

MINUTES

PTRC Executive Committee

November 6, 2013

Members Present

Commissioner Kevin Austin, Yadkin County
Commissioner Bill Bencini, Guilford County
Commissioner Jimmy Blake, Town of Biscoe
Councilman Dillard Burnette, City of King
Commissioner Sharon Conaway, Town of Walnut Cove
Councilman Alvin Foster, Town of Yanceyville
Vice Chairman Darrell Frye, Randolph County
Commissioner Paul Johnson, Surry County
Commissioner Ernest Lankford, Stokes County
Councilwoman Molly Leight, City of Winston-Salem
Commissioner Will Marklin, Town of Mocksville
Commissioner Walter Marshall, Forsyth County
Commissioner Linda Massey, Alamance County
Commissioner Wayne Moore, Town of Jonesville
Mayor Pro Tem Patty Philipps, City of Mebane
Mayor Dan Pugh, Town of Lewisville
Commissioner Terry Renegar, Davie County
Commissioner Don Truell, Davidson County
Mayor Keith Volz, Town of Jamestown
Commissioner Steve Yokeley, City of Mount Airy

Members Absent

Commissioner Zane Cardwell, Rockingham County
Councilman Darryl Carter, City of Eden
Chairman Nathaniel Hall, Caswell County
Mayor Pro Tem Yvonne Johnson, City of Greensboro
Mayor Bert Lance Stone, City of Archdale
Chairman Jackie Morris, Montgomery County
Mayor Scotty Morris, Town of Denton
Mayor Bernita Sims, City of High Point
Mayor Ronnie Wall, City of Burlington

Chairman Darrell Frye welcomed the PTRC Executive Committee and called the meeting to order at 12:07 p.m. He requested a moment of silence and then led the Executive Committee in the Pledge of Allegiance.

1. PTRC Audit Presentation, Matthew Dolge, PTRC Executive Director

- a. Chairman Frye asked Mr. Terry Renegar to speak in regards to the audit presentation. Mr. Renegar thanked the Executive Committee for the opportunity to take part in the audit process. He then introduced the auditors from McGladrey LLP. McGladrey then gave a detailed overview of audit findings, including overall audit results, financial highlights, key audit and accounting issues, results of the single audit, the auditor's required communication to the board, and management judgements and accounting estimates.
- b. Overall Audit Results:
 - i. Unmodified opinion on the basic financial statements of the Piedmont Triad Regional Council.
 - ii. Report on internal control and compliance as required by Government Auditing Standards for the year ending on June 30, 2013.
 - iii. Unmodified opinion as required under OMB Circular A-133 as of and for the year ending June 30, 2013.
 - iv. Unmodified opinion as required by the State Single Audit Implementation Act of North Carolina as of and for the year ending June 30, 2013.
- c. Financial highlights:
 - i. New for the current year:
 1. Capital Project Fund to account for the Council's new headquarters.
 2. Weatherization program.
 - ii. Fund Balances:
 1. Increases in fund balance for the General Fund, Local Project Fund and Capital Project Fund.
 2. Decrease in fund balance for the Grant Project Fund.
 3. Overall net increase in fund balance.
 - iii. Net position:
 1. Increase by approximately \$303,000 (up \$277,000 from the prior year).
 2. Government-wide revenues increased \$773,000.
 3. Government-wide expenses increased \$496,000.
- d. Key Audit and Accounting Issues:
 - i. New Accounting Policies:
 1. GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.
 2. GASB Statement No. 65, Items Previously Reported as Assets and Liabilities.
 - ii. Judgements and Estimates:
 1. Capital Assets – Depreciation.
 2. Accrued Expenses – Incurred but not reported insurance claims.

3. Other Postemployment Benefits.
- iii. Adjustments During the Audit:
 1. Cash closing entries
 2. IBNR
 3. OPEB
 4. Due to and due from
 5. Vacation leave
 6. Unavailable revenues
- iv. Adjustments not made by the PTRC deemed immaterial by management and McGladrey:
 1. \$19,511 under accrual of compensated absences liability.
- v. There were two (2) items noted as control deficiencies issued in the form of a management letter.
 1. The June 30, 2013 bank reconciliation was not completed until late September.
 - a. Management is confident that the issue has been resolved and should not be a problem in the future.
 2. The Grant Project Fund was in a deficient cash position with no offsetting amount due from in any other funds.
 - a. Management will monitor the balance at the fiscal year-end transfer, via inter-fund accounts, the deficit balances.
- e. Results of Single Audit:
 - i. Unmodified opinions issued for reports required under OMB Circular A-133 and the State Single Audit Implementation Act.
 - ii. The PTRC was considered a low risk auditee, as defined by OMB Circular A-133.
 - iii. Major Programs tested:
 1. Workforce Investment Act Cluster
 2. Aging Cluster
 3. Low Income Home Energy Assistance – Weatherization
 - iv. There was one (1) compliance finding noted during the single audit testing.
 - v. Federal Award Finding:
 1. 2013-1: Workforce Investment Act Cluster whereby one individual out of a sample of twenty-five had not registered or selective service and was born after the cut-off year of 1960 as required. This resulted in questioned costs of approximately \$1,600. Management has undertaken a corrective action plan.
- f. Auditor's Required Communication to the Board:
 - i. Auditors' Responsibilities under Professional Standards:
 1. Comments: McGladrey's responsibility under auditing standards generally accepted in the United States of America; Government Auditing Standards, issued by the Comptroller General of the United States has been described to PTRC in a prior arrangement letter dated March 18, 2013.
 - ii. Accounting Practices:

- iii. Adoption of, or change in, accounting policies:
 - 1. GASB Statement No. 63 – Deferred Inflows and Outflows.
 - 2. GASB Statement No. 65 – Items Previously Reported as Assets and Liabilities .
 - 3. No significant or unusual transactions identified.
- iv. Management Judgements and Accounting Estimates:
 - 1. The preparation of financial statements requires the use of accounting estimates. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management’s expectations. McGladrey’s assessment is that management applies appropriate judgement and accounting estimates in their financial reporting.
 - 2. Audit Adjustments and Uncorrected Misstatements:
 - a. McGladrey is required to inform the Audit Committee about adjustments arising from the audit that could, in their judgement, either individually or in the aggregate, have significant effect on the financial statements.
 - 3. Disagreements with Management:
 - a. Not encountered.
 - 4. Consultation with Other Accountants:
 - a. McGladrey is not aware of any.
 - 5. Significant issues Discussed with Management:
 - a. None.
 - 6. Difficulties Encountered in Performing the Audit:
 - a. None encountered.
 - 7. Certain Written Communication Between Management and Our Firm:
 - a. Management Letter and Representation Letter
- g. Chairman Frye thanked the auditors for their services. He added that Mr. Renegar is a CPA (Certified Public Accountant) and very familiar with audits and was a tremendous help on the Audit Committee. He then also thanked the PTRC Finance Department.

2. Request for approval of October 2, 2013 minutes, Darrell Frye, Chairman

- a. Mr. Kevin Austin pointed out two corrections:
 - i. Change Mr. Alvin Foster’s government to Town of Yanceyville.
 - ii. Add Forsyth County to Mr. Walter Marshall’s attendance record.
- b. The October 2, 2013 minutes were motioned and seconded.
- c. Request for approval of October 2, 2013 minutes (with additions) was approved.

3. Piedmont Together – Local Redevelopment Design Workshops, Paul Kron, Planning Director

- a. Mr. Kron began by explaining the workshops. He stated that these workshops are centered on economic recovery and growth in communities, focusing on current

economic trends in each community and areas where financial investments have previously been made. These design workshops are used to re-establish key spaces in towns in order to maximize economic benefit to the community.

- b. He added that so far, PTRC has hosted 6 workshops. He then covered highlights of these workshops, including but not limited to consultant selection, creative thinking processes, input from design professionals, public involvement, and educational opportunities.
- c. The next steps are to hold more workshops in larger, urban areas in addition to pursuing additional funding.
- d. Chairman Frye thanked Mr. Kron and asked the Executive Committee if there were any questions. There were none, so Chairman Frye invited Ms. Althea Hairston to the front for her presentation.

4. Workforce Development Update, Althea Hairston, Workforce Development Director

- a. Ms. Hairston began by explaining NCWorks, the new Workforce Integrated Service Delivery Model. This new model includes:
 - i. Customer-focused Centers;
 - ii. Focus on skills and jobs;
 - iii. Enhanced services to employers;
 - iv. Elimination of bureaucratic barriers and waste; and
 - v. New performance metrics.
- b. Ms. Hairston then listed services that this new system can offer. Services included case management or service coordination, job search assistance, occupational skills training, resume assistance, and career planning. She added that NCWorks is accessible 24/7 with internet access.
- c. She then spoke about the certification process for Workforce Development Centers. Both levels of Career Centers require a physical location in which integrated services delivery is fully implemented. By January 1, 2014, each Workforce Area is required to complete certification for a Workforce Center. By July 1, 2014 all Workforce Centers in the State should have met the Certification Criteria. The new NCWorks system cannot be used until the certification process is complete.
- d. She added that there has been a lot of collaboration from the state and local level. Considerable support has been given to Workforce Boards, but the process of having Workforce Centers certified by January 1, 2014 has been challenging. Other challenges include:
 - i. Blending two very different cultures;
 - ii. Comfort levels with the new Management Information System;
 - iii. Dislocation of trained staff;
 - iv. Being included in legislative and executive level discussions about making system improvements in Workforce Development services in North Carolina; and
 - v. New guidelines affecting the ability to get things done in an efficient manner.

- e. Despite the challenges, Ms. Hairston stated that the Workforce Development Board can see the vision and they know the system will be stronger and better. The timeline is the most difficult part.
- f. Mr. Dolge stated that PTRC wanted to make the Executive Committee aware of these issues and that he appreciates the work done by Ms. Hairston.

5. Relocation Update, Matthew Dolge, PTRC Executive Director

- a. Mr. Dolge reminded the Executive Committee that the next meeting would be in the new building headquarters at 1398 Carrollton Crossing Drive. He then briefly covered PTRC's schedule for the next month:
 - i. 11/15: All office items, including files, supplies, etc. will be boxed up and ready to move
 - ii. 11/21, 5:00 p.m.: PTRC Winston-Salem and Greensboro offices close permanently to staff and the public. The PTRC network will also go down.
 - iii. 11/26, 8:30 a.m.: PTRC network back up and running
 - iv. 11/27-29: Thanksgiving Holidays
 - v. 12/2, 8:30 a.m.: PTRC Kernersville facility open to staff and public
- b. He concluded by telling the Executive Committee that staff will be limited during the move week, and that patience is appreciated. Mr. Dolge added that PTRC is very excited to move in to the new headquarters.

There being no other business, the meeting was adjourned at 1:15 p.m.