



**Annual
Financial Report
For the Fiscal Year
Ended June 30, 2014**

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**Piedmont Authority
for Regional Transportation
Greensboro, North Carolina**

**ANNUAL FINANCIAL REPORT
for the Fiscal Year Ended June 30, 2014**

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**Piedmont Authority for Regional Transportation
Annual Financial Report
For the Fiscal Year Ended June 30, 2014**

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**Piedmont Authority for Regional Transportation
Annual Financial Report**

Established.....July 17, 1997

Board of Trustees

Rebecca R. Smothers, Chair
Paul M. Johnson, Vice Chair
Don W. Truell, Treasurer
Carolyn Coleman, Secretary
Mary Abuzuaite
Kevin Austin
Mark Baker
Don Besse
C. Zane Cardwell
Glenn Cobb
Darrell L. Frye
Sharon Hightower
Ronda Jones
John Paisley
Terry Renegar
Bernita Sims
Ronnie K. Wall
Larry T. Williams
Leonard D. Williams
Jake Alexander
Cheryl McQueary
Andrew M. Perkins, Jr.

Executive DirectorScott W. Rhine

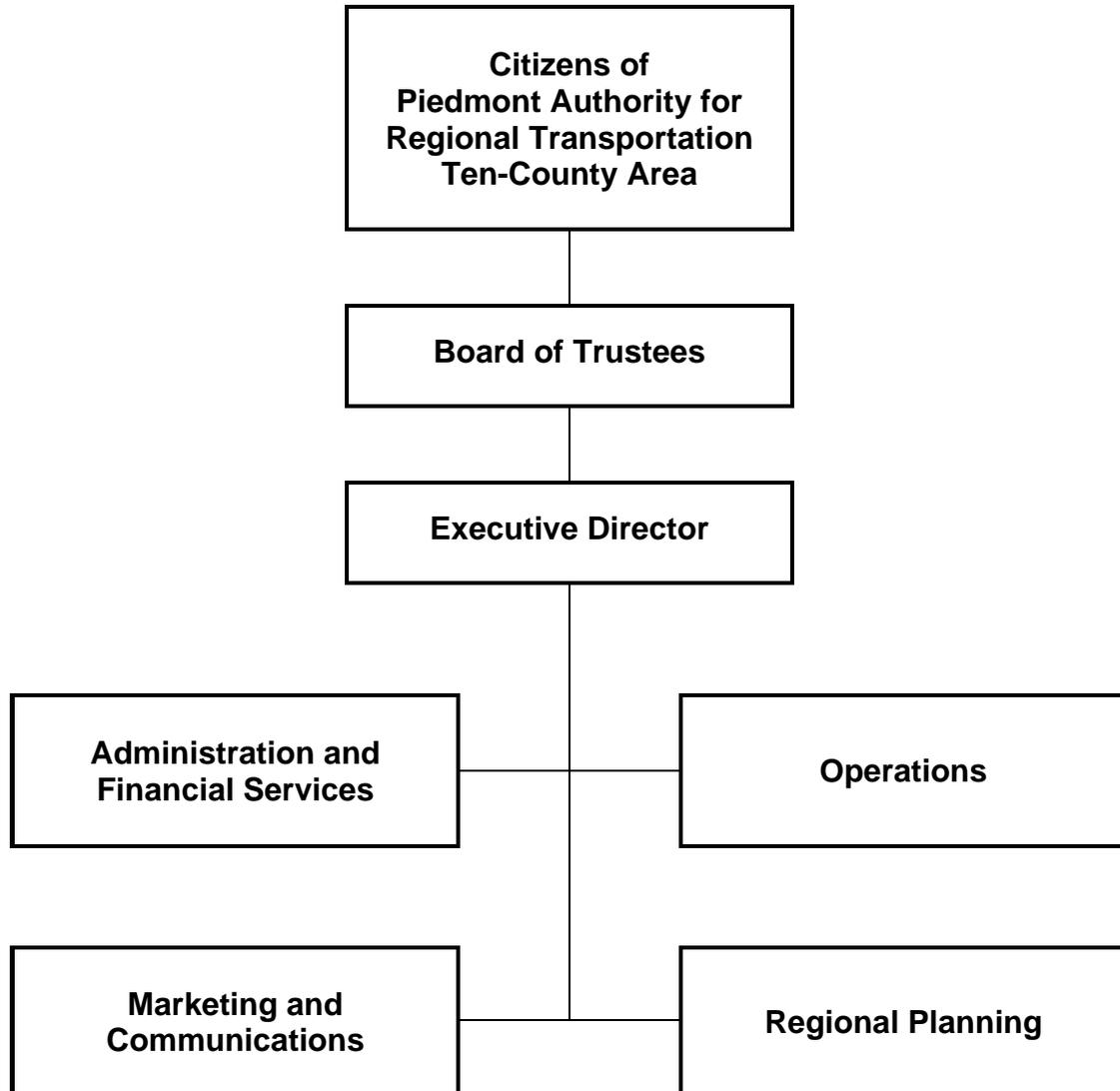
**General Counsel Thomas E. Terrell, Jr.
Smith Moore Leatherwood LLP
Greensboro, North Carolina**

Chief Finance Officer..... Patricia C. Webster

**Independent Auditors..... Dixon Hughes Goodman LLP
High Point, North Carolina**

**Piedmont Authority for Regional Transportation
Annual Financial Report**

Organization Chart





INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Piedmont Authority for Regional Transportation
Greensboro, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Piedmont Authority for Regional Transportation, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities and each major fund of the Piedmont Authority for Regional Transportation as of June 30, 2014, and the respective changes in financial position and cash flows, where appropriate, thereof, and the respective budgetary comparison of the General Fund and Grants Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 9 through 16 be presented to supplement the basic financial statements. Such information, although not a required 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Piedmont Authority for Regional Transportation. The introductory information, budgetary schedules, and the accompanying schedule of expenditures of federal and state awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary schedules and the accompanying schedule of expenditures of federal and state awards are the responsibility of management, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the budgetary 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.

The introductory information has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required under *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2014 on our consideration of the Piedmont Authority for Regional Transportation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering Piedmont Authority for Regional Transportation's internal control over financial reporting and compliance.

Dixon Hughes Goodman LLP

*High Point, North Carolina
October 21, 2014*

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Management's Discussion & Analysis

Our discussion of the Piedmont Authority for Regional Transportation's (PART) financial performance is intended as an overview of the Authority's activities for the fiscal year ended June 30, 2014. The financial statements and notes included in this report present the financial position and operations of governmental and business-type activities of PART. On September 30, 2013, PART increased the Surry County route based on receiving a two-year federal grant for this service. All other PART routes remained at the same level in FY 2014 as operated in FY 2013.

PART operates a bus fleet of 39 vehicles providing services to meet demands throughout nine of the ten counties in which PART operates. In order to provide necessary financial resources for the services, PART and six of these counties implemented a 5% tax on gross receipts of the temporary rental of vehicles, and a separate county levied a vehicle registration tax to support PART. This tax quickly became the principal source of operational funding. Ridership for FY 2014 grew by 1% to a total of 480,821 passenger trips. During the fiscal year ended June 30, 2014, PART operated well within the approved balanced budget, resulting in an increase of General Fund balance by nearly \$1 million. PART has taken the necessary steps to go forward with current services within existing revenues and will be able to expand services, should additional stable financial resources become secured. Automatic Passenger Counters were purchased in FY 2014 for 30 of the PART Express vehicles to assist with efficiencies of individual routes.

Financial Highlights

Highlights of PART's fiscal year ended June 30, 2014, include:

- Total net position increased \$848,381 from \$22.8 million to \$23.7 million. The increase was primarily a result of increased receivables due to additional federal funding in governmental-type activities and a decrease in payables in both activities.
- At June 30, 2014, net position of \$23.7 million included \$1.9 million in unrestricted net position, which in large part are held primarily for PART's future working capital needs and to meet local match requirements for federal and state capital and operating grants.
- At June 30, 2014, the governmental funds reported a fund balance of approximately \$4.7 million, an increase of approximately \$1 million from the prior fiscal year, which is the result of additional operating grant revenues and a reduction of administrative expenditures.
- The Grants Fund reported capital expenditures totaling \$1,520,689 which were principally funded by federal and state grants.
- The Transportation Demand Management Fund was able to transfer \$80,204 to the General Fund as of June 30, 2014.
- The Guilford County Transportation Services Fund was closed out as of June 30, 2014, and transferred \$110,845 to the General Fund.

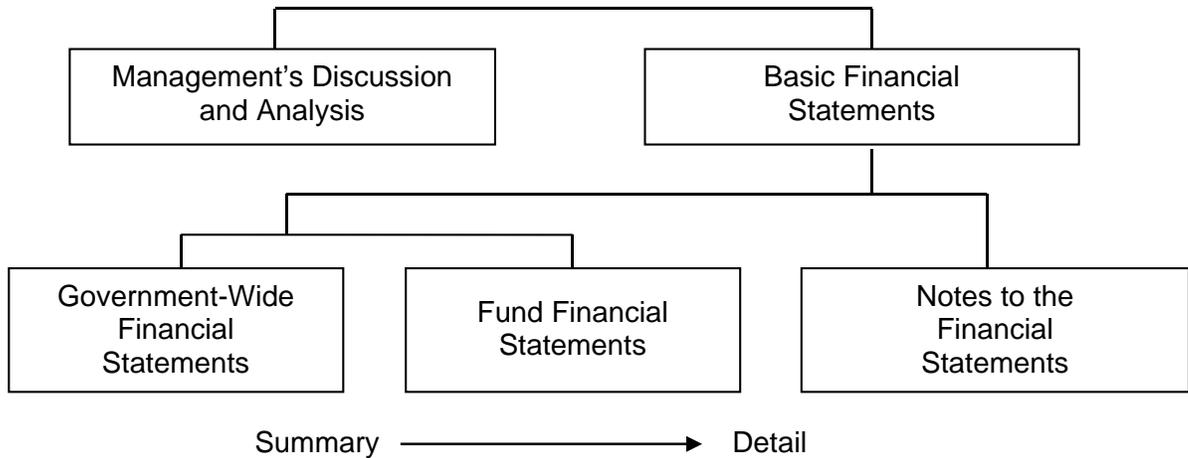
Management's Discussion & Analysis

Overview of Financial Statements

Piedmont Authority for Regional Transportation's basic financial statements consists of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements, as shown in Figure 1 below. The basic financial statements present two different views of PART through the use of government-wide and individual 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 PART. This report includes all funds and accounts of PART. Note 1 in the financial statements includes further discussion of the reporting entity and descriptions of funds.

Required Components of Annual Financial Report

Figure 1



Government-Wide Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the Government-Wide Financial Statements. These financial statements provide a broad overview of PART's financial position and operations, in a manner similar to a private-sector business.

The statement of net position presents PART's assets, liabilities, and deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of PART is improving. The statement of activities presents information on how PART's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement, which result in cash flows in future fiscal periods, such as grants receivable, and earned but unused vacation leave.

Management's Discussion & Analysis

Government-Wide Financial Statements (Continued)

Government-wide financial statements are divided into governmental and business-type activities. All operating expenditures are covered by various revenue streams. Business-type activities include operations of the Transportation Demand Management (Ridesharing/Vanpool) program, which provides vanpool and ride-match services to employers and employees of the area. Charges for services and contributions from participating governments and the North Carolina Department of Transportation finance the costs of Transportation Demand Management activities. The Guilford County Transportation Services, which provided medical and social services transportation under an interlocal agreement with Guilford County through June 30, 2013, operated as a proprietary fund and was closed out as of June 30, 2014, resulting in a change in net position of (\$123,917).

Fund Financial Statements

The fund financial statements (Exhibits 3 through 9) provide a more detailed look at PART's most significant activities. A fund is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting ensures and reflects compliance, or noncompliance, with related legal requirements, such as General Statutes, grantor provisions, or the budget adopted by the Board of Trustees. The funds of PART are divided into two categories: governmental funds and proprietary funds.

Governmental Funds. Governmental funds are used to account for most basic services, including PART Express, Regional Planning, Marketing and Financial and Administrative Services, and are reported as governmental activities in the government-wide financial statements. PART Express provides regional transportation services within the region's ten counties. PART Express is accounted for as a department within the General Fund because it does not meet the criteria of an enterprise fund with rate structures that are intended to cover full operating costs, plus depreciation and interest expense. PART Express depends on general revenues to cover operating costs and provide reasonable working capital and other reserves.

Governmental funds are reported using an accounting method called modified accrual accounting, which provides a short-term spending focus. The relationship between government activities (reported in the statement of net position and the statement of activities) and governmental funds is made in a reconciliation of the financial statements.

PART adopts an annual budget for its general fund and grants fund as required by North Carolina general statutes. Budgetary comparison statements demonstrating compliance with the adopted budgets, as amended, are provided in the basic financial statements.

Management's Discussion & Analysis

Fund Financial Statements (Continued)

Proprietary Funds. PART has Proprietary Funds that are used to account for Transportation Demand Management (TDM) program and Guilford County Transportation Services. Proprietary funds report business-type activities that are included in the government-wide-financial statements. Rate structures of Proprietary funds are set, insofar as practical, to cover full operating costs plus depreciation and interest expense and to provide reasonable working capital and other reserves. Proprietary fund financial statements provide more detailed information than that presented in the government-wide financial statements.

Notes to the Financial Statements. The next section of the basic financial statements is the notes to the financial statements, which adds detailed explanations of some of the data contained in the statements. The notes may provide a better understanding of the information presented in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report includes supplemental information in Exhibits 10, 11, 12, and 13, regarding the Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the General Fund, Grants Fund, and Proprietary Funds. The Schedule of Expenditures of Federal and State Awards is shown in Exhibit 14.

Government-Wide Financial Analysis

Figure 2 is a summary of net position for June 30, 2014 (as shown in Exhibit 1) with comparative data for June 30, 2013.

Net Position of the Piedmont Authority for Regional Transportation

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	\$ 5,507,746	\$ 4,680,678	\$ 91,681	\$ 272,803	\$ 5,599,427	\$ 4,953,481
Capital assets	18,193,417	18,678,015	813,471	477,041	19,006,888	19,155,056
Total assets	23,701,163	23,358,693	905,152	749,844	24,606,315	24,108,537
Liabilities						
Long-term liabilities outstanding	55,758	54,871	9,961	88,895	65,719	143,766
Other liabilities	789,269	970,094	48,703	150,834	837,972	1,120,928
Deferred inflows of resources	28,033	17,633	-	-	28,033	17,633
Total liabilities and deferred inflows of resources	873,060	1,042,598	58,664	239,729	931,724	1,282,327
Net position:						
Net investment in capital assets	18,193,417	18,678,015	813,471	395,976	19,006,888	19,073,991
Stabilization by State Statute	2,788,894	1,615,632	-	-	2,788,894	1,615,632
Unrestricted	1,845,792	2,022,448	33,017	114,139	1,878,809	2,136,587
Total net position	\$ 22,828,103	\$ 22,316,095	\$ 846,488	\$ 510,115	\$ 23,674,591	\$ 22,826,210

Management's Discussion & Analysis

Government-Wide Financial Analysis (Continued)

As shown above, assets of the Authority exceeded liabilities by \$23,674,591 at June 30, 2014. Capital assets decreased \$148,168 primarily resulting from the normal yearly depreciation and the purchase of 30 vehicles. The Authority's net position increased by \$848,381 during the fiscal year ended June 30, 2014. The largest portion (80.3%) reflects the Authority's investments in capital assets (e.g., land, buildings, improvements other than buildings, and machinery and equipment) less any related debt still outstanding that was issued to acquire those items. The Authority uses these capital assets to provide services to citizens of the ten-county region; consequently, the assets are not available for future spending. Although PART's investment in capital assets is reported net of outstanding debt, the resources needed to repay the debt must be provided by other sources, since capital assets cannot be used to liquidate these liabilities. An additional portion of PART's net position, \$2,788,894, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,878,809 is unrestricted.

Figure 3 is a summary of the statement of activities for June 30, 2014 (as shown in Exhibit 2) with comparative data for June 30, 2013.

Changes in Net Position of the Piedmont Authority for Regional Transportation **Figure 3**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 584,667	\$ 820,683	\$ 650,339	\$ 3,706,722	\$ 1,235,006	\$ 4,527,405
Operating grants and contributions	3,114,834	2,137,345	281,121	282,143	3,395,955	2,419,488
Capital grants and contributions	1,301,842	573,980	-	-	1,301,842	573,980
General revenues:						
Rental vehicle tax	3,368,734	3,135,518	-	-	3,368,734	3,135,518
Vehicle license tax	147,173	148,374	-	-	147,173	148,374
Other	63,893	-	76,605	-	140,498	-
Total revenues	8,581,143	6,815,900	1,008,065	3,988,865	9,589,208	10,804,765
Expenses:						
Transportation	7,721,225	7,512,225	10,812	2,952,028	7,732,037	10,464,253
Ridesharing vanpool		-	1,008,790	950,487	1,008,790	950,487
Transfers	347,910	150,000	(347,910)	(150,000)	-	-
Total expenses	8,069,135	7,662,225	671,692	3,752,515	8,740,827	11,414,740
Increase (decrease) in net position	512,008	(846,325)	336,373	236,350	848,381	(609,975)
Net position, July 1	22,316,095	23,162,420	510,115	273,765	22,826,210	23,436,185
Net position, June 30	\$ 22,828,103	\$ 22,316,095	\$ 846,488	\$ 510,115	\$ 23,674,591	\$ 22,826,210

Governmental Activities. Net position of governmental activities increased by \$512,008. Key elements of this increase are as follows:

- Total revenues increased by approximately \$1.8 million, resulting primarily from increases in operating and capital grants, which was due to an increase in support from participating Triad Metropolitan Planning Organizations (MPOs), cities and counties. Also, the rental vehicle tax increased by 7.4% as a result of an improving economy.

Management's Discussion & Analysis

Government-Wide Financial Analysis (Continued)

- Total expenses of governmental activities increased by \$406,910 during fiscal year 2014 due to the yearly rate increase of the service provider for PART Express and an increase in transfers as a result of more local match required for the grants activities.

Business-Type Activities. Net position of business-type activities increased by \$336,373 during the year. Rate structures of enterprise operations should be set, insofar as practicable, to recover full operating costs including depreciation and interest expense, and to provide a reasonable working capital reserve. The TDM Fund made a \$80,204 transfer to the General Fund and the Guilford County Transportation Services Fund was closed out.

General Fund Budgetary Highlights. The general fund is the chief operating fund of PART. At the end of the current fiscal year, total fund balance of the general fund was approximately \$4.7 million, of which \$1.9 million was unrestricted and available for working capital needs, and to meet PART's future local match requirements for federal and state grants. The General Fund budget was amended one time during FY 2014 to adjust grant revenues, expenditures and transfers (to) from other funds. This amendment was made to increase revenue budgets by \$850K to include additional operating grants, to increase the PART Express departmental expense budget by \$621K for additional service, and an increase of \$95K to capital outlay expense as a result of additional grant revenue. On an actual basis, revenues exceeded budget projections by \$166,459, due primarily to increased rental vehicle tax. Expenditures were under the final budget by \$490,230, as a result of savings in every department. The final actual performance resulted in an increase of fund balance by approximately \$1 million.

Proprietary Fund Budgetary Highlights. The TDM Fund (Ridesharing/Vanpool) program activities remained relatively consistent with the preceding year. TDM fully retired its debt from purchase of vehicles in previous years in FY 2014, transferred \$80,204 to General Fund, while changing the net position by \$460K.

The Guilford County Transportation Services (GCTS) eliminated activity as of June 30, 2013. In FY 2014, final administrative expenses of \$11K were incurred and capital assets were sold or transferred. The GCTS Fund transferred approximately \$111K to General Fund through the close-out process.

Capital Assets. PART's net investment in capital assets for its governmental and business-type activities as of June 30, 2014, totals \$19.0 million (net of accumulated depreciation). These assets include land, buildings, improvements other than buildings (infrastructure such as parking lot paving, curbs and landscaping), machinery and equipment, and construction in progress.

Management's Discussion & Analysis

Government-Wide Financial Analysis (Continued)

Capital Assets (Net of Depreciation)

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 5,479,360	\$ 5,479,360	\$ -	\$ -	\$ 5,479,360	\$ 5,479,360
Buildings	1,694,079	1,743,278	-	-	1,694,079	1,743,278
Improvements other than buildings	4,975,659	5,119,044	-	-	4,975,659	5,119,044
Construction in progress	85,363	7,120	-	-	85,363	7,120
Machinery and equipment	5,958,956	6,329,213	813,471	477,041	6,772,427	6,806,254
Total	\$ 18,193,417	\$ 18,678,015	\$ 813,471	\$ 477,041	\$ 19,006,888	\$ 19,155,056

Major capital asset transactions during the year include the following additions and disposals:

- PART purchased six new 18-passenger buses for the Express service. These replaced vehicles that had reached their useful life. 24 new vans were purchased for the Ride Sharing Van Pool program. These are for replacement as well as expanded service.
- PART began engineering, environmental and design work for the Intermodal Transportation Terminal Complex during the year.

Additional information on capital assets is included in Notes 1E and 3A of the Basic Financial Statements.

Long-Term Debt. There was no long-term debt for PART in FY 2014.

Long-Term Debt

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Installment purchases	\$ -	\$ -	\$ -	\$ 81,065	\$ -	\$ 81,065
Total	\$ -	\$ -	\$ -	\$ 81,065	\$ -	\$ 81,065

Additional information on long-term debt is included in Note 3B of the Basic Financial Statements.

Management's Discussion & Analysis

Budget Highlights for the Fiscal Year Ending June 30, 2015

Governmental Activities

PART has stabilized its fiscal controls and accountability during this past fiscal year as evidenced by the previous information. In the budget for fiscal year 2015, revenues and expenditures are projected to be relatively balanced. Rental vehicle tax continues to be PART's principal operating revenue, fare revenues are projected to increase by approximately 6.9% due to continuing route efficiencies which focus on increasing ridership, and federal and state operating grants are stable compared to the previous year. PART has acquired additional shuttle service from Greensboro Transit Authority and will be reimbursed for these operational costs. PART is projecting to return \$237,415 to the fund balance for FY 2015.

The grants budget reflects expenditures of \$2.8 million for PART's projected activity regarding the Intermodal Terminal on Arrow Road, which is to be completed in FY 2016 and is discussed further in Note 3E.

Business-Type Activities

Transportation Demand Management (TDM) has 49 vans leased, which enable passengers to commute to places of employment throughout the ten counties in this area. Budget performance was stable during the prior fiscal year with TDM transferring funds to General Fund. The TDM budget for FY 2015 is balanced with a projected transfer to the General Fund of approximately \$140K due mainly to retiring the remaining debt service on financing of vehicles in previous years in FY 2014.

Requests for Information

PART's annual financial report is filed in its office and questions or requests for additional information should be directed to Office of the Executive Director, Piedmont Authority for Regional Transportation, 107 Arrow Road, Greensboro, NC 27409.

BASIC FINANCIAL STATEMENTS

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PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
STATEMENT OF NET POSITION
June 30, 2014

Exhibit 1

ASSETS	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Current assets:			
Cash and cash equivalents	\$ 3,145,395	\$ 135,022	\$ 3,280,417
Rental vehicle tax receivable	428,499	-	428,499
Due from other governments	62,524	51,675	114,199
Accounts receivable	15,473	3,179	18,652
Grants receivable			
Federal Transit Administration	1,208,725	-	1,208,725
NC Department of Transportation	428,267	40,367	468,634
HUD - Sustainable Communities	58,546	-	58,546
Internal balances	150,000	(150,000)	-
Prepaid expenses	10,317	-	10,317
Restricted assets	-	11,438	11,438
Total current assets	5,507,746	91,681	5,599,427
Noncurrent assets:			
Capital assets:			
Land and other nondepreciable assets	5,479,360	-	5,479,360
Construction in progress	85,363	-	85,363
Other capital assets, net of depreciation	12,628,694	813,471	13,442,165
Total capital assets	18,193,417	813,471	19,006,888
Total assets	\$ 23,701,163	\$ 905,152	\$ 24,606,315
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	\$ 789,269	\$ 37,265	\$ 826,534
Payable from restricted assets - security deposits	-	11,438	11,438
Current portion of long-term liabilities	55,758	9,961	65,719
Total liabilities	845,027	58,664	903,691
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue - valuecards	28,033	-	28,033
NET POSITION			
Net investment in capital assets	18,193,417	813,471	19,006,888
Restricted for:			
Stabilization by State Statute	2,788,894	-	2,788,894
Unrestricted	1,845,792	33,017	1,878,809
Total net position	22,828,103	846,488	23,674,591
Total liabilities, deferred inflows of resources, and net position	\$ 23,701,163	\$ 905,152	\$ 24,606,315

The accompanying notes are an integral part of this statement.

**PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
STATEMENT OF ACTIVITIES
Year Ended June 30, 2014**

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
Transportation	\$ 7,721,225	\$ 584,667	\$ 3,114,834	\$ 1,301,842
Total governmental activities	<u>7,721,225</u>	<u>584,667</u>	<u>3,114,834</u>	<u>1,301,842</u>
Business-type activities:				
Transportation Demand Management	1,008,790	650,339	281,121	-
Guilford County Transportation	10,812	-	-	-
Total business-type activities	<u>1,019,602</u>	<u>650,339</u>	<u>281,121</u>	<u>-</u>
Total primary government	<u>\$ 8,740,827</u>	<u>\$ 1,235,006</u>	<u>\$ 3,395,955</u>	<u>\$ 1,301,842</u>
General revenues				
Rental vehicle tax				
Vehicle registration tax				
Sale of capital assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

The accompanying notes are an integral part of this statement.

Net Revenue (Expense) and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (2,719,882)	\$ -	\$ (2,719,882)
(2,719,882)	-	(2,719,882)
-	(77,330)	(77,330)
-	(10,812)	(10,812)
-	(88,142)	(88,142)
(2,719,882)	(88,142)	(2,808,024)
3,368,734	-	3,368,734
147,173	-	147,173
-	20,914	20,914
63,893	55,691	119,584
(347,910)	347,910	-
3,231,890	424,515	3,656,405
512,008	336,373	848,381
22,316,095	510,115	22,826,210
<u>\$ 22,828,103</u>	<u>\$ 846,488</u>	<u>\$ 23,674,591</u>

PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2014

Exhibit 3

ASSETS	<u>General Fund</u>	<u>Grants Fund</u>	<u>Total Governmental Funds</u>
Cash and cash equivalents	\$ 3,145,395	\$ -	\$ 3,145,395
Rental vehicle tax receivable	428,499	-	428,499
Due from other governments	62,524	-	62,524
Prepaid expenses	10,317	-	10,317
Accounts receivable	15,473	-	15,473
Grants receivable			
Federal Transit Administration	1,075,000	133,725	1,208,725
NC Department of Transportation	103,071	325,196	428,267
HUD - Sustainable Communities	-	58,546	58,546
Due from other funds - Grants Fund	436,860	-	436,860
Due from other funds - Transportation Demand Management Fund	150,000	-	150,000
Total assets	<u>\$ 5,427,139</u>	<u>\$ 517,467</u>	<u>\$ 5,944,606</u>
LIABILITIES			
Accounts payable and other accrued liabilities	\$ 708,662	\$ 80,607	\$ 789,269
Due to other funds - General Fund	-	436,860	436,860
Total liabilities	<u>708,662</u>	<u>517,467</u>	<u>1,226,129</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue - valuecards	<u>28,033</u>	<u>-</u>	<u>28,033</u>
FUND BALANCES			
Nonspendable			
Prepaid items	10,317	-	10,317
Restricted			
Stabilization by State Statute	2,271,427	517,467	2,788,894
Unassigned	<u>2,408,700</u>	<u>(517,467)</u>	<u>1,891,233</u>
Total fund balances	<u>4,690,444</u>	<u>-</u>	<u>4,690,444</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,427,139</u>	<u>\$ 517,467</u>	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore not reported in the funds			18,193,417
Some liabilities are not due and payable in the current period and therefore not included:			
Compensated absences payable			<u>(55,758)</u>
Net position of governmental activities			<u>\$ 22,828,103</u>

The accompanying notes are an integral part of this statement.

**PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
Year Ended June 30, 2014**

Exhibit 4

	<u>General Fund</u>	<u>Grants Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Rental vehicle tax	\$ 3,368,734	\$ -	\$ 3,368,734
Vehicle registration tax	147,173	-	147,173
Farebox (including PART Connections)	559,797	-	559,797
Amtrak connector	24,870	-	24,870
Grants			
Federal Transit Administration	1,075,000	998,019	2,073,019
NC Department of Transportation	1,041,232	333,472	1,374,704
HUD - Sustainable Communities	-	834,941	834,941
Regional MPOs	134,012	-	134,012
Other local revenue	60,893	3,000	63,893
TOTAL REVENUES	<u>6,411,711</u>	<u>2,169,432</u>	<u>8,581,143</u>
EXPENDITURES			
Board of Trustees	17,116	-	17,116
Office of Executive Director	261,198	-	261,198
Administration and Financial Services	482,294	-	482,294
PART Express	3,754,911	319,616	4,074,527
Marketing and Communications	182,019	-	182,019
Planning	440,842	-	440,842
Capital outlay	100,768	1,201,073	1,301,841
HUD Sustainable Communities Grant	-	1,014,862	1,014,862
TOTAL EXPENDITURES	<u>5,239,148</u>	<u>2,535,551</u>	<u>7,774,699</u>
REVENUES OVER (UNDER) EXPENDITURES	1,172,563	(366,119)	806,444
OTHER FINANCING SOURCES (USES)			
Transfer to Grants Fund: HUD Grant	(176,921)	176,921	-
Transfer to Grants Fund: Capital Grants	(189,417)	189,417	-
Transfer from Guilford County Transportation Services Fund	110,845	-	110,845
Transfer from Transportation Demand Management Fund	80,204	-	80,204
TOTAL OTHER FINANCING SOURCES (USES)	<u>(175,289)</u>	<u>366,338</u>	<u>191,049</u>
NET CHANGE IN FUND BALANCES	997,274	219	997,493
FUND BALANCE (DEFICIT), beginning of year	<u>3,693,170</u>	<u>(219)</u>	<u>3,692,951</u>
FUND BALANCE, end of year	<u>\$ 4,690,444</u>	<u>\$ -</u>	<u>\$ 4,690,444</u>

The accompanying notes are an integral part of this statement.

**PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
Year Ended June 30, 2014**

Exhibit 4
Continued

**Reconciliation of the Governmental Funds Statement
of Revenues, Expenditures and Changes in Fund
Balance to the Statement of Activities:**

Total net change in fund balances - Total Governmental Funds	\$	997,493
Amounts reported for governmental activities in the Statement of Activities are different because:		
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.		
Capital outlay expenditures that were capitalized		1,301,841
Depreciation expense for governmental assets		(1,247,480)
Net carrying value of capital assets transferred to business-type activities		(538,959)
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.		
Change in compensated absences		<u>(887)</u>
Total change in net position - governmental activities	\$	<u>512,008</u>

The accompanying notes are an integral part of this statement.

**PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2014**

Exhibit 5

	Budgeted Amounts		Actual Amounts	Variance with Final Positive (Negative)
	Original	Final		
REVENUES				
Rental vehicle tax	\$ 3,097,075	\$ 3,097,075	\$ 3,368,734	\$ 271,659
Vehicle registration tax	135,875	135,875	147,173	11,298
Farebox (including PART Connections)	576,000	617,350	559,797	(57,553)
Amtrak connector	-	-	24,870	24,870
Grant revenues				
Federal Transit Administration	425,000	1,075,000	1,075,000	-
NC Department of Transportation	1,015,070	1,173,772	1,041,232	(132,540)
Local revenues				
Regional MPOs	141,180	141,180	134,012	(7,168)
Other local revenue	5,000	5,000	60,893	55,893
Total revenues	<u>5,395,200</u>	<u>6,245,252</u>	<u>6,411,711</u>	<u>166,459</u>
EXPENDITURES				
Board of Trustees	46,648	46,648	17,116	29,532
Office of Executive Director	367,371	367,371	261,198	106,173
Administration and Financial Services	579,180	579,180	482,294	96,886
PART Express	3,348,888	3,897,078	3,754,911	142,167
Marketing and Communications	235,793	235,793	182,019	53,774
Planning	479,858	479,858	440,842	39,016
Capital outlay	50,000	123,450	100,768	22,682
Total expenditures	<u>5,107,738</u>	<u>5,729,378</u>	<u>5,239,148</u>	<u>490,230</u>
Revenues over expenditures	<u>287,462</u>	<u>515,874</u>	<u>1,172,563</u>	<u>656,689</u>
OTHER FINANCING SOURCES (USES)				
Transfer to Grants Fund - HUD Sustainable Communities	(195,587)	(195,587)	(176,921)	18,666
Transfer to Grants Fund - Capital Grants	(200,488)	(214,588)	(189,417)	25,171
Transfer from Guilford County Transportation Services Fund	-	-	110,845	110,845
Transfer from Transportation Demand Management Fund	30,222	30,222	80,204	49,982
Total other financing uses	<u>(365,853)</u>	<u>(379,953)</u>	<u>(175,289)</u>	<u>204,664</u>
Fund balance appropriated	<u>78,391</u>	<u>(135,921)</u>	<u>-</u>	<u>(135,921)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>997,274</u>	<u>\$ 997,274</u>
Fund balance at beginning of year			<u>3,693,170</u>	
Fund balance at end of year			<u>\$ 4,690,444</u>	

The accompanying notes are an integral part of this statement.

**PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
GRANTS FUND - STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2014**

Exhibit 6

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final		Positive (Negative)
REVENUES				
HUD Sustainable Communities Grant	\$ 525,318	\$ 834,883	\$ 834,941	\$ 58
FTA Capital Grants	1,155,024	1,267,822	998,019	(269,803)
NCDOT Capital Grants	368,816	382,915	333,472	(49,443)
Local revenue	-	-	3,000	3,000
Total revenues	<u>2,049,158</u>	<u>2,485,620</u>	<u>2,169,432</u>	<u>(316,188)</u>
EXPENDITURES				
HUD Sustainable Communities Grant	720,905	1,017,254	1,014,862	2,392
Accessories	65,037	68,537	68,234	303
Terminal Facility	263,993	133,993	82,153	51,840
Rehab Park and Rides	271,000	532,497	261,335	271,162
Vans	655,548	631,548	610,482	21,066
Cutaways	468,750	498,750	498,485	265
Total expenditures	<u>2,445,233</u>	<u>2,882,579</u>	<u>2,535,551</u>	<u>347,028</u>
Revenues under expenditures	<u>(396,075)</u>	<u>(396,959)</u>	<u>(366,119)</u>	<u>30,840</u>
OTHER FINANCING SOURCES				
Transfer from General Fund - HUD	195,587	182,371	176,921	(5,450)
Transfer from General Fund	200,488	214,588	189,417	(25,171)
Total other financing sources	<u>396,075</u>	<u>396,959</u>	<u>366,338</u>	<u>(30,621)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	219	<u>\$ 219</u>
Fund balance (deficit) at beginning of year			(219)	
Fund balance at end of year			<u>\$ -</u>	

The accompanying notes are an integral part of this statement.

PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
June 30, 2014

Exhibit 7

ASSETS	Transportation Demand Management Fund	Guilford County Transportation Fund	Total Enterprise Funds
Current assets:			
Cash and cash equivalents	\$ 135,022	\$ -	\$ 135,022
Due from other governments	51,675	-	51,675
Accounts receivable	3,179	-	3,179
Grants receivable			
NC Department of Transportation	40,367	-	40,367
Restricted cash and cash equivalents	11,438	-	11,438
Total current assets	<u>241,681</u>	<u>-</u>	<u>241,681</u>
Capital assets			
Other capital assets, net of depreciation	813,471	-	813,471
Total assets	<u>\$ 1,055,152</u>	<u>\$ -</u>	<u>\$ 1,055,152</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	\$ 37,265	\$ -	\$ 37,265
Payable from restricted assets - security deposits	11,438	-	11,438
Due to other fund - General Fund	150,000	-	150,000
Current portion - long-term liabilities	9,961	-	9,961
Total current liabilities	<u>208,664</u>	<u>-</u>	<u>208,664</u>
Total liabilities	<u>208,664</u>	<u>-</u>	<u>208,664</u>
NET POSITION			
Net investment in capital assets	813,471	-	813,471
Unrestricted	33,017	-	33,017
Total net position	<u>\$ 846,488</u>	<u>\$ -</u>	<u>\$ 846,488</u>

The accompanying notes are an integral part of this statement.

**PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
Year Ended June 30, 2014**

Exhibit 8

	<u>Transportation Demand Management</u>	<u>Guilford County Transportation Services</u>	<u>Total Enterprise Funds</u>
OPERATING REVENUES			
Charges for sales and services	\$ 650,339	\$ -	\$ 650,339
Total operating revenues	<u>650,339</u>	<u>-</u>	<u>650,339</u>
OPERATING EXPENSES			
Vehicle expense	481,833	-	481,833
Personnel expense	265,765	-	265,765
Administration	48,340	9,648	57,988
Office expense	4,589	127	4,716
Space and furnishings	25,144	37	25,181
Professional development	3,772	-	3,772
Miscellaneous	1	1,000	1,001
Depreciation	178,591	-	178,591
Total operating expenses	<u>1,008,035</u>	<u>10,812</u>	<u>1,018,847</u>
Operating loss	<u>(357,696)</u>	<u>(10,812)</u>	<u>(368,508)</u>
NONOPERATING REVENUES			
NC Department of Transportation	141,060	-	141,060
City of Greensboro	67,229	-	67,229
City of High Point	22,410	-	22,410
City of Winston-Salem	50,422	-	50,422
Total intergovernmental revenues	<u>281,121</u>	<u>-</u>	<u>281,121</u>
Gain on sale of capital assets	5,069	15,845	20,914
Other nonoperating revenue	49,730	5,961	55,691
Interest expense	(755)	-	(755)
Total nonoperating revenues	<u>335,165</u>	<u>21,806</u>	<u>356,971</u>
Income (loss) before transfers	<u>(22,531)</u>	<u>10,994</u>	<u>(11,537)</u>
Transfers of capital assets	563,025	(24,066)	538,959
Other transfers	(80,204)	(110,845)	(191,049)
Total transfers	<u>482,821</u>	<u>(134,911)</u>	<u>347,910</u>
Change in net position	460,290	(123,917)	336,373
Total net position, beginning	<u>386,198</u>	<u>123,917</u>	<u>510,115</u>
Total net position, ending	<u>\$ 846,488</u>	<u>\$ -</u>	<u>\$ 846,488</u>

The accompanying notes are an integral part of this statement.

PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year Ended June 30, 2014

Exhibit 9

	Transportation Demand Management	Guilford County Transportation Services	Total Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 648,770	\$ 243,925	\$ 892,695
Cash paid for goods and services	(565,053)	(15,814)	(580,867)
Cash paid to employees for services	(264,003)	(58,313)	(322,316)
Net cash provided (used) by operating activities	<u>(180,286)</u>	<u>169,798</u>	<u>(10,488)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State grant	141,060	-	141,060
Other governmental agencies	163,758	-	163,758
Due to other funds	(108,871)	(173,959)	(282,830)
Net cash provided (used) by noncapital financing activities	<u>195,947</u>	<u>(173,959)</u>	<u>21,988</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers to other funds	(80,204)	(110,845)	(191,049)
Proceeds from the sale of capital assets	18,635	28,702	47,337
Purchase of capital assets	(2,485)	-	(2,485)
Principal and interest payments on long-term debt	(81,822)	-	(81,822)
Net cash used by capital and related financing activities	<u>(145,876)</u>	<u>(82,143)</u>	<u>(228,019)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Other revenues	49,730	5,961	55,691
Net cash provided by investing activities	<u>49,730</u>	<u>5,961</u>	<u>55,691</u>
Net decrease in cash and cash equivalents	(80,485)	(80,343)	(160,828)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
Cash and cash equivalents at end of year	<u>\$ 146,460</u>	<u>\$ -</u>	<u>\$ 146,460</u>
CASH AND CASH EQUIVALENTS			
Unrestricted	\$ 135,022	\$ -	\$ 135,022
Restricted	11,438	-	11,438
	<u>\$ 146,460</u>	<u>\$ -</u>	<u>\$ 146,460</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating loss	\$ (357,696)	\$ (10,812)	(368,508)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation and amortization	178,591	-	178,591
Change in assets and liabilities			
Increase in accounts receivable	(1,582)	-	(1,582)
Decrease in due from other governments	-	243,925	243,925
Decrease in prepaid expenses	-	29,734	29,734
Increase in deposits made	-	7,500	7,500
Increase (decrease) in accounts payable and accrued liabilities	551	(100,549)	(99,998)
Decrease in security deposits	(150)	-	(150)
Net cash provided (used) by operating activities	<u>\$ (180,286)</u>	<u>\$ 169,798</u>	<u>\$ (10,488)</u>
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES			
Transfer of capital assets from (to) governmental activities	<u>\$ 563,015</u>	<u>\$ (24,066)</u>	<u>\$ 538,959</u>

The accompanying notes are an integral part of this statement.

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NOTES TO THE FINANCIAL STATEMENTS

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PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

Note 1. Summary of Significant Accounting Policies

Accounting policies conform to generally accepted accounting principles applicable to governmental units. The following paragraphs summarize significant policies:

A. Reporting Entity

Piedmont Authority for Regional Transportation (PART) is a public authority established by the governing boards of the municipalities of Burlington, Greensboro, High Point and Winston-Salem under the Regional Public Transportation Authority Act, North Carolina General Statutes Chapter 160A, Article 27, and was chartered by the Secretary of State on July 17, 1998. The purpose of PART as defined in State Statute 160A-638 is "to enhance the quality of life in its territorial jurisdiction by promoting the development of sound transportation systems which provide transportation choices, enhance mobility, accessibility, and safety, encourage economic development and sound growth patterns, and protect the man-made and natural environments of the region." PART is governed by a 23-member board of trustees. This report presents the financial position and results of operations of the authority.

B. Basis of Presentation

Government-Wide Financial Statements: the Statement of Net Position and the Statement of Activities, display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the Authority. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Authority and for each function of the Authority'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 (1) fees or charges for services paid by customers or recipients of goods or services offered by the programs, and (2) 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, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Authority's funds. Separate statements for each fund category - governmental and proprietary are presented. The emphasis of fund statements is on major governmental and enterprise funds, each displayed in a separate column.

PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

Note 1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating revenues are ancillary activities, such as investment earnings.

The Authority reports the following major governmental funds:

The General Fund is the primary operating fund of PART and accounts for the provision of governmental services. The general fund summarizes the financial transactions of governmental services including PART Express, a regional bus service, regional planning, regional development and policy, marketing and communications, and administrative and financial management support.

The Grants Fund centralizes the accounting for activities of the sustainable communities grant from the United States Department of Housing and Urban Development, and capital grants from the Federal Transit Administration and North Carolina Department of Transportation. Operating grants, which provide support for regional transportation services, are included in the General Fund.

The authority reports the following major proprietary funds:

The Transportation Demand Management Fund (“TDM”) accounts for services to both employers and individual commuters by offering vanpools, rideshare matching, guaranteed emergency ride home and various other tools to improve mobility. The TDM program strives to reduce vehicle miles travelled on the region’s streets and highways, and emissions to improve air quality.

The Guilford County Transportation Services Fund (GCTS) accounts for mobility services for persons without access to transportation for Medicaid, disabilities, and senior citizens residing primarily outside of the Greensboro and High Point urban areas. On November 14, 2011, PART assumed responsibility for GCTS due to contract cancellation by the county’s previous service provider. PART’s contract with Guilford County to provide human service transportation was terminated June 30, 2013.

C. Measurement Focus and Basis of Accounting

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

PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Government-wide and *Proprietary Fund Financial Statements* are reported using the economic resources measurement focus. The government-wide and proprietary funds financial statements are reported using the accrual basis of accounting. Revenues are recognized in the period earned, and expenses are recognized in the period incurred, regardless of the timing of related cash flows. Privilege taxes are recognized as revenues in the year for which they are earned. Revenue from grants and similar items is recognized when all eligibility requirements have been met. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position.

Amounts reported as program revenues include (1) charges to customers or applicants for goods and 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. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. Expenditures are generally recorded when a 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 general long-term debt and acquisitions under capital leases are reported as other financing sources.

PART considers all revenues available if they are collected within 90 days after year end.

Grant revenues which are unearned at year end are recorded as unearned revenues. Under the terms of grant agreements, the Authority funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, both restricted net position and unrestricted net position are available to finance the program. It is PART's policy to first apply cost-reimbursement grant resources to such programs followed by general revenues.

PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Accounting

PART's budgets are adopted as required by North Carolina General Statutes. An annual budget is adopted for the General Fund, Grants Fund, Transportation Demand Management Fund, and Guilford County Transportation Services Fund. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations for all annually budgeted funds. All amendments which change the total of any fund must be approved by the governing board. If annual budgets have not been adopted by June 30, the Board must adopt interim budgets that cover the time until annual ordinances can be adopted.

E. Assets

1. Deposits and Investments

All deposits of the Authority are made in board-designated official depositories and are secured as required by State law [G.S. 15-31]. The Authority may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Authority may establish time deposits such as NOW and Super NOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 15-30(c)] authorizes the Authority to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The Authority's investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT-Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT-Term Portfolio's securities are valued at fair value.

In accordance with state law, the Authority may invest in federally insured securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. There were no investments of this type at the end of the fiscal year.

PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets (Continued)

2. Restricted Assets

Restricted assets in the amount of \$11,438 are related to customer security deposits on van rentals.

3. Receivables

All receivables are shown at actual value and are considered fully collectible.

4. 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 as follows: land, \$10,000; buildings and improvements, \$15,000; infrastructure, \$20,000; equipment and furniture, \$1,000; vehicles and motorized equipment, \$10,000; and computer equipment, \$1,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Capital assets, which include property, plant, and equipment, are reported in the governmental activities columns in the government-wide statements. The cost of maintenance and repairs is recorded as an expenditure or expense, whereas a significant betterment is capitalized. Major outlays are capitalized as projects are constructed.

Property, plant, and equipment of the authority are depreciated using the straight-line method over the following estimated useful lives:

	<u>Useful Life</u>
Buildings	40 years
Improvements other than buildings	40 years
Machinery and equipment	3 to 12 years

PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

Note 1. Summary of Significant Accounting Policies (Continued)

F. Deferred Outflows/Inflows of Resources

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. In addition to liabilities, the statement of financial position will 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. PART has one item that meets the criterion for this category - unearned revenue value cards.

G. Liabilities

1. 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, and business-type activities, as well as in proprietary fund type statement of net position. The face amount of the debt issued is reported as other financing sources.

2. Compensated Absences

Earned vacation may be accumulated to a maximum of 35 days at the end of each calendar year. Accumulated vacation is due when leave time is taken by the employee or at the time of termination, retirement, or death. Accrued vacation leave is recorded as a liability when incurred in the government-wide and proprietary fund financial statements.

Employees terminating service forfeit accumulated sick leave; therefore, sick leave is charged as an expenditure or expense when paid. Sick leave may be accumulated without limit until termination of employment. Since PART has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

Note 1. Summary of Significant Accounting Policies (Continued)

H. Net Position/Fund Balances

1. Net Position

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

2. 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 - Portion of fund balance that is not available for appropriation because it represents the year-end fund balance of prepaid items, which are not expendable available resources.

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

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

Committed Fund Balance - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of PART's Board of Trustees (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action of the governing body.

Assigned Fund Balance - portion of fund balance that PART intends to use for specific purposes.

**PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

Note 1. Summary of Significant Accounting Policies (Continued)

G. Net Position/Fund Balances (Continued)

2. Fund Balances (Continued)

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, PART considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, PART considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless PART has provided otherwise in its commitment or assignment actions.

The Authority has not adopted a formal fund balance policy.

Note 2. Stewardship, Compliance, and Accountability

A. Excess of Expenditures over Appropriations

Transportation Demand Management Fund

Due to increased local matching requirements for capital assets acquired via grants, the TDM Fund was required to transfer more funds to the General Fund than budgeted.

PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

Note 3. Detailed Notes on All Funds

A. Assets and Investments

1. Deposits

All the deposits of the Authority 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 Authority's agent in the unit'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 Authority, these deposits are considered to be held by the Authority's agents in its 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 Authority or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Authority under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling method. The Authority has no formal standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Authority complies with provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2014, PART's deposits had a carrying amount of \$3,138,652 and a bank balance of \$3,314,027. Of the bank balances, \$500,000 in four accounts was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. The Authority has \$225 cash on hand at June 30, 2014.

**PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

Note 3. Detailed Notes on All Funds (Continued)

A. Assets and Investments (Continued)

2. Investments

The Authority's overall investment policy is to preserve and protect PART's assets, as well as the maintenance of liquid reserves to meet obligations arising from unanticipated activities. With this policy understood, it is PART's goal to maximize investment earnings opportunities with appropriate considerations for safety, legality, liquidity and yield. As of June 30, 2014, PART had the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>6-12 Months</u>	<u>1-3 Years</u>
NC Capital Management Trust - Term Portfolio*	\$ 152,978	\$ 152,978	\$ -	\$ -

* Because the NC Capital Management Trust Term Portfolio had duration of 0.23 years, it was presented as an investment with a maturity of less than six months. The Term Portfolio is not rated

3. Receivables

At June 30, 2014, the Authority's receivables consist of the following:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Local</u>
Governmental Funds			
Grants receivable	\$ 1,267,271	\$ 428,267	\$ -
Rental vehicle tax	-	-	428,499
Accounts receivable	-	-	15,473
Due from other governments	-	-	62,524
Total Governmental Funds	<u>1,267,271</u>	<u>428,267</u>	<u>506,496</u>
Business-type Funds			
Grants receivable	-	40,367	-
Accounts receivable	-	-	3,179
Due from other governments	-	-	51,675
Total Business-type Funds	<u>-</u>	<u>40,367</u>	<u>54,854</u>
Total receivables	<u>\$ 1,267,271</u>	<u>\$ 468,634</u>	<u>\$ 561,350</u>

**PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

Note 3. Detailed Notes on All Funds (Continued)

A. Assets and Investments (Continued)

4. Capital Assets

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

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 5,479,360	\$ -	\$ -	\$ -	\$ 5,479,360
Construction-in-progress	7,120	78,243	-	-	85,363
Total capital assets not being depreciated	5,486,480	\$ 78,243	\$ -	\$ -	5,564,723
Capital assets being depreciated:					
Buildings	1,967,944	\$ -	\$ -	\$ -	1,967,944
Improvements other than buildings	5,735,416	-	-	-	5,735,416
Machinery and equipment	12,212,190	1,223,598	309,640	(533,341)	12,592,807
Total capital assets being depreciated	19,915,550	\$ 1,223,598	\$ 309,640	\$ (533,341)	20,296,167
Less accumulated depreciation for:					
Buildings	224,666	\$ 49,199	\$ -	\$ -	273,865
Improvements other than buildings	616,372	143,385	-	-	759,757
Machinery and equipment	5,882,978	1,054,895	309,640	5,618	6,633,851
Total accumulated depreciation	6,724,016	\$ 1,247,479	\$ 309,640	\$ 5,618	7,667,473
Total capital assets being depreciated, net	13,191,534				12,628,694
Governmental activity capital assets, net	\$ 18,678,014				\$ 18,193,417

Depreciation expense of \$1,247,479 was charged to the transportation function.

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Business-type activities:					
Capital assets being depreciated:					
Machinery and equipment	\$ 1,227,304	\$ 2,485	\$ 78,383	\$ 533,341	\$ 1,684,747
Total capital assets being depreciated	1,227,304	\$ 2,485	\$ 78,383	\$ 533,341	1,684,747
Less accumulated depreciation for:					
Machinery and equipment	750,263	\$ 178,591	\$ 51,960	\$ (5,618)	871,276
Total accumulated depreciation	750,263	\$ 178,591	\$ 51,960	\$ (5,618)	871,276
Business-type activity capital assets, net	\$ 477,041				\$ 813,471

PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

Note 3. Detailed Notes on All Funds (Continued)

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2014, were as follows:

	Vendors	Other	Total
Governmental activities:			
General Fund	\$ 672,618	\$ 36,044	\$ 708,662
Grants Fund	80,607	-	80,607
Total governmental activities	\$ 753,225	\$ 36,044	\$ 789,269
Business-type activities:			
TDM Fund	\$ 37,265	\$ -	\$ 37,265
Total business-type activities	\$ 37,265	\$ -	\$ 37,265

2. Risk Management

The Authority 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. PART carries Public Officials Liability coverage with limits of \$1,000,000 per occurrence and \$1,000,000 aggregate through Darwin National Assurance Corporation. The Synergy Insurance Company insures workers' compensation for PART employees. PART carries automobile liability coverage for vanpool vehicles through Lancer Insurance Company. Lancer insures the Authority's vehicles with a \$1,000,000 liability for each "accident." General Liability coverage of \$1,000,000 per occurrence and \$2,000,000 aggregate are provided through Lancer Insurance. Real and personal property liability insurance coverage for PART's administrative offices, the regional bus hub and park-and-ride lots is also provided through Fireman's Insurance Company of Washington, DC.

PART Express, a service provided by contract with National Express Transit Corporation maintains automobile liability, automobile collision, and commercial general liability, fidelity bond, and workers compensation insurance for services provided by National Express. The Authority is listed as an additional insured on National Express' insurance and provides the Authority a certificate of said insurance.

There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

Note 3. Detailed Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Risk Management (Continued)

The Authority does not hold flood insurance. At the present time, the Authority does not hold buildings that are located in a designated flood plain.

In accordance with G.S. 159-29, the Authority's employees that have access to \$100 or more at a given time of the Authority's funds have a performance bond through a commercial surety bond. The Travelers Insurance Company has bonded Patricia C. Webster, Chief Financial Officer for the Piedmont Authority for Regional Transportation, in the amount of \$50,000 in accordance with G. S. 159-29. The remaining employees that have access to funds are covered by Employee Dishonesty within the General Liability insurance with Berkley.

The Hartford Fire Insurance Company maintains the performance bond on Scott W. Rhine, Executive Director for the Piedmont Authority for Regional Transportation, in the amount of \$500,000 through January 2015.

3. Operating Leases

PART leases office space and certain office equipment under non-cancelable operating leases expiring at various times through 2019. Future minimum lease payments approximate the following:

<u>Year Ending</u>	
2015	\$ 12,000
2016	9,200
2017	6,200
2018	5,000
2019	<u>4,500</u>
	<u>\$ 36,900</u>

Rent expense under operating leases for the year ended June 30, 2014 was \$10,388 for the general fund, \$4,692 for the TDM Fund.

4. Retirement Plan

PART has a defined contribution retirement plan covering substantially all employees. The Authority matches 100% of the first 6% of total compensation that a participant contributes to the plan. Amounts charged to expense for this plan totaled approximately \$49,503 for the general fund and \$11,326 for the TDM Fund.

**PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

Note 3. Detailed Notes on All Funds (Continued)

B. Liabilities (Continued)

5. Long-Term Liabilities - Installment Purchases

a. Business-Type Activities

In July 2008, the Authority entered into a \$250,000 installment purchase to finance the purchase of certain equipment. The agreement called for semi-annual payments of \$27,643 including interest of 3.74%. The financing contract was secured by certain equipment and was repaid in full during the year.

In November 2008, the Authority entered into a \$496,866 installment purchase to finance the purchase of certain equipment. The agreement called for semi-annual payments of \$54,939 including interest of 3.74%. The financing contract was secured by certain equipment and was repaid in full during the year.

b. Changes in Long-Term Liabilities

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Current Portion of Long-Term Liabilities
Governmental activities:					
Compensated absences	\$ 54,871	\$ 43,167	\$ 42,280	\$ 55,758	\$ 55,758
	<u>\$ 54,871</u>	<u>\$ 43,167</u>	<u>\$ 42,280</u>	<u>\$ 55,758</u>	<u>\$ 55,758</u>
Business-type activities:					
Installment purchases	\$ 81,065	\$ -	\$ 81,065	\$ -	\$ -
Compensated absences					
TDM	7,830	9,961	7,830	9,961	9,961
	<u>\$ 88,895</u>	<u>\$ 9,961</u>	<u>\$ 88,895</u>	<u>\$ 9,961</u>	<u>\$ 9,961</u>

6. Contingent Liabilities and Commitments

PART has federal and state grants for specific purposes that are subject to annual audit and other periodic review by grantor agencies. Such reviews could result in requests for reimbursement to the grantor agencies for costs which may be disallowed as appropriate expenditures under grant terms. PART management believes disallowances, if any will be insignificant.

**PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

Note 3. Detailed Notes on All Funds (Continued)

C. Inter-fund Balances and Activities

The composition of inter-fund receivables and payables at June 30, 2014, is as follows:

	Interfund Balances	
	Receivables	Payables
General Fund	\$ 586,860	\$ -
Grants Fund	-	436,860
Transportation Demand Management Fund	-	150,000
Total Interfund Balances	\$ 586,860	\$ 586,860

The Grants Fund interfund payable represents receivables for reimbursements of expenditures due from HUD, Federal Transit Administration and North Carolina Department of Transportation grants.

The interfund payable from the Transportation Demand Management Fund represents amounts used in prior years to provide assistance for operating expenses and debt service. This amount decreased \$108,871 during the fiscal year.

PART uses transfers to provide unrestricted revenues, collected in the General Fund, to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfer to the Grants Fund in the amount of \$366,338 provided PART's matching requirements on federal and state grants. The transfer from the Transportation Demand Management Fund in the amount of \$80,204 was for payment of local match for capital purchases. The transfer from the Guilford County Transportation Services Fund to the General Fund in the amount of \$110,845 was to transfer the residual cash balances to the General Fund.

D. General Fund - Fund Balance

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

Total fund balances - General Fund	\$ 4,690,444
Less	
Prepaid items	10,317
Stabilization by State Statute	2,271,427
Working capital/fund balance policy	-
Fund balances available for appropriation	\$ 2,408,700

**PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

Note 3. Detailed Notes on All Funds (Continued)

E. Subsequent Events

Effective September 1, 2014, PART began operating a four-quadrant deviated fixed route service to replace the Career Express service provided by GTA. Funding of \$250,000 per year for two years has been secured.

At the September 2014 PART Board of Trustees Meeting, a resolution was passed to adopt the recommended development plan for the Intermodal Transportation Terminal Complex. The resolution further authorized the Executive Director to undertake the planning, environment, regulatory, property, permitting and associated developmental-related aspects to construct the chosen alternative. The approximate cost is \$11 million. The majority of funding is provided by a federal grant.

SUPPLEMENTARY INFORMATION

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**PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2014**

Exhibit 10

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
REVENUES			
Rental vehicle tax	\$ 3,097,075	\$ 3,368,734	\$ 271,659
Vehicle registration tax	135,875	147,173	11,298
Farebox (including PART Connections)	617,350	559,797	(57,553)
Amtrak connector	-	24,870	24,870
Grants			
Federal Transit Administration			
Operating grant	575,000	575,000	-
Preventative maintenance grant	325,000	325,000	-
Routine capital grant	175,000	175,000	-
NC Department of Transportation			
State maintenance assistance	850,000	792,193	(57,807)
Air quality/air awareness	80,000	37,436	(42,564)
Model enhancement	34,575	37,568	2,993
Model maintenance	24,250	18,270	(5,980)
Apprentice grant	26,245	28,718	2,473
JARC	158,702	127,047	(31,655)
Local revenues			
Regional MPO Model Enhancement	82,980	90,164	7,184
Regional MPO Model Maintenance	58,200	43,848	(14,352)
Other local revenue	5,000	60,893	55,893
Total revenues	<u>6,245,252</u>	<u>6,411,711</u>	<u>166,459</u>
EXPENDITURES			
Board of Trustees			
Salaries and benefits	16,148	8,932	7,216
Travel and meetings	10,500	8,184	2,316
Regional transit summit	20,000	-	20,000
Total Board of Trustees	<u>46,648</u>	<u>17,116</u>	<u>29,532</u>
Office of Executive Director			
Salaries and benefits	157,401	145,660	11,741
Legal services	114,820	58,337	56,483
Other professional services	50,000	28,898	21,102
Travel and meetings	18,000	9,340	8,660
Office expenses	12,150	6,748	5,402
Space and furnishings	15,000	12,215	2,785
Total Office of Executive Director	<u>367,371</u>	<u>261,198</u>	<u>106,173</u>
Administration and Financial Services			
Salaries and benefits	424,070	354,497	69,573
Insurance - property and casualty	37,500	34,894	2,606
Professional services	60,110	43,364	16,746
Travel and training	13,050	11,097	1,953
Office expenses	14,450	9,817	4,633
Space and furnishings	30,000	28,625	1,375
Total Administration and Financial Services	<u>579,180</u>	<u>482,294</u>	<u>96,886</u>

**PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2014**

**Exhibit 10
Continued**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
EXPENDITURES (Continued)			
PART Express			
Vehicle operations contract	\$ 2,577,746	\$ 2,577,390	\$ 356
Fuel and lubricants	825,753	721,355	104,398
Maintenance and repairs	55,500	55,249	251
Buildings and ground management	110,200	110,113	87
Uniforms	5,500	4,846	654
Miscellaneous	10,000	9,266	734
Salaries and benefits	219,129	213,761	5,368
Professional services	19,000	6,528	12,472
Travel and training	12,500	6,694	5,806
Office expenses	38,500	30,932	7,568
Space and furnishings	23,250	18,777	4,473
Total PART Express	<u>3,897,078</u>	<u>3,754,911</u>	<u>142,167</u>
Marketing and Communications			
Salaries and benefits	60,000	57,044	2,956
Media and advertising	159,893	112,978	46,915
Travel and training	3,500	444	3,056
Office expenses	4,900	4,333	567
Space and furnishings	7,500	7,220	280
Total Marketing and Communications	<u>235,793</u>	<u>182,019</u>	<u>53,774</u>
Planning			
Salaries and benefits	195,058	177,296	17,762
Travel and training	18,500	11,019	7,481
Office expenses	6,500	5,338	1,162
Space and furnishings	24,500	22,692	1,808
Model enhancement	152,300	151,268	1,032
Model maintenance	83,000	73,229	9,771
Total Planning	<u>479,858</u>	<u>440,842</u>	<u>39,016</u>
Capital outlay	<u>123,450</u>	<u>100,768</u>	<u>22,682</u>
Total expenditures	<u>5,729,378</u>	<u>5,239,148</u>	<u>490,230</u>
Revenues over expenditures	<u>515,874</u>	<u>1,172,563</u>	<u>656,689</u>
OTHER FINANCING SOURCES (USES)			
Transfer to Grants Fund - HUD Sustainable Communities	(195,587)	(176,921)	18,666
Transfer to Grants Fund - Capital Grants	(214,588)	(189,417)	25,171
Transfer from Guilford County Transportation Services Fund	-	110,845	110,845
Transfer from Transportation Demand Management Fund	30,222	80,204	49,982
Total other financing uses	<u>(379,953)</u>	<u>(175,289)</u>	<u>204,664</u>
Fund balance appropriated	<u>(135,921)</u>	-	<u>135,921</u>
Net change in fund balance	<u>\$ -</u>	997,274	<u>\$ 997,274</u>
Fund balance at beginning of year		<u>3,693,170</u>	
Fund balance at end of year		<u>\$ 4,690,444</u>	

**PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
GRANTS FUND - SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2014**

Exhibit 11

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
REVENUES			
HUD Sustainable Communities Grant	\$ 834,883	\$ 834,941	\$ 58
Federal Transit Administration Grants			
Terminal Facility	107,195	62,595	(44,600)
Bus accessories	52,029	52,000	(29)
Rehab Park and Rides	433,598	209,069	(224,529)
Vans	300,000	275,567	(24,433)
Cutaways	375,000	398,788	23,788
NC Department of Transportation Grants			
Terminal Facility	13,399	7,824	(5,575)
Bus accessories	6,504	6,500	(4)
Rehab Park and Rides	54,199	26,134	(28,065)
Vans - CMAQ	224,438	212,819	(11,619)
Vans	37,500	33,320	(4,180)
Cutaways	46,875	46,875	-
Other local revenue	-	3,000	3,000
	<u>2,485,620</u>	<u>2,169,432</u>	<u>(316,188)</u>
EXPENDITURES			
HUD Consultants/PTRC	671,198	671,198	-
HUD Salaries and benefits	159,593	157,416	2,177
HUD Travel and meetings	186,463	186,248	215
Accessories	68,537	68,234	303
Terminal Facility	133,993	82,153	51,840
Rehab Park and Rides	532,497	261,335	271,162
Vans	631,548	610,482	21,066
Cutaways	498,750	498,485	265
	<u>2,882,579</u>	<u>2,535,551</u>	<u>347,028</u>
Total expenditures			
Revenues under expenditures	<u>(396,959)</u>	<u>(366,119)</u>	<u>30,840</u>
OTHER FINANCING SOURCES			
Transfer from General Fund - HUD	182,371	176,921	(5,450)
Transfer from General Fund	214,588	189,417	(25,171)
	<u>396,959</u>	<u>366,338</u>	<u>(30,621)</u>
Total other financing sources			
Net change in fund balance	<u>\$ -</u>	219	<u>\$ 219</u>
Fund balance at beginning of year		<u>(219)</u>	
Fund balance at end of year		<u>\$ -</u>	

PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
TRANSPORTATION DEMAND MANAGEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (Non - GAAP)
For the Year Ended June 30, 2014

Exhibit 12

	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
OPERATING REVENUES			
Charges for sales and services	\$ 706,000	\$ 650,339	\$ (55,661)
Other local revenue	1,000	-	(1,000)
Total operating revenues	<u>707,000</u>	<u>650,339</u>	<u>(56,661)</u>
OPERATING EXPENDITURES			
Salaries and benefits	265,958	263,634	2,324
Fuel and lubricants	240,755	234,773	5,982
Maintenance and repairs	78,115	73,926	4,189
Insurance - vehicles	174,500	164,460	10,040
Vehicle damage and recovery	10,000	3,181	6,819
Transportation	6,000	4,354	1,646
Marketing	40,000	39,509	491
Information technology services	5,700	5,400	300
Drive testing	5,000	1,139	3,861
Travel and training	5,800	3,772	2,028
Printing	5,000	3,431	1,569
Office expense	5,000	4,589	411
Space and furnishings	35,000	27,629	7,371
Miscellaneous	700	1	699
Debt service - principal	81,065	81,065	-
Debt service - interest	1,517	1,514	3
Total operating expenditures	<u>960,110</u>	<u>912,377</u>	<u>47,733</u>
Operating loss	<u>(253,110)</u>	<u>(262,038)</u>	<u>(8,928)</u>
NONOPERATING REVENUES			
NC Department of Transportation	141,662	141,060	(602)
City of Greensboro	68,000	67,229	(771)
City of High Point	22,670	22,410	(260)
City of Winston-Salem	51,000	50,422	(578)
Total intergovernmental revenues	<u>283,332</u>	<u>281,121</u>	<u>(2,211)</u>
Other nonoperating revenue	-	49,730	49,730
Total nonoperating revenues	<u>283,332</u>	<u>330,851</u>	<u>47,519</u>
Revenues over expenditures	<u>30,222</u>	<u>68,813</u>	<u>38,591</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	18,635	18,635
Transfer to General Fund	(30,222)	(80,204)	(49,982)
Total other financing uses	<u>(30,222)</u>	<u>(61,569)</u>	<u>(31,347)</u>
Revenues over expenditures and other uses	<u>\$ -</u>	<u>7,244</u>	<u>\$ 7,244</u>
RECONCILIATION FROM BUDGETARY BASIS			
BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL			
Depreciation		(178,591)	
Gain on sale of capital assets		5,069	
Proceeds from sale of capital assets		(18,635)	
Change in accrued interest		759	
Change in compensated absences		(2,131)	
Capital outlay included in space and furnishings		2,485	
Principal payments		81,065	
Transfer of capital assets from governmental activities		563,025	
Change in net position		<u>\$ 460,290</u>	

PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION **Exhibit 13**
GUILFORD COUNTY TRANSPORTATION SERVICES FUND
SCHEDULE OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (Non - GAAP)
For the Year Ended June 30, 2014

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
OPERATING REVENUES			
Charges for sales and services	\$ -	\$ -	\$ -
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES			
Salaries and benefits		9,648	
Office expense		127	
Space and furnishings		37	
Other expense		1,000	
Total operating expenses	<u>13,500</u>	<u>10,812</u>	<u>(2,688)</u>
Operating loss	(13,500)	(10,812)	2,688
NONOPERATING REVENUES			
Other nonoperating revenue	<u>6,000</u>	<u>5,961</u>	<u>(39)</u>
Total nonoperating revenues	<u>6,000</u>	<u>5,961</u>	<u>(39)</u>
Revenues under expenses	<u>(7,500)</u>	<u>(4,851)</u>	<u>2,649</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	29,000	28,702	(298)
Transfer to General Fund	<u>(110,845)</u>	<u>(110,845)</u>	<u>-</u>
Total other financing uses	<u>(81,845)</u>	<u>(82,143)</u>	<u>(298)</u>
Revenues and other financing uses under expenditures	(89,345)	(86,994)	2,351
Appropriated fund balance	<u>89,345</u>	<u>-</u>	<u>(89,345)</u>
Net change in fund balance	<u>\$ -</u>	<u>(86,994)</u>	<u>\$ (86,994)</u>
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL			
Gain on sale of capital assets		15,845	
Proceeds from sale of capital assets		(28,702)	
Transfer of capital assets to governmental activities		<u>(24,066)</u>	
Change in net position		<u>\$ (123,917)</u>	

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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 AUDITORS' REPORT

To the Board of Trustees
Piedmont Authority for Regional Transportation
Greensboro, 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 business-type activities and each major fund of the Piedmont Authority for Regional Transportation (PART) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Piedmont Authority for Regional Transportation's basic financial statements, and have issued our report thereon dated October 21, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered PART's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PART's internal control. Accordingly, we do not express an opinion on the effectiveness of PART's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether PART's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that 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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dixon Hughes Goodman LLP

*High Point, North Carolina
October 21, 2014*



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

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Piedmont Authority for Regional Transportation
Greensboro, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the Piedmont Authority for Regional Transportation's (PART) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of PART's major federal programs for the year ended June 30, 2014. PART's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the PART's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about PART's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, PART complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Dixon Hughes Goodman LLP

*High Point, North Carolina
October 21, 2014*



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

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Piedmont Authority for Regional Transportation
Greensboro, North Carolina

Report on Compliance for Each Major State Program

We have audited the Piedmont Authority for Regional Transportation's (PART) compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, which could have a direct and material effect on PART's major state program for the year ended June 30, 2014. PART's major state program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for PART's major state program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about PART's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, PART complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended June 30, 2014.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Dixon Hughes Goodman LLP

*High Point, North Carolina
October 21, 2014*

**PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported
- Noncompliance material to federal awards? _____ Yes X No

Type of auditors' report issued on compliance for the major federal program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? _____ Yes X No

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
14.703	Sustainable Communities
20.205	Highway Planning and Construction (Federal-Aid Highway Program)

**PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2014**

I. Summary of Auditors' Results (Continued)

Federal Awards (Continued)

CFDA Number	Name of Federal Program or Cluster
20.500 / 20.507	Federal Transit Cluster (Includes Federal Transit Formula Grants - Urbanized Area Formula Program and Federal Transit - Capital Investment Grants)

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? Yes X No

State Awards

Internal control over major state programs:

• Material weaknesses identified? Yes X No

• Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to State awards? Yes X No

Type of auditors' report issued on compliance for major state programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes X No

Identification of major state programs:

State Number	Name of Program
DOT 9	State Maintenance Assistance Program

II. Financial Statement Findings

There were no findings related to the financial statements for the fiscal year ended June 30, 2014.

III. Federal Awards Findings and Questioned Costs

There were no findings related to federal awards for the fiscal year ended June 30, 2014.

IV. State Award Findings and Questioned Costs

There were no findings related to state awards for the fiscal year ended June 30, 2014.

**PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2014**

There were no prior year audit findings.

PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2014

Exhibit 14

Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	State Number	Grant Number	Current Year Expenditures			
				Total	Federal Expenditures (Direct and Pass- Through)	State Expenditures	Local Expenditures
FEDERAL GRANTS							
U.S. Department of Transportation							
Federal Transit Cluster							
Federal Transit - Formula Grants (Urbanized Area Formula Program)							
Rehab Park & Ride Lots	20.507	DOT-19	NC-95-X026	\$ 261,336	\$ 209,068	\$ 26,134	\$ 26,134
Preventive Maintenance and Vehicle Purchase	20.507		NC-95-X064	842,943	674,355	80,194	88,394
Operating Assistance and Routine Capital	20.507		NC-90-X550	1,370,152	750,000	-	620,152
Preventative Maintenance	20.507		NC-95-X070	1,015,625	325,000	-	690,625
				<u>3,490,056</u>	<u>1,958,423</u>	<u>106,328</u>	<u>1,425,305</u>
Federal Transit - Capital Investment Grants							
Bus Accessories	20.500	DOT-19	NC-04-0003-03	65,000	52,000	6,500	6,500
Intermodal Terminal	20.500	DOT-19	NC-03-0070	78,243	62,595	7,824	7,824
				<u>143,243</u>	<u>114,595</u>	<u>14,324</u>	<u>14,324</u>
Passed through the North Carolina Department of Transportation:							
Highway Planning and Construction (Federal Aid Highway Program)							
Air Awareness - Triad	20.205-1		C-4936	36,061	28,849	-	7,212
Air Awareness - Davie	20.205-1		C-5222	10,734	8,587	-	2,147
Piedmont Triad Regional Model CMAQ Vans	20.205-1 20.205		7500016500 C-5561	223,353 266,024	55,838 212,819	- -	167,515 53,205
				<u>536,172</u>	<u>306,093</u>	<u>-</u>	<u>230,079</u>
Transit Services Programs Cluster							
Job Access Reverse Commute - Surry	20.516		12-JA-914D	254,096	127,048	-	127,048
Total U.S. DOT assistance:				<u>4,423,567</u>	<u>2,506,159</u>	<u>120,652</u>	<u>1,796,756</u>
Programs Not Clustered							
U.S. Department of Housing and Urban Development Sustainable Communities Regional Planning Grant Program							
	14.703		NCRIP0027-10	1,014,936	834,941	-	179,995
Total U.S. HUD assistance:				<u>1,014,936</u>	<u>834,941</u>	<u>-</u>	<u>179,995</u>
STATE GRANTS							
North Carolina Department of Transportation:							
State Maintenance Assistance		DOT-9	12-SM-022	792,000	-	792,000	-
Ridesharing		DOT-11	11-RS-002	281,064	-	140,532	140,532
Apprentice/Internship Program		DOT 11	13-DG-025	31,910	-	28,719	3,191
				<u>1,104,974</u>	<u>-</u>	<u>961,251</u>	<u>143,723</u>
TOTAL ASSISTANCE				<u>\$ 6,543,477</u>	<u>\$ 3,341,100</u>	<u>\$ 1,081,903</u>	<u>\$ 2,120,474</u>

**PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION
 NOTES TO FINANCIAL STATEMENTS
 NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 June 30, 2014**

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

Subrecipients

Of the federal and state expenditures presented in the schedule, Piedmont Authority for Regional Transportation provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>
HUD Sustainable Communities Regional Planning Project	14.703		\$ 490,276