

**Piedmont Triad Regional Council
Kernersville, North Carolina
Financial Statements
For the Year Ended June 30, 2024**

**Piedmont Triad Regional Council
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June 30, 2024**

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FINANCIAL SECTION



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Independent Auditor's Report

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

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Piedmont Triad Regional Council (the "Council") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Piedmont Triad Regional Council's basic financial statements as listed in the table of contents.

In our opinion, based upon our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Piedmont Triad Regional Council as of June 30, 2024, and the respective changes in financial position, thereof and the respective budgetary comparison for the General Fund, Grant Project Fund, and Local Project Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Piedmont Triad Regional Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our

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

Responsibilities of Management for the Audit of the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about the Piedmont Triad Regional Council's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Governmental Auditing Standards* will always detect material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Piedmont Triad Regional Council's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Piedmont Triad Regional Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the Local Government Employees' Retirement System's Schedule of the Proportionate Share of the Net Pension Liability (Asset) and Contributions, and the required supplemental financial data, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The combining and individual fund financial statements, budgetary schedules, other schedules as well as the accompanying schedule of expenditures of federal and state awards as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules, and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of the Piedmont Triad Regional Council's internal control over financial reporting and on our tests of its compliance with certain provisions of

laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Piedmont Triad Regional Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Piedmont Triad Regional Council's internal control over financial reporting and compliance.

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

Whiteville, North Carolina

December 20, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Piedmont Triad Regional Council (the "Council"), we offer readers of the Council's financial statements this narrative overview and analysis of the financial activities of the Council for the fiscal year ended June 30, 2024. We encourage readers to read the information presented here in conjunction with additional information we have furnished in the Council's financial statements, which follow this narrative.

Overview of the Piedmont Triad Regional Council

The Council is a Council of Governments that serves 12 counties in the Piedmont area of North Carolina. We administer various federal, state, and local programs for the benefit of our member governments.

Financial Highlights

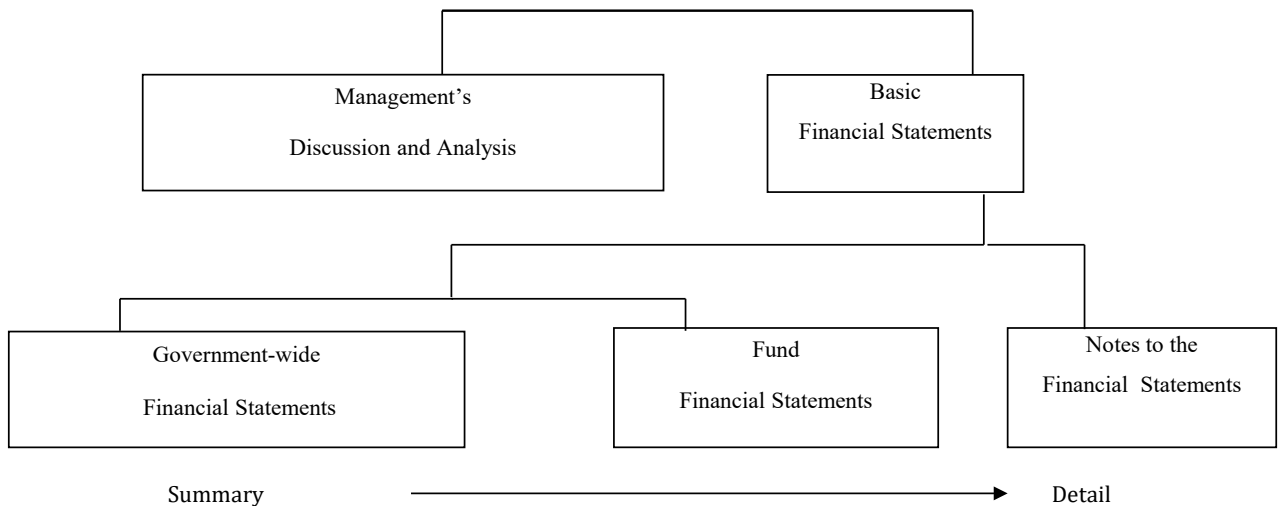
- The assets and deferred outflows of the Council exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$6,765,180 (*net position*).
- The Council's total net position increased by \$285,106.
- At the close of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$6,823,182, a decrease of \$3,789 in comparison with the prior year. Approximately 49% of this total amount or \$3,331,436, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,491,746.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

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

Following the notes is the required supplemental information. This section contains funding information about the Council's pension and benefit plans.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Council's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Council's financial status as a whole.

The two government-wide statements report the Council's net position and how they have changed. Net position is the difference between the Council's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Council's financial condition.

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

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

Fund Financial Statements

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

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

The Council adopts an annual budget for its General Fund and Special Revenue Funds, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the constituent member local governments of the Council, the management of the Council, and the decisions of the board about which services to provide and how to pay for them. It also authorizes the Council to obtain funds from identified sources to finance these current-period activities. The budgetary statement provided for the General Fund and Special Revenue Fund demonstrates how well the Council complied with the budget ordinance and whether or not the Council succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document.

The statement shows four columns: 1) the original budget as adopted by the board, 2) the final budget as amended by the board, 3) the actual resources, charges to appropriations, and ending balances in the General Fund and Special Revenue Fund, and 4) the difference or variance between the final budget and the actual resources and charges.

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

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Council's progress in funding its obligation to provide pension benefits to its employees.

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

**Government-Wide Financial Analysis
Piedmont Triad Regional Council
Net Position
Table A-1**

	Governmental Activities	
	2024	2023
Current and other assets	\$ 12,860,189	\$ 10,000,425
Capital assets	2,906,909	2,364,925
Deferred outflows of resources	2,398,022	2,353,305
Total assets and deferred outflows of resources	18,165,120	14,718,655
Current liabilities	6,293,555	3,475,151
Long-term liabilities outstanding	5,005,575	4,749,152
Deferred inflows of resources	100,810	14,278
Total liabilities and deferred inflows of resources	11,399,940	8,238,581
Net position:		
Net investment in capital assets	1,922,909	1,134,925
Restricted	3,283,772	3,108,115
Unrestricted	1,558,499	2,237,034
Total net position	\$ 6,765,180	\$ 6,480,074

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Council exceeded liabilities and deferred inflows by \$6,765,180 as of June 30, 2024. The Council's liabilities increased due to an increase in unearned revenue and an increase in the pension liability due to changes in actuarial assumptions impacting the pension plan. The change in actuarial assumptions also caused an increase in the deferred inflows of resources. The Council's net position increased by \$285,106 for the fiscal year ended June 30, 2024. The net position increase is due to excess actual revenues over actual expenditures. A portion of the Council's net position of \$1,922,909 reflects the Council's net investment in capital assets. An additional portion of the Council's net position of \$3,283,872 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,558,499 is unrestricted.

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

	Governmental Activities	
	2024	2023
Revenues:		
Program revenues:		
Charges for Services	\$ 3,973,197	\$ 3,761,094
Operating grants and contributions	36,106,599	31,790,903
General revenues:		
Unrestricted investment earnings	99,401	567,500
Miscellaneous	518,134	-
Total revenues	40,697,331	36,119,497
Expenses:		
Administration	2,101,475	2,540,452
Crime control and public safety	1,030,508	1,120,455
Health and human services	19,541,235	16,812,744
Housing	5,366,307	5,516,285
Planning	1,157,504	914,285
PTRDC	906,668	658,128
Workforce development	5,789,599	4,214,048
Weatherization	3,874,499	4,263,945
Local projects	609,838	506,571
Interest	34,592	42,106
Total expenses	40,412,225	36,589,019
Change in net position	285,106	(469,522)
Net position, beginning	6,480,074	6,949,596
Net assets, ending	\$ 6,765,180	\$ 6,480,074

Governmental activities: Governmental activities increased the Council's net position by \$285,106. This increase is primarily the result of an increase in operating grants and contributions revenues.

Financial Analysis of the Council's Funds

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

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

The General Fund is the chief operating fund of the Council. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,491,746, while total fund balance reached \$3,495,226. 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 403% of total General Fund expenditures. Total fund balance represented 403% of total General Fund expenditures.

As of June 30, 2024, the government funds of the Council reported a combined fund balance of \$6,823,182, a decrease of \$3,789 from the prior year. Included in this change in fund balance is a decrease in fund balance in the General Fund and a decrease in the Local Projects Fund due to the increase in expenditures.

Governmental Funds Budgetary Highlights -During the fiscal year, the Council revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available, 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants, and 3) increases in appropriations that become necessary to maintain services. Amendments to the General Fund didn't change the budget expenditures. Amendments to the Grant Project Fund and Local Project Fund increased the budget by \$3,112,659; this included increases for Administration.

Capital Asset and Debt Administration

Capital assets. The Council's investment in capital assets for its governmental activities as of June 30, 2024, totaled \$2,906,909, (net of accumulated depreciation). These assets include building, land, furniture, equipment, and vehicles. Net capital assets increased by \$541,984 primary from the purchase of building and land for \$370,269 and \$126,000; respectively.

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

	Governmental Activities	
	2024	2023
Land	\$ 760,324	\$ 634,324
Land improvements	622	4,864
Building	1,528,002	1,292,489
Equipment, furniture and fixtures	86,497	79,097
Vehicles	531,464	354,151
Total	\$ 2,906,909	\$ 2,364,925

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

Debt Administration

	Governmental Activities	
	2024	2023
Note payable	\$ 984,000	\$ 1,230,000

Additional information on the Council's long-term obligations can be found in Note 5 of the Basic Financial Statements

Economic Factors and Next Year's Budgets and Rates

The Council relies on funding from state and federal sources for a majority of its revenues. Local revenues are comprised of membership dues and contract revenue from local governments served by the Council. Questions or information regarding the budget should be directed to Jarrod Hand, Finance Director for the Piedmont Triad Regional Council.

Request for Information

This report is designed to provide an overview of the Council's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Jarrod Hand, Finance Director, Piedmont Triad Regional Council, 1398 Carrollton Crossing Drive, Kernersville, North Carolina, 27284. You may find additional information about the Council by visiting our website at www.ptrc.org

BASIC FINANCIAL STATEMENTS

Piedmont Triad Regional Council
Statement of Net Position
June 30, 2024

	Primary Government	Component Unit Piedmont Triad Regional Development Corporation
	Governmental Activities	Development Corporation
ASSETS		
Current Assets:		
Cash and investments	\$ 5,162,361	\$ 1,762,834
Accounts receivable	296,297	641,820
Due from other governments	7,307,067	-
Lease receivable	46,800	-
Current portion loan receivable	-	371,318
Prepaid expenses	47,664	-
Total Current Assets	<u>12,860,189</u>	<u>2,775,972</u>
Non-Current Assets:		
Loan receivable- net	-	2,475,482
Capital assets:		
Land, nondepreciable	760,324	-
Depreciable, net of related depreciation	<u>2,146,585</u>	<u>57,528</u>
Total capital assets	<u>2,906,909</u>	<u>57,528</u>
Total assets	<u>15,767,098</u>	<u>5,308,982</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferrals	<u>2,398,022</u>	-
Total Deferred Outflows of Resources	<u>2,398,022</u>	-
LIABILITIES		
Current Liabilities:		
Accounts payable	4,472,777	-
Accrued interest payable	6,019	-
Due to primary government	-	1,178,490
Deferred private grant revenue	-	4,738
Current portion of compensated absences	51,329	-
Unearned revenue	1,517,430	-
Current portion of long-term liabilities	<u>246,000</u>	-
Total Current Liabilities	<u>6,293,555</u>	<u>1,183,228</u>
Long-term liabilities:		
Net pension liability	3,856,955	-
Compensated absences	410,620	-
Due in more than one year	<u>738,000</u>	-
Total Long-Term Liabilities	<u>5,005,575</u>	-
Total liabilities	<u>11,299,130</u>	<u>1,183,228</u>
DEFERRED INFLOWS OF RESOURCES		
Leases	46,800	-
Pension deferrals	<u>54,010</u>	-
Total Deferred Inflows of Resources	<u>100,810</u>	-
NET POSITION		
Net Investment in Capital Assets	1,922,909	-
Restricted:		
Stabilization by State Statute	3,480	-
HUD	517,062	-
Projects	991,668	-
Other functions	1,771,562	57,637
Unrestricted (deficit)	<u>1,558,499</u>	<u>4,068,117</u>
Total net position	<u>\$ 6,765,180</u>	<u>\$ 4,125,754</u>

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

Piedmont Triad Regional Council
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Program Revenues		Primary Government	Component Unit
		Charges Services	Operating Grants and Contributions	Total Governmental Activities	Piedmont Triad Regional Development Corporation
Primary government:					
Governmental Activities:					
Administration	\$ 2,101,475	\$ 1,171,142	\$ 869,725	\$ (60,608)	\$ -
Crime control and public safety	1,030,508	6,407	1,496,893	472,792	-
Health and human services	19,541,235	308,452	19,234,396	1,613	-
Housing	5,358,529	56,750	5,225,038	(76,741)	-
Planning	1,157,504	578,930	487,823	(90,751)	-
PTRDC	906,668	316,305	200,610	(389,753)	-
Workforce development	5,789,599	18,616	5,899,425	128,442	-
Weatherization	3,882,277	958,777	2,692,689	(230,811)	-
Other local projects	609,838	557,818	-	(52,020)	-
Interest expense	34,592	-	-	(34,592)	-
Total Governmental Activities and Primary Government	<u>\$ 40,412,225</u>	<u>\$ 3,973,197</u>	<u>\$ 36,106,599</u>	<u>(332,429)</u>	<u>-</u>
Component Unit:					
Piedmont Triad Regional Development Corporation	<u>\$ 1,670,696</u>	<u>\$ 1,986,634</u>	<u>\$ -</u>	<u>-</u>	<u>315,938</u>
General revenues:					
Miscellaneous				518,134	
Unrestricted investment earnings				99,401	-
Total general revenues				<u>617,535</u>	<u>-</u>
Change in net position				285,106	315,938
Net position, beginning				6,480,074	3,809,816
Net position, ending				<u>\$ 6,765,180</u>	<u>\$ 4,125,754</u>

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

Piedmont Triad Regional Council
Balance Sheet
Governmental Funds
June 30, 2024

	Major Funds			Total Governmental Funds
	General Fund	Grant project Fund	Local Projects Fund	
ASSETS				
Cash and investments	\$ 3,501,641	\$ 919,783	\$ 740,937	\$ 5,162,361
Accounts receivable	3,480	261,407	31,410	296,297
Due from other governments	100	5,905,248	1,401,719	7,307,067
Lease receivable	-	-	46,800	46,800
Prepaid expenses	-	41,907	5,757	47,664
Total assets	\$ 3,505,221	\$ 7,128,345	\$ 2,226,623	\$ 12,860,189
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ 1,008	\$ 4,344,266	\$ 127,503	\$ 4,472,777
Unearned revenue	8,987	1,233,442	275,001	1,517,430
Total Liabilities	9,995	5,577,708	402,504	5,990,207
DEFERRED INFLOWS OF RESOURCES				
Lease	-	-	46,800	46,800
Total Deferred Inflows of Resources	-	-	46,800	46,800
FUND BALANCES				
Nonspendable:				
Prepaid expenses	-	41,907	5,757	47,664
Restricted:				
Stabilization by State Statute	3,480	-	-	3,480
Restricted by HUD	-	517,062	-	517,062
Restricted for grant projects	-	991,668	-	991,668
Restricted for local projects	-	-	1,771,562	1,771,562
Unassigned	3,491,746	-	-	3,491,746
Total fund balances	3,495,226	1,550,637	1,777,319	6,823,182
Total liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,505,221	\$ 7,128,345	\$ 2,226,623	\$ 12,860,189

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

Total Fund Balance, Governmental Funds	\$ 6,823,182
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Gross capital assets at historical cost	6,744,911
Accumulated depreciation	(3,838,002)
Other deferred outflows of resources related to pensions are not reported in the funds.	2,398,022
Long-term liabilities used in governmental activities are not financial uses and, therefore, are not reported in the funds	
Notes payable	(984,000)
Accrued interest expense	(6,019)
Compensated absences	(461,949)
Net pension liability	(3,856,955)
Deferred inflows of resources related to pensions are not reported in the funds	(54,010)
Total net position of governmental activities	\$ 6,765,180

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

Piedmont Triad Regional Council
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Major Fund			Total Government Funds
	General Fund	Grant Project Fund	Local Projects Fund	
REVENUES				
Restricted intergovernmental	\$ -	\$ 35,960,587	\$ 660,463	\$ 36,621,050
Fees, local governments	604,730	286,621	175,876	1,067,227
Fees, program services	-	84,360	2,307,159	2,391,519
Miscellaneous	-	-	512,934	512,934
Lease revenue	-	-	5,200	5,200
Interest income	99,401	-	-	99,401
Total revenues	704,131	36,331,568	3,661,632	40,697,331
EXPENDITURES				
Administration	866,419	921,040	-	1,787,459
Crime control and public safety	-	526,973	503,535	1,030,508
Health and human services	-	19,491,734	49,501	19,541,235
Housing	-	5,358,529	-	5,358,529
Planning	-	693,645	463,859	1,157,504
PTRDC	-	383,267	523,401	906,668
Workforce development	-	5,757,492	11,235	5,768,727
Weatherization	-	2,988,298	865,651	3,853,949
Administrative services	-	-	686,703	686,703
Other local projects	-	-	609,838	609,838
Total expenditures	866,419	36,120,978	3,713,723	40,701,120
Excess of Revenues over Expenditures	(162,288)	210,590	(52,091)	(3,789)
Net change in fund balance	(162,288)	210,590	(52,091)	(3,789)
Fund balances, beginning	3,657,514	1,340,047	1,829,410	6,826,971
Fund balances, ending	\$ 3,495,226	\$ 1,550,637	\$ 1,777,319	\$ 6,823,182

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

Piedmont Triad Regional Council
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 -Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2024

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

Net changes in fund balances - total governmental funds	\$	(3,789)
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Governmental funds report capital outlays as expenditures.

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

Capital outlay expenditures which were capitalized	890,944		
Depreciation expense for governmental assets	<u>(348,960)</u>		541,984

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		700,217
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on long-term debt	246,000		
Decrease in accrued interest payable	<u>1,505</u>		247,505

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

Compensated absences	(28,404)		
Pension expense	<u>(1,172,407)</u>		<u>(1,200,811)</u>

Total changes in net position of governmental activities	\$	<u>285,106</u>
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Piedmont Triad Regional Council
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2024

	General Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues				
Fees, local governments	\$ 605,917	\$ 755,917	\$ 604,730	\$ (151,187)
Investment earnings	150,000	-	99,401	99,401
Total Revenues	<u>755,917</u>	<u>755,917</u>	<u>704,131</u>	<u>(51,786)</u>
Expenditures				
Administration	<u>1,280,917</u>	<u>1,280,917</u>	<u>866,419</u>	<u>414,498</u>
Excess of Revenues over Expenditures	<u>(525,000)</u>	<u>(525,000)</u>	<u>(162,288)</u>	<u>362,712</u>
Fund balance appropriated	<u>525,000</u>	<u>525,000</u>	<u>-</u>	<u>525,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(162,288)</u>	<u>\$ (162,288)</u>
Fund balances, beginning			3,657,514	
Fund balances, ending			<u>\$ 3,495,226</u>	

Piedmont Triad Regional Council
Major Special Revenue Fund- Grant Project Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2024

	Grant Project Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues				
Restricted intergovernmental	\$ 46,579,644	\$ 48,829,084	\$ 35,960,587	\$ (12,868,497)
Fees, local governments	509,290	405,695	286,621	(119,074)
Fees, program services	20,150	30,150	84,360	54,210
Miscellaneous	-	153,024	-	(153,024)
Total Revenues	<u>47,109,084</u>	<u>49,417,953</u>	<u>36,331,568</u>	<u>(13,086,385)</u>
Expenditures				
Administration	1,327,180	1,756,613	921,040	835,573
Crime control and public safety	2,053,210	2,053,210	526,973	1,526,237
Health and human services	21,146,108	21,201,523	19,491,734	1,709,789
Housing	5,824,000	6,084,295	5,358,529	725,766
Planning	910,043	1,263,009	693,645	569,364
PTRDC	513,080	550,308	383,267	167,041
Workforce development	6,629,678	7,803,210	5,757,492	2,045,718
Weatherization	4,107,541	4,107,541	2,988,298	1,119,243
Indirect costs	4,598,244	4,598,244	-	4,598,244
Total Expenditures	<u>47,109,084</u>	<u>49,417,953</u>	<u>36,120,978</u>	<u>13,296,975</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>210,590</u>	<u>210,590</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>210,590</u>	<u>\$ 210,590</u>
Fund balances, beginning			<u>1,340,047</u>	
Fund balances, ending			<u>\$ 1,550,637</u>	

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

Piedmont Triad Regional Council
Major Special Revenue Fund- Local Project Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2024

	Local Project Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Restricted intergovernmental	\$ 1,166,486	\$ 666,486	\$ 660,463	\$ (6,023)
Fees, local governments	163,650	175,876	175,876	-
Fees, program services	4,469,045	5,760,609	2,307,159	(3,453,450)
Lease revenue	-	-	5,200	5,200
Miscellaneous	-	-	512,934	512,934
Total Revenues	<u>5,799,181</u>	<u>6,602,971</u>	<u>3,661,632</u>	<u>(2,941,339)</u>
Expenditures				
Crime control and public safety	537,898	537,898	503,535	34,363
Health and human services	385,684	386,684	49,501	337,183
PTRDC	857,500	982,500	523,401	459,099
Planning	594,200	929,049	463,859	465,190
Workforce development	208,787	208,787	11,235	197,552
Weatherization	1,551,090	1,551,090	865,651	685,439
Administrative services	1,664,022	1,266,557	686,703	579,854
Other local projects	-	740,406	609,838	130,568
Total Expenditures	<u>5,799,181</u>	<u>6,602,971</u>	<u>3,713,723</u>	<u>2,889,248</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>(52,091)</u>	<u>(52,091)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(52,091)</u>	<u>(52,091)</u>
Fund balances, beginning			1,829,410	
Fund balances, ending			<u>\$ 1,777,319</u>	

NOTES TO THE FINANCIAL STATEMENTS

I. Note 1- Nature of organization and summary of significant accounting policies

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

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

A. Reporting Entity

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

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

Blended Component Unit -

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

The Consortium was the grant recipient of J.T.P.A. funds through December 31, 1999, when the J.T.P.A. program was closed out and replaced with the Workforce Investment Act ("W.I.A.") program. W.I.A. was replaced by the Workforce Innovation and Opportunity Act ("W.I.O.A.") on July 1, 2015. The members of the Board of Directors of the Consortium are appointed by county commissioners from each county in the W.I.O.A. local area. The Consortium's responsibility is to provide policy guidance for, and exercise oversight of activities under, the W.I.O.A. for the W.I.O.A. local area in partnership with the units of local governments, partner agencies, and businesses. The Consortium has no financial activity as all W.I.O.A. funds received are expended directly by the Council. The Council is also responsible for determining the program is carried out. The W.I.O.A. funds and expenditures are included in the Council's Grant Project Special Revenue Fund.

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

Piedmont Triad Regional Development Corporation- The Northwest Piedmont Development Corporation, a nonprofit corporation, was formed in 1983 for the purpose of being the regional organization for processing small business loan packages under the U.S. Small Business Administration's ("SBA") 504 Loan Program. On July 1, 2011, The Northwest Piedmont Development Corporation changed its name to the Piedmont Triad Regional Development Corporation (the "Corporation"). In August of 2017, the Corporation voluntarily resigned from the SBA 503/504 Program. Currently, the Corporation processes loan packages under a program from the Economic Development Administration. The Corporation's income is generated from loan fees and interest and various grants funds from federal and local sources. The Council provides staff for the Corporation under a contractual agreement where the Corporation is billed for staff time and expenses. This contract may be revoked at any time by mutual consent. This contractual arrangement also makes the Corporation financially dependent upon the Council, which is legally entitled to access the Corporation's financial resources, and which budgets for and processes all of the Corporation's financial transactions on behalf of the Corporation. Also, the Council influences the Corporation by appointing members of the Corporation, who subsequently elect members of the Board of Directors for the Corporation, who are then approved by the Council. The Corporation issues a separate financial statement in accordance with the Financial Accounting Standards Board. There were no adjustments required to be made to the Corporation's financial statements in order to present the Corporation's financial information in accordance with Governmental Accounting Standards Board ("GASB"). The Corporation, which has a June 30 year-end, is presented as a discretely presented component unit. Complete financial statements for the Corporation may be obtained from the entity's administrative offices at Piedmont Triad Regional Development Corporation, 1398 Carrollton Crossing Drive, Kernersville, NC 27284.

New Accounting Pronouncement – As of July 1, 2021, the Council adopted the provisions of GASB 87, Leases, which amended the existing accounting standards for lease reporting. The new guidance requires lessees in a leasing arrangement recognize a right-to-use asset and a lease liability for most leases (other than leases that meet the definition of a short-term lease) at lease commencement. The liability will be equal to the present value of lease payments. Additionally, the new guidance requires lessors in a leasing arrangement to recognize a lease receivable and a deferred inflow of resources for most leases (other than leases that meet the definition of a short-term lease) at lease commencement. The liability (lessees) or deferred inflow (lessors) will be equal to the present value of lease payments. Following the adoption of the standard, the Council determined there were no material leases that would be considered subject to the standard and, therefore, no leases have been recorded.

B. Basis of Presentation

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

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

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

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

The Council reports the following major governmental funds:

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

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

Special Revenue Fund- Local Projects Fund- This fund accounts for activities designed to assist local area governments in developing growth plans and any other activity that may assist local governments in planning for the future communities. Local grant funds restricted for use are accounted for in this fund.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

D. Budgetary Data

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

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

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Balance

Deposits and Investments – All deposits of the Council are made in board-designated official depositories and are secured as required by State Law [G.S. 159-31]. The Council may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Council may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

The North Carolina Management Trust (NCCMT) Government Portfolio is an SEC-registered money market mutual fund that is currently certified by the Local Government Commission under the provisions of G.S. 159-30(c)(8) and the North Carolina Administrative Code. The Government Portfolio is a 2a7 fund that invests in treasuries, government agencies, and repurchase agreements collateralized by treasuries. It is rate AAAM by S&P and AAA-mf by Moody's Investor Services and reported at fair value.

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

Allowance for Doubtful Accounts – All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years. No allowance was deemed necessary at June 30, 2024.

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

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

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

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

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Vehicles	10
Furniture and Equipment	5
Computer equipment	5

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

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Council has two items that met this criterion, pension deferrals and contributions to pensions plan for the 2024 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Council has two items that met this criterion, revenue unavailable at the fund level and pension deferrals.

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

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

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

Net Position/Fund Balances

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

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

The governmental fund types classify fund balances as follows:

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

Prepaid Items - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Leases - Portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

Restricted Fund Balance - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute- North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930s that were designed to improve and maintain the fiscal health of local government units. Restricted by state statute (“RSS”, is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as “restricted by state statute”. Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is “imposed by law through constitutional provisions or enabling legislation”. RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included within RSS. RSS is included as a component of Restricted net position and Restricted fund balance on the face of the balance sheet.

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

Restricted for Grant Projects- Portion of fund balance that is restricted by revenue source for use with the grant projects.

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

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

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

Unassigned Fund Balance - The portion of total fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

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

Indirect Cost Allocation- The Council has adopted an indirect cost allocation plan. The plan was adopted in order to recover expenditures that are not readily allocable directly to specific program activities. These expenditures (fringe benefits and indirect costs) are accumulated in a pool and are allocated based on provisional fringe benefit and indirect cost rates. The fringe benefit rate is determined based on the ratio of total fringe benefit costs to total salaries. The standard indirect cost rate is determined based on the ratio of total indirect costs to total direct salaries and allocated fringe benefits.

The provisional standard rates for the fiscal year submitted for review to the U.S. Department of Housing and Urban Development at the rates of 45.50% for fringe benefits and 26.50% for indirect cost. The actual rates for the year ended June 30, 2024, for fringe benefits and indirect cost were 45.50% and 26.50%, respectively. All charges to programs for fringe and indirect costs were adjusted to actual as of June 30, 2024.

Defined Benefit Cost-Sharing Plans- For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Local Government Employees' Retirement System ("LGERS"), and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Council employer contributions are recognized when due and the Council has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

Grant Revenue- The Council recognizes revenues (net of estimated uncollectible amount, if any), when all applicable eligibility requirements, including time requirements, are met. Resources transmitted to the Council before meeting the eligibility requirements are recorded and reported as unearned revenues.

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

F. Lease Receivable

The Council's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the Council will receive an annual payment.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

II. Note 2- Cash and investments

1. Deposits

Deposits- All the deposits of the Council are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Council’s agent in the Council’s name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer’s agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Council, these deposits are considered to be held by the Council’s agent in the Council’s name. The amount of the pledged collateral is based on an approved averaging method for noninterest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Council or the escrow agent. Because of the inability to measure the exact amount of collateral pledges for the Council under the Pooling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Council has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Council complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2024, the Council’s deposits had a carrying amount of \$3,210,662 and a bank balance of \$3,391,977. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$3,141,977 in interest-bearing deposits was covered by collateral held under the pooling method.

At June 30, 2024, the Corporation’s deposits had a carrying amount of \$1,762,834 and a bank balance of \$1,763,250. Of the bank balance, \$250,000 was covered by federal depository insurance.

2. Investments

Investments- At June 30, 2024, the Council had \$1,951,699 invested with the NCCMT’s Government Portfolio which carried a credit rating of AAAM by Standard & Poor’s. The Council has no formal policy regarding credit risk of its investments.

Interest Rate Risk - The Council does not have a formal policy to limit interest rate risk.

Credit Risk - The Council limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations; however, the Council has no formal policy on credit risk.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Council will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Council has no formal policy on custodial risk.

Concentration of Credit Risk - The Council places no limit on the amount that the Council may invest in any one issuer.

3. Receivables

	Accounts	Due from Other Governments	Lease Receivable	Total
Governmental Activities:				
General	\$ 3,480	\$ 100	\$ -	\$ 3,580
Grant projects	261,407	5,905,248	-	6,166,655
Local projects	31,410	1,401,719	46,800	1,479,929
Total Governmental Activities	<u>\$ 296,297</u>	<u>\$ 7,307,067</u>	<u>\$ 46,800</u>	<u>\$ 7,650,164</u>

4. Lease Receivable

In December 2023, the Council entered into a lease with Kernersville Community Church of Christ Congregation. Under the lease, the Lessee pays the Council \$5,200 per year for ten (10) years. The lease shall have the option to continue until December 2033 unless terminated earlier or extended in accordance with the terms of the lease. In fiscal year 2024, the Council recognized \$5,200 of lease revenue.

III. Note 3- Stewardship, Compliance, and Accountability

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

1. Noncompliance with North Carolina General Statutes

None.

2. Contractual Violations

None.

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

None.

C. Excess of Expenditures over Appropriations

None.

IV. Note 4- Due from other governments

Amounts due from other governments are summarized as follows:

Special Revenue Fund- Grant Project Fund:	
N.C. Department of Crime Control and Public Safety	\$ 71,571
N.C. Department of Commerce	25,234
N.C. Department of Environmental Quality	554,507
N.C. Department of Health and Human Services	3,477,752
N.C. Department of Transportation	327,537
N.C. Housing Finance Agency	222,833
Centers for Disease Control and Prevention	11,931
U.S. Department of Agriculture	12,027
U.S. Economic Development Agency	29,838
U.S. Department of Housing and Urban Development	154,648
U.S. Appalachian Regional Commission	20,143
Passed through local governments	761,674
Due from component unit	<u>235,553</u>
Total Grant Project Fund	<u>5,905,248</u>
Special Revenue Fund- Local Projects Fund:	
Local governments and agencies	773,360
Due from component unit	<u>628,359</u>
Total special revenue fund	<u>1,401,719</u>
General Fund:	
Local governments and other agencies	100
Total due from other governments	<u>\$ 7,307,067</u>

V. Note 5- Capital assets

Capital asset activity for the primary government for the year ended June 30, 2024 was as follows:

	Beginning Balances July 1, 2023	Additions	Disposals	Ending Balances June 30, 2024
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 634,324	\$ 126,000	\$ -	\$ 760,324
Total capital assets not being depreciated	<u>634,324</u>	<u>126,000</u>	<u>-</u>	<u>760,324</u>
Capital assets being depreciated:				
Building	3,876,045	492,277	-	4,368,322
Equipment, furniture, and fixtures	177,649	32,422	-	210,071
Land improvements	99,436	-	-	99,436
Vehicles	1,080,315	240,245	13,802	1,306,758
Total capital assets being depreciated	<u>5,233,445</u>	<u>764,944</u>	<u>13,802</u>	<u>5,984,587</u>
Less accumulated depreciation for:				
Buildings	2,583,556	256,764	-	2,840,320
Equipment, furniture, and fixtures	98,552	25,022	-	123,574
Land improvements	94,572	4,242	-	98,814
Vehicles	726,164	62,932	13,802	775,294
Total accumulated depreciation	<u>3,502,844</u>	<u>\$ 348,960</u>	<u>13,802</u>	<u>3,838,002</u>
Total capital assets being depreciated, net	<u>1,730,601</u>			<u>2,146,585</u>
Governmental activity capital assets, net	<u>\$ 2,364,925</u>			<u>\$ 2,906,909</u>

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

Administration	\$ 286,058
WAP	28,328
WIOA	34,574
	<u>\$ 348,960</u>

VI. Note 6- Pension plan and postemployment obligations**Local Government Employees' Retirement System**

Plan Description – The Council is a participating employer in the statewide Local Governmental Employees' Retirement System ("LGERS"), a cost-sharing, multiple-employer defined benefit pension plan administered by the state of North Carolina. LGERS membership is comprised of general employees of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. LGERS is included in the Annual Comprehensive Financial Report ("ACFR") for the state of North Carolina. The state's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided – LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic postretirement benefit increases. Increases are contingent upon actuarial gains of the plan.

Contributions – Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Council employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Council contractually required contribution rate for the year ended June 30, 2024, was 12.95% 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 \$700,218 for the year ended June 30, 2024.

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, 2024, the Council reported a liability of \$3,856,955 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 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, 2023 (measurement date), the Council's proportion was 0.05824% which was a decrease of 0.00167% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Council recognized pension expense of \$1,172,407. At June 30, 2024, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 429,779	\$ 9,252
Changes of assumptions	163,898	-
Net difference between projected and actual earnings on pension plan investments	1,032,290	-
Changes in proportion and differences between Council's contributions and proportionate share of contributions	71,837	44,758
Council's contributions subsequent to the measurement date	700,218	-
	<u>\$ 2,398,022</u>	<u>\$ 54,010</u>

\$700,218 reported as deferred outflows of resources related to pensions resulting from Council contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June	
30	
2025	\$ 634,265
2026	290,814
2027	675,064
2028	43,651
	<u>\$ 1,643,794</u>

Actuarial Assumptions- The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% to 8.25%, including inflation and productivity factor
Investment rate of return	6.50%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2021.

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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	33.0%	2.4%
Global equity	38.0%	6.9%
Real estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Credit	7.0%	5.3%
Inflation protection	6.0%	4.3%
	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2023 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount Rate – The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Council's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Council's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Council's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	1 % Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Council's proportionate share of the net pension liability (asset)	\$6,682,022	\$3,856,995	\$1,531,094

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

Deferred Compensation Pension Plan – The Council sponsors a deferred compensation pension plan (under the provisions of Internal Revenue Code ("IRC") Section 457) through The National Association of Counties. This plan covers all employees of the Council who elect to participate in this deferred compensation program. Plan contributions by employees amounted to \$58,995, during the fiscal year ended June 30, 2024, and ending investment balance in the plan at June 30, 2024 was \$762,291. The plan's assets remain the property of the Council until paid, subject only to the claims of the Council's general creditors. The fiduciary responsibility of the Council is to make regular, periodic payments as required by the plan. These payments are made to Nationwide Retirement Solutions, Inc., which acts as trustee and a third party administrator for the plan. Accordingly, plan assets are not included in the Council's financial statements.

401(k) Retirement Plan – The Council participates in the Supplemental Retirement Income Plan under IRC Section 401(k), established by action of the 1984 North Carolina General Assembly for law enforcement officers and general employees. The Plan, which is available to all full-time Council employees, is a defined contribution plan and is tax exempt under Section 401(k) of the IRC. The Council contributed each month an amount equal to 2.5% of each participant's gross wages for the fiscal year ended June 30, 2024. All amounts are vested immediately. Also, the participants may make voluntary contributions to the Plan.

Contributions for the year ended June 30, 2024 totaled \$312,443, which consisted of \$135,124 from the Council and \$177,319 from employees

VII. Note 7- Other employment benefits

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

VIII. Note 8 - 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

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

Fiscal Year	Principal	Interest
2025	\$ 246,000	\$ 26,470
2026	246,000	19,852
2027	246,000	13,235
2028	246,000	6,617
	<u>\$ 984,000</u>	<u>\$ 66,174</u>

The following is a summary of changes in long-term liabilities for the year ended June 30, 2024:

	Balances July 1, 2023	Increases	Decreases	Balances June 30, 2024	Current portion of Balances
Governmental activities:					
Note payable	\$ 1,230,000	\$ -	\$ 246,000	\$ 984,000	\$ 246,000
Compensated absences	433,545	28,404		461,949	51,329
Net pension liability (LGERS)	3,379,780	477,175	-	3,856,955	-
	<u>\$ 5,043,325</u>	<u>\$ 505,579</u>	<u>\$ 246,000</u>	<u>\$ 5,302,904</u>	<u>\$ 297,329</u>

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

IX. Note 9- Risk management

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

The pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability, and property in excess of \$500,000. The property liability pool has an aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values.

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

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

In accordance with G. S. 159-29, the Council's employees that have access to \$100 or more at any given time of the Council's funds are performance bonded through a commercial surety bond. The Finance Officer and Executive Director are individually bonded for \$1,000,000. 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.

Changes in the Council's reserves for these potential claims for the years ended June 30, 2024 are as follows:

	<u>2024</u>	<u>2023</u>
Reserve, beginning of year:	\$ -	\$ 16,941
Contributions to HRA by Piedmont Triad Regional Council	-	-
Less claims paid	-	(1,444)
Less reduction in accrual	-	(15,497)
Reserve, end of year	<u>\$ -</u>	<u>\$ -</u>
	<u>2024</u>	<u>2023</u>
Reserve, beginning of year:	\$ 175,673	\$ 291,221
Contributions to Health Insurance Reserve by Piedmont Triad Regional Council	1,153,457	1,200,488
Less claims paid	(1,126,075)	(1,194,188)
Less reduction in accrual	-	(121,848)
Reserve, end of year	<u>\$ 203,055</u>	<u>\$ 175,673</u>

X. Note 10- Due to primary government

The Corporation entered into an agreement with the Council in which the Council agreed to provide full funding for Corporation activities through staff time and other funding until such time as the Corporation becomes self-sufficient. All fees will be used to reimburse the Council for expenses incurred, such as salaries, indirect expenses, and allocated fringe benefits. Total expenses for these costs were \$1,178,489 in 2024. In return, the Corporation agreed to 1) transfer all current assets and revenues to the Council within 10 days, 2) submit requests for budgeted expenditures to the Council for payment, 3) submit a budget for each of the coming years to the Council for approval, and 4) refrain from seeking funds directly from local governments.

Due to Council, beginning of year	\$ 416,198
Advances from Council	762,291
Less repayments to Council	-
Due to Council, end of year	<u>\$ 1,178,489</u>

XI. Note 11- Third party agreements

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

County	City (continued)	Town (continued)	Town (continued)
• Alamance County		• Town of Angier	• Town of Midway
• Burke County	• City of Asheboro	• Town of Bermuda Run	• Town of Mills River
• Caldwell County	• City of Burlington	• Town of Biscoe	• Town of Mount Gilead
• Caswell County	• City of Claremont	• Town of Black Mountain	• Town of Mount Pleasant
• Cleveland County	• City of Eden	• Town of Brevard	• Town of Sedalia
• Davidson County	• City of Graham	• Town of Cooleemee	• Town of Stoneville
• Davie County	• City of High Point	• Town of Davidson	• Town of Summerfield
• Forsyth County	• City of King	• Town of Dobson	• Town of Walnut Cove
• Halifax County	• City of Kings Mountain	• Town of Elon	• Town of Waxhaw
• Montgomery County	• City of Lincolnton	• Town of Fletcher	• Town of Weaverville
• Nash County	• City of Mebane	• Town of Gibsonville	• Town of Wentworth
• Randolph County	• City of Moorehead	• Town of Halifax	Other
• Rockingham County	• City of Morganton	• Town of Hope Mills	• Cape Fear Council of Government
• Surry County	• City of Mount Airy	• Town of Jamestown	• Centralina Regional Council
• Watuga County	• City of Randleman	• Town of Jonesville	• Central Pines Regional Council
• Wilson County	• City of Reidsville	• Town of Kernersville	• Kerr Tar Council of Government
• Yadkin County	• City of Statesville	• Town of Lewisville	
City	• City of Thomasville	• Town of Liberty	
• City of Albemarle	• City of Wilson	• Town of Mayodan	
• City of Archdale	• City of Winston-Salem		

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

XII. Note 12- Contracts

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

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

Section 8 Housing Voucher Program	<u>850 units</u>
NC 166	

XIII. Note 13- Contingencies

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

XIV. Note 14- Net investment in capital assets

Capital assets	\$ 2,906,909
Less long-term debt	<u>(984,000)</u>
Net investments in capital assets	<u>\$ 1,922,909</u>

XV. Note 15- Fund balance

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

Total fund balance- General Fund	\$ 3,495,226
Less stabilization by state statute	<u>(3,480)</u>
Unrestricted fund balance- General Fund	<u>\$ 3,491,746</u>

XVI. Note 16- Subsequent events

Subsequent events were evaluated through December 20, 2024, which is the date the financial statements were available to be issued.

REQUIRED
SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally
accounting principals.

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

- Schedule of Contributions – Local Government Employees’
Retirement System

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

Local Government Employees' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Piedmont Triad Regional Council's proportion of the net pension liability (asset) (%)	0.05824%	0.05991%	0.05797%	0.04996%	0.04935%	0.05083%	0.06506%	0.07007%	0.07085%	0.07169%
Piedmont Triad Regional Council's proportion of the net pension liability (asset) (\$)	\$ 3,856,955	\$ 3,379,780	\$ 889,026	\$ 1,785,284	\$ 1,347,710	\$ 1,205,861	\$ 993,937	\$ 1,510,467	\$ 317,971	\$ (422,789)
Piedmont Triad Regional Council's covered-employee payroll	\$ 4,984,191	\$ 4,743,081	\$ 4,496,118	\$ 4,037,303	\$ 3,629,135	\$ 3,454,914	\$ 4,001,662	\$ 4,488,389	\$ 4,674,445	\$ 4,443,980
Piedmont Triad Regional Council's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	77.38%	71.26%	19.77%	44.22%	37.14%	34.90%	24.84%	33.65%	6.80%	(9.51%)
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%

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

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

**Piedmont Triad Regional Council
Council's Contributions
Required Supplementary Information
Last Ten Fiscal Years**

Local Government Employees' Retirement System

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 700,218	\$ 608,071	\$ 534,948	\$ 459,095	\$ 357,699	\$ 286,339	\$ 264,301	\$ 297,323	\$ 307,024	\$ 320,115
Contributions in relation to the contractually required contribution	<u>700,218</u>	<u>608,071</u>	<u>534,948</u>	<u>459,095</u>	<u>357,699</u>	<u>286,339</u>	<u>264,301</u>	<u>297,323</u>	<u>307,024</u>	<u>320,115</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Piedmont Triad Regional Council's covered payroll	\$ 5,407,087	\$ 4,984,191	\$ 4,743,081	\$ 4,496,118	\$ 4,037,303	\$ 3,629,135	\$ 3,454,914	\$ 4,001,662	\$ 4,488,389	\$ 4,674,445
Contributions as a percentage of covered payroll	12.95%	12.20%	11.28%	10.21%	8.86%	7.89%	7.65%	7.43%	6.84%	6.85%

GENERAL FUND

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

Piedmont Triad Regional Council
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Fees, local governments		\$ 604,730	
Investment earnings		99,401	
Total Revenues	<u>\$ 755,917</u>	<u>704,131</u>	<u>\$ (51,786)</u>
Expenditures:			
Administration:			
Salaries and fringe		17,147	
General and administrative		57,417	
Travel and training		25,244	
Professional services/consultants		36,693	
Local match expenses		192,984	
Supplies		23,302	
Indirect costs		4,544	
Capital outlay		508,088	
Miscellaneous		1,000	
Total Expenditures	<u>1,280,917</u>	<u>866,419</u>	<u>414,498</u>
Excess of Revenues over Expenditures	<u>(525,000)</u>	<u>(162,288)</u>	<u>362,712</u>
Fund balance appropriated	<u>525,000</u>	<u>-</u>	<u>525,000</u>
Net change in fund balance	<u>\$ -</u>	<u>(162,288)</u>	<u>\$ (162,288)</u>
Fund balance, beginning		<u>3,657,514</u>	
Fund balance, ending		<u>\$ 3,495,226</u>	

Piedmont Triad Regional Council
Major Special Revenue Fund- Grant Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual
For the Fiscal Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental revenues		\$ 35,960,587	
Fees, local governments		286,621	
Fees, program services		84,360	
Total Revenues	<u>\$ 49,417,953</u>	<u>36,331,568</u>	<u>\$ (13,086,385)</u>
Expenditures:			
Administration:			
Appalachian Regional Commission/PTRDC EDA:			
Salaries and fringe		523,402	
Travel and training		14,909	
Professional services/consultants		222,793	
General administrative/occupancy		21,185	
Supplies		49	
Indirect costs		138,702	
Total Administration	<u>1,756,613</u>	<u>921,040</u>	<u>835,573</u>
Crime Control and Public Safety:			
Salaries and fringe		288,172	
Travel and training		1,001	
Professional services/consultants		90,170	
General administrative/occupancy		15,195	
Supplies		14,224	
Rent		4,158	
Indirect costs		114,053	
Total Crime Control and Public Safety	<u>2,053,210</u>	<u>526,973</u>	<u>1,526,237</u>
Fringe Benefits:			
Salaries and fringe		2,417,445	
Travel and training		5,552	
Professional services/consultants		73,681	
General administrative/occupancy		949	
Supplies		1,169	
Allocated fringe cost		(2,498,796)	
Total Fringe Benefits	<u>2,590,384</u>	<u>-</u>	<u>2,590,384</u>

Piedmont Triad Regional Council
Major Special Revenue Fund- Grant Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Health and Human Services:			
Aging and Home and Community Care Block Grant:			
Salaries and fringe		1,582,905	
Travel and training		83,042	
Professional services/consultants		133,988	
General administrative/occupancy		337,875	
Supplies		69,451	
Indirect costs		419,468	
Sub recipient expenses		16,865,005	
Total Aging and Home and Community Care Block Grant	<u>21,201,523</u>	<u>19,491,734</u>	<u>1,709,789</u>
Housing:			
Section 8 Housing Assistance:			
HAP payments		3,536,659	
Salaries and fringe		428,425	
Travel and training		20,277	
Professional services/consultants		5,575	
General administrative/occupancy		37,610	
Supplies		14	
Indirect costs		113,533	
Total Section 8 Housing Assistance	<u>4,144,445</u>	<u>4,142,093</u>	<u>2,352</u>
Home/SFR/CDBG/URP:			
Salaries and fringe		405,029	
Travel and training		30,876	
Professional services/consultants		641,021	
General administrative/occupancy		28,807	
Supplies		3,370	
Indirect costs		107,333	
Total Home/SFR/CDBG/URP	<u>1,939,850</u>	<u>1,216,436</u>	<u>723,414</u>
Total Housing	<u>6,084,295</u>	<u>5,358,529</u>	<u>725,766</u>
Indirect Costs:			
Salaries and fringe		1,125,342	
Travel and training		46,459	
Professional services/consultants		57,379	
General administrative/occupancy		487,458	
Rent		77,678	
Supplies		101,016	
Allocated indirect costs		(1,895,332)	
Total indirect costs	<u>2,007,860</u>	<u>-</u>	<u>2,007,860</u>

Piedmont Triad Regional Council
Major Special Revenue Fund- Grant Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual
For the Fiscal Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
Piedmont Triad Regional Development Corporation:			
General administrative/occupancy		65,557	
Professional services/consultants		229,145	
Salaries and fringe		64,115	
Travel and training		7,459	
Indirect costs		16,991	
Total Piedmont Triad Regional Development Corporation	<u>550,308</u>	<u>383,267</u>	<u>167,041</u>
Planning:			
Salaries and fringe		308,895	
Travel and training		7,325	
Professional services/consultants		276,519	
General administrative/occupancy		12,550	
Supplies		2,365	
Capital outlay		4,134	
Indirect costs		81,857	
Total Planning	<u>1,263,009</u>	<u>693,645</u>	<u>569,364</u>
Workforce Development:			
Salaries and fringe		1,238,589	
Travel and training		57,378	
Professional services/consultants		244,518	
General administrative/occupancy		79,302	
Rent		28,632	
Supplies		33,938	
Capital outlay		162,234	
Sub recipient expenses		3,559,439	
Participant costs		25,236	
Indirect costs		328,226	
Total Workforce Development	<u>7,803,210</u>	<u>5,757,492</u>	<u>2,045,718</u>
Weatherization:			
Salaries and fringe		830,748	
Travel and training		47,432	
Professional services/consultants		1,880,181	
General administrative/occupancy		38,510	
Supplies		2,050	
Capital outlay		-	
Indirect costs		189,377	
Total Weatherization	<u>4,107,541</u>	<u>2,988,298</u>	<u>1,119,243</u>
Total Expenditures	<u>49,417,953</u>	<u>36,120,978</u>	<u>13,296,975</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>210,590</u>	<u>210,590</u>
Net change in fund balance	<u>\$ -</u>	<u>210,590</u>	<u>\$ 210,590</u>
Fund balance, beginning		<u>1,340,047</u>	
Fund balance, ending		<u>\$ 1,550,637</u>	

Piedmont Triad Regional Council
Major Special Revenue Fund- Local Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental		\$ 660,463	
Fees, local governments		175,876	
Fees, program services		2,307,159	
Miscellaneous		512,934	
Lease revenue		5,200	
Total Revenues	<u>\$ 6,602,971</u>	<u>3,661,632</u>	<u>\$ (2,941,339)</u>
Expenditures:			
Administration:			
Salaries and fringe		520,692	
Travel and training		21,815	
General administrative/occupancy		6,213	
Indirect costs		137,983	
Total Administration	<u>1,266,557</u>	<u>686,703</u>	<u>579,854</u>
Crime Control and Public Safety Local Projects:			
Criminal Justice Programs:			
Salaries and fringe		391,808	
Travel and training		13,172	
Professional services/consultants		5,330	
General administrative/occupancy		3,604	
Supplies		14,000	
Rent		9,479	
Indirect costs		66,142	
Total Criminal Justice Programs	<u>537,898</u>	<u>503,535</u>	<u>34,363</u>
Health and Human Service Local Grant Projects:			
Aging:			
Salaries and fringe		72	
Travel and training		5,690	
Professional services/consultants		7,558	
General administrative/occupancy		13,986	
Supplies		6,928	
Indirect costs		19	
Sub recipient expenses		15,248	
Total Aging	<u>386,684</u>	<u>49,501</u>	<u>337,183</u>

Piedmont Triad Regional Council
Major Special Revenue Fund- Local Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Planning Local Projects:			
Local Technical Assistance Project and Planning:			
Salaries and fringe		268,689	
Travel and training		21,515	
Professional services/consultants		9,110	
General administrative/occupancy		81,351	
Supplies		9,225	
Capital outlay		2,766	
Indirect costs		71,203	
Total Local Technical Assistance Project and Planning	<u>929,049</u>	<u>463,859</u>	<u>465,190</u>
Piedmont Triad Regional Development Corporation:			
General administrative/occupancy		80,174	
Professional services/consultants		148,045	
Salaries and fringe		152,098	
Supplies		85,861	
Travel and training		16,359	
JRC costs		558	
Indirect costs		40,306	
Total Piedmont Triad Regional Development Corporation	<u>982,500</u>	<u>523,401</u>	<u>459,099</u>
Workforce Development:			
Travel and training		1,216	
General administrative/occupancy		6,433	
Supplies		3,586	
Total Workforce Development Local Projects	<u>208,787</u>	<u>11,235</u>	<u>197,552</u>

Piedmont Triad Regional Council
Major Special Revenue Fund- Local Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other Local Projects:			
Miscellaneous Local Projects:			
Travel and training		14,418	
Professional services/consultants		9,777	
General administrative/occupancy		427,374	
Salaries and fringe		28,591	
Capital outlay		109,672	
Supplies		16,942	
Indirect costs		3,064	
Total Miscellaneous Local Projects	<u>740,406</u>	<u>609,838</u>	<u>130,568</u>
Total Other Local Projects	<u>740,406</u>	<u>609,838</u>	<u>130,568</u>
Weatherization:			
Salaries and fringe		119,844	
Travel and training		68,298	
Professional services/consultants		466,198	
General administrative/occupancy		31,509	
Supplies		13,222	
Capital outlay		104,050	
Indirect costs		62,530	
Total Weatherization	<u>1,551,090</u>	<u>865,651</u>	<u>685,439</u>
Total Expenditures	<u>6,602,971</u>	<u>3,713,723</u>	
Excess of Revenues over Expenditures	<u>-</u>	<u>(52,091)</u>	<u>(52,091)</u>
Net change in fund balance	<u>\$ -</u>	<u>(52,091)</u>	<u>\$ (52,091)</u>
Fund balance, beginning		1,829,410	
Fund balance, ending		<u>\$ 1,777,319</u>	

Piedmont Triad Regional Council
Schedule of Fringe Benefits and Indirect Costs
For the Fiscal Year Ended June 30, 2024

	Expenditures		Rate	
	Proposed	Actual	Proposed	Actual
Fringe Benefits:				
FICA	\$ 399,416	\$ 428,302		
Group Insurance	1,164,791	1,081,475		
Retirement and 401(k)	879,617	829,879		
Employee assistance plan and accrued vacation leave	30,900	57,436		
Employee healthcare advocacy	63,660	78,710		
Worker's compensation and unemployment	52,000	22,994		
	<u>\$ 2,590,384</u>	<u>\$ 2,498,796</u>	<u>45.50%</u>	<u>45.50%</u>
Indirect Costs:				
Salaries	\$ 861,522	\$ 794,279		
Fringe benefits	356,809	331,064		
Professional services	72,500	57,379		
Telephone	20,000	18,615		
Postage	21,500	21,901		
Travel, parking, and other	71,500	46,459		
Equipment maintenance	10,000	1,174		
Equipment rent	81,541	77,678		
Advertising	5,000	13,950		
Office supplies	75,000	99,456		
Occupancy expense	241,488	241,151		
Payroll processing fee	45,000	49,971		
Computer services	75,000	62,710		
Dues, subscriptions, memberships, miscellaneous	13,500	25,876		
Insurance	57,500	53,671		
	<u>\$ 2,007,860</u>	<u>\$ 1,895,334</u>	<u>26.50%</u>	<u>26.50%</u>

Piedmont Triad Regional Council
Detail Allocations-
Fringe Benefits and Indirect Costs
For the Fiscal Year Ended June 30, 2024

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Appalachian Regional Commission					
ARC LDD 2023	\$ 96,190	\$ 43,766	45.50%	\$ 37,088	26.50%
ARC LDD 2024	70,287	31,981	45.50%	27,101	26.50%
Duke Energy of Carolinas					
DEC WAP Ops	16,593	7,550	45.50%	37,161	153.92%
Local Administration Agreements and Programs					
Alamance Current Planning Svs	2,368	1,078	45.50%	913	26.50%
Albemarle Pay & Class	6,030	461	7.65%	1,720	26.50%
Angier Pay and Class	1,110	85	7.65%	317	26.50%
Archdale Pay & Class	3,685	282	7.65%	1,051	26.50%
Archdale Pay Study	686	312	45.50%	264	26.50%
Archdale RFP Process	7,689	3,499	45.50%	2,965	26.50%
Asheboro Jarrell Center City Garden	680	309	45.50%	262	26.50%
Asheboro Management Search	326	148	45.50%	126	26.50%
Asheboro Market Study	192	87	45.50%	74	26.50%
Asheboro Pay Study	4,438	2,019	45.50%	1,711	26.50%
Bermuda Run Financial Admin Assistance	1,184	539	45.50%	457	26.50%
Biscoe Manager Search	1,430	650	45.50%	551	26.50%
Biscoe Pay & Class	78	36	45.50%	30	26.50%
Biscoe Town Manager Search	2,400	184	7.65%	685	26.50%
Black Mountain Pay & Class	1,000	77	7.65%	285	26.50%
Bob Barker Company Foundation Project Reentry	23,323	10,612	45.50%	8,993	26.50%
Brevard Pay & Class	3,000	230	7.65%	856	26.50%
Burke Co Pay Study	1,339	102	7.65%	382	26.50%
Burlington Pay and Class Study	1,085	83	7.65%	310	26.50%
Caldwell Co. Pay Study	4,000	306	7.65%	1,141	26.50%
Cape Fear COG Pay & Class	346	157	45.50%	133	26.50%
Cape Fear COG Pay & Class	600	46	7.65%	171	26.50%
CCOG - Mooresville Pay & Class	1,587	722	45.50%	612	26.50%
CCOG-Mooresville Admin Pay & Class	3,975	1,809	45.50%	1,533	26.50%
CD Training Center	61,842	28,138	45.50%	23,845	26.50%
CFCOG - Carolina Beach Pay & Class	5,000	383	7.65%	1,426	26.50%
CFCOG - Kure Beach Pay & Class	3,825	293	7.65%	1,091	26.50%
Claremont Market Pay Study	400	31	7.65%	114	26.50%
Claremont Market Pay Study	400	31	7.65%	114	26.50%
Cleveland Co. Water Pay Study	2,000	153	7.65%	571	26.50%
Cleveland Water Authority Pay & Class	2,000	153	7.65%	571	26.50%
Cooleemee Zoning	582	265	45.50%	224	26.50%
CPRC - Chatham Co Pay & Class	7,623	583	7.65%	2,174	26.50%
CPRC - Pinehurst Market Study	2,000	153	7.65%	571	26.50%
CPRC (TJCOG) Pay & Class	953	434	45.50%	367	26.50%
CPRC (TJCOG) Pay & Class	2,510	192	7.65%	716	26.50%
CPRC-JLOW Coalition	2,305	1,049	45.50%	889	26.50%
Criminal Justice Local	15,709	7,147	45.50%	6,057	26.50%
Davie Pre-Trial Adm	7,944	3,614	45.50%	3,063	26.50%
Davie Pre-Trial Local	39,389	17,922	45.50%	-	0.00%
Dobson Current Planning	1,013	461	45.50%	391	26.50%
Eden BRIC Application	6,053	2,754	45.50%	2,334	26.50%
Eden BRIC Application	726	56	7.65%	207	26.50%
Elder Abuse Walk	50	23	45.51%	19	26.50%
Elon Class & Pay Study	494	225	45.50%	190	26.50%
Elon Pay & Class	1,193	543	45.50%	460	26.50%
Fletcher Pay & Class	2,000	153	7.65%	571	26.50%
Forsyth Pay & Classification Study	2,024	921	45.50%	780	26.50%
Forsyth Pay & Classification Study	9,620	736		2,744	

Piedmont Triad Regional Council
Detail Allocations-
Fringe Benefits and Indirect Costs
For the Fiscal Year Ended June 30, 2024

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Local Administration Agreements and Programs: (continued)					
General Fund	11,785	5,362	45.50%	4,544	26.50%
Gibsonville LDP - Zoning	3,994	1,817	45.50%	1,540	26.50%
Gibsonville Ordinance Development	425	194	45.50%	164	26.50%
Gibsonville Pay & Class	65	5	7.65%	19	26.50%
Graham 2035 Comprehensive Plan	3,152	1,434	45.50%	1,215	26.50%
Green & Health Homes Initiative	8,685	3,952	45.50%	3,349	26.50%
Halifax Pay & Class Study	696	317	45.50%	268	26.50%
Halifax Pay & Class Study	5,525	423	7.65%	1,576	26.50%
High Point Pay Study	18,375	8,361	45.50%	7,085	26.50%
High Point Pay Study	6,208	475	7.65%	1,771	26.50%
Hope Mills Pay Study	6,936	531	7.65%	1,979	26.50%
Housing LTA	3,931	1,789	45.50%	1,516	26.50%
IT LTA Projects	20,830	9,478	45.50%	8,032	26.50%
Jamestown Current Planning	88	40	45.50%	34	26.50%
Jamestown GIS	3,106	1,413	45.50%	1,198	26.50%
Jonesville Community Gateway Master Plan	1,664	757	45.50%	642	26.50%
Jonesville Planning Services	1,826	831	45.50%	704	26.50%
Jonesville UDO	18,422	8,382	45.50%	7,103	26.50%
Kernersville Pay Study	2,187	995	45.50%	843	26.50%
Kernersville Pay Study	1,400	107	7.65%	399	26.50%
King Pay and Class Study	7,218	552	7.65%	2,059	26.50%
Kings Mountain Pay & Class	4,055	310	7.65%	1,157	26.50%
KTCOG - Youngsville Pay & Class	2,800	214	7.65%	799	26.50%
Lewisville Manager Search	2,000	153	7.65%	571	26.50%
Liberty LDP	12,113	5,511	45.50%	4,671	26.50%
Lincolnton Pay & Class	37	17	45.50%	14	26.49%
Lincolnton Pay & Class	2,737	209	7.65%	781	26.50%
Management Services Miscellaneous LTA	49,392	22,473	45.50%	19,044	26.50%
Management Services Miscellaneous LTA	8,735	668	7.65%	2,492	26.50%
Mayodan LDP	33	15	45.51%	13	26.49%
Mayodan Pay & Class	1,029	468	45.50%	397	26.50%
Mayodan Pay & Class	1,163	89	7.65%	332	26.50%
Mebane BRIC Grant Assistance	590	269	45.50%	228	26.50%
Midway CCOD District Reg Updates	3,354	1,526	45.50%	1,293	26.50%
Mills River Pay & Class	2,000	153	7.65%	571	26.50%
Montgomery Co. Pay & Class	1,010	459	45.50%	389	26.50%
Montgomery Co. Pay & Class	3,950	302	7.65%	1,127	26.50%
Morganton Pay & Class Study	3,400	260	7.65%	970	26.50%
Mount Airy Current Planning	175	80	45.50%	67	26.50%
Mount Airy Current Planning	113	9	7.65%	32	26.50%
Mount Pleasant Executive Search	418	190	45.50%	161	26.50%
Mount Pleasant Executive Search	2,400	184	7.65%	685	26.50%
Mt Gilead Annexation Assistance	883	402	45.50%	341	26.50%
Mt. Gilead Annexation Study	471	215	45.50%	182	26.50%
Nash Co Market Pay Study	4,203	321	7.65%	1,199	26.50%
NCARCOG Administration	7,947	3,616	45.50%	3,064	26.50%
New Hopes New Beginnings Project	4,338	1,974	45.50%	1,673	26.50%
Piedmont Triad Regional Development Corp	24,248	11,033	45.50%	9,349	26.50%
Planning & TA Non-bill	6,984	3,178	45.50%	2,693	26.50%
Planning Board Training LTA	478	217	45.50%	184	26.50%
Pleasant Garden LDP	8,641	3,932	45.50%	3,332	26.50%
Pleasant Garden Stormwater Assessment	41	19	45.50%	16	26.50%
PTRDC BCBS Food Initiative	41,098	18,700	45.50%	15,846	26.50%
PTRDC GC NCWorks Randolph Project	5,336	2,428	45.50%	2,057	26.50%
PTRDC High Point LASII Admin	84	38	45.50%	32	26.50%
Randelman Pay & Class	120	54	45.50%	46	26.50%
Randolph County Pay and Class Study	1,313	597	45.50%	506	26.50%
Randolph Growth Mgmt Plan	18,146	8,256	45.50%	6,997	26.50%

Piedmont Triad Regional Council
Detail Allocations-
Fringe Benefits and Indirect Costs
For the Fiscal Year Ended June 30, 2024

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
Local Administration Agreements and Programs: (continued)					
Reidsville Area Foundation Food Systems Forward	5,207	2,369	15.77%	2,008	26.50%
Reidsville Pay Study	1,805	821	45.50%	696	26.50%
Reidsville Pay Study	1,250	96	7.65%	357	26.50%
Rockingham Co Pay Study	1,506	685	45.50%	581	26.50%
Rockingham Co Pay Study	15,000	1,148	7.65%	4,279	26.50%
Sedalia Park & Sidewalk Plan	2,585	1,176	45.50%	997	26.50%
Sedalia Park & Sidewalk Plan	680	52	7.65%	194	26.50%
Sedalia Regionalization MRFS Project	736	335	45.50%	284	26.50%
Sedalia Regionalization MRFS Project	340	26	7.65%	97	26.50%
SOAR - City of W-S	5,433	2,472	45.50%	2,159	27.32%
Statesville Pay & Class	1,026	467	45.50%	396	26.50%
Stokes Pre-Trial Adm	34,736	15,805	45.50%	13,393	26.50%
Stoneville LDP	165	75	45.50%	64	26.50%
Stormwater S.M.A.R.T	54,146	24,636	45.50%	20,877	26.50%
Stormwater SMART Mass Media	3,088	1,405	45.50%	1,191	26.50%
Surry Pre-Trial Adm	13,072	5,948	45.50%	5,040	26.50%
Surry Pre-Trial Local	63,450	28,869	45.50%	24,465	26.50%
Thomasville GIS	948	431	45.50%	366	26.50%
Thomasville Pay & Class	2,699	1,228	45.50%	1,041	26.50%
Thomasville Pay & Class	5,064	387	7.65%	1,444	26.50%
TJCOG - Fuquay-Varina Market Study	7,698	3,502	45.50%	2,968	26.50%
TJCOG - Pittsboro Pay & Class	1,623	124	7.65%	463	26.50%
TJCOG - Sanford Pay & Class	10,100	773	7.65%	2,881	26.50%
TJCOG - Vass Pay & Class	1,281	583	45.50%	494	26.50%
TJCOG - Vass Pay & Class	1,365	104	7.65%	389	26.50%
TJCOG Chapel Hill	3,000	230	7.65%	856	26.50%
Town of Davidson Pay & Class	2,584	198	7.65%	737	26.50%
Triangle J COG Pay & Class	171	78	45.50%	66	26.50%
Upper Cape Fear River Basin Assoc	8,463	3,851	45.50%	3,263	26.50%
UWGG - Guilford Success Network	104,453	47,526	45.50%	40,274	26.50%
Visit High Point Outdoor Rec	735	334	45.50%	283	26.50%
Watauga Co Pay & Class	11,053	846	7.65%	3,153	26.50%
Waxhaw Pay Study	6,063	464	7.65%	1,729	26.50%
Weaverville Pay & Class	1,500	115	7.65%	428	26.50%
Wentworth Ordinance Review	757	345	45.50%	292	26.50%
Wilson Co. Pay & Class Study	10,866	831	7.65%	3,100	26.50%
Yadkin Pre-Trial Adm	7,707	3,507	45.50%	2,972	26.50%
Yadkin Pre-Trial Loca	58,523	26,628	45.50%	-	0.00%
NC Association of Regional Councils of Governments					
NCARCOG ARPA	81,368	37,022	45.50%	31,373	26.50%
NCARCOG ARPA	17,935	1,372	7.65%	5,116	26.50%
NCARCOG Resilency	73,804	33,581	45.50%	28,457	26.50%
NCARCOG Resilency	9,109	697	7.65%	2,599	26.50%
NC Clean Water Management Trust Fund					
NCLWF #2021-807 DRBA- Dan River Corridor Phase 2	7,631	3,472	45.50%	2,942	26.50%
NC Dept of Commerce- Division of Workforce Solutions and NWP Job Training Consortium					
Adult-NWP LA	191,963	87,343	45.50%	-	0.00%
Adult-Mobile Unit	4,653	356	7.65%	-	0.00%
Dislocated Worker-NWP LA	174,772	79,521	45.50%	-	0.00%
Dislocated Worker-NWP LA	219	17	7.65%	-	0.00%
Dislocated Worker-Mobile Unit	2,938	225	7.65%	-	0.00%
Youth-NWP LA	257,522	117,173	45.50%	-	0.00%
WIA Administration	142,759	64,955	45.50%	321,087	154.58%
2022-4050 #8161 Realignment Assistance WDBs	59,954	27,279	45.50%	-	0.00%

Piedmont Triad Regional Council
Detail Allocations-
Fringe Benefits and Indirect Costs
For the Fiscal Year Ended June 30, 2024

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
NC Dept of Crime Control and Public Safety					
WS Project Reentry CDBG	16,924	7,700	45.50%	7,790	31.64%
LRC Intermediary Agency - Forsyth	52,209	23,755	45.50%	18,802	24.75%
Davidson TECS RRS	39,141	17,809	45.50%	15,092	26.50%
Rockingham TECS RRS	3,563	1,621	45.50%	1,374	26.50%
Stokes TECS RRS	1,356	617	45.50%	523	26.50%
Wilkes TECS RRS	4,299	1,956	45.50%	1,658	26.50%
Yadkin TECS RRS	6,924	3,150	45.50%	25,235	250.48%
Davie TECS RRS	1,589	723	45.50%	15,800	683.57%
Surry TECS RRS	67,421	30,676	45.50%	25,996	26.50%
Rowan TECS RRS	4,631	2,107	45.50%	1,786	26.50%
NC Dept of Environmental Quality- Division of Water Resources					
205j CW34884 High Rock Lake	11,878	5,404	45.50%	4,580	26.50%
Smithfield EEG - High Point Clean Streams	3,465	1,577	45.50%	1,336	26.50%
NC Dept of Environmental Quality- Weatherization Assistance Program					
DOE WAP Admin	-	-	0.00%	53,865	0.00%
DOE WAP Program Ops	139,701	63,564	45.50%	-	0.00%
LIHEAP WAP Admin	-	-	0.00%	86,249	0.00%
LIHEAP WAP Program Ops	303,461	138,075	45.50%	-	0.00%
LIHEAP HARRP Admin	-	-	0.00%	48,556	0.00%
LIHEAP HARRP Program Ops	125,945	57,305	45.50%	-	0.00%
NC Dept of Health and Human Services - Division of Aging and Adult Services					
Aging Administration	26,221	11,931	45.50%	10,111	26.50%
Aging Planning & Admin	448,702	204,160	45.50%	172,896	26.48%
Aging Planning & Admin	4,052	310	7.65%	1,156	26.50%
HDC5 Supplemental Nutrition Admin	15,447	7,028	45.50%	6,067	27.00%
COVID-19 Vaccine Access	6,000	2,730	45.50%	2,313	26.50%
ARPA P&A	60,700	27,619	45.50%	23,405	26.50%
Aging Regional Ombudsman	312,286	142,090	45.50%	120,410	26.50%
ARPA Ombudsman	5,745	2,614	45.50%	2,215	26.50%
Aging Elder Abuse	13,758	6,260	45.50%	5,305	26.50%
Family Caregiver Support	120,682	54,910	45.50%	46,532	26.50%
MIPPA II Year 1	8,362	3,805	45.50%	3,224	26.50%
III-D Evidence Based Programs	62,588	28,478	45.50%	24,133	26.50%
III-D Evidence Based Programs	987	76	7.65%	282	26.50%
Guilford Housing & Home Improvement	1,855	844	45.50%	715	26.50%
Caswell HHI	513	234	45.50%	198	26.50%
NC Dept of Transportation					
Rural Trans Planning (RPO)	79,900	36,354	45.50%	30,807	26.50%
Rural Trans Planning (RPO)	2,903	222	7.65%	828	26.50%
Rural Trans Planning NW (RPO)	75,479	34,343	45.50%	29,103	26.50%
Rural Trans Planning NW (RPO)	2,767	212	7.65%	789	26.50%
Clean Fuel Advanced Technology (CFAT) Project	22,742	10,347	45.50%	8,769	26.50%

Piedmont Triad Regional Council
 Detail Allocations-
 Fringe Benefits and Indirect Costs
 For the Fiscal Year Ended June 30, 2024

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
NC Housing Finance Agency and City of Asheboro					
Asheboro URP	1,570	715	45.54%	606	26.52%
NC Housing Finance Agency					
ESFR Soft Cost Ops	145,162	66,049	45.50%	55,971	26.50%
U.S. Dept of Agriculture - RSFP and NC State University					
NCSU USDA RFSP-Regional Food Economies	6,535	2,973	45.50%	2,520	26.50%
US Dept of Commerce-Economic Development Agency					
EDA Broadband Access Plan	18,069	8,222	45.50%	6,967	26.50%
EDA BBBRC	18,516	8,425	45.50%	7,139	26.50%
US Dept of Commerce- EDA and PTR Development Corporation					
PTRDC-EDA EDD	12,264	5,580	45.50%	4,729	26.50%
PTRDC EDA CARES RLF Admin	536	244	45.50%	206	26.50%
PTRDC EDA Yadtel 04-79-07585	7,063	3,214	45.50%	2,723	26.50%
PTRDC EDA Forsyth 04-79-07582	7,196	3,274	45.50%	2,775	26.50%
PTRDC EDA Gateway Research Park 04-79-07794	281	128	45.50%	108	26.50%
US Dept of Health and Human Services:					
UNCA Nutrition Grant	1,316	599	45.52%	508	26.50%
US Dept of Housing and Urban Development and City of Burlington					
Burlington CD Admin	53,682	24,425	45.50%	20,698	26.50%
Burlington Soft Costs	2,872	1,307	45.50%	1,107	26.50%
US Dept of Housing and Urban Development and Surry Co Housing Consortium					
HOME Administration	21,577	9,818	45.50%	8,320	26.50%
SCHC HOME ARPA Admin	14,594	6,641	45.50%	5,627	26.50%
SCHC Opiod House	5,260	2,393	45.50%	2,028	26.50%
Surry HOME Rehab Soft Costs	347	158	45.50%	134	26.50%
US Dept of Housing and Urban Development and City of Reidsville					
Reidsville CDBG-NR	3,175	1,444	45.48%	1,224	26.50%
US Dept of Housing and Urban Development and City of Thomasville					
Thomasville Hospital Apartments Rehab	3,495	1,590	45.50%	1,348	26.50%
US Dept of Housing and Urban Development and City of Winston-Salem					
Winstom-Salem Rehab Soft Costs	7,308	3,325	45.50%	2,818	26.50%
US Dept of Housing and Urban Development and Town of Bermuda Run					
Bermuda Run CFP Recreation & Public Safety Improvements	474	216	45.50%	183	26.50%
US Dept of Housing and Urban Development and Town of Eden					
CDBG-NR - Eden	9,216	4,193	45.50%	3,553	26.50%
US Dept of Housing and Urban Development and Town of Troy					
Troy CDBG-NR	10,112	4,601	45.50%	3,899	26.50%

Piedmont Triad Regional Council
 Detail Allocations-
 Fringe Benefits and Indirect Costs
 For the Fiscal Year Ended June 30, 2024

	Salaries	Fringe Benefits		Indirect Costs	
		Amount	%	Amount	%
US Environmental Protection Agency and PTR Development Corp					
PTRDC EPA BF RLF	16,642	7,572	45.50%	6,417	26.50%
Indirect Cost	714,139	324,933	45.50%		
Indirect Cost	80,140	6,131	7.65%		
	<u>\$ 5,476,866</u>	<u>\$ 2,369,549</u>		<u>\$ 1,781,085</u>	22.70%
Summary of Allocation Rates					
Standard Fringe and Indirect Cost	4,719,737	2,147,480	45.50%	1,819,813	26.50%
FICA Only and Indirect Cost	264,726	20,252	7.65%	75,519	26.50%
Standard Fringe on Indirect Payroll	714,139	324,933	45.50%	-	
FICA Only on Indirect Payroll	80,140	6,131	7.65%	-	
	<u>\$ 5,778,742</u>	<u>\$ 2,498,796</u>		<u>\$ 1,781,085</u>	

Piedmont Triad Regional Council
 HUD Housing Choice Vouchers Program
 Financial Data Schedule- Balance Sheet
 For the Fiscal Year Ended June 30, 2024

	Housing Choice Vouchers
Assets	
Current Assets	
Cash- unrestricted	\$ 561,810
Total Cash	561,810
Accounts Receivable	
Accounts Receivable- HUD other projects	121,029
Accounts Receivable- Miscellaneous	4,389
Total Receivables, net of allowance for doubtful accounts	125,418
Total Current Assets	687,228
Total Assets	687,228
Liabilities and Equity	
Current Liabilities	
Accounts Payable <= 90 days	136,339
Accounts Liabilities - Other	33,827
Total Current Liabilities	170,166
Total Liabilities	170,166
Equity	
Unassigned fund balance	517,062
Total Equity/ Net Position	517,062
Total Liabilities and Equity/ Net Position	\$ 687,228

Piedmont Triad Regional Council
 HUD Housing Choice Vouchers Program
 Financial Data Schedule- Revenues and Expenses
 For the Fiscal Year Ended June 30, 2024

	Housing Choice Vouchers
Revenues	
HUD PHA operating grants	\$ 4,274,983
Fraud Recovery	3,966
Total Revenues	4,278,949
Expenses	
Administrative salaries	300,021
Employee benefit contributions- administrative	128,404
Office expense	27,807
Travel	20,277
Other	119,108
Total Operating- Administrative	595,617
Property insurance	9,447
Total insurance premium	9,447
Other general expenses	370
Total Other General Expenses	370
Total Operating Expenses	605,434
Excess of Operating Revenue over Operating Expenses	3,673,515
Housing assistance payments	3,536,659
Total Revenue Over Total Expenses	\$ 136,856
Beginning equity	\$ 380,206
Administrative fee equity	\$ 517,062
Unit months available	10,200
Number of unit months leased	9,199

COMPLIANCE SECTION



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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Piedmont Triad Regional Council, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprises Piedmont Triad Regional Council's basic financial statements, and have issued our report thereon dated December 20, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Piedmont Triad Regional Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Piedmont Triad Regional Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

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

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internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Piedmont Triad Regional Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thompson, Price, Scott, Adams & Co., PA
Wilmington, North Carolina
December 20, 2024



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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Piedmont Triad Regional Council, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Piedmont Triad Regional Council's major federal programs for the year ended June 30, 2024. Piedmont Triad Regional Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Piedmont Triad Regional Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Piedmont Triad Regional Council's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Piedmont Triad Regional Council's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Piedmont Triad Regional Council's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Piedmont Triad Regional Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Piedmont Triad Regional Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Piedmont Triad Regional Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

Wilmington, North Carolina

December 20, 2024



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

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Piedmont Triad Regional Council, North Carolina, compliance with the types of compliance requirements described in the *OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Piedmont Triad Regional Council's major State programs for the year ended June 30, 2024. Piedmont Triad Regional Council's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Piedmont Triad Regional Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Piedmont Triad Regional Council's State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Piedmont Triad Regional Council's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Piedmont Triad Regional Council's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Piedmont Triad Regional Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Piedmont Triad Regional Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the

effectiveness of Piedmont Triad Regional Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Thompson, Price, Scott, Adams & Co., PA
Wilmington, North Carolina
December 20, 2024

Piedmont Triad Regional Council
Kernersville, North Carolina
Schedule of Findings and Questioned Costs
For the fiscal year ended June 30, 2024

Section II. Financial Statement Findings

None Reported.

Section III. Federal Award Findings and Question Costs

None Reported.

Section IV. State Award Findings and Question Costs

None Reported.

**Piedmont Triad Regional Council
Kernersville, North Carolina
Corrective Action Plan
For the Fiscal Year Ended June 30, 2024**

Section II. Financial Statement Findings

None Reported.

Section III. Federal Award Findings and Question Costs

None Reported.

Section IV. State Award Findings and Question Costs

None Reported.

**Piedmont Triad Regional Council
Kernersville, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2024**

None Reported.

Piedmont Triad Regional Council
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2024

Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Subrecipients
FEDERAL AWARDS					
<u>U.S. Department of Commerce</u>					
EDA Build Back Better Regional Challenge	11.303	ED22HDQ3070063	\$ 44,715	\$ -	\$ -
EDA District Planning Grant	11.302	ED21ATL3020018	75,730	-	-
EDA Forsyth Admin	11.303	04-79-07582	13,246	-	-
EDA Yadtel Admin	11.303	04-79-07585	13,000	-	-
EDA Gateway Research Park	11.303	04-79-07794	516	-	-
EDA Regional Broadband Connectivity and Access Plan	11.307	04-69-07734	150,995	-	-
Total U.S. Department of Commerce			298,202	-	-
<u>U.S. Dept. of Housing and Urban Development</u>					
Passed through N.C. Department of Commerce:					
Passed through the City of Winston-Salem:					
Community Development Block Grant/Entitlement Grant	14.218		31,150	-	-
Total passed through N.C. Department of Commerce:					
			31,150	-	-
Passed through N.C. Housing Finance Agency:					
Home Investment Partnership Program eSFR19 - Randolph Co.	14.239		2,998	-	-
Home Investment Partnership Program eSFR20 - Davidson Co.	14.239		19,946	-	-
Home Investment Partnership Program eSFR20 - Alamance Co.	14.239		490,344	-	-
Home Investment Partnership Program eSFR18 - Rockingham Co.	14.239		284,974	-	-
Home Investment Partnership Program eSFR18 - Surry Co.	14.239		138,586	-	-
Passed through Surry County Consortium:					
Home Investment Partnership Program	14.239		59,387	-	-
Home Investment Partnership Program-ARPA	14.239		31,559	-	-
Passed through City of Asheboro:					
Home Investment Partnership Program - Asheboro URP23	14.239		3,112	-	-
Passed through City of Burlington:					
Home Investment Partnership Program	14.239		116,213	-	-
Total Passed through N.C. Housing Finance Agency:					
			1,147,119	-	-
Passed through the City of Winston-Salem					
Community Development Block Grant/Entitlement Grant	14.218		15,255	-	-
Passed through N.C. D.O.C./Rural Economic Development - Town of Eden					
Community Development Block Grant/Neighborhood Revitalization	14.228		18,411	-	-
Passed through N.C. D.O.C./Rural Economic Development - City of Thomasville					
Community Development Block Grant/Neighborhood Revitalization	14.228		6,999	-	-
Passed through N.C. D.O.C./Rural Economic Development - Town of Troy					
Community Development Block Grant/Neighborhood Revitalization	14.228		20,369	-	-
Passed through N.C. D.O.C./Rural Economic Development - City of Reidsville					
Community Development Block Grant/Neighborhood Revitalization	14.228		8,282	-	-
Health Homes & Weatherization Cooperation Demonstration	14.901	NCLHH0008-21	4,277	-	-
Section 8 Housing Choice Vouchers	14.871		4,142,092	-	-
Total U.S. Department of Housing and Urban Development			5,393,954	-	-
<u>U.S. Department of Labor</u>					
Passed through N.C. Department of Commerce:					
Passed through Northwest Piedmont Job Training Consortium/Workforce Development Board:					
Workforce Innovation Opportunity Act Cluster:					
WIOA - Adult Programs	17.258	2022-4020-47	256,187	-	212,891
WIOA - Adult Programs	17.258	2023-4020-47	1,588,410	-	1,287,109
WIOA - Adult Programs - Administration	17.258	2021-4020-47	2,623	-	-
WIOA - Adult Programs - Administration	17.258	2022-4010-47	127,337	-	-
WIOA - Adult Programs - Administration	17.258	2023-4020-47	88,296	-	-
WIOA - Youth Programs	17.259	2022-4040-47	745,223	-	564,879
WIOA - Youth Programs	17.259	2023-4040-47	1,014,971	-	769,189
WIOA - Youth Programs - Administration	17.259	2022-4010-47	134,053	-	-
WIOA - Youth Programs - Administration	17.259	2023-4010-47	73,256	-	-
WIOA - Statewide Activities #8161 Realignment Assistance - WDBs	17.259	2022-4050-47	55,012	-	-
WIOA - Statewide Activities #8169 Virtual Reality Grant	17.259	2023-4050-47	5,000	-	-
WIOA - Dislocated Workers Programs	17.278	2022-4030-47	165,425	-	115,632
WIOA - Dislocated Workers Programs	17.278	2023-4030-47	817,523	-	571,910
WIOA - Dislocated Workers Programs - Administration	17.278	2022-4010-47	106,668	-	-
WIOA - Dislocated Workers Programs - Administration	17.278	2023-4010-47	40,808	-	-
WIOA - Statewide Activities #8161 Realignment Assistance - WDBs	17.278	2022-4050-47	35,000	-	-
Total Workforce Innovation Opportunity Act Cluster:					
			5,255,792	-	3,521,610
Total U.S. Department of Labor			5,255,792	-	3,521,610

Piedmont Triad Regional Council
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2024

Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Subrecipients
<u>U.S. Department of Transportation</u>					
Passed through N.C. Department of Transportation:					
Highway Planning, Research and Construction Cluster:					
Federal Transit - Metropolitan Planning Grants					
Northwest Piedmont Rural Planning Organization	20.205		306,850	-	-
Piedmont Triad Rural Planning Organization	20.205		228,760	-	-
Clean Fuel Advanced Technology Project III	20.205		36,000	-	-
Total Highway Planning, Research and Construction Cluster:		C-5702A CMAQ-000S(895)	571,610	-	-
Total U.S. Department of Transportation			571,610	-	-
<u>U.S. Department of Treasury</u>					
Passed through North Carolina Association of Regional Councils of Government:					
8152 Small Business WBL Grant	21.027	2022-3130-47	7,200	-	-
Local Government Capacity Assistance - COG	21.027	OSBM-COG-66	190,811	-	-
Total U.S. Department of Treasury			198,011	-	-
<u>Appalachian Regional Commission</u>					
Appalachian Local Development Direct Assistance (2022)	23.009	NC-706-H-C11	89,664	-	-
Appalachian Local Development Direct Assistance (2023)	23.009	NC-706-H-C12	65,168	-	-
Appalachian Local Development Direct Assistance (2022)	23.001		19,314	-	-
Total Appalachian Regional Commission			174,146	-	-
<u>U.S. Environmental Protection Agency</u>					
Passed through the N.C. Department of Environmental and Natural Resources:					
Division of Water Quality:					
High Rock Lake 205(j)					
	66.454	CW34884	34,629	-	-
Rocky River Headwaters 205(j)					
	66.454	CW46446	3,918	-	-
Passed through Piedmont Triad Regional Development Corporation:					
Brownfields Multipurpose, Assessment, Revolving Loan Fund and Cleanup Cooperative Agreements					
	66.818	02D31822-0-BF	39,836	-	-
Total Environmental Protection Agency			78,383	-	-
<u>U.S. Department of Energy</u>					
Passed through N.C. Dept. of Environment Quality:					
Weatherization Assistance Program for Low Income Persons	81.042	CW29752	593,544	-	-
Total U.S. Department of Energy			593,544	-	-
<u>U.S. Dept. of Health and Human Services</u>					
Passed through State Dept. of Health and Human Services					
Passed through the Division of Aging and Adult Services:					
Aging Cluster:					
Special Programs for the Aging - Title III B					
Planning and Administration					
	93.044	NC-07(24)	204,931	11,230	-
Ombudsman Program					
	93.044	NC-07(24)	494,886	29,111	-
Legal Services					
	93.044	NC-07(24)	62,396	3,690	66,104
In-Home & Access					
	93.044	NC-07(24)	2,480,399	4,892,584	7,302,983
			3,242,612	4,936,615	7,369,087
Special Programs for the Aging - Title III C					
Congregate Nutrition					
	93.045	NC-07(24)	763,093	44,888	807,981
Home Delivered Meals					
	93.045	NC-07(24)	2,873,626	496,594	3,370,220
Planning and Administration					
	93.045	NC-07(24)	354,884	19,448	-
			3,991,603	560,930	4,178,201
Special Programs for the Aging -ARPA					
Nutrition Services- Congregate Meals					
	93.045	NC-07(24)	601,865	106,212	708,077
Nutrition Services-Home Delivered Meals					
	93.045	NC-07(24)	914,762	161,429	1,076,191
Access, In Home, Supp Serv					
	93.044	NC-07(24)	1,450,267	255,929	1,705,631
Planning and Administration					
	93.045	NC-07(24)	157,407	52,469	-
			3,124,301	576,039	3,489,899
Special Programs for the Aging -Consolidate Appropriations Act					
Congregate Nutrition					
	93.045	NC-07(24)	28,543	-	-
			28,543	-	-
Access to COVID 19 Vaccines					
	93.044	NC-07(24)	56,800	-	-
Nutrition Service Incentive Program					
	93.053	NC-07(24)	663,300	-	663,300
Total Aging Cluster			11,107,159	6,073,584	15,700,487
Special Programs for the Aging					
Title VII - B – Elder Abuse					
	93.041	NC-07(24)	22,145	1,303	-
Title VII - E – Ombudsman Program					
	93.042	NC-07(24)	88,207	5,189	-
Title VII - E – ARPA Ombudsman Program					
	93.042	NC-07(24)	15,050	-	-
Title III - D – Health Promotion					
	93.043	NC-07(24)	140,430	8,261	-
Title III - D – ARPA Health Promotion					
	93.043	NC-07(24)	78,522	-	-
Total Special Programs for the Aging			344,354	14,753	-

Piedmont Triad Regional Council
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2024

Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Passed-through to Subrecipients
Title III-E Planning and Administration/Family Caregiver	93.052		133,454	7,313	-
Family Caregiver Support	93.052		774,431	51,629	589,294
ARPA Family Caregiver Support	93.052		295,715	98,572	335,523
Passed through N.C. Department of Environmental Quality: Low Income Home Energy Assistance Program:					
Weatherization Assistance Program for Low Income Persons	93.568	CW29752	1,424,805	-	-
Heat & Air Repair and Replacement Program	93.568	CW29752	965,662	-	-
Centers for Disease Control and Prevention - Drug-Free Communities	93.276	1 NH28CE003583-01-00	11,931	-	-
Passed through State Department of Insurance N.C. Department of Insurance - MIPPA I & II	93.071		25,141	-	-
Total U. S. Health and Human Services			15,082,652	6,245,851	16,625,304
Total Federal Awards			<u>27,646,294</u>	<u>6,245,851</u>	<u>20,146,914</u>
STATE AWARDS					
<u>N.C. Office of State Budget and Management</u>					
Passed through North Carolina Association of Regional Councils of Government:					
Recovery Planning Assistance to Local Governments		18079	-	209,022	-
Total N.C. Office of State Budget and Management			-	209,022	-
<u>N.C. Department of Public Safety</u>					
LRC Intermediary Agency - Forsyth County		RQ20866093	-	143,974	-
Total N. C. Department of Public Safety			-	143,974	-
<u>N.C. Department of Justice</u>					
High Point Clean Streams		PTRC022SG	-	6,378	-
Total N. C. Department of Justice			-	6,378	-
<u>Department of Health and Human Services</u>					
Passed through the Division of Aging and Adult Services:					
Aging Administrative Support		NC-07(24)	-	48,261	-
Senior Center General Purpose		NC-07(24)	-	239,965	239,965
Total Department of Health and Human Services			-	288,226	239,965
<u>N.C. Land and Water Fund</u>					
Passed through the Dan River Basin Association:					
Dan River Recreation Stewardship Plan		2021-807	-	29,115	-
Total N.C. Land and Water Fund			-	29,115	-
Total State Awards			<u>-</u>	<u>676,715</u>	<u>239,965</u>
Total Federal and State Awards			<u>\$ 27,646,294</u>	<u>\$ 6,922,566</u>	<u>\$ 20,386,879</u>

Piedmont Triad Regional Council
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2024

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

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Piedmont Triad Regional Council under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act. Because the SEFSA presents only a select portion of the operations of Piedmont Triad Regional Council, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Piedmont Triad Regional Council.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

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