



2023

Annual Financial Report

Our goal is
improving transportation
through regional cooperation

■ ■ ■ ■ 2023

PART Board of Trustees





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

Annual Financial Report

June 30, 2023



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Introductory Section

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Piedmont Authority for Regional Transportation

Established **July 17, 1997**

Board of Trustees

Marykay Abuzauaiter, Chair - Greensboro City Council, Greensboro TAC
Fleming El-Amin, Vice Chair - Forsyth County
Kevin Austin, Treasurer - Yadkin County
Carolyn Coleman, Secretary - Guilford County
Leonard Williams - Burlington-Graham TAC
Kevin Mundy - Winston-Salem
James Butler - Burlington
Michael A. Holmes - High Point
Michael Fox - NCDOT Div. 7
Darrell Frye - Randolph County
Neal Grimes - High Point TAC
Sharon Hightower - Greensboro
Andrew M. Perkins, Jr. - NCDOT Mass Transit
Paul Mengert - Piedmont Triad International Airport
Scott Piper - Airport Commission of Forsyth County
Terry Renegar - Davie County
Mark R. Richardson - Rockingham County
Don W. Truell - Davidson County
Steve Carter - Alamance County
Rick Morris - Stokes County
Mark Marion - Surry County
Mike Horn - Winston-Salem TAC

Executive Director **Scott W. Rhine**

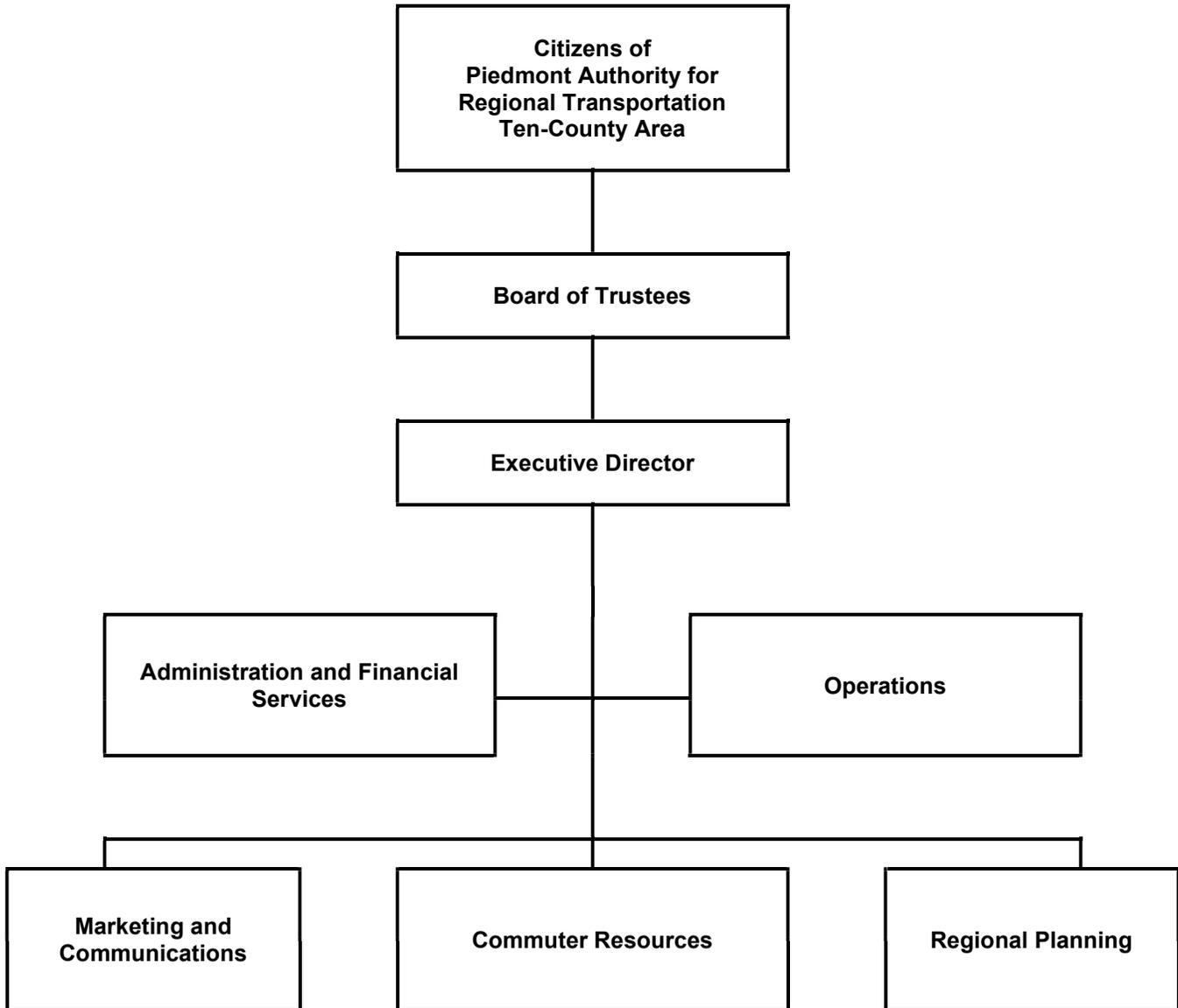
General Counsel **Thomas E. Terrell, Jr.**
Fox Rothschild, LLP
Greensboro, North Carolina

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

Independent Auditor **FORVIS, LLP**
High Point, North Carolina

Piedmont Authority for Regional Transportation

Organization Chart



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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 (the "Authority"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the Authority, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 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 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. Such information is the responsibility of management, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required under Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering Piedmont Authority for Regional Transportation's internal control over financial reporting and compliance.

FORVIS,LLP

**High Point, North Carolina
October 31, 2023**

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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, 2023. The financial statements and notes included in this report present the financial position and operations of governmental and business-type activities of PART. PART operates a fleet of 38 vehicles providing services to meet demands throughout seven of the nine counties in which PART operates. To provide necessary financial resources for the services, PART and six of the PART member counties implement a 5% tax on gross receipts of the short-term lease or rental of U-drive-it vehicles, and a separate county levied a \$1 vehicle registration tax to support PART. This tax revenue is the principal source of operational funding. During the fiscal year ended June 30, 2023, PART operated well within the approved balanced budget.

During FY2023 the PART Board of Trustees faced numerous challenges including the withdrawal of Surry County from the territorial jurisdiction of PART, supply chain impacts effecting the ability to acquire new rolling stock, and slow growth in ridership on PART Express. PART's Board responded to these difficulties with transparent decisions on the PART territory adjustment, implementing strategies to procure vehicles through various suppliers, and increasing PART ridership with route expansion.

PART's ongoing rebuild strategy for the regional van pool program has also shown great success in FY2023 ending the year with a twenty-five percent increase in van pool leases. Effort continues to go into this program as it provides an alternative option of transportation for citizens.

With PART's dedicated Board and Staff, we were able to achieve another successful year and to clearly reaffirm our commitment to provide safe, efficient, and effective transportation options for the public it serves.

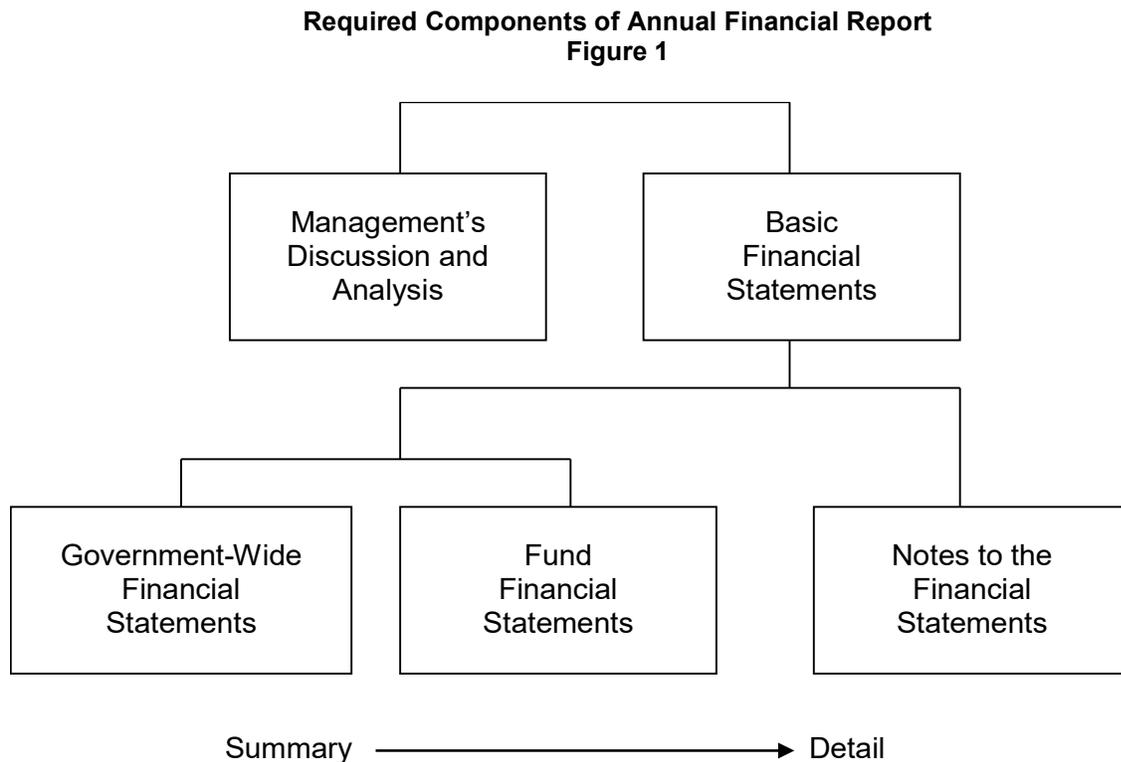
Financial Highlights

Highlights of PART's fiscal year ended June 30, 2023 include:

- Total net position increased \$4.2 million from \$43.2 million to \$47.4 million. The increase in net position is attributed to the utilization of federal funding, local revenues, interest income, and vanpool lease income.
- At June 30, 2023, net position of \$47.4 million included \$20.1 million in unrestricted net position, which are held primarily for PART's future working capital needs and to meet local match requirements for federal and state grants.
- At June 30, 2023, the governmental funds reported a fund balance of approximately \$21.5 million, an increase of approximately \$4.1 million.

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.



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.

Piedmont Authority for Regional Transportation Management's Discussion and Analysis

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 Commuter Resources program, which provides vanpool, ride-share and call center services for the region. Charges for services and contributions from participating governments and the North Carolina Department of Transportation finance the costs of Commuter Resources 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 nine 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 Commuter Resources 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, 12 and 13, regarding the Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the General Fund, Capital Reserve Fund, Grants Fund, and Commuter Resources Fund. The Schedule of Expenditures of Federal and State Awards is shown in Exhibit 14.

**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, 2023 (as shown in Exhibit 1) with comparative data for June 30, 2022.

Piedmont Authority for Regional Transportation's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 22,043,730	\$ 18,062,094	\$ 948,678	\$ 984,657	\$ 22,992,408	\$ 19,046,751
Capital assets	<u>25,169,218</u>	<u>24,856,111</u>	<u>92,708</u>	<u>142,039</u>	<u>25,261,926</u>	<u>24,998,150</u>
Total assets	<u>47,212,948</u>	<u>42,918,205</u>	<u>1,041,386</u>	<u>1,126,696</u>	<u>48,254,334</u>	<u>44,044,901</u>
Long-term liabilities outstanding	149,381	160,497	9,067	-	158,448	160,497
Other liabilities	680,135	630,470	50,841	38,864	730,976	669,334
Deferred inflows of resources	-	17,641	-	-	-	17,641
Total liabilities and deferred inflows of resources	<u>829,516</u>	<u>808,608</u>	<u>59,908</u>	<u>38,864</u>	<u>889,424</u>	<u>847,472</u>
Net position:						
Net investment in capital assets	25,091,355	24,857,545	92,708	142,039	25,184,063	24,999,584
Restricted	2,000,569	1,405,695	42,289	74,911	2,042,858	1,480,606
Unrestricted	<u>19,291,508</u>	<u>15,846,357</u>	<u>846,481</u>	<u>870,882</u>	<u>20,137,989</u>	<u>16,717,239</u>
Total net position	<u>\$ 46,383,432</u>	<u>\$ 42,109,597</u>	<u>\$ 981,478</u>	<u>\$ 1,087,832</u>	<u>\$ 47,364,910</u>	<u>\$ 43,197,429</u>

As shown above, assets of the Authority exceeded liabilities by \$47,364,910 at June 30, 2023. Capital assets increased \$263,776, which includes depreciation and the sale of vehicles meeting their useful life. The Authority's net position increased by \$4,167,481 during the fiscal year ended June 30, 2023. The largest portion of net position (53.2%) reflects the Authority's investments in capital assets (e.g., land, buildings, improvements other than buildings, and machinery and equipment) less any related debt still outstanding that was issued to acquire those items. The Authority uses these capital assets to provide services to citizens of the ten-county region; consequently, the assets are not available for future spending. Although PART's investment in capital assets is reported net of outstanding debt, the resources needed to repay the debt must be provided by other sources, since capital assets cannot be used to liquidate these liabilities. An additional portion of PART's net position, \$2,042,858, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$20,137,989 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, 2023 (as shown in Exhibit 2) with comparative data for June 30, 2023.

Piedmont Authority for Regional Transportation's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 325,804	\$ 269,665	\$ 375,648	\$ 179,509	\$ 701,452	\$ 449,174
Operating grants and contributions	5,353,176	5,258,303	465,150	328,724	5,818,326	5,587,027
Capital grants and contributions	1,621,689	524,008	-	-	1,621,689	524,008
General revenues:						
Rental vehicle tax	5,457,248	5,004,818	-	-	5,457,248	5,004,818
Vehicle license tax	164,248	157,111	-	-	164,248	157,111
Other	568,267	61,201	(9,388)	25,208	558,879	86,409
Total revenues	<u>13,490,432</u>	<u>11,275,106</u>	<u>831,410</u>	<u>533,441</u>	<u>14,321,842</u>	<u>11,808,547</u>
Expenses:						
Transportation	9,216,597	8,798,379	-	-	9,216,597	8,798,379
Commuter resources	-	-	937,764	721,888	937,764	721,888
Total expenses	<u>9,216,597</u>	<u>8,798,379</u>	<u>937,764</u>	<u>721,888</u>	<u>10,154,361</u>	<u>9,520,267</u>
Change in net position	<u>4,273,835</u>	<u>2,476,727</u>	<u>(106,354)</u>	<u>(188,447)</u>	<u>4,167,481</u>	<u>2,288,280</u>
Net position, July 1	<u>42,109,597</u>	<u>39,632,870</u>	<u>1,087,832</u>	<u>1,276,279</u>	<u>43,197,429</u>	<u>40,909,149</u>
Net position, June 30	<u>\$ 46,383,432</u>	<u>\$ 42,109,597</u>	<u>\$ 981,478</u>	<u>\$ 1,087,832</u>	<u>\$ 47,364,910</u>	<u>\$ 43,197,429</u>

Governmental activities. Net position of governmental activities increased by \$4,273,835. Key elements of this increase are as follows:

- Operating and Capital Grant funding.
- Local revenues.
- Interest income.

Business-type activities. Net position of business-type activities decreased by \$106,354 during the year. Increased personnel expense and vehicle expense are the main contributors to the decrease in net position.

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

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 \$21.5 million, of which \$19.6 million was unrestricted and available for working capital needs and transfers (to) from other funds. The General Fund budget was amended three times during FY 2023. Revenues were increased by \$70K for the PTRM freight study. Expenditures increased \$374K for personnel costs resulting from a pay band study, increase costs for GMV project, route costs, accounting software, and the freight study. On an actual basis revenues were above budget projections by \$2M reflecting increased local revenue generated through Rental Vehicle Taxes, Federal funding and interest income. Expenditures underran the final budget by \$1M due to reduced route and fuel costs. The final actual performance resulted in an increase in the fund balance of \$4.1M.

Proprietary fund. The Commuter Resources Fund budget was amended twice during FY 2023. Revenues were increased by \$160K to reflect an increase in van pool leases and insurance proceeds from the loss of one van. Expenditures were increased by \$15K reflecting an increase of salaries expenditures due to salary adjustments during the year. The final actual performance resulted in revenues below expenditures by \$49.2K.

Capital assets. PART’s net investment in capital assets for its governmental and business-type activities as of June 30, 2023, totals \$25,184,063 (net of accumulated depreciation and amortization). These assets include land, buildings, improvements other than buildings (infrastructure such as parking lot paving, curbs and landscaping), machinery and equipment, and right-to-use assets.

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

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 5,984,714	\$ 5,984,714	\$ -	\$ -	\$ 5,984,714	\$ 5,984,714
Buildings	8,063,836	8,611,567	-	-	8,063,836	8,611,567
Improvements other than buildings	467,152	614,451	-	-	467,152	614,451
Machinery and equipment	10,542,519	9,645,379	92,708	142,039	10,635,227	9,787,418
Right-to-use IT subscription assets	110,997	-	-	-	110,997	-
Construction in progress	-	-	-	-	-	-
Total	\$ 25,169,218	\$ 24,856,111	\$ 92,708	\$ 142,039	\$ 25,261,926	\$ 24,998,150

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

- PART purchased new vehicles totaling over \$2 million.
- PART disposed of 1 van, 4 buses, and land improvements with proceeds of \$173,193.

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, 2024

Governmental activities. The General Fund budget is \$9.9 million. Funding for operations is largely composed of Rental vehicle Tax (49%), Grant Revenue (41%), and Fare Revenues (3%). Expenditures are projected to increase due to vehicle operation rate increases and expanded service.

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

The Grants Fund reflects expenditures of \$1.1M for PART'S acquisition of capital assets including eighteen replacement vans, an office vehicle and the resurfacing park and ride lot. This will be funded partially by grants and a transfer from the General Fund and the Commuter Resources Fund.

Business-type activities. Commuter Resources (CR) budget is at \$1.2M and generates revenue from projected van leases. This program enables passengers to commute to places of employment throughout the nine counties in this area. PART anticipates funding this activity with an appropriation from fund balance as it continues to rebuild this program.

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, North Carolina 27409.

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Basic Financial Statements

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Piedmont Authority for Regional Transportation
Statement of Net Position
June 30, 2023

Exhibit 1

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 20,302,769	\$ 796,088	\$ 21,098,857
Rental vehicle tax receivable	505,500	-	505,500
Due from other governments	115,466	42,853	158,319
Accounts receivable	18,200	26,885	45,085
Grants receivable:			
Federal Transit Administration	555,577	-	555,577
NC Department of Transportation	103,440	75,352	178,792
Prepaid expenses	42,737	-	42,737
Restricted cash and cash equivalents	400,041	7,500	407,541
Total current assets	<u>22,043,730</u>	<u>948,678</u>	<u>22,992,408</u>
Noncurrent assets:			
Capital assets:			
Land and other nondepreciable assets	5,984,714	-	5,984,714
Other capital assets, net of accumulated depreciation/amortization	19,184,504	92,708	19,277,212
Total capital assets	<u>25,169,218</u>	<u>92,708</u>	<u>25,261,926</u>
Total assets	<u>\$ 47,212,948</u>	<u>\$ 1,041,386</u>	<u>\$ 48,254,334</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	\$ 564,702	\$ 30,804	\$ 595,506
Payable from restricted assets - security deposits	-	7,500	7,500
Unearned revenue	-	1,544	1,544
I.T. subscription liabilities - current	39,060	-	39,060
Compensated absences - current	76,373	10,993	87,366
Total current liabilities	<u>680,135</u>	<u>50,841</u>	<u>730,976</u>
Noncurrent liabilities			
Compensated absences	110,578	9,067	119,645
I.T. subscription liabilities	38,803	-	38,803
Total noncurrent liabilities	<u>149,381</u>	<u>9,067</u>	<u>158,448</u>
Total liabilities	<u>829,516</u>	<u>59,908</u>	<u>889,424</u>
NET POSITION			
Net investment in capital assets	25,091,355	92,708	25,184,063
Restricted for:			
Stabilization by State Statute	1,487,744	-	1,487,744
Capital expenditures	512,825	42,289	555,114
Unrestricted	19,291,508	846,481	20,137,989
Total net position	<u>46,383,432</u>	<u>981,478</u>	<u>47,364,910</u>
Total liabilities and net position	<u>\$ 47,212,948</u>	<u>\$ 1,041,386</u>	<u>\$ 48,254,334</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, 2023

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government							
Governmental activities:							
Transportation	\$ 9,216,597	\$ 325,804	\$ 5,353,176	\$ 1,621,689	\$ (1,915,928)	\$ -	\$ (1,915,928)
Total governmental activities	9,216,597	325,804	5,353,176	1,621,689	(1,915,928)	-	(1,915,928)
Business-type activities:							
Transportation demand management	937,764	375,648	465,150	-	-	(96,966)	(96,966)
Total business-type activities	937,764	375,648	465,150	-	-	(96,966)	(96,966)
Total primary government	\$ 10,154,361	\$ 701,452	\$ 5,818,326	\$ 1,621,689	(1,915,928)	(96,966)	(2,012,894)
General revenues:							
Rental vehicle tax					5,457,248	-	5,457,248
Vehicle registration tax					164,248	-	164,248
Gain (loss) on disposal of capital assets					(156,625)	19,440	(137,185)
Miscellaneous					692,270	3,794	696,064
Transfers					32,622	(32,622)	-
Total general revenues and transfers					6,189,763	(9,388)	6,180,375
Change in net position					4,273,835	(106,354)	4,167,481
Net position - beginning					42,109,597	1,087,832	43,197,429
Net position - ending					\$ 46,383,432	\$ 981,478	\$ 47,364,910

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

**Piedmont Authority for Regional Transportation
Balance Sheet
Governmental Funds
June 30, 2023**

Exhibit 3

(2 pages)

	<u>Major Funds</u>		Total Governmental Funds
	<u>General Fund</u>	<u>Grants Fund</u>	
ASSETS			
Cash and cash equivalents	\$ 20,302,769	\$ -	\$ 20,302,769
Rental vehicle tax receivable	505,500	-	505,500
Due from other governments	115,466	-	115,466
Accounts receivable	18,200	-	18,200
Grants receivable:			
Federal Transit Administration	366,016	189,561	555,577
NC Department of Transportation	103,440	-	103,440
Prepaid expenses	42,737	-	42,737
Due from other funds	189,561	-	189,561
Restricted cash	400,041	-	400,041
	<u>\$ 22,043,730</u>	<u>\$ 189,561</u>	<u>\$ 22,233,291</u>
Total assets			
LIABILITIES			
Accounts payable and other accrued liabilities	\$ 564,702	\$ -	\$ 564,702
Due to other funds	-	189,561	189,561
	<u>564,702</u>	<u>189,561</u>	<u>754,263</u>
Total liabilities			
FUND BALANCES			
Nonspendable:			
Prepaid items	42,737	-	42,737
Restricted:			
Stabilization by State Statute	1,298,183	189,561	1,487,744
Capital expenditures	512,825	-	512,825
Committed:			
Capital expenditures	400,041	-	400,041
Assigned:			
Capital expenditures	36,975	-	36,975
Unassigned:	19,188,267	(189,561)	18,998,706
	<u>21,479,028</u>	<u>-</u>	<u>21,479,028</u>
Total fund balances			
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,043,730</u>	<u>\$ 189,561</u>	

**Piedmont Authority for Regional Transportation
Balance Sheet
Governmental Funds
June 30, 2023**

Exhibit 3

(2 pages)

	<u>Major Funds</u>		<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Grants Fund</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 are not reported in the funds			\$ 25,169,218
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds:			
I.T. subscription liabilities			(77,863)
Other liabilities are not due and payable in the current period and therefore not reported in the funds:			
Compensated absences payable			<u>(186,951)</u>
Net position of governmental activities			<u>\$ 46,383,432</u>

Piedmont Authority for Regional Transportation
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023

Exhibit 4

(2 pages)

	Major Funds		Total Governmental Funds
	General Fund	Grants Fund	
Revenues			
Rental vehicle tax	\$ 5,457,248	\$ -	\$ 5,457,248
Vehicle registration tax	164,248	-	164,248
Farebox (including PART Connections)	325,804	-	325,804
Grants:			
Federal Transit Administration	4,356,418	1,621,689	5,978,107
NC Department of Transportation	748,028	-	748,028
Regional MPOs	248,730	-	248,730
Lease revenue	4,320	-	4,320
Other local revenue	687,950	-	687,950
Total revenues	<u>11,992,746</u>	<u>1,621,689</u>	<u>13,614,435</u>
Expenditures			
Board of Trustees	13,833	-	13,833
Office of Executive Director	184,962	-	184,962
Administration and Financial Services	661,881	-	661,881
PART Express	5,761,682	-	5,761,682
Marketing and Communications	56,979	-	56,979
Planning	708,585	-	708,585
Capital outlay	346,249	2,109,145	2,455,394
Debt service:			
Principal	38,605	-	38,605
Interest	215	-	215
Total expenditures	<u>7,772,991</u>	<u>2,109,145</u>	<u>9,882,136</u>
Revenues over (under) expenditures	4,219,755	(487,456)	3,732,299
Other financing sources (uses)			
Sale of capital assets	143,834	-	143,834
Subscription liabilities issued	116,468	-	116,468
Transfer to Grants Fund	(413,578)	-	(413,578)
Transfer from General Fund	-	413,578	413,578
Transfer from Commuter Resources Fund	-	73,878	73,878
Total other financing sources (uses)	<u>(153,276)</u>	<u>487,456</u>	<u>334,180</u>
Net change in fund balance	4,066,479	-	4,066,479
Fund balance, beginning of year	<u>17,412,549</u>	<u>-</u>	<u>17,412,549</u>
Fund balance, end of year	<u>\$ 21,479,028</u>	<u>\$ -</u>	<u>\$ 21,479,028</u>

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	\$ 4,066,479
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures that were capitalized	2,296,926
Depreciation expense for governmental assets	(1,753,101)
Amortization expense for governmental assets	(48,905)
Net carrying value of capital assets transferred to business-type activities.	(41,256)
I.T. Subscription asset capital outlay expenditures which were capitalized	158,468
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:	
Proceeds received from the disposal of capital assets	(143,834)
Loss on disposal of capital assets	(156,625)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources. Neither transaction has any effect on net position:	
Issuance of I.T. subscription liabilities	(116,468)
Principal payments on long-term debt	38,605
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>(26,454)</u>
Total change in net position - governmental activities	<u>\$ 4,273,835</u>

Piedmont Authority for Regional Transportation
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
Year Ended June 30, 2023

Exhibit 5

	Budgeted Amounts		Actual Amounts	Variance with Final Positive (Negative)
	Original	Final		
Revenues				
Rental vehicle tax	\$ 4,613,000	\$ 4,613,000	\$ 5,457,248	\$ 844,248
Vehicle registration tax	150,000	150,000	164,248	14,248
Farebox (including PART Connections)	243,100	243,100	325,804	82,704
Grant revenues:				
Federal Transit Administration	3,956,447	3,956,447	4,356,418	399,971
NC Department of Transportation	751,250	751,250	748,028	(3,222)
Local revenues:				
Regional MPOs	185,203	255,203	248,730	(6,473)
Lease revenue	1,500	1,500	4,320	2,820
Other local revenue	25,500	25,500	687,950	662,450
Total revenues	9,926,000	9,996,000	11,992,746	1,996,746
Expenditures				
Board of Trustees	40,000	40,000	13,833	26,167
Office of Executive Director Administration and financial services	230,500	234,000	184,962	49,038
PART Express	697,400	770,400	661,881	108,519
Marketing and communications	6,491,080	6,577,857	5,761,682	816,175
Planning	81,500	83,000	56,979	26,021
Capital outlay	625,539	743,039	708,585	34,454
Debt service:				
Principal	140,100	348,116	346,249	1,867
Interest	38,605	38,605	38,605	-
	215	215	215	-
Total expenditures	8,344,939	8,835,232	7,772,991	1,062,241
Revenues over expenditures	1,581,061	1,160,768	4,219,755	3,058,987
Other financing sources (uses)				
Sale of capital assets	(30,980)	-	143,834	143,834
Subscription liabilities issued	-	116,468	116,468	-
Transfer to Grants Fund - Capital Grants	(398,417)	(415,577)	(413,578)	1,999
Total other financing uses	(429,397)	(299,109)	(153,276)	145,833
Appropriation to fund balance	(1,151,664)	(861,659)	-	861,659
Net change in fund balance	\$ -	\$ -	4,066,479	\$ 4,066,479
Fund balance at beginning of year			17,412,549	
Fund balance at end of year			\$ 21,479,028	

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

Piedmont Authority for Regional Transportation
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Grants Fund
Year Ended June 30, 2023

Exhibit 6

	Budgeted Amounts		Actual Amounts	Variance with Final Positive (Negative)
	Original	Final		
Revenues				
FTA capital grants	\$ 1,562,688	\$ 1,629,690	\$ 1,621,689	\$ (8,001)
Total revenues	1,562,688	1,629,690	1,621,689	(8,001)
Expenditures				
Vans	-	41,902	41,256	646
Buses	1,992,085	2,037,112	2,027,112	10,000
Bus lift	-	40,785	40,777	8
Total expenditures	1,992,085	2,119,799	2,109,145	10,654
Revenues over expenditures	(429,397)	(490,109)	(487,456)	2,653
Other financing sources				
Transfer from General Fund	429,397	415,577	413,578	(1,999)
Transfer from Commuter Resources Fund	-	74,532	73,878	(654)
Total other financing uses	429,397	490,109	487,456	(2,653)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund deficit at beginning of year			-	
Fund balance at end of year			\$ -	

Piedmont Authority for Regional Transportation
Statement of Fund Net Position
Proprietary Fund
June 30, 2023

Exhibit 7

	Commuter Resources Fund	Total Enterprise Fund
	<u> </u>	<u> </u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 796,088	\$ 796,088
Due from other governments	42,853	42,853
Accounts receivable	26,885	26,885
Grants receivable:		
NC Department of Transportation	75,352	75,352
Restricted cash and cash equivalents	<u>7,500</u>	<u>7,500</u>
Total current assets	948,678	948,678
Capital assets:		
Other capital assets, net of depreciation	<u>92,708</u>	<u>92,708</u>
Total assets	<u>1,041,386</u>	<u>1,041,386</u>
LIABILITIES		
Current liabilities:		
Accounts payable and other accrued liabilities	30,804	30,804
Payable from restricted assets - security deposits	7,500	7,500
Unearned revenue - Vanpool receipts	1,544	1,544
Current portion of long-term liabilities	<u>10,993</u>	<u>10,993</u>
Total current liabilities	50,841	50,841
Noncurrent liabilities:		
Compensated absences	<u>9,067</u>	<u>9,067</u>
Total liabilities	<u>59,908</u>	<u>59,908</u>
NET POSITION		
Net investment in capital assets	92,708	92,708
Restricted for capital expenditures	42,289	42,289
Unrestricted	<u>846,481</u>	<u>846,481</u>
Total net position	<u>\$ 981,478</u>	<u>\$ 981,478</u>

Piedmont Authority for Regional Transportation
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
Year Ended June 30, 2023

Exhibit 8

	Commuter Resources	Total Enterprise Fund
Operating revenues		
Charges for sales and services	\$ 375,648	\$ 375,648
Total operating revenues	<u>375,648</u>	<u>375,648</u>
Operating expenses		
TDM/vanpool:		
Vehicle expense	318,402	318,402
Personnel expense	310,232	310,232
Administration	38,718	38,718
Office expense	4,290	4,290
Space and furnishings	11,774	11,774
Professional development	598	598
Other professional services	6,352	6,352
Miscellaneous	1,247	1,247
Depreciation	74,766	74,766
Piedmont Transit Resources Information Center:		
Personnel expense	143,075	143,075
Administration	14,615	14,615
Professional development	350	350
Other professional services	321	321
Office expense	407	407
Space and furnishings	12,617	12,617
Total operating expenses	<u>937,764</u>	<u>937,764</u>
Operating loss	<u>(562,116)</u>	<u>(562,116)</u>
Nonoperating revenues		
NC Department of Transportation	173,319	173,319
City of Greensboro	67,996	67,996
City of High Point	24,998	24,998
City of Winston-Salem	50,997	50,997
NC Department of Transportation - Call Center	85,032	85,032
City of High Point - Call Center	29,254	29,254
Davidson County - Call Center	29,254	29,254
Amtrak	4,300	4,300
Total intergovernmental revenues	<u>465,150</u>	<u>465,150</u>
Gain on sale of capital assets	19,440	19,440
Other nonoperating revenue	3,794	3,794
Total nonoperating revenues	<u>488,384</u>	<u>488,384</u>
Loss before transfers	<u>(73,732)</u>	<u>(73,732)</u>
Transfer from Grants Fund	41,256	41,256
Transfer to Grants Fund	(73,878)	(73,878)
Total transfers	<u>(32,622)</u>	<u>(32,622)</u>
Change in net position	(106,354)	(106,354)
Total net position, beginning	<u>1,087,832</u>	<u>1,087,832</u>
Total net position, ending	<u>\$ 981,478</u>	<u>\$ 981,478</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, 2023**

Exhibit 9

	<u>Commuter Resources</u>	<u>Total Enterprise Fund</u>
Cash flows from operating activities		
Cash received from customers	\$ 352,322	\$ 352,322
Cash paid for goods and services	(402,083)	(402,083)
Cash paid to employees for services	(445,486)	(445,486)
Net cash used by operating activities	<u>(495,247)</u>	<u>(495,247)</u>
Cash flows from noncapital financing activities		
State grants	242,575	242,575
Other governmental agencies	226,390	226,390
Transfers to other funds	(73,878)	(73,878)
Net cash provided by noncapital financing activities	<u>395,087</u>	<u>395,087</u>
Cash flows from capital and related financing activities		
Proceeds from disposal of capital assets	35,261	35,261
Net cash provided by capital and related activities	<u>35,261</u>	<u>35,261</u>
Net change in cash and cash equivalents	(64,899)	(64,899)
Cash and cash equivalents at beginning of year	<u>868,487</u>	<u>868,487</u>
Cash and cash equivalents at end of year	<u>\$ 803,588</u>	<u>\$ 803,588</u>
Cash and cash equivalents		
Unrestricted	\$ 796,088	\$ 796,088
Restricted	7,500	7,500
	<u>\$ 803,588</u>	<u>\$ 803,588</u>
Reconciliation of operating loss to net cash used by operating activities		
Operating loss	\$ (562,116)	\$ (562,116)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	74,766	74,766
Change in assets and liabilities:		
Increase in accounts receivable	(26,670)	(26,670)
Increase in grants receivables	(15,776)	(15,776)
Decrease in due from other governments	13,526	13,526
Increase in accounts payable and accrued liabilities	17,679	17,679
Increase in unearned revenue	1,544	1,544
Increase in security deposits	1,800	1,800
Net cash used by operating activities	<u>\$ (495,247)</u>	<u>\$ (495,247)</u>

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

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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 21-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.

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

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. The Capital Reserve Fund is consolidated in the General Fund.

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:

Commuter Resources Fund ("CR"). This fund accounts for services to both employers and individual commuters by offering vanpools, rideshare matching, guaranteed emergency ride home, call center and various other tools to improve mobility. The CR 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.

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

Governmental fund financial statements. Governmental 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.

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 Commuter Resources Fund. All appropriations lapse at the fiscal year-end. A project ordinance is adopted for the Capital Reserve Fund. 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 Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity date of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

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 \$7,500 are related to customer security deposits on van rentals. Restricted assets in the amount of \$400,041 are restricted because their use has been committed for future capital expenditures by the Board through the Capital Reserve Fund ordinance.

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

(3) Receivables

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

(4) Lease Receivable

Lease receivables are measured at the present value of lease payments expected to be received during the lease term.

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

(5) 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 one year. Minimum capitalization cost is \$5,000. 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

(6) Right-to-use assets

PARTs capital assets also include certain right to use assets. These right-to-use assets arise in association with agreements where PART reports a lease (only applies when PART is the lessee) or agreements where PART reports an Information Technology (IT) Subscription, in accordance with the requirements of GASB 87 and GASB 96, respectively.

The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right-to-use lease assets are amortized on a straight-line basis over the lives of the related leases.

The right-to-use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term, at which time the amount

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

should be included in the initial measurement of the subscription asset. The right-to-use subscription assets are amortized on a straight-line basis over the subscription terms.

F. *Deferred outflows/inflows of resources*

The statement of net 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. PART has no items that meet the criterion for this category as of June 30, 2023. 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 no items that meet the criterion for this category as of June 30, 2023.

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.

Excluding the CEO/General Manager, 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 these employees accumulated sick leave until it is actually taken, no accrual for sick leave has been made except for the accrual made for the CEO/General Manager.

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 represents 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.

Piedmont Authority for Regional Transportation
Notes to Financial Statements

Prepays - Portion of fund balance that is not an available resource because it represents the year-end balance of prepaid expenses which is not an expendable available resource

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

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

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

Capital expenditures - Portion of fund balance that has been committed for future capital project through the Capital Reserve Fund ordinance.

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.

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

I. Change in accounting principle

Effective July 1, 2022, PART implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements (Subscriptions)*. GASB Statement No. 96 enhances the relevance and consistency of information of the government's subscription-based IT agreements (SBITAs). The Statement establishes a single model for subscription-based information technology arrangement accounting, by establishing uniform accounting and financial reporting requirements for SBITAs, improving comparability of financial statements among governments that have entered into SBITAs, and enhancing the understandability, reliability, relevance and consistency of information about SBITAs. At June 30, 2022, PART had no SBITAs in place. Accordingly, there was no effect to prior stated balances as a result of the adoption of this statement.

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

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

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, 2023, PART’s deposits had a carrying amount of \$7,789,660 and a bank balance of \$8,026,270. Of the bank balances, \$250,000 in two accounts was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. The Authority has \$150 cash on hand at June 30, 2023.

(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, 2023, PART had the following investments and maturities:

<u>Investments by Type</u>	<u>Valuation Measurement Method</u>	<u>Book Value at 6/30/2023</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust - Government Portfolio	Fair value Level 1	\$ 13,716,588	N/A	AAAm

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. 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 Government Portfolio carried a credit rating of AAAm by Standard & Poor’s as of June 30, 2023.

Piedmont Authority for Regional Transportation
Notes to Financial Statements

(3) Receivables

At June 30, 2023, the Authority's receivables consist of the following:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Local</u>
Governmental funds:			
Grants receivable	\$ 555,577	\$ 103,440	\$ -
Rental vehicle tax	-	-	505,500
Accounts receivable	-	-	18,200
Due from other governments	<u>-</u>	<u>-</u>	<u>115,466</u>
Total governmental funds	<u>555,577</u>	<u>103,440</u>	<u>639,166</u>
Business-type funds:			
Grants receivable	-	75,352	-
Accounts receivable	-	-	26,885
Due from other governments	<u>-</u>	<u>-</u>	<u>42,853</u>
Total business-type funds	<u>-</u>	<u>75,352</u>	<u>69,738</u>
Total receivables	<u>\$ 555,577</u>	<u>\$ 178,792</u>	<u>\$ 708,904</u>

Piedmont Authority for Regional Transportation
Notes to Financial Statements

(4) Capital assets

Capital asset activity for the year ended June 30, 2023 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	\$ 5,984,714	\$ -	\$ -	\$ -	\$ 5,984,714
Construction-in-progress	-	-	-	-	-
Total capital assets not being depreciated	<u>5,984,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>5,984,714</u>
Capital assets being depreciated:					
Buildings	10,205,775	\$ -	\$ (629,785)	\$ -	9,575,990
Improvements other than buildings	6,966,021	-	(1,026,648)	-	5,939,373
Right-to-use leased parking spaces	10,039	-	(10,039)	-	-
Right-to-use IT subscription assets	-	158,468	-	-	158,468
Machinery and equipment	<u>17,005,945</u>	<u>2,296,926</u>	<u>(1,761,193)</u>	<u>(82,524)</u>	<u>17,459,154</u>
Total capital assets being depreciated	<u>34,187,780</u>	<u>\$ 2,455,394</u>	<u>\$ (3,427,665)</u>	<u>\$ (82,524)</u>	<u>33,132,985</u>
Less accumulated depreciation for:					
Buildings	1,594,208	\$ 247,272	\$ (329,326)	\$ -	1,512,154
Improvements other than buildings	6,351,570	147,299	(1,026,648)	-	5,472,221
Right-to-use leased parking spaces	8,605	1,434	(10,039)	-	-
Right-to-use IT subscription assets	-	47,471	-	-	47,471
Machinery and equipment	<u>7,360,566</u>	<u>1,358,530</u>	<u>(1,761,193)</u>	<u>(41,268)</u>	<u>6,916,635</u>
Total accumulated depreciation	<u>15,314,949</u>	<u>\$ 1,802,006</u>	<u>\$ (3,127,206)</u>	<u>\$ (41,268)</u>	<u>13,948,481</u>
Total capital assets being depreciated, net	<u>18,872,831</u>				<u>19,184,504</u>
Governmental activity capital assets, net	<u>\$ 24,857,545</u>				<u>\$ 25,169,218</u>

Depreciation expense of \$1,753,101 and amortization expense of \$48,905, respectively, was charged to the transportation function.

**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>
Business-type activities:					
Capital assets being depreciated:					
Machinery and equipment	\$ 1,248,046	\$ -	\$ (36,510)	\$ 82,524	\$ 1,294,060
Total capital assets being depreciated	<u>1,248,046</u>	<u>\$ -</u>	<u>\$ (36,510)</u>	<u>\$ 82,524</u>	<u>1,294,060</u>
Less accumulated depreciation for:					
Machinery and equipment	<u>1,106,007</u>	<u>\$ 74,766</u>	<u>\$ (20,689)</u>	<u>\$ 41,268</u>	<u>1,201,352</u>
Total accumulated depreciation	<u>1,106,007</u>	<u>\$ 74,766</u>	<u>\$ (20,689)</u>	<u>\$ 41,268</u>	<u>1,201,352</u>
Business-type activity capital assets, net					<u>\$ 92,708</u>

B. Liabilities

(1) Payables

Payables at the government-wide level at June 30, 2023, were as follows:

	<u>Vendors</u>	<u>Other</u>	<u>Total</u>
Governmental activities:			
General Fund	\$ 529,927	\$ 34,775	\$ 564,702
Total governmental activities	<u>\$ 529,927</u>	<u>\$ 34,775</u>	<u>\$ 564,702</u>
Business-type activities:			
CR Fund	\$ 30,804	\$ -	\$ 30,804
Total business-type activities	<u>\$ 30,804</u>	<u>\$ -</u>	<u>\$ 30,804</u>

(2) Risk management

Due to the Authority's exposure 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 the following insurance:

- Public Officials Liability coverage with limits of \$1,000,000 per occurrence and \$1,000,000 aggregate through Hudson Insurance Company.
- Workers' compensation for PART employees - Bitco Insurance.
- Vanpool automobile liability coverage - Hudson Insurance Company. Hudson 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 Evanston Insurance Company.

Piedmont Authority for Regional Transportation
Notes to Financial Statements

- Threats of cyber-attack are covered under a \$1,000,000 Special Risk Protector Policy with the CFC.
- 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 Hudson Insurance Company.
- 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 insurer on National Express' insurance and provides the Authority a certificate of said insurance.

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

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. Employees that have access to funds are covered by Employee Dishonesty within the General Liability insurance with Hudson Insurance Co. The Travelers Insurance Company has bonded Connie M. Conklin, Chief Financial Officer for the Authority, in the amount of \$1,000,000 in accordance with G.S. 159-29. The Hartford Fire Insurance Company maintains the performance bond on Scott W. Rhine, Chief Executive Officer/General Manager for the Authority, in the amount of \$500,000 through January 2024.

(3) Leases

PART has entered into a lease agreement to lease parking spaces from the City of Greensboro at the City's train depot through August 31, 2022. The lease agreement qualifies as an other-than-short-term lease under GASB 87 and, therefore, a liability was recorded at the present value of the future minimum lease payments at the date of adoption, resulting in an initial liability of \$10,039. At the time of the initial measurement, there was no interest rate specified in the original lease agreement. PART has used its incremental borrowing rate at the date of adoption, 0.387%. The lease required fixed annual payments in the amount of \$10,046, the last of which was due on September 1, 2021. During the year ended June 30, 2023, the lease expired, and the remaining net book value of the related right-of-use lease asset was charged to amortization expense, in the amount of \$1,434.

(4) Subscriptions Payable

PART has entered into a 36-month subscription for the use of a transit planning platform, which commenced on July 1, 2022. The subscription does not have a stated interest rate. Accordingly, PART's estimated incremental borrowing rate of 2.354% was used to discount the subscription payments. An initial subscription asset and liability was recorded in the amount of \$38,064. PART is required to make annual fixed payments ranging from \$12,000 to \$14,000. The liability remaining at June 30, 2023 was \$26,064.

PART has entered into a 36-month subscription for the use of a computer aided dispatch and automatic vehicle location system, which commenced on August 31, 2022. The subscription does not have a stated interest rate. Accordingly, PART's estimated incremental borrowing rate of 2.354% was used to discount the subscription payments. An initial subscription asset and liability was recorded in the amount of \$78,404. In addition, \$42,000 of initial implementation stage related costs were capitalized as part of the subscription asset. PART is required to make annual fixed payments of \$26,820. The liability remaining at June 30, 2023 was \$51,799.

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

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2023, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 39,060	\$ 1,836	\$ 40,896
2025	<u>38,803</u>	<u>941</u>	<u>39,744</u>
	<u>\$ 77,863</u>	<u>\$ 2,777</u>	<u>\$ 80,640</u>

PART has also entered into a 60-month subscription for a new ERP system with Tyler Software. Annual payments of \$27,092 commenced on December 1, 2022. However, the ERP system is still under development, and costs are currently being recorded as prepaid expenses during the initial implementation stage. Total prepaid costs under the contract amount to \$42,737 as of June 30, 2023, including the December 2022 annual payment of \$27,092, and other implementation costs totaling \$15,645. Management anticipates that the ERP system will be placed in service during fiscal year 2024, at which time the subscription asset and liability will be recorded.

(5) Retirement plan

PART sponsors a defined contribution retirement plan covering full-time employees. Except for the CEO/General Manager, 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 \$74,541 for the General Fund and \$21,912 for the Commuter Resources Fund.

(6) Long-term liabilities

Changes in long-term liabilities:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>	<u>Current Portion of Long-Term Liabilities</u>
Governmental activities:					
Compensated absences	\$ 160,497	\$ 102,827	\$ (76,373)	\$ 186,951	\$ 76,373
I.T. subscription liabilities	<u>-</u>	<u>116,468</u>	<u>(38,605)</u>	<u>77,863</u>	<u>39,060</u>
	<u>\$ 160,497</u>	<u>\$ 219,295</u>	<u>\$ (114,978)</u>	<u>\$ 264,814</u>	<u>\$ 115,433</u>
Business-type activities:					
Compensated absences	\$ 12,239	\$ 18,814	\$ (10,993)	\$ 20,060	\$ 10,993
	<u>\$ 12,239</u>	<u>\$ 18,814</u>	<u>\$ (10,993)</u>	<u>\$ 20,060</u>	<u>\$ 10,993</u>

(7) 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.

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

C. Interfund activities and balances

PART uses transfers to provide unrestricted revenues, collected in the General Fund and Commuter Resources Fund, to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfers to the Grants Fund from the General Fund and the Commuter Resources Fund in the amount of \$413,578 and \$73,878, respectively, reimbursed the Grants Fund for the local portion of expenditures related to various vehicle purchases. In addition, the Grants Fund transferred capital assets of \$41,256 to the Commuter Resources Fund during the year ended June 30, 2023, for vehicles purchased through the Grants Fund for the vanpool program.

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	\$ 21,479,028
Less:	
Nonspendable:	
Prepaid items	42,737
Restricted:	
Stabilization by State Statute	1,298,183
Capital expenditures	512,825
Committed:	
Capital expenditures	400,041
Assigned:	
Capital expenditures	<u>36,975</u>
Fund balances available for appropriation	<u>\$ 19,188,267</u>

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.

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Supplementary Information

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Piedmont Authority for Regional Transportation
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
Year Ended June 30, 2023

Exhibit 10

(3 pages)

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Revenues			
Rental vehicle tax	\$ 4,613,000	\$ 5,457,248	\$ 844,248
Vehicle registration tax	150,000	164,248	14,248
Farebox (including PART Connections)	243,100	325,804	82,704
Grants:			
Federal Transit Administration:			
Operating grant	1,207,452	1,459,044	251,592
Preventative maintenance grant	306,636	415,291	108,655
CARES Act operating grant	96,759	60,128	(36,631)
American Rescue Plan operating grant	2,345,600	2,421,955	76,355
NC Department of Transportation:			
State maintenance assistance	667,897	667,867	(30)
Model enhancement	2,123	4,353	2,230
Model maintenance	81,230	75,808	(5,422)
Local revenues:			
Regional MPO model enhancement	5,283	10,835	5,552
Regional MPO model maintenance	111,130	108,777	(2,353)
Regional MPO model special projects	138,790	129,118	(9,672)
Bus Advertising Commission	-	17,970	17,970
Lease revenue	1,500	4,320	2,820
Other local revenue	25,500	669,980	644,480
Total revenues	<u>9,996,000</u>	<u>11,992,746</u>	<u>1,996,746</u>
Expenditures			
Board of Trustees:			
Salaries and benefits	13,000	9,742	3,258
Travel and meetings	12,000	4,091	7,909
Special initiatives	15,000	-	15,000
Total Board of Trustees	<u>40,000</u>	<u>13,833</u>	<u>26,167</u>
Office of Executive Director:			
Salaries and benefits	123,700	122,766	934
Legal services	50,000	29,411	20,589
Other professional services	36,100	18,643	17,457
Travel and meetings	8,700	2,183	6,517
Office expenses	8,500	9,195	(695)
Space and furnishings	7,000	2,764	4,236
Total Office of Executive Director	<u>234,000</u>	<u>184,962</u>	<u>49,038</u>

Piedmont Authority for Regional Transportation
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
Year Ended June 30, 2023

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	\$ 478,300	\$ 465,134	\$ 13,166
Insurance - property and casualty	70,000	56,353	13,647
Professional services	152,500	79,919	72,581
Travel and training	12,000	4,839	7,161
Office expenses	5,500	8,205	(2,705)
Space and furnishings	52,100	47,431	4,669
	<u>770,400</u>	<u>661,881</u>	<u>108,519</u>
PART Express:			
Vehicle operations contract	4,556,900	4,408,514	148,386
Fuel and lubricants	1,324,325	731,380	592,945
Maintenance and repairs	50,000	37,873	12,127
Buildings and ground management	191,352	147,707	43,645
Miscellaneous	10,000	14,737	(4,737)
Salaries and benefits	323,000	307,947	15,053
Professional services	139,900	78,104	61,796
Travel and training	5,700	-	5,700
Office expenses	19,000	17,992	1,008
Space and furnishings	38,500	17,428	21,072
GASB 96 Budget Reconciliation	(80,820)	-	(80,820)
	<u>6,577,857</u>	<u>5,761,682</u>	<u>816,175</u>
Marketing and communications:			
Salaries and benefits	15,000	16,177	(1,177)
Professional services	10,300	6,135	4,165
Media and advertising	33,000	22,219	10,781
Travel and training	2,000	-	2,000
Office expenses	1,000	841	159
Space and furnishings	21,700	11,607	10,093
	<u>83,000</u>	<u>56,979</u>	<u>26,021</u>

Piedmont Authority for Regional Transportation
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
Year Ended June 30, 2023

Exhibit 10

(3 pages)

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Planning:			
Salaries and benefits	\$ 303,300	\$ 301,359	\$ 1,941
Professional services	162,990	155,437	7,553
Travel and training	7,800	3,471	4,329
Office expenses	2,000	436	1,564
Space and furnishings	18,400	18,791	(391)
Model enhancement	-	17,416	(17,416)
Model maintenance	248,549	211,675	36,874
Total planning	<u>743,039</u>	<u>708,585</u>	<u>34,454</u>
Capital outlay:			
Capital outlay	189,648	346,249	(156,601)
GASB 96 Budget Reconciliation	158,468	-	158,468
	<u>348,116</u>	<u>346,249</u>	<u>1,867</u>
Debt service:			
Principal retirement	-	38,605	(38,605)
Interest and other charges	-	215	(215)
GASB 96 Budget Reconciliation	38,820	-	38,820
Total debt service	<u>38,820</u>	<u>38,820</u>	<u>-</u>
Total expenditures	<u>8,835,232</u>	<u>7,772,991</u>	<u>903,773</u>
Revenues over expenditures	<u>1,160,768</u>	<u>4,219,755</u>	<u>3,058,987</u>
Other financing sources:			
Sale of capital assets	-	143,834	143,834
Subscription liabilities issued	116,468	116,468	-
Transfer to Grants Fund	(415,577)	(413,578)	1,999
Total other financing sources	<u>(299,109)</u>	<u>(153,276)</u>	<u>145,833</u>
Appropriation to fund balance	<u>(861,659)</u>	<u>-</u>	<u>861,659</u>
Net change in fund balance	<u>\$ -</u>	<u>4,066,479</u>	<u>\$ 4,066,479</u>
Fund balance at beginning of year		<u>17,012,508</u>	
Fund balance at end of year		<u>\$ 21,078,987</u>	

Piedmont Authority for Regional Transportation
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Capital Reserve Fund
Year Ended June 30, 2023

Exhibit 11

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance with Final Positive (Negative)</u>
Other financing sources					
(uses)					
Transfer from General Fund	\$ 2,000,588	\$ 2,000,588	\$ -	\$ 2,000,588	\$ -
Transfer to Grants Fund	<u>(1,600,547)</u>	<u>(1,600,547)</u>	<u>-</u>	<u>(1,600,547)</u>	<u>-</u>
Total other financing sources	<u>400,041</u>	<u>400,041</u>	<u>-</u>	<u>400,041</u>	<u>-</u>
Appropriation to fund balance	<u>(400,041)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400,041</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 400,041</u>	<u>-</u>	<u>\$ 400,041</u>	<u>\$ 400,041</u>
Fund balance at beginning of year			<u>400,041</u>		
Fund balance at end of year			<u>\$ 400,041</u>		

Piedmont Authority for Regional Transportation
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 Grants Fund
 Year Ended June 30, 2023

Exhibit 12

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Revenues			
Federal Transit Administration Grants:			
Vehicles	\$ 1,629,690	\$ 1,621,689	\$ (8,001)
Total revenues	<u>1,629,690</u>	<u>1,621,689</u>	<u>(8,001)</u>
Expenditures			
Vans	41,902	41,256	646
Buses	2,037,112	2,027,112	10,000
Bus lift	40,785	40,777	8
Total expenditures	<u>2,119,799</u>	<u>2,109,145</u>	<u>10,654</u>
Revenues under expenditures	<u>(490,109)</u>	<u>(487,456)</u>	<u>2,653</u>
Other financing sources			
Transfer from General Fund	415,577	413,578	(1,999)
Transfer from Commuter Resources Fund	74,532	73,878	(654)
Total other financing sources	<u>490,109</u>	<u>487,456</u>	<u>(2,653)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance at beginning of year		<u>-</u>	
Fund balance at end of year		<u>\$ -</u>	

Piedmont Authority for Regional Transportation
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP)
Commuter Resources Fund
Year Ended June 30, 2023

Exhibit 13

(2 pages)

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Operating revenues			
Charges for sales and services	\$ 325,000	\$ 375,648	\$ 50,648
Total operating revenues	<u>325,000</u>	<u>375,648</u>	<u>50,648</u>
Operating expenditures			
TDM/Vanpool			
Salaries and benefits	308,000	304,208	3,792
Fuel and lubricants	160,000	178,177	(18,177)
Maintenance and repairs	60,000	63,604	(3,604)
Insurance - vehicles	86,700	71,827	14,873
Transportation	4,000	4,794	(794)
Marketing	48,000	26,406	21,594
Information technology services	8,000	8,512	(512)
Other Professional Services	35,000	6,352	28,648
Driver testing	2,000	625	1,375
Travel and training	4,775	598	4,177
Printing	20,000	3,175	16,825
Office expense	6,050	4,290	1,760
Space and furnishings	11,800	11,774	26
Miscellaneous	-	1,247	(1,247)
	<u>754,325</u>	<u>685,589</u>	<u>68,736</u>
Piedmont Transit Resources			
Information Center			
Salaries and benefits	151,300	141,278	10,022
Marketing	2,000	-	2,000
Information technology services	12,000	14,615	(2,615)
Other Professional Services	1,200	321	879
Office Expense	500	407	93
Travel and training	1,500	350	1,150
Space and furnishings	16,000	12,617	3,383
	<u>184,500</u>	<u>169,588</u>	<u>14,912</u>
Total operating expenditures	<u>938,825</u>	<u>855,177</u>	<u>83,648</u>
Operating loss	<u>(613,825)</u>	<u>(479,529)</u>	<u>134,296</u>

Piedmont Authority for Regional Transportation
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP)
Commuter Resources Fund
Year Ended June 30, 2023

Exhibit 13

(2 pages)

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Nonoperating revenues			
NC Department of Transportation	\$ 167,625	\$ 173,319	\$ 5,694
City of Greensboro	68,000	67,996	(4)
City of High Point	25,000	24,998	(2)
City of Winston-Salem	51,000	50,997	(3)
NC Department of Trans - Call Center	100,000	85,032	(14,968)
City of High Point - Call Center	37,826	29,254	(8,572)
Davidson County - Call Center	35,000	29,254	(5,746)
Amtrak	2,000	4,300	2,300
	<u>486,451</u>	<u>465,150</u>	<u>(21,301)</u>
Total intergovernmental revenues	486,451	465,150	(21,301)
Other nonoperating revenue	<u>-</u>	<u>3,794</u>	<u>3,794</u>
Total nonoperating revenues	<u>486,451</u>	<u>468,944</u>	<u>(17,507)</u>
Revenues under expenditures	<u>(127,374)</u>	<u>(10,585)</u>	<u>116,789</u>
Other financing sources (uses)			
Insurance recovery	45,261	35,261	(10,000)
Transfer to Grants Fund	<u>(74,532)</u>	<u>(73,878)</u>	<u>654</u>
Total other financing uses	<u>(29,271)</u>	<u>(38,617)</u>	<u>(9,346)</u>
Appropriation from fund balance	<u>156,645</u>	<u>-</u>	<u>(156,645)</u>
Revenues and other financing sources under expenditures	<u>\$ -</u>	<u>(49,202)</u>	<u>\$ (49,202)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual			
Depreciation		(74,766)	
Gain on disposal of capital assets		19,440	
Insurance recovery		(35,261)	
Change in compensated absences		(7,821)	
Transfers of capital assets from governmental funds		<u>41,256</u>	
Change in net position		<u>\$ (106,354)</u>	

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Compliance Section

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

Independent Auditor's Report

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, 2023, 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 31, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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.

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Report on 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 financial statements. 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.

FORVIS, LLP

**High Point, North Carolina
October 31, 2023**

Report on Compliance for Major Federal Program and Report on Internal Control over Compliance

Independent Auditor's Report

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

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited Piedmont Authority for Regional Transportation's (the "Authority") 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 the Authority's major federal program for the year ended June 30, 2023. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

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

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

Report on Internal Control over Compliance

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

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

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

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

FORVIS,LLP

**High Point, North Carolina
October 31, 2023**

Report on Compliance for Major State Program and Report on Internal Control over Compliance

Independent Auditor's Report

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

Report on Compliance for Major State Program

Opinion on Major State Program

We have audited Piedmont Authority for Regional Transportation's (the "Authority") compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on the Authority's major state program for the year ended June 30, 2023. The Authority's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended June 30, 2023.

Basis for Opinion on Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and applicable sections of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance and the State Single Audit Implementation Act are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

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

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

Report on Internal Control over Compliance

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

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

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

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

FORVIS,LLP

**High Point, North Carolina
October 31, 2023**

Schedule of Findings and Questioned Costs

Section I: Summary of Auditor's Results

Financial statements

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

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

Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
20.507/526	Federal Transit Cluster

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

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

**Piedmont Authority for Regional Transportation
Schedule of Findings and Questioned Costs**

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

Noncompliance material to State awards? _____ Yes X No

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

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

Identification of major state programs:

Name of State Program

State Maintenance Assistance Program (DOT 9)

Section II: Financial Statement Findings

There were no findings related to the financial statements for the fiscal year ended June 30, 2023.

Section III: Federal Awards Findings and Questioned Costs

There were no findings related to federal awards for the fiscal year ended June 30, 2023.

Section IV: State Awards Findings and Questioned Costs

There were no findings related to state awards for the fiscal year ended June 30, 2023.

**Piedmont Authority for Regional Transportation
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2023**

Exhibit 14

Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	State Number	Grant Number	Current Year Expenditures			
				Total	Federal Expenditures (Direct and Pass-Through)	State Expenditures	Local Expenditures
Federal grants							
U.S. Department of Transportation:							
Federal Transit Cluster:							
Federal Transit - Formula Grants (Urbanized Area Formula Program):							
Section 5307 Operating & Capital	20.507		NC-2021-011	\$ 784,777	\$ 417,231	\$ -	\$ 367,546
Section 5307 Operating & Capital	20.507		NC-2022-030	2,137,405	1,198,343	-	939,062
Section 5307 Operating & Capital	20.507		NC-2023-023	608,326	295,946	-	312,380
				<u>3,530,508</u>	<u>1,911,520</u>	<u>-</u>	<u>1,618,988</u>
COVID-19 - Federal Transit - Formula Grants (Urbanized Area Formula Program):							
Section 5307 ARPA Operating	20.507		NC-2022-011	1,910,841	1,910,841	-	-
CARES Act CRRSSA Greensboro	20.507		NC-2020-015	60,128	60,128	-	-
				<u>1,970,969</u>	<u>1,970,969</u>	<u>-</u>	<u>-</u>
Total Federal Transit - Formula Grants (Urbanized Area Formula Program):				<u>5,501,477</u>	<u>3,882,489</u>	<u>-</u>	<u>1,618,988</u>
Federal Transit - Bus and Bus Facilities Formula Program:							
5339 Bus and Bus Facility	20.526		NC-2020-012	2,035,136	1,628,108	-	407,028
Total Federal Transit Cluster				<u>7,536,613</u>	<u>5,510,597</u>	<u>-</u>	<u>2,026,016</u>
Passed through the North Carolina Department of Transportation:							
Highway Planning and Construction Cluster							
Highway Planning and Construction (Federal Aid Highway Program):							
Piedmont Triad Regional Model	20.205-1	DOT-18	7500025401	229,088	64,129	16,032	148,927
Total Highway Planning and Construction Cluster				<u>229,088</u>	<u>64,129</u>	<u>16,032</u>	<u>148,927</u>
Total U.S. DOT assistance				<u>7,765,701</u>	<u>5,574,726</u>	<u>16,032</u>	<u>2,174,943</u>
U.S. Department of Treasury:							
Passed through the North Carolina Department of Transportation:							
Coronavirus State and Local Fiscal Recover Funds Program:							
Section 5311 ARPA	21.027		NC-2022-036	511,111	511,111	-	-
State Grants							
North Carolina Department of Transportation:							
State Maintenance Assistance							
Ridesharing		DOT-9	12-SM-022	667,867	-	667,867	-
		DOT-11	22-RS-120	516,794	-	258,351	258,443
Total North Carolina Department of Transportation				<u>1,184,661</u>	<u>-</u>	<u>926,218</u>	<u>258,443</u>
Total State assistance				<u>1,184,661</u>	<u>-</u>	<u>926,218</u>	<u>258,443</u>
Total assistance				<u>\$ 9,461,473</u>	<u>\$ 6,085,837</u>	<u>\$ 942,250</u>	<u>\$ 2,433,386</u>

Notes to Schedule of Expenditures of Federal and State Awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state grant activity of the Piedmont Authority for Regional Transportation for the year ended June 30, 2022. 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* (Uniform Guidance), and the State Single Audit Implementation Act. Because the Schedule represents only a portion of the operations of the Piedmont Authority for Regional Transportation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Piedmont Authority for Regional Transportation.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Piedmont Authority for Regional Transportation has not elected to use the 10% de minimus cost rate.