



# Annual Financial Report For the Fiscal Year Ended June 30, 2016



# **Piedmont Authority for Regional Transportation**

**Greensboro, North Carolina**

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**Annual Financial Report**

**Year Ended June 30, 2016**

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# Piedmont Authority for Regional Transportation

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## ***Introductory Section***

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# **Piedmont Authority for Regional Transportation**

**Established.....July 17, 1997**

## **Board of Trustees**

Dan Besse, Chair  
Leonard D. Williams, Vice Chair  
Carolyn Coleman, Treasurer  
Ronda Jones, Secretary  
Mary Abuzuaiter  
Kevin Austin  
Bob Byrd  
Jim Butler  
C. Zane Cardwell  
Jim Davis  
Darrell Frye  
Neal Grimes  
Sharon Hightower  
Larry Phillips  
Scott Piper  
David Plyler  
Terry Renegar  
Don W. Truell  
Larry T. Williams  
Jake Alexander  
Cheryl McQueary  
Andrew M. Perkins, Jr.

**Executive Director .....Scott W. Rhine**

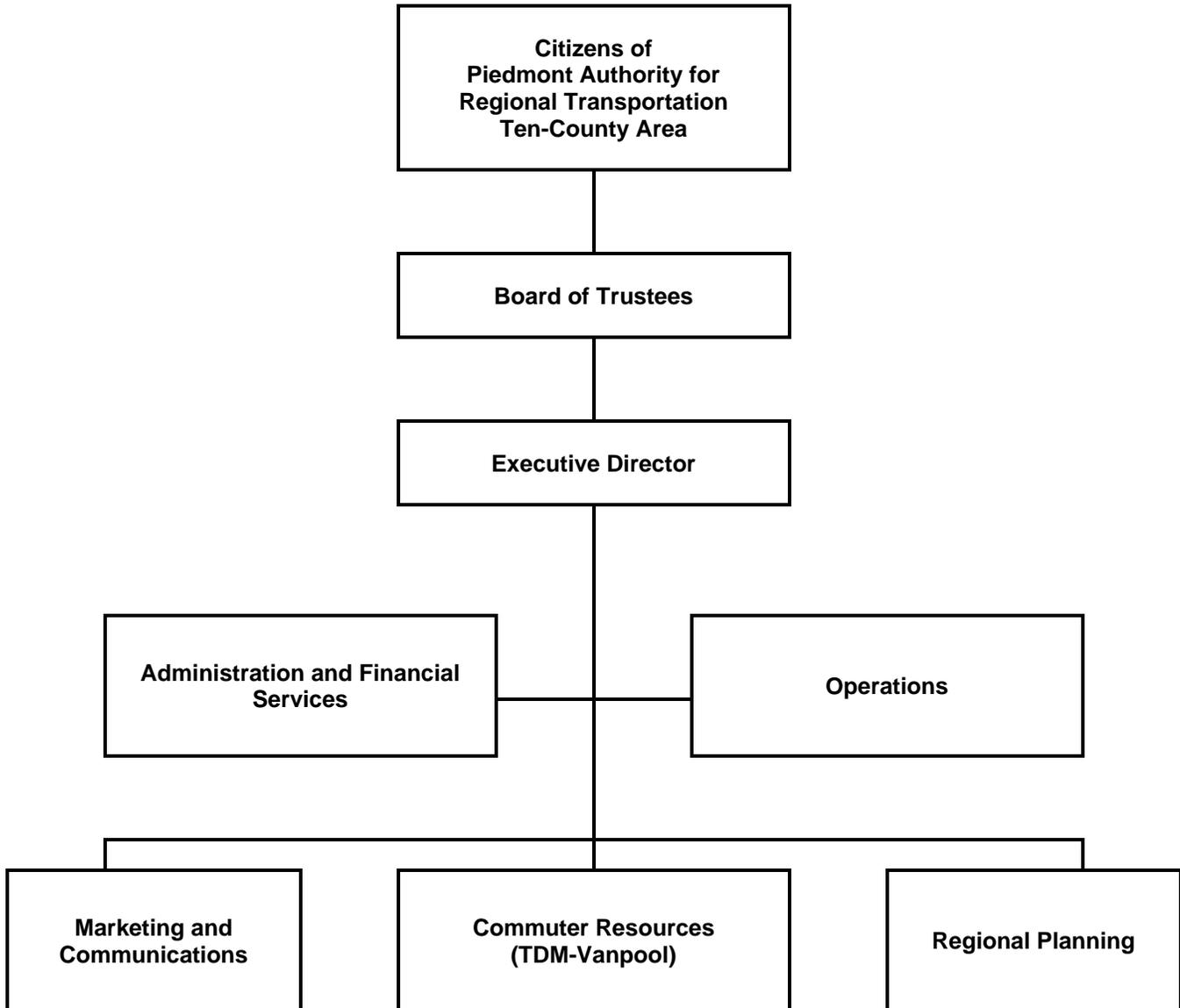
**General Counsel .....Thomas E. Terrell, Jr.**  
**Smith Moore Leatherwood LLP**  
Greensboro, North Carolina

**Chief Finance Officer .....Connie M. Conklin**

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

# Piedmont Authority for Regional Transportation

## Organization Chart



## **Independent Auditors' Report**

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, each major fund and the aggregate remaining fund information of Piedmont Authority for Regional Transportation, as of and for the year ended June 30, 2016, 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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to 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 auditors' 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, each major fund and the aggregate remaining fund information of the Piedmont Authority for Regional Transportation as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows 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 7 through 13 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 and budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act, and is also 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 27, 2016 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 27, 2016**

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## **Management's Discussion and 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, 2016. The financial statements and notes included in this report present the financial position and operations of governmental and business-type activities of PART. Beginning in January 2016, Route 9 Business 85 Express was adjusted to add frequency of trips and Route 3 High Point Express began serving the Palladium Shopping Center. Route 17&18 serving Kernersville were adjusted to add stops at the VA Health Care Center and the Novant Hospital. Discounted fares for Veterans are available for these Kernersville destinations. A Park & Ride Lot at Alamance Regional Medical Center was opened May 31, 2016. This lot will service Burlington's Link Transit, Alamance County Transportation Authority (ACTA), Elon University Bio Bus and PART buses. All other PART routes remained at the same level in FY 2016 as operated in FY 2015.

PART operates a bus fleet of 38 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 2016 decreased by 9% to a total of 468,986 passenger trips. During the fiscal year ended June 30, 2016, PART operated well within the approved balanced budget, resulting in an increase of General Fund balance by \$814 thousand. 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.

### **Financial Highlights**

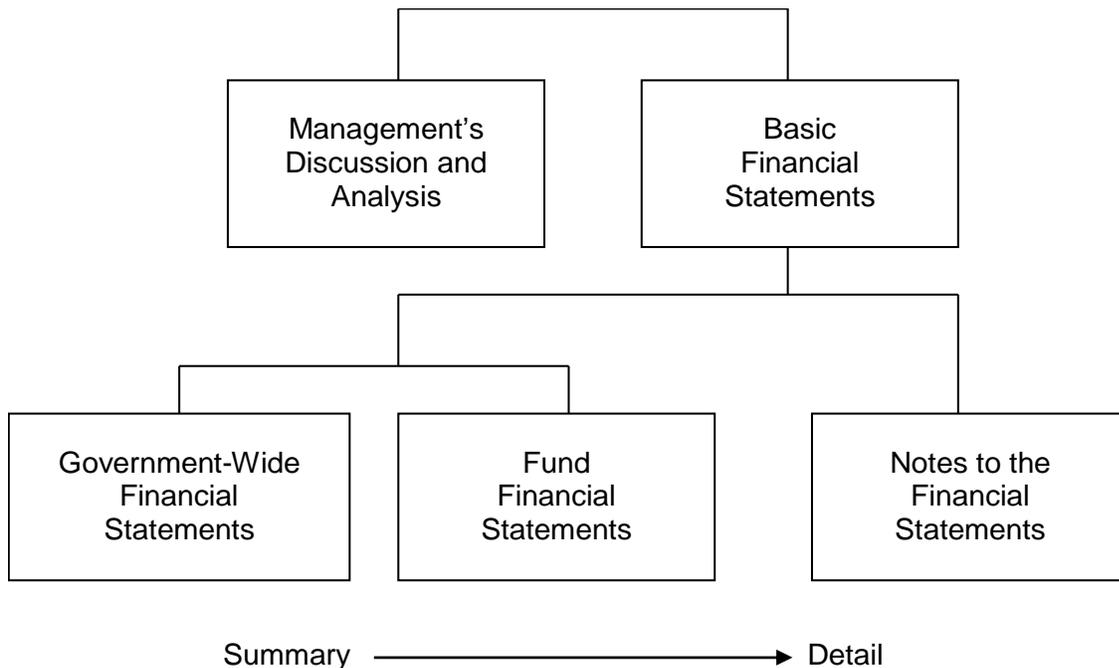
#### ***Highlights of PART's fiscal year ended June 30, 2016, include:***

- Total net position increased \$1.3 million from \$23.5 million to \$24.8 million. The increase was primarily a result of grant funds received for the construction of the Coble Intermodal Terminal Complex.
- At June 30, 2016, net position of \$24.8 million included \$4.7 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, 2016, the governmental funds reported a fund balance of approximately \$6.3 million, an increase of approximately \$.6 million from the prior fiscal year, which is the result of operating grant revenues and a reduction of fuel expenditures.
- The Grants Fund reported capital expenditures totaling \$2.7 million which were principally funded by federal and state grants.
- The Transportation Demand Management Fund paid in full the interfund loan from the General Fund as of June 30, 2016.

**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.

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

## **Piedmont Authority for Regional Transportation Management's Discussion and Analysis**

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governments and the North Carolina Department of Transportation finance the costs of Transportation Demand Management activities.

### ***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.

**Proprietary funds** - PART has a Proprietary Fund that is used to account for the Transportation Demand Management (TDM) program. 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, and 12, regarding the Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the General Fund, Grants Fund, and TDM Fund. The Schedule of Expenditures of Federal and State Awards is shown in Exhibit 13.

**Piedmont Authority for Regional Transportation  
Management's Discussion and Analysis**

***Government-wide financial analysis***

Figure 2 is a summary of net position for June 30, 2016 (as shown in Exhibit 1) with comparative data for June 30, 2015.

**Piedmont Authority for Regional Transportation's Net Position  
Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 7,461,242	\$ 6,506,933	\$ 235,688	\$ 83,926	\$ 7,696,930	\$ 6,590,859
Capital assets	<u>17,530,800</u>	<u>17,221,498</u>	<u>707,185</u>	<u>679,800</u>	<u>18,237,985</u>	<u>17,901,298</u>
Total assets	<u>24,992,042</u>	<u>23,728,431</u>	<u>942,873</u>	<u>763,726</u>	<u>25,934,915</u>	<u>24,492,157</u>
Long-term liabilities outstanding	25,123	-	-	-	25,123	-
Other liabilities	1,036,502	911,540	48,218	48,625	1,084,720	960,165
Deferred inflows of resources	<u>49,939</u>	<u>37,828</u>	<u>-</u>	<u>-</u>	<u>49,939</u>	<u>37,828</u>
Total liabilities and deferred inflows of resources	<u>1,111,564</u>	<u>949,368</u>	<u>48,218</u>	<u>48,625</u>	<u>1,159,782</u>	<u>997,993</u>
Net position:						
Net investment in capital assets	17,530,800	17,221,498	707,185	679,800	18,237,985	17,901,298
Restricted	1,877,417	1,383,865	-	-	1,877,417	1,383,865
Unrestricted	<u>4,472,261</u>	<u>4,173,700</u>	<u>187,470</u>	<u>35,301</u>	<u>4,659,731</u>	<u>4,209,001</u>
Total net position	<u>\$ 23,880,478</u>	<u>\$ 22,779,063</u>	<u>\$ 894,655</u>	<u>\$ 715,101</u>	<u>\$ 24,775,133</u>	<u>\$ 23,494,164</u>

As shown above, assets of the Authority exceeded liabilities by \$24,775,133 at June 30, 2016. Capital assets increased \$336,687 primarily resulting from the construction in process of the Coble Intermodal Terminal Complex. The Authority's net position increased by \$1,280,969 during the fiscal year ended June 30, 2016. The largest portion (73.6%) 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, \$1,877,417 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$4,659,731 is unrestricted.

**Piedmont Authority for Regional Transportation  
Management's Discussion and Analysis**

Figure 3 is a summary of the statement of activities for June 30, 2016 (as shown in Exhibit 2) with comparative data for June 30, 2015.

**Piedmont Authority for Regional Transportation's Changes in Net Position  
Figure 3**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 510,310	\$ 544,717	\$ 539,387	\$ 563,872	\$ 1,049,697	\$ 1,108,589
Operating grants and contributions	1,952,765	2,577,236	416,290	279,798	2,369,055	2,857,034
Capital grants and contributions	2,506,493	1,354,967	-	-	2,506,493	1,354,967
General revenues:						
Rental vehicle tax	3,814,727	3,575,567	-	-	3,814,727	3,575,567
Vehicle license tax	152,465	152,174	-	-	152,465	152,174
Other	279,851	73,328	74,858	20,613	354,709	93,941
Total revenues	<u>9,216,611</u>	<u>8,277,989</u>	<u>1,030,535</u>	<u>864,283</u>	<u>10,247,146</u>	<u>9,142,272</u>
Expenses:						
Transportation	7,690,311	8,325,316	-	-	7,690,311	8,325,316
Ridesharing vanpool	-	-	1,275,866	997,383	1,275,866	997,383
Transfers	424,885	1,713	(424,885)	(1,713)	-	-
Total expenses	<u>8,115,196</u>	<u>8,327,029</u>	<u>850,981</u>	<u>995,670</u>	<u>8,966,177</u>	<u>9,322,699</u>
Increase (decrease) in net position	1,101,415	(49,040)	179,554	(131,387)	1,280,969	(180,427)
Net position, July 1	<u>22,779,063</u>	<u>22,828,103</u>	<u>715,101</u>	<u>846,488</u>	<u>23,494,164</u>	<u>23,674,591</u>
Net position, June 30	<u>\$ 23,880,478</u>	<u>\$ 22,779,063</u>	<u>\$ 894,655</u>	<u>\$ 715,101</u>	<u>\$ 24,775,133</u>	<u>\$ 23,494,164</u>

**Governmental activities.** Net position of governmental activities increased by \$1,101,415. Key elements of this increase are as follows:

- Increase in Rental Vehicle Tax revenue of approximately \$239,000 basically as a result of an improving economy.
- Bus fleet fuel cost savings of approximately \$259,000.
- Recognition of \$272,000 from a release of liability.

**Business-type activities.** Net position of business-type activities increased by \$179,554 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 General Fund made a \$55,694 transfer to the TDM Fund. The TDM Fund paid a final payment of \$75,000 to complete an interfund loan from the General Fund.

**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 \$6.4 million, of which \$1.8 million was unrestricted and available for working capital needs and transfers (to) from other funds. Management has assigned \$3.3 million to be used for capital needs. The General Fund budget was amended one time during FY 2016 to adjust grant revenues, expenditures. This amendment was made to increase revenue budgets by \$350,000. This amount included changes to various funding sources and the recognition of a \$272,000 release of

**Piedmont Authority for Regional Transportation Management’s Discussion and Analysis**

a vendor liability. Expenditures were increased by the same amount to cover additional cost in various departments. On an actual basis, revenues exceeded budget projections by \$84,589 due primarily to increased rental vehicle tax. Expenditures were under the final budget \$507,773 as a result of savings in every department. The final actual performance resulted in an increase of fund balance of \$813,971.

**Proprietary fund.** The TDM Fund (Ridesharing/Vanpool) program activities budget was amended twice during FY2016. In February to adjust revenues, expenses and transfers (to) from other funds. The amendment increased revenue by \$43 thousand, to recognize additional revenue for the Call Center and Amtrak revenue. Expenses increased by the same amount to cover additional Call Center expenses and vehicle repair and maintenance. Fuel costs were reduced in this amendment. In June, revenues and expenses were increased each by \$5,360. On an actual basis, TDM paid \$75 thousand to the General Fund to eliminate the interfund loan balance. The net position increased by \$179,554.

**Capital assets.** PART’s net investment in capital assets for its governmental and business-type activities as of June 30, 2016, totals \$18,237,985 (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.

**Piedmont Authority for Regional Transportation’s Capital Assets (Net of Depreciation)**  
**Figure 4**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Land	\$ 6,099,210	\$ 6,099,210	\$ -	\$ -	\$ 6,099,210	\$ 6,099,210
Buildings	1,595,681	1,644,880	-	-	1,595,681	1,644,880
Improvements other than buildings	3,311,715	3,819,149	-	-	3,311,715	3,819,149
Machinery and equipment	3,872,616	4,890,152	707,185	679,800	4,579,801	5,569,952
Construction in progress	2,651,578	768,107	-	-	2,651,578	768,107
<b>Total</b>	<b>\$ 17,530,800</b>	<b>\$ 17,221,498</b>	<b>\$ 707,185</b>	<b>\$ 679,800</b>	<b>\$ 18,237,985</b>	<b>\$ 17,901,298</b>

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

- Construction costs of \$1.9 million on the Intermodal Transportation Terminal Complex occurred in FY16 with completion anticipated in FY17.
- PART purchased 12 new vans totaling \$369,191 for the vanpool fleet and disposed of 10 vans for a total of \$70,354.
- A change in accounting estimate for useful life of the vanpool fleet was effective July 1, 2015 as explained in Note 2.E. Change in Accounting Estimate.

Additional information on capital assets is included in Notes 1E and 2A of the Basic Financial Statements.

**Budget highlights for the fiscal year ending June 30, 2017**

**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 2017, revenues and expenditures are projected to be balanced and in line with the FY2016 budgeted amounts. Rental vehicle tax continues to be PART’s principal operating revenue and fare revenues are projected to be flat. Expenditures are projected to increase due to increases in the vehicle operations contract and the addition of the Palladium route. PART is projecting to return \$82,652 to the fund balance for FY 2017.

## **Piedmont Authority for Regional Transportation Management's Discussion and Analysis**

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The grants budget reflects expenditures of \$7.6 million for PART's projected activity regarding the Coble Intermodal Terminal Complex on Market Street, which is to be completed in FY 2017.

**Business-type activities.** Transportation Demand Management (TDM) has 52 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 paying off the interfund loan to the General Fund. The TDM budget for FY 2017 is balanced with a projected transfer from the General Fund of approximately \$63K due mainly to PART's share of the cost for the Call Center.

### ***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.

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## ***Basic Financial Statements***

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**Piedmont Authority for Regional Transportation**  
**Statement of Net Position**  
**June 30, 2016**

**Exhibit 1**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 5,546,260	\$ 20,490	\$ 5,566,750
Rental vehicle tax receivable	382,417	-	382,417
Due from other governments	104,033	70,593	174,626
Accounts receivable	44,259	73,699	117,958
Grants receivable			
Federal Transit Administration	1,092,643	-	1,092,643
NC Department of Transportation	290,198	57,253	347,451
Prepaid expenses	1,432	-	1,432
Restricted cash and cash equivalents	-	13,653	13,653
Total current assets	<u>7,461,242</u>	<u>235,688</u>	<u>7,696,930</u>
Noncurrent assets:			
Capital assets:			
Land and other nondepreciable assets	6,099,210	-	6,099,210
Construction in progress	2,651,578	-	2,651,578
Other capital assets, net of depreciation	8,780,012	707,185	9,487,197
Total capital assets	<u>17,530,800</u>	<u>707,185</u>	<u>18,237,985</u>
Total assets	<u>\$ 24,992,042</u>	<u>\$ 942,873</u>	<u>\$ 25,934,915</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and other accrued liabilities	\$ 989,392	\$ 25,521	\$ 1,014,913
Payable from restricted assets - security deposits	-	13,653	13,653
Compensated absences - current	47,110	9,044	56,154
Total current liabilities	<u>1,036,502</u>	<u>48,218</u>	<u>1,084,720</u>
Noncurrent liabilities			
Compensated absences	25,123	-	25,123
Total noncurrent liabilities	<u>25,123</u>	<u>-</u>	<u>25,123</u>
Total liabilities	<u>1,061,625</u>	<u>48,218</u>	<u>1,109,843</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenue - Pass Sales	49,939	-	49,939
<b>NET POSITION</b>			
Net investment in capital assets	17,530,800	707,185	18,237,985
Restricted for:			
Stabilization by State Statute	1,877,417	-	1,877,417
Unrestricted	4,472,261	187,470	4,659,731
Total net position	<u>23,880,478</u>	<u>894,655</u>	<u>24,775,133</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 24,992,042</u>	<u>\$ 942,873</u>	<u>\$ 25,934,915</u>

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

**Piedmont Authority for Regional Transportation  
Statement of Activities  
Year Ended June 30, 2016**

**Exhibit 2  
(2 pages)**

<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>
<b>Primary government</b>				
Governmental activities:				
Transportation	\$ 7,690,311	\$ 510,310	\$ 1,952,765	\$ 2,506,493
Total governmental activities	7,690,311	510,310	1,952,765	2,506,493
Business-type activities:				
Transportation Demand Management	1,275,866	539,387	416,290	-
Total business-type activities	1,275,866	539,387	416,290	-
Total primary government	<u>\$ 8,966,177</u>	<u>\$ 1,049,697</u>	<u>\$ 2,369,055</u>	<u>\$ 2,506,493</u>
General revenues:				
Rental vehicle tax				
Vehicle registration tax				
Gain on sale of capital assets				
Miscellaneous				
Release of liability				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

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<b>Net Revenue (Expense) and Changes in Net Position</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (2,720,743)	\$ -	\$ (2,720,743)
(2,720,743)	-	(2,720,743)
-	(320,189)	(320,189)
-	(320,189)	(320,189)
(2,720,743)	(320,189)	(3,040,932)
3,814,727	-	3,814,727
152,465	-	152,465
-	70,354	70,354
7,452	4,504	11,956
272,399	-	272,399
(424,885)	424,885	-
3,822,158	499,743	4,321,901
1,101,415	179,554	1,280,969
22,779,063	715,101	23,494,164
<u>\$ 23,880,478</u>	<u>\$ 894,655</u>	<u>\$ 24,775,133</u>

**Piedmont Authority for Regional Transportation  
Balance Sheet  
Governmental Funds  
June 30, 2016**

**Exhibit 3**

	<u>Major Funds</u>		<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Grants Fund</u>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,546,260	\$ -	\$ 5,546,260
Rental vehicle tax receivable	382,417	-	382,417
Due from other governments	104,033	-	104,033
Accounts receivable	44,259	-	44,259
Grants receivable:			
Federal Transit Administration	553,203	539,440	1,092,643
NC Department of Transportation	138,274	151,924	290,198
Due from other funds - Grants Fund	116,774	-	116,774
Prepaid expenses	1,432	-	1,432
	<u>6,886,652</u>	<u>691,364</u>	<u>7,578,016</u>
Total assets	<u>\$ 6,886,652</u>	<u>\$ 691,364</u>	<u>\$ 7,578,016</u>
<b>LIABILITIES</b>			
Accounts payable and other accrued liabilities	\$ 397,830	\$ 591,562	\$ 989,392
Due to other funds - General Fund	-	116,774	116,774
	<u>397,830</u>	<u>708,336</u>	<u>1,106,166</u>
Total liabilities	<u>397,830</u>	<u>708,336</u>	<u>1,106,166</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenue	49,939	-	49,939
Unavailable revenue	-	152,907	152,907
	<u>49,939</u>	<u>152,907</u>	<u>202,846</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid items	1,432	-	1,432
Restricted:			
Stabilization by State Statute	1,338,960	538,457	1,877,417
Assigned:			
Subsequent year's expenditures	-	1,041,728	1,041,728
Capital expenditures	3,329,647	-	3,329,647
Unassigned:	1,768,844	(1,750,064)	18,780
Total fund balances	<u>6,438,883</u>	<u>(169,879)</u>	<u>6,269,004</u>
	<u>\$ 6,886,652</u>	<u>\$ 691,364</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,886,652</u>	<u>\$ 691,364</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 17,530,800

Earned revenues considered deferred inflows of resources in the funds 152,907

Some liabilities are not due and payable in the current period and therefore not included:

Compensated absences payable (72,233)

Net position of governmental activities \$ 23,880,478

**Piedmont Authority for Regional Transportation**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2016**

**Exhibit 4**  
**(2 pages)**

	<u>Major Funds</u>		<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Grants Fund</u>	
<b>Revenues</b>			
Rental vehicle tax	\$ 3,814,727	\$ -	\$ 3,814,727
Vehicle registration tax	152,465	-	152,465
Farebox (including PART Connections)	510,310	-	510,310
Grants:			
Federal Transit Administration	708,731	2,095,949	2,804,680
NC Department of Transportation	1,143,667	257,637	1,401,304
Regional MPOs	100,367	-	100,367
Release of Liability	272,399	-	272,399
Other local revenue	7,452	-	7,452
	<u>6,710,118</u>	<u>2,353,586</u>	<u>9,063,704</u>
<b>Total revenues</b>			
	<u>6,710,118</u>	<u>2,353,586</u>	<u>9,063,704</u>
<b>Expenditures</b>			
Board of Trustees	17,317	-	17,317
Office of Executive Director	320,846	-	320,846
Administration and Financial Services	592,865	-	592,865
PART Express	3,901,842	-	3,901,842
Marketing and Communications	268,282	-	268,282
Planning	499,490	1,875	501,365
Capital outlay	19,447	2,741,954	2,761,401
	<u>5,620,089</u>	<u>2,743,829</u>	<u>8,363,918</u>
<b>Total expenditures</b>			
	<u>5,620,089</u>	<u>2,743,829</u>	<u>8,363,918</u>
Revenues over (under) expenditures	1,090,029	(390,243)	699,786
<b>Other financing sources (uses)</b>			
Transfer to grants fund: capital grants	(220,364)	220,364	-
Transfer to Transportation Demand Management Fund	(55,694)	-	(55,694)
	<u>(276,058)</u>	<u>220,364</u>	<u>(55,694)</u>
<b>Total other financing sources (uses)</b>			
	<u>(276,058)</u>	<u>220,364</u>	<u>(55,694)</u>
Net change in fund balance	813,971	(169,879)	644,092
Fund balance, beginning of year	<u>5,624,912</u>	<u>-</u>	<u>5,624,912</u>
Fund balance, end of year	<u>\$ 6,438,883</u>	<u>\$ (169,879)</u>	<u>\$ 6,269,004</u>

**Piedmont Authority for Regional Transportation  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2016**

**Exhibit 4  
(2 pages)**

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**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 \$ 644,092

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,  
assets is allocated over their estimated  
reported as depreciation expense.

Capital outlay expenditures that were capitalized	2,761,401
Depreciation expense for governmental assets	(2,082,908)
Net carrying value of capital assets transferred to business-type activities.	(369,191)

Revenues in the statement of activities that do not provide  
current financial resources are not reported as revenues  
in governmental funds

Change in unavailable revenue	152,907
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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>(4,886)</u>
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Total change in net position - governmental activities	<u>\$ 1,101,415</u>
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**Piedmont Authority for Regional Transportation**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**Year Ended June 30, 2016**

**Exhibit 5**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Rental vehicle tax	\$ 3,500,000	\$ 3,637,816	\$ 3,814,727	\$ 176,911
Vehicle registration tax	140,000	140,000	152,465	12,465
Farebox (including PART Connections)	590,975	515,065	510,310	(4,755)
Grant revenues:				
Federal Transit Administration	750,950	742,646	708,731	(33,915)
NC Department of Transportation	1,147,327	1,210,803	1,143,667	(67,136)
Local revenues:				
Regional MPOs	102,300	102,300	100,367	(1,933)
Release of liability	-	272,399	272,399	-
Other local revenue	4,500	4,500	7,452	2,952
<b>Total revenues</b>	<b>6,236,052</b>	<b>6,625,529</b>	<b>6,710,118</b>	<b>84,589</b>
<b>Expenditures</b>				
Board of Trustees	38,000	38,000	17,317	20,683
Office of Executive Director	263,620	334,445	320,846	13,599
Administration and financial services	602,770	607,935	592,865	15,070
PART Express	4,122,924	4,212,466	3,901,842	310,624
Marketing and communications	231,990	319,728	268,282	51,446
Planning	469,080	565,288	499,490	65,798
Capital outlay	50,000	50,000	19,447	30,553
<b>Total expenditures</b>	<b>5,778,384</b>	<b>6,127,862</b>	<b>5,620,089</b>	<b>507,773</b>
<b>Revenues over expenditures</b>	<b>457,668</b>	<b>497,667</b>	<b>1,090,029</b>	<b>592,362</b>
<b>Other financing sources (uses)</b>				
Transfer to Grants Fund - Capital Grants	(709,000)	(673,482)	(220,364)	453,118
Transfer from Transportation Demand Management Fund	(55,694)	(55,694)	(55,694)	-
<b>Total other financing uses</b>	<b>(764,694)</b>	<b>(729,176)</b>	<b>(276,058)</b>	<b>453,118</b>
Fund balance appropriated	307,026	231,509	-	231,509
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>813,971</b>	<b>\$ 813,971</b>
Fund balance at beginning of year			5,624,912	
Fund balance at end of year			<b>\$ 6,438,883</b>	

**Piedmont Authority for Regional Transportation**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Grants Fund**  
**Year Ended June 30, 2016**

**Exhibit 6**

	Budgeted Amounts		Actual Amounts	Variance with Final Positive (Negative)
	Original	Final		
<b>Revenues</b>				
FTA capital grants	\$ 5,769,778	\$ 5,777,989	\$ 2,095,949	\$ (3,682,040)
North Carolina Department of Transportation:				
Capital grants	679,079	714,972	256,137	(458,835)
Operating grants	-	1,500	1,500	-
Total revenues	<u>6,448,857</u>	<u>6,494,461</u>	<u>2,353,586</u>	<u>(4,140,875)</u>
<b>Expenditures</b>				
Terminal facility	6,309,637	6,307,447	1,883,471	4,423,976
Vans	358,928	369,329	369,191	138
Rehab park and rides	489,292	489,292	489,292	-
Electric vehicle charging stations	-	1,875	1,875	-
Total expenditures	<u>7,157,857</u>	<u>7,167,943</u>	<u>2,743,829</u>	<u>4,424,114</u>
Revenues under expenditures	<u>(709,000)</u>	<u>(673,482)</u>	<u>(390,243)</u>	<u>283,239</u>
<b>Other financing sources</b>				
Transfer from general fund	<u>709,000</u>	<u>673,482</u>	<u>220,364</u>	<u>(453,118)</u>
Total other financing sources	<u>709,000</u>	<u>673,482</u>	<u>220,364</u>	<u>(453,118)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(169,879)</u>	<u>\$ (169,879)</u>
Fund balance at beginning of year			<u>-</u>	
Fund balance at end of year			<u>\$ (169,879)</u>	

**Piedmont Authority for Regional Transportation**  
**Statement of Fund Net Position**  
**Proprietary Fund**  
**June 30, 2016**

**Exhibit 7**

	<b>Transportation Demand Management Fund</b>	<b>Total Enterprise Fund</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 20,490	\$ 20,490
Due from other governments	70,593	70,593
Accounts receivable	73,699	73,699
Grants receivable:		
NC Department of Transportation	57,253	57,253
Restricted cash and cash equivalents	13,653	13,653
	<u>235,688</u>	<u>235,688</u>
Total current assets		
Capital assets:		
Other capital assets, net of depreciation	707,185	707,185
	<u>942,873</u>	<u>942,873</u>
Total assets		
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and other accrued liabilities	25,521	25,521
Payable from restricted assets - security deposits	13,653	13,653
Current portion of long-term liabilities	9,044	9,044
	<u>48,218</u>	<u>48,218</u>
Total current liabilities		
Total liabilities	<u>48,218</u>	<u>48,218</u>
<b>NET POSITION</b>		
Net investment in capital assets	707,185	707,185
Unrestricted	187,470	187,470
	<u>894,655</u>	<u>894,655</u>
Total net position	<u>\$ 894,655</u>	<u>\$ 894,655</u>

**Piedmont Authority for Regional Transportation**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Fund**  
**Year Ended June 30, 2016**

**Exhibit 8**

	<u>Transportation Demand Management</u>	<u>Total Enterprise Fund</u>
<b>Operating revenues</b>		
Charges for sales and services	\$ 539,387	\$ 539,387
Total operating revenues	<u>539,387</u>	<u>539,387</u>
<b>Operating expenses</b>		
TDM/vanpool:		
Vehicle expense	416,263	416,263
Personnel expense	261,390	261,390
Administration	33,327	33,327
Office expense	7,738	7,738
Space and furnishings	20,987	20,987
Professional development	4,026	4,026
Depreciation	341,806	341,806
Piedmont Transit Resources Information Center:		
Personnel expense	146,508	146,508
Administration	11,449	11,449
Professional development	487	487
Other professional services	7,600	7,600
Office expense	5,927	5,927
Space and furnishings	18,358	18,358
Total operating expenses	<u>1,275,866</u>	<u>1,275,866</u>
Operating loss	<u>(736,479)</u>	<u>(736,479)</u>
<b>Nonoperating revenues</b>		
NC Department of Transportation	137,107	137,107
City of Greensboro	65,964	65,964
City of High Point	21,998	21,998
City of Winston-Salem	49,473	49,473
NC Department of Trans.- Call Center	64,660	64,660
City of High Point - Call Center	46,088	46,088
Davidson County - Call Center	26,000	26,000
Amtrak	5,000	5,000
Total intergovernmental revenues	<u>416,290</u>	<u>416,290</u>
Gain on sale of capital assets	70,354	70,354
Other nonoperating revenue	4,504	4,504
Total nonoperating revenues	<u>491,148</u>	<u>491,148</u>
Loss before transfers	<u>(245,331)</u>	<u>(245,331)</u>
Transfers of capital assets	369,191	369,191
Transfer from General Fund	55,694	55,694
Total transfers	<u>424,885</u>	<u>424,885</u>
Change in net position	179,554	179,554
Total net position, beginning	<u>715,101</u>	<u>715,101</u>
Total net position, ending	<u>\$ 894,655</u>	<u>\$ 894,655</u>

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

**Piedmont Authority for Regional Transportation**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**Year Ended June 30, 2016**

**Exhibit 9**  
**(2 pages)**

	<u>Transportation Demand Management</u>	<u>Total Enterprise Fund</u>
<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 543,834	\$ 543,834
Cash paid for goods and services	(524,356)	(524,356)
Cash paid to employees for services	(407,216)	(407,216)
	<u>(387,738)</u>	<u>(387,738)</u>
Net cash used by operating activities		
<b>Cash flows from noncapital financing activities</b>		
State grants	180,781	180,781
Other governmental agencies	181,317	181,317
Transfers from other funds	55,694	55,694
Decrease in due to other funds	(75,000)	(75,000)
	<u>342,792</u>	<u>342,792</u>
Net cash provided by noncapital financing activities		
<b>Cash flows from investing activities</b>		
Other revenues:	<u>4,504</u>	<u>4,504</u>
Net cash provided by investing activities	<u>4,504</u>	<u>4,504</u>
Net decrease in cash and cash equivalents	(40,442)	(40,442)
Cash and cash equivalents at beginning of year	<u>74,585</u>	<u>74,585</u>
Cash and cash equivalents at end of year	<u>\$ 34,143</u>	<u>\$ 34,143</u>
<b>Cash and cash equivalents</b>		
Unrestricted	\$ 20,490	\$ 20,490
Restricted	<u>13,653</u>	<u>13,653</u>
	<u>\$ 34,143</u>	<u>\$ 34,143</u>

**Piedmont Authority for Regional Transportation  
Statement of Cash Flows  
Proprietary Fund  
Year Ended June 30, 2016**

**Exhibit 9  
(2 pages)**

	<u>Transportation Demand Management</u>	<u>Total Enterprise Fund</u>
<b>Reconciliation of operating loss to net cash used by operating activities</b>		
Operating loss	\$ (736,479)	\$ (736,479)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation and amortization	341,806	341,806
Change in assets and liabilities		
Decrease in accounts receivable	7,342	7,342
Decrease in accounts payable and accrued liabilities	(3,557)	(3,557)
Increase in security deposits	3,150	3,150
	<u>\$ (387,738)</u>	<u>\$ (387,738)</u>
Net cash used by operating activities		
<b>Supplemental schedule of noncash investing and financing activities:</b>		
Transfer of capital assets from governmental activities	<u>\$ 369,191</u>	<u>\$ 369,191</u>
Gain on sale of capital assets included in accounts receivable	<u>\$ 70,354</u>	<u>\$ 70,354</u>

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***Notes to the Financial Statements***

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## **Notes to Financial Statements**

### **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.

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:

*General Fund.* 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.

## **Piedmont Authority for Regional Transportation Notes to Financial Statements**

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*Grants Fund.* This fund centralizes the accounting for activities of 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:

*Transportation Demand Management Fund (“TDM”).* This fund 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.

### **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.

**Government-wide and proprietary fund financial statements.** The 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 fund are charges to customers for sales and services. Operating expenses for the enterprise fund 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.** Government funds 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**

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**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 and Transportation Demand Management 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 depositor, 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 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.

(2) Restricted assets

Restricted assets in the amount of \$13,653 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 applicable governmental or business-type 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	10 years
Machinery and equipment	3 to 12 years

**Piedmont Authority for Regional Transportation  
Notes to Financial Statements**

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**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 two items that meet the criterion for this category - unearned revenue from the sale of value cards and unavailable revenue from grants receivable.

**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.

**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)].

**Piedmont Authority for Regional Transportation  
Notes to Financial Statements**

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*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. Unassigned fund balances may be assigned by the CEO for specific purposes.

*Subsequent year's expenditures* - Portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation.

*Capital expenditures* - Portion of fund balance that has been assigned for the construction of capital projects.

*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.

**2. 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, 2016, PART's deposits had a carrying amount of \$5,226,366 and a bank balance of \$5,331,211. 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, 2016.

**Piedmont Authority for Regional Transportation  
Notes to Financial Statements**

(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, 2016, 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*	\$ 353,812	\$ 353,812	\$ -	\$ -

\* Because the NC Capital Management Trust Term Portfolio had duration of 0.14 years, it was presented as an investment with a maturity of less than six months.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets. The NC Capital Management Trust Term Portfolio is a Level 1 investment in the fair value hierarchy. Level 1 investments include debt securities values using directly observable, quoted prices (unadjusted) in active markets for identical assets.

The Authority does not have a formal investment policy.

*Credit Risk.* The Authority has no formal policy regarding credit risk, but has internal management procedures that limits the Authority's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The Authority's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments permitted under G.S. 159-30 as amended.

(3) Receivables

At June 30, 2016, the Authority's receivables consist of the following:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Local</u>
Governmental funds:			
Grants receivable	\$ 1,092,643	\$ 290,198	\$ -
Rental vehicle tax	-	-	382,417
Accounts receivable	-	-	44,259
Due from other governments	-	-	104,033
Total governmental funds	<u>1,092,643</u>	<u>290,198</u>	<u>530,709</u>
Business-type funds:			
Grants receivable	-	57,253	-
Accounts receivable	-	-	73,699
Due from other governments	-	-	70,593
Total business-type funds	<u>-</u>	<u>57,253</u>	<u>144,292</u>
Total receivables	<u>\$ 1,092,643</u>	<u>\$ 347,451</u>	<u>\$ 675,001</u>

**Piedmont Authority for Regional Transportation**  
**Notes to Financial Statements**

(4) Capital assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 6,099,210	\$ -	\$ -	\$ -	\$ 6,099,210
Construction-in-progress	<u>768,107</u>	<u>1,883,471</u>	<u>-</u>	<u>-</u>	<u>2,251,578</u>
Total capital assets not being depreciated	6,867,317	<u>\$ 1,883,471</u>	<u>\$ -</u>	<u>\$ -</u>	8,750,788
Capital assets being depreciated:					
Buildings	1,967,944	\$ -	\$ -	\$ -	1,967,944
Improvements other than buildings	5,945,416	489,292	-	-	6,434,708
Machinery and equipment	<u>12,539,986</u>	<u>388,638</u>	<u>-</u>	<u>(369,191)</u>	<u>12,559,433</u>
Total capital assets being depreciated	20,453,346	<u>\$ 877,930</u>	<u>\$ -</u>	<u>\$ (369,191)</u>	20,962,085
Less accumulated depreciation for:					
Buildings	323,064	\$ 49,199	\$ -	\$ -	372,263
Improvements other than buildings	2,126,267	996,726	-	-	3,122,993
Machinery and equipment	<u>7,649,834</u>	<u>1,036,983</u>	<u>-</u>	<u>-</u>	<u>8,686,817</u>
Total accumulated depreciation	<u>10,099,165</u>	<u>\$ 2,082,908</u>	<u>\$ -</u>	<u>\$ -</u>	<u>12,182,073</u>
Total capital assets being depreciated, net	<u>10,354,181</u>				<u>8,780,012</u>
Governmental activity capital assets, net	<u>\$ 17,221,498</u>				<u>\$ 17,530,800</u>

Depreciation expense of \$2,082,908 was charged to the transportation function.

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Business-type activities:					
Capital assets being depreciated:					
Machinery and equipment	\$ 1,725,158	\$ -	\$ (187,019)	\$ 369,191	\$ 1,907,330
Total capital assets being depreciated	<u>1,725,158</u>	<u>\$ -</u>	<u>\$ (187,019)</u>	<u>369,191</u>	<u>1,907,330</u>

**Piedmont Authority for Regional Transportation  
Notes to Financial Statements**

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Less accumulated depreciation for:					
Machinery and equipment	\$ 1,045,358	\$ 341,806	\$ (187,019)	\$ -	\$ 1,200,145
Total accumulated depreciation	<u>1,045,358</u>	<u>\$ 341,806</u>	<u>\$ (187,019)</u>	<u>\$ -</u>	<u>1,200,145</u>
Business-type activity capital assets, net	<u>\$ 679,800</u>				<u>\$ 707,185</u>

The Authority has active construction projects as of June 30, 2016 with the following remaining commitments:

	<u>Spent to Date</u>	<u>Total Commitment</u>
Coble Intermodal Terminal Complex	\$ 1,698,791	\$ 5,315,400

**B. Liabilities**

(1) Payables

Payables at the government-wide level at June 30, 2016, were as follows:

	<u>Vendors</u>	<u>Other</u>	<u>Total</u>
Governmental activities:			
General Fund	\$ 335,183	\$ 62,647	\$ 397,830
Grants Fund	<u>591,562</u>	<u>-</u>	<u>591,562</u>
Total governmental activities	<u>\$ 926,745</u>	<u>\$ 62,647</u>	<u>\$ 989,392</u>
Business-type activities:			
TDM Fund	\$ 25,251	\$ -	\$ 25,251
Total business-type activities	<u>\$ 25,521</u>	<u>\$ -</u>	<u>\$ 25,251</u>

(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. Threats of cyber-attack are covered under a \$1 million Special Risk Protector Policy with the National Union Fire Insurance Company of Pittsburgh, PA. 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.

**Piedmont Authority for Regional Transportation  
Notes to Financial Statements**

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

The 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 2017.

**(3) Operating Leases**

PART leases office equipment under non-cancelable operating leases expiring at various times through 2020. Future minimum lease payments approximate the following:

<u>Year Ending</u>		
2017	\$	12,966
2018		11,736
2019		11,324
2020		<u>2,420</u>
	<u>\$</u>	<u>38,446</u>

Rent expense under operating leases for the year ended June 30, 2016 was \$9,243 for the General Fund and \$4,954 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 \$83,243 for the General Fund and \$17,367 for the TDM Fund.

**(5) Long-term liabilities**

Changes in long-term liabilities:

	<u>Balance July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2016</u>	<u>Current Portion of Long-Term Liabilities</u>
Governmental activities:					
Compensated absences	\$ 67,347	\$ 51,996	\$ 47,110	\$ 72,233	\$ 47,110
	<u>\$ 67,347</u>	<u>\$ 51,996</u>	<u>\$ 47,110</u>	<u>\$ 72,233</u>	<u>\$ 47,110</u>
Business-type activities:					
Compensated absences	7,875	9,044	7,875	9,044	9,044
	<u>\$ 7,875</u>	<u>\$ 9,044</u>	<u>\$ 7,875</u>	<u>\$ 9,044</u>	<u>\$ 9,044</u>

**Piedmont Authority for Regional Transportation  
Notes to Financial Statements**

(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.

The Authority is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Authority's financial position, results of operations, or liquidity.

(7) Deferred Outflows and Inflows of Resources

PART has deferred inflows of resources at year end is comprised of the following:

	<u>Unavailable Revenue</u>	<u>Unearned Revenue</u>
Grants receivable	\$ 152,907	\$ -
Value card receipts	-	49,939
	<u>\$ 152,907</u>	<u>\$ 49,939</u>

**C. Interfund balances and activities**

The composition of inter-fund receivables and payables at June 30, 2016, is as follows:

	<u>Interfund Balances</u>	
	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 116,774	\$ -
Grants Fund	-	116,774
Total interfund balances	<u>\$ 116,774</u>	<u>\$ 116,774</u>

The Grants Fund interfund payable represents amounts due to the general fund for reimbursements of expenditures due from Federal Transit Administration and North Carolina Department of Transportation grants.

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 \$220,364 provided PART's matching requirements on federal and state grants. The transfer to the Transportation Demand Management Fund in the amount of \$55,694 was for payment of operating expenses.

**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	\$ 6,438,883
Less:	
Prepaid items	1,432
Stabilization by State Statute	1,338,960
Assigned:	
Capital expenditures	<u>3,329,647</u>
Fund balances available for appropriation	<u>\$ 1,768,844</u>

**Piedmont Authority for Regional Transportation  
Notes to Financial Statements**

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The Authority has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the Authority in such a manner that available fund balance is at least equal to or greater than 30% of General Fund expenditures plus transfers out, less debt issued.

***E. Change in accounting estimate***

Effective July 1, 2015, the Authority implemented a revised policy for useful lives of certain capital assets based on asset lives that more closely align with industry standards. The revised policy was implemented on a prospective basis with fiscal year 2016 being the first year of implementation. The impact for 2016 was to increase the depreciation of governmental activities by approximately \$101,000. The difference resulted in reducing the estimate useful life of vanpool vans from 8 to 5 years.

***F. Subsequent events***

Effective July 1, 2016, the Transportation Demand Management Fund has been renamed the Commuter Resources Fund. The new name is more descriptive of the functions of TDM programs which includes offering vanpools, rideshare matching, guaranteed ride home, tools to improve mobility, and the functions of the Piedmont Transit Resource Center which includes the regional call center.

In July 2016, the City of Burlington Link Transit System signed an interlocal agreement with PART to sell regional passes on their system and participate in the Value Card payment/reimbursement process.

***Supplementary Information***

**Piedmont Authority for Regional Transportation  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
General Fund  
Year Ended June 30, 2016**

**Exhibit 10  
(3 pages)**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
<b>Revenues</b>			
Rental vehicle tax	\$ 3,637,816	\$ 3,814,727	\$ 176,911
Vehicle registration tax	140,000	152,465	12,465
Farebox (including PART Connections)	515,065	510,310	(4,755)
Grants:			
Federal Transit Administration:			
Operating grant	545,946	558,731	12,785
Routine capital grant	196,700	150,000	(46,700)
NC Department of Transportation:			
State maintenance assistance	601,430	601,430	-
Air quality/air awareness	90,000	39,687	(50,313)
Model enhancement	86,125	76,371	(9,754)
Model maintenance	26,500	26,125	(375)
JARC	114,000	109,562	(4,438)
Apprentice grant	33,748	29,667	(4,081)
City of Greensboro (Shuttle service)	259,000	260,825	1,825
Release of liability	272,399	272,399	-
Local revenues:			
Regional MPO model enhancement	39,600	37,667	(1,933)
Regional MPO model maintenance	62,700	62,700	-
Other local revenue	4,500	7,452	2,952
	<u>6,625,529</u>	<u>6,710,118</u>	<u>84,589</u>
<b>Expenditure</b>			
Board of Trustees:			
Salaries and benefits	12,500	10,152	2,348
Travel and meetings	10,500	7,165	3,335
Regional Transit Summit	15,000	-	15,000
	<u>38,000</u>	<u>17,317</u>	<u>20,683</u>
Office of Executive Director:			
Salaries and benefits	109,020	118,244	(9,224)
Legal services	140,000	122,330	17,670
Other professional services	50,000	49,922	78
Travel and meetings	13,770	17,697	(3,927)
Office expenses	11,985	8,597	3,388
Space and furnishings	9,670	4,056	5,614
	<u>334,445</u>	<u>320,846</u>	<u>13,599</u>

**Piedmont Authority for Regional Transportation**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**Year Ended June 30, 2016**

**Exhibit 10**  
**(3 pages)**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Administration and financial services:			
Salaries and benefits	\$ 415,885	\$ 430,196	\$ (14,311)
Insurance - property and casualty	65,000	54,794	10,206
Professional services	51,900	42,742	9,158
Travel and training	20,605	16,520	4,085
Office expenses	11,325	10,003	1,322
Space and furnishings	43,220	38,610	4,610
	<u>607,935</u>	<u>592,865</u>	<u>15,070</u>
Total administration and financial services			
PART Express:			
Vehicle operations contract	3,036,046	3,028,980	7,066
Fuel and lubricants	625,000	365,761	259,239
Maintenance and repairs	21,500	22,672	(1,172)
Buildings and ground management	112,300	101,033	11,267
Uniforms	5,500	4,779	721
Miscellaneous	2,500	591	1,909
Salaries and benefits	285,650	290,571	(4,921)
Professional services	57,000	18,753	38,247
Travel and training	10,000	9,282	718
Office expenses	35,470	38,823	(3,353)
Space and furnishings	21,500	20,597	903
	<u>4,212,466</u>	<u>3,901,842</u>	<u>310,624</u>
Total PART Express			
Marketing and communications:			
Salaries and benefits	104,833	112,493	(7,660)
Professional services	23,275	16,721	6,554
Media and advertising	171,730	123,154	48,576
Travel and training	4,000	6,221	(2,221)
Office expenses	5,120	1,443	3,677
Space and furnishings	10,770	8,250	2,520
	<u>319,728</u>	<u>268,282</u>	<u>51,446</u>
Total marketing and communications			

**Piedmont Authority for Regional Transportation**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**Year Ended June 30, 2016**

**Exhibit 10**  
**(3 pages)**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Planning:			
Salaries and benefits	\$ 240,938	\$ 239,164	\$ 1,774
Travel and training	15,000	8,587	6,413
Office expenses	6,760	4,262	2,498
Space and furnishings	23,150	17,491	5,659
Model enhancement	166,000	125,486	40,514
Model maintenance	113,440	104,500	8,940
	<u>565,288</u>	<u>499,490</u>	<u>65,798</u>
Total planning			
Capital outlay	<u>50,000</u>	<u>19,447</u>	<u>30,553</u>
Total expenditures	<u>6,127,862</u>	<u>5,620,089</u>	<u>507,773</u>
Revenues over expenditures	<u>497,667</u>	<u>1,090,029</u>	<u>592,362</u>
Other financing sources (uses):			
Transfer to Grants Fund - Capital Grants	(673,482)	(220,364)	453,118
Transfer to Transportation Demand Management Fund	(55,694)	(55,694)	-
	<u>(729,176)</u>	<u>(276,058)</u>	<u>453,118</u>
Total other financing uses			
Fund balance appropriated	<u>231,509</u>	<u>-</u>	<u>(231,509)</u>
Net change in fund balance	<u>\$ -</u>	<u>813,971</u>	<u>\$ 813,971</u>
Fund balance at beginning of year		<u>5,624,912</u>	
Fund balance at end of year		<u>\$ 6,438,883</u>	

**Piedmont Authority for Regional Transportation**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Grants Fund**  
**Year Ended June 30, 2016**

**Exhibit 11**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
<b>Revenues</b>			
Federal Transit Administration Grants:			
Terminal Facility	\$ 5,047,710	\$ 1,365,670	\$ (3,682,040)
Rehab Park and Rides	434,926	434,926	-
Vans	295,353	295,353	-
NC Department of Transportation Grants:			
Terminal Facility	624,713	166,016	(458,697)
Rehab Park and Rides	54,366	54,366	-
Vans	35,893	35,755	(138)
Technology	1,500	1,500	-
Total revenues	<u>6,494,461</u>	<u>2,353,586</u>	<u>(4,140,875)</u>
<b>Expenditures</b>			
Terminal Facility	6,307,447	1,883,471	4,423,976
Vans	369,329	369,191	138
Rehab Park and Rides	489,292	489,292	-
Electric Vehicle Charging Stations	1,875	1,875	-
Total expenditures	<u>7,167,943</u>	<u>2,743,829</u>	<u>4,424,114</u>
Revenues under expenditures	<u>(673,482)</u>	<u>(390,243)</u>	<u>283,239</u>
<b>Other financing sources</b>			
Transfer from General Fund	<u>673,482</u>	<u>220,364</u>	<u>(453,118)</u>
Total other financing sources	<u>673,482</u>	<u>220,364</u>	<u>(453,118)</u>
Net change in fund balance	<u>\$ -</u>	<u>(169,879)</u>	<u>\$ (169,879)</u>
Fund balance at beginning of year		<u>-</u>	
Fund balance at end of year		<u>\$ (169,879)</u>	

**Piedmont Authority for Regional Transportation  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP)  
Transportation Demand Management Fund  
Year Ended June 30, 2016**

**Exhibit 12  
(2 pages)**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
<b>Operating revenues</b>			
Charges for sales and services	\$ 493,860	\$ 539,387	\$ 45,527
Total operating revenues	<u>493,860</u>	<u>539,387</u>	<u>45,527</u>
<b>Operating expenditures</b>			
<b>TDM/Vanpool</b>			
Salaries and benefits	282,465	261,390	21,075
Fuel and lubricants	147,500	140,403	7,097
Maintenance and repairs	90,000	83,025	6,975
Insurance - vehicles	176,000	174,084	1,916
Vehicle damage and recovery	15,000	7,019	7,981
Transportation	14,000	11,732	2,268
Marketing	18,750	17,044	1,706
Information technology services	6,000	5,400	600
Drive testing	4,500	2,161	2,339
Travel and training	5,300	4,026	1,274
Printing	9,000	8,722	278
Office expense	8,045	7,738	307
Space and furnishings	23,100	20,987	2,113
	<u>799,660</u>	<u>743,731</u>	<u>55,929</u>
<b>Piedmont Transit Resources</b>			
<b>Information Center</b>			
Salaries and benefits	152,730	145,339	7,391
Marketing	4,550	4,249	301
Information technology services	8,465	7,200	1,265
Other Professional Services	7,600	7,600	-
Office Expense	7,050	5,927	1,123
Conference/Travel	500	487	13
Space and furnishings	20,500	18,358	2,142
	<u>201,395</u>	<u>189,160</u>	<u>12,235</u>
Total operating expenditures	<u>1,001,055</u>	<u>932,891</u>	<u>68,164</u>
Operating loss	<u>(507,195)</u>	<u>(393,504)</u>	<u>113,691</u>

**Piedmont Authority for Regional Transportation  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP)  
Transportation Demand Management Fund  
Year Ended June 30, 2016**

**Exhibit 12  
(2 pages)**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
<b>Nonoperating revenues</b>			
NC Department of Transportation	\$ 141,662	\$ 137,107	\$ (4,555)
City of Greensboro	68,000	65,964	(2,036)
City of High Point	22,670	21,998	(672)
City of Winston-Salem	51,000	49,473	(1,527)
NC Department of Trans.- Call Center	63,338	64,660	1,322
City of High Point - Call Center	46,051	46,088	37
Davidson County - Call Center	26,000	26,000	-
Amtrak	5,000	5,000	-
	<u>423,721</u>	<u>416,290</u>	<u>(7,431)</u>
Total intergovernmental revenues			
Other nonoperating revenue	<u>27,780</u>	<u>4,504</u>	<u>(23,276)</u>
Total nonoperating revenues	<u>451,501</u>	<u>420,794</u>	<u>(30,707)</u>
Revenues over (under) expenditures	<u>(55,694)</u>	<u>27,290</u>	<u>82,984</u>
<b>Other financing sources</b>			
Sale of capital assets	-	70,354	70,354
Transfer from General Fund	<u>55,694</u>	<u>55,694</u>	<u>-</u>
Total other financing sources	<u>55,694</u>	<u>126,048</u>	<u>70,354</u>
Revenues over expenditures and other sources	<u>\$ -</u>	<u>153,338</u>	<u>\$ 153,338</u>
<b>Reconciliation from budgetary basis basis (modified accrual) to full accrual</b>			
Depreciation		(341,806)	
Gain on sale of capital assets		70,354	
Proceeds from sale of capital assets		(70,354)	
Change in compensated absences		(1,169)	
Transfer of capital assets from governmental activities		<u>369,191</u>	
Change in net position		<u>\$ 179,554</u>	

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## ***Compliance Section***

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## **Independent Auditors' Report On Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of 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, 2016, 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 27, 2016.

### ***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 27, 2016**

## **Independent Auditors' Report On Compliance With Requirements Applicable to the Major Federal Program and on Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act**

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 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 PART's major federal program for the year ended June 30, 2016. PART's major federal program is 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for PART's major federal 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 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 its major federal program for the year ended June 30, 2016.

***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 federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Dixon Hughes Goodman LLP*

**High Point, North Carolina  
October 27, 2016**

## **Independent Auditors' Report on Compliance with Requirements Applicable to the Major State Program and on Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act**

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, 2016. 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about 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, 2016.

***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 the major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance 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 Uniform Guidance 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 27, 2016**

## Schedule of Findings and Questioned Costs

### Section I: Summary of Auditors' Results

#### **Financial statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified? \_\_\_\_\_ Yes  X  No

Are any significant deficiencies identified? \_\_\_\_\_ Yes  X  None reported

Is any noncompliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

#### **Federal awards**

Internal control over major federal programs:

Are any material weaknesses identified? \_\_\_\_\_ Yes  X  No

Are any significant deficiencies identified? \_\_\_\_\_ Yes  X  None reported

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

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

Identification of major federal programs:

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
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: \$750,000

Auditee qualified as a low-risk auditee?  X  Yes \_\_\_\_\_ No

#### **State awards**

Internal control over major state programs:

Are any material weaknesses identified? \_\_\_\_\_ Yes  X  No

Are any significant deficiencies identified? \_\_\_\_\_ Yes  X  None reported



## **Prior Audit Findings**

There were no prior year audit findings.

**Piedmont Authority for Regional Transportation  
Schedule of Expenditures of Federal and State Awards  
Year Ended June 30, 2016**

**Exhibit 13**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State Number</u>	<u>Grant Number</u>
<b>Federal grants</b>			
U.S. Department of Transportation			
Federal Transit Cluster			
Federal Transit - Formula Grants (Urbanized Area Formula Program)			
Operating assistance & Routine Capital	20.507	DOT-19	NC-90-X570
Burlington Park & Ride Lot	20.507	DOT-19	NC-90-X476
Vehicle Replacements	20.507	DOT-19	NC-95-X085
Operating assistance	20.507	DOT-19	NC-90-X576
FY16 Operating & Routine Capital	20.507	DOT-19	NC-2016-009
Federal Transit - Capital Investment Grants			
Intermodal Terminal	20.500	DOT-19	NC-03-0070
Intermodal Transportation Center	20.500	DOT-19	NC-04-0024
Total Federal Transit Cluster			
Passed through the North Carolina Department of Transportation:			
Highway Planning and Construction Cluster (Federal Aid Highway Program)			
Air Awareness - Triad	20.205-1		C-4936
Air Awareness - Davie	20.205-1		C-5222
Piedmont Triad Regional Model	20.205-1		7500016500
Passed through North Carolina State University:			
Clean Fuel Advanced Technology - Vehicle Charging Stations	20.205		C-4902A
Total Highway Planning and Construction Cluster			
Transit Services Programs Cluster			
Job Access Reverse Commute - Surry	20.516		12-JA-914
Passed through the City of Greensboro:			
Job Access Reverse Commute - Greensboro	20.516		NC-37-X036
Total Transit Services Program Cluster			
Total U.S. DOT assistance:			
<b>State grants</b>			
North Carolina Department of Transportation:			
State Maintenance Assistance		DOT-9	12-SM-022
Ridesharing		DOT-11	16-RS-002
FY16 Apprentice Intern Program		DOT-11	16-DG-025
Total assistance			

<b>Current Year Expenditures</b>			
<b>Total</b>	<b>Federal Expenditures (Direct and Pass-Through)</b>	<b>State Expenditures</b>	<b>Local Expenditures</b>
\$ 91,892	\$ 45,946	\$ -	\$ 45,946
543,658	434,926	54,366	54,366
369,191	295,353	35,755	38,083
283,818	141,909	-	141,909
929,248	520,874	-	408,374
<u>2,217,807</u>	<u>1,439,008</u>	<u>90,121</u>	<u>688,678</u>
46,922	37,537	-	9,385
1,661,493	1,328,133	166,016	167,344
<u>1,708,415</u>	<u>1,365,670</u>	<u>166,016</u>	<u>176,729</u>
<u>3,926,222</u>	<u>2,804,678</u>	<u>256,137</u>	<u>865,407</u>
34,104	27,283	-	6,821
15,506	12,404	-	3,102
229,986	102,496	-	127,490
<u>279,596</u>	<u>142,183</u>	<u>-</u>	<u>137,413</u>
<u>1,875</u>	<u>1,500</u>	<u>-</u>	<u>375</u>
<u>281,471</u>	<u>143,683</u>	<u>-</u>	<u>137,788</u>
<u>219,130</u>	<u>109,565</u>	<u>-</u>	<u>109,565</u>
<u>521,652</u>	<u>260,826</u>	<u>-</u>	<u>260,826</u>
<u>740,782</u>	<u>370,391</u>	<u>-</u>	<u>370,391</u>
<u>4,948,475</u>	<u>3,318,752</u>	<u>256,137</u>	<u>1,373,586</u>
601,430	-	601,430	-
403,534	-	201,767	201,767
32,965	-	29,669	3,296
<u>1,037,929</u>	<u>-</u>	<u>832,866</u>	<u>205,063</u>
<u>\$ 5,986,404</u>	<u>\$ 3,318,752</u>	<u>\$ 1,089,003</u>	<u>\$ 1,578,649</u>

## **Note to Schedule of Expenditures of Federal and State Awards**

### **1. Basis of Presentation**

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the Piedmont Authority for Regional Transportation and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. PART did not elect to use the 10% de minimus cost rate.