

**PIEDMONT TRIAD REGIONAL COUNCIL**

**FINANCIAL STATEMENTS AND  
COMPLIANCE REPORT**

For the Year Ended June 30, 2017

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

June 30, 2017

<u>Name</u>	<u>Position</u>	<u>County/City</u>	<u>Position</u>
<b><u>Executive Committee Officers</u></b>			
Nathaniel Hall	Chairman	Caswell	Commissioner
Steve Yokeley	Vice-Chair	Mount Airy	Commissioner
Jimmy Blake	Secretary	Biscoe	Mayor
Kevin Austin	Treasurer	Yadkin	Commissioner
Darrell Frye	Past-Chairman	Randolph	Commissioner
<b><u>Executive Committee</u></b>			
Eddie Boswell	Member	Alamance	Commissioner
Nathaniel Hall	Member	Caswell	Commissioner
Don Truell	Member	Davidson	Commissioner
John Ferguson	Member	Davie	Commissioner
Fleming El-Amin	Member	Forsyth	Commissioner
Alan Branson	Member	Guilford	Commissioner
Jackie Morris	Member	Montgomery	Commissioner
Darrell Frye	Member	Randolph	Commissioner
Mark Richardson	Member	Rockingham	Commissioner
Ernest Lankford	Member	Stokes	Commissioner
Larry Phillips	Member	Surry	Commissioner
Kevin Austin	Member	Yadkin	Commissioner

<u>Name</u>	<u>Position</u>	<u>County/City</u>	<u>Position</u>
Marikay Abuzuaiter	Member	Greensboro	Council Member
John Larson	Member	Winston-Salem	Council Member
Latimer Alexander	Member	High Point	Council Member
Jim Butler	Member	Burlington	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
Jimmy Blake	Member	Biscoe	Mayor
Renee Bryant	Member	Randleman	Alderwoman
Darryl Carter	Member	Eden	Council Member
Sharon Conaway	Member	Walnut Cove	Commissioner
Dwight Atkins	Member	Mount Airy	Mayor
Wayne Moore	Member	Jonesville	Commissioner

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## **FINANCIAL SECTION**



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

## **INDEPENDENT AUDITORS' REPORT**

Board of Delegates  
Piedmont Triad Regional Council  
Kernersville, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and each major fund of the Piedmont Triad Regional Council as of and for the year ended June 30, 2017, 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, 2017, and the respective changes in financial position, and the respective budgetary comparison for the General Fund, Grant Project Fund and Local Project Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Other Post Employment Benefit on pages 11 through 19 and 59 and 60, respectively, Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset and Contributions, on pages 61 and 62, 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 16, 2017 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, L.L.P.*

October 16, 2017

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS**

## **Management's Discussion and Analysis**

As management of the Piedmont Triad Regional Council (the Council), we offer readers of the Council's financial statements this narrative overview and analysis of the financial activities of the Council for the fiscal year ended June 30, 2017. 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 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**

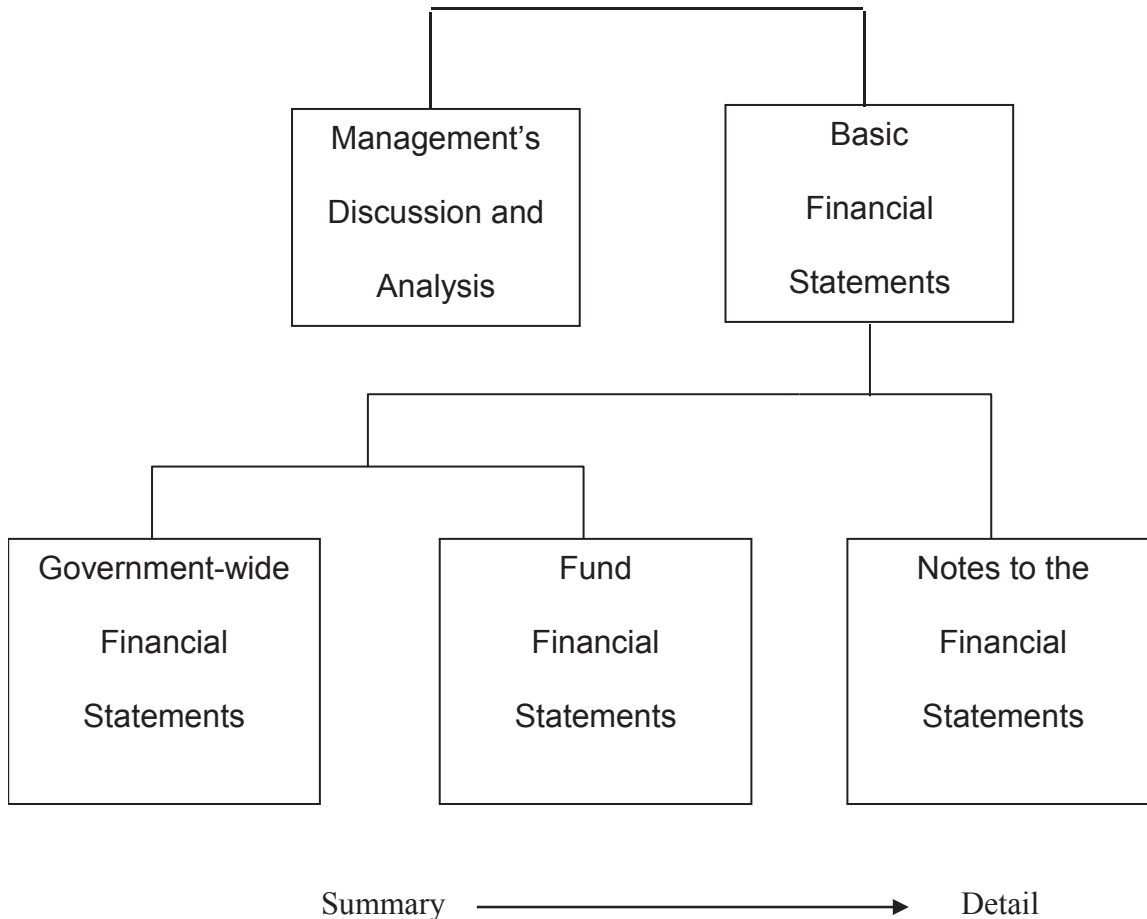
- The assets and deferred outflows of resources of the Council exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$3,997,424 (net position).
- The Council's total net position increased by \$287,365.
- As of the close of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$3,460,854, an increase of \$393,215 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 \$1,992,673.

### **Overview of the Financial Statements**

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

**Required Components of Annual Financial Report**

**Figure 1**



**Basic Financial Statements**

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

The next statements (Exhibits 3 through 7) are ***Fund Financial Statements***. These statements focus on the activities of the individual parts of the Council's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the budgetary comparison statements.

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, 2017

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**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, 2017

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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 the Council's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 59 of this report.

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

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2017

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**Government – Wide Financial Analysis**

**Piedmont Triad Regional Council**  
**Net Position**

Table A-1

	Governmental Activities	
	2017	2016
Current and other assets	\$ 5,382,914	\$ 4,961,244
Capital assets	3,784,787	4,123,158
Deferred outflows of resources	1,309,353	307,024
Total assets and deferred outflows of resources	<u>10,477,054</u>	<u>9,391,426</u>
Current liabilities	1,653,692	1,715,848
Long-term liabilities outstanding	4,278,085	3,445,504
Deferred inflows of resources	547,853	520,015
Total liabilities and deferred inflows of resources	<u>6,479,630</u>	<u>5,681,367</u>
Net position		
Net investment in capital assets	934,678	957,075
Restricted	3,559,459	3,720,645
Unrestricted (deficit)	(496,713)	(967,661)
Total net position	<u>\$ 3,997,424</u>	<u>\$ 3,710,059</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Council exceeded liabilities and deferred inflows by \$3,997,424 as of June 30, 2017. The Council's net assets increased by \$287,365 for the fiscal year ended June 30, 2017. A portion of the Council's net position of \$934,678 reflects the Council's net investment in capital assets. An additional portion of the Council's Net Position of \$3,559,459 represents resources that are subject to external restrictions on how they may be used. Of the amount restricted \$2,367,780 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, 2017

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

	Governmental Activities	
	2017	2016
Revenues:		
Program revenues:		
Charges for services	\$ 3,934,684	\$ 3,095,629
Operating grants and contributions	25,229,772	26,953,449
General revenues:		
Investment earnings	3,020	344
Other	31,059	9,307
	<u>29,198,535</u>	<u>30,058,729</u>
Expenses:		
Administration	886,788	630,510
Crime control and public safety	868,906	763,214
Economic development	-	-
Environmental protection	186,109	356,885
Health and human services	12,680,451	12,442,027
Housing	5,162,892	4,973,114
Planning	302,081	286,272
Transportation	240,942	241,738
Workforce development	4,159,327	5,850,500
Weatherization	4,277,518	3,959,175
Local projects	65,020	64,068
Interest	81,136	89,112
	<u>28,911,170</u>	<u>29,656,615</u>
Total Expenses	28,911,170	29,656,615
Increase in net position	287,365	402,114
Net position, beginning	<u>3,710,059</u>	<u>3,307,945</u>
Net assets, June 30	<u>\$ 3,997,424</u>	<u>\$ 3,710,059</u>

**Governmental activities.** Governmental activities increased the Council's net position by \$287,365.



**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2017

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**Financial Analysis of the Council's Funds**

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

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

The General Fund is the chief operating fund of the Council. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,992,673, while total fund balance reached \$1,995,543. 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 599.5% percent of total General Fund expenditures. Total fund balance represented 600.3% percent of total General Fund expenditures.

As of June 30, 2017 the governmental funds of the Council reported a combined fund balance of \$3,460,854, an increase of \$393,215 (12.82%) 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.

**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 \$10,731. Amendments to the Grant Project Fund and Local Project Fund increased the budget by \$915,744; this included increases for Administration, Administrative Services, Crime Control and Public Safety, Aging, Misc. Local Projects, Planning (environmental protection, planning and transportation) programs, and Workforce Innovation and Opportunity Act Programs of \$76,602, \$614,115, \$71,462, \$1,089,250, \$13,000, \$298,847 and \$624,308, respectively; and decreases in Housing programs and Weatherization programs of \$1,038,598 and \$268,534, respectively.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2017

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**Capital Asset and Debt Administration**

**Capital assets** - The Council's investment in capital assets for its governmental activities as of June 30, 2017, totals \$3,784,787, (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	
	2017	2016
Land	\$ 634,324	\$ 634,324
Land improvements	64,528	74,472
Building	2,782,391	3,078,961
Equipment, furniture and fixtures	86,674	167,555
Vehicles	216,870	167,846
	<u>216,870</u>	<u>167,846</u>
Total	<u>\$ 3,784,787</u>	<u>\$ 4,123,158</u>

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

**Debt Administration**

	Governmental Activities	
	2017	2016
Note payable	<u>\$ 2,850,110</u>	<u>\$ 3,166,083</u>

Additional information on the Council's capital assets can be found in note D 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, 2017

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**Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**STATEMENT OF NET POSITION**  
June 30, 2017

	Primary Government	Component Unit
	Governmental Activities	Piedmont Triad Regional Development Corporation
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 2,758,108	\$ 151,392
Accounts receivable	151,706	-
Due from other governments	2,351,536	-
Due from component units	110,530	-
Prepaid expenses	11,034	-
Total current assets	<u>5,382,914</u>	<u>151,392</u>
Non-current assets:		
Capital assets:		
Land, nondepreciable	634,324	-
Depreciable, net of related depreciation	<u>3,150,463</u>	<u>-</u>
Total capital assets	<u>3,784,787</u>	<u>-</u>
Total assets	<u>9,167,701</u>	<u>151,392</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension deferrals	<u>1,309,353</u>	<u>-</u>
Total deferred outflows of resources	<u>1,309,353</u>	<u>-</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	1,180,513	-
Accrued expenses	155,827	-
Due to primary government	-	110,530
Loan fee deposits	-	5,000
Deferred federal revenue	-	23,447
Current portion of long-term liabilities	<u>317,352</u>	<u>-</u>
Total current liabilities	<u>1,653,692</u>	<u>138,977</u>
Long-term liabilities:		
Net pension liability	1,510,467	-
Due in more than one year	<u>2,767,618</u>	<u>-</u>
Total long-term liabilities	<u>4,278,085</u>	<u>-</u>
Total liabilities	<u>5,931,777</u>	<u>138,977</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension deferrals	52,928	-
Unearned revenue	<u>494,925</u>	<u>-</u>
Total deferred inflows of resources	<u>547,853</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	934,678	-
Restricted:		
Stabilization by State Statute	2,367,780	-
HUD	215,354	-
Projects	976,325	-
Unrestricted	<u>(496,713)</u>	<u>12,415</u>
Total net position	<u>\$ 3,997,424</u>	<u>\$ 12,415</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2017

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Governmental Total Governmental Activities	Component Unit Piedmont Triad Regional Development Corporation
<b>Primary government:</b>					
<b>Governmental Activities:</b>					
Administration	\$ 886,788	1,100,356	\$ 186,161	\$ 399,729	\$ -
Crime control and public safety	868,906	11,566	824,859	(32,481)	-
Environmental protection	186,109	116,954	87,513	18,358	-
Health and human services	12,680,451	223,578	12,446,757	(10,116)	-
Housing	5,162,892	5,543	5,171,644	14,295	-
Planning	302,081	209,900	57,160	(35,021)	-
Transportation	240,942	48,189	192,750	(3)	-
Workforce development	4,159,327	297,198	3,825,448	(36,681)	-
Weatherization	4,277,518	1,888,703	2,437,480	48,665	-
Other local projects	65,020	32,697	-	(32,323)	-
Interest expense	81,136	-	-	(81,136)	-
Total governmental activities and primary government	<u>\$ 28,911,170</u>	<u>\$ 3,934,684</u>	<u>\$ 25,229,772</u>	<u>253,286</u>	<u>-</u>
<b>Component Unit:</b>					
Piedmont Triad Regional Development Corporation	<u>\$ 110,530</u>	<u>\$ 123,472</u>	<u>-</u>	<u>-</u>	<u>\$ 12,942</u>
<b>General revenues:</b>					
Unrestricted investment earnings				3,020	50
Miscellaneous				31,059	-
Total general revenues				<u>34,079</u>	<u>50</u>
Change in net position				287,365	12,992
Net position (deficit) - beginning, previously reported				3,710,059	(577)
Net position (deficit) - ending				<u>\$ 3,997,424</u>	<u>\$ 12,415</u>

## **FUND FINANCIAL STATEMENTS**

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**BALANCE SHEETS**  
**GOVERNMENTAL FUNDS**  
June 30, 2017

	Major Funds			Total Governmental Funds
	General Fund	Grant Project Fund	Local Projects Fund	
<b>ASSETS</b>				
Cash and investments	\$ 1,996,132	\$ 339,449	\$ 422,527	\$ 2,758,108
Sales tax receivables	2,868	83,757	65,081	151,706
Due from other governments	-	1,850,549	500,987	2,351,536
Due from component unit	-	83,138	27,392	110,530
Prepaid expenses	-	316	10,718	11,034
Total assets	<u>\$ 1,999,000</u>	<u>\$ 2,357,209</u>	<u>\$ 1,026,705</u>	<u>\$ 5,382,914</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 126	\$ 1,144,207	\$ 36,180	\$ 1,180,513
Accrued liabilities	-	13,351	-	13,351
Total liabilities	<u>126</u>	<u>1,157,558</u>	<u>36,180</u>	<u>1,193,864</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	233,273	-	233,273
Unearned revenue	3,331	477,387	14,205	494,923
Total deferred inflows of resources	<u>3,331</u>	<u>710,660</u>	<u>14,205</u>	<u>728,196</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid expenses	-	316	10,718	11,034
Restricted:				
Stabilization by State Statute	2,870	1,771,449	593,461	2,367,780
Restricted by HUD	-	215,354	-	215,354
Restricted for local projects	-	-	976,325	976,325
Unassigned (deficit)	1,992,673	(1,498,128)	(604,184)	(109,639)
Total fund balances	<u>1,995,543</u>	<u>488,991</u>	<u>976,320</u>	<u>3,460,854</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,999,000</u>	<u>\$ 2,357,209</u>	<u>\$ 1,026,705</u>	<u>\$ 5,382,914</u>



**PIEDMONT TRIAD REGIONAL COUNCIL**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
 June 30, 2017

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

Total fund balance, governmental funds		\$ 3,460,854
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	5,953,110	
Accumulated depreciation	<u>(2,168,323)</u>	3,784,787
Deferred outflows of resources related to the pension are not reported in the funds		1,309,353
Earned revenues considered deferred inflows of resources in fund statements		233,273
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds		
Notes payable	(2,850,110)	
Accrued interest expense	(20,210)	
Other postemployment benefits	(34,664)	
Compensated absences	(200,197)	
Incurred but not reported claims	(122,267)	
Net pension liability	<u>(1,510,467)</u>	(4,737,915)
Deferred inflows of resources related to pensions are not reported in the funds		<u>(52,928)</u>
Net position of governmental activities		<u><u>\$ 3,997,424</u></u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2017

	Major Funds			Total Governmental Funds
	General Fund	Grant Project Fund	Local Projects Fund	
<b>REVENUES</b>				
Restricted intergovernmental	\$ -	\$ 24,858,483	\$ 314,274	\$ 25,172,757
Fees, local governments	575,518	319,115	89,000	983,633
Fees, program services	-	83,104	2,904,085	2,987,189
Miscellaneous	3,020	-	-	3,020
Total revenues	<u>578,538</u>	<u>25,260,702</u>	<u>3,307,359</u>	<u>29,146,599</u>
<b>EXPENDITURES</b>				
Administration	332,398	261,685	-	594,083
Crime control and public safety	-	510,585	358,321	868,906
Environmental protection	-	95,467	90,642	186,109
Health and human services	-	12,645,996	34,455	12,680,451
Housing	-	5,161,427	1,465	5,162,892
Planning	-	64,080	238,001	302,081
Transportation	-	240,942	-	240,942
Workforce development	-	3,896,779	262,548	4,159,327
Weatherization	-	2,451,537	1,825,981	4,277,518
Other local projects	-	-	312,134	312,134
Total expenditures	<u>332,398</u>	<u>25,328,498</u>	<u>3,123,547</u>	<u>28,784,443</u>
Excess of revenues over expenditures	246,140	(67,796)	183,812	362,156
<b>OTHER FINANCING SOURCES</b>				
Insurance proceeds	-	19,559	-	19,559
Sale of capital assets	-	5,500	6,000	11,500
Net change in fund balance	246,140	(42,737)	189,812	393,215
Fund balances, beginning	<u>1,749,403</u>	<u>531,728</u>	<u>786,508</u>	<u>3,067,639</u>
Fund balances, ending	<u>\$ 1,995,543</u>	<u>\$ 488,991</u>	<u>\$ 976,320</u>	<u>\$ 3,460,854</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2017

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

Net changes in fund balances - total governmental funds		\$ 393,215
<p>Governmental funds report capital outlays as expenditures  However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Capital outlay expenditures which were capitalized	58,484	
Depreciation expense for governmental assets	(406,611)	
Gain on disposal of assets	<u>9,754</u>	(338,373)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		297,323
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		20,878
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of 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.</p>		
Principal payments on long-term debt	315,973	
Decrease in accrued interest payable	<u>2,631</u>	318,604
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Accrued vacation leave	31,414	
Pension expense	(430,865)	
Other postemployment benefits	16,201	
Incurred but not reported claims	(21,032)	<u>(404,282)</u>
Total changes in net position of governmental activities		<u>\$ 287,365</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**

## GENERAL FUND

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

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Fees, local governments	\$ 68,110	\$ 576,068	\$ 575,518	\$ (550)
Investment earnings	2,000	3,000	3,020	20
Total revenues	<u>70,110</u>	<u>579,068</u>	<u>578,538</u>	<u>(530)</u>
Expenditures:				
Administration	<u>70,110</u>	<u>579,068</u>	<u>332,398</u>	<u>246,670</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>246,140</u>	<u>246,140</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>	246,140	<u>\$ 246,140</u>
Fund balance, beginning			<u>1,749,403</u>	
Fund balance, ending			<u>\$ 1,995,543</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, 2017

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>				
Restricted intergovernmental	\$ 27,866,989	\$ 27,780,842	\$ 24,858,483	\$ (2,922,359)
Fees, local governments	435,110	556,586	319,115	(237,471)
Fees, program services	121,012	96,414	83,104	(13,310)
Total revenues	<u>28,423,111</u>	<u>28,433,842</u>	<u>25,260,702</u>	<u>(3,173,140)</u>
<b>Expenditures:</b>				
Administration	287,992	364,594	261,685	102,909
Crime control and public safety	820,821	909,023	510,585	398,438
Environmental protection	85,431	125,342	95,467	29,875
Health and human services	12,592,505	13,702,728	12,645,996	1,056,732
Housing	6,218,543	5,178,481	5,161,427	17,054
Planning	123,019	195,557	64,080	131,477
Transportation	241,631	241,631	240,942	689
Workforce development	5,283,644	5,251,178	3,896,779	1,354,399
Weatherization	2,769,525	2,465,308	2,451,537	13,771
Total expenditures	<u>28,423,111</u>	<u>28,433,842</u>	<u>25,328,498</u>	<u>3,105,344</u>
Excess of revenues over expenditures	-	-	(67,796)	(67,796)
<b>Other financing sources:</b>				
Insurance proceeds	-	-	19,559	19,559
Sale of capital assets	-	-	5,500	5,500
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(42,737)	<u>\$ (42,737)</u>
Fund balance, beginning			<u>531,728</u>	
Fund balance, ending			<u>\$ 488,991</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, 2017

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>				
Restricted intergovernmental	\$ -	\$ 641,227	\$ 314,274	\$ (326,953)
Fees, local governments	208,610	100,571	89,000	(11,571)
Fees, program services	4,078,504	3,977,715	2,904,085	(1,073,630)
Total revenues	<u>4,287,114</u>	<u>4,719,513</u>	<u>3,307,359</u>	<u>(1,412,154)</u>
<b>Expenditures:</b>				
Crime control and public safety	657,967	641,227	358,321	282,906
Environmental protection	136,100	130,135	90,642	39,493
Health and human services	150,000	129,027	34,455	94,572
Housing	-	1,464	1,465	(1)
Planning	164,300	356,727	238,001	118,726
Workforce development	210,581	325,424	262,548	62,876
Weatherization	2,095,817	2,131,500	1,825,981	305,519
Other local projects	872,349	1,004,009	312,134	691,875
Total expenditures	<u>4,287,114</u>	<u>4,719,513</u>	<u>3,123,547</u>	<u>1,595,966</u>
Excess of revenues over expenditures	-	-	183,812	183,812
<b>Other financing sources:</b>				
Sale of capital assets	-	-	6,000	6,000
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	189,812	<u>\$ 189,812</u>
Fund balance, beginning			<u>786,508</u>	
Fund balance, ending			<u>\$ 976,320</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 and Opportunity Act (W.I.O.A.) on July 1, 2015. The members of the board of directors of the Consortium are appointed by county commissioners from each county in the W.I.O.A. Local Area. The Consortium's responsibility is to provide policy guidance for, and exercise oversight of activities under the W.I.O.A. for the W.I.O.A. local area in partnership with the units of local governments, partner agencies and businesses. The Consortium has no financial activity as all W.I.O.A. funds received are expended directly by the Council. The Council is also responsible for determining the program is carried out. The W.I.O.A. funds and expenditures are included in the Council's Grant Project Special Revenue Fund.

Discretely Presented Component Unit

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

*Piedmont Triad Regional Development Corporation*

The Northwest Piedmont Development Corporation, a nonprofit corporation, was formed in 1983 for the purpose of being the regional organization for processing small business loan packages under the U.S. Small Business Administration's 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 North Carolina Capital Management Trust (NCCMT) Government 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. An allowance of \$15,222 was deemed necessary at June 30, 2017.

*Prepaid Items:*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

*Capital Assets:*

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are \$5,000 except for assets purchased with W.I.O.A. funds and Weatherization Assistance Program funds for which capitalization costs are \$500. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

**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, pension deferrals for the 2017 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 – pension deferrals.

*Long-Term Obligations:*

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

*Compensated Absences:*

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

The Council's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Council does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

*Net position/Fund Balances:*

Net Position - Net position in government-wide financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net positions represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

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

The 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.

Defined Benefit Cost-Sharing Plans

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

**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 38.50% for fringe benefits and 36.50% for indirect cost. The actual rates for the year ended June 30, 2017, for fringe benefits and indirect cost were 38.50% and 36.50%, respectively. All charges to programs for fringe and indirect costs were adjusted to actual as of June 30, 2017.

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/expenses 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**  
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**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, 2017, the Council's deposits had a carrying amount of \$2,044,383 and a bank balance of \$3,537,458. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$3,287,458 in interest-bearing deposits was covered by collateral held under the pooling method.

At June 30, 2017, the Corporation's deposits had a carrying amount of \$151,392 and a bank balance of \$151,392. All of the bank balance was covered by federal depository insurance.

Investments

At June 30, 2017, the Council had \$713,725 invested with the NCCMT's Government 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.

**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	39,481
N.C. Department of Commerce	277,776
N.C. Department of Environmental Quality	335,493
N.C. Department of Health and Human Services	874,892
N.C. Department of Transportation	77,260
N.C. Housing Finance Agency	118,564
U.S. Department of Housing and Urban Development	444
Local governments and agencies	99,139
Total Grant Project Fund	<u>1,850,549</u>
Special Revenue Fund - Local Projects Fund	
Local governments and agencies	<u>500,987</u>
 Total Due from Other Governments	 <u><u>\$ 2,351,536</u></u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE D - CAPITAL ASSETS**

**Primary Government**

Capital asset activity for the primary government for the year ended June 30, 2017, was as follows:

	Beginning Balances	Additions	Disposals	Ending Balances
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 634,324	\$ -	\$ -	\$ 634,324
Total capital assets not being depreciated	<u>634,324</u>	<u>-</u>	<u>-</u>	<u>634,324</u>
<b>Capital assets being depreciated:</b>				
Building	3,850,414	-	-	3,850,414
Equipment, furniture and fixtures	982,022	1,087	280,858	702,251
Land improvements	99,436	-	-	99,436
Vehicles	643,248	84,861	61,424	666,685
Total capital assets being depreciated	<u>5,575,120</u>	<u>85,948</u>	<u>342,282</u>	<u>5,318,786</u>
<b>Less accumulated depreciation for:</b>				
Buildings	771,453	296,570	-	1,068,023
Equipment, furniture and fixtures	814,467	74,052	272,942	615,577
Land improvements	24,964	9,944	-	34,908
Vehicles	475,402	26,045	51,632	449,815
Total accumulated depreciation	<u>2,086,286</u>	<u>\$ 406,611</u>	<u>\$ 324,574</u>	<u>2,168,323</u>
Total capital assets being depreciated, net	<u>3,488,834</u>			<u>3,150,463</u>
<b>Governmental activity capital assets, net</b>	<u>\$ 4,123,158</u>			<u>\$ 3,784,787</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE D - CAPITAL ASSETS (CONTINUED)**

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

Administration	\$ 318,747
Crime control and public safety	-
Health and human services	6,201
Housing	3,484
Transportation	-
Weatherization	13,675
Workforce Innovation and Opportunity Act	<u>64,504</u>
 Total depreciation expense	 <u><u>\$ 406,611</u></u>

**Discretely Presented Component Units**

Capital asset activity for the Piedmont Triad Regional Development Corporation for the year ended June 30, 2017, 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**  
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**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>
2018	\$ 246,000	\$ 72,791
2019	246,000	66,174
2020	246,000	59,557
2021	246,000	52,939
2022	246,000	46,322
2023-2027	1,230,000	132,348
2028	246,000	6,617
	<u>\$ 2,706,000</u>	<u>\$ 436,748</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>
2018	\$ 71,352	\$ 2,839
2019	72,758	1,433
	<u>\$ 144,110</u>	<u>\$ 4,272</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE E - LONG-TERM OBLIGATIONS (CONTINUED)**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017:

	Balances July 1, 2016	Increases	Decreases	Balances June 30, 2017	Current Portion of Balances
Governmental activities:					
Note payable	\$ 2,952,000	\$ -	\$ 246,000	\$ 2,706,000	\$ 246,000
Note payable	214,083	-	69,973	144,110	71,352
Compensated absences	231,611	58,335	89,749	200,197	-
OPEB liability	50,865	-	16,201	34,664	-
Net pension liability (LGERS)	317,971	1,192,496	-	1,510,467	-
	<u>\$ 3,766,530</u>	<u>\$ 1,250,831</u>	<u>\$ 421,923</u>	<u>\$ 4,595,438</u>	<u>\$ 317,352</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](http://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, 2017, was 7.43% 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 \$297,323 for the year ended June 30, 2017.

*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, 2017, the Council reported a liability of \$1,510,467 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 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, 2016, the Council's proportion was 0.07117%, which was an increase of 0.00032% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Council recognized pension expense of \$430,865. At June 30, 2017 the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**PIEDMONT TRIAD REGIONAL COUNCIL**  
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**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	\$ 28,379	\$ 52,928
Changes of assumptions	103,453	-
Net difference between projected and actual earnings on pension plan investments	835,098	-
Changes in proportion and differences between Council contributions and proportionate share of contributions	45,100	-
Council contributions subsequent to the measurement date	297,323	-
Total	<u>\$ 1,309,353</u>	<u>\$ 52,928</u>

\$297,323 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, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2018	\$ 157,802
2019	157,791
2020	402,091
2021	241,421
2022	-
Thereafter	-
	<u>\$ 959,105</u>

*Actuarial Assumptions* - The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 7.75 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

**NOTE F – PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (CONTINUED)**

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, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 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.



**NOTE F – PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (CONTINUED)**

*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%, 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%) or one percentage point higher (8.25%) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Council's proportionate share of the net pension liability (asset)	\$ 3,585,040	\$ 1,510,466	\$ (222,373)

*Pension plan fiduciary net position* - Detailed information about the pension plan’s fiduciary net position is available in the separately issued CAFR for the State of North Carolina.

*Deferred Compensation Pension Plan* - The Council sponsors a deferred compensation pension plan (under the provisions of Internal Revenue Code 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 \$40,439, during the fiscal year ended June 30, 2017, and ending investment balance in the plan at June 30, 2017 was \$1,260,812. 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, 2017. All amounts are vested immediately. Also, the participants may make voluntary contributions to the Plan.

**NOTE F – PENSION PLAN AND POSTEMPLOYMENT OBLIGATIONS (CONTINUED)**

Contributions for the year ended June 30, 2017 totaled \$175,997, which consisted of \$100,042 from the Council and \$75,955 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. Retirees can purchase healthcare coverage through the Council and, depending on years of service, may receive a portion of coverage paid by the Council.

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, 2017, the alternative measurement valuation date, consisted of the following:

Active plan members	68
Retirees receiving benefits	<u>-</u>
Total	<u><u>68</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. 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, 2017, the Council’s total contributions of \$23,797 include the amount due to the impact of the 54% implicit subsidy and actual cash contributions of \$0 paid.

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

*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:

Annual required contribution (ARC)	\$	7,505
Interest on OPEB obligation		2,035
Adjustment to ARC		(1,944)
Annual OPEB Cost (pay-as-you-go)		<u>7,596</u>
Contributions made		<u>23,797</u>
Decrease in net OPEB obligation		(16,201)
Net OPEB obligation, beginning of year		<u>50,865</u>
Net OPEB obligation, end of year	<u>\$</u>	<u>34,664</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:

For Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 7,596	313.30%	\$ 34,664
2016	7,379	115.10%	50,865
2015	7,376	79.60%	51,976

*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 events 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

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

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 LGERS (Death Benefit Plan), a multiple-employer, state-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the system, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the system at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the Council, the Council does not determine the number of eligible participants. The Council has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the 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. The Council considers these contributions to be immaterial.

**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	\$ 233,273	\$ -
Revenue received in advance of timing requirements	-	477,393
<b>Total Grant Project Fund</b>	<u>\$ 233,273</u>	<u>\$ 477,393</u>
Special Revenue Fund - Local Project Fund		
Receivables not available	\$ -	\$ -
Revenue received in advance of timing requirements	-	14,205
<b>Total Local Project Fund</b>	<u>-</u>	<u>14,205</u>
General Fund		
Receivables not available	\$ -	\$ -
Revenue received in advance of timing requirements	-	3,333
<b>Total General Fund</b>	<u>-</u>	<u>3,333</u>
<b>Total Governmental Funds</b>	<u><u>\$ 233,273</u></u>	<u><u>\$ 494,931</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.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2017

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

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

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

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

Changes in the Council's reserves for these potential claims for the years ended June 30, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Reserve, beginning of year	\$ 101,236	\$ 95,158
Contributions to HRA by Piedmont Triad Regional Council	85,102	61,634
Less claims paid	<u>(64,071)</u>	<u>(55,556)</u>
Reserve, end of year	<u>\$ 122,267</u>	<u>\$ 101,236</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 \$110,530 in 2017. 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.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2017

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**NOTE K – DUE TO PRIMARY GOVERNMENT (CONTINUED)**

Due to Council, beginning of year	\$	22,355
Advances from Council		121,553
Less repayments to Council		(33,378)
Due to Council, end of year	<u>\$</u>	<u>110,530</u>

**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 various monthly payments of \$5,016 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 the postage meter and copiers, on a month-to-month basis.

Rent expense for the year ended June 30, 2017, was comprised of \$127,188 for office space and storage and \$80,634 for equipment.

The following is a summary of future operating lease commitments:

Fiscal Year Ending		Amount
2018	\$	89,482
2019		53,470
2020		53,470
2021		53,470
2022		25,568
Thereafter		-
	<u>\$</u>	<u>275,460</u>

**NOTE M - THIRD PARTY AGREEMENTS**

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

<u>County</u>	<u>City (Continued)</u>	<u>Town (Continued)</u>
• Alamance County	• City of Eden	• Town of Jonesville
• Cabarrus County	• City of Hendersonville	• Town of Kernersville
• Caswell County	• City of High Point	• Town of Liberty
• Davidson County	• City of King	• Town of Mocksville
• Forsyth County	• City of Mebane	• Town of Oak Ridge
• Guilford County	• City of New Bern	• Town of Pilot Mountain
• Moore County	• City of Randleman	• Town of Ramseur
• Randolph County	• City of Reidsville	• Town of Rural Hall
• Rockingham County	• City of Thomasville	• Town of Walnut Cove
• Stokes County	• City of Washington	• Town of Yanceyville
• Surry County		
• Yadkin County		
	<u>Town</u>	<u>Other</u>
• <u>City</u>	• Town of Denton	• Village of Clemmons
• City of Archdale	• Town of Elon	• Centralina Council of Governments
• City of Asheboro	• Town of Gibsonville	• Land-of-Sky Council Of Governments
• City of Burlington	• Town of Haw River	• Yadkin Valley Sewer Authority
	• Town of Jamestown	

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, 2017

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**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 monies 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**

Capital assets	\$	3,784,787
Less: long-term debt		<u>2,850,109</u>
Net investments in capital asset	\$	<u><u>934,678</u></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	\$	1,995,543
Less: Stabilization by State Statute		<u>2,870</u>
Net investments in capital asset	\$	<u><u>1,992,673</u></u>

**NOTE R – SUBSEQUENT EVENTS**

Subsequent events were evaluated through October 16, 2017, which is the date the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY FINANCIAL DATA**

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

- Schedule of 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, 2017**

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (A.A.L.) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
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 - SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2017**

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2017	7,596	313.30%
2016	7,379	115.10%
2015	7,376	79.63%
2014	22,089	21.73%
2013	22,000	21.82%

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 FOUR YEARS\***  
For the Fiscal Year Ended June 30, 2017

**Local Government Employees' Retirement System**

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Piedmont Triad Regional Council's proportion of the net pension liability (asset) (%)	0.07117%	0.07085%	0.07169%	0.06930%
Piedmont Triad Regional Council's proportion of the net pension liability (asset) (\$)	1,510,467	317,971	\$ (422,789)	\$ 835,331
Piedmont Triad Regional Council's covered-employee payroll	\$ 4,488,389	\$ 4,674,445	\$ 4,443,980	\$ 2,613,085
Piedmont Triad Regional Council's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	33.65%	6.80%	-9.51%	31.97%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

\*\* This will be the same percentage for all participant employers in the LGERS plan.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**PIEDMONT TRIAD REGIONAL COUNCIL'S CONTRIBUTIONS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**LAST FOUR FISCAL YEARS**  
For the Fiscal Year Ended June 30, 2017

**Local Government Employees' Retirement System**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 297,323	\$ 307,024	\$ 320,115	\$ 316,764
Contributions in relation to the contractually required contribution	<u>297,323</u>	<u>307,024</u>	<u>320,115</u>	<u>316,764</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Piedmont Triad Regional Council's covered-employee payroll	\$ 4,001,662	\$ 4,488,389	\$ 4,674,445	\$ 4,443,980
Contributions as a percentage of covered-employee payroll	7.43%	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, 2017

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Fees, local governments	\$ 576,068	\$ 575,518	\$ (550)
Investment earnings	3,000	3,020	20
Total revenues	<u>579,068</u>	<u>578,538</u>	<u>(530)</u>
<b>Expenditures:</b>			
<b>Administration</b>			
Salaries and fringe	-	82,648	(82,648)
General and administrative	525,738	193,232	332,506
Travel and training	30,030	28,337	1,693
Professional services/consultants	3,550	550	3,000
Supplies	8,431	9,211	(780)
Indirect cost	-	7,101	(7,101)
Capital outlay	11,319	11,319	-
Total expenditures	<u>579,068</u>	<u>332,398</u>	<u>246,670</u>
Excess of revenues over expenditures	<u>-</u>	<u>246,140</u>	<u>246,140</u>
Net change in fund balance	<u>\$ -</u>	<u>246,140</u>	<u>\$ 246,140</u>
Fund balance, beginning		<u>1,749,403</u>	
Fund balance, ending		<u>\$ 1,995,543</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, 2017

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental revenues	\$ 27,780,842	\$ 24,858,483	\$ (2,922,359)
Fees, local governments	556,586	319,115	(237,471)
Fees, program services	96,414	83,104	(13,310)
Total revenues	<u>28,433,842</u>	<u>25,260,702</u>	<u>(3,173,140)</u>
<b>Expenditures:</b>			
<b>Administration</b>			
Appalachian Regional Commission/CDBG Handbook/PTRDC			
Salaries and fringe	198,566	159,101	39,465
Travel and training	63,168	6,278	56,890
Professional services/consultants	21,675	24,749	(3,074)
General administrative/occupancy	8,208	5,792	2,416
Supplies	500	384	116
Indirect costs	72,477	65,381	7,096
Total Administration	<u>364,594</u>	<u>261,685</u>	<u>102,909</u>
<b>Crime control and public safety</b>			
Salaries and fringe	188,191	202,576	(14,385)
Travel and training	87,252	16,697	70,555
Professional services/consultants	516,463	215,763	300,700
General administrative/occupancy	4,436	11,201	(6,765)
Supplies	95,217	42,078	53,139
Indirect costs	17,464	22,270	(4,806)
Total crime control and public safety	<u>909,023</u>	<u>510,585</u>	<u>398,438</u>
<b>Environmental protection</b>			
Salaries and fringe	57,674	45,691	11,983
Travel and training	7,500	692	6,808
Professional services/consultants	32,338	32,336	2
General administrative/occupancy	4,779	70	4,709
Supplies	2,000	-	2,000
Indirect costs	21,051	16,678	4,373
Total environmental protection	<u>125,342</u>	<u>95,467</u>	<u>29,875</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, 2017

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Health and Human services</b>			
Aging and Home and Community Care Block Grant			
Salaries and fringe	1,196,001	1,129,186	66,815
Travel and training	77,129	91,499	(14,370)
Professional services/consultants	136,877	109,823	27,054
General administrative/occupancy	134,984	117,486	17,498
Supplies	39,806	39,461	345
Indirect costs	433,546	412,153	21,393
Miscellaneous	-	144	(144)
Sub recipient expenses	11,684,385	10,746,244	938,141
Total Aging and Home and Community Care Block Grant	<u>13,702,728</u>	<u>12,645,996</u>	<u>1,056,732</u>
<b>Housing</b>			
Section 8 Housing Assistance			
HAP payments	3,393,070	3,372,326	20,744
Salaries and fringe	321,452	322,673	(1,221)
Travel and training	5,349	5,715	(366)
Professional services/consultants	2,174	2,174	-
General administrative/occupancy	31,722	36,092	(4,370)
Rent	18	18	-
Supplies	1,774	1,817	(43)
Indirect costs	117,330	117,776	(446)
Total Section 8 Housing Assistance	<u>3,872,889</u>	<u>3,858,591</u>	<u>14,298</u>
<b>Home/SFR/CDBG/URP</b>			
Salaries and fringe	213,026	200,544	12,482
Travel and training	12,334	13,133	(799)
Professional services/consultants	978,640	990,715	(12,075)
General administrative/occupancy	18,705	19,297	(592)
Supplies	5,133	5,950	(817)
Indirect costs	77,754	73,197	4,557
Total Home/SFR/CDBG	<u>1,305,592</u>	<u>1,302,836</u>	<u>2,756</u>
Total Housing	<u>5,178,481</u>	<u>5,161,427</u>	<u>17,054</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, 2017

	Budget	Actual	Variance Positive (Negative)
<b>Indirect costs</b>			
Salaries and fringe	2,636,042	2,350,561	285,481
Travel and training	97,584	20,398	77,186
Professional services/consultants	56,800	53,872	2,928
General administrative/occupancy	422,722	423,989	(1,267)
Rent	50,000	51,365	(1,365)
Supplies	70,000	56,185	13,815
Allocated indirect costs	<u>(3,333,148)</u>	<u>(2,956,370)</u>	<u>(376,778)</u>
Total indirect costs	-	-	-
<b>Planning</b>			
Salaries and fringe	122,015	50,348	71,667
Travel and training	2,009	909	1,100
Professional services/consultants	26,000	1,185	24,815
General administrative/occupancy	998	1,549	(551)
Supplies	-	102	(102)
Indirect costs	44,535	9,987	34,548
Total planning	<u>195,557</u>	<u>64,080</u>	<u>131,477</u>
<b>Transportation</b>			
Rural Transportation Planning			
Salaries and fringe	161,307	145,039	16,268
Travel and training	2,019	16,262	(14,243)
Professional services/consultants	750	-	750
General administrative/occupancy	17,161	25,327	(8,166)
Supplies	1,516	1,422	94
Indirect costs	58,878	52,892	5,986
Total transportation	<u>241,631</u>	<u>240,942</u>	<u>689</u>
<b>Workforce development</b>			
Salaries and fringe	1,703,727	1,431,888	271,839
Travel and training	4,750	59,120	(54,370)
Professional services/consultants	-	11,475	(11,475)
General administrative	10,000	176,905	(166,905)
Rent	-	143,977	(143,977)
Supplies	-	14,163	(14,163)
Capital outlay	-	1,087	(1,087)
Sub recipient expenses	1,795,119	1,548,639	246,480
Participant costs	1,468,280	290,087	1,178,193
Indirect costs	269,302	219,438	49,864
Total workforce development	<u>5,251,178</u>	<u>3,896,779</u>	<u>1,354,399</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, 2017

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Weatherization			
Salaries and fringe	704,602	694,316	10,286
Travel and training	108,022	58,437	49,585
Professional services/consultants	1,327,481	1,475,167	(147,686)
General administrative/occupancy	124,058	71,940	52,118
Supplies	7,500	12,575	(5,075)
Capital outlay	-	46,588	(46,588)
Indirect costs	193,645	92,514	101,131
Total weatherization	<u>2,465,308</u>	<u>2,451,537</u>	<u>13,771</u>
Total expenditures	<u>28,433,842</u>	<u>25,328,498</u>	<u>3,105,344</u>
Excess of revenues over expenditures	-	(67,796)	(67,796)
Other financing sources:			
Insurance proceeds	-	19,559	19,559
Sale of capital assets	-	5,500	5,500
Total other financing sources	<u>-</u>	<u>25,059</u>	<u>25,059</u>
Net change in fund balance	<u>\$ -</u>	<u>(42,737)</u>	<u>\$ (42,737)</u>
Fund balance, beginning		<u>531,728</u>	
Fund balance, ending		<u>\$ 488,991</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, 2017

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Restricted intergovernmental	\$ 641,227	\$ 314,274	\$ (326,953)
Fees, local governments	100,571	89,000	(11,571)
Fees, program services	3,977,715	2,904,085	(1,073,630)
<b>Total Revenues</b>	<b>4,719,513</b>	<b>3,307,359</b>	<b>(1,412,154)</b>
<b>Expenditures:</b>			
Crime control and public safety local projects			
Criminal Justice Programs			
Salaries and fringe	299,020	274,042	24,978
Travel and training	54,306	2,718	51,588
Professional services/consultants	169,376	11,788	157,588
General administrative/occupancy	16,794	13,023	3,771
Rent	17,337	12,406	4,931
Supplies	27,691	16,229	11,462
Capital Outlay	15,000	-	15,000
Participant expenses	8,020	-	8,020
Indirect costs	33,683	27,890	5,793
Miscellaneous	-	225	(225)
<b>Total Criminal Justice Programs</b>	<b>641,227</b>	<b>358,321</b>	<b>282,906</b>
Environmental protection local projects			
Water			
Salaries and fringe	62,504	44,118	18,386
Travel and training	5,850	6,607	(757)
Professional services/consultants	12,600	9,000	3,600
General administrative/occupancy	9,080	8,289	791
Supplies	17,287	15,246	2,041
Indirect costs	22,814	7,382	15,432
<b>Total Water</b>	<b>130,135</b>	<b>90,642</b>	<b>39,493</b>
Health and Human Service local grant projects			
Aging			
Salaries and fringe	6,761	3,417	3,344
Travel and training	28,800	3,704	25,096
Professional services/consultants	15,000	-	15,000
General administrative/occupancy	-	10,430	(10,430)
Supplies	76,000	15,657	60,343
Indirect costs	2,466	1,247	1,219
<b>Total Aging</b>	<b>129,027</b>	<b>34,455</b>	<b>94,572</b>
Housing local projects			
Salaries and fringe	195	323	(128)
Travel and training	926	752	174
General administrative/occupancy	46	46	-

**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, 2017

	Budget	Actual	Variance Positive (Negative)
Housing local projects (continued)			
Supplies	226	-	226
Indirect costs	71	118	(47)
Miscellaneous	-	226	(226)
Total Housing local projects	<u>1,464</u>	<u>1,465</u>	<u>(1)</u>
Planning local projects			
Local Technical Assistance Project and Planning			
Salaries and fringe	168,553	116,593	51,960
Travel and training	42,268	4,935	37,333
Professional services/consultants	66,100	47,526	18,574
General administrative/occupancy	14,996	19,530	(4,534)
Supplies	3,288	586	2,702
Indirect costs	61,522	42,332	19,190
Miscellaneous	-	6,499	(6,499)
Total Local Technical Assistance Project and Planning	<u>356,727</u>	<u>238,001</u>	<u>118,726</u>
Workforce Development local projects			
Salaries and fringe	63,921	60,072	3,849
Travel and training	36,500	80,358	(43,858)
Professional services/consultants	10,000	8,254	1,746
General administrative/occupancy	31,574	42,945	(11,371)
Supplies	18,500	6,714	11,786
Participant expenses	164,929	64,205	100,724
Total Workforce Development local projects	<u>325,424</u>	<u>262,548</u>	<u>62,876</u>
Other local projects			
Miscellaneous local projects			
Travel and training	102,686	4,023	98,663
Professional services/consultants	120,108	25,650	94,458
General administrative/occupancy	2,000	25,658	(23,658)
Supplies	-	559	(559)
Miscellaneous	-	9,130	(9,130)
Total miscellaneous local projects	<u>224,794</u>	<u>65,020</u>	<u>159,774</u>
Management advisory services			
Salaries and fringe	396,772	198,569	198,203
Travel and training	48,965	22,355	26,610
Professional services/consultants	294,649	426	294,223
General administrative/occupancy	-	2,829	(2,829)
Rent	-	55	(55)
Supplies	-	2,563	(2,563)
Indirect costs	38,829	20,317	18,512
Total management advisory services	<u>779,215</u>	<u>247,114</u>	<u>532,101</u>
Total other local projects	<u>1,004,009</u>	<u>312,134</u>	<u>691,875</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, 2017

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Weatherization			
Salaries and fringe	-	34,370	(34,370)
Travel and training	-	1,096	(1,096)
Professional services/consultants	2,067,965	1,614,395	453,570
General administrative/occupancy	-	3,339	(3,339)
Supplies	-	254	(254)
Indirect costs	63,535	172,527	(108,992)
Total weatherization	<u>2,131,500</u>	<u>1,825,981</u>	<u>305,519</u>
Total expenditures	<u>4,719,513</u>	<u>3,123,547</u>	<u>1,595,966</u>
Excess of revenues over expenditures	-	183,812	183,812
Other financing sources:			
Sale of capital assets	<u>-</u>	<u>6,000</u>	<u>6,000</u>
Net change in fund balance	<u>\$ -</u>	<u>189,812</u>	<u>\$ 189,812</u>
Fund balance, beginning		<u>786,508</u>	
Fund balance, ending		<u>\$ 976,320</u>	

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF FRINGE BENEFITS AND INDIRECT COSTS**  
For the Year Ended June 30, 2017

	Expenditures		Rate	
	Proposed	Actual	Proposed	Actual
<b>Fringe benefits</b>				
FICA	\$ 417,382	\$ 318,939		
Group insurance	694,143	702,879		
Retirement and 401(k)	463,912	397,365		
Employee assistance plan and accrued vacation leave	57,250	66,571		
Employee healthcare advocacy	10,000	11,014		
Worker's compensation and unemployment	51,000	13,992		
Health reimbursement arrangement	104,650	84,410		
	<u>\$ 1,798,337</u>	<u>\$ 1,595,170</u>	<u>38.50%</u>	<u>38.50%</u>
<b>Indirect costs</b>				
Salaries	\$ 623,674	\$ 564,389		
Fringe benefits	224,031	202,016		
Professional services	46,800	42,858		
Telephone	28,000	26,052		
Postage	24,000	18,806		
Travel, parking, and other	97,584	20,398		
Equipment maintenance	13,250	415		
Equipment rent	50,000	51,365		
Advertising	2,000	1,108		
Office supplies	70,000	56,185		
Occupancy expense	227,472	223,400		
Printing costs	-	746		
Computer services	99,000	128,436		
Dues, subscriptions, memberships, miscellaneous	16,000	16,578		
Insurance	13,000	8,448		
	<u>\$ 1,534,811</u>	<u>\$ 1,361,200</u>	<u>36.50%</u>	<u>36.50%</u>



**PIEDMONT TRIAD REGIONAL COUNCIL**

Detail Allocations - Fringe Benefits and Indirect Costs  
For the Year Ended June 30, 2017

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Appalachian Regional Commission					
ARC 1-1-2016 to 12-31-2016	77,369	29,787	38.50%	39,112	36.50%
Duke Energy					
DEC WAP Ops	9,577	3,687	38.50%	96,640	728.59%
HHF DEC H&S	9,856	3,795	38.50%	24,259	177.71%
HHF DEC HARRP Ops	2,829	1,089	38.49%	28,966	739.31%
HHF DEP H&S Ops	1,715	660	38.48%	6,071	255.62%
HHF DEP HARRP Ops	839	323	38.50%	16,592	1427.88%
Environmental Protection Agency					
EPA Brownfields Assessment	6,767	2,605	38.50%	3,421	36.50%
EPA Brownfield-Petroleum	8,966	3,452	38.50%	4,533	36.50%
Eden Watershed Restoration	182	70	38.46%	92	36.51%
205J Guilford Catchment Prior	5,328	2,051	38.49%	2,694	36.51%
205j Eden Watershed	119	46	38.66%	60	36.36%
205J Protecting Piedmont H2O	497	191	38.43%	251	36.48%
Local Administration Agreements and Programs					
Archdale P&R	10,644	4,098	38.50%	5,381	36.50%
Asheboro HR	352	27	7.67%	-	0.00%
Asheboro HR Director	5,461	2,102	38.49%	2,760	36.49%
Asheboro Pay	544	209	38.42%	275	36.52%
Asheboro Pay	13	1	7.69%	-	0.00%
Bob Barker Foundation	3,063	3,926	128.17%	1,548	22.15%
Bob Barker Foundation	7,136	-	0.00%	-	0.00%
Burlington P&C	2,672	1,029	38.51%	1,351	36.50%
Burlington P&C	1,436	110	7.66%	-	0.00%
Cabarrus PTR	235	90	38.30%	-	0.00%
Caswell Pay & Class	1,551	597	38.49%	784	36.50%
Caswell Pay & Class	8,000	612	7.65%	-	0.00%
Catawba ReEntry	235	90	38.30%	-	0.00%
Clemmons LDP	2	1	50.00%	1	33.33%
Clemmons Manager Search	1,977	761	38.49%	999	36.49%
Compass Study	2,467	950	38.51%	1,247	36.49%
Criminal Justice Misc	8,965	4,941	55.11%	4,532	32.59%
Criminal Justice Misc	3,870	-	0.00%	-	0.00%
Criminal Justice Part-Stokes	520	200	38.46%	263	36.53%
Davie County - Local Pre Trial	1,147	-	0.00%	-	0.00%
Davie County - Local Pre Trial	34,137	13,143	38.50%	-	0.00%
Davie Pre-Trial Adm.	11,271	4,781	42.42%	5,698	35.50%
Deep River	2,426	934	38.50%	1,227	36.52%
Denton Land Dev	8,390	3,230	38.50%	4,241	36.50%
Eden Park & Rec	16,185	6,231	38.50%	8,182	36.50%
Eden Park & Recreation	573	44	7.68%	-	0.00%
Elon Bike	4,274	1,645	38.49%	2,160	36.49%
Forsyth Pay Study	624	240	38.46%	316	36.57%
Forsyth Pay Study	7,320	560	7.65%	-	0.00%
Gibsonville HR	601	46	7.65%	-	0.00%
Gibsonville HR Policy	1,630	628	38.53%	824	36.49%
GIS Misc	1,311	505	38.52%	663	36.51%
Guilford County Fire Study	179	69	38.55%	91	36.69%
Guilford Pay	3,190	244	7.65%	-	0.00%
Haw River P&C	1,178	453	38.46%	595	36.48%
Haw river P&C	2,025	155	7.65%	-	0.00%
Hendersonville P&C	18,268	1,397	7.65%	-	0.00%
High Point Pay	4,993	382	7.65%	-	0.00%
High Point Pay Study	5,330	2,052	38.50%	2,695	36.51%
Housing LTA	233	90	38.63%	118	36.53%
Iredell Co P&C	172	66	38.37%	87	36.55%
Iredell P&C	7,253	555	7.65%	-	0.00%
Jamestown Mgr Search	1,092	421	38.55%	552	36.48%
Jamestown Mgr Search	150	11	7.33%	-	0.00%
Jamestown Planning	1,589	612	38.51%	803	36.48%
Jonesville Planning Services	214	82	38.32%	108	36.49%
Kernersville Pay	3,043	233	7.66%	-	0.00%

**PIEDMONT TRIAD REGIONAL COUNCIL**

Detail Allocations - Fringe Benefits and Indirect Costs

For the Year Ended June 30, 2017

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Kernersville Pay Study	568	219	38.56%	287	36.47%
King Environmental	2,177	838	38.49%	1,101	36.52%
Land of Sky P&C	421	162	38.48%	213	36.54%
Lewisville Planning	4,857	1,870	38.50%	2,455	36.49%
Liberty GIS	515	198	38.45%	260	36.47%
Lincolnton P&C	10,014	766	7.65%	-	0.00%
Mayo River Rec	1,088	419	38.51%	550	36.50%
Mayodan Ordinance	585	225	38.46%	296	36.54%
Mebane Comp Land	15,193	5,849	38.50%	7,680	36.50%
Misc Adm LTA	4,102	314	7.65%	-	0.00%
Misc Admin LTA	4,723	1,818	38.49%	2,388	36.51%
Mocksville P&C	1,353	521	38.51%	684	36.50%
Mocksville P&C	426	33	7.75%	-	0.00%
Mocksville Town Mgr	1,541	593	38.48%	779	36.50%
Moore Co P&C	1,407	108	7.68%	-	0.00%
Mooreville P&C	2,093	806	38.51%	1,058	36.50%
Mooreville P&C	2,520	193	7.66%	-	0.00%
Morganton P&C	22,111	1,691	7.65%	-	0.00%
Part Benefit Plan	640	49	7.66%	-	0.00%
Part Benefits Plan	119	46	38.66%	60	36.36%
Pilot Mt P&C	1,080	83	7.69%	-	0.00%
Pilot Mt. P &C	483	186	38.51%	244	36.47%
Ramseur Zoning	645	248	38.45%	326	36.51%
Randolph P&C	3,668	281	7.66%	-	0.00%
Randolpy P&C	2,855	1,099	38.49%	1,443	36.49%
Regional Planning	2,417	930	38.48%	1,222	36.51%
Reidsville Crossing Study	655	252	38.47%	331	36.49%
Reidsville Pay Study	1,235	475	38.46%	624	36.49%
Reidsville Pay Study	33	2	6.06%	-	0.00%
Rural Hall Mgr	250	19	7.60%	-	0.00%
Rural Hall Mgr Search	797	307	38.52%	403	36.50%
SMART	6,840	2,633	38.49%	3,458	36.50%
SMART	22,198	1,698	7.65%	-	0.00%
Statesville PTR	555	214	38.56%	-	0.00%
Stoneville Park	14	5	35.71%	7	36.84%
Surry County LDP	308	118	38.31%	156	36.62%
Surry County-Local Pre Trial	51,389	19,785	38.50%	-	0.00%
Surry Pre-Trial Adm	18,547	7,140	38.50%	9,376	36.50%
Thomasville LDP	6,041	2,326	38.50%	3,054	36.50%
TriadWorks Cost Share	43,205	16,634	38.50%	-	0.00%
Upper Cape Fear	7,761	2,988	38.50%	3,924	36.51%
Vacation Leave	14,047	22,974	163.55%	7,101	19.18%
Vacation Leave	45,627	-	0.00%	-	0.00%
Walnut Cove Planning	1,867	719	38.51%	944	36.50%
Waughtown Plan	397	153	38.54%	201	36.55%
Weddington P&C	461	178	38.61%	233	36.46%
Weddington P&C	2,202	168	7.63%	-	0.00%
Yadkin CJPP Adm	12,804	4,930	38.50%	6,473	36.50%
Yadkin Co Pay & Class	1,131	436	38.55%	572	36.50%
Yadkin Co Pay & Class	2,588	198	7.65%	-	0.00%
Yadkin Co Pay & Class	22,900	1,752	7.65%	-	0.00%
Yadkin Local Pre-Trail	43,993	16,937	38.50%	-	0.00%
Yadkin Valley Sewer Auth	2,165	166	7.67%	-	0.00%
Yanceyville Planning	1,945	749	38.51%	983	36.49%
NC Clean Water Management Trust Fund					
205j Eden Area Watershed	120	9	7.50%	-	0.00%
CWMTF Richland Creek	4,587	1,766	38.50%	2,319	36.50%
CWMTF Richland Creek	170	13	7.65%	-	0.00%
CWMTF Stokes	14,459	5,567	38.50%	-	0.00%
CWMTF Stokes 2014-801	2,374	182	7.67%	-	0.00%
CWMTF Swearing Creek	88	7	7.95%	-	0.00%
CWMTF Swearing Creek No 2013-802	9,041	3,481	38.50%	4,571	36.50%

**PIEDMONT TRIAD REGIONAL COUNCIL**

 Detail Allocations - Fringe Benefits and Indirect Costs  
 For the Year Ended June 30, 2017

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
NC Dept of Commerce					
ARC Hous T 10-1-13 to 09-30-14	4,848	1,867	38.51%	2,451	36.50%
ARC Tech TA 10/1/15 to 9/30/16	893	344	38.52%	7,761	627.41%
ARC WaterRel 10-1-15 9-30-2016	4,689	1,805	38.49%	2,370	36.50%
NC Dept of Commerce and PT Job Training Consortium					
NWP LA Adult	83,872	32,291	38.50%	29,866	25.71%
Adult - Yadkin JRC	5,404	2,081	38.51%	-	0.00%
Adult- Mobile Unit	3,586	1,381	38.51%	1,281	25.79%
Adult- Surry JRC	9,727	3,745	38.50%	-	0.00%
Adult- Stokes JRC	2,527	973	38.50%	-	0.00%
Service Corp Adm	62,641	24,117	38.50%	-	0.00%
Adult-Rockingham JRC	69,780	26,865	38.50%	-	0.00%
Adult-Davie JRC	5,360	2,063	38.49%	-	0.00%
Adult- W/S Forsyth County	16,620	54,551	328.23%	-	0.00%
Adult- W/S Forsyth County	125,070	-	0.00%	-	0.00%
NWP LA Dislocated Worker	82,805	31,880	38.50%	29,493	25.72%
Dislocated Worker-Yadkin JRC	4,548	1,751	38.50%	-	0.00%
DW -Mobile Unit	3,763	1,449	38.51%	1,344	25.79%
Dislocated Worker-Surry JRC	9,584	3,690	38.50%	-	0.00%
Dislocated Worker-Stokes JRC	827	318	38.45%	-	0.00%
Dislocated Worker-Rockingham J	64,988	25,021	38.50%	-	0.00%
Dislocated Worker-Davie JRC	4,627	1,781	38.49%	-	0.00%
Dislocated Worker-WS/Forsyth C	17,367	52,008	299.46%	-	0.00%
Dislocated Worker-WS/Forsyth C	117,720	-	0.00%	-	0.00%
NWP LA Youth	31,000	11,935	38.50%	11,036	25.70%
Youth Yadkin JRC	23,892	9,198	38.50%	-	0.00%
Youth - Rockingham	17,836	19,261	107.99%	-	0.00%
Youth - Rockingham	32,194	-	0.00%	17,812	55.33%
WIA Administration	155,481	59,860	38.50%	128,606	59.72%
2015-4031 Miller-Coors	13,072	-	0.00%	-	0.00%
2015-4031 Miller-Coors	25,828	14,977	57.99%	-	0.00%
2015-3130 7013Sector Partnership	20,384	7,848	38.50%	-	0.00%
Service Corps	10,390	795	7.65%	-	0.00%
Dislocate Worker - WS/Forsyth	1,113	85	7.64%	-	0.00%
WIA Admin	11,166	854	7.65%	-	0.00%
NC Dept of Crime Control and Public Safety					
Davie TECS	8,704	6,226	71.53%	4,400	29.47%
Davie TECS	7,469	-	0.00%	-	0.00%
Project Rentry / DOJ	19,731	7,596	38.50%	-	0.00%
Rockingham TECS	8,287	3,738	45.11%	4,189	34.84%
Rockingham TECS	1,422	-	0.00%	-	0.00%
Rowan TECS	1,779	685	38.50%	899	36.49%
Stokes TECS	7,789	3,213	41.25%	3,938	35.79%
Stokes TECS	557	-	0.00%	-	0.00%
Surry TECS	4,162	18,510	444.74%	2,104	9.28%
Surry TECS	43,914	-	0.00%	-	0.00%
Tri-County Rentry / DOJ	1,233	475	38.52%	-	0.00%
Wilkes TECS	9,325	5,267	56.48%	4,714	32.31%
Wilkes TECS	4,355	-	0.00%	-	0.00%
Yadkin TECS	4,007	4,751	118.57%	2,026	23.13%
Yadkin TECS	8,334	-	0.00%	-	0.00%
NC Dept of Human Resources					
AAA Administrative Support	25,528	9,828	38.50%	12,905	36.50%
CRC LCA	18,813	1,439	7.65%	-	0.00%
CRC LTA	13,174	5,072	38.50%	14,052	77.01%
CRC Survey	5	2	40.00%	2	28.57%
Elder Abuse - 90 / 10	579	223	38.51%	293	36.53%
Family Caregiver Support	119,455	45,990	38.50%	60,702	36.69%
Family Caregiver Support	800	61	7.63%	-	0.00%
III-D Evidence	6,353	486	7.65%	-	0.00%
III-D Evidence Based Programs	47,227	18,182	38.50%	26,401	40.36%
IIID Surplus	1,231	474	38.51%	622	36.48%
MIPPA II	2,540	978	38.50%	1,284	36.50%

**PIEDMONT TRIAD REGIONAL COUNCIL**

 Detail Allocations - Fringe Benefits and Indirect Costs  
 For the Year Ended June 30, 2017

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
MIPPA II	2,344	903	38.52%	91	2.80%
NW CCN Assessments	4,099	1,578	38.50%	2,072	36.50%
Ombudsman Aging - 90 / 10	299,645	115,363	38.50%	151,478	36.50%
P & A Planning 79.11/20.89	272,338	104,850	38.50%	142,251	37.71%
P & A Planning 79.11/20.89	8,942	684	7.65%	-	0.00%
NC Dept of Transportation					
RPO (NW)	123	9	7.32%	-	0.00%
Rural Transp Plan (G)	55,067	21,201	38.50%	27,838	36.50%
Rural Transp Plan (NW)	49,559	19,080	38.50%	25,054	36.50%
US Dept of Commerce					
PTRDC-EDA	27,075	10,424	38.50%	13,687	36.50%
US Dept of Energy					
DOE WAP ADM T & TA	12,405	4,776	38.50%	-	0.00%
DOE WAP Program Ops	133,122	51,252	38.50%	25,813	14.00%
LIHEAP HARRP Program Ops	42,117	16,215	38.50%	21,291	36.50%
LIHEAP WAP Program Ops	311,829	120,054	38.50%	45,410	10.51%
US Dept of Housing and Urban Development					
WS Project Reentry CDBG	15,070	5,802	38.50%	-	0.00%
High Point Project Reentry	127	49	38.58%	-	0.00%
Section 8 Voucher Program	232,977	89,696	38.50%	117,776	36.50%
HOME	35,692	13,742	38.50%	18,043	36.50%
Stokes SFR 13	613	236	38.50%	310	36.51%
Davidson Co SFR 14	7,005	2,697	38.50%	3,541	36.50%
Guilford Co SFR 14	16,671	6,418	38.50%	8,427	36.50%
Guilford County HOME	7,372	2,838	38.50%	3,727	36.50%
Alamance SFR	10,226	3,937	38.50%	5,170	36.50%
Surry Co SFR15	16,940	6,522	38.50%	8,563	36.50%
Rockingham SFR	34,573	13,311	38.50%	17,477	36.50%
Surry URP	2,858	1,100	38.49%	1,445	36.51%
Davie eSFR16	580	223	38.45%	293	36.49%
Stokes eSFR16	4,817	1,855	38.51%	2,435	36.50%
Caswell eSFR16	4,879	1,879	38.51%	2,467	36.50%
Randolph eSFR16	2,570	990	38.52%	1,299	36.49%
US Dept of Transportation					
Clean Fuel Adv Tech	17,257	6,644	38.50%	8,724	36.50%
Indirect Payroll	564,384	202,019	35.79%	-	0.00%
	<u>4,356,031</u>	<u>1,595,172</u>		<u>1,361,201</u>	
Summary of Allocation Rates					
Standard fringe and indirect cost	2,656,831	1,022,880	38.50%	1,343,098	36.50%
FICA only fringe with standard indirect cost	46,074	3,525	7.65%	18,103	36.50%
Standard Fringe with special indirect cost	918,841	353,754	38.50%	-	0.00%
FICA only fringe with special indirect cost	169,896	12,997	7.65%	-	0.00%
Standard fringe on indirect payroll	514,878	198,228	38.50%	-	0.00%
FICA only fringe on indirect payroll	49,511	3,788	7.65%	-	0.00%
	<u>4,356,031</u>	<u>1,595,172</u>		<u>1,361,201</u>	

**PIEDMONT TRIAD REGIONAL COUNCIL**  
 HUD Housing Choice Vouchers Program  
 Financial Data Schedule - Balance Sheet  
 June 30, 2017

<u>Line Item #</u>		<u>14.871 Housing Choice Vouchers</u>
<b>Assets</b>		
<b>Current Assts</b>		
111	Cash - unrestricted	\$ 149,332
113	Cash - other restricted	109,959
100	<b>Total Cash</b>	<u>259,291</u>
<b>Accounts Receivable</b>		
122	Accounts receivable - HUD other projects	444
125	Accounts receivable - miscellaneous	-
120	Total Receivables, net of allowance for doubtful accounts	<u>444</u>
150	<b>Total Current Assets</b>	<u>259,735</u>
290	<b>Total Assets</b>	<u>\$ 259,735</u>
<b>Liabilities and Equity</b>		
<b>Current Liabilities</b>		
345	Other current liabilities	\$ 59,603
310	<b>Total Current Liabilities</b>	<u>59,603</u>
300	<b>Total Liabilities</b>	<u>59,603</u>
<b>Equity</b>		
509.3	Restricted fund balance	109,959
512.3	Unassigned fund balance	<u>90,173</u>
513	<b>Total Equity / Net Position</b>	<u>200,132</u>
600	<b>Total Liabilities and Equity / Net Position</b>	<u>\$ 259,735</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
 HUD Housing Choice Vouchers Program  
 Financial Data Schedule - Revenues and Expenses  
 For the Year Ended June 30, 2017

<u>Line Item #</u>		14,871 Housing Choice Vouchers
<b>Revenues</b>		
70600	HUD PHA operating grants	\$ 3,424,714
71500	Other revenue	448,175
70000	<b>Total Revenues</b>	<u>3,872,889</u>
<b>Expenses</b>		
91100	Administrative salaries	232,977
91500	Employee benefit contributions - administrative	89,696
91600	Office expense	16,303
91800	Travel	9,401
91900	Other	135,156
91000	<b>Total Operating - Administrative</b>	<u>483,533</u>
96200	Other general expenses	2,730
96000	<b>Total Other General Expenses</b>	<u>2,730</u>
96900	<b>Total Operating Expenses</b>	<u>486,263</u>
97000	<b>Excess of Operating Revenue over Operating Expenses</b>	<u>3,386,626</u>
97300	Housing assistance payments	3,372,326
97350	HAP portability - in	-
90000	<b>Total Expenses</b>	<u>3,858,589</u>
10000	<b>Total Revenue Over Total Expenses</b>	14,300
11030	Beginning equity	185,832
11170	Administrative fee equity	90,173
11180	Housing assistance payments equity	109,959
11190	Unit months available	10,104
11210	Number of unit months leased	9,053

## **COMPLIANCE SECTION**



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**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, 2017, 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 16, 2017. 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, A.P.C.*

October 16, 2017



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**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, 2017. 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, 2017. 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, 2017.

### **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, S.P.A.*

November 20, 2017, except for the Schedule of Expenditures of Federal and State Awards as to which the date is October 16, 2017



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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, 2017. 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, 2017. 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

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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, 2017.

### **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, S.P.A.*

November 20, 2017, except for the Schedule of Expenditures of Federal and State Awards as to which the date is October 16, 2017

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended June 30, 2017

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**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?	<u>        </u> Yes	<u>  X  </u> No
Significant deficiency(s)	<u>        </u> Yes	<u>  X  </u> None reported
Noncompliance material to financial statements noted?	<u>        </u> Yes	<u>  X  </u> No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	<u>        </u> Yes	<u>  X  </u> No
Significant deficiency(s) identified	<u>        </u> 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>
14.239	Home Investment Partnership Program
14.871	Section 8 Housing Choice Vouchers



**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>
17.258	WIOA Cluster: WIOA - Adult Programs
17.259	WIOA - Youth Programs
17.278	WIOA - Dislocated Workers Programs
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)

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   Yes  X  No  
Single Audit Implementation Act?

Identification of major State programs:

None reported.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended June 30, 2017

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**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, 2017

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**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, 2017

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There were no prior audit findings.

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures		Passed Through to Subrecipients
			Federal	State	
<b>FEDERAL AWARDS</b>					
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	\$ 31,150	\$ -	\$ -
Passed through Randolph:					
Community Development Block Grant/Entitlement Grants	14.218	N/A	179	-	-
<b>Total Passed through N.C. Department of Commerce</b>			<u>31,329</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	1,170	-	-
Passed through Davidson County:					
Home Investment Partnership Program 2014	14.239	N/A	249,241	-	-
Passed through Guilford County:					
Home Investment Partnership Program 2014	14.239	N/A	264,098	-	-
Passed through Alamance County:					
Home Investment Partnership Program 2015	14.239	N/A	22,943	-	-
Passed through Surry County:					
Home Investment Partnership Program 2015	14.239	N/A	154,848	-	-
Passed through Rockingham County:					
Home Investment Partnership Program 2015	14.239	N/A	394,882	-	-
Passed through Davie County:					
Home Investment Partnership Program 2016	14.239	N/A	1,617	-	-
Passed through Stokes County:					
Home Investment Partnership Program 2016	14.239	N/A	11,796	-	-
Passed through Caswell County:					
Home Investment Partnership Program 2016	14.239	N/A	10,059	-	-
Passed through Randolph County:					
Home Investment Partnership Program 2016	14.239	N/A	5,403	-	-
<b>Total Passed through N.C. Housing Finance Agency</b>			<u>1,116,057</u>	<u>-</u>	<u>-</u>
Passed through Guilford County:					
Home Investment Partnership Program	14.239	N/A	54,811	-	-
Passed through Surry County Consortium:					
Home Investment Partnership Program	14.239	N/A	76,074	-	-
Section 8 Housing Choice Vouchers	14.871	N/A	4,118,324	-	-
<b>Total U.S. Department of Housing and Urban Development</b>			<u>5,396,595</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	3,685	-	-
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	79,691	-	-
Total Passed through N.C. Department of Crime Control and Public Safety			83,376	-	-
Passed through N.C. Department of Correction:					
Edward Byrne Memorial Justice Assistance Grant Program					
Project Re-entry	16.738	N/A	538	-	-
<b>Total U.S. Department of Justice</b>			<u>83,914</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	28,792	-	-
Workforce Investment Act Cluster:					
WIOA - Adult Programs	17.258	2015-4020-47	250,867	-	-
WIOA - Adult Programs	17.258	2016-4020-47	998,570	-	515,092
WIOA - Adult Programs - Administration	17.258	2015-4020-47	33,820	-	-
WIOA - Adult Programs - Administration	17.258	2016-4020-47	99,157	-	-
<b>Total CFDA #17.258</b>			<u>1,382,414</u>	<u>-</u>	<u>515,092</u>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures		Passed Through to Subrecipients
			Federal	State	
WIOA - Youth Programs	17.259	2015-4040-47	616,606	-	474,232
WIOA - Youth Programs	17.259	2016-4040-47	659,764	-	507,474
WIOA - Youth Programs - Administration	17.259	2015-4040-47	33,754	-	-
WIOA - Youth Programs - Administration	17.259	2016-4040-47	98,791	-	-
<b>Total CFDA #17.259</b>			<b>1,408,915</b>	<b>-</b>	<b>981,706</b>
WIOA - Dislocated Workers Programs	17.278	2016-4030-47	749,623	-	-
WIOA - Dislocated Workers Programs - Administration	17.278	2015-4030-47	29,785	-	129,776
WIOA - Dislocated Workers Programs - Administration	17.278	2016-4030-47	91,212	-	-
WIOA - Dislocated Workers Programs - Capacity Building - On-the-Job Training - Mohawk (Karastan)	17.278	2014-2031-47	63,025	-	-
WIOA - Dislocated Workers Programs - Capacity Building - Incumbent Worker - Children's Museum Of W-S	17.278	2014-2031-47	5,584	-	5,362
WIOA - Dislocated Workers Programs - Capacity Building - Incumbent Worker - Miller-Coors Assistance	17.278	2015-4031-47	55,771	-	-
WIOA - Dislocated Workers Programs - Capacity Building - Incumbent Worker - W-S Industries of the Blind	17.278	2015-4031-47	3,583	-	3,333
WIOA - Dislocated Workers Programs - Capacity Building - Incumbent Worker - Americraft Carton	17.278	2015-4031-47	4,909	-	4,725
WIOA - Dislocated Workers Programs - Capacity Building - Incumbent Worker - Elastic Therapy Job Profiling	17.278	2015-4031-47	2,134	-	-
<b>Total CFDA #17.278</b>			<b>1,005,626</b>	<b>-</b>	<b>143,196</b>
<b>Total Workforce Investment Act Cluster</b>			<b>3,796,955</b>	<b>-</b>	<b>1,639,994</b>
<b>Total U.S. Department of Labor</b>			<b>3,825,747</b>	<b>-</b>	<b>1,639,994</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>					
Passed through N.C. Department of Transportation:					
Federal Transit - Metropolitan Planning Grants					
Northwest Piedmont Rural Transportation Planning	20.205	N/A	92,500	-	-
Piedmont Triad Rural Planning Organization	20.205	N/A	100,250	-	-
Passed through the NC Solar Center/NC State University:					
Clean Fuel Advanced Technology Project III	20.205	2013-15	33,386	-	-
<b>Total U.S. Department of Transportation</b>			<b>226,136</b>	<b>-</b>	<b>-</b>
<b>APPALACHIAN REGIONAL COMMISSION</b>					
Appalachian Local Development Direct Assistance (2016)	23.009	N/A	75,523	-	-
Appalachian Local Development Direct Assistance (2017)	23.009	N/A	-	-	-
<b>Total CFDA #23.009</b>			<b>75,523</b>	<b>-</b>	<b>-</b>
Passed through the N.C. Department of Commerce:					
Appalachian Technical Assistance (2016):					
Appalachian Technical Assistance (2016)	23.011	N/A	9,166	-	-
Appalachian Technical Assistance (2016)	23.011	N/A	9,168	-	-
Appalachian Technical Assistance (2016)	23.011	N/A	9,166	-	-
<b>Total CFDA #23.011</b>			<b>27,500</b>	<b>-</b>	<b>-</b>
<b>Total Appalachian Regional Commission</b>			<b>103,023</b>	<b>-</b>	<b>-</b>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>					
Brownfields Assessment and Cleanup Cooperative Agreements	68.818	BF-00D12113-0	54,127	-	-
Passed through the N.C. Department of Environmental and Natural Resources:					
Division of Water Quality:					
Eden Watershed Restoration Plan 205(j)	66.454	6280	344	-	-
Guilford Catchment Prioritization 205(j)	66.454	6817	7555	-	-
Eden Watershed Restoration Outreach 205(j)	66.454	7085	225	-	-
Protecting Piedmont Triad Water Resources 205(j)	66.454	7120	939	-	-
<b>Total Environmental Protection Agency</b>			<b>63,190</b>	<b>-</b>	<b>-</b>
<b>U.S. DEPARTMENT OF ENERGY</b>					
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	520,392	-	-
<b>Total U.S. Department of Energy</b>			<b>520,392</b>	<b>-</b>	<b>-</b>

**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures		Passed Through to Subrecipients
			Federal	State	
<b>U.S. DEPARTMENT OF COMMERCE</b>					
Passed through Economic Development Agency:					
Piedmont Triad Regional Development Corporation					
EDA District Planning Grant	11.302	04-83-07097	83,138	-	-
<b>Total U.S. Department of Commerce</b>			<b>83,138</b>	<b>-</b>	<b>-</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					
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)	22,022	1,295	-
Regional Ombudsman – Title VII-E	93.042	NC-07(16)	57,388	3,376	-
Health Promotion – Title III-D	93.043	NC-07(16)	118,715	6,983	-
<b>Total Special Programs for the Aging</b>			<b>198,125</b>	<b>11,654</b>	<b>-</b>
Special Programs for the Aging - Title III-E					
Grants for Supportive Services and Senior Centers					
Planning & Administration – Title III-E	93.044	NC-07(16)	144,959	7,944	-
Regional Ombudsman – Title III-B and State	93.044	NC-07(16)	299,200	205,103	-
Access and In-Home Services – Title III-B and State Funds for Caregiver Match	93.044	NC-07(16)	961,635	4,741,908	5,703,543
Legal Services – Title III-B	93.044	NC-07(16)	68,711	4,042	72,753
Special Programs for the Aging - Title III-C					
Nutrition Services					
Planning and Administration – Title III-C-1 and State	93.045	NC-07(16)	251,031	13,756	-
Congregate Meals – Title III-C-1 and State	93.045	NC-07(16)	1,099,002	64,647	1,163,649
Home Delivered Meals–Title III-C-2 and State	93.045	NC-07(16)	1,539,240	654,076	2,193,316
Nutrition Services Incentive Program (NSIP)	93.053	NC-07(16)	682,011	-	682,011.00
<b>Total Aging Cluster</b>			<b>5,045,789</b>	<b>5,691,476</b>	<b>9,815,272</b>
Family Caregiver - Title III-E	93.052	NC-07(16)	590,885	39,392	363,806
Planning and Administration – Title III-E	93.052	NC-07(16)	94,400	5,173	-
			<b>685,285</b>	<b>44,565</b>	<b>363,806</b>
Access and In-Home Services - SSBG	93.667	NC-07(16)	311,463	8,899	320,362
Local Contact Agency (LCA) activities	93.791	32815	81,445	-	9,964
Passed through the N.C. Department of Insurance:					
Passed through the Division of SHIIP:					
MIPPA Medicare Enrollment Assistance Program	93.071	RQ 18294097	64,233	-	-
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	1,917,087	-	-
<b>Total U.S. Department of Health and Human Services</b>			<b>8,303,427</b>	<b>5,756,594</b>	<b>10,509,404</b>
<b>Total Federal Awards</b>			<b>18,605,562</b>	<b>5,756,594</b>	<b>12,149,398</b>
<b>STATE AWARDS</b>					
Clean Water Management Trust Fund					
SW High Point Green Infrastructure Restoration Project - Richland Creek					
		2014-801	-	11,219	-
Stokes County Green Infrastructure Restoration Project		2014-802	-	23,832	-
Swearing Creek Watershed Restoration Plan		2013-802	-	10,359	-
<b>Total Clean Water Management Trust Fund</b>			<b>-</b>	<b>45,410</b>	<b>-</b>

PIEDMONT TRIAD REGIONAL COUNCIL  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures		Passed Through to Subrecipients
			Federal	State	
<b>Passed through N.C. Housing Finance Agency:</b>					
<b>Passed through Stokes/Surry County:</b>					
N.C. Housing Trust Fund		N/A	-	50,228	-
<b>Passed through Asheboro County:</b>					
N.C. Housing Trust Fund		N/A	-	-	-
<b>Total Passed through N.C. Housing Finance Agency</b>			<b>-</b>	<b>50,228</b>	<b>-</b>
N. C. Department of Public Safety-Passed through to Rockingham County		N/A	-	76,953	-
N. C. Department of Public Safety-Passed through to Rowan County		N/A	-	36,733	-
N. C. Department of Public Safety-Passed through to Stokes County		N/A	-	30,454	-
N. C. Department of Public Safety-Passed through to Wilkes County		N/A	-	67,181	-
N. C. Department of Public Safety-Passed through to Yadkin County		N/A	-	35,855	-
N. C. Department of Public Safety-Passed through to Davie County		N/A	-	48,281	-
N. C. Department of Public Safety-Passed through to Surry County		N/A	-	82,644	-
<b>Total N. C. Department of Public Safety</b>			<b>-</b>	<b>378,101</b>	<b>-</b>
N.C. Department of Health & Human Services					
Passed through the Division of Aging and Adult Services:					
Aging Administrative Support		NC-07(16)	-	48,261	-
Senior Center General Purpose		NC-07(16)	-	246,563	246,565
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	-	-	-
<b>Total N.C. Department of Health &amp; Human Services</b>			<b>-</b>	<b>294,824</b>	<b>246,565</b>
N.C. Department of Transportation					
Public Transportation Division					
DOT Traveler's Aid		17-TA-125	-	17,244	-
			-	17,244	-
<b>Total State Awards</b>			<b>-</b>	<b>785,807</b>	<b>246,565</b>
<b>Total Federal and State Awards</b>			<b>18,605,562</b>	<b>6,542,401</b>	<b>12,395,963</b>



**PIEDMONT TRIAD REGIONAL COUNCIL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended June 30, 2017

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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 (SEFSA) includes the federal and State grant activity of the Piedmont Triad Regional Council under the programs of the federal government and the State of North Carolina for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. The schedule is presented on the modified accrual basis of accounting. 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.