

**PIEDMONT TRIAD REGIONAL COUNCIL**

**FINANCIAL STATEMENTS AND  
COMPLIANCE REPORT**

For the Year Ended June 30, 2014

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**cannon&company**  
Certified Public Accountants L.L.P.

**INDEPENDENT AUDITORS' REPORT**

Board of Delegates  
Piedmont Triad Regional Council  
Kernersville, North Carolina

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and each major fund of the Piedmont Triad Regional Council as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Piedmont Triad Regional Council's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Piedmont Triad Regional Development Corporation were not audited in accordance with *Governmental Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and each major fund of the Piedmont Triad Regional Council as of June 30, 2014, and the respective changes in financial position, 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.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Other Post Employment Benefit on pages 11 through 19 and 59 and 60, respectively, 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 the 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 and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Piedmont Triad Regional Council's basic financial statements. The individual fund financial statements, budgetary schedules, and other schedules, the financial data schedules as required by the U.S. Department of Housing and Urban Development, as well as the accompanying Schedule of Federal and State Awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The Schedule of Fringe Benefits and Indirect Costs and Schedule of Detail Allocations – Fringe Benefits and Indirect Costs are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

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

In accordance with Government Auditing Standards, we have also issued our report dated March 3, 2015 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Piedmont Triad Regional Council's internal control over financial reporting and compliance.

*Cannon & Company, S.L.P.*

March 3, 2015

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**KERNERSVILLE, NORTH CAROLINA**  
**OFFICERS AND THE EXECUTIVE COMMITTEE**  
**OF THE BOARD OF DIRECTORS**

June 30, 2014

<u>Name</u>	<u>Postion</u>	<u>County/City</u>	<u>Position</u>
Molly Leight	Chairman	City of Winston-Salem	Council
Nathaniel Hall	Vice-Chair	Caswell	Commissioner
Kevin Austin	Secretary	Yadkin	Commissioner
Steve Yokeley	Treasurer	Mount Airy	Mayor Pro Tem
Darrell Frye	Past-Chairman	Randolph	Commissioner
<u>Executive Committee</u>			
Linda Massey	Member	Alamance	Commissioner
Don Truell	Member	Davidson	Commissioner
Terry Renegar	Member	Davie	Commissioner
Walter Marshall	Member	Forsyth	Commissioner
Bill Bencini	Member	Guilford	Commissioner
Jackie Morris	Member	Montgomery	Commissioner
C. Zane Cardwell	Member	Rockingham	Commissioner
Ernest Lankford	Member	Stokes	Commissioner
R.F. "Buck" Golding	Member	Surry	Commissioner
Ronnie Wall	Member	Burlington	Mayor
Marikay Abuzuaiter	Member	City of Greensboro	Council Member
Jim Davis	Member	City of High Point	Council Member



<u>Name</u>	<u>Postion</u>	<u>County/City</u>	<u>Position</u>
Patty Phillips	Member	Mebane	Mayor Pro Tem
Alvin Foster	Member	Yanceyville	Mayor Pro Tem
Joe Bennett	Member	Thomasville	Mayor
Will Marklin	Member	Mocksville	Commissioner
Dan Pugh	Member	Lewisville	Mayor
Keith Volz	Member	Jamestown	Mayor
Jimmy Blake	Member	Biscoe	Mayor
Bert Lance Stone	Member	Archdale	Mayor
Darryl Carter	Member	Eden	Councilman
Dillard Burnette	Member	King	Council Member
Wayne Moore	Member	Yadkin	Commissioner

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS**

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2014

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**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 Piedmont Triad Regional Council for the fiscal year ended June 30, 2014. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Council's financial statements, which follow this narrative.

**Overview of the Piedmont Triad Regional Council**

The Piedmont Regional Council is a Council of Governments that serves twelve counties in the Piedmont area of North Carolina. We administer various federal, state, and local programs for the benefit of our member governments.

**Financial Highlights**

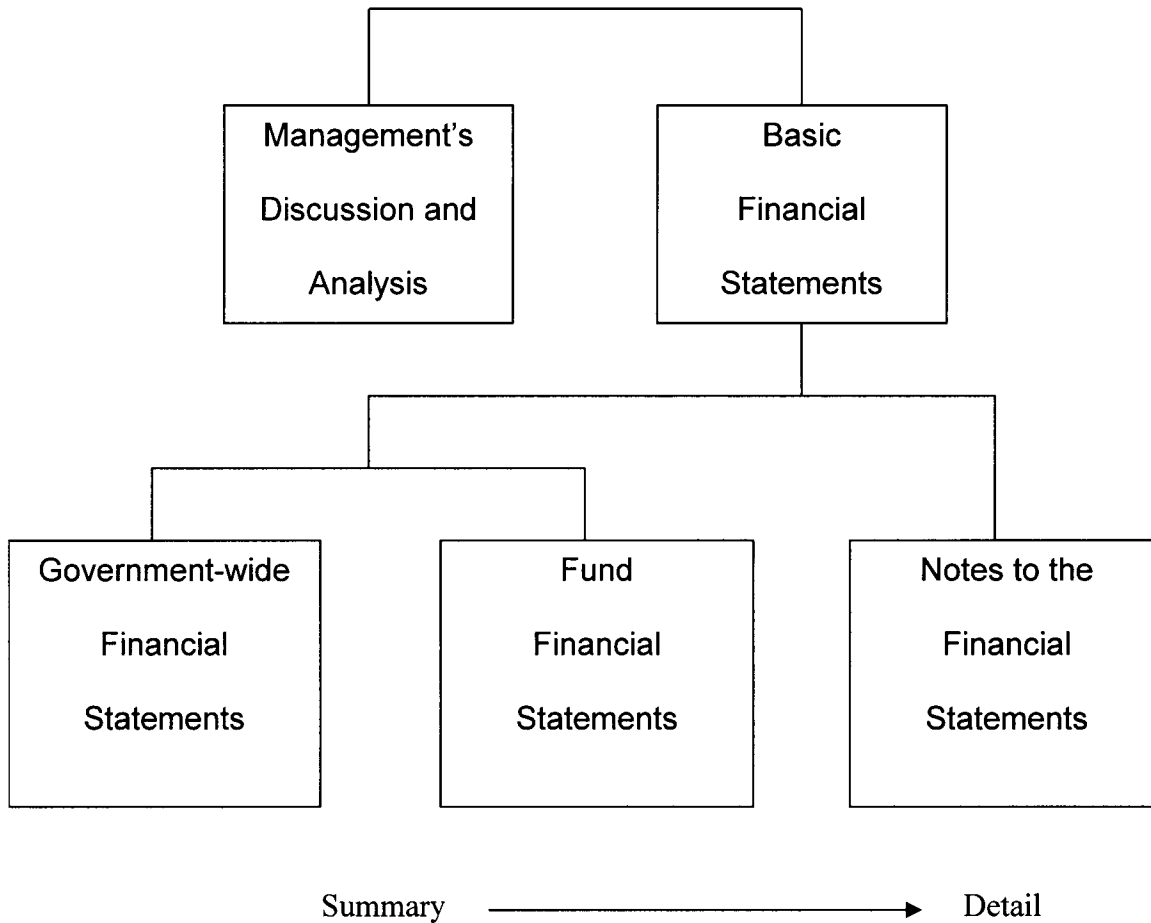
- The assets of the Council exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$3,223,959 (net position).
- The Council's total net position increased by \$32,283.
- As of the close of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$1,972,825, a decrease of \$2,281,401 in comparison with the prior year. This decrease in fund balance includes closing the capital project which had a balance of \$1,959,166. Of this total amount, no funds are available for spending at the Council's discretion due to the restricted amounts required for Stabilization of State Statutes.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,483,022.

**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's finances 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 9) 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.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2014

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The next section of the basic financial statements is the *notes*. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, *supplemental information* is provided to show details about the Council's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

**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 total liabilities and deferred outflows of resources and deferred inflows of resources. Measuring net position is one way to gauge the Council's financial condition.

The government-wide statements may be divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. However, the Council does not have any business-type activities. The governmental activities include all of the Council's basic services such as general administration, human services, regional planning and technical services. The final category is component units. Although legally separate from the Council, the Piedmont Triad Regional Development Corporation is important to the Council because the Council exercises financial control 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* that provides a short-term spending focus. As a result, the governmental fund financial statements give

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2014

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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 Fund, 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.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2014

**Piedmont Triad Regional Council**  
**Net Assets**

**Table A-1**

		Governmental Activities	
		2014	2013
Current and other assets		\$ 4,577,096	\$ 6,991,585
Capital assets		4,890,607	2,312,332
	Total assets	<u>9,467,703</u>	<u>9,303,917</u>
Current liabilities		1,659,166	1,722,575
Long-term liabilities outstanding		3,781,340	4,024,760
Deferred inflows of resources		803,238	364,906
	Total liabilities	<u>6,243,744</u>	<u>6,112,241</u>
Net position			
Invested in capital assets, net of related debt		1,096,607	769,926
Restricted		2,174,864	5,069,807
Unrestricted (deficit)		(47,512)	(2,648,057)
	Total net assets	<u>\$ 3,223,959</u>	<u>\$ 3,191,676</u>

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the Council exceeded liabilities and deferred inflows by \$3,223,959 as of June 30, 2014. The Council's net assets increased by \$32,283 for the fiscal year ended June 30, 2014. A portion of the Council's net position of \$1,096,607 reflects the Council's net investment in capital assets. An additional portion of the Piedmont Triad Regional Council Net Position of \$2,174,864 represents resources that are subject to external restrictions on how they may be used. Of the amount restricted \$2,283,247 is restricted by the State's Stabilization by State Statute.

PIEDMONT TRIAD REGIONAL COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2014

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

	Governmental Activities	
	2014	2013
Revenues:		
Program revenues:		
Charges for services	\$ 1,818,994	\$ 1,701,645
Operating grants and contributions	24,027,377	23,912,822
General revenues:		
Investment earnings	288	1,910
Other	23,168	27,185
	<u>25,869,827</u>	<u>25,643,562</u>
Expenses:		
Administration	623,527	593,418
Crime control and public safety	755,887	598,701
Economic development	100,685	54,815
Environmental protection	297,353	237,827
Health and human services	12,360,762	13,026,716
Housing	3,940,363	3,925,721
Planning	440,669	444,334
Transportation	301,254	359,058
Workforce development	5,001,111	5,084,130
Weatherization	1,957,014	761,280
Local Projects	69,158	231,379
Interest	(10,239)	22,844
	<u>25,837,544</u>	<u>25,340,223</u>
Total Expenses	<u>25,837,544</u>	<u>25,340,223</u>
Increase in net position	32,283	303,339
Net position, July 1	<u>3,191,676</u>	<u>2,888,337</u>
Net assets, June 30	<u>\$ 3,223,959</u>	<u>\$ 3,191,676</u>



**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2014

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**Governmental activities.** Governmental activities increased the Council's net position by \$32,283.

**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 Piedmont Triad Regional Council's financial requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Council. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,483,022, while total fund balance reached \$1,605,103. 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 340.6% percent of total General Fund expenditures. Total fund balance represented 368.7% percent of total General Fund expenditures.

As of June 30, 2014 the governmental funds of the Council reported a combined fund balance of \$1,972,825, a decrease of \$2,281,401 (53.6%) from the prior year. Included in this change in fund balance is a decrease in fund balance in the Grant Project Fund due to changes in HUD procedures requiring PTRC to use the HAP reserve funds and the completion of the capital project.

**Governmental Funds Budgetary Highlights:** During the fiscal year, the Council revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Amendments to the General Fund increased the budget by \$119,901. Amendments to the Grant Project Fund decreased revenues and expenditures by \$90,559; this included increases for the Planning (environmental protection, planning and transportation) programs, Administration, Weatherization and Aging programs of \$138,672, \$41,890, \$4,256 and \$432,904 respectively; and decreases in Crime Control and Public Safety programs, Housing programs and Workforce Investment Act Programs of \$87,866, \$349,507, and \$270,908 respectively. Amendments to the Local Projects Fund increased the budget by \$691,004. This included increases for Workforce Development local projects, local Aging programs, local Administrative Services projects, local Housing projects, miscellaneous other local technical assistance projects, and local administrative agreements for the criminal justice program in the amounts of \$48,234, 10,500, \$299,838, \$26,000, 278,310, \$28,122 respectively. Amendments to the Capital Projects fund increased the budget by \$842,468.

PIEDMONT TRIAD REGIONAL COUNCIL  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 For the Year Ended June 30, 2014

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**Capital Asset and Debt Administration**

**Capital assets.** The Council's investment in capital assets for its governmental activities as of June 30, 2014, totals \$4,890,607, (net of accumulated depreciation). These assets include building, land, furniture, equipment, and vehicles.

There were no major capital assets transactions during the year.

**Summary of Capital Assets (net of depreciation)**

**Table A-3**

	Governmental Activities	
	2014	2013
Land	\$ 725,600	\$ 640,890
Construction in process		744,909
Deposit on construction in process		345,336
Building	3,747,418	
Equipment, furniture and fixtures	235,278	353,335
Vehicles	182,311	227,862
	<u>\$ 4,890,607</u>	<u>\$ 2,312,332</u>

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

**Debt Administration**

	Governmental Activities	
	2014	2013
Note payable	<u>\$ 3,794,000</u>	<u>\$ 3,690,000</u>

Additional information on the Council's capital assets can be found in note F 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 Robin Shelton, Finance Director for the Piedmont Triad Regional Council.

## **Requests for Information**

This report is intended to provide a general overview of the Piedmont Triad Regional Council's finances. Questions or requests for additional information should be directed to Robin Shelton, Finance Director, Piedmont Triad Regional Council, 1398 Carrollton Crossing Drive, Kernersville, North Carolina, 27284. You may find additional information about the Council by visiting our website at [www.ptrc.org](http://www.ptrc.org).

**BASIC FINANCIAL STATEMENTS**

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**STATEMENT OF NET POSITION**  
June 30, 2014

	Primary Government	Component Unit
	Governmental Activities	Piedmont Triad Regional Development Corporation
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 1,684,149	\$ 106,110
Accounts receivable	124,592	-
Due from other governments	2,386,892	-
Due from component units	289,098	-
Other current assets	10,647	-
Prepaid expenses	81,718	-
Restricted cash	-	-
Total current assets	<u>4,577,096</u>	<u>106,110</u>
Non-Current assets:		
Capital assets:		
Nondepreciable	725,600	-
Depreciable, net of related depreciation	4,165,007	-
Total capital assets	<u>4,890,607</u>	<u>-</u>
Total assets	<u>9,467,703</u>	<u>106,110</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	1,215,673	-
Accrued expenses	104,197	-
Due to primary government	-	289,098
Loan fee deposits	-	7,500
Current portion of long-term liabilities	339,296	-
Long-term liabilities		
Bonds, capital leases and contracts		
Accrued interest	-	-
Due in more than one year	3,781,340	-
Claims and judgments	-	-
Total liabilities	<u>5,440,506</u>	<u>296,598</u>
<b>Deferred inflows of resources</b>		
Unearned revenue	<u>803,238</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	1,096,607	-
Restricted:		
Stabilization by State Statute	2,283,247	-
HUD	15,532	-
Projects	(123,915)	-
Unrestricted net deficit	(47,512)	(190,488)
Total net position	<u>\$ 3,223,959</u>	<u>\$ (190,488)</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, 2014

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Expenses	Program Revenue		Primary Government	Component Unit
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities	Northwest Piedmont Development Corporation
<b>Primary government:</b>					
<b>Governmental Activities</b>					
Administration	\$ 623,527	\$ 567,037	\$ 67,623	\$ 11,133	\$ -
Crime control and public safety	755,887	-	779,057	23,170	-
Economic development	100,685	-	98,137	(2,548)	-
Environmental protection	297,353	42,468	186,079	(68,806)	-
Health and human services	12,360,762	173,779	12,175,454	(11,529)	-
Housing	3,940,363	36,268	3,238,096	(665,999)	-
Planning	440,669	255,263	548,176	362,770	-
Transportation	301,254	48,188	253,066	-	-
Workforce development	5,001,111	132,019	4,735,251	(133,841)	-
Weatherization	1,957,014	16,929	1,946,775	6,690	-
Other local projects	69,158	547,043	(337)	477,548	-
Interest expense	(10,239)	-	-	10,239	-
Total governmental activities and primary government	<u>\$ 25,837,544</u>	<u>\$ 1,818,994</u>	<u>\$ 24,027,377</u>	<u>8,827</u>	
<b>Component Unit:</b>					
Piedmont Triad Regional Development Corporation	<u>\$ 85,897</u>	<u>\$ 48,379</u>	<u>\$ -</u>		<u>\$ (37,518)</u>
<b>General revenues:</b>					
Unrestricted investment earnings				288	2,845
Miscellaneous				23,168	-
Total general revenues				<u>23,456</u>	<u>2,845</u>
Change in net position (deficit)				32,283	(34,673)
Net position (deficit) - beginning				<u>3,191,676</u>	<u>(155,815)</u>
Net position (deficit) - ending				<u>\$ 3,223,959</u>	<u>\$ (190,488)</u>

**FUND FINANCIAL STATEMENTS**

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**BALANCE SHEETS**  
**GOVERNMENTAL FUNDS**  
June 30, 2014

	Major Funds			Total Governmental Funds
	General Fund	Grant Project Fund	Local Projects Fund	
<b>ASSETS</b>				
Cash and investments	\$ 1,491,455	\$ 192,694	\$ -	\$ 1,684,149
Sales tax receivables	65,824	56,966	1,802	124,592
Due from other governments	-	1,920,247	466,645	2,386,892
Due from other funds	56,257	-	-	56,257
Due from component unit	-	-	289,098	289,098
Prepaid expenses	-	81,276	442	81,718
Other assets	-	8,797	-	8,797
Total assets	<u>\$ 1,613,536</u>	<u>\$ 2,259,980</u>	<u>\$ 757,987</u>	<u>\$ 4,631,503</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 8,433	\$ 1,176,019	\$ 31,221	\$ 1,215,673
Due to other funds	-	-	56,257	56,257
Other liabilities	-	1,121	-	1,121
Total liabilities	<u>8,433</u>	<u>1,177,140</u>	<u>87,478</u>	<u>1,273,051</u>
Deferred inflows of Resources:				
Unavailable revenue	-	343,600	238,789	582,389
Unearned revenue	-	803,238	-	803,238
Total deferred inflows of resources	<u>-</u>	<u>1,146,838</u>	<u>238,789</u>	<u>1,385,627</u>
Fund balances:				
Nonspendable:				
Prepaid expenses	-	81,276	442	81,718
Restricted:				
Stabilization by State statute	122,081	1,642,410	518,756	2,283,247
Restricted by HUD	-	15,532	-	15,532
Restricted for local projects	-	-	431,278	431,278
Unassigned (deficit)	1,483,022	(1,803,216)	(518,756)	(838,950)
Total fund balances	<u>1,605,103</u>	<u>(63,998)</u>	<u>431,720</u>	<u>1,972,825</u>
Total liabilities and fund balances	<u>\$ 1,613,536</u>	<u>\$ 2,259,980</u>	<u>\$ 757,987</u>	<u>\$ 4,631,503</u>



**PIEDMONT TRIAD REGIONAL COUNCIL**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
 June 30, 2014

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Total fund balance, governmental funds		\$ 1,972,825
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.		
Capital assets	6,230,803	
Accumulated depreciation	<u>(1,340,196)</u>	4,890,607
Other assets are not considered to be financial resources and therefore not reported in the funds		1,847
Revenues are unavailable in the funds due to their use not being considered to be available to pay liabilities of the current period. Such liabilities are recognized as revenues in the governmental activities of the Statement of Net Position.		582,389
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds		
Note payable	(3,794,000)	
Accrued interest expense	(12,604)	
Other postemployment benefits	(50,474)	
Compensated absences	(276,161)	
Incurred but not reported claims	<u>(90,470)</u>	<u>(4,223,709)</u>
Net position of governmental activities		<u><u>\$ 3,223,959</u></u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2014

	Major Funds				Total Governmental Funds
	General Fund	Grant Project Fund	Local Projects Fund	Capital Projects Fund	
<b>REVENUES</b>					
Restricted intergovernmental	\$ -	\$ 23,835,073	\$ 397,339	\$ -	\$ 24,232,412
Fees, local governments	562,799	319,654	114,848	-	997,301
Fees, program services	4,238	96,876	720,579	-	821,693
Investment earnings	73	-	-	215	288
Miscellaneous	22	-	29,302	-	29,324
Total revenues	<u>567,132</u>	<u>24,251,603</u>	<u>1,262,068</u>	<u>215</u>	<u>26,081,018</u>
<b>EXPENDITURES</b>					
Administration	435,386	148,847	-	-	584,233
Crime control and public safety	-	413,613	340,529	-	754,142
Economic development	-	100,685	-	-	100,685
Environmental protection	-	211,869	85,484	-	297,353
Health and human services	-	12,312,856	34,646	-	12,347,502
Housing	-	3,911,671	21,581	-	3,933,252
Planning	-	260,603	180,066	-	440,669
Transportation	-	301,254	-	-	301,254
Workforce development	-	4,766,981	108,509	-	4,875,490
Weatherization	-	1,963,702	-	-	1,963,702
Other local projects	-	-	315,158	-	315,158
Capital outlay	-	-	-	2,801,333	2,801,333
Total expenditures	<u>435,386</u>	<u>24,392,081</u>	<u>1,085,973</u>	<u>2,801,333</u>	<u>28,714,773</u>
Excess (deficiency) of revenues over (under) Expenditures	131,746	(140,478)	176,095	(2,801,118)	(2,633,755)
Other financing sources:					
Transfer from other funds	-	-	-	491,952	491,952
Transfer to other funds	(491,952)	-	-	-	(491,952)
Sale of capital assets	2,354	-	-	-	2,354
Issuance of note payable	-	-	-	350,000	350,000
Net change in fund balance	(357,852)	(140,478)	176,095	(1,959,166)	(2,281,401)
Fund Balance, beginning	<u>1,962,955</u>	<u>76,480</u>	<u>255,625</u>	<u>1,959,166</u>	<u>4,254,226</u>
Fund Balance, ending	<u>\$ 1,605,103</u>	<u>\$ (63,998)</u>	<u>\$ 431,720</u>	<u>\$ -</u>	<u>\$ 1,972,825</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2014

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

Net changes in fund balances - total governmental funds \$ (2,281,401)

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	2,861,983	
Depreciation expense for governmental assets	(275,198)	
Loss on disposal of assets	<u>(8,512)</u>	2,578,273

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (205,033)

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 governmental 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.

New long-term debt issued	(350,000)	
Principal payments on long-term debt	246,000	
Decrease in accrued interest payable	<u>10,239</u>	(93,761)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued vacation leave	25,845	
Other postemployment benefits	(17,720)	
Incurred but not reported claims	<u>26,080</u>	34,205

Total change in net position of governmental activities \$ 32,283

**PIEDMONT TRIAD REGIONAL COUNCIL****GENERAL FUND****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final budget - Positive (Negative)
<b>Revenues:</b>				
Fees, local governments	\$ 157,457	\$ 562,799	\$ 562,799	\$ -
Program income	-	-	4,238	4,238
Investment earnings	5,000	100	73	(27)
Miscellaneous	-	-	22	22
Total revenues	<u>162,457</u>	<u>562,899</u>	<u>567,132</u>	<u>4,233</u>
<b>Expenditures:</b>				
Administration	602,457	1,065,285	435,386	629,899
Excess (deficiency) of revenue over (under) expenditures	<u>(440,000)</u>	<u>(502,386)</u>	<u>131,746</u>	<u>634,132</u>
<b>Other financing sources:</b>				
Transfer to capital project fund	-	-	(491,952)	(491,952)
Sale of capital assets	-	2,386	2,354	(32)
Total other financing sources	<u>-</u>	<u>2,386</u>	<u>(489,598)</u>	<u>(491,984)</u>
Fund balance appropriated	440,000	500,000	-	500,000
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(357,852)</u>	<u>\$ (357,852)</u>
Fund balance, beginning			<u>1,962,955</u>	
Fund balance, ending			<u>\$ 1,605,103</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 Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final budget - Positive (Negative)
<b>Revenues:</b>				
Restricted intergovernmental	\$ 27,119,776	\$ 27,070,787	\$ 23,834,473	\$ (3,236,314)
Fees, local governments	337,159	357,481	320,254	(37,227)
Fees, program services	141,002	79,110	96,876	17,766
<b>Total revenues</b>	<u>27,597,937</u>	<u>27,507,378</u>	<u>24,251,603</u>	<u>(3,255,775)</u>
<b>Expenditures:</b>				
Administration	165,788	226,592	148,847	77,745
Crime control and public safety	1,160,678	1,072,812	413,613	659,199
Economic Development	28,544	145,247	100,685	44,562
Environmental protection	140,720	237,373	211,869	25,504
Health and human services	11,924,020	12,356,924	12,312,856	44,068
Housing	4,525,395	4,154,900	3,911,671	243,229
Planning	498,591	262,963	260,603	2,360
Transportation	263,608	301,255	301,254	1
Workforce development	6,793,137	6,762,229	4,766,981	1,995,248
Weatherization	2,097,456	1,987,083	1,963,702	23,381
<b>Total expenditures</b>	<u>27,597,937</u>	<u>27,507,378</u>	<u>24,392,081</u>	<u>3,115,297</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(140,478)	<u>\$ (140,478)</u>
Fund balance, beginning			<u>76,480</u>	
Fund balance, ending			<u>\$ (63,998)</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 Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final budget - Positive (Negative)
<b>Revenues:</b>				
Restricted intergovernmental	\$ 524,850	\$ 561,972	\$ 397,339	\$ (164,633)
Fees, local governments	208,494	114,948	114,848	(100)
Fees, program services	961,058	1,295,191	720,579	(574,612)
Other	-	413,295	424,722	11,427
Total revenues	<u>1,694,402</u>	<u>2,385,406</u>	<u>1,657,488</u>	<u>(727,918)</u>
<b>Expenditures:</b>				
Crime control and public safety	524,850	552,972	340,529	212,443
Environmental protection	101,210	93,075	85,484	7,591
Health and human services	120,500	131,000	34,646	96,354
Housing	-	26,000	21,581	4,419
Planning	235,255	222,781	180,066	42,715
Workforce development	169,755	217,989	108,509	109,480
Other local projects	542,832	1,141,589	710,578	431,011
Total expenditures	<u>1,694,402</u>	<u>2,385,406</u>	<u>1,481,393</u>	<u>904,013</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>176,095</u>	<u>(1,631,931)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>176,095</u>	<u>\$ 176,095</u>
Fund balance, beginning			<u>255,625</u>	
Fund balance, ending			<u>\$ 431,720</u>	

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2014

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**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Piedmont Triad Regional Council (the Council) conform to generally accepted accounting principles as applicable to governments. The accounting policies of the discretely presented component units of the Council conform to generally accepted accounting principles as applicable to nonprofit organizations. The following is a summary of the more significant accounting policies.

General

On July 1, 2011, the Northwest Piedmont Council of Governments and the Piedmont Triad Council of Governments were dissolved. Both Councils of Governments were merged together forming the Piedmont Triad Regional Council.

The Council's purpose is to enhance and promote the potential of the Piedmont Region of North Carolina in the counties of Alamance, Caswell, Davidson, Davie, Forsyth, Guilford, Montgomery, Randolph, Rockingham, Stokes, Surry and Yadkin (the Counties) along with municipalities in each county. Part of its powers and duties is to apply for, accept, receive and dispense funds and grants made available to the Council by the State of North Carolina or any agency thereof, by the United States of America or any agency thereof, by any unit of local government, and by any private or civic agency. It also studies regional governmental problems concerning matters affecting health, safety, welfare, education, recreation, economic conditions, regional planning and regional development. In addition, it is also engaged in regional planning related to land use, environmental concerns and needs of the elderly population.

Reporting Entity

The Council, a regional council of governments established under State Law (G.S. 160A-470), is governed by representatives from its member governments in the Counties along with municipalities in each county. As required by generally accepted accounting principles, these financial statements present the Council and its component units, legally-separate entities for which the Council is financially accountable.

Blended Component Unit

*Northwest Piedmont Job Training Consortium/Workforce Development Board*

The Northwest Piedmont Job Training Consortium/Private Industry Council (the Consortium), a nonprofit corporation, was formed in 1989 for the purpose of applying for federal funds under the Job Training Partnership Act (J.T.P.A.). On May 28, 1999, the Consortium changed its name to Northwest Piedmont Job Training Consortium/Workforce Development Board.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014

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**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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. The members of the board of directors of the Consortium are appointed by county commissioners from each county in the W.I.A. Local Area. The Consortium's responsibility is to provide policy guidance for, and exercise oversight of activities under the Workforce Investment Act for the Workforce Investment Area in partnership with the units of local governments, partner agencies and businesses. The Consortium has no financial activity as all W.I.A. funds received are expended directly by the Council. The Council is also responsible for determining the program is carried out. The W.I.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 Regional Development Corporation*

The Northwest Piedmont Development Corporation, a nonprofit corporation, was formed in 1983 for the purpose of being the regional organization for processing small business loan packages under the U.S. Small Business Administration's 504 Loan Program. On July 1, 2011, The Northwest Piedmont Development Corporation changed its name to the Piedmont Triad Regional Development Corporation (the Corporation). The Corporation's income is generated by fees it earns on loans it processes. The Council provides staff for the Corporation under a contractual agreement where the Corporation is billed for staff time and expenses. This contract may be revoked at any time by mutual consent. This contractual arrangement also makes the Corporation financially dependent upon the Council, which is legally entitled to access the Corporation's financial resources, and which budgets for and processes all of the Corporation's financial transactions on behalf of the Corporation. Also, the Council influences the Corporation by appointing members of the Corporation, who subsequently elect members of the board of directors for the Corporation, who are then approved by the Council. The Corporation issues a separate financial statement in accordance with the Financial Accounting Standards Board (FASB). There were no adjustments required to be made to the Corporation's financial statements in order to present the Corporation's financial information in accordance with Governmental Accounting Standards Board (GASB). The Corporation, which has a June 30 year-end, is presented as a proprietary fund. 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 28284.



**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Basis of Presentation

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements present the *governmental activities* of the Council. Government activities generally are financed through intergovernmental revenues and other non-exchange transactions.

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

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

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

The Council reports the following major governmental funds:

*General Fund:* The General Fund is the general operating fund of the Council. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue source is dues from members. Expenditures are for administration.

*Special Revenue Fund - Grant Project Fund:* This fund accounts for grant funds that are restricted for use for a particular purpose.

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*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.

*Capital Projects Fund:* This fund is used to account for specific revenues that are restricted to expenditures for the engineering, site work and construction of the Council's new building headquarters. This project is financed through a note payable with a financial institution.

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. Nonexchange transactions, in which the Council gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014

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**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Budgetary Data

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

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

*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.

State law [G.S. 159-30(c)] authorizes the Council to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain nonguaranteed federal agencies; certain high-quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The securities of the NCCMT Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014

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**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Cash and cash equivalents:*

The Council pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered 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. The allowance at June 30, 2014 was \$-0-.

*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 Workforce Investment Act funds and Weatherization Assistance Program funds for which capitalization costs are \$500. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. 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>
Vehicles	10
Furniture and equipment	5
Computer equipment	5
Computer software	5
Telephone equipment	10

**PIEDMONT TRIAD REGIONAL COUNCIL**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

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**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Asset Class	Estimated Useful Lives
Vehicles	10
Furniture and equipment	5
Computer equipment	5
Computer software	5
Telephone equipment	10

*Due to Piedmont Triad Regional Council:*

The Corporation has entered into a contractual agreement with the Council under which the Corporation is billed for staff time and expenses. This contractual arrangement makes the Corporation financially dependent upon the Council, which is legally entitled to access the Corporation's financial resources. Under this agreement, the Council will cover any shortfalls or timing issues with funding that the Corporation may have resulting in an amount due to the Council at year end.

*Loan fee deposits:*

The Corporation introduced a loan fee deposit requirement during the year ended June 30, 1999. This deposit (lesser of \$2,500 or 1% of loan amount) represents the amount the SBA considers earned by the Corporation at the time of the receipt of the deposit. At loan closing, this deposit is credited toward closing costs. In the event the loan fails to close due to the borrower, the Corporation retains the loan fee deposit and recognizes it as revenue. If the failure to close is not due to the borrower, the deposit is refunded.

*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 had no items that met this criterion at the current year end. 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 items that meet the criterion for this category. These items are listed in Note J.

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*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. This is designated as a current liability in the government-wide financial statements.

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 position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances: In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The government fund types classify fund balance as follows:

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Prepaid items – represents that portion of fund balance in the governmental funds for prepaid items, such as postage and other prepaid expenses.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014

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**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Restricted fund balance: This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State Statute – portion of fund balance that is restricted by State Statute [G.S. 159-8 (s)].

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

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

Unassigned fund balance: The portion of total fund balance available for appropriation that has not been restricted, committed, or assigned to specific purposes or other funds.

The Council has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: federal funds, state funds, local funds, and other funds. The Executive Director has the authority to deviate from this policy if it is in the best interest of the Council. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Revenues, Expenditures and Expenses

*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. A special indirect cost rate workforce development and crime control satellite offices is determined based on the ratio of total indirect costs of the satellite offices to total direct salaries in those offices.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014

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**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The provisional standard rates for the fiscal year were reviewed and accepted by the U.S. Department of Housing and Urban Development at the rates of 29.25% for fringe benefits and 40.50% for indirect cost. The actual rates for the year ended June 30, 2014, for fringe benefits and indirect cost were 29.25% and 40.50%, respectively. All charges to programs for fringe and indirect costs were adjusted to actual as of June 30, 2014.

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 deferred revenues.

Use of Estimates

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

**NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Noncompliance with North Carolina General Statutes**

Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2014, there was no budget authorization for the transfer in the amount of \$491,952 from the General Fund to the Capital Project Fund. Management and the Board will more closely review the budget reports to ensure compliance in future years.

**NOTE C - CASH AND INVESTMENTS**

Deposits

All the deposits of the Council are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Council's agent in the Council's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State



**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014

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**NOTE C- CASH AND INVESTMENTS (CONTINUED)**

Treasurer is acting in a fiduciary capacity for the Council, these deposits are considered to be held by the Council's agent in the Council's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Council or the escrow agent. Because of the inability to measure the exact amount of collateral pledges for the Council under the Pooling Method, the potential exists for under-collateralization, and 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, 2014, the Council's deposits had a carrying amount of \$975,136 and a bank balance of \$1,670,112. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$1,170,112 in interest-bearing deposits was covered by collateral held under the Pooling Method. The Council had \$0 cash on hand.

At June 30, 2014, the Corporation's deposits had a carrying amount of \$106,110 and a bank balance of \$106,110. All of the bank balance was covered by federal depository insurance. The Corporation had \$0 cash on hand.

Investments

At June 30, 2014, the Piedmont Triad Regional Council had \$709,013 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAm by Standard and Poor's. The Council has no policy regarding credit risk.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

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**NOTE D - DUE FROM OTHER GOVERNMENTS**

Amounts due from other governments are summarized as follows:

**Special Revenue Fund - Grant Project Fund**

Appalachian Regional Commission	\$ 9,906
U.S. Department of Housing and Urban Development	15,869
N.C. Department of Agriculture and Consumer Services	5,874
N.C. Clean Water Management Trust Fund	192,726
N.C. Department of Environment and Natural Resources	48,355
N.C. Department of Commerce	366,746
N. C. Department of Crime Control and Public Safety	21,538
N.C. Department of Health and Human Services	1,010,105
N.C. Department of Transportation	76,303
Local governments and agencies	<u>172,825</u>
<b>Total Grant Project Fund</b>	<b>1,920,247</b>

**Special Revenue Fund - Local Projects Fund**

Local governments and agencies	<u>466,645</u>
<b>Total Due from Other Governments</b>	<b><u>\$ 2,386,892</u></b>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE E - CAPITAL ASSETS**

**Primary Government**

Capital asset activity for the primary government for the year ended June 30, 2014, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 640,890	\$ 84,710	\$ -	\$ 725,600
Construction in process	744,909	-	744,909	-
Deposit on construction in process	345,336	-	345,336	-
Total capital assets not being depreciated	<u>1,731,135</u>	<u>84,710</u>	<u>1,090,245</u>	<u>725,600</u>
Capital assets being depreciated				
Building	\$ -	\$ 3,806,868	\$ -	\$ 3,806,868
Equipment, furniture and fixtures	1,188,796	45,096	135,341	1,098,551
Vehicles	584,230	15,554	-	599,784
Total capital assets being depreciated	<u>1,773,026</u>	<u>3,867,518</u>	<u>135,341</u>	<u>5,505,203</u>
Less accumulated depreciation for:				
Buildings	-	59,450		59,450
Equipment, furniture and fixtures	835,461	154,643	126,831	863,273
Vehicles	356,368	61,105	-	417,473
Total accumulated depreciation	<u>1,191,829</u>	<u>\$ 275,198</u>	<u>\$ 126,831</u>	<u>1,340,196</u>
Total capital assets being depreciated, net	<u>581,197</u>			<u>4,165,007</u>
Governmental activity capital assets, net	<u>\$ 2,312,332</u>			<u>\$ 4,890,607</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2014

**NOTE E - CAPITAL ASSETS (CONTINUED)**

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

Administration	\$ 73,499
Crime control and public safety	1,745
Health and human services	13,260
Housing	7,111
Transportation	-
Weatherization	10,718
Workforce Investment Act	<u>168,865</u>
 Total depreciation expense	 <u><u>\$ 275,198</u></u>

**Discretely Presented Component Units**

Capital asset activity for the Piedmont Triad Regional Development Corporation for the year ended June 30, 2014, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets being depreciated:				
Equipment	<u>\$ 625</u>	<u>\$ -</u>	<u>\$ 625</u>	<u>\$ -</u>
Less accumulated depreciation for:				
Equipment	<u>625</u>	<u>-</u>	<u>625</u>	<u>-</u>
 Piedmont Triad Regional Development Corporation capital assets, net	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2014

**NOTE F - LONG-TERM OBLIGATIONS**

On April 18, 2013, the Council entered into a note payable with a financial institution for the construction of the Council's new headquarters. The total available on the loan was \$3,690,000 of which the entire amount was borrowed. The note payable requires annual principal payments of \$246,000 plus interest at 2.69% per annum starting April 8, 2014 through April 8, 2028.

Annual debt service requirements to maturity for the note payable are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2015	246,000	92,644
2016	246,000	86,026
2017	246,000	79,409
2018	246,000	72,791
2019	246,000	66,174
2020-2024	1,230,000	231,608
2025-2028	984,000	66,174
	<u>\$ 3,444,000</u>	<u>\$ 694,826</u>

On October 16, 2013, the Council entered into a note payable with a financial institution to facilitate additional improvements for the construction of the Council's new headquarters. The loan amount was \$350,000. The note payable requires various annual principal payments plus interest at 1.97% per annum starting October 16, 2014 through October 16, 2018.

Annual debt service requirements to maturity for the note payable are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2015	67,296	6,895
2016	68,622	5,569
2017	69,973	4,217
2018	71,352	2,839
2019	72,757	1,433
	<u>\$ 350,000</u>	<u>\$ 20,953</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2014

**NOTE F - LONG-TERM OBLIGATIONS (CONTINUED)**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

	Balances July 1, 2013	Increases	Decreases	Balances June 30, 2014	Current Portion of Balance
Governmental activities:					
Note payable	\$ 3,690,000	\$ -	\$ 246,000	\$ 3,444,000	\$ 246,000
Note payable	-	\$ 350,000	-	\$ 350,000	67,296
Compensted absences	302,006	-	25,844	276,162	26,000
OPEB Liability	32,754	17,720	-	50,474	-
	<u>\$ 4,024,760</u>	<u>\$ 367,720</u>	<u>\$ 271,844</u>	<u>\$ 4,120,636</u>	<u>\$ 339,296</u>

**NOTE G - LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM**

Plan Description. The Council contributes to 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 provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute 6% of their annual covered salary. The Council is required to contribute at an actuarially determined rate. For the Council, the rate for employers was 7.07% of annual covered payroll. The contribution requirements of members and of the Council are established and may be amended by the North Carolina General Assembly. The Council's contributions to LGERS for the years ended June 30, 2014, 2013, and 2012 were \$316,764, \$286,730, and \$272,376, respectively. The contributions made by the Council equaled the required contributions for each year.

Deferred Compensation Pension Plan. The Council sponsors a deferred compensation pension plan (under the provisions of Internal Revenue Code Section 457) through The National Association of Counties. This plan covers all full-time employees of the Council who elect to participate in this

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014

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**NOTE G - LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM**  
**(CONTINUED)**

deferred compensation program. Plan contributions by employees amounted to \$52,125, during the fiscal year ended June 30, 2014, and ending investment balance in the plan at June 30, 2014 was \$1,112,442. The plan's assets remain the property of the Council until paid, subject only to the claims of the Council's general creditors. The fiduciary responsibility of the Council is to make regular, periodic payments as required by the plan. These payments are made to Nationwide Retirement Solutions, Inc., which acts as trustee and a third party administrator for the plan. Accordingly, Plan assets are not included in the Council's financial statements.

401(k) Retirement Plan. The Council participates in the Supplemental Retirement Income Plan under Internal Revenue Code Section 401(k), established by action of the 1984 North Carolina General Assembly for law enforcement officers and general employees. The Plan, which is available to all Council employees, is a defined contribution plan and is tax exempt under Section 401(k) of the Internal Revenue Code. The Council contributed each month an amount equal to

2.5% of each participant's gross wages for the fiscal year ended June 30, 2014. All amounts are vested immediately. Also, the participants may make voluntary contributions to the Plan.

Contributions for the year ended June 30, 2014 totaled \$191,143, which consisted of \$110,957 from the Council and \$80,186 from employees.

**NOTE H - OTHER POST-EMPLOYMENT BENEFITS – HEALTH CARE BENEFIT PLAN**

Plan Description. On July 11, 2011, under the terms of a Council resolution, the Council adopted a single-employer defined benefit Healthcare Benefits Plan (HCB plan). The HCB plan provides postemployment healthcare benefits to retirees of the Council, provided they participate in the North Carolina Local Government Employees' Retirement System (NCLGERS), have at least twenty years of service with the Council or other Council of Government. The employee's service retirement cannot be reduced by taking early retirement options by more than 15%.

Employees that meet these qualifications can purchase retiree coverage through the Council and can receive a portion of their coverage paid by the Council depending on the years of service.

The Council may amend the HCB plan at its discretion. A separate report was not issued for the HCB plan.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2014

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**NOTE H - OTHER POST-EMPLOYMENT BENEFITS – HEALTH CARE BENEFIT PLAN**  
**(CONTINUED)**

Membership of the HCB Plan at June 30, 2014, the alternative measurement valuation date, consisted of the following:

Active plan members	87
Retirees receiving benefits	<u>2</u>
Total	<u><u>89</u></u>

Funding Policy. The Council currently pays for postemployment healthcare benefits on a pay-as-you-go basis. Retirees contribute a substantial portion of the retiree healthcare coverage to the Council which then remits the entire premium amount to the private insurer. Postemployment benefit expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due. In the fiscal year ended June 30, 2014, the Council’s total contributions were \$4,800.

Annual OPEB Cost and Net OPEB Obligation: The Council’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer.

The Council has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the Council’s annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the Council’s net OPEB obligation for the postemployment healthcare benefits:



**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2014

**NOTE H - OTHER POST-EMPLOYMENT BENEFITS – HEALTH CARE BENEFIT PLAN  
 (CONTINUED)**

Annual required contribution (ARC)	\$ 22,089
Interest on OPEB obligation	431
Adjustment to ARC	-
Annual OPEB Cost (pay-as-you-go)	<u>22,520</u>
Contributions made	<u>(4,800)</u>
Increase in net OPEB obligation	17,720
Net OPEB obligation, beginning of year	32,754
Net OPEB obligation, end of year	<u><u>\$ 50,474</u></u>

Trend information being accumulated for the Council’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation was as follows:

<u>For Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$ 22,520	21.31%	\$ 50,474
2013	22,402	21.43%	32,754
2012	19,952	24.06%	15,152

Funded Status and Funding Progress: As of June 30, 2014, the alternative measurement method accrued liability for benefits was \$310,899, which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$3,432,479, and the ratio of the unfunded alternative measurement method accrued liability (UAMMAL) to the covered payroll was 9.06%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of event far into the future. Examples include assumptions about future employment, morality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about the value of plan assets and the accrued liabilities for benefits.

**NOTE H - OTHER POST-EMPLOYMENT BENEFITS – HEALTH CARE BENEFIT PLAN  
(CONTINUED)**

Alternative Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each calculation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The alternative methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in alternative measurement method accrued liabilities and the alternative measurement method value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

*Retirement age for active employees* – Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 60, or at the first subsequent year in which the member would qualify for benefits.

*Marital status* – Marital status of members at the calculation date was assumed to continue throughout retirement.

*Mortality* – Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2003 United States Life Tables for Males and for Females were used.

*Turnover* – Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for development of an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

*Healthcare cost trend rate* – The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services. A rate of 1.5% was based on the Council's flat supplemental rate that does not change with the respective healthcare premium changes. The Board, at its discretion, can change the amount offered.

*Health insurance premiums* – 2013 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

*Inflation rate* – The expected long-term inflation assumption of 1.5% was based on the Council's flat supplemental rate that does not change with the respective healthcare premium changes. The Board, at its discretion, can change the amount offered.

**NOTE H - OTHER POST-EMPLOYMENT BENEFITS – HEALTH CARE BENEFIT PLAN  
(CONTINUED)**

*Payroll growth rate* – The expected long-term payroll growth rate was assumed to be at 1.5%. Based on the historical and expected returns of the Council's short-term investment portfolio, a discount rate of 4% was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded alternative measurement method accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2014, was 29 years.

**NOTE I - OTHER EMPLOYMENT BENEFITS**

The Council has also elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (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. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State.

For the fiscal year ended June 30, 2014, the Council made contributions to the State for death benefits of \$0. The Council's required contributions for employees represented 0.00% of covered payroll. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2014

**NOTE J – DEFERRED INFLOWS OF RESOURCES**

The balance in unavailable or unearned revenue on the fund statements and unearned revenues on the government-wide statements at year-end is composed of the following:

	Unavailable	Unearned
<b>Special Revenue Fund - Grant Project Fund</b>		
Receivables not available	\$ 343,600	\$ -
Revenue received in advance of timing requirements	-	803,238
<b>Total Grant Project Fund</b>	<b>\$ 343,600</b>	<b>\$ 803,238</b>
<b>Special Revenue Fund - Local Project Fund</b>		
Receivables not available	\$ 238,789	\$ -
Revenue received in advance of timing requirements	-	-
<b>Total Local Project Fund</b>	<b>238,789</b>	<b>-</b>
<b>Total Governmental Funds</b>	<b>\$ 582,389</b>	<b>\$ 803,238</b>

**NOTE K - 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 two self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, 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, workers' compensation coverage up to statutory limits, and employee health coverage. 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 NC 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

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2014

**NOTE K - RISK MANAGEMENT (CONTINUED)**

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 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, 2014 and 2013 are as follows:

	2014	2013
Reserve, beginning of year	116,550	148,331
Contributions to HRA by Piedmont Triad Regional Council	-	-
Less claims paid	(93,207)	(55,351)
Reserve, end of year	<u>\$ 90,470</u>	<u>\$ 116,550</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE L - INTERFUND BALANCES**

The composition of interfund balances as of June 30, 2014, is as follows.

Due to/from primary government and component units:

Receivable Fund	Payable Fund	Balance
General Fund	Local Project Fund	\$ 56,257

Transfers to/from other funds at June 30, 2014, consist of the following:

From the General Fund to the Capital Project Fund	\$ 491,952
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Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations.

During the 2014 fiscal year, the Corporation made a transfer from the General Fund of \$491,952 to the Capital Project Fund for the completion of the building project.

**NOTE M – 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 through SBA 503/504 fees revenue. 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 \$85,898 in 2014. In return, the Corporation agreed to (1) transfer all current assets and revenues to the Council within ten days; (2) submit requests for budgeted expenditures to the Council for payment; (3) submit a budget for each for the coming years to the Council for approval; and (4) refrain from seeking funds directly from local governments.

Due to Council, beginning of year	\$ 203,200
Advances from Council	85,898
Less repayments to Council	-
Due to Council, end of year	\$ 289,098

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2014

**NOTE N – LEASE OBLIGATIONS**

The Council leases certain office spaces under operating leases, which expire at various times through September 30, 2018. The Council has the ability to renew these leases at its discretion.

These operating leases specify monthly payments of \$200 to \$19,333 with increases each year. These leases for office space have cancellation clauses under which the parties agree that the rental payment is dependent upon the appropriation, allocation, or availability of funds for this purpose to the Council, and the leases shall automatically terminate upon depletion of such funds.

The Council leases various pieces of equipment, such as copiers and postage meters, on a month-to-month basis.

Rent expense for the year ended June 30, 2014, was comprised of \$302,500 for office space and \$60,120 for equipment.

The following is a summary of future operating lease commitments:

Fiscal Year Ending	Amount
2015	\$ 57,900
2015	57,900
2016	57,900
2017	57,900
2018	14,475
	-
	<u>\$ 246,075</u>

**NOTE O - THIRD PARTY AGREEMENTS**

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

- Alamance County
- Davie County
- Forsyth County
- Rockingham County
- Stokes County
- Surry County
- Yadkin County
- City of Archdale
- City of Asheboro
- City of High Point
- City of Mebane
- City of Reidsville
- City of Winston Salem
- Town of Booneville
- Town of Gibsonville
- Town of Kernersville
- Town of Stoneville

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

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014

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**NOTE P - 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

**NOTE Q - 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 moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statement for the refund of grant monies.

**NOTE R – NET INVESTMENT IN CAPITAL ASSETS**

	<u>Governmental</u>
Capital assets	\$ 4,890,607
less: long-term debt	<u>3,794,000</u>
Net investment in capital asset	<u>\$ 1,096,607</u>



**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2014

**NOTE S – 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	\$	1,605,103
Less:		
Stabilization by State Statute		122,081
Working Capital / Fund Balance Policy		-
Remaining Fund Balance	\$	1,483,022

**NOTE T – ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED**

The GASB has issued several pronouncements prior to June 30, 2014 that have effective dates that may affect future financial presentation. Management has not currently determined what, if any, effect implementation of the following statements may have on the financial statements of the Council.

GASB Statement No. 66: Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62. This Statement is effective for periods beginning after December 15, 2012 (the Council’s 2014 fiscal year).

GASB Statement No. 67: Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25. This Statement is effective for periods beginning after June 15, 2013 (the Council’s 2014 fiscal year).

GASB Statement No. 68: Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This Statement is effective for periods beginning after June 15, 2014 (the Council’s 2015 fiscal year).

GASB Statement No. 69: Government Combinations and Disposals of Government Operations. This Statement is effective for periods beginning after December 15, 2013 (the Council’s 2015 fiscal year).

GASB Statement No. 70: Accounting and Financial Reporting for Nonexchange Financial Guarantees. This statement is effective for periods beginning after June 15, 2013 (the Council’s 2014 fiscal year).

## **REQUIRED SUPPLEMENTARY FINANCIAL DATA**

This section contains additional information required by generally accepted accounting principles.

- Schedule of Funding Progress for the Healthcare Benefit Plan
- Schedule of Employer Contributions for the Healthcare Benefit Plan
- Notes to the Required Schedules

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**HEALTHCARE BENEFITS PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**JUNE 30, 2014**

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (A.A.L.) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
6/30/2014		310,899	310,899	0.00%	3,432,479	9.06%
6/30/2013	-	308,799	308,799	0.00%	3,235,180	9.55%
6/30/2012	-	267,245	267,245	0.00%	2,709,168	9.86%

**PIEDMONT TRIAD REGIONAL COUNCIL  
HEALTHCARE BENEFITS PLAN  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
JUNE 30, 2014**

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2014	22,089	21.73%
2013	22,000	21.82%
2012	19,568	24.53%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the alternative measurement method valuation at the date indicated. Additional information as of the latest alternative measurement method valuation follows:

Valuation date	6/30/2014
Alternative measurement method	Percentage of payroll
Amortization method	Level percent of pay open
Remaining amortization period	29 years
Asset valuation method	Marker value of assets
Alternative measurement method assumptions:	
Investment rate of return	4.00%
Projected salary increases	1.50%
Includes inflation at	1.50%

**INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

**PIEDMONT TRIAD REGIONAL COUNCIL****GENERAL FUND****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -****BUDGET AND ACTUAL**

For the Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Fees, local governments	\$ 562,799	\$ 562,799	\$ -
Investment earnings	100	73	(27)
Program income	-	4,238	4,238
Miscellaneous	-	22	22
Total revenues	<u>562,899</u>	<u>567,132</u>	<u>4,233</u>
<b>Expenditures:</b>			
<b>Administration</b>			
General and administrative	84,936	81,030	3,906
Travel and training	86,847	26,769	60,078
Supplies	8,796	8,072	724
Rent	1,800	4,500	(2,700)
Local match	342,927	305,131	37,796
Indirect cost	-	9,884	(9,884)
Debt services	500,000	-	500,000
Capital outlay	39,979	-	39,979
Total expenditures	<u>1,065,285</u>	<u>435,386</u>	<u>629,899</u>
Excess of revenues over (under) expenditures before other financing sources and uses	(502,386)	131,746	634,132
<b>Other financing sources (uses):</b>			
Transfer to other funds	-	(491,952)	(491,952)
Sale of capital assets	2,386	2,354	(32)
Total Other financing sources (uses):	<u>2,386</u>	<u>(489,598)</u>	<u>(491,984)</u>
Fund balance appropriated	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(357,852)</u>	<u>\$ (357,852)</u>
Fund balance, beginning		<u>1,962,955</u>	
Fund balance, ending		<u>\$ 1,605,103</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 Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental revenues	\$ 27,070,787	\$ 23,834,473	\$ (3,236,314)
Fees, local governments	357,481	320,254	(37,227)
Fees, program services	79,110	96,876	17,766
Total revenues	<u>27,507,378</u>	<u>24,251,603</u>	<u>(3,255,775)</u>
<b>Expenditures:</b>			
<b>Administration</b>			
Appalachian Regional Commission 302(a)			
Salaries and fringe	147,945	100,539	47,406
Travel and training	10,245	5,744	4,501
General administrative	6,639	-	6,639
Rent	1,504	1,504	-
Supplies	342	342	-
Indirect costs	59,917	40,718	19,199
Total Appalachian Regional Commission 302(a)	<u>226,592</u>	<u>148,847</u>	<u>77,745</u>
<b>Crime control and public safety</b>			
Salaries and fringe	206,391	129,983	76,408
Travel and training	126,026	15,153	110,873
Professional services	675,354	224,019	451,335
General administrative	5,000	2,419	2,581
Rent	-	-	-
Supplies	46,044	29,448	16,596
Capital outlay	-	-	-
Non-capital asset expenses	-	-	-
Indirect costs	13,997	12,591	1,406
Total crime control and public safety	<u>1,072,812</u>	<u>413,613</u>	<u>659,199</u>
<b>Economic development</b>			
<b>CDBG</b>			
Salaries and fringe	69,761	50,835	18,926
Travel and training	3,199	2,986	213
Professional services	500	475	25
General administrative	5,999	5,821	178
Supplies	402	442	(40)
Indirect costs	28,252	20,591	7,661
Total CDBG	<u>108,113</u>	<u>81,150</u>	<u>26,963</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 Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
<b>TA projects (ARC Housing, Eater, Tech)</b>			
Salaries and fringe	25,937	13,751	12,186
Travel and training	695	169	526
General administrative	-	46	(46)
Indirect costs	10,502	5,569	4,933
Total TA projects	<u>37,134</u>	<u>19,535</u>	<u>17,599</u>
Total economic development	<u>145,247</u>	<u>100,685</u>	<u>44,562</u>
<b>Environmental protection</b>			
Salaries and fringe	83,515	81,117	2,398
Travel and training	3,752	3,401	351
Professional services	109,283	90,499	18,784
General administrative	5,000	4,000	1,000
Supplies	2,000	-	2,000
Indirect costs	33,823	32,852	971
Total environmental protection	<u>237,373</u>	<u>211,869</u>	<u>25,504</u>
<b>Health and Human services</b>			
Aging and Home and Community Care Block Grant			
Salaries and fringe	1,127,642	1,142,915	(15,273)
Travel and training	81,798	71,765	10,033
Professional services	4,500	3,310	1,190
Rent	14,335	14,335	-
General administrative	101,562	98,670	2,892
Supplies	76,140	34,269	41,871
Non-capital asset expenses	-	-	-
Indirect costs	456,455	462,881	(6,426)
Sub recipient expenses	10,494,492	10,484,711	9,781
Total Aging and Home and Community Care Block Grant	<u>12,356,924</u>	<u>12,312,856</u>	<u>44,068</u>
<b>Housing</b>			
Section 8 Housing Assistance			
HAP payments	3,386,912	3,349,617	37,295
Salaries and fringe	300,496	255,138	45,358
Travel and training	7,750	7,483	267
Rent	4,830	4,830	-
Professional services	1,300	1,343	(43)
General administrative	35,600	65,016	(29,416)
Supplies	2,800	1,750	1,050
Capital outlay	-	-	-
Non-capital asset expenses	-	-	-
Indirect costs	118,344	103,331	15,013
Total Section 8 Housing Assistance	<u>3,858,032</u>	<u>3,788,508</u>	<u>69,524</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 Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
<b>Home and SFR</b>			
Salaries and fringe	91,700	77,514	14,186
Travel and training	4,781	6,247	(1,466)
Professional services	155,100	37	155,063
General administrative	6,561	6,580	(19)
Rent	590	585	5
Supplies	998	807	191
Indirect costs	37,138	31,393	5,745
Total Home and SFR	<u>296,868</u>	<u>123,163</u>	<u>173,705</u>
Total Housing	<u>4,154,900</u>	<u>3,911,671</u>	<u>243,229</u>
<b>Indirect costs</b>			
Salaries and fringe	2,279,188	2,109,471	169,717
Travel and training	24,292	27,094	(2,802)
Professional services	71,250	61,779	9,471
Rent	121,318	128,237	(6,919)
General administrative	379,287	375,854	3,433
Supplies	46,500	59,347	(12,847)
Allocated indirect costs	(2,921,835)	(2,761,782)	(160,053)
Total indirect costs	<u>-</u>	<u>-</u>	<u>-</u>
<b>Planning</b>			
HUD-PART sustainability			
Salaries and fringe	143,816	142,731	1,085
Travel and training	7,718	6,369	1,349
Professional services	41,692	41,692	-
General administrative	9,042	9,555	(513)
Rent	2,063	2,064	(1)
Supplies	1,000	999	1
Capital outlay	-	-	-
Indirect costs	57,632	57,193	439
Total planning	<u>262,963</u>	<u>260,603</u>	<u>2,360</u>
<b>Transportation</b>			
Rural Transportation Planning			
Salaries and fringe	175,918	191,919	(16,001)
Travel and training	6,369	7,852	(1,483)
Professional services	2,630	2,739	(109)
General administrative	31,566	16,746	14,820
Rent	3,604	3,605	(1)
Supplies	5,000	744	4,256
Capital outlay	5,000	-	5,000
Indirect costs	71,168	77,649	(6,481)
Total transportation	<u>301,255</u>	<u>301,254</u>	<u>1</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 Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Workforce development			
Salaries and fringe	2,115,476	2,088,368	27,108
Travel and training	-	140,696	(140,696)
Professional services	1,064,320	32,719	1,031,601
General administrative	-	237,258	(237,258)
Rent	-	381,814	(381,814)
Supplies	1	62,145	(62,144)
Capital outlay	42,256	43,244	(988)
Sub recipient expenses	1,243,474	962,601	280,873
Participant costs	2,009,228	503,886	1,505,342
Indirect costs	287,474	314,250	(26,776)
Total workforce development	<u>6,762,229</u>	<u>4,766,981</u>	<u>1,995,248</u>
Weatherization			
Salaries and fringe	408,232	413,341	(5,109)
Travel and training	37,139	23,330	13,809
Professional services	1,147,189	12,285	1,134,904
General administrative	36,335	70,436	(34,101)
Rent	-	784	(784)
Supplies	264,187	70,487	193,700
Capital outlay	1,852	17,406	(15,554)
Other expenses	-	1,270,792	(1,270,792)
Indirect costs	92,149	84,841	7,308
Total weatherization	<u>1,987,083</u>	<u>1,963,702</u>	<u>23,381</u>
Total expenditures	<u>27,507,378</u>	<u>24,392,081</u>	<u>3,115,297</u>
Deficiency of revenues under expenditures	<u>\$ -</u>	<u>\$ (140,478)</u>	<u>\$ (140,478)</u>
Fund balance, beginning		<u>76,480</u>	
Fund balance, ending		<u>\$ (63,998)</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 Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Restricted intergovernmental	561,972	397,339	
Fees, local governments	114,948	114,848	
Fees, program services	1,295,191	720,579	
Other	413,295	29,302	
Total Revenues	<u>2,385,406</u>	<u>1,262,068</u>	<u>(1,123,338)</u>
<b>Expenditures:</b>			
Crime control and public safety local projects			
Criminal Justice Programs			
Salaries and fringe	259,272	266,433	
Travel and training	162,802	5,632	
Rent	12,100	7,508	
Professional services	49,480	6,350	
General administrative	19,032	17,061	
Supplies	8,600	4,759	
Indirect costs	41,686	32,786	
Total Criminal Justice Programs	<u>552,972</u>	<u>340,529</u>	<u>212,443</u>
Environmental protection local projects			
GIS and Water			
Salaries and fringe	65,507	53,796	
Travel and training	788	4,289	
Rent	-	1,427	
General administrative	250	848	
Supplies	-	3,336	
Indirect costs	26,530	21,788	
Total GIS and Water	<u>93,075</u>	<u>85,484</u>	<u>7,591</u>
Health and Human Service local grant projects			
Aging			
Travel and training	19,000	4,538	
Professional services	15,000	-	
General administrative	-	11,982	
Rent	-	-	
Supplies	97,000	18,126	
Total Aging	<u>131,000</u>	<u>34,646</u>	<u>96,354</u>
Housing local projects			
Salaries and fringe	8,665	10,907	
Travel and training	5,090	549	
Professional services	8,736	5,580	
General administrative	-	131	
Indirect costs	3,509	4,414	
Total Housing local projects	<u>26,000</u>	<u>21,581</u>	<u>4,419</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 Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Planning local projects			
Local Technical Assistance Project and Planning			
Salaries and fringe	119,197	97,156	
Travel and training	10,871	7,891	
Professional services	20,250	20,650	
General administrative	15,295	13,344	
Supplies	8,893	1,677	
Indirect costs	48,275	39,348	
Total Local Technical Assistance Project and Planning	<u>222,781</u>	<u>180,066</u>	<u>42,715</u>
Workforce Development local projects			
Salaries and fringe	72,136	53,622	
Travel and training	53,074	6,861	
Professional services	-	2,568	
General administrative	20,200	12,030	
Rent	-	1,397	
Supplies	30,000	6,560	
Capital Outlay	6,000	-	
Volunteer expenses	36,468	25,100	
Indirect costs	111	371	
Total Workforce Development local projects	<u>217,989</u>	<u>108,509</u>	<u>109,480</u>
Other local projects			
Piedmont Triad Development Corporation			
Salaries and fringe	92,781	55,347	
Travel and training	3,052	328	
Professional services	3,683	4,900	
General administrative	2,908	1,687	
Rent	-	1,221	
Indirect costs	37,576	22,416	
Total Piedmont Triad Development Corporation	<u>140,000</u>	<u>85,899</u>	<u>54,101</u>
Upper Cape Fear			
Salaries and fringe	14,459	12,560	
Travel and training	2,285	1,626	
General administrative	-	258	
Rent	-	469	
Indirect costs	5,856	5,087	
Total Upper Cape Fear	<u>22,600</u>	<u>20,000</u>	<u>2,600</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 Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Management advisory services			
Salaries and fringe	125,013	119,869	
Travel and training	12,289	7,983	
Professional services	260,609	23,375	
General administrative	-	740	
Rent	200	-	
Indirect costs	34,402	24,794	
Total management advisory services	<u>432,513</u>	<u>176,761</u>	<u>255,752</u>
Miscellaneous local projects			
Salaries and fringe	51,700	-	
Travel and training	61,189	10,690	
Professional services	1,850	5,600	
General administrative	413,620	3,816	
Supplies	-	12,392	
Indirect costs	18,117	-	
Total miscellaneous local projects	<u>546,476</u>	<u>32,498</u>	<u>513,978</u>
Total other local projects	<u>1,141,589</u>	<u>315,158</u>	<u>826,431</u>
Total expenditures	<u>2,385,406</u>	<u>1,085,973</u>	<u>1,299,433</u>
Excess of revenues over expenditures	<u>\$ -</u>	176,095	<u>\$ 176,095</u>
Fund balance, beginning		<u>255,625</u>	
Fund balance, ending		<u>\$ 431,720</u>	

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**From Inception and for Year Ended June 30, 2014**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Year	Current Year		
<b>Revenues:</b>					
Interest	\$ -	\$ 301	\$ 215	\$ 516	\$ (516)
<b>Expenditures:</b>					
Capital outlay	3,690,000	1,731,135	2,801,333	4,532,468	(842,468)
Total expenditures	3,690,000	1,731,135	2,801,333	4,532,468	(842,468)
Deficiency of revenues under expenditures before other financing sources	(3,690,000)	(1,730,834)	(2,801,118)	(4,531,952)	(841,952)
<b>Other financing sources (uses):</b>					
Transfer from other funds	-	-	491,952	491,952	491,952
Installment purchase obligations issued	3,690,000	3,690,000	350,000	4,040,000	350,000
Total other financing sources (uses)			841,952	4,531,952	841,952
Net change in fund balance	\$ -	\$ 1,959,166	(1,959,166)	\$ -	\$ -
Fund balance, beginning			1,959,166		
Fund balance, ending			\$ -		

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF FRINGE BENEFITS AND INDIRECT COSTS**  
For the Year Ended June 30, 2014

	Expenditures		Rate	
	Proposed	Actual	Proposed	Actual
<b>Fringe benefits</b>				
FICA	417343	\$ 351,125		
Group insurance	468761	443,172		
Retirement	428204	427,720		
Employee assistance plan and accrued vacation leave	59000	2,501		
Employee healthcare advocacy	13000	12,556		
Worker's Compensation and unemployment	31500	52,835		
Health reimbursement arrangement	22800	67,127		
	<u>\$ 1,440,608</u>	<u>\$ 1,357,036</u>	<u>29.25%</u>	<u>29.25%</u>
<b>Indirect costs</b>				
Salaries	\$ 638,447	580,605		
Fringe benefits	173,133	163,732		
Professional services	71,250	61,779		
Temporary secretarial service	-	300		
Telephone	40,468	42,147		
Postage	28,315	15,769		
Travel, parking, and other	24,292	24,688		
Equipment maintenance	6,155	12,506		
Building rent	81,864	81,864		
Equipment rent	39,454	46,373		
Advertising	4,933	249		
Office supplies	46,500	59,348		
Occupancy expense	207,773	219,563		
Printing costs	15,000	1,132		
Computer services	60,000	68,061		
Dues, subscriptions, memberships, miscellaneous	14,643	17,243		
Insurance	27,000	7,797		
Trash disposal	2,000	1,590		
	<u>\$ 1,481,227</u>	<u>\$ 1,404,746</u>	<u>40.50%</u>	<u>40.50%</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
Detail Allocations - Fringe Benefits and Indirect Costs  
For the Year Ended June 30, 2014

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Appalachian Regional Commission					
ARC 1-1-2012 o 12-31-2012	77,785	22,753	29.25%	40,718	40.50%
Enviromental Protection Agency					
EPA Brownsfields Assessment	10,450	3,057	29.25%	5,470	40.50%
EPA Brownsfields-Petroleum	8,841	2,586	29.25%	4,628	40.50%
Corporation for National and Community Service					
Local Administration Agreements and Programs					
Alamance LA	2,768	810	29.25%	1,449	40.50%
Archdale Manager Search	484	142	29.25%	253	40.50%
Archdale Pay Study	639	187	29.25%	335	40.50%
Asheboro	1,480	113	7.65%	2	0.15%
Asheboro Pay	512	150	29.25%	268	40.50%
Boonville Personnel Policy	685	200	29.25%	358	40.48%
Boonville Personnel Study	990	76	7.65%	2	0.15%
Burlington Pay	5,376	1,573	29.25%	2,814	40.50%
Burlington Pay Study	13,765	1,053	7.65%	23	0.15%
Cabarrus PTR	14,857	4,346	29.25%	24	0.13%
Caswell Land Use	5,944	1,738	29.25%	3,111	40.50%
CODES	1,283	375	29.25%	671	40.50%
Criminal Justice Local	201	59	29.25%	105	40.50%
Criminal Justice Local	96	28	29.24%	-	0.00%
Crimnal Justice Partnership Program- Stokes County	4,441	1,299	29.25%	2,325	40.50%
Crimnal Justice Partnership Program- Stokes County	94	27	29.25%	-	0.00%
Davidson EMS	718	210	29.25%	376	40.50%
Davie Co Pay Study	4,235	324	7.65%	7	0.15%
Davie Co Pay Study	1,495	437	29.25%	783	40.50%
Davie Managr Search	45	3	7.64%	0	0.15%
Davie Mgr. Search	1,347	394	29.25%	705	40.50%
Davie Pre-Trail Adm	20,324	5,945	29.25%	10,639	40.50%
Davie Pre-Trial Adm.	26,798	7,839	29.25%	44	0.13%
DGI Streetscape	825	241	29.25%	432	40.50%
Elkin Greenway	5,468	1,599	29.25%	2,862	40.50%
Elon	878	67	7.65%	1	0.15%
Elon Pay & Class Study	790	231	29.25%	414	40.50%
Forsyth Pay Study	4,225	323	7.65%	7	0.15%
Forsyth Pay Study	2,281	667	29.25%	1,193	40.47%
Gibsonville Police Search	1,000	292	29.25%	523	40.50%
GIS Housing LTA	692	202	29.25%	362	40.50%
GIS Misc	1,059	310	29.25%	554	40.49%
Graham Pay & Class Study	483	141	29.25%	253	40.50%
Greensboro Mgmt LTA	7,086	2,073	29.25%	3,495	38.16%
Greensboro Project Rentry	948	277	29.25%	496	40.50%
Greensboro Project Rentry	476	139	29.25%	1	0.13%
Grogan Park Plan	94	28	29.24%	49	40.50%
Guilford Co Pay Study	17,990	1,376	7.65%	30	0.15%
Guilford Co Pay Study	7,087	2,073	29.25%	3,710	40.50%
HHA CTG Stoneville	8,863	2,592	29.25%	4,639	40.50%
HHS CTG Alamance Co.	3,476	1,017	29.25%	1,820	40.50%
High Point Pay Study	7,506	2,195	29.25%	3,929	40.50%
Jamestown GIS	1,819	532	29.25%	952	40.50%
Jonesville Ped Plan	2,995	876	29.25%	1,568	40.50%



**PIEDMONT TRIAD REGIONAL COUNCIL**  
Detail Allocations - Fringe Benefits and Indirect Costs  
For the Year Ended June 30, 2014

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Kernersville Pay Study	2,071	606	29.25%	1,084	40.50%
King Exe Dir Search	1,751	512	29.25%	916	40.50%
Lexington HR Dir Search	3,446	264	7.65%	6	0.15%
Mebane Pay Study	2,565	196	7.65%	4	0.15%
Mebane Pay Study	1,523	445	29.25%	797	40.50%
Misc Adm LTA	3,233	247	7.65%	5	0.15%
Misc Admin LTA	3,705	1,084	29.25%	1,939	40.50%
NW Misc Local Projects	221	65	29.25%	116	40.50%
NWPDC - Fees	42,822	12,525	29.25%	22,416	40.50%
Oakridge Pedestrian Plan	3,518	1,029	29.25%	1,842	40.50%
PART Pay Study	216	63	29.25%	113	40.50%
PART Pay Study	90	7	7.66%	0	0.15%
Planning Board LTA	572	167	29.25%	299	40.50%
Pleasant Garden B & P	5,133	1,501	29.25%	2,687	40.50%
PT Regional FHA	70	20	29.25%	37	40.50%
Randleman Gateway	2,236	654	29.25%	1,170	40.50%
Randleman Square	3,551	1,039	29.25%	1,859	40.50%
Regional Planning	18,389	5,379	29.25%	9,626	40.50%
Reidsville Pay Study	617	181	29.25%	323	40.50%
Rockingham County Pay Study	3,339	977	29.25%	1,748	40.50%
Rockingham	1,540	118	7.65%	3	0.15%
SE Guilford Treail	5,048	1,477	29.25%	2,643	40.50%
Service Corp Golf Tournament	418	122	29.25%	219	40.50%
Service Corp Golf Tournament	182	53	29.24%	0	0.13%
Service Corp/W's LTA	291	85	29.25%	152	40.50%
Shoals Rec Center	2,693	788	29.25%	1,410	40.50%
SMART	40,709	11,907	29.25%	21,309	40.50%
Statesville PTR	11,910	3,484	29.25%	20	0.13%
Stoneville Pay Study	111	32	29.25%	58	40.50%
Surry County-Local Pre Trial	44,909	13,136	29.25%	74	0.13%
Surry Pre-Trial Adm	25,265	7,390	29.25%	13,225	40.50%
TriadWorks Cost Share	40,596	11,874	29.25%	67	0.13%
Upper Cape Fear	9,717	2,842	29.25%	5,087	40.50%
Vacation Leave	14,232	4,163	29.25%	7,450	40.50%
Winston-Salem Pay Study	2,986	873	29.25%	1,563	40.50%
WS Foundation STAMPP	4,416	1,292	29.25%	7	0.13%
Yadkin CJPP Adm	11,454	3,350	29.25%	5,996	40.50%
Yadkin Local Pre-Trail	39,948	11,685	29.25%	66	0.13%
YVEDDI Project	1,363	399	29.25%	713	40.50%
NC Department of Agriculture					
USDA - Innovative Infrastructure	2,849	833	29.25%	1,491	40.50%
NC Department of Commerce					
ARC WaterRel 10-1-12 9-30-2013	1,459	427	29.25%	763	40.50%
ARC WaterRel 10-1-13 9-30-2014	665	194	29.25%	348	40.50%
ARC Tech TA 10/1/12 to 9/30/13	3,844	1,124	29.25%	2,012	40.50%
ARC Tech TA 10/1/13 to 9/30/14	936	274	29.25%	490	40.50%
ARC Hous T 10-1-13 to 09-30-14	3,736	1,093	29.25%	1,955	40.50%
NC CDBG Surry County	13,090	3,829	29.25%	6,852	40.50%
Randolph CDBG	12,020	3,516	29.25%	6,292	40.50%
Lexington CDBG	5,306	1,552	29.25%	2,777	40.50%

**PIEDMONT TRIAD REGIONAL COUNCIL**  
Detail Allocations - Fringe Benefits and Indirect Costs  
For the Year Ended June 30, 2014

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
NC Department of Human Resources					
AAA Administrative Support	26,516	7,756	29.25%	13,880	40.50%
CCNC	29,469	8,620	29.25%	15,426	40.50%
CRC LCA	2,479	190	7.65%	-	0.00%
CRC LTA	34,811	10,182	29.25%	11,817	26.26%
CRC MIPPA II	7,303	2,136	29.25%	-	0.00%
Elder Abuse - 90 / 10	14,163	4,143	29.25%	7,414	40.50%
Family Caregiver Support	157,940	46,198	29.25%	82,676	40.50%
III-D Evidence	7,488	573	7.65%	-	0.00%
III-D Evidence Based Programs	40,933	11,973	29.25%	24,691	46.67%
MIPPA II Year 1	1,478	113	7.65%	-	0.00%
Ombudsman Aging - 90 / 10	747	57	7.65%	-	0.00%
Ombudsman Aging - 90 / 10	302,277	88,416	29.25%	166,042	42.50%
P & A Planning 79.11/20.89	8,558	655	7.65%	-	0.00%
P & A Planning 79.11/20.89	253,573	74,170	29.25%	140,935	43.00%
NC Clean Water Management Trust Fund					
CWMTF - Elkin Water Supply	18,489	5,408	29.25%	9,678	40.50%
CWMTF - Dan/Smith	3,256	953	29.25%	1,705	40.50%
NC Department of Commerce					
NC Department of Commerce and PT Job					
Adult NWPLA	15,730	1,203	7.65%	26	0.15%
Adult - Yadkin JRC	24,193	7,076	29.25%	40	0.13%
Adult- Stokes JRC	19,875	5,813	29.25%	33	0.13%
Adult- Surry JRC	29,995	8,774	29.25%	49	0.13%
Adult- W/S Forsyth County	63,532	18,583	29.25%	10,046	12.23%
Adult- W/S Forsyth County	93,393	27,318	29.25%	154	0.13%
Adult-Davie JRC	24,477	7,160	29.25%	40	0.13%
Adult-Rockingham JRC	184,504	53,967	29.25%	303	0.13%
Dislocated Worker	209	16	7.65%	0	0.15%
Dislocated Worker-Davie JRC	16,201	4,739	29.25%	27	0.13%
Dislocated Worker-Rockingham J	138,468	40,502	29.25%	228	0.13%
Dislocated Worker-Stokes JRC	14,498	4,241	29.25%	24	0.13%
Dislocated Worker-Surry JRC	48,062	14,058	29.25%	79	0.13%
Dislocated Worker-WS/Forsyth C	90,042	26,337	29.25%	14,854	12.76%
Dislocated Worker-WS/Forsyth C	107,846	31,545	29.25%	177	0.13%
Dislocated Worker-Yadkin JRC	15,246	4,460	29.25%	25	0.13%
DW -Mobile Unit	44,783	13,099	29.25%	8,454	14.61%
NWP LA Adult	53,413	15,623	29.25%	31,640	45.83%
NWP LA Adult	21,507	6,291	29.25%	35	0.13%
NWP LA Dislocated Worker	84,788	24,801	29.25%	45,220	41.26%
NWP LA Dislocated Worker	18,952	5,543	29.25%	31	0.13%
NWP LA Youth	31,820	9,307	29.25%	15,565	37.85%
Service Corp	12,245	937	7.65%	20	0.15%
Service Corp Adm	76,500	22,376	29.25%	18,442	24.11%
Service Corp Adm	60,790	17,781	29.25%	100	0.10%
Service Corp Youth	46,791	13,686	29.25%	77	0.13%
WIA Administration	152,587	44,632	29.25%	168,957	85.67%
WIA Administration	16,038	4,691	29.25%	26	0.13%
Youth - Rockingham	2,865	838	29.25%	1,072	28.95%
Youth - Rockingham	56,858	16,631	29.25%	93	0.13%

**PIEDMONT TRIAD REGIONAL COUNCIL**  
Detail Allocations - Fringe Benefits and Indirect Costs  
For the Year Ended June 30, 2014

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Youth Yadkin JRC	38,891	11,376	29.25%	64	0.13%
NC Department of Correction					
DOC Project Reentry	1,044	305	29.25%	546	40.50%
DOC Project Reentry	45	13	29.23%	0	0.12%
NC Department of Crime Control and Public Safety					
Davidson TECS	1,612	472	29.25%	844	40.50%
Davie TECS	7,669	2,243	29.25%	13	0.13%
Forsyth TECS	1,345	393	29.25%	704	40.50%
Project Reentry / DOJ	12,254	3,584	29.25%	6,415	40.50%
Project Reentry / DOJ	15,753	4,608	29.25%	26	0.13%
Rockingham TECS	2,316	677	29.25%	1,212	40.50%
Stokes TECS	293	86	29.25%	153	40.50%
Surry TECS	39,370	11,516	29.25%	65	0.13%
Tri- County Reentry / DOJ	390	114	29.25%	204	40.50%
Wilkes TECS	1,824	534	29.25%	955	40.50%
Yadkin TECS	9,066	2,652	29.25%	15	0.13%
NC Department of Environment and Natural Resources					
DENIR - Brownfield Inventory	3,247	950	29.25%	1,700	40.50%
DENR-Triad H2Oshed	1,845	540	29.27%	966	40.50%
NC Department of Transportation					
Clean Fuel Adv Tech	8,539	2,498	29.25%	4,470	40.50%
Rural Transp Plan (G)	60,408	17,669	29.25%	31,621	40.50%
Rural Transp Plan (NW)	56,846	16,628	29.25%	29,757	40.50%
RPO (G)	180	14	7.65%	0	0.15%
Uwharrie Bike Map	31,083	9,092	29.25%	16,271	40.50%
US Department of Housing and Urban Development					
PART-HUD	1,407	108	7.65%	2	0.15%
Section 8 Voucher Program	799	61	7.65%	-	0.00%
US Department of Energy					
DOE WAP ADM FY14	-	-		56,602	
LIHEAP WAP ADM FY14	-	-		3,156	
LIHEAP WAP Program	72,580	21,230	29.25%	-	0.00%
LIHEAP WAP Program	130,283	38,108	29.25%	214	0.13%
LIHEAP WAP Program	41,580	12,162	29.25%	-	0.00%
LIHEAP WAP	7,129	545	7.65%	12	0.15%
LIHEAP HARRP Admin PY14	-	-		25,082	
LIHEAP HARRP	30,540	8,933	29.25%	-	0.00%
LIHEAP HARRP	21,505	6,290	29.25%	35	0.13%
LIHEAP HARRP	17,374	5,082			
US Department of Environmental Protection Agency					
Jordan Lake	8,092	2,368	29.26%	4,236	40.50%
US Department of Housing and Urban Development					
Alamance SFR	15,486	4,530	29.25%	8,106	40.50%
Alamance URP	2,278	666	29.25%	1,193	40.50%
HOME	24,421	7,143	29.25%	12,783	40.50%
Mebane CDBG	8,916	2,608	29.25%	4,670	40.53%
Montgomery-NC Tomorrow	9,743	2,850	29.25%	5,100	40.50%

**PIEDMONT TRIAD REGIONAL COUNCIL**  
Detail Allocations - Fringe Benefits and Indirect Costs  
For the Year Ended June 30, 2014

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
PART-HUD	85,700	25,067	29.25%	44,861	40.50%
Section 8 Voucher Program	196,733	57,544	29.25%	103,331	40.64%
Stokes SFR 13	6,460	1,890	29.25%	3,382	40.50%
Surry Co SFR	11,327	3,313	29.25%	5,929	40.50%
Surry-NC Tomorrow	10,966	3,208	29.25%	5,741	40.50%
WS Project Reentry CDBG	2,975	870	29.25%	1,557	40.50%
WS Project Reentry CDBG	4,612	1,349	29.25%	8	0.13%
Indirect payroll	552,385	161,573	29.25%	212	0.03%
Indirect payroll	28,220	2,159	7.65%	-	0.00%
	<u>4,743,670</u>	<u>1,357,037</u>		<u>1,404,744</u>	
<b>Summary of Allocation Rates</b>					
Standard fringe and indirect cost	2,660,965	778,334	29.25%	1,392,915	40.50%
FICA only fringe with standard indirect cost	21,550	1,649	7.65%	9,395	40.50%
Standard fringe with special indirect cost	1,389,170	406,332	29.25%	2,283	0.13%
FICA only fringe with special indirect cost	91,381	6,991	7.65%	150	0.15%
Standard fringe on indirect payroll	552,385	161,573	29.25%	-	0.00%
FICA only fringe on indirect payroll	28,220	2,159	7.65%	-	0.00%
	<u>4,743,670</u>	<u>1,357,037</u>		<u>1,404,744</u>	

**PIEDMONT TRIAD REGIONAL COUNCIL**  
 HUD Housing Choice Vouchers Program  
 Financial Data Schedule - Balance Sheet  
 June 30, 2014

<u>Line Item #</u>		<u>14.871 Housing Choice Vouchers</u>
	<b>Assets</b>	
	<b>Current Assts</b>	
111	Cash - Unrestricted	\$ 172,750
113	Cash - other restricted	<u>15,532</u>
100	<b>Total Cash</b>	<u>188,282</u>
	<b>Accounts Receivable</b>	
122	Accounts Receivable - HUD Other Projects	15,869
125	Accounts Receivable - Miscellaneous	<u>5,991</u>
120	Total Recievables, net of allowance for doubtful accounts	<u>21,860</u>
150	<b>Total Current Assets</b>	<u>210,142</u>
290	<b>Total Assets</b>	<u>\$ 210,142</u>
	<b>Liabilities and Equity</b>	
	<b>Current Liabilities</b>	
345	Other Current Liabilities	\$ 34,517
310	<b>Total Current Liabilities</b>	<u>34,517</u>
300	<b>Total Liabilities</b>	<u>34,517</u>
	<b>Equity</b>	
509.3	Restricted Fund Balance	\$ 15,532
512.3	Unassigned Fund Balance	<u>160,093</u>
513	<b>Total Equity / Net Position</b>	<u>175,625</u>
600	<b>Total Liabilities and Equity / Net Position</b>	<u>\$ 210,142</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
 HUD Housing Choice Vouchers Program  
 Financial Data Schedule - Revenues and Expenses  
 For the Year Ended June 30, 2014

<u>Line Item #</u>		<u>14.871 Housing Choice Vouchers</u>
<b>Revenues</b>		
70600	HUD PHA Operating Grants	\$ 3,411,395
71500	Other Revenue	28,271
70000	<b>Total Revenues</b>	<u>3,439,666</u>
<b>Expenses</b>		
91100	Administrative Salaries	197,532
91500	Employee Benefit contributions - Administrative	57,606
91600	Office Expense	25,453
91800	Travel	12,763
91900	Other	115,990
91000	<b>Total Operating - Administrative</b>	<u>409,344</u>
96200	Other General Expenses	2,785
96000	<b>Total Other General Expenses</b>	<u>2,785</u>
96900	<b>Total Operating Expenses</b>	<u>412,129</u>
97000	<b>Excess of Operating Revenue over Operating Expenses</b>	<u>3,027,537</u>
97300	Housing Assistance Payments	3,349,617
97350	HAP Portability - In	26,317
90000	<b>Total Expenses</b>	<u>3,788,063</u>
10000	<b>Total Revenue Over Total Expenses</b>	(348,397)
11030	Beginning Equity	524,022
11170	Administrative Fee Equity	160,093
11180	Housing Assistance Payments Equity	15,532
11190	Unit Months Available	10,104
11210	Number of Unit Months Leased	8,988

**COMPLIANCE SECTION**



**cannon&company**  
Certified Public Accountants L.L.P.

**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**

Board of Delegates  
Piedmont Triad Regional Council  
Kernersville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the discretely presented component units, and each major fund of the Piedmont Triad Regional Council as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprises the Piedmont Triad Regional Councils' basic financial statements, and have issued our report thereon dated March 3, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Piedmont Triad Regional Councils' internal control over financial reporting (internal control) to determine the 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 the Piedmont Triad Regional Councils' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.



### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Piedmont Triad Regional Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 14-1.

### 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 results 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.

This report is intended solely for the information and use of the members of the Board of Delegates, management, others within the entity, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Cannon & Company, L.L.P.*

March 3, 2015



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**cannon&company**  
Certified Public Accountants LLP

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR FEDERAL PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

Board of Delegates  
Piedmont Triad Regional Council  
Kernersville, North Carolina

**Report on Compliance for Each Major Federal Program**

We have audited the Piedmont Triad Regional Council compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 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 Councils' major federal programs for the year ended June 30, 2014. The Piedmont Triad Regional Councils' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The Council's basic financial statements include the discretely presented component unit financial statements of the Piedmont Triad Regional Development Corporation, which did not receive federal awards and is not included in the schedule during the year ended June 30, 2014. Our audit, described below, did not include the operations of Piedmont Triad Regional Development Corporation because it was not subject to an audit performed in accordance with OMB Circular A-133 or the State Single Audit Implementation Act of North Carolina.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Piedmont Triad Regional Council's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133,

and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Piedmont Triad Regional Councils' compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Piedmont Triad Regional Councils' compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the Piedmont Triad Regional Councils' 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, 2014.

### **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular No. A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2014-1. Our opinion on each major federal program is not modified with respect to this matter.

### **Report on Internal Control Over Compliance**

Management of the Piedmont Triad Regional Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Council's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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

requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Purpose of this Report**

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal and State Awards Required by OMB A-133 and the State Single Audit Implementation Act of North Carolina**

We have audited the financial statements of the governmental activities, the discretely presented component unit, and each major fund of the Council as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements. We have issued our report thereon dated March 3, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole.

The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act and is 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and State awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Cannon & Company, S.P.A.*

March 3, 2015



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**cannon&company**  
Certified Public Accountants L.L.P.

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR STATE PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

Board of Delegates  
Piedmont Triad Regional Council  
Kernersville, North Carolina

**Report on Compliance for Each Major State Program**

We have audited the Piedmont Triad Regional Council compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 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 Councils' major state programs for the year ended June 30, 2014. The Piedmont Triad Regional Councils' major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The Council's basic financial statements include the discretely presented component unit financial statements of the Piedmont Triad Regional Development Corporation, which did not receive state awards and is not included in the schedule during the year ended June 30, 2014. Our audit, described below, did not include the operations of Piedmont Triad Regional Development Corporation because it was not subject to an audit performed in accordance with OMB Circular A-133 or the State Single Audit Implementation Act of North Carolina.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Piedmont Triad Regional Council's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133,

and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Piedmont Triad Regional Councils' compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Piedmont Triad Regional Councils' compliance.

### **Opinion on Each Major State Program**

In our opinion, the Piedmont Triad Regional Councils' 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, 2014.

### **Report on Internal Control Over Compliance**

Management of the Piedmont Triad Regional Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Council's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Purpose of this Report**

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal and State Awards Required by OMB A-133 and the State Single Audit Implementation Act of North Carolina**

We have audited the financial statements of the governmental activities, the discretely presented component unit, and each major fund of the Council as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements. We have issued our report thereon dated March 3, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole.

The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act and is 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and State awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Cannon & Company, S.P.A.*

March 3, 2015

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended June 30, 2014

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**Section I. Summary of Auditors' Results**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(s) identified that are not considered to be material weaknesses  yes  none reported
- Noncompliance material to financial statements noted  yes  no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(s) that are not considered to be material weaknesses  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 Section 510(a) of Circular A-133  yes  no

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
	Workforce Investment Act (WIA) Cluster:
17.258	WIA - Adult Programs
17.259	WIA - Youth Activities
17.278	WIA – Dislocated Worker Formula Grants
	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 – (NSIP)
	U.S. Department of Housing and Urban Development
14.871	Section 8 Housing Choice Vouchers



**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended June 30, 2014

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Dollar threshold used to distinguish  
between Type A and Type B Programs

\$ 537,293

Auditee qualified as low-risk auditee?

X yes    \_\_\_ no

State Awards

Internal control over major State programs:

- Material weakness(es) identified?                    \_\_\_ yes    X no
- Significant Deficiency(s) identified  
that are not considered to be  
material weaknesses    \_\_\_ 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

State funding associated with the following Federal programs:

Federal Aging Cluster

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended June 30, 2014

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**Section II – Financial Statement Findings**

**Finding: 14-1**

**MATERIAL NONCOMPLIANCE**

Criteria: Due to an accounting system oversight, expenditures were not budgeted for and were not discovered until after the fiscal year end.

Condition: Accounting system failure

Effect: Expenditures in excess of budget

Cause: Management failure to properly amend the budget for additional expenditures

Recommendations: No expenditures should be made without corresponding to a budgeted line item.

**Section III – Federal Award Findings and Questioned Costs**

None.

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

None.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**CORRECTIVE ACTION PLAN**  
For the Year Ended June 30, 2014

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**Section II – Financial Statement Findings**

Name of contact person: Matthew L. Dolge, Executive Director

Corrective Action: Budget amendments will be made and reviewed as necessary.

Proposed Completion Date: The Council will implement the above procedure immediately.

**Section III – Federal Award Findings and Questioned Costs**

None.

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

None.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
For the Year Ended June 30, 2014

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Finding: 13-1

Status: Management and supervisors are overseeing that caseworkers are obtaining proper documentation required for the eligibility of benefits in the Workforce Investment Act Cluster.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2014

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures	
			Federal	State
<b>FEDERAL AWARDS</b>				
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Section 8 Housing Choice Vouchers	14.871	N/A	\$ 3,788,063	\$ -
Passed-through N.C. Dept. of Commerce				
Passed through the City of Winston-Salem:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	12,000	-
Passed-through Surry County:				
Community Development Block Grant	14.228	N/A	26,261	-
Passed through Mebane:				
Community Development Block Grant	14.228	N/A	17,363	-
Passed through Randolph:				
Community Development Block Grant	14.228	N/A	25,055	-
Passed through City of Lexington:				
Community Development Block Grant	14.228	N/A	9,661	-
Passed through Surry County Consortium:				
Home Investment Partnerships Program	14.228	N/A	35,862	-
<b>Total Passed through N.C. Department of Commerce</b>			<b>126,202</b>	<b>-</b>
Passed through N.C. Housing Finance Agency:				
Passed-through Surry County:				
Home Investment Partnerships Program 2009	14.239	N/A	-	-
Home Investment Partnerships Program 2012	14.239	N/A	21,686	-
Passed-through Alamance County:				
Home Investment Partnerships Program 2012	14.239	N/A	13,772	-
Passed-through Stokes County:				
Home Investment Partnerships Program 2013	14.239	N/A	13,493	-
<b>Total Passed through N.C. Housing Finance Agency</b>			<b>48,951</b>	<b>-</b>
Passed through N.C. Department of Commerce and Montgomery County:				
NC Tomorrow, Community Development Block Grant	14.228	11-C-2277	18,456	-
Passed through N.C. Department of Commerce and Surry County:				
NC Tomorrow, Community Development Block Grant	14.228	11-C-2281	21,458	-
Piedmont Triad Sustainable Communities Planning Grant	14.703	NCRIP0027-10	213,050	-
Passed through Housing Authority of Winston Salem:				
Resident Opportunities and Self Sufficiency (ROSS) Grant	14.870	N/A	-	-
<b>Total U.S. Department of Housing and Urban Development</b>			<b>4,216,180</b>	<b>-</b>
U.S. DEPARTMENT OF JUSTICE				
Passed through N.C. Department of Crime Control and Public Safety:				
Passed through the City of High Point:				
Edward Byrne Memorial Formula Grant Program				
Governor's Crime Commission Re-entry	16.579	N/A	13	-
Passed through N.C. Department of Crime Control and Public Safety:				
Passed through Tri-County Industries:				
Edward Byrne Memorial Formula Grant Program				
Project Re-entry Replication	16.579	N/A	1,942	-
Passed through N.C. Department of Crime Control and Public Safety:				
Edward Byrne Memorial Formula Grant Program				
Project Re-entry	16.738	N/A	79,142	-
<b>Total Passed through N.C. Department of Crime Control and Public Safety</b>			<b>81,097</b>	<b>-</b>
Passed through Yadkin:				
Edward Byrne Memorial Formula Grant Program				
Project Re-entry	16.738	N/A	\$ -	\$ -
Passed through N.C. Department of Correction:				
Edward Byrne Memorial Formula Grant Program				
Project Re-entry	16.738	N/A	3,071	-
<b>Total U.S. Department of Justice</b>			<b>84,168</b>	<b>-</b>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2014**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures	
			Federal	State
<b>U.S. DEPARTMENT OF LABOR</b>				
Passed-through N.C. Department of Commerce:				
Workforce Investment Act Cluster:				
WIA-Adult Programs	17.258	2012-2020-47	805,241	-
WIA-Adult Programs	17.258	2013-2020-47	907,751	-
WIA-Adult Programs - Administration	17.258	2012-2020-47	-	-
WIA-Adult Programs - Administration	17.258	2013-2020-47	140,826	-
<b>Total CFDA # 17.258</b>			<b>1,853,818</b>	<b>-</b>
WIA - Youth Programs	17.259	2012-2040-47	127,996	-
WIA - Youth Programs	17.259	2013-2040-47	1,210,312	-
WIA - Youth Programs - Administration	17.259	2012-2040-47	23,090	-
WIA - Youth Programs - Administration	17.259	2013-2040-47	138,898	-
<b>Total CFDA # 17.259</b>			<b>1,500,296</b>	<b>-</b>
WIA- Dislocated Worker Programs	17.278	2012-2030-47	547,084	-
WIA- Dislocated Worker Programs	17.278	2013-2030-47	666,279	-
WIA- Dislocated Worker Programs - Administration	17.278	2012-2030-47	17,485	-
WIA- Dislocated Worker Programs - Administration	17.278	2013-2011-47	157,255	-
WIA- Dislocated Worker Programs - Capacity Building - On-the-Job Training - Hibco Plastics	17.278	2013-2031-47	3,900	-
WIA- Dislocated Worker Programs - Capacity Building - On-the-Job Training - Pro Refrigeration, Inc.	17.278	2012-2031-47	7,663	-
<b>Total CFDA # 17.259</b>			<b>1,399,666</b>	<b>-</b>
<b>Total Workforce Investment Act Cluster</b>			<b>4,753,780</b>	<b>-</b>
<b>Total U.S. Department of Labor</b>			<b>4,753,780</b>	<b>-</b>
<b>U. S. DEPARTMENT OF TRANSPORTATION</b>				
Passed through N.C. Department of Transportation:				
Federal Transit- Metropolitan Planning Grants:				
Northwest Piedmont Rural Transportation Planning	20.205	N/A	92,500	-
Piedmont Triad Rural Planning Organization	20.205	N/A	100,250	-
Passed through the NC Solar Center/NC State University:				
Clean Fuel Advanced Technology P II Project	20.205	N/A	15,635	-
Passed through the City of Winston Salem:				
Federal Transit- Metropolitan Planning Grants:	20.205	N/A	42,947	-
<b>Total U.S. Department of Transportation</b>			<b>251,332</b>	<b>-</b>
<b>APPALACHIAN REGIONAL COMMISSION</b>				
Appalachian Local Development Direct Assistance (2013)	23.009	N/A	74,423	-
Appalachian Local Development Direct Assistance (2014)	23.009	N/A	-	-
<b>Total CFDA # 23.009</b>			<b>74,423</b>	<b>-</b>
Passed through the N.C. Department of Commerce:				
Appalachian Technical Assistance (2012)	23.011	N/A	2,649	-
Appalachian Technical Assistance (2012)	23.011	N/A	6,980	-
Appalachian Technical Assistance (2012)	23.011	N/A	-	-
Appalachian Technical Assistance (2013)	23.011	N/A	1,215	-
Appalachian Technical Assistance (2013)	23.011	N/A	1,700	-
Appalachian Technical Assistance (2013)	23.011	N/A	6,991	-
<b>Total CFDA # 23.011</b>			<b>19,535</b>	<b>-</b>
<b>Total Appalachian Regional Commission</b>			<b>93,958</b>	<b>-</b>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2014**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures	
			Federal	State
Brownsfields Assessment and Cleanup Cooperative Agreement Passed through the N.C. Department of Environmental : Natural Resources:	68.818	BF-00D12113-0	48,355	-
Division of Water Quality:				
Triad Watershed Prioritization Assessment	66.454	5028	2,816	-
Jordan/Falls Lake Assessment	66.454	5159	55,710	-
<b>Total Division of Water Quality</b>			<u>58,526</u>	<u>-</u>
Passed through Triangle J. Council of Governments:				
Upper Cape Fear River Basin Restoration 205(j)	66.454	4292	-	-
<b>Total Environmental Protection Agency</b>			<u>106,881</u>	<u>-</u>
<b>U.S. DEPARTMENT OF ENERGY</b>				
Passed through N.C. State Energy Office:				
Weatherization Assistance Program for low income persons	81.042-1	1454WA	71,230	-
Passed through Centralina Council of Governments:				
NC PEV Readiness Initiative -M2S Project	81.026	N/A	-	-
<b>Total U.S. Department of Energy</b>			<u>71,230</u>	<u>-</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Passed through N.C. Department of Agriculture and Consumer: Services, N.C. Forestry Service:				
Urban & Community Forestry Grant - Governmental	10.664	G40100282714FOR	5,000	-
<b>Total U.S. Department of Agriculture</b>			<u>5,000</u>	<u>-</u>
<b>U.S. Department of Health and Human Services</b>				
Passed through the N.C. Department of Health & Human Resources:				
Passed through the division of Aging and Adult Services:				
Special Programs fo the Aging-				
Elder Abuse - Title VII-B	93.041	NC-07 (14)	21,863	1,285
Regional Ombudsman - Title VII-E	93.042	NC-07 (14)	74,540	41,605
Health Promotion - Title III-D	93.043	NC-07 (14)	98,362	5,786
<b>Total Special Programs for the Aging</b>			<u>194,765</u>	<u>48,676</u>
Special Programs for the Aging - Title III-B				
Grants for Supportive Services and Senior Centers				
Planning & Administration - Title III-B	93.044	NC-07(14)	136,330	7,471
Regional Ombudsman - Title III-B and State	93.044	NC-07(14)	347,630	101,109
Access and In-Home Services - Title III-B and State	93.044	NC-07(14)	2,076,854	3,787,346
Legal Services - Title III-B	93.044	NC-07(14)	70,070	2,709
Special Programs for the Aging - Title III-C			-	-
Nutrition Services			-	-
Planning & Administration - Title III-C-1 and State	93.045	NC-07(14)	236,087	12,938
Congregate Meals - Title III-C-1 and State	93.045	NC-07(14)	1,094,617	64,385
Home Delivered Meals - Title III-C-2 and State	93.045	NC-07(14)	1,167,319	924,616
Nutrition Services Incentive Program ( NSIP)	93.053	NC-07(14)	702,431	-
<b>Total Aging Cluster</b>			<u>5,831,338</u>	<u>4,900,574</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2014

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures	
			Federal	State
Family Caregiver - Title III-E	93.052	NC-07(14)	593,213	39,547
Planning and Administration - Title III-E	93.052	NC-07(14)	88,781	4,865
MIPPA Medicare Enrollment Assistance Program - Carry Forward	93.071	RQ 17318667	19,985	-
Local Contact Agency (LCA) activities	93.791	29826	71,852	-
Money Follows the Person CRC/LCA	93.791	NC-07(14)	-	-
Passed through N.C. Department of Commerce/State Energy Office: Low Income Home Energy Assistance Program-Weatherization Assistance Program for low income persons and Heat and Air Repair and Replacement Program	93.568	1454WA	1,523,181	-
<b>Total U.S. Department of Health and Human Services</b>			<u>8,323,115</u>	<u>4,993,662</u>
Cooperation for National and Community Service Retired and Senior Volunteer Program	94.002	N/A	-	-
<b>Total Cooperation for National and Community Services</b>			<u>-</u>	<u>-</u>
<b>Total Federal Awards</b>			<u>17,905,644</u>	<u>4,993,662</u>
<b>STATE AWARDS</b>				
Clean Water Management Trust Fund Elkin Municipal Watershed Surface Drinking Water Protection and Restoration Planning Supply	N/A	2012-2005	-	24,626
Dan River Smith River Watershed Plan	N/A	2008-814	-	28,885
<b>Total Clean Water Management Trust Fund</b>			<u>-</u>	<u>53,511</u>
N.C. Department of Commerce State Technical Assistance Grant-COG Allocation			-	28,544
<b>Total N.C. Department of Commerce</b>			<u>-</u>	<u>28,544</u>
N.C. Department of Correction Passed through Davie County Criminal Justice Partnership Program-Pretrial Program			\$ -	\$ 1,855
Passed through Surry County Criminal Justice Partnership Program-Pretrial Program			-	-
Passed through Yadkin County Criminal Justice Partnership Program-Pretrial Program			-	1,247
<b>Total N.C. Department of Corrections</b>			<u>-</u>	<u>3,102</u>



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

For the Year Ended June 30, 2014

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures	
			Federal	State
N.C. Department of Public Safety				
N.C. Department of Public Safety-Passed through to Davidson County			-	50,691
N.C. Department of Public Safety-Passed through to Rockingham County			-	47,597
N.C. Department of Public Safety-Passed through to Forsyth County			-	70,505
N.C. Department of Public Safety-Passed through to Stokes County			-	19,044
N.C. Department of Public Safety-Passed through to Wilkes County			-	26,488
N.C. Department of Public Safety-Passed through to Yadkin County			-	23,254
N.C. Department of Public Safety-Passed through to Davie County			-	21,387
N.C. Department of Public Safety-Passed through to Surry County			-	57,879
<b>Total N.C. Department of Public Safety</b>			-	<u>316,845</u>
N.C. Department of Environmental and Natural Resources				
Brownfield Inventory			-	10,041
<b>Total N.C. Department of Environmental and Natural Resources</b>			-	<u>10,041</u>
N.C. Department of Health & Human Services				
Passed through the Division of Aging and Adult Services:				
Aging Administrative Support		NC-07(14)	-	48,261
Senior Center General Purpose		NC-07(14)	-	256,949
Passed through the Division of Medical Assistance:				
Passed through N.C. Community Care Network NC, Inc. dba Community Care of NC			-	61,134
State Medicaid Care Management			-	61,134
<b>Total N.C. Department of Health &amp; Human Services</b>			-	<u>366,344</u>
N.C. Department of Transportation				
Passed through Division of Bicycle and Pedestrian Transportation				
Uwharrie Bike Map Plan		2252	-	60,316
<b>Total N.C. Department of Transportation</b>			-	<u>60,316</u>
Passed through N.C. Housing Finance Agency:				
Passed-through Alamance County:				
NC Housing Trust Fund			-	4,137
<b>Total State Awards</b>			-	<u>842,840</u>
<b>Total Federal and State Awards</b>			<u>\$ 17,905,644</u>	<u>\$ 5,836,502</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2014

Notes to the Schedule of Expenditures of Federal and State Awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of the Piedmont Triad Regional Council and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. The expenditures of the Section 8 Housing Choice Vouchers Program on this schedule are the same as the net Section 8 Voucher dollars received. This is based on the interpretation by the Real Estate Assessment Center (a division of the U. S. Department of Housing and Urban Development) of what constitutes federal awards expended for this program. This amount differs from the amount presented in, or used in, the preparation of the basic financial statements.

2. Subrecipients

Of the federal and State expenditures presented in this schedule, Northwest Piedmont Council of Governments provided federal and State awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Pass-through</u>		<u>Federal Expenditures</u>	<u>State Expenditures</u>
		<u>Grantor's Number</u>			
Workforce Investment Act - Adult Programs	17.258			\$ -	\$ -
Workforce Investment Act -Youth Activities	17.259	2013-2040-47		719,301	-
Workforce Investment Act - Dislocated Worker	17.278	2012-2031-47		7,663	-
Workforce Investment Act - Dislocated Worker	17.278	2013-2031-47		3,900	-
Health Promotions - Title III D	93.043	NC-07(14)		9,121	537
Aging Access & In-Home Services- Title III-B & State	93.044	NC-07(14)		2,076,854	3,787,346
Aging Legal Services-Title III-B	93.044	NC-07(14)		70,070	2,709
Gongregate Meals - Title III-C-1	93.045	NC-07(14)		1,094,617	64,385
Home Delivered Meals- Title III-C-2	93.045	NC-07(14)		1,167,319	924,616
Family Caregiver- Title III-E	93.052	NC-07(14)		305,385	20,359
Nutrition Services Incentive Program (NSIP)	93.053	NC-07(14)		702,431	-
MIPPA Medicare Enrollment Assitance	93.071	RQ17318667		1,000	-
Aging Cluster - State Appropriations	N/A	NC-07(14)		-	256,949
				<u>\$ 6,157,661</u>	<u>\$ 5,056,901</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2014

Notes to the Schedule of Expenditures of Federal and State Awards

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		Grantor's Number	Federal Expenditures	State Expenditures
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Workforce Investment Act -Youth Activities	17.259	2013-2040-47	719,301	-
Workforce Investment Act - Dislocated Worker	17.278	2012-2031-47	7,663	-
Workforce Investment Act - Dislocated Worker	17.278	2013-2031-47	3,900	
Health Promotions - Title III D	93.043	NC-07(14)	9,121	537
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