2,006		
Equipment rent	81,541	92,255		
Advertising	5,000	3,691		
Office supplies	85,000	48,446		
Occupancy expense	241,488	244,348		
Payroll processing fee	45,000	45,655		
Computer services	75,000	50,551		
Dues, subscriptions, memberships, miscellaneous	23,500	22,992		
Insurance	40,000	47,267		
	<u>\$ 1,980,841</u>	<u>\$ 1,809,638</u>	<u>27.00%</u>	<u>27.00%</u>

Piedmont Triad Regional Council
Detail Allocations-
Fringe Benefits and Indirect Costs
For the Fiscal Year Ended June 30, 2023

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Appalachian Regional Commission					
ARC 1/1/2022-12/31/2022	\$ 103,604	\$ 49,212	47.50%	\$ 41,260	27.00%
ARC LDD 2023	35,194	16,717	47.50%	14,016	27.00%
Mountain BizWorks - ARC Power - Outdoor Recreation	3,153	1,498	47.50%	1,256	27.00%
BlueCross BlueShield of NC Foundation					
BCBS H&S Admin	52,481	24,928	47.50%	20,900	27.00%
PTRDC BCBS Food Initiative	60	5	7.70%	18	27.20%
Duke Energy of Carolinas					
DEC WAP Admin	-	-	0.00%	29,233	0.00%
DEC WAP Ops	24,811	11,785	47.50%	63,767	174.24%
Local Administration Agreements and Programs					
Asheboro Jarrell Center City Garden	4,106	1,950	47.50%	1,635	27.00%
Asheboro Parks & Rec LDP	1,548	735	47.50%	617	27.00%
Asheboro Pay Study	1,272	604	47.51%	507	27.00%
Asheboro Waterline Extension Project	1,669	793	47.51%	665	27.00%
Asheboro Waterline Extension Project	500	38	7.65%	145	27.00%
Biscoe Pay & Class	775	59	7.65%	225	27.00%
Black Mountain Pay & Class	4,478	343	7.65%	1,302	27.00%
Bob Barker Company Foundation Project Reentry	2,567	1,219	47.50%	1,022	27.00%
Burke Co Pay Study	3,672	281	7.65%	1,067	27.00%
Burlington ACM Search	1,395	107	7.65%	405	27.00%
Burlington Pay and Class Study	2,377	1,129	47.50%	947	27.00%
Burlington Pay and Class Study	4,763	364	7.65%	1,384	27.00%
Burlington Planning Services	41	19	47.20%	16	26.88%
Caldwell Co. Pay Study	4,505	345	7.65%	1,310	27.00%
Cape Fear COG Pay & Class	202	96	47.48%	80	26.99%
CCOG- Mooresville Pay & Class	1,490	708	47.51%	594	27.00%
CCOG- Mooresville Pay & Class	1,474	113	7.65%	428	27.00%
CCOG- Mooresville Admin Pay & Class	1,056	502	47.50%	421	27.00%
CCOG- Mooresville Admin Pay & Class	5,263	403	7.65%	1,530	27.00%
CD Training Center	52,048	24,723	47.50%	20,728	27.00%
CFCOG- Brunswick Co Pay Study	15,000	1,148	7.65%	4,360	27.00%
CFCOG- Surf City Pay Study	1,929	148	7.65%	561	27.00%
Criminal Justice Local	262	125	47.52%	104	27.01%
Dan River Conservation Design (PLC)	3,050	1,449	47.50%	1,215	27.00%
Davidson Pay & Class	247	117	47.47%	98	26.99%
Davie Pre-Trial Adm	8,791	4,176	47.50%	3,501	27.00%
Davie Pre-Trial Local	53,353	25,343	47.50%	-	0.00%
Deep River Trail Plan	2,065	981	47.51%	823	27.00%
Deep River Trail Plan	242	19	7.65%	70	26.99%
Dobson Current Planning	1,398	664	47.52%	557	27.01%
Forsyth Pay & Classification Study	2,378	1,129	47.49%	947	27.00%
General Fund	45,335	21,534	47.50%	18,055	27.00%
Gibsonville LDP - Zoning	10,726	5,095	47.50%	4,272	27.00%
Gibsonville Pay & Class	3,163	242	7.65%	919	27.00%
GIS Misc LTA	382	182	47.54%	152	27.02%
Graham 2035 Comprehensive Plan	5,076	2,411	47.50%	2,022	27.00%
Green & Health Homes Initiative	23,620	11,219	47.50%	9,407	27.00%
Green & Health Homes Initiative	293	22	7.63%	85	26.96%
Halifax Pay & Class Study	1,605	762	47.50%	639	27.00%
Halifax Pay & Class Study	8,448	646	7.65%	2,455	27.00%
Havelock Market Pay Study	4,570	350	7.65%	1,328	27.00%
High Point Pay Study	5,281	2,509	47.50%	2,103	27.00%
High Point Pay Study	5,025	384	7.65%	1,461	27.00%
Iredell Co. Market Study	10,500	803	7.65%	3,052	27.00%
Jonesville Planning Services	2,918	1,386	47.50%	1,162	27.00%
Jonesville UDO	14,091	6,693	47.50%	5,612	27.00%
Kernersville Pay Study	3,945	1,874	47.51%	1,571	27.00%
Kernersville Pay Study	1,798	138	7.65%	522	26.99%

Piedmont Triad Regional Council
Detail Allocations-
Fringe Benefits and Indirect Costs
For the Fiscal Year Ended June 30, 2023

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Local Administration Agreements and Programs: (continued)					
Kings Mountain Pay & Class	4,000	306	7.65%	1,163	27.00%
Lewisville Manager Search	1,242	590	47.49%	494	27.00%
Liberty ADA Assessment	255	121	47.52%	102	27.01%
Liberty LDP	7,439	3,534	47.50%	2,963	27.00%
Liberty Museum Feasibility Study	1,310	622	47.50%	522	27.00%
Lincolnton Pay & Class	1,625	124	7.65%	472	27.00%
LRCOG - Maxton Pay & Class	918	70	7.65%	267	27.00%
Management Services Miscellaneous LTA	45,244	21,491	47.50%	18,019	27.00%
Management Services Miscellaneous LTA	24,641	1,885	7.65%	7,162	27.00%
Matthews Pay & Class	15,997	1,224	7.65%	4,650	27.00%
Mayodan Pay & Class	626	297	47.52%	249	27.01%
McDowell Co Pay & Class	15,622	1,195	7.65%	4,541	27.00%
Mebane BRIC Grant Assistance	2,012	956	47.51%	801	27.00%
Mebane Current Planning	269	128	47.52%	107	27.01%
Mebane Survey	1,390	660	47.51%	554	27.00%
Metropolitan Sewerage District Pay & Class	4,000	306	7.65%	1,163	27.00%
Midway Subdivision Regulations	1,687	801	47.49%	672	27.00%
Midway Subdivision Regulations	359	27	7.65%	104	27.01%
Montgomery Co. Pay & Class	97	46	47.33%	39	26.94%
Montgomery Co. Pay & Class	4,463	341	7.65%	1,297	27.00%
Montgomery Current Planning	86	41	47.37%	34	26.95%
Moore Co Pay & Class	6,500	497	7.65%	1,889	27.00%
Morehead City Pay & Class	746	57	7.65%	217	27.00%
Mt. Gilead Annexation Study	5,272	2,504	47.50%	2,100	27.00%
NCARCOG Administration	746	354	47.50%	297	27.00%
New Bern Market Study	7,800	597	7.65%	2,267	27.00%
Oxford Market Study	1,396	107	7.65%	406	27.00%
Pamlico Co. Pay & Class Study	9,555	731	7.65%	2,777	27.00%
PART Pay & Class Study	646	307	47.50%	257	27.00%
PART Pay & Class Study	1,475	113	7.65%	429	27.00%
Piedmont Conservation Council Management Services	951	452	47.50%	379	27.00%
Planning & TA Non-bill	7,416	3,522	47.50%	2,953	27.00%
Planning & TA Non-bill	25	2	7.64%	7	27.00%
Planning Board Training LTA	642	305	47.50%	256	27.00%
Pleasant Garden Stormwater Assessment	3,391	1,611	47.50%	1,350	27.00%
Ramseur LDP	59	28	47.49%	24	26.99%
Randleman LDP	529	251	47.50%	211	27.00%
Randolph Co Deep River Trail Plan	232	110	47.50%	92	27.00%
Randolph County Pay and Class Study	956	454	47.50%	381	27.00%
Randolph Growth Mgmt Plan	25,084	11,915	47.50%	9,990	27.00%
Reidsville LDP	547	260	47.50%	218	27.00%
Reidsville Pay Study	1,583	752	47.50%	631	27.00%
Reidsville Pay Study	1,900	145	7.65%	552	27.00%
Rockingham Co Pay Study	3,141	1,492	47.50%	1,251	27.00%
Rockingham Co Pay Study	3,563	273	7.65%	1,035	27.00%
Rockingham Planning Services	1,814	862	47.50%	722	27.00%
Rocky Mount Assessment Center	1,829	869	47.50%	728	27.00%
Rocky Mount Assessment Center	3,000	230	7.65%	872	27.00%
Roxboro Pay & Class	3,840	294	7.65%	1,116	27.00%
Rural Hall Pay & Class Study	145	11	7.65%	42	27.00%
Shelby Pay & Class	5,397	413	7.65%	1,569	27.00%
SOAR - City of W-S	5,338	2,536	47.50%	2,126	27.00%
Spencer HR Assistance	34	16	47.50%	14	26.99%
Spencer HR Assistance	3,900	298	7.65%	1,134	27.00%
Spencer Pay & Class Study	17	8	47.48%	7	26.99%
Statesville Pay & Class	1,471	699	47.50%	586	27.00%
Statesville Pay & Class	4,738	362	7.65%	1,377	27.00%
Stokes Pre-Trial Adm	12,049	5,723	47.50%	4,798	27.00%

Piedmont Triad Regional Council
Detail Allocations-
Fringe Benefits and Indirect Costs
For the Fiscal Year Ended June 30, 2023

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Local Administration Agreements and Programs: (continued)					
Stormwater S.M.A.R.T	55,307	26,271	1.15%	22,026	27.00%
Stormwater S.M.A.R.T	8,329	637	7.65%	2,421	27.00%
Stormwater SMART Mass Media	3,809	1,809	47.50%	1,517	27.00%
Summerfield LDP	5,502	2,614	47.50%	2,191	27.00%
Surry Pre-Trial Adm	16,305	7,745	47.50%	6,494	27.00%
Surry Pre-Trial Local	59,485	28,256	47.50%	23,690	27.00%
SWRF Environmental Justice Data Fund	434	206	47.50%	173	27.00%
Thomasville GIS	1,182	561	47.42%	471	27.02%
Thomasville N.Hamby Creek Greenfield Plan	5,856	2,781	47.50%	2,332	27.00%
Thomasville N.Hamby Creek Greenfield Plan	15	1	7.67%	4	27.00%
Thomasville Pay & Class	213	101	47.50%	85	27.00%
TJCOG - Fuquay-Varina Market Study	4,951	2,352	47.50%	1,972	27.00%
TJCOG - Fuquay-Varina Market Study	1,140	87	7.65%	331	27.00%
TJCOG - Hillsborough Pay & Class	2,068	982	47.50%	824	27.00%
TJCOG - Hillsborough Pay & Class	4,245	325	7.65%	1,234	27.00%
TJCOG - Lee Co Pay & Class	10,985	840	7.65%	3,193	27.00%
Tobaccoville Pay & Class	955	73	7.65%	278	27.00%
Trinity Manager Search	80	38	47.50%	32	27.00%
Trinity Manager Search	2,900	222	7.65%	843	27.00%
Trinity Pay & Class	882	419	47.50%	351	27.00%
Trinity Pay & Class	1,095	84	7.65%	318	27.00%
Trinity Planning Services	2,473	1,175	47.50%	985	27.00%
Trinity Planning Services	1,433	110	7.65%	416	27.00%
Upper Cape Fear River Basin Assoc	9,499	4,512	47.50%	3,783	27.00%
UWGG - Guilford Success Network	30,526	14,500	47.50%	12,157	27.00%
UWGG - Guilford Success Network	1,350	103	7.65%	392	27.00%
Washington Pay Study	1,811	139	7.65%	526	27.00%
Waxhaw Police Pay & Organizational Study	2,269	174	7.65%	660	27.00%
Wilson Co. Pay & Class Study	14,283	1,093	7.65%	4,151	27.00%
Wilson Pay Study	7,414	567	7.65%	2,155	27.00%
WPCOG - Hudson Market Study	2,257	173	7.65%	656	27.00%
Yadkin Co Pay & Class	4,331	2,057	47.50%	1,725	27.00%
Yadkin Co Pay & Class	6,980	534	7.65%	2,029	27.00%
Yadkin Pre-Trial Adm	7,350	3,491	47.50%	2,927	27.00%
Yadkin Pre-Trial Loca	54,707	25,986	47.50%	-	0.00%
Yadkin River State Trail Map	3,603	1,711	47.50%	1,435	27.00%
Piedmont Triad Regional Development Corporation					
Piedmont Triad Regional Development Corp	1,125	534	47.50%	448	27.00%
Piedmont Triad Regional Development Corp	450	34	7.65%	131	27.00%
IT LTA Projects	2,632	1,250	47.50%	1,048	27.00%
PTRDC New Hopes New Beginnings Project	8,505	4,040	47.50%	3,387	27.00%
NC Clean Water Management Trust Fund					
NCLWF #2021-807 DRBA- Dan River Corridor Phase 2	7,046	3,347	47.50%	2,806	27.00%
NCLWF #2021-807 DRBA- Dan River Corridor Phase 2	408	31	7.65%	119	27.00%
NC Dept of Commerce- Division of Workforce Solutions and NWP Job Training Consortium					
Adult-Mobile Unit	4,150	317	7.65%	1,206	27.00%
Adult-NWP LA	177,988	84,544	47.50%	-	0.00%
Adult-NWP LA	107	8	7.65%	31	27.00%
Dislocated Worker-Mobile Unit	3,944	302	7.65%	-	0.00%
Dislocated Worker-NWP LA	158,534	75,304	47.50%	-	0.00%
Dislocated Worker-NWP LA	203	16	7.65%	59	27.00%
WIA Administration	68,418	32,499	47.50%	240,486	238.30%
Youth-Mobile Unit	139	11	7.65%	40	27.00%
Youth-NWP LA	196,039	93,118	47.50%	0	0.00%
Youth-NWP LA	153	12	7.65%	45	27.00%

Piedmont Triad Regional Council
Detail Allocations-
Fringe Benefits and Indirect Costs
For the Fiscal Year Ended June 30, 2023

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
NC Dept of Commerce - NC Association of Regional Councils of Governments					
NCARCOG Resiliency	55,765	26,489	47.50%	22,209	27.00%
NCARCOG Resiliency	1,822	139	7.65%	530	27.00%
NC Dept of Crime Control and Public Safety					
Davidson TECS RRS	14,373	6,827	47.50%	5,724	27.00%
Davie TECS RRS	3,627	1,723	47.50%	22,692	424.15%
Forsyth LRC Supplement	4,199	1,995	47.50%	1,672	27.00%
LRC Intermediary Agency - Forsyth	46,180	21,935	47.50%	18,391	27.00%
Rockingham TECS RRS	4,144	1,968	47.50%	1,650	27.00%
Rowan TECS RRS	10,665	5,066	47.50%	4,247	27.00%
Stokes TECS RRS	5,806	2,758	47.50%	2,312	27.00%
Surry TECS RRS	61,412	29,171	47.50%	24,458	27.00%
Tri-County Project Reentry	29,368	13,950	47.50%	11,696	27.00%
Wilkes TECS RRS	10,093	4,794	47.50%	4,020	27.00%
WS Project Reentry CDBG	16,629	7,899	47.50%	6,622	27.00%
Yadkin TECS RRS	10,612	5,041	47.50%	26,013	166.19%
NC Dept of Environmental Quality					
NCDEQ ARPA Deferrals Admin	10,903	5,179	47.50%	10,603	65.93%
NCDEQ ARPA WAP Deferral Repairs	16,244	7,716	47.50%	-	0.00%
NC Dept of Environmental Quality- Division of Water Resources					
205j Asheboro-Haskett Creek #CW24482	2,517	1,196	47.50%	1,003	27.00%
205j CW34884 High Rock Lake	3,129	1,486	47.50%	1,246	27.00%
205j CW34884 High Rock Lake	15	1	7.67%	4	27.00%
205j Denton Stormwater	63	30	47.49%	25	27.00%
Smithfield EEG - High Point Clean Streams	126	60	47.49%	50	27.00%
TJCOG - JLOW 205j	2,574	1,223	47.50%	1,025	27.00%
TJCOG - JLOW 205j	393	30	7.65%	114	27.00%
205J TJCOG- Jordan Lake One Water	1,416	108	7.65%	411	27.00%
NC Dept of Environmental Quality- Weatherization Assistance Program					
ARPA LIHEAP HARRP Admin	-	-	0.00%	2,551	0.00%
ARPA LIHEAP HARRP Ops	30,107	14,301	47.50%	4,647	10.46%
ARPA LIHEAP WAP Admin	-	-	0.00%	6,261	0.00%
ARPA LIHEAP WAP Ops	19,394	9,217	47.52%	-	0.00%
DOE WAP Program Ops	134,172	63,732	47.50%	38	0.02%
DOE WAP T&TA	1,539	731	47.50%	-	0.00%
DOE WAPAdmin	-	-	0.00%	38,405	0.00%
LIHEAP HARRP Admin	-	-	0.00%	28,281	0.00%
LIHEAP HARRP Program Ops	71,019	33,734	47.50%	-	0.00%
LIHEAP WAP Admin	-	-	0.00%	55,383	0.00%
LIHEAP WAP Program Ops	292,359	138,866	47.50%	-	0.00%
NC Dept of Health and Human Services - Division of Aging and Adult Services					
Aging Administration	25,763	12,237	47.50%	10,260	27.00%
Aging Elder Abuse	9,334	4,434	47.50%	3,717	27.00%
Aging Planning & Admin	386,603	183,637	47.50%	153,965	27.00%
Aging Planning & Admin	1,260	96	7.65%	366	27.00%
Aging Regional Ombudsman	286,663	136,165	47.50%	114,164	27.00%
ARPA III-D Health Promotions	1,737	825	47.50%	692	27.00%
ARPA P&A	47,770	22,691	47.50%	19,024	27.00%
PTRDC COVID-19 Vaccine Access	40,898	19,426	47.50%	16,287	27.00%
PTRDC COVID-19 Vaccine Access	232	18	7.65%	68	27.00%
Family Caregiver Support	118,377	56,229	47.50%	47,144	27.00%
Guilford Housing & Home Improvement	10,095	4,795	47.50%	4,020	27.00%
HDC5 Supplemental Nutrition Admin	6,443	3,060	47.50%	2,566	27.00%
III-D Evidence Based Programs	60,874	28,915	47.50%	24,243	27.00%
III-D Evidence Based Programs	15,402	1,178	7.65%	4,477	27.00%
MIPPA II Year 2	1,351	642	47.50%	538	27.00%
NC DHHS In-Home Vaccination Project	12,876	6,116	47.50%	5,128	27.00%

Piedmont Triad Regional Council
Detail Allocations-
Fringe Benefits and Indirect Costs
For the Fiscal Year Ended June 30, 2023

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
NC Dept of Transportation					
Clean Fuel Advanced Technology (CFAT) Project	17,421	8,275	47.50%	6,938	27.00%
Clean Fuel Advanced Technology (CFAT) Project	189	14	7.65%	55	27.00%
Rural Trans Planning (RPO)	69,746	33,129	47.50%	27,776	27.00%
Rural Trans Planning (RPO)	646	49	7.65%	188	27.00%
Rural Trans Planning NW (RPO)	66,923	31,788	47.50%	26,652	27.00%
Rural Trans Planning NW (RPO)	597	46	7.65%	174	27.00%
NC Housing Finance Agency					
ESFR Soft Cost Ops	180,614	85,792	47.50%	71,930	27.00%
NC Pandemic Recovery Office - NC Association of Regional Councils of Government					
NCARCOG ARPA	27,567	13,094	47.50%	10,978	27.00%
NCARCOG ARPA	9,171	702	7.65%	2,666	27.00%
US Dept of Commerce-Economic Development Agency					
EDA BBBRC	97,739	46,426	47.50%	38,925	27.00%
EDA Disaster Recovery	46,874	22,265	47.50%	18,668	27.00%
EDA Disaster Recovery	370	28	7.65%	108	27.00%
US Dept of Commerce- EDA and PTR Development Corporation					
PTRDC-EDA	19,550	9,286	47.50%	7,786	27.00%
PTRDC Davie Co Public Works EDA 04-01-07243	107	51	47.45%	43	26.98%
US Dept of Health and Human Services:					
UNCA Nutrition Grant	31,238	14,838	47.50%	12,441	27.00%
US Dept of Housing and Urban Development:					
HUD WAP-LEAD	2,488	1,182	47.50%	991	27.00%
Section 8 Voucher Program	262,014	124,456	47.50%	104,347	27.00%
Section 8 Voucher Program	12,200	933	7.65%	3,546	27.00%
US Dept of Housing and Urban Development and Surry Co Housing Consortium					
HOME Administration	17,109	8,127	47.50%	6,814	27.00%
SCHC HOME ARPA Admin	3,596	1,708	47.50%	1,432	27.00%
Surry HOME Rehab Soft Costs FY21-22	934	444	47.50%	372	27.00%
US Dept of Housing and Urban Development and City of Burlington					
Burlington CD Admin	77,731	36,922	47.50%	30,957	27.00%
US Dept of Housing and Urban Development and City of Eden					
Eden Rehab	3,356	1,594	47.50%	1,337	27.00%
US Dept of Housing and Urban Development and City of Reidsville					
Reidsville CDBG-NR	1,405	667	47.50%	560	27.00%
US Dept of Housing and Urban Development and City of Thomasville					
Thomasville Hospital Apartments Rehab	710	337	47.50%	283	27.00%
US Dept of Housing and Urban Development and City of Winston-Salem					
Winstom-Salem Rehab Soft Costs	9,239	4,388	47.50%	3,679	27.00%
US Dept of Housing and Urban Development and Town of Bermuda Run					
Bermuda Run CFP Recreation & Public Safety Improvements	359	170	47.47%	143	26.99%
US Dept of Housing and Urban Development and Town of Liberty					
CDBG - Liberty Sewer Project	2,163	1,028	47.51%	862	27.00%

Piedmont Triad Regional Council
Detail Allocations-
Fringe Benefits and Indirect Costs
For the Fiscal Year Ended June 30, 2023

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
US Dept of Housing and Urban Development and Town of Troy					
Troy CDBG-NR	1,110	527	47.49%	442	27.00%
US Environmental Protection Agency					
EPA Brownfield-Petroleum	3,374	1,603	47.50%	1,344	27.00%
EPA Brownfield-Petroleum	869	67	7.65%	253	27.00%
EPA Brownfields Assessment & Clean-up Exp	473	225	47.50%	188	27.00%
US Environmental Protection Agency and PTR Development Corp					
PTRDC EPA BF RLF	694	330	47.49%	276	27.00%
Indirect Cost	707,091	335,868	47.50%		0.00%
Indirect Cost	62,926	4,814	7.65%		0.00%
	<u>\$ 5,401,810</u>	<u>\$ 2,411,250</u>		<u>\$ 1,809,638</u>	23.16%
Summary of Allocation Rates					
Standard Fringe and Indirect Cost	4,306,741	2,045,702	47.50%	1,715,160	27.00%
FICA Only and Indirect Cost	325,052	24,866	7.65%	94,478	27.00%
Standard Fringe on Indirect Payroll	707,091	335,868	47.50%	-	
FICA Only on Indirect Payroll	62,926	4,814	7.65%	-	
	<u>\$ 5,401,810</u>	<u>\$ 2,411,250</u>		<u>\$ 1,809,638</u>	

Piedmont Triad Regional Council
 HUD Housing Choice Vouchers Program
 Financial Data Schedule- Balance Sheet
 For the Fiscal Year Ended June 30, 2023

Line Item #		14.871 Housing Choice Vouchers
	Assets	
	Current Assets	
111	Cash- unrestricted	\$ 408,952
113	Cash- other unrestricted	-
100	Total Cash	408,952
	Accounts Receivable	
121	Accounts Receivable- PHA projects	4,023
122	Accounts Receivable- HUD other projects	56,214
125	Accounts Receivable- Miscellaneous	3,802
128	Fraud Recovery	-
128.1	Allowance for doubtful accounts- fraud recovery	-
120	Total Receivables, net of allowance for doubtful accounts	64,039
150	Total Current Assets	472,991
290	Total Assets	472,991
	Liabilities and Equity	
	Current Liabilities	
312	Accounts Payable <= 90 days	70,713
346	Accounts Liabilities - Other	22,072
310	Total Current Liabilities	92,785
300	Total Liabilities	92,785
	Equity	
509.3	Restricted fund balance	-
512.3	Unassigned fund balance	380,206
513	Total Equity/ Net Position	380,206
600	Total Liabilities and Equity/ Net Position	\$ 472,991

Piedmont Triad Regional Council
 HUD Housing Choice Vouchers Program
 Financial Data Schedule- Revenues and Expenses
 For the Fiscal Year Ended June 30, 2023

Line Item #		14.871 Housing Choice Vouchers
	Revenues	
70600	HUD PHA operating grants	\$ 3,984,437
71400	Fraud Recovery	2,362
71500	Other Revenue	-
70000	Total Revenues	3,986,799
	Expenses	
91100	Administrative salaries	274,213
91500	Employee benefit contributions- administrative	125,390
91600	Office expense	57,851
91800	Travel	15,962
91900	Other	110,318
91000	Total Operating- Administrative	583,734
96200	Other general expenses	454
96000	Total Other General Expenses	454
96900	Total Operating Expenses	584,188
97000	Excess of Operating Revenue over Operating Expenses	3,402,611
97300	Housing assistance payments	3,320,204
10000	Total Revenue Over Total Expenses	\$ 82,407
11030	Beginning equity	\$ 297,799
11170	Administrative fee equity	\$ 380,206
11180	Housing assistance payments equity	-
11190	Unit months available	10,104
11210	Number of unit months leased	9,208

COMPLIANCE SECTION



Thompson, Price, Scott, Adams & Co, P.A.

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

**Report On Internal Control Over Financial Reporting And On Compliance and
Other Matters Based On An Audit Of Financial Statements Performed In Accordance With
Government Auditing Standards**

Independent Auditor's Report

To the Board of Directors
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 financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Piedmont Triad Regional Council, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprises Piedmont Triad Regional Council's basic financial statements, and have issued our report thereon dated January 10, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Piedmont Triad Regional 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Piedmont Triad Regional 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 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.

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Our consideration of the 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 to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Piedmont Triad Regional Council's financial statements are free from 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 determination of financial statement amounts. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thompson, Price, Scott, Adams & Co., PA
Whiteville, North Carolina
January 10, 2024



Thompson, Price, Scott, Adams & Co, P.A.

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

Report On Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; With OMB Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Directors
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, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Piedmont Triad Regional Council's major federal programs for the year ended June 30, 2023. Piedmont Triad Regional Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Piedmont Triad Regional Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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 and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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We are required to be independent of Piedmont Triad Regional Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Piedmont Triad Regional 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 Piedmont Triad Regional 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 Piedmont Triad Regional 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance 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 Piedmont Triad Regional Council's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, 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 Piedmont Triad Regional 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 Piedmont Triad Regional 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 Piedmont Triad Regional 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses 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. However, material weaknesses or significant deficiencies 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.

Thompson, Price, Scott, Adams & Co., PA
Whiteville, North Carolina
January 10, 2024



Thompson, Price, Scott, Adams & Co, P.A.

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

**Report On Compliance for Each Major State Program; Report on Internal Control
Over Compliance; With OMB Uniform Guidance and the State Single Audit
Implementation Act**

Independent Auditor's Report

To the Board of Directors
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, North Carolina, compliance with the types of compliance requirements described in the *OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Piedmont Triad Regional Council's major State programs for the year ended June 30, 2023. Piedmont Triad Regional Council's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Piedmont Triad Regional Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2023.

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 and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms

We are required to be independent of Piedmont Triad Regional Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of Piedmont Triad Regional 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 Piedmont Triad Regional 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 Piedmont Triad Regional 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance 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 Piedmont Triad Regional Council's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, 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 Piedmont Triad Regional 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 Piedmont Triad Regional 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 Piedmont Triad Regional 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 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 Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses 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. However, material weaknesses or significant deficiencies 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.

Thompson, Price, Scott, Adams & Co., PA

Whiteville, North Carolina

January 10, 2024

**Piedmont Triad Regional Council
Kernersville, North Carolina
Schedule of Findings and Questioned Costs
For the fiscal year ended June 30, 2023**

Section I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified? Yes No
 Significant deficiency(s) identified? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified? Yes No
 Significant deficiency(s) identified? Yes None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs:

<u>Assistance Listing Nos:</u>	<u>Names of Federal Program or Cluster</u>
14.239	Home Investment Partnership Program Aging Cluster
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services
93.053	Nutrition Services Incentive Program

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? Yes No

Piedmont Triad Regional Council
Kernersville, North Carolina
Schedule of Findings and Questioned Costs
For the fiscal year ended June 30, 2023

State Awards

Internal control over major State programs:

Material weaknesses identified? _____ Yes X No

Significant deficiency(s) identified? _____ Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? _____ Yes X No

Identification of major State programs:

Program Name

In-Home Services

Dollar threshold used to determine a State major program \$ 500,000

Auditee qualified as State low-risk auditee? _____ Yes X No

Piedmont Triad Regional Council
Kernersville, North Carolina
Schedule of Findings and Questioned Costs
For the fiscal year ended June 30, 2023

Section II. Financial Statement Findings

None Reported.

Section III. Federal Award Findings and Question Costs

None Reported.

Section IV. State Award Findings and Question Costs

None Reported.

**Piedmont Triad Regional Council
Kernersville, North Carolina
Corrective Action Plan
For the Fiscal Year Ended June 30, 2023**

Section II. Financial Statement Findings

None Reported.

Section III. Federal Award Findings and Question Costs

None Reported.

Section IV. State Award Findings and Question Costs

None Reported.

**Piedmont Triad Regional Council
Kernersville, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2023**

None Reported.

Piedmont Triad Regional Council
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2023

Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Subrecipients
FEDERAL AWARDS					
<u>U.S. Department of Commerce</u>					
Passed through Economic Development Agency:					
EDA Disaster Planning Grant	11.303		\$ 58,882	\$ -	\$ -
EDA Build Back Better Regional Challenge			310,292	-	-
Passed through Piedmont Triad Regional Development Corporation:					
EDA District Planning Grant	11.302		91,401	-	-
EDA Davie Co. Public Works	11.303		200	-	-
EDA Regional Broadband Connectivity and Access Plan	11.307		8,825	-	-
Total U.S. Department of Commerce			<u>469,600</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Housing and Urban Development</u>					
Passed through N.C. Department of Commerce:					
Passed through the City of Winston-Salem:					
Community Development Block Grant/Entitlement Grant	14.218		31,150	-	-
Passed through the Town of Liberty:					
Community Development Block Grant/Infrastructure Grant	14.228		20,154	-	-
Total passed through N.C. Department of Commerce:			<u>51,304</u>	<u>-</u>	<u>-</u>
Passed through N.C. Housing Finance Agency:					
Home Investment Partnership Program eSFR18 - Ashe Co.	14.239		6,150	-	-
Home Investment Partnership Program eSFR19 - Caswell Co.	14.239		156,116	-	-
Home Investment Partnership Program eSFR19 Davie Co.	14.239		78,516	-	-
Home Investment Partnership Program eSFR19 - Randolph Co.	14.239		131,184	-	-
Home Investment Partnership Program eSFR19 - Stokes Co.	14.239		117,774	-	-
Home Investment Partnership Program eSFR19 - Yadkin Co.	14.239		78,516	-	-
Home Investment Partnership Program eSFR20 - Davidson Co.	14.239		194,485	-	-
Home Investment Partnership Program eSFR20 - Guilford Co.	14.239		483,197	-	-
Passed through Surry County Consortium:					
Home Investment Partnership Program	14.239		42,306	-	-
Home Investment Partnership Program-ARPA	14.239		7,786	-	-
Passed through City of Burlington:					
Home Investment Partnership Program	14.239		161,825	-	-
Total Passed through N.C. Housing Finance Agency:			<u>1,457,855</u>	<u>-</u>	<u>-</u>
Passed through the City of Winston-Salem					
Community Development Block Grant/Entitlement Grant	14.218		19,341	-	-
Passed through N.C. D.O.C./Rural Economic Development - Town of Eden					
Community Development Block Grant/Neighborhood Revitalization	14.228		7,061	-	-
Passed through N.C. D.O.C./Rural Economic Development - City of Thomasville					
Community Development Block Grant/Neighborhood Revitalization	14.228		1,835	-	-
Passed through N.C. D.O.C./Rural Economic Development - Town of Troy					
Community Development Block Grant/Neighborhood Revitalization	14.228		4,779	-	-
Passed through N.C. D.O.C./Rural Economic Development - City of Reidsville					
Community Development Block Grant/Neighborhood Revitalization	14.228		5,368	-	-
Health Homes & Weatherization Cooperation Demonstration	14.901	NCLHH0008-21	9,462	-	-
Section 8 Housing Choice Vouchers	14.871		3,904,392	-	-
Total U.S. Department of Housing and Urban Development			<u>5,461,397</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Labor</u>					
Passed through N.C. Department of Commerce:					
Passed through Northwest Piedmont Job Training Consortium/Workforce Development Board:					
Workforce Innovation Opportunity Act Cluster:					
WIOA - Adult Programs	17.258	2021-4020-47	300,286	-	221,551
WIOA - Adult Programs	17.258	2022-4020-47	827,772	-	610,755
WIOA - Adult Programs - Administration	17.258	2021-4020-47	86,735	-	-
WIOA - Adult Programs - Administration	17.258	2022-4010-47	31,916	-	-
WIOA - Youth Programs	17.259	2021-4040-47	727,687	-	557,408
WIOA - Youth Programs	17.259	2022-4040-47	636,467	-	487,597
WIOA - Youth Programs - Administration	17.259	2021-4010-47	103,463	-	-
WIOA - Youth Programs - Administration	17.259	2022-4010-47	40,022	-	-
WIOA - Statewide Activities #8145 Employer Services	17.259	2022-4050-47	20,000	-	-
WIOA - National Dislocated Worker Grant COVID-19	17.277	2020-3110-47	65,968	-	65,968
WIOA - Dislocated Workers Programs	17.278	2021-4030-47	53,386	-	35,715
WIOA - Dislocated Workers Programs	17.278	2022-4030-47	738,288	-	494,286
WIOA - Dislocated Workers Programs - Administration	17.278	2021-4010-47	65,228	-	-
WIOA - Dislocated Workers Programs - Administration	17.278	2022-4010-47	18,042	-	-
WIOA - Statewide Activities #8029 IFA Costs	17.278	2021-4050-47	100,363	-	100,363
WIOA - Statewide Activities #8090 FLG Forsyth Tech CC	17.278	2020-4050-47	25,433	-	25,433
WIOA - Statewide Activities #8091 FLG Piedmont CC (Caswell)	17.278	2020-4050-47	1,816	-	1,816
WIOA - Statewide Activities #8092 FLC Rockingham CC	17.278	2020-4050-47	859	-	859
WIOA - Statewide Activities #8093 FLG Surry CC	17.278	2020-4050-47	2,425	-	2,425
Total Workforce Innovation Opportunity Act Cluster:			<u>3,846,156</u>	<u>-</u>	<u>2,604,176</u>
Total U.S. Department of Labor			<u>3,846,156</u>	<u>-</u>	<u>2,604,176</u>

Piedmont Triad Regional Council
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2023

Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Subrecipients
<u>U.S. Department of Transportation</u>					
Passed through N.C. Department of Transportation:					
Highway Planning, Research and Construction Cluster:					
Federal Transit - Metropolitan Planning Grants					
Northwest Piedmont Rural Planning Organization	20.205		106,375	-	-
Piedmont Triad Rural Planning Organization	20.205		115,287	-	-
Clean Fuel Advanced Technology Project III	20.205	C-5702A CMAQ-000S(895)	36,000	-	-
Total Highway Planning, Research and Construction Cluster:			<u>257,662</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Transportation			<u>257,662</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Treasury</u>					
Passed through North Carolina Association of Regional Councils of Government:					
Local Government Capacity Assistance - COG					
Total U.S. Department of Treasury	21.027	OSBM-COG-66	<u>66,572</u>	<u>-</u>	<u>-</u>
			<u>66,572</u>	<u>-</u>	<u>-</u>
<u>Appalachian Regional Commission</u>					
Appalachian Local Development Direct Assistance (2022)					
Appalachian Local Development Direct Assistance (2023)	23.009	NC-706-H-C11	97,705	-	-
Appalachian Local Development Direct Assistance (2022)	23.009	NC-706-H-C12	33,931	-	-
Total Appalachian Regional Commission	23.001		<u>5,000</u>	<u>-</u>	<u>-</u>
			<u>136,636</u>	<u>-</u>	<u>-</u>
<u>U.S. Environmental Protection Agency</u>					
Brownfields Assessment and Cleanup Cooperative Agreements					
Passed through the N.C. Department of Environmental and Natural Resources:	68.818		26,194	-	-
Division of Water Quality:					
High Rock Lake 205(j)					
Designing H2O Quality SCMs Haskett Creek - Asheboro 205(j)	66.454	CW34884	5,959	-	-
	66.454	CW24482	24,456	-	-
Passed through NC Div. of Water Resource to Triangle J Council of Government:					
Jordan Lake One Water 205(j)					
	66.454		7,470	-	-
Passed through Piedmont Triad Regional Development Corporation:					
Brownfields Multipurpose, Assessment, Revolving Loan Fund and Cleanup Cooperative Agreements					
Total Environmental Protection Agency	66.818	02D31822-0-BF	<u>1,670</u>	<u>-</u>	<u>-</u>
			<u>65,749</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Energy</u>					
Passed through N.C. Dept. of Environment Quality:					
Weatherization Assistance Program for Low Income Persons					
Total U.S. Department of Energy	81.042	CW29752	<u>573,568</u>	<u>-</u>	<u>-</u>
			<u>573,568</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Health and Human Services</u>					
Passed through State Dept. of Health and Human Services					
Passed through the Division of Aging and Adult Services:					
Aging Cluster:					
Special Programs for the Aging - Title III B					
Planning and Administration					
Ombudsman Program	93.044	NC-07(23)	185,378	10,159	-
Legal Services	93.044	NC-07(23)	420,538	129,865	-
In-Home & Access	93.044	NC-07(23)	65,380	3,872	69,702
			<u>2,132,742</u>	<u>4,436,344</u>	<u>6,528,457</u>
			<u>2,804,038</u>	<u>4,580,240</u>	<u>6,598,159</u>
Special Programs for the Aging - Title III C					
Congregate Nutrition					
Home Delivered Meals	93.045	NC-07(23)	599,480	164,007	763,487
Planning and Administration	93.045	NC-07(23)	2,346,649	940,314	3,286,963
			<u>321,024</u>	<u>17,592</u>	-
			<u>3,267,153</u>	<u>1,121,913</u>	<u>4,050,450</u>
Special Programs for the Aging -ARPA					
Nutrition Services- Congregate Meals					
Nutrition Services-Home Delivered Meals	93.045	NC-07(23)	299,399	52,835	352,234
Access, In Home, Supp Serv	93.045	NC-07(23)	495,627	87,464	583,091
Ombudsman	93.044	NC-07(23)	144,365	25,476	169,841
Planning and Administration	93.044	NC-07(23)	-	-	-
	93.045	NC-07(23)	130,514	43,505	-
			<u>1,069,905</u>	<u>209,280</u>	<u>1,105,166</u>
Special Programs for the Aging -Consolidate Appropriations Act					
Congregate Nutrition					
Planning and Administration	93.045	NC-07(23)	293,298	-	293,298
	93.045	NC-07(23)	12,068	-	-
			<u>305,366</u>	<u>-</u>	<u>293,298</u>
Access to COVID 19 Vaccines					
Nutrition Service Incentive Program	93.044	NC-07(23)	59,894	-	-
Total Aging Cluster	93.053	NC-07(23)	<u>690,978</u>	<u>-</u>	<u>690,978</u>
			<u>8,197,334</u>	<u>5,911,433</u>	<u>12,738,051</u>
Special Programs for the Aging					
Title VII - B - Elder Abuse					
Title VII - E - Ombudsman Program	93.041	NC-07(23)	22,356	1,315	-
Title III - D - Health Promotion	93.042	NC-07(23)	50,593	2,976	-
Title III - D - ARPA Health Promotion	93.043	NC-07(23)	134,694	7,923	-
Total Special Programs for the Aging	93.043	NC-07(23)	<u>8,792</u>	<u>-</u>	<u>-</u>
			<u>216,435</u>	<u>12,214</u>	<u>-</u>

Piedmont Triad Regional Council
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2023

Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Subrecipients
Mental Health, Intellectual and Developmental Disabilities, and Substance Use Services Cluster					
Access and In-Home Services – SSBG	93.667	NC-07(23)	548,451	15,670	559,750
Total Mental Health, Intellectual and Developmental Disabilities, and Substance Use Services Cluster			548,451	15,670	559,750
Title III-E Planning and Administration/Family Caregiver	93.052		120,721	6,616	-
Family Caregiver Support	93.052		766,553	51,104	582,313
ARPA Family Caregiver Support	93.052		125,083	41,694	166,777
Passed through N.C. Department of Environmental Quality:					
Low Income Home Energy Assistance Program:					
Weatherization Assistance Program for Low Income Persons	93.568	CW29752	1,193,679	-	-
Weatherization Assistance Program for Low Income Persons - ARPA	93.568	CW26100	70,358	-	-
Heat & Air Repair and Replacement Program	93.568	CW29752	765,120	-	-
Heat & Air Repair and Replacement Program - ARPA	93.568	CW26100	225,040	-	-
Deferrals - ARPA	93.568	CW26689	413,241	-	-
Passed through Triangle J Council of Governments					
Low Income Home Energy Assistance Program:					
Deferrals - ARPA	93.568		132,000	-	-
Passed through State Department of Insurance					
N.C. Department of Insurance - MIPPA I & II	93.071		122,428	-	-
Total U. S. Health and Human Services			12,896,443	6,038,731	14,046,891
Total Federal Awards			23,773,783	6,038,731	16,651,067
STATE AWARDS					
<u>N.C. Office of State Budget and Management</u>					
Passed through North Carolina Association of Regional Councils of Government:					
Recovery Planning Assistance to Local Governments		18079	-	126,468	-
Total N.C. Office of State Budget and Management			-	126,468	-
<u>N.C. Department of Public Safety</u>					
LRC Intermediary Agency - Forsyth County		RQ20866093	-	176,619	-
Total N. C. Department of Public Safety			-	176,619	-
<u>N.C. Department of Justice</u>					
High Point Clean Streams		PTRC022SG	-	736	-
Total N. C. Department of Justice			-	736	-
<u>Department of Health and Human Services</u>					
Passed through the Division of Aging and Adult Services:					
Aging Administrative Support		NC-07(23)	-	48,261	-
ACCESS State Appropriation/Project CARE		NC-07(23)	-	35,488	-
Senior Center General Purpose		NC-07(23)	-	236,782	236,782
Passed through Piedmont Triad Regional Development Corporation:					
In-Home Vaccination Project		30-2021-COVID-055	-	72,301	-
Total Department of Health and Human Services			-	392,832	236,782
<u>N.C. Land and Water Fund</u>					
Passed through the Dan River Basin Association:					
Dan River Recreation Stewardship Plan		2021-807	-	11,481	-
Total N.C. Land and Water Fund			-	11,481	-
Total State Awards			-	708,136	236,782
Total Federal and State Awards			\$ 23,773,783	\$ 6,746,867	\$ 16,887,849

Piedmont Triad Regional Council
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2023

Notes to the Schedule of Expenditures of Federal and State Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Piedmont Triad Council of Governments under the programs of the federal government and the State of North Carolina for the year ended June 30, 2023. The information in this SEFSA is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act. Because the SEFSA presents only a select portion of the operations of Piedmont Triad Council of Governments, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Piedmont Triad Council of Governments.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments or cost principles contained in Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

Note 3: Indirect Cost Rate

Piedmont Triad Council of Governments has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.