

PIEDMONT TRIAD REGIONAL COUNCIL

**FINANCIAL STATEMENTS AND
COMPLIANCE REPORT**

For the Year Ended June 30, 2016

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

June 30, 2016

<u>Name</u>	<u>Position</u>	<u>County/City</u>	<u>Position</u>
<u>Executive Committee</u>			
Nathanial Hall	Chairman	Caswell	Commissioner
Steve Yokeley	Vice-Chair	Mount Airy	Commissioner
Jimmy Blake	Secretary	Biscoe	Mayor
Kevin Austin	Treasurer	Yadkin	Commissioner
Molly Leight	Past-Chairman	Winston-Salem	Council Member
<u>Board of Delegates</u>			
Linda Massey	Member	Alamance	Commissioner
Don Truell	Member	Davidson	Commissioner
John Ferguson	Member	Davie	Commissioner
Walter Marshall	Member	Forsyth	Commissioner
Alan Branson	Member	Guilford	Commissioner
Jackie Morris	Member	Montgomery	Commissioner
Darrell Frye	Member	Randolph	Commissioner
C. Zane Cardwell	Member	Rockingham	Commissioner
Ernest Lankford	Member	Stokes	Commissioner
Larry Phillips	Member	Surry	Commissioner
Jim Butler	Member	Burlington	Council Member
Marikay Abuzuaiter	Member	Greensboro	Council Member

<u>Name</u>	<u>Position</u>	<u>County/City</u>	<u>Position</u>
Latimer Alexander	Member	High Point	Council Member
Buddy Boggs	Member	Haw River	Mayor
Alvin Foster	Member	Yanceyville	Mayor Pro Tem
Larry Ward	Member	Denton	Mayor
Brent Ward	Member	Mocksville	Commissioner
Peggy Leight	Member	Walkertown	Commissioner
Keith Volz	Member	Jamestown	Mayor
Bert Lance Stone	Member	Archdale	Mayor
Darryl Carter	Member	Eden	Council Member
Sharon Conaway	Member	Walnut Cove	Commissioner
Wayne Moore	Member	Jonesville	Commissioner

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FINANCIAL SECTION



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, 2016, 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.

Auditors' 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, based on our audit, 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, 2016, 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 61 and 62, respectively, Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset and Contributions, on pages 63 and 64, 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 basic financial statements of the Piedmont Triad Regional Council. 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, and the accompanying Schedule of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 October 10, 2016 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.

October 10, 2016

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

Management's Discussion and Analysis

As management of the Piedmont Triad Regional Council (the Council), we offer readers of the Council's financial statements this narrative overview and analysis of the financial activities of the Piedmont Triad Regional Council for the fiscal year ended June 30, 2016. 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

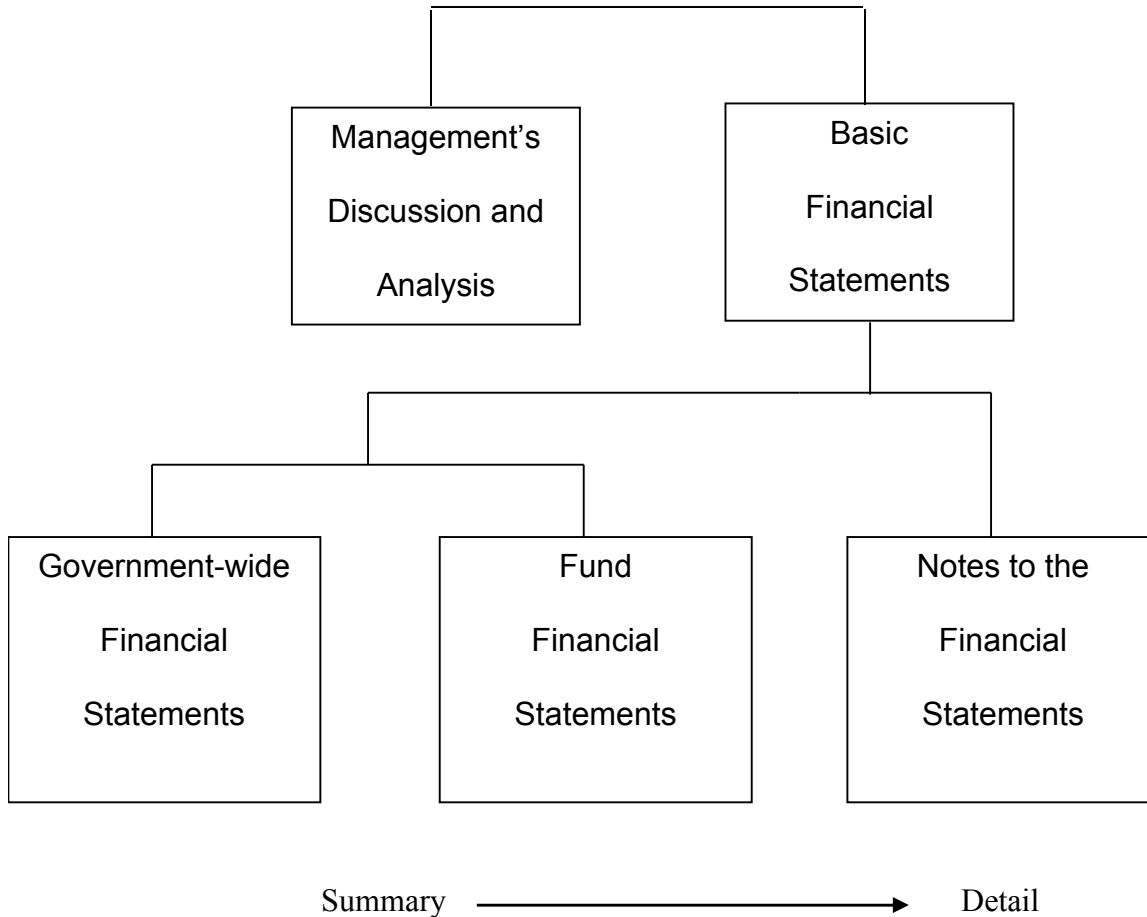
- The assets and deferred outflows of resources of the Council exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$3,710,059 (net position).
- The Council's total net position increased by \$402,114.
- As of the close of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$3,067,639, an increase of \$800,984 in comparison with the prior year. 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 \$1,749,403.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3 through 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.

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

PIEDMONT TRIAD REGIONAL COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2016

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

The government-wide statements may be divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. However, the Council does not have any business-type activities. The governmental activities include all of the Council's basic services such as general administration, human services, regional planning and technical services. The final category is component units. Although legally separate from the Council, the Piedmont Triad Regional Development Corporation is important to the Council because the Council exercises financial control over this organization and thus, is reflected in the government-wide financial statements as a discretely presented component unit. As the Northwest Piedmont Job Training Consortium/Workforce Development Board has no operational responsibility it is presented as a blended component unit.

The government-wide financial statements can be found on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Council's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Council's budget ordinance. All of the funds of the Council are governmental funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All the Council's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Council's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Council adopts an annual budget for its General Fund and Special Revenue 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

PIEDMONT TRIAD REGIONAL COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2016

the General Fund and Special Revenue Fund demonstrates how well the Council complied with the budget ordinance and whether or not the Council succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund and Special Revenue Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 32 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Piedmont Triad Regional Council's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 60 of this report.

PIEDMONT TRIAD REGIONAL COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2016

Government – Wide Financial Analysis

Piedmont Triad Regional Council
Net Assets
Table A-1

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Current and other assets	\$ 4,961,244	\$ 5,168,590
Capital assets	4,123,158	4,418,572
Deferred outflows of resources	<u>307,024</u>	<u>320,115</u>
Total assets and deferred outflows of resources	<u>9,391,426</u>	<u>9,907,277</u>
Current liabilities	1,715,848	1,698,063
Long-term liabilities outstanding	3,445,504	3,548,868
Deferred inflows of resources	<u>520,015</u>	<u>1,352,401</u>
Total liabilities and deferred inflows of resources	<u>5,681,367</u>	<u>6,599,332</u>
Net position		
Invested in capital assets, net of related debt	957,075	937,868
Restricted	3,720,645	3,517,316
Unrestricted (deficit)	<u>(967,661)</u>	<u>(1,147,239)</u>
Total net position	<u>\$ 3,710,059</u>	<u>\$ 3,307,945</u>

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Council exceeded liabilities and deferred inflows by \$3,710,059 as of June 30, 2016. The Council's net assets increased by \$402,114 for the fiscal year ended June 30, 2016. A portion of the Council's net position of \$957,075 reflects the Council's net investment in capital assets. An additional portion of the Piedmont Triad Regional Council Net Position of \$3,720,645 represents resources that are subject to external restrictions on how they may be used. Of the amount restricted \$2,748,305 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, 2016

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

	Governmental Activities	
	2016	2015
Revenues:		
Program revenues:		
Charges for services	\$ 3,131,768	\$ 2,302,661
Operating grants and contributions	26,917,310	25,764,311
General revenues:		
Investment earnings	344	36
Other	9,307	434,636
	<u>30,058,729</u>	<u>28,501,644</u>
Expenses:		
Administration	630,510	14,062
Crime control and public safety	763,214	883,682
Economic development	-	92,600
Environmental protection	356,885	527,194
Health and human services	12,442,027	12,392,628
Housing	4,973,114	4,186,532
Planning	286,272	273,526
Transportation	241,738	258,505
Workforce development	5,850,500	5,291,100
Weatherization	3,959,175	3,000,240
Local projects	64,068	834,628
Interest	89,112	12,848
	<u>29,656,615</u>	<u>27,767,545</u>
Total Expenses		
	29,656,615	27,767,545
Increase in net position	402,114	734,099
Net position, beginning	<u>3,307,945</u>	<u>2,573,846</u>
Net assets, June 30	<u>\$ 3,710,059</u>	<u>\$ 3,307,945</u>

PIEDMONT TRIAD REGIONAL COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2016

Governmental activities. Governmental activities increased the Council's net position by \$402,114.

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 the Council. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,747,246, while total fund balance reached \$1,749,403. 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 316.7% percent of total General Fund expenditures. Total fund balance represented 315.3% percent of total General Fund expenditures.

As of June 30, 2016 the governmental funds of the Council reported a combined fund balance of \$3,067,639, an increase of \$800,984 (35.34%) from the prior year. Included in this change in fund balance is an increase in fund balance in the Local Projects Fund due to the collection of deferred inflows and the forgiveness of PTRDC's debt to the Council.

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 \$6,950. Amendments to the Grant Project Fund and Local Project Fund increased the budget by \$1,142,707; this included increases for Administration, Administrative Services, Aging, Housing, Misc. Local Projects, Planning (environmental protection, planning and transportation) programs, Transportation, Workforce Investment Act Programs and Weatherization programs of \$83,799, \$260,769, \$6,950, \$410,939, \$354,704, \$61,184, \$160,666, \$107, \$1,003,145 and \$171,112 respectively; and decreases in Crime Control and Public Safety programs and Environmental Protection programs of \$1,343,580 and \$27,088 respectively.

PIEDMONT TRIAD REGIONAL COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2016

Capital Asset and Debt Administration

Capital assets. The Council's investment in capital assets for its governmental activities as of June 30, 2016, totals \$4,123,158, (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	
	2016	2015
Land	\$ 634,324	\$ 634,324
Land improvements	74,472	84,416
Building	3,078,961	3,329,759
Equipment, furniture and fixtures	167,555	199,426
Vehicles	167,846	170,647
	<u> </u>	<u> </u>
Total	<u>\$ 4,123,158</u>	<u>\$ 4,418,572</u>

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

Debt Administration

	Governmental Activities	
	2016	2015
Note payable	<u>\$ 3,166,083</u>	<u>\$ 3,480,704</u>

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

PIEDMONT TRIAD REGIONAL COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2016

Requests for Information

This report is intended to provide a general overview of the Piedmont Triad Regional Council's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to 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.

BASIC FINANCIAL STATEMENTS

PIEDMONT TRIAD REGIONAL COUNCIL
STATEMENT OF NET POSITION
 June 30, 2016

	Primary Government	Component Unit
	Governmental Activities	Piedmont Triad Regional Development Corporation
ASSETS		
Current assets:		
Cash and investments	\$ 1,951,582	\$ 57,113
Accounts receivable	107,274	-
Due from other governments	2,831,071	-
Due from component units	22,355	-
Prepaid expenses	48,962	-
Total current assets	<u>4,961,244</u>	<u>57,113</u>
Non-current assets:		
Capital assets:		
Land, nondepreciable	634,324	-
Depreciable, net of related depreciation	3,488,834	-
Total capital assets	<u>4,123,158</u>	<u>-</u>
Total assets	<u>9,084,402</u>	<u>57,113</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferrals	307,024	-
Total deferred outflows of resources	<u>307,024</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Accounts payable	1,263,874	-
Accrued expenses	130,948	-
Due to primary government	-	22,355
Loan fee deposits	-	7,500
Deferred federal revenue	-	27,835
Current portion of long-term liabilities	321,026	-
Total current liabilities	<u>1,715,848</u>	<u>57,690</u>
Long-term liabilities:		
Net pension liability	317,971	-
Due in more than one year	3,127,533	-
Total liabilities	<u>5,161,352</u>	<u>57,690</u>
DEFERRED INFLOWS OF RESOURCES		
Pension deferrals	109,552	-
Unearned revenue	410,463	-
Total deferred inflows of resources	<u>520,015</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	957,075	-
Restricted:		
Stabilization by State Statute	2,748,305	-
HUD	185,832	-
Projects	786,508	-
Unrestricted net deficit	(967,661)	(577)
Total net position	<u>\$ 3,710,059</u>	<u>\$ (577)</u>

PIEDMONT TRIAD REGIONAL COUNCIL
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Program Revenue			Primary	Component
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Unit Piedmont Triad Regional Development Corporation
Primary government:					
Governmental Activities:					
Administration	\$ 630,510	\$ 817,460	\$ 131,932	\$ 318,882	\$ -
Crime control and public safety	763,214	100,025	705,841	42,652	-
Economic development	-	-	-	-	-
Environmental protection	356,885	110,748	264,121	17,984	-
Health and human services	12,442,027	228,960	12,200,598	(12,469)	-
Housing	4,973,114	50,023	4,943,038	19,947	-
Planning	286,272	292,981	77,541	84,250	-
Transportation	241,738	48,988	191,956	(794)	-
Workforce development	5,850,500	202,543	5,680,303	32,346	-
Weatherization	3,959,175	1,230,465	2,721,980	(6,730)	-
Other local projects	64,068	49,575	-	(14,493)	-
Interest expense	89,112	-	-	(89,112)	-
Total governmental activities and primary government	<u>\$ 29,656,615</u>	<u>\$ 3,131,768</u>	<u>\$ 26,917,310</u>	<u>392,463</u>	
Component Unit:					
Piedmont Triad Regional Development Corporation	<u>\$ 42,350</u>	<u>\$ 49,018</u>	<u>\$ -</u>		<u>\$ 6,668</u>
General revenues:					
Unrestricted investment earnings				344	959
Miscellaneous				9,307	-
Extraordinary item: gain on forgiveness of payable owed to Piedmont Triad Regional Council				-	166,967
Total general revenues				<u>9,651</u>	<u>167,926</u>
Change in net position				402,114	174,594
Net position (deficit) - beginning, previously reported				<u>3,307,945</u>	<u>(175,171)</u>
Net position (deficit) - ending				<u>\$ 3,710,059</u>	<u>\$ (577)</u>

FUND FINANCIAL STATEMENTS

PIEDMONT TRIAD REGIONAL COUNCIL
BALANCE SHEETS
GOVERNMENTAL FUNDS
June 30, 2016

	Major Funds			Total Governmental Funds
	General Fund	Grant Project Fund	Local Projects Fund	
ASSETS				
Cash and investments	\$ 1,754,529	\$ 181,667	\$ 15,386	\$ 1,951,582
Sales tax receivables	2,157	78,168	26,949	107,274
Due from other governments	-	1,977,190	853,881	2,831,071
Due from component unit	-	19,415	2,940	22,355
Prepaid expenses	-	48,962	-	48,962
Total assets	<u>\$ 1,756,686</u>	<u>\$ 2,305,402</u>	<u>\$ 899,156</u>	<u>\$ 4,961,244</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 4,533	\$ 1,230,831	\$ 28,510	\$ 1,263,874
Accrued liabilities	-	6,873	-	6,873
Total liabilities	<u>4,533</u>	<u>1,237,704</u>	<u>28,510</u>	<u>1,270,747</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	176,257	36,138	212,395
Unearned revenue	2,750	359,713	48,000	410,463
Total deferred inflows of resources	<u>2,750</u>	<u>535,970</u>	<u>84,138</u>	<u>622,858</u>
FUND BALANCES				
Nonspendable:				
Prepaid expenses	-	48,962	-	48,962
Restricted:				
Stabilization by State Statute	2,157	1,898,516	847,632	2,748,305
Restricted by HUD	-	185,832	-	185,832
Restricted for local projects	-	-	786,508	786,508
Unassigned (deficit)	1,747,246	(1,601,582)	(847,632)	(701,968)
Total fund balances	<u>1,749,403</u>	<u>531,728</u>	<u>786,508</u>	<u>3,067,639</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,756,686</u>	<u>\$ 2,305,402</u>	<u>\$ 899,156</u>	<u>\$ 4,961,244</u>

PIEDMONT TRIAD REGIONAL COUNCIL
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
 June 30, 2016

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

Total fund balance, governmental funds		\$ 3,067,639
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	6,209,443	
Accumulated depreciation	<u>(2,086,285)</u>	4,123,158
Deferred outflows of resources related to the pension are not reported in the funds		307,024
Earned revenues considered deferred inflows of resources in fund statements		212,395
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds		
Notes payable	(3,166,083)	
Accrued interest expense	(22,840)	
Other postemployment benefits	(50,865)	
Compensated absences	(231,611)	
Incurred but not reported claims	(101,236)	
Net pension liability	<u>(317,971)</u>	(3,890,605)
Deferred inflows of resources related to pensions are not reported in the funds		<u>(109,552)</u>
Net position of governmental activities		<u><u>\$ 3,710,059</u></u>

PIEDMONT TRIAD REGIONAL COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2016

	Major Funds			Total Governmental Funds
	General Fund	Grant Project Fund	Local Projects Fund	
REVENUES				
Restricted intergovernmental	\$ -	\$ 26,610,681	\$ 332,094	\$ 26,942,775
Fees, local governments	570,606	308,075	272,356	1,151,037
Fees, program services	1,214	169,434	2,373,921	2,544,569
Miscellaneous	344	-	-	344
Total revenues	<u>572,164</u>	<u>27,088,190</u>	<u>2,978,371</u>	<u>30,638,725</u>
EXPENDITURES				
Administration	551,622	215,201	-	766,823
Crime control and public safety	-	373,747	389,467	763,214
Environmental protection	-	266,366	90,520	356,886
Health and human services	-	12,406,109	35,918	12,442,027
Housing	-	4,972,042	1,072	4,973,114
Planning	-	89,983	196,289	286,272
Transportation	-	241,738	-	241,738
Workforce development	-	5,776,539	73,961	5,850,500
Weatherization	-	2,731,378	1,227,797	3,959,175
Other local projects	-	-	207,299	207,299
Total expenditures	<u>551,622</u>	<u>27,073,103</u>	<u>2,222,323</u>	<u>29,847,048</u>
Excess of revenues over expenditures	20,542	15,087	756,048	791,677
OTHER FINANCING SOURCES				
Sale of capital assets	-	8,351	956	9,307
Net change in fund balance	20,542	23,438	757,004	800,984
Fund balances, beginning	<u>1,728,861</u>	<u>508,290</u>	<u>29,504</u>	<u>2,266,655</u>
Fund balances, ending	<u>\$ 1,749,403</u>	<u>\$ 531,728</u>	<u>\$ 786,508</u>	<u>\$ 3,067,639</u>

PIEDMONT TRIAD REGIONAL COUNCIL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

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

Net changes in fund balances - total governmental funds \$ 800,984

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	136,320	
Depreciation expense for governmental assets	(426,696)	
Loss on disposal of assets	<u>(5,039)</u>	(295,415)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities 307,024

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (589,302)

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 longterm debt and related items.

Principal payments on long-term debt	314,622	
Decrease in accrued interest payable	<u>2,612</u>	317,234

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	56,577	
Pension expense	(190,021)	
Other postemployment benefits	1,111	
Incurred but not reported claims	<u>(6,078)</u>	(138,411)

Total changes in net position of governmental activities \$ 402,114

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

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Fees, local governments	\$ 62,560	\$ 570,606	\$ 570,606	\$ -
Program income	-	-	1,214	1,214
Investment earnings	600	2,000	344	(1,656)
Total revenues	<u>63,160</u>	<u>572,606</u>	<u>572,164</u>	<u>(442)</u>
Expenditures:				
Administration	<u>63,160</u>	<u>572,606</u>	<u>551,622</u>	<u>20,984</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>20,542</u>	<u>20,542</u>
Other financing sources:				
Sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	20,542	<u>\$ 20,542</u>
Fund balance, beginning			<u>1,728,861</u>	
Fund balance, ending			<u>\$ 1,749,403</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, 2016

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Restricted intergovernmental	\$ 29,605,166	\$ 29,782,002	\$ 26,610,681	\$ (3,171,321)
Fees, local governments	429,044	567,656	308,075	(259,581)
Fees, program services	128,025	178,125	169,434	(8,691)
Total revenues	<u>30,162,235</u>	<u>30,527,783</u>	<u>27,088,190</u>	<u>(3,439,593)</u>
Expenditures:				
Administration	260,738	344,537	215,201	129,336
Crime control and public safety	2,124,763	588,491	373,747	214,744
Environmental protection	354,321	329,734	266,366	63,368
Health and human services	12,546,656	12,946,595	12,406,109	540,486
Housing	5,252,690	5,606,997	4,972,042	634,955
Planning	140,143	186,037	89,983	96,054
Transportation	241,631	241,738	241,738	-
Workforce development	6,480,054	7,394,134	5,776,539	1,617,595
Weatherization	2,761,239	2,889,520	2,731,378	158,142
Total expenditures	<u>30,162,235</u>	<u>30,527,783</u>	<u>27,073,103</u>	<u>3,454,680</u>
Excess of revenues over expenditures	-	-	15,087	15,087
Other financing sources:				
Sale of capital assets	-	-	8,351	8,351
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	23,438	<u>\$ 23,438</u>
Fund balance, beginning			<u>508,290</u>	
Fund balance, ending			<u>\$ 531,728</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, 2016

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Restricted intergovernmental	\$ -	\$ 483,333	\$ 332,094	\$ (151,239)
Fees, local governments	197,782	113,696	272,356	158,660
Fees, program services	3,942,529	3,818,036	2,373,921	(1,444,115)
Total revenues	<u>4,140,311</u>	<u>4,415,065</u>	<u>2,978,371</u>	<u>(1,436,694)</u>
Expenditures:				
Crime control and public safety	498,391	691,083	389,467	301,616
Environmental protection	113,600	111,100	90,520	20,580
Health and human services	147,000	158,000	35,918	122,082
Housing	5,000	5,397	1,072	4,325
Planning	273,715	388,486	196,289	192,197
Workforce development	137,573	226,638	73,961	152,677
Weatherization	2,095,817	2,138,648	1,227,797	910,851
Other local projects	869,215	695,713	207,299	488,414
Total expenditures	<u>4,140,311</u>	<u>4,415,065</u>	<u>2,222,323</u>	<u>2,192,742</u>
Excess of revenues over expenditures	-	-	756,048	756,048
Other financing sources:				
Sale of capital assets	-	-	956	956
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	757,004	<u>\$ 757,004</u>
Fund balance, beginning			<u>29,504</u>	
Fund balance, ending			<u>\$ 786,508</u>	

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

General

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

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

Reporting Entity

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

Blended Component Unit

Northwest Piedmont Job Training Consortium/Workforce Development Board

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

NOTE A – SUMMARY OF 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. W.I.A. was replaced by the Workforce Innovation Opportunity Act (W.I.O.A.) on July 1, 2015. The members of the board of directors of the Consortium are appointed by county commissioners from each county in the W.I.O.A. Local Area. The Consortium's responsibility is to provide policy guidance for, and exercise oversight of activities under the Workforce Innovation Opportunity 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.O.A. funds received are expended directly by the Council. The Council is also responsible for determining the program is carried out. The W.I.O.A. funds and expenditures are included in the Council's Grant Project Special Revenue Fund.

Discretely Presented Component Unit

The financial statements for the following discretely presented component unit are reported in a separate column from the primary government to emphasize that it is legally separate from the Council.

Piedmont Triad Regional Development Corporation

The Northwest Piedmont Development Corporation, a nonprofit corporation, was formed in 1983 for the purpose of being the regional organization for processing small business loan packages under the U.S. Small Business Administration's 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 and U.S. Department of Commerce/Economic Development Administration grant funds. 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 27284.

NOTE A – SUMMARY OF 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.

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

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

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

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

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

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

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

Budgetary Data

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The Council's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT-Cash Portfolio, a SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT-Term Portfolio's securities are valued at fair value.

Cash and cash equivalents:

The Council pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents. The Council considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

Allowance for Doubtful Accounts:

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years. No allowance was deemed necessary at June 30, 2016.

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. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Asset Class	Estimated Useful Lives
Building	15
Land improvements	10
Vehicles	10
Low voltage system	5
Furniture and equipment	5
Computer equipment	5

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

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

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred outflows/inflows of resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Council has one item that met this criterion, contributions made to the pension plan in the 2016 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Council has an item that meets the criterion for this category, listed in Note I - deferrals of pension expense that result from the implementation of GASB Statement 68.

Long-Term Obligations:

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities on the statement of net position.

Compensated Absences:

The vacation policy of the Council provides for the accumulation of up to 240 hours of earned vacation leave at year end with such leave being fully vested when earned. For the Council's government-wide financial statements, an expense and a liability for compensated absences and the salary-related payments are recorded at the fiscal year end. The portion of that time that is estimated to be used in the next fiscal year has been 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Council.

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 for 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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Government Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Council employer contributions are recognized when due and the Council has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

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 31.00% for fringe benefits and 36.00% for indirect cost. The actual rates for the year ended June 30, 2016, for fringe benefits and indirect cost were 31.00% and 36.00%, respectively. All charges to programs for fringe and indirect costs were adjusted to actual as of June 30, 2016.

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 - CASH AND INVESTMENTS

Deposits

All the deposits of the Council are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Council's agent in the Council's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Council, these deposits are considered to be held by the Council's agent in the Council's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Council or the escrow agent. Because of the inability to measure the exact amount of collateral pledges for the Council under the Pooling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Council has

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE B- CASH AND INVESTMENTS (CONTINUED)

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, 2016, the Council's deposits had a carrying amount of \$1,240,877 and a bank balance of \$1,939,278. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$1,689,278 in interest-bearing deposits was covered by collateral held under the pooling method.

At June 30, 2016, the Corporation's deposits had a carrying amount of \$57,113 and a bank balance of \$57,113. All of the bank balance was covered by federal depository insurance.

Investments

At June 30, 2016, the Piedmont Triad Regional Council had \$710,705 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 formal policy regarding credit risk of its investments.

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE C - DUE FROM OTHER GOVERNMENTS

Amounts due from other governments are summarized as follows:

Special Revenue Fund - Grant Project Fund	
Appalachian Regional Commission	\$ 27,500
N.C. Department of Crime Control and Public Safety	62,303
N.C. Department of Commerce	165,166
N.C. Department of Environmental Quality	316,733
N.C. Department of Health and Human Services	1,042,105
N.C. Department of Transportation	76,181
N.C. Housing Finance Agency	175,741
U.S. Department of Housing and Urban Development	1,266
U.S. Environmental Protection Agency	19,650
Local governments and agencies	90,545
Total Grant Project Fund	<u>1,977,190</u>
 Special Revenue Fund - Local Projects Fund	
Local governments and agencies	<u>853,881</u>
 Total Due from Other Governments	<u><u>\$ 2,831,071</u></u>

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE D - CAPITAL ASSETS

Primary Government

Capital asset activity for the primary government for the year ended June 30, 2016, was as follows:

	Beginning Balances	Additions	Disposals	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 634,324	\$ -	\$ -	\$ 634,324
Total capital assets not being depreciated	<u>634,324</u>	<u>-</u>	<u>-</u>	<u>634,324</u>
Capital assets being depreciated:				
Building	3,806,868	43,546	-	3,850,414
Equipment, furniture and fixtures	1,128,699	61,564	208,241	982,022
Land improvements	99,436	-	-	99,436
Vehicles	630,412	40,521	27,685	643,248
Total capital assets being depreciated	<u>5,665,415</u>	<u>145,631</u>	<u>235,926</u>	<u>5,575,120</u>
Less accumulated depreciation for:				
Buildings	477,109	294,344	-	771,453
Equipment, furniture and fixtures	929,273	85,877	200,683	814,467
Land improvements	15,020	9,944	-	24,964
Vehicles	459,765	36,531	20,894	475,402
Total accumulated depreciation	<u>1,881,167</u>	<u>\$ 426,696</u>	<u>\$ 221,577</u>	<u>2,086,286</u>
Total capital assets being depreciated, net	<u>3,784,248</u>			<u>3,488,834</u>
Governmental activity capital assets, net	<u>\$ 4,418,572</u>			<u>\$ 4,123,158</u>

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE D - CAPITAL ASSETS (CONTINUED)

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

Administration	\$ 316,811
Crime control and public safety	-
Health and human services	7,404
Housing	3,484
Transportation	-
Weatherization	14,739
Workforce Investment Act	<u>84,258</u>
 Total depreciation expense	 <u><u>\$ 426,696</u></u>

Discretely Presented Component Units

Capital asset activity for the Piedmont Triad Regional Development Corporation for the year ended June 30, 2016, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets being depreciated:				
Equipment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Less accumulated depreciation for:				
Equipment	<u>-</u>	<u>-</u>	<u>-</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 THE FINANCIAL STATEMENTS
June 30, 2016

NOTE E - 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>
2017	\$ 246,000	\$ 79,409
2018	246,000	72,791
2019	246,000	66,174
2020	246,000	59,557
2021	246,000	52,939
2022-2026	1,230,000	165,435
2027-2028	492,000	19,852
	<u>\$ 2,952,000</u>	<u>\$ 516,157</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>
2017	\$ 69,973	\$ 4,217
2018	71,352	2,839
2019	72,758	1,433
	<u>\$ 214,083</u>	<u>\$ 8,489</u>

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE E - LONG-TERM OBLIGATIONS (CONTINUED)

The following is a summary of changes in long-term liabilities for the year ended June 30, 2016:

	Balances July 1, 2015	Increases	Decreases	Balances June 30, 2016	Portion of Balances
Governmental activities:					
Note payable	\$ 3,198,000	\$ -	\$ 246,000	\$ 2,952,000	\$ 246,000
Note payable	282,704	-	68,621	214,083	69,973
Compensated absences	288,188	43,331	99,908	231,611	5,053
OPEB liability	51,976	-	1,111	50,865	-
Net pension liability (LGERS)	-	317,971	-	317,971	-
	<u>\$ 3,820,868</u>	<u>\$ 361,302</u>	<u>\$ 415,640</u>	<u>\$ 3,766,530</u>	<u>\$ 321,026</u>

NOTE F – PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS

Local Government Employees' Retirement System

Plan Description. The Council is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the 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, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service.

NOTE F – PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (CONTINUED)

The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Council employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Council contractually required contribution rate for the year ended June 30, 2016, was 6.84% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Council were \$307,024 for the year ended June 30, 2016.

Refunds of Contributions – Council employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the Council reported a liability of \$317,971 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 utilizing update procedures incorporating the actuarial assumptions. The Council's proportion of the net pension liability was based on a projection of the Council's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2015, the Council's proportion was 0.071%, which was a decrease of 0.001% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Council recognized pension expense of \$162,483. At June 30, 2016 the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE F – PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (CONTINUED)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 74,742
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	90,525
Changes in proportion and differences between Council contributions and proportionate share of contributions	55,719	-
Council contributions subsequent to the measurement date	307,024	-
Total	<u>\$ 362,743</u>	<u>\$ 165,267</u>

\$307,024 reported as deferred outflows of resources related to pensions resulting from Council contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017	\$ (88,167)
2018	(88,167)
2019	(88,178)
2020	154,960
2021	-
Thereafter	-
	<u>\$ (109,552)</u>

NOTE F – PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (CONTINUED)

Actuarial Assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015 are summarized in the following table:

NOTE F – PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (CONTINUED)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	2.2%
Global Equity	42.0%	5.8%
Real Estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation Protection	6.0%	3.4%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Council’s proportionate share of the net pension asset to changes in the discount rate. The following presents the Council’s proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the Council’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2016

NOTE F – PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (CONTINUED)

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Council's proportionate share of the net pension liability (asset)	\$ 2,217,256	\$ 317,971	\$ (1,282,135)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

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 6.84% 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, 2016, 2015, and 2014 were \$307,024, \$320,115 and \$316,764, 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 deferred compensation program. Plan contributions by employees amounted to \$40,632, during the fiscal year ended June 30, 2016, and ending investment balance in the plan at June 30, 2016 was \$1,141,728. 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, 2016. All amounts are vested immediately. Also, the participants may make voluntary contributions to the Plan.

Contributions for the year ended June 30, 2016 totaled \$195,421, which consisted of \$112,210 from the Council and \$83,211 from employees.

NOTE G - 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.

Membership of the HCB Plan at June 30, 2016, the alternative measurement valuation date, consisted of the following:

Active plan members	96
Retirees receiving benefits	<u>3</u>
Total	<u><u>99</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, 2016, the Council’s total contributions of \$8,493 include the amount due to the impact of the 54% implicit subsidy and actual cash contributions of \$0 paid.

Annual OPEB Cost and Net OPEB Obligation: The Council’s annual other postemployment benefit (OPEB) cost (expense) is based on an actuarial valuation report performed by Cavanaugh Macdonald Consulting, LLC.

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 THE FINANCIAL STATEMENTS
June 30, 2016

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

Annual required contribution (ARC)	\$ 7,286
Interest on OPEB obligation	2,079
Adjustment to ARC	(1,983)
Annual OPEB Cost (pay-as-you-go)	<u>7,382</u>
Contributions made	<u>8,493</u>
Increase in net OPEB obligation	(1,111)
Net OPEB obligation, beginning of year	<u>51,976</u>
Net OPEB obligation, end of year	<u><u>\$ 50,865</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</u>	<u>Percentage of</u>	<u>Net OPEB</u>
	<u>Cost</u>	<u>Annual OPEB Cost</u>	<u>Obligation</u>
		<u>Contributed</u>	
2016	\$ 7,379	115.10%	\$ 50,865
2015	7,376	79.60%	51,976
2014	22,520	21.31%	50,474

Funded Status and Funding Progress: As of December 31, 2014, the actuarial value accrued liability for benefits was \$65,730, which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$4,519,286, and the ratio of the unfunded accrued liability to the covered payroll was 1.45%.

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 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. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State.

For the fiscal year ended June 30, 2015, 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.

NOTE I – DEFERRED INFLOWS AND OUTFLOWS 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
Special Revenue Fund - Grant Project Fund		
Receivables not available	\$ 176,257	\$ -
Revenue received in advance of timing requirements	-	359,713
Total Grant Project Fund	<u>\$ 176,257</u>	<u>\$ 359,713</u>
Special Revenue Fund - Local Project Fund		
Receivables not available	\$ 36,138	\$ -
Revenue received in advance of timing requirements	-	48,000
Total Local Project Fund	<u>36,138</u>	<u>48,000</u>
General Fund		
Receivables not available	\$ -	\$ -
Revenue received in advance of timing requirements	-	2,750
Total General Fund	<u>-</u>	<u>2,750</u>
Total Governmental Funds	<u><u>\$ 212,395</u></u>	<u><u>\$ 410,463</u></u>

NOTE J - RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council participates in a self-funded risk financing pool administered by the North Carolina League of Municipalities. Through this pool, the Council obtains general liability and auto liability coverage of \$2 million per occurrence and property coverage up to the total insurance values of the property policy. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the 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 an aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values.

The Council carries commercial coverage for all other risks of loss, including workers' compensation coverage up to statutory limits. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Council does not carry flood insurance since its main office and its satellite offices do not lie within a flood plain.

In accordance with G. S. 159-29, the Council's employees that have access to \$100 or more at any given time of the Council's funds are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$55,000. The remaining employees that have access to funds are bonded under a blanket bond for \$50,000 for dishonesty, forgery, and alteration and for \$5,000 for theft of money and securities.

The Council currently reimburses employees for exceeding their respective health insurance deductible. This benefit is self-funded by the Council and is subject to change at the discretion of the Board.

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE J - RISK MANAGEMENT (CONTINUED)

Changes in the Council's reserves for these potential claims for the years ended June 30, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Reserve, beginning of year	\$ 95,158	\$ 90,470
Contributions to HRA by Piedmont Triad Regional Council	61,634	71,666
Less claims paid	<u>(55,556)</u>	<u>(66,978)</u>
Reserve, end of year	<u>\$ 101,236</u>	<u>\$ 95,158</u>

NOTE K – 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 \$42,350 in 2016. 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.

During the year, the Council decided to call on all outstanding amounts that the Corporation owed to the Council which at that time amounted to \$215,940. The Corporation paid \$48,973 of this balance at that time. The remaining \$166,967 was written off by the Council. The Corporation recognized this amount as extraordinary income in their Statement of Activities for the year ended June 30, 2016.

Due to Council, beginning of year	\$	215,940
Advances from Council		42,349
Less repayments to Council		(68,967)
Write-off of amount due to Council		<u>(166,967)</u>
Due to Council, end of year	<u>\$</u>	<u>22,355</u>

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

NOTE L – 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, 2016, was comprised of \$310,779 for office space and storage and \$106,650 for equipment.

The following is a summary of future operating lease commitments:

<u>Fiscal Year Ending</u>		<u>Amount</u>
2017	\$	133,392
2018		36,092
2019		17,992
2020		-
2021		-
Thereafter		-
	\$	<u>187,476</u>

NOTE M - THIRD PARTY AGREEMENTS

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

- Alamance County
- Bladen County
- Caswell County
- Davidson County
- Davie County
- Forsyth County
- Guilford County
- Randolph County
- Rockingham County
- Stokes County
- Surry County
- Wilkes County
- Yadkin County
- City of Archdale
- City of Asheboro
- City of Eden
- City of Graham
- City of Greensboro
- City of Havelock
- City of High Point
- City of Lexington
- City of Mebane
- City of Randleman
- City of Reidsville
- City of Statesville
- City of Trinity
- City of Winston Salem
- Town of Biscoe
- Town of Candor
- Town of Denton
- Town of East Bend
- Town of Elon
- Town of Haw River
- Town of Jonesville
- Town of Kernersville
- Town of Lewisville
- Town of Liberty
- Town of Nags Head
- Town of Pilot Mountain
- Town of Ramseur
- Town of Walnut Cove
- Town of Yanceyville
- Village of Clemmons

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

NOTE N - CONTRACTS

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

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

Section 8 Housing Voucher Program

NC 166

842 units

PIEDMONT TRIAD REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2016

NOTE O - 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 P – NET INVESTMENT IN CAPITAL ASSETS

	<u>Governmental</u>
Capital assets	\$ 4,123,158
Less: long-term debt	<u>3,166,083</u>
Net investment in capital asset	<u>\$ 957,075</u>

NOTE Q – 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	\$ 1,749,403
Less:	
Stabilization by State Statute	2,157
 Working Capital / Fund Balance Policy	
Remaining Fund Balance	<u>\$ 1,747,246</u>

NOTE R – SUBSEQUENT EVENTS

Subsequent events were evaluated through October 10, 2016, which is the date the financial statements were available to be issued. Effective July 1, 2016, the Council became self-insured for medical and prescription claims. The Council has stop-loss coverage to limit the exposure arising from these claims.

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, 2016

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)
12/31/2014	-	65,730	65,730	0.00%	4,519,286	1.50%
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
JUNE 30, 2016

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2016	7,379	115.10%
2015	7,376	79.63%
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 as determined from the actuarial valuation report performed by Cavanaugh Macdonald Consulting, LLC. Additional information as of the report follows:

Valuation date	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay open
Remaining amortization period	30 years
Asset valuation method	Market value of assets

PIEDMONT TRIAD REGIONAL COUNCIL
PIEDMONT TRIAD REGIONAL COUNCIL'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST THREE YEARS
For the Fiscal Year Ended June 30, 2016

Local Government Employees' Retirement System

	2016	2015	2014
Piedmont Triad Regional Council's proportion of the net pension liability (asset) (%)	0.07085%	0.07169%	0.06930%
Piedmont Triad Regional Council's proportion of the net pension liability (asset) (\$)	317,971	\$ (422,789)	\$ 835,331
Piedmont Triad Regional Council's covered-employee payroll	\$ 4,488,389	\$ 4,674,445	\$ 4,443,980
Piedmont Triad Regional Council's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	7.08%	-9.04%	18.80%
Plan fiduciary net position as a percentage of the total pension liability	98.09%	102.64%	94.35%

PIEDMONT TRIAD REGIONAL COUNCIL
PIEDMONT TRIAD REGIONAL COUNCIL'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST THREE FISCAL YEARS
For the Fiscal Year Ended June 30, 2016

Local Government Employees' Retirement System

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 307,024	\$ 320,115	\$ 316,764
Contributions in relation to the contractually required contribution	<u>307,024</u>	<u>320,115</u>	<u>316,764</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Piedmont Triad Regional Council's covered-employee payroll	\$ 4,488,389	\$ 4,674,445	\$ 4,443,980
Contributions as a percentage of covered-employee payroll	6.84%	6.85%	7.13%

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, 2016

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Fees, local governments	\$ 570,606	\$ 570,606	\$ -
Program income	-	1,214	1,214
Investment earnings	2,000	344	(1,656)
Total revenues	<u>572,606</u>	<u>572,164</u>	<u>(442)</u>
Expenditures:			
Administration			
Salaries and fringe	-	77,767	(77,767)
General and administrative	505,441	345,228	160,213
Travel and training	38,515	34,142	4,373
Professional services/consultants	3,750	725	3,025
Supplies	8,000	13,488	(5,488)
Indirect cost	-	22,141	(22,141)
Capital outlay	16,900	58,131	(41,231)
Total expenditures	<u>572,606</u>	<u>551,622</u>	<u>20,984</u>
Excess of revenues over expenditures	<u>-</u>	<u>20,542</u>	<u>20,542</u>
Net change in fund balance	<u>\$ -</u>	20,542	<u>\$ 20,542</u>
Fund balance, beginning		<u>1,728,861</u>	
Fund balance, ending		<u>\$ 1,749,403</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, 2016

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 29,782,002	\$ 26,610,681	\$ (3,171,321)
Fees, local governments	567,656	308,075	(259,581)
Fees, program services	178,125	169,434	(8,691)
Total revenues	<u>30,527,783</u>	<u>27,088,190</u>	<u>(3,439,593)</u>
Expenditures:			
Administration			
Appalachian Regional Commission/CDBG Handbook/PTRDC			
Salaries and fringe	221,485	135,514	85,971
Travel and training	35,545	15,443	20,102
Professional services/consultants	-	8,576	(8,576)
General administrative/occupancy	7,272	7,623	(351)
Supplies	500	152	348
Indirect costs	79,735	47,742	31,993
Miscellaneous	-	151	(151)
Total Administration	<u>344,537</u>	<u>215,201</u>	<u>129,336</u>
Crime control and public safety			
Salaries and fringe	230,040	178,829	51,211
Travel and training	35,678	8,114	27,564
Professional services/consultants	257,286	154,171	103,115
General administrative/occupancy	10,816	2,754	8,062
Rent	-	117	(117)
Supplies	6,064	7,524	(1,460)
Capital outlay	11,500	-	11,500
Indirect costs	37,107	22,238	14,869
Total crime control and public safety	<u>588,491</u>	<u>373,747</u>	<u>214,744</u>
Environmental protection			
Salaries and fringe	62,729	32,661	30,068
Travel and training	2,452	923	1,529
Professional services/consultants	233,442	213,052	20,390
General administrative/occupancy	8,529	7,398	1,131
Supplies	-	574	(574)
Indirect costs	22,582	11,758	10,824
Total environmental protection	<u>329,734</u>	<u>266,366</u>	<u>63,368</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, 2016

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Health and Human services			
Aging and Home and Community Care Block Grant			
Salaries and fringe	1,064,723	1,054,036	10,687
Travel and training	124,487	88,611	35,876
Professional services/consultants	839,690	48,090	791,600
General administrative/occupancy	159,329	126,691	32,638
Rent	-	1,350	(1,350)
Supplies	76,229	55,456	20,773
Indirect costs	382,137	379,454	2,683
Sub recipient expenses	10,300,000	10,652,421	(352,421)
Total Aging and Home and Community Care Block Grant	<u>12,946,595</u>	<u>12,406,109</u>	<u>540,486</u>
Housing			
Section 8 Housing Assistance			
HAP payments	3,546,072	3,492,056	54,016
Salaries and fringe	276,810	303,114	(26,304)
Travel and training	52,707	13,317	39,390
Professional services/consultants	1,200	1,170	30
General administrative/occupancy	25,373	34,664	(9,291)
Supplies	703	1,200	(497)
Indirect costs	99,207	109,121	(9,914)
Total Section 8 Housing Assistance	<u>4,002,072</u>	<u>3,954,642</u>	<u>47,430</u>
Home/SFR/CDBG/URP			
Salaries and fringe	245,394	166,497	78,897
Travel and training	14,133	8,447	5,686
Professional services/consultants	1,234,124	764,265	469,859
General administrative/occupancy	19,012	16,127	2,885
Supplies	3,921	2,510	1,411
Indirect costs	88,341	59,554	28,787
Total Home/SFR/CDBG	<u>1,604,925</u>	<u>1,017,400</u>	<u>587,525</u>
Total Housing	<u>5,606,997</u>	<u>4,972,042</u>	<u>634,955</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, 2016

	Budget	Actual	Variance Positive (Negative)
Indirect costs			
Salaries and fringe	2,496,970	2,159,396	337,574
Travel and training	155,048	11,533	143,515
Professional services/consultants	103,250	71,058	32,192
General administrative/occupancy	400,210	399,660	550
Rent	53,256	65,178	(11,922)
Supplies	71,410	65,005	6,405
Allocated indirect costs	<u>(3,280,144)</u>	<u>(2,771,830)</u>	<u>(508,314)</u>
Total indirect costs	<u>-</u>	<u>-</u>	<u>-</u>
Planning			
Salaries and fringe	103,066	53,127	49,939
Travel and training	6,101	2,422	3,679
Professional services/consultants	39,767	15,267	24,500
General administrative/occupancy	-	208	(208)
Rent	-	60	(60)
Supplies	-	422	(422)
Indirect costs	<u>37,103</u>	<u>18,476</u>	<u>18,627</u>
Total planning	<u>186,037</u>	<u>89,982</u>	<u>96,055</u>
Transportation			
Rural Transportation Planning			
Salaries and fringe	152,572	153,560	(988)
Travel and training	6,527	7,703	(1,176)
Professional services/consultants	1,000		1,000
General administrative/occupancy	21,447	22,260	(813)
Supplies	5,266	4,461	805
Indirect costs	<u>54,926</u>	<u>53,754</u>	<u>1,172</u>
Total transportation	<u>241,738</u>	<u>241,738</u>	<u>-</u>
Workforce development			
Salaries and fringe	2,777,161	2,232,590	544,571
Travel and training	-	132,211	(132,211)
Professional services/consultants	-	13,152	(13,152)
General administrative	627,593	194,011	433,582
Rent	-	340,240	(340,240)
Supplies	67,294	77,754	(10,460)
Capital outlay	36,500	44,846	(8,346)
Sub recipient expenses	751,823	707,157	44,666
Participant costs	2,886,247	1,761,152	1,125,095
Indirect costs	<u>247,516</u>	<u>273,426</u>	<u>(25,910)</u>
Total workforce development	<u>7,394,134</u>	<u>5,776,539</u>	<u>1,617,595</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, 2016

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Weatherization			
Salaries and fringe	697,747	653,432	44,315
Travel and training	129,033	63,916	65,117
Professional services/consultants	1,733,041	1,798,392	(65,351)
General administrative/occupancy	70,360	81,121	(10,761)
Rent	-	925	(925)
Supplies	5,500	20,311	(14,811)
Capital outlay	2,650	2,132	518
Indirect costs	251,189	111,150	140,039
Total weatherization	<u>2,889,520</u>	<u>2,731,379</u>	<u>158,141</u>
Total expenditures	<u>30,527,783</u>	<u>27,073,103</u>	<u>3,454,680</u>
Excess of revenues over expenditures	-	15,087	15,087
Other financing sources:			
Sale of capital assets	-	8,351	8,351
Net change in fund balance	<u>\$ -</u>	23,438	<u>\$ 23,438</u>
Fund balance, beginning		<u>508,290</u>	
Fund balance, ending		<u>\$ 531,728</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, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental	\$ 483,333	\$ 332,094	\$ (151,239)
Fees, local governments	113,696	272,356	158,660
Fees, program services	3,818,036	2,373,921	(1,444,115)
Total Revenues	4,415,065	2,978,371	(1,436,694)
Expenditures:			
Crime control and public safety local projects			
Criminal Justice Programs			
Salaries and fringe	457,058	263,241	193,817
Travel and training	50,443	4,615	45,828
Professional services/consultants	96,458	9,171	87,287
General administrative/occupancy	15,781	22,813	(7,032)
Rent	13,760	9,619	4,141
Supplies	13,455	26,402	(12,947)
Capital Outlay	5,000	-	5,000
Participant expenses	-	29,250	(29,250)
Indirect costs	39,128	24,356	14,772
Total Criminal Justice Programs	691,083	389,467	301,616
Environmental protection local projects			
Water			
Salaries and fringe	73,610	44,193	29,417
Travel and training	2,351	6,838	(4,487)
Professional services/consultants	2,260	9,000	(6,740)
General administrative/occupancy	5,380	7,892	(2,512)
Supplies	1,000	7,249	(6,249)
Indirect costs	26,499	15,348	11,151
Total Water	111,100	90,520	20,580
Health and Human Service local grant projects			
Aging			
Salaries and fringe	-	260	(260)
Travel and training	36,000	6,022	29,978
Professional services/consultants	15,000	-	15,000
General administrative/occupancy	-	12,645	(12,645)
Supplies	107,000	16,897	90,103
Indirect costs	-	94	(94)
Total Aging	158,000	35,918	122,082
Housing local projects			
Salaries and fringe	1,310	496	814
Travel and training	3,615	397	3,218
Indirect costs	472	179	293
Total Housing local projects	5,397	1,072	4,325

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, 2016

	Budget	Actual	Variance Positive (Negative)
Planning local projects			
Local Technical Assistance Project and Planning			
Salaries and fringe	240,088	100,506	139,582
Travel and training	28,664	10,855	17,809
Professional services/consultants	5,250	38,389	(33,139)
General administrative/occupancy	19,461	10,890	8,571
Supplies	8,593	212	8,381
Indirect costs	86,430	35,437	50,993
Total Local Technical Assistance Project and Planning	<u>388,486</u>	<u>196,289</u>	<u>192,197</u>
Workforce Development local projects			
Salaries and fringe	82,280	58,315	23,965
Travel and training	-	9,485	(9,485)
Professional services/consultants	-	27,303	(27,303)
General administrative/occupancy	121,858	(29,767)	151,625
Supplies	10,000	1,195	8,805
Participant expenses	12,500	7,090	5,410
Miscellaneous	-	340	(340)
Total Workforce Development local projects	<u>226,638</u>	<u>73,961</u>	<u>152,677</u>
Other local projects			
Miscellaneous local projects			
Salaries and fringe	88,235	-	88,235
Travel and training	94,194	15,185	79,009
Professional services/consultants	20,600	26,585	(5,985)
General administrative/occupancy	2,000	21,940	(19,940)
Supplies	-	358	(358)
Indirect costs	31,765	-	31,765
Total miscellaneous local projects	<u>236,794</u>	<u>64,068</u>	<u>172,726</u>
Management advisory services			
Salaries and fringe	93,658	103,030	(9,372)
Travel and training	17,489	11,357	6,132
Professional services/consultants	345,772	23,699	322,073
General administrative/occupancy	-	720	(720)
Supplies	2,000	35	1,965
Indirect costs	-	4,390	(4,390)
Total management advisory services	<u>458,919</u>	<u>143,231</u>	<u>315,688</u>
Total other local projects	<u>695,713</u>	<u>207,299</u>	<u>488,414</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, 2016

	Budget	Actual	Variance Positive (Negative)
Weatherization			
Travel and training	-	1,463	(1,463)
Professional services/consultants	2,121,664	1,100,860	1,020,804
General administrative/occupancy	-	1,867	(1,867)
Supplies	-	172	(172)
Indirect costs	16,984	123,435	(106,451)
Total weatherization	<u>2,138,648</u>	<u>1,227,797</u>	<u>910,851</u>
Total expenditures	<u>4,415,065</u>	<u>2,222,323</u>	<u>2,192,742</u>
Excess of revenues over expenditures	-	756,048	756,048
Other financing sources:			
Sale of capital assets	<u>-</u>	<u>956</u>	<u>956</u>
Net change in fund balance	<u>\$ -</u>	<u>757,004</u>	<u>\$ 757,004</u>
Fund balance, beginning		<u>29,504</u>	
Fund balance, ending		<u>\$ 786,508</u>	

PIEDMONT TRIAD REGIONAL COUNCIL
SCHEDULE OF FRINGE BENEFITS AND INDIRECT COSTS
For the Year Ended June 30, 2016

	Expenditures		Rate	
	Proposed	Actual	Proposed	Actual
Fringe benefits				
FICA	\$ 359,559	\$ 356,023		
Group insurance	719,403	518,537		
Retirement and 401(k)	461,443	419,234		
Employee assistance plan and accrued vacation leave	75,119	49,256		
Employee healthcare advocacy	50,000	20,032		
Worker's compensation and unemployment	47,500	34,950		
Health reimbursement arrangement	66,000	60,755		
	<u>\$ 1,779,024</u>	<u>\$ 1,458,787</u>	<u>31.00%</u>	<u>31.00%</u>
Indirect costs				
Salaries	595,751	558,798		
Fringe benefits	172,195	161,843		
Professional services	53,250	51,026		
Temporary secretarial service	-	-		
Telephone	30,960	27,236		
Postage	26,000	14,345		
Travel, parking, and other	155,048	11,533		
Equipment maintenance	11,750	143		
Building rent	-	-		
Equipment rent	53,256	65,178		
Advertising	1,500	112		
Office supplies	71,410	65,005		
Occupancy expense	220,000	217,142		
Printing costs	4,000	-		
Computer services	75,000	116,186		
Dues, subscriptions, memberships, miscellaneous	16,000	13,988		
Insurance	15,000	10,329		
Trash disposal	-	179		
	<u>\$ 1,501,120</u>	<u>\$ 1,313,043</u>	<u>36.00%</u>	<u>36.00%</u>

PIEDMONT TRIAD REGIONAL COUNCIL
 Detail Allocations - Fringe Benefits and Indirect Costs
 For the Year Ended June 30, 2016

Exhibit F

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Appalachian Regional Commission					
ARC 1-1-2014 to 12-31-2014	\$ 81,999	\$ 25,420	31.00%	\$ 38,671	36.00%
ARC 1-1-2016 to 12-31-2016	762	236	30.97%	359	35.97%
ARC Tech	1,772	-	0.00%	-	0.00%
ARC Water	919	-	0.00%	-	0.00%
NC DOC CDBG Handbook Project	980	304	31.02%	462	35.98%
Environmental Protection Agency					
205J Guilford Catchment Prior	120	37	30.83%	57	36.31%
Eden Watershed Restoration	9,335	2,894	31.00%	4,402	36.00%
EPA Brownfields Assessment	2,423	751	30.99%	1,143	36.01%
EPA Brownfields-Petroleum	2,343	726	30.99%	1,105	36.01%
Local Administration Agreements and Programs					
Aging Fund Raisers	199	62	31.16%	94	36.02%
Alamance EMS Operations	1,136	87	7.66%	-	0.00%
Archdale P&R	5,513	1,709	31.00%	2,600	36.00%
Archdale P&R	679	52	7.66%	-	0.00%
Asheboro Pay	2,565	795	30.99%	1,210	36.01%
Bladen County Pay	9,565	732	7.65%	-	0.00%
Bob Barker Foundation	1,172	3,002	256.14%	553	13.25%
Bob Barker Foundation	8,512	-	0.00%	-	0.00%
Cabarrus PTR	61	684	1121.31%	-	0.00%
Cabarrus PTR	2,146	-	0.00%	-	0.00%
Candor Master Plan	3,744	1,161	31.01%	1,766	36.00%
Caswell Pay & Class	1,710	131	7.66%	-	0.00%
Catawba Reentry	1,569	486	30.98%	-	0.00%
CCOG - Statesville	1,142	472	41.33%	717	44.42%
CCOG - Statesville	4,059	311	7.66%	-	0.00%
CODES	379	117	30.87%	179	36.09%
Criminal Justice Misc.	8,176	4,726	57.80%	3,856	29.89%
Criminal Justice Misc.	7,068	-	0.00%	-	0.00%
Criminal Justice Part-Stokes	1,310	406	30.99%	618	36.01%
Davie Co Pay Study	502	156	31.08%	237	36.02%
Davie County - Local Pre Trial	32,439	10,056	31.00%	-	0.00%
Davie Pre-Trial Adm.	9,075	2,814	31.01%	4,280	36.00%
Denton Land Dev	1,842	571	31.00%	869	36.01%
East Bend Zoning	173	54	31.21%	82	36.12%
Eden Park & Rec	1,938	601	31.01%	914	36.00%
Eden Park & Rec	15	1	6.67%	-	0.00%
Elon Bike	2,919	905	31.00%	1,377	36.01%
Forsyth Pay Study	1,775	550	30.99%	837	36.00%
Forsyth Pay Study	7,095	543	7.65%	-	0.00%
GIS Misc.	477	148	31.03%	225	36.00%
Graham Pay & Class Study	3,860	295	7.64%	-	0.00%
Guilford Planning Asst	121	37	30.58%	57	36.08%
Havelock	20,008	1,531	7.65%	-	0.00%
Haw River Zoning	698	217	31.09%	329	35.96%
High Point Pay Study	1,519	471	31.01%	716	35.98%
High Point Pay Study	8,382	641	7.65%	-	0.00%
Jonesville Planning Services	1,126	349	30.99%	531	36.00%
Jonesville Planning Services	293	22	7.51%	-	0.00%
Jonesville Ped Plan	1,005	311	30.95%	474	36.02%
Kernersville Pay Study	220	68	30.91%	104	36.11%
Lewisville Bike Plan	922	286	31.02%	435	36.01%
Liberty GIS	545	169	31.01%	257	35.99%
May River Rec	2,937	910	30.98%	1,385	36.00%
Mebane Comp Land	13,675	4,239	31.00%	6,449	36.00%
Mebane Comp Land	39	3	7.69%	-	0.00%

PIEDMONT TRIAD REGIONAL COUNCIL
 Detail Allocations - Fringe Benefits and Indirect Costs
 For the Year Ended June 30, 2016

Exhibit F

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Misc. Admin LTA	1,114	345	30.97%	525	35.98%
Misc. Admin LTA	12,117	927	7.65%	-	0.00%
Nags Head Pay	10,619	812	7.65%	-	0.00%
Planning Board LTA	1,242	385	31.00%	586	36.02%
Ramseur Zoning	1,442	447	31.00%	680	36.00%
Ramseur Zoning	189	14	7.41%	-	0.00%
Randolph Strategic	14,789	4,585	31.00%	6,975	36.00%
Randolph Strategic	631	48	7.61%	-	0.00%
Regional Planning	3,729	1,156	31.00%	1,759	36.01%
Reidsville Crossing Study	1,373	426	31.03%	647	35.96%
Reidsville Pay Study	470	146	31.06%	222	36.04%
Reidsville Pay Study	1,249	96	7.69%	-	0.00%
SMART	22,500	6,975	31.00%	10,611	36.00%
SMART	1,448	111	7.67%	-	0.00%
Statesville PTR	325	1,104	339.69%	153	10.71%
Statesville PTR	3,237	-	0.00%	-	0.00%
Surry County-Local Pre Trial	49,232	15,074	30.62%	-	0.00%
Surry Pre-Trial Adm	15,948	4,944	31.00%	7,521	36.00%
TriadWorks Cost Share	44,360	19,431	43.80%	-	0.00%
Trinity Planning Service	5,822	1,517	26.06%	2,307	31.43%
Upper Cape Fear	10,045	2,272	22.62%	3,457	28.07%
Vacation Leave	46,948	18,403	39.20%	22,141	33.88%
Vacation Leave	12,416	-	0.00%	-	0.00%
Walnut Cove Planning	1,453	450	30.97%	685	36.00%
Walnut Cove Planning	-	203	0.00%	-	0.00%
Water Resources	-	366	0.00%	556	151.91%
Waughtown Plan	2,812	1,920	68.28%	2,920	61.71%
WS Foundation STAMPP	1,622	503	31.01%	-	0.00%
Yadkin CJPP Adm	15,579	4,829	31.00%	7,347	36.00%
Yadkin Co Pay & Class	1,980	151	7.63%	-	0.00%
Yadkin Local Pre-Trail	43,476	13,478	31.00%	-	0.00%
Yadkin Valley Sewer	900	69	7.67%	-	0.00%
Yanceyville Planning	4,843	1,501	30.99%	2,284	36.00%
Yanceyville Planning	78	6	7.69%	-	0.00%
YVEDDI	1,700	130	7.65%	-	0.00%
NC Clean Water Management Trust Fund					
CWMTF - Richland Creek	5,802	1,799	31.01%	2,736	36.00%
CWMTF - Stokes	1,856	575	30.98%	875	35.99%
CWMTF - Stokes	1,677	128	7.63%	-	0.00%
CWMTF - Swearing Creek No 2013-802	8,566	3,132	36.56%	4,764	40.72%
NC Department of Commerce					
ARC Hous T 10-1-13 to 9-30-14	5,034	1,561	31.01%	2,374	36.00%
ARC Tech TA 10-1-15 to 9-30-16	3,380	-	0.00%	-	0.00%
ARC WaterRel 10-1-15 to 9-30-16	4,496	644	14.32%	980	19.07%
NC Department of Commerce and PT Job Training Consortium					
2014-2031 Emergency DW Funds	22,407	29,509	131.70%	-	0.00%
2014-2031 Emergency DW Funds	72,783	-	0.00%	-	0.00%
2014-2031 Emergency DW Funds	1,139	87	7.64%	-	0.00%
2015-4031 Emergency DW Funds	14,133	15,833	112.03%	-	0.00%
2015-4031 Emergency DW Funds	36,942	-	0.00%	-	0.00%
2015-4031 Miller-Coors	580	936	161.38%	273	18.01%
2015-4031 Miller-Coors	2,440	-	0.00%	-	0.00%
Adult - Davie JRC	9,713	3,011	31.00%	-	0.00%
Adult - Mobile Unit	239	1,537	643.10%	-	0.00%
Adult - Mobile Unit	4,720	-	0.00%	-	0.00%
Adult - Stokes JRC	3,223	999	31.00%	-	0.00%
Adult - Surry JRC	21,528	6,674	31.00%	-	0.00%

PIEDMONT TRIAD REGIONAL COUNCIL
 Detail Allocations - Fringe Benefits and Indirect Costs
 For the Year Ended June 30, 2016

Exhibit F

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Adult - W/S Forsyth County	17,411	51,754	297.25%	-	0.00%
Adult - W/S Forsyth County	149,537	-	0.00%	-	0.00%
Adult - W/S Forsyth County	6,946	531	7.64%	-	0.00%
Adult - Yadkin JRC	6,863	2,127	30.99%	-	0.00%
Adult-Rockingham JRC	106,921	33,145	31.00%	-	0.00%
Dislocated Worker-Davie JRC	15,984	4,955	31.00%	-	0.00%
Dislocated Worker-Rockingham J	155,815	48,303	31.00%	-	0.00%
Dislocated Worker-Stokes JRC	3,343	1,036	30.99%	-	0.00%
Dislocated Worker-Surry JRC	24,316	7,538	31.00%	-	0.00%
Dislocated Worker-WS/Forsyth C	42,056	84,825	201.70%	-	0.00%
Dislocated Worker-WS/Forsyth C	231,573	-	0.00%	-	0.00%
Dislocated Worker-Yadkin JRC	8,476	2,627	30.99%	-	0.00%
DW -Mobile Unit	24,884	12,402	49.84%	-	0.00%
DW -Mobile Unit	15,121	-	0.00%	-	0.00%
NWP LA Adult	77,059	23,888	31.00%	-	0.00%
NWP LA Adult	2,897	222	7.66%	-	0.00%
NWP LA Dislocated Worker	114,728	35,566	31.00%	-	0.00%
NWP LA Youth	27,340	8,475	31.00%	-	0.00%
Service Corp Adm	131,356	40,720	31.00%	-	0.00%
Service Corp Adm	10,467	801	7.65%	-	0.00%
Service Corp Youth	8,006	2,482	31.00%	-	0.00%
WIA Administration	209,482	64,140	30.62%	271,936	99.38%
WIA Administration	18,321	-	0.00%	-	0.00%
WIA Administration	5,726	438	7.65%	-	0.00%
Youth - Rockingham	24,757	19,496	78.75%	-	0.00%
Youth - Rockingham	38,134	-	0.00%	-	0.00%
Youth - Yadkin JRC	35,020	10,856	31.00%	-	0.00%
NC Department of Correction					
DOC Project Reentry	3,188	988	30.99%	1,503	35.99%
NC Department of Crime Control and Public Safety					
Davidson TECS	4,791	1,485	31.00%	2,259	35.99%
Davie TECS	2,543	1,337	52.58%	1,199	30.90%
Davie TECS	1,772	-	0.00%	-	0.00%
Davie TECS	2,876	2,530	87.97%	1,356	25.08%
Davie TECS	5,285	-	0.00%	-	0.00%
Forsyth TECS	3,992	1,326	33.22%	1,882	35.39%
Forsyth TECS	287	-	0.00%	-	0.00%
Project Reentry/DOJ	17,058	5,288	31.00%	-	0.00%
Rockingham TECS	7,190	2,654	36.91%	3,391	34.45%
Rockingham TECS	1,372	-	0.00%	-	0.00%
Stokes TECS	1,645	510	31.00%	776	36.01%
Stokes TECS	4,602	1,427	31.01%	2,170	35.99%
Surry TECS	8,730	2,706	31.00%	-	0.00%
Surry TECS	1,218	10,108	829.89%	574	5.07%
Surry TECS	30,783	-	0.00%	-	0.00%
Tri-County Reentry/DOJ	643	1,105	171.85%	303	17.33%
Tri-County Reentry/DOJ	2,921	-	0.00%	-	0.00%
Wilkes TECS	371	115	31.00%	175	36.01%
Wilkes TECS	11,825	5,173	43.75%	5,577	32.81%
Wilkes TECS	4,863	-	0.00%	-	0.00%
Yadkin TECS	78	644	825.64%	37	5.12%
Yadkin TECS	2,000	-	0.00%	-	0.00%
Yadkin TECS	1,835	2,940	160.22%	865	18.12%
Yadkin TECS	7,648	-	0.00%	-	0.00%
NC Department of Human Resources					
AAA Administrative Support	27,089	8,397	31.00%	12,775	36.00%
CRC LTA	20,755	6,434	31.00%	7,988	29.38%
CRC LTA	4,447	340	7.65%	-	0.00%

PIEDMONT TRIAD REGIONAL COUNCIL
 Detail Allocations - Fringe Benefits and Indirect Costs
 For the Year Ended June 30, 2016

Exhibit F

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Elder Abuse - 90 / 10	2,303	449	19.50%	683	24.82%
Family Caregiver Support	114,215	35,141	30.77%	54,861	36.73%
Family Caregiver Support	3,617	277	7.66%	-	0.00%
III-D Evidence Based Programs	45,368	13,795	30.41%	22,082	37.32%
III-D Evidence Based Programs	2,828	216	7.64%	-	0.00%
Ombudsman Aging - 90 / 10	297,795	91,675	30.78%	142,987	36.71%
P & A Planning 79.11/20.89	283,506	80,135	28.27%	124,090	34.12%
P & A Planning 79.11/20.89	5,630	431	7.66%	-	0.00%
NC Department of Transportation					
Central Park NC Bike Route Tourism & Signage	10,172	3,153	31.00%	4,797	36.00%
Rural Transp Plan (G)	60,843	19,150	31.47%	29,132	36.42%
Rural Transp Plan (G)	1,927	147	7.63%	-	0.00%
Rural Transp Plan (NW)	53,139	17,223	32.41%	26,201	37.24%
Rural Transp Plan (NW)	2,015	154	7.64%	-	0.00%
US Department of Agriculture					
NCFS - Health Forests for Clean Water	1,502	466	31.03%	708	35.98%
USDA - Innovative Infrastructure	604	187	30.96%	285	36.03%
USDA - Piedmont Together	1,220	378	30.98%	576	36.05%
US Department of Commerce					
PTRDC-EDA	4,582	2,468	53.86%	3,755	53.26%
US Department of Energy					
DOE WAP ADM FY14	-	-	0.00%	44,128	0.00%
DOE WAP ADM T & TA	368	114	30.98%	174	36.10%
DOE WAP Program Ops	93,570	29,007	31.00%	-	0.00%
LIHEAP HARRP Admin Alamance	-	1	0.00%	-	0.00%
LIHEAP HARRP Admin PY14	-	-	0.00%	44,003	0.00%
LIHEAP HARRP Program Ops	93,307	28,925	31.00%	-	0.00%
LIHEAP WAP ADM FY14	-	-	0.00%	145,182	0.00%
LIHEAP WAP Program Ops	310,178	96,155	31.00%	1,098	0.27%
US Department of Housing and Urban Development					
Alamance SFR	7,866	2,439	31.01%	3,710	36.00%
Asheboro URP 15	2,544	789	31.01%	1,200	36.00%
Davidson Co SFR 14	25,872	8,020	31.00%	12,201	36.00%
Guilford Co SFR 14	18,807	5,830	31.00%	8,869	36.00%
Guilford County HOME	7,352	2,279	31.00%	3,467	36.00%
HOME	36,203	11,223	31.00%	17,073	36.00%
Rockingham SFR	5,275	1,635	31.00%	2,488	36.01%
Section 8 Voucher Program	221,378	68,627	31.00%	109,121	37.63%
Section 8 Voucher Program	12,178	932	7.65%	-	0.00%
Stokes SFR 13	18,381	5,698	31.00%	8,669	36.00%
Stokes URP	914	283	30.96%	431	36.01%
Surry Co SFR15	2,470	766	31.01%	1,165	36.00%
Surry URP	593	184	31.03%	280	36.04%
WS Project Reentry CDBG	361	2,170	601.11%	170	6.72%
WS Project Reentry CDBG	6,639	-	0.00%	-	0.00%
US Department of Transportation					
Clean Fuel Adv Tech	20,166	6,251	31.00%	9,510	36.00%
Indirect payroll	587,653	179,620	30.57%	14,502	1.89%
	<u>\$ 4,888,991</u>	<u>\$ 1,468,725</u>		<u>\$ 1,313,092</u>	
Summary of Allocation Rates					
Standard fringe and indirect cost	\$ 2,753,833	\$ 853,688	31.00%	\$ 1,298,708	36.00%
FICA only fringe with standard indirect cost	37,117	2,839	7.65%	14,384	36.00%
Standard fringe with special indirect cost	1,395,568	432,626	31.00%	-	0.00%
FICA only fringe with special indirect cost	114,820	8,784	7.65%	-	0.00%
Standard fringe on indirect payroll	538,898	167,058	31.00%	-	0.00%
FICA only fringe on indirect payroll	48,755	3,730	7.65%	-	0.00%
	<u>\$ 4,888,991</u>	<u>\$ 1,468,725</u>		<u>\$ 1,313,092</u>	

PIEDMONT TRIAD REGIONAL COUNCIL

HUD Housing Choice Vouchers Program

Financial Data Schedule - Balance Sheet

June 30, 2016

Line Item #		14,871 Housing Choice Vouchers
	Assets	
	Current Assts	
111	Cash - unrestricted	\$ 176,165
113	Cash - other restricted	57,571
100	Total Cash	<u>233,736</u>
	Accounts Receivable	
122	Accounts receivable - HUD other projects	1,266
125	Accounts receivable - miscellaneous	-
120	Total Receivables, net of allowance for doubtful accounts	<u>1,266</u>
150	Total Current Assets	<u>235,002</u>
290	Total Assets	<u>\$ 235,002</u>
	Liabilities and Equity	
	Current Liabilities	
345	Other current liabilities	\$ 49,170
310	Total Current Liabilities	<u>49,170</u>
300	Total Liabilities	<u>49,170</u>
	Equity	
509.3	Restricted fund balance	\$ 57,571
512.3	Unassigned fund balance	128,261
513	Total Equity / Net Position	<u>185,832</u>
600	Total Liabilities and Equity / Net Position	<u>\$ 235,002</u>

PIEDMONT TRIAD REGIONAL COUNCIL
 HUD Housing Choice Vouchers Program
 Financial Data Schedule - Revenues and Expenses
 For the Year Ended June 30, 2016

Line Item #		14.871 Housing Choice Vouchers
	Revenues	
70600	HUD PHA operating grants	\$ 3,518,317
71500	Other revenue	457,721
70000	Total Revenues	<u>3,976,038</u>
	Expenses	
91100	Administrative salaries	233,556
91500	Employee benefit contributions - administrative	69,558
91600	Office expense	18,194
91800	Travel	13,317
91900	Other	126,320
91000	Total Operating - Administrative	<u>460,945</u>
96200	Other general expenses	1,641
96000	Total Other General Expenses	<u>1,641</u>
96900	Total Operating Expenses	<u>462,586</u>
97000	Excess of Operating Revenue over Operating Expenses	<u>3,513,452</u>
97300	Housing assistance payments	3,492,056
97350	HAP portability - in	-
90000	Total Expenses	<u>3,954,642</u>
10000	Total Revenue Over Total Expenses	21,396
11030	Beginning equity	164,436
11170	Administrative fee equity	128,261
11180	Housing assistance payments equity	57,571
11190	Unit months available	10,104
11210	Number of unit months leased	9,091

COMPLIANCE SECTION



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

**INDEPENDENT AUDITORS' 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 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, 2016, and the related notes to the financial statements, which collectively comprises the Piedmont Triad Regional Council's basic financial statements, and have issued our report thereon dated October 10, 2016. The financial statements of the Piedmont Triad Regional Development Corporation were not audited in accordance with Governmental Auditing Standards.

Internal Control over Financial Reporting

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

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

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

any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Cannon & Company, L.L.P.

October 10, 2016



cannon&company
Certified Public Accountants LLP

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE
UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

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's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Piedmont Triad Regional Council's major federal programs for the year ended June 30, 2016. The Piedmont Triad Regional Council's 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, 2016. 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 the Uniform Guidance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes

examining, on a test basis, evidence about the Piedmont Triad Regional Council's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Piedmont Triad Regional Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

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 the Council's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cannon & Company, L.L.P.

October 10, 2016



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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR STATE PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND THE
STATE SINGLE AUDIT IMPLEMENTATION ACT**

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's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Piedmont Triad Regional Council's major state programs for the year ended June 30, 2016. The Piedmont Triad Regional Council's 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, 2016. 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 the Uniform Guidance 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 Title 2 US *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have

a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Piedmont Triad Regional Council's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the Piedmont Triad Regional Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2016.

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 the Council's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cannon & Company, L.L.P.

October 10, 2016

PIEDMONT TRIAD REGIONAL COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2016

Section I - Summary of Independent Auditors' Results

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiency(s)	_____ Yes	_____ <u>X</u> None reported
Noncompliance material to financial statements noted?	_____ Yes	_____ <u>X</u> No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiency(s) identified	_____ Yes	_____ <u>X</u> None reported

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

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

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
81.042-1	Weatherization Assistance Program:
93.568	Weatherization Assistance for Low-Income Persons
	Low Income Home Energy Assistance Program

PIEDMONT TRIAD REGIONAL COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended June 30, 2016

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.044	Aging Cluster: Special Programs for the Aging - Title III - B Grants for Supportive Services and Senior Centers
93.045	Special Programs for the Aging - Title III - C Nutrition Services
93.053	Nutrition Services Incentive Program (NSIP)
93.667	Special Services Block Grant
93.052	National Family Caregiver Support - Title III - E

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

Auditee qualified as low-risk auditee? X Yes No

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

State Awards

Internal control over major State programs:

Material weakness(es) identified? Yes X No

Significant deficiency(s) identified Yes X None reported

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

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

Identification of major State programs:

None reported.

PIEDMONT TRIAD REGIONAL COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported

Section IV - State Award Findings and Questioned Costs

None reported

PIEDMONT TRIAD REGIONAL COUNCIL
CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2016

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported

Section IV - State Award Findings and Questioned Costs

None reported

PIEDMONT TRIAD REGIONAL COUNCIL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2016

There were no prior audit findings.

PIEDMONT TRIAD REGIONAL COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2016

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures		Passed Through to Subrecipients
			Federal	State	
FEDERAL AWARDS					
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Passed through N.C. Department of Commerce:					
Passed through the City of Winston-Salem:					
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 17,500	\$ -	\$ -
Passed through Randolph:					
Community Development Block Grant	14.228	N/A	163	-	-
Passed through City of Lexington:					
Community Development Block Grant	14.228	N/A	33	-	-
Total Passed through N.C. Department of Commerce			<u>17,696</u>	<u>-</u>	<u>-</u>
Passed through N.C. Housing Finance Agency:					
Passed through Stokes County:					
Home Investment Partnership Program 2013	14.239	N/A	305,759	-	-
Passed through Davidson County:					
Home Investment Partnership Program 2014	14.239	N/A	162,140	-	-
Passed through Guilford County:					
Home Investment Partnership Program 2014	14.239	N/A	248,939	-	-
Passed through Alamance County:					
Home Investment Partnership Program 2015	14.239	N/A	55,837	-	-
Passed through Surry County:					
Home Investment Partnership Program 2015	14.239	N/A	4,987	-	-
Passed through Rockingham County:					
Home Investment Partnership Program 2015	14.239	N/A	12,203	-	-
Total Passed through N.C. Housing Finance Agency			<u>789,865</u>	<u>-</u>	<u>-</u>
Passed through Guilford County:					
Home Investment Partnership Program	14.239	N/A	101,734	-	-
Passed through Surry County Consortium:					
Home Investment Partnership Program	14.239	N/A	75,932	-	-
Section 8 Housing Choice Vouchers	14.871	N/A	3,954,643	-	-
Total U.S. Department of Housing and Urban Development			<u>4,939,870</u>	<u>-</u>	<u>-</u>
U.S. DEPARTMENT OF JUSTICE					
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	5,880	-	-
Passed through N.C. Department of Crime Control and Public Safety					
Edward Byrne Memorial Justice Assistance Grant Program					
Project Re-entry	16.738	N/A	74,210	-	-
Total Passed through N.C. Department of Crime Control and Public Safety			<u>80,090</u>	<u>-</u>	<u>-</u>
Passed through N.C. Department of Correction:					
Edward Byrne Memorial Justice Assistance Grant Program					
Project Re-entry	16.738	N/A	6,256	-	-
Total U.S. Department of Justice			<u>86,346</u>	<u>-</u>	<u>-</u>
U.S. DEPARTMENT OF LABOR					
Passed through N.C. Department of Commerce:					
Passed through Northwest Piedmont Job Training Consortium/Workforce Development Board:					
WIOA Program - 7013 - Sector Partnership NEG - Health Sciences					
Industry Cluster Career Pathway	17.277	2015-3130-47	1,208	-	-
Workforce Investment Act Cluster:					
WIA - Adult Programs	17.258	2014-2020-47	97,688	-	-
WIOA - Adult Programs	17.258	2015-4020-47	2,394,715	-	-
WIA - Adult Programs - Administration	17.258	2014-2020-47	48,729	-	-
WIOA - Adult Programs - Administration	17.258	2015-4020-47	122,484	-	-
Total CFDA #17.258			<u>2,663,616</u>	<u>-</u>	<u>-</u>
WIA - Youth Programs	17.259	2014-2040-47	362,063	-	-
WIOA - Youth Programs	17.259	2015-4040-47	787,378	-	699,807
WIA - Youth Programs - Administration	17.259	2014-2040-47	48,533	-	-
WIOA - Youth Programs - Administration	17.259	2015-4040-47	122,244	-	-
Total CFDA #17.259			<u>1,320,218</u>	<u>-</u>	<u>699,807</u>

PIEDMONT TRIAD REGIONAL COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2016

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures		Passed Through to Subrecipients
			Federal	State	
WIA - Dislocated Workers Programs	17.278	2014-2030-47	1,124,398	-	-
WIA - Dislocated Workers Programs - Administration	17.278	2014-2030-47	49,865	-	-
WIOA - Dislocated Workers Programs - Administration	17.278	2015-4030-47	107,865	-	-
WIA - Dislocated Workers Programs - Capacity Building - Incumbent Worker - Southside United Health Care Center	17.278	2013-2031-47	2,193	-	2,193
WIA - Dislocated Workers Programs - Contingency Funds	17.278	2014-2031-47	200,000	-	-
WIA - Dislocated Workers Programs - Capacity Building - On-the-Job Training - Sturm, Ruger & Co, Inc.	17.278	2014-2031-47	1,031	-	1,031
WIOA - Dislocated Workers Programs - Capacity Building - Incumbent Worker - Hibco Plastics	17.278	2015-4031-47	5,381	-	5,381
WIOA - Dislocated Workers Programs - Contingency Funds	17.278	2015-4031-47	200,000	-	-
WIOA - Dislocated Workers Programs - Miller-Coors Support	17.278	2015-4031-47	4,229	-	-
Total CFDA #17.278			1,694,962	-	8,605
Total Workforce Investment Act Cluster			5,678,795	-	708,412
Total U.S. Department of Labor			5,680,003	-	708,412
U.S. DEPARTMENT OF TRANSPORTATION					
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 Project III	20.205	2013-15	42,758	-	-
Total U.S. Department of Transportation			235,508	-	-
APPALACHIAN REGIONAL COMMISSION					
Passed through the N.C. Department of Commerce:					
Appalachian Local Development Direct Assistance (2014)					
Appalachian Local Development Direct Assistance (2015)	23.009	N/A	77,746	-	-
	23.009	N/A	5,524	-	-
Total CFDA #23.009			83,270	-	-
Passed through the N.C. Department of Commerce:					
Appalachian Technical Assistance (2014 & 2015)					
	23.011	N/A	27,500	-	-
Total CFDA #23.011			27,500	-	-
Total Appalachian Regional Commission			110,770	-	-
U.S. ENVIRONMENTAL PROTECTION AGENCY					
Passed through the N.C. Department of Environmental and Natural Resources:					
Brownfields Assessment and Cleanup Cooperative Agreements					
	68.818	BF-00D12113-0	221,363	-	-
Division of Water Quality:					
Eden Watershed Restoration Plan 205(j)	66.454	6280	12,319	-	-
Guilford Catchment Prioritization 205(j)	66.454	6817	234	-	-
Total Environmental Protection Agency			233,916	-	-
U.S. DEPARTMENT OF ENERGY					
Passed through N.C. Dept. of Environment and Natural Resources:					
Division of Energy, Mineral and Land Resources:					
Weatherization Assistance Program for low income persons	81.042-1	6521	403,599	-	-
Total U.S. Department of Energy			403,599	-	-
U.S. DEPARTMENT OF COMMERCE					
Passed through Economic Development Agency:					
Piedmont Triad Regional Development Corporation:					
EDA District Planning Grant	11.020	04-83-07097	19,415	-	-
Total U.S. Department of Commerce			19,415	-	-
U.S. DEPARTMENT OF AGRICULTURE					
Passed through N.C. Department of Agriculture and Consumer Services, N.C. Forestry Service:					
Urban & Community Forestry Grant - Governmental	10.664	G40100282714FOR	1,077	-	-
Urban & Community Forestry Grant - Governmental	10.675	G40100319216FOR	2,347	-	-
Urban & Community Forestry Grant - Governmental	10.675	11-DB-11083137-001	3,000	-	-
Total U.S. Department of Agriculture			6,424	-	-

PIEDMONT TRIAD REGIONAL COUNCIL

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended June 30, 2016

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures		Passed Through to Subrecipients
			Federal	State	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through the N.C. Department of Health & Human Services:					
Passed through the Division of Aging and Adult Services:					
Special Programs for the Aging -					
Elder Abuse – Title VII-B	93.041	NC-07(16)	21,784	1,280	-
Regional Ombudsman – Title VII-E	93.042	NC-07(16)	60,572	3,563	-
Health Promotion – Title III-D	93.043	NC-07(16)	101,223	5,954	-
Total Special Programs for the Aging			183,579	10,797	-
Special Programs for the Aging - Title III-B					
Grants for Supportive Services and Senior Centers					
Planning & Administration – Title III-B	93.044	NC-07(16)	144,322	7,909	-
Regional Ombudsman – Title III-B and State	93.044	NC-07(16)	373,622	127,130	-
Access and In-Home Services – Title III-B and State Funds for Caregiver Match	93.044	NC-07(16)	1,509,324	3,961,279	5,470,603
Access and In-Home Services – SSBG	93.667	NC-07(16)	294,424	177,534	471,958
Legal Services – Title III-B	93.044	NC-07(16)	68,750	4,044	72,794
Special Programs for the Aging - Title III-C					
Nutrition Services					
Planning and Administration – Title III-C-1 and State	93.045	NC-07(16)	249,928	13,696	-
Congregate Meals – Title III-C-1 and State	93.045	NC-07(16)	1,106,725	65,097	1,171,822
Home Delivered Meals–Title III-C-2 and State	93.045	NC-07(16)	763,824	1,361,759	2,125,583
Nutrition Services Incentive Program (NSIP)	93.053	NC-07(16)	707,975	-	707,975
Total Aging Cluster			5,218,894	5,718,448	10,020,735
Family Caregiver - Title III-E	93.052	NC-07(16)	579,888	38,658	373,842
Planning and Administration – Title III-E	93.052	NC-07(16)	93,985	5,152	-
Local Contact Agency (LCA) activities	93.791	32815	48,299	-	-
Passed through the N.C. Department of Insurance:					
Passed through the Division of SHIIP:					
MIPPA Medicare Enrollment Assistance Program	93.071	RQ 18294097	16,932	-	16,932
Passed through N.C. Department of Natural Resource:					
Division of Energy, Mineral and Land Resources:					
Low Income Home Energy Assistance Program -Weatherization	93.568	6521	2,118,677	-	-
Total U.S. Department of Health and Human Services			8,260,254	5,773,055	10,411,509
Total Federal Awards			19,976,105	5,773,055	11,119,921
STATE AWARDS					
Clean Water Management Trust Fund					
SW High Point Green Infrastructure Restoration Project - Richland Creek					
		2014-801	-	11,012	-
Stokes County Green Infrastructure Restoration Project		2014-802	-	5,182	-
Swearing Creek Watershed Restoration Plan		2013-802	-	12,150	-
Total Clean Water Management Trust Fund			-	28,344	-
Passed through N.C. Housing Finance Agency:					
Passed through Stokes/Surry County:					
N.C. Housing Trust Fund		N/A	-	45,017	-
Passed through Asheboro County:					
N.C. Housing Trust Fund		N/A	-	4,654	-
Total Passed through N.C. Housing Finance Agency			-	49,671	-

PIEDMONT TRIAD REGIONAL COUNCIL

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended June 30, 2016

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures		Passed Through to Subrecipients
			Federal	State	
N. C. Department of Public Safety-Passed through to Davidson County		N/A	-	13,467	-
N. C. Department of Public Safety-Passed through to Rockingham County		N/A	-	53,386	-
N. C. Department of Public Safety-Passed through to Forstth County		N/A	-	20,332	-
N. C. Department of Public Safety-Passed through to Stokes County		N/A	-	25,409	-
N. C. Department of Public Safety-Passed through to Wilkes County		N/A	-	48,559	-
N. C. Department of Public Safety-Passed through to Yadkin County		N/A	-	25,526	-
N. C. Department of Public Safety-Passed through to Davie County		N/A	-	28,879	-
N. C. Department of Public Safety-Passed through to Surry County		N/A	-	54,345	-
Total N. C. Department of Public Safety			-	269,902	-
N.C. Department of Health & Human Services					
Passed through the Division of Aging and Adult Services:					
Aging Administrative Support		NC-07(16)	-	48,262	-
Senior Center General Purpose		NC-07(16)	-	257,348	257,348
Passed through the Division of Medical Assistance					
Passed through N C Community Care Networks, Inc.					
dba Community Care of N C					
State Medicaid Care Management		N/A	-	-	-
Total N.C. Department of Health & Human Services			-	305,610	257,348
N.C. Department of Transportation					
Central Park Bicycle Routing, Signage & Tourism Plan		41794.4	-	33,834	-
Total N.C. Department of Transportation			-	33,834	-
Total State Awards			-	687,361	257,348
Total Federal and State Awards			19,976,105	6,460,416	11,377,269

PIEDMONT TRIAD REGIONAL COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2016

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 the Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial 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, Piedmont Triad Regional Council provided federal and State awards to subrecipients as follows:

Program Title	CFDA Number	Pass-through		State Expenditures
		Grantor's Number	Federal Expenditures	
Workforce Innovation Opportunity Act -Youth	17.259	2015-4040-47	\$ 699,807	\$ -
Workforce Investment Act - Dislocated Worker	17.278	2013-2031-47	2,193	-
Workforce Investment Act - Dislocated Worker	17.278	2014-2031-47	1,031	-
Workforce Innovation Opportunity Act - Dislocated Worker	17.278	2015-4031-47	5,381	-
Aging Access & In-Home Services-				
Title III-B & State	93.044	NC-07(16)	1,803,748	4,138,813
Aging Legal Services-Title III-B	93.044	NC-07(16)	68,750	4,044
Congregate Meals - Title III-C-1	93.045	NC-07(16)	1,106,725	65,097
Home Delivered Meals- Title III-C-2	93.045	NC-07(16)	763,824	1,361,759
Family Caregiver- Title III-E	93.052	NC-07(16)	350,477	23,365
Nutrition Services Incentive Program (NSIP)	93.053	NC-07(16)	707,975	-
MIPPA Medicare Enrollment Assitance	93.071	RQ18294097	16,932	-
Senior Center General Purpose	N/A	NC-07(16)	-	257,348
			<u>\$ 5,526,843</u>	<u>\$ 5,850,426</u>