

# Piedmont Authority for Regional Transportation

## 2022

### Annual Financial Report

Our goal is improving transportation  
through regional cooperation.

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



**Annual Financial Report**

Year Ended June 30, 2022

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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  
Fleming El-Amin - Forsyth County  
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**

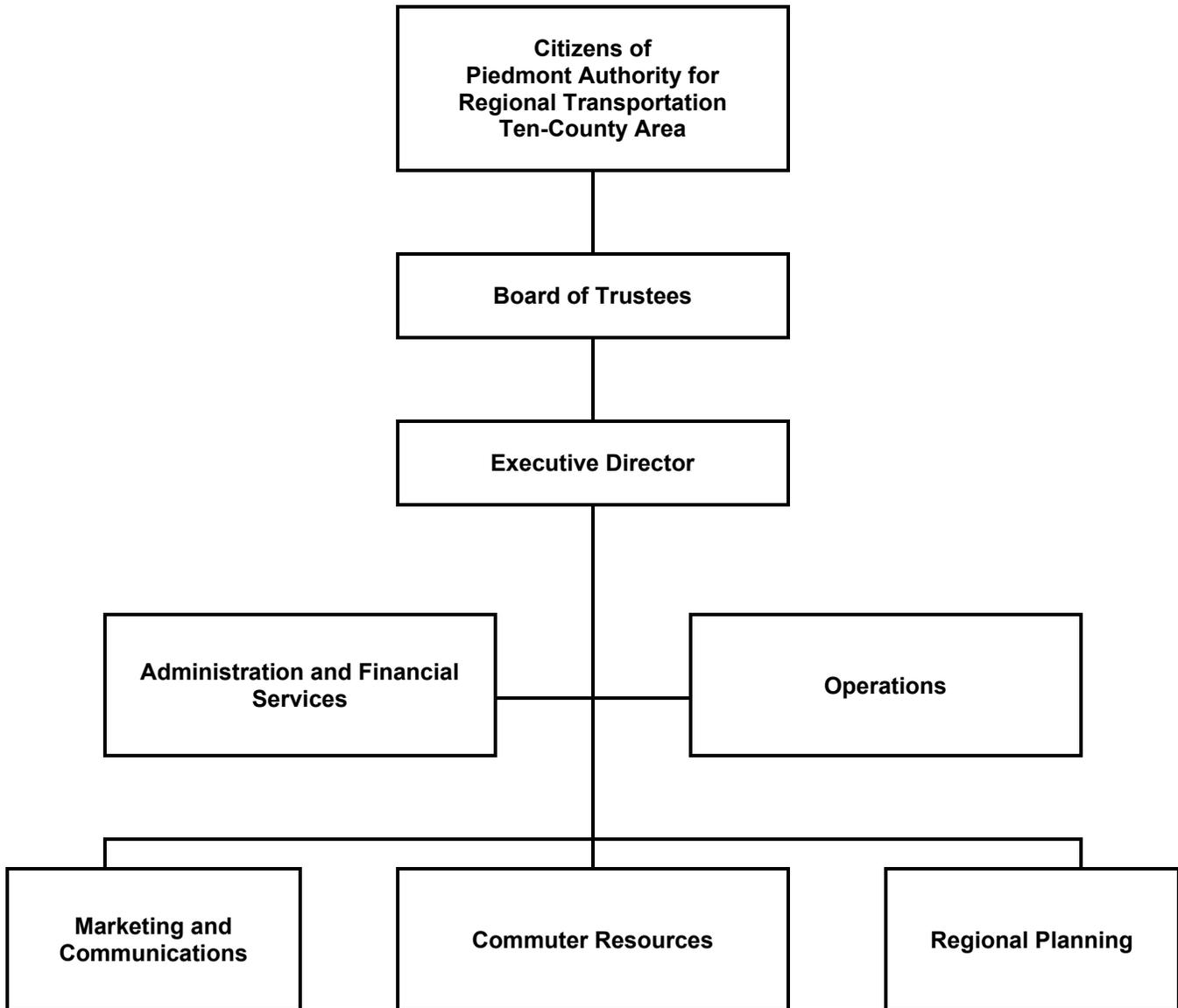
**General Counsel** ..... **Thomas E. Terrell, Jr.**  
**Fox Rothschild, LLP**  
Greensboro, North Carolina

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

**Independent Auditors** ..... **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, NC

### 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, 2022, 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, 2022, 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 audits. 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 introductory information and budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act, and is also not a required part of the basic financial statements. Such information is the responsibility of management, and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the budgetary schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## ***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 November 1, 2022, 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, NC  
November 1, 2022**

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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, 2022. 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 ten counties in which PART operates. In order 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, 2022 ("FY 2022"), PART operated well within the approved balanced budget.

During FY 2022 the PART Board of Trustees faced many challenges effecting the transportation industry, including rising fuel prices, global staffing issues, Covid health concerns and the passing of long-time PART Board of Trustee member Carolyn Coleman. To adapt to this rapidly changing environment PART's Board responded by implementing measures including advanced preparation and foresight to mitigate the effects and minimize delays caused by supply chain.

PART's rebuild strategy for the regional van pool program has also shown great success in FY 2022 ending the year with a seventy-five percent increase in van pool leases. Much effort continues to go into this program as it provides an alternative option of transportation to citizens in the PART territorial jurisdiction.

Thanks to 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 to the public it serves.

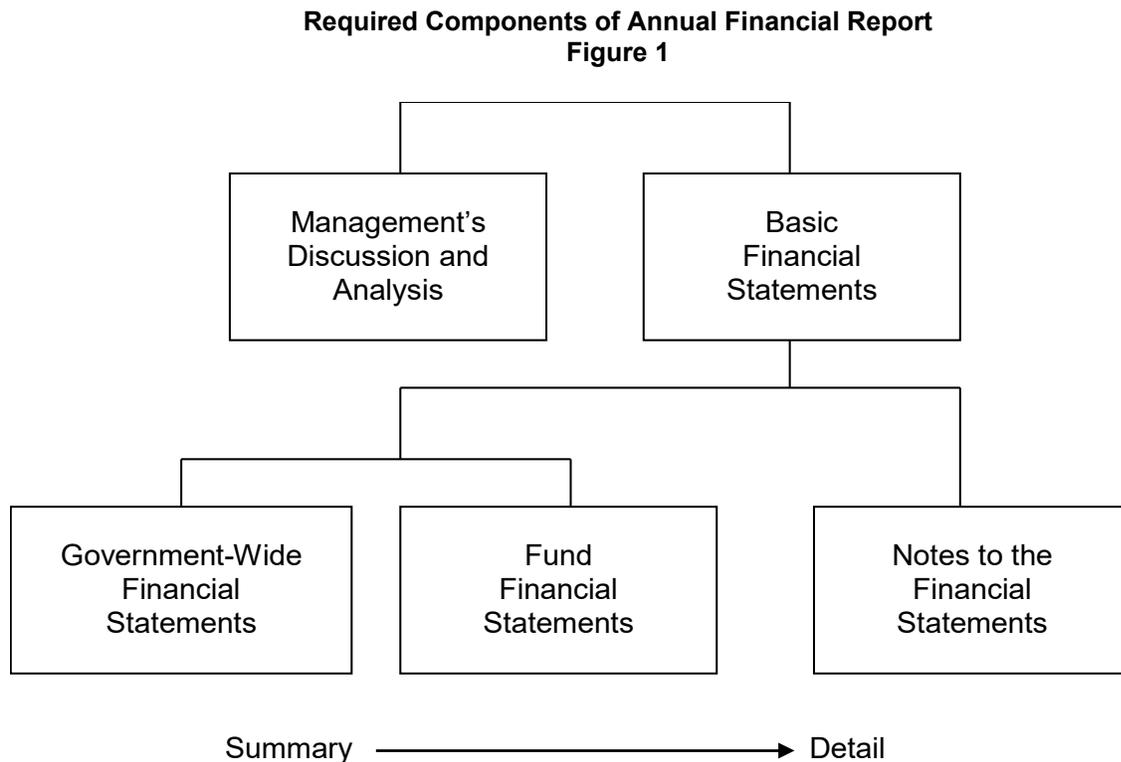
### **Financial Highlights**

#### ***Highlights of PART's fiscal year ended June 30, 2022 include:***

- Total net position increased \$2.3 million from \$40.9 million to \$43.2 million. The increase in net position is attributed to the utilization of Federal relief funding and a rebounding of our local revenues.
- At June 30, 2022, net position of \$43.2 million included \$16.7 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, 2022, the governmental funds reported a fund balance of approximately \$17.4 million, an increase of approximately \$4.2 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**

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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 ten counties. PART Express is accounted for as a department within the General Fund because it does not meet the criteria of an enterprise fund with rate structures that are intended to cover full operating costs, plus depreciation and interest expense. PART Express depends on general revenues to cover operating costs and provide reasonable working capital and other reserves.

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

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

**Proprietary funds** - PART has a Proprietary Fund that is used to account for the 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, 2022 (as shown in Exhibit 1) with comparative data for June 30, 2021.

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

**Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 18,062,094	\$ 14,714,583	\$ 984,657	\$ 1,035,572	\$ 19,046,751	\$ 15,750,155
Capital assets	<u>24,856,111</u>	<u>26,583,395</u>	<u>142,039</u>	<u>263,114</u>	<u>24,998,150</u>	<u>26,846,509</u>
Total assets	<u>42,918,205</u>	<u>41,297,978</u>	<u>1,126,696</u>	<u>1,298,686</u>	<u>44,044,901</u>	<u>42,596,664</u>
Long-term liabilities outstanding	160,497	180,549	-	-	160,497	180,549
Other liabilities	630,470	1,484,559	38,864	22,407	669,334	1,506,966
Deferred inflows of resources	<u>17,641</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,641</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>808,608</u>	<u>1,665,108</u>	<u>38,864</u>	<u>22,407</u>	<u>847,472</u>	<u>1,687,515</u>
Net position:						
Net investment in capital assets	24,857,545	26,583,395	142,039	263,114	24,999,584	26,846,509
Restricted	1,405,695	2,264,028	74,911	52,251	1,480,606	2,316,279
Unrestricted	<u>15,846,357</u>	<u>10,785,447</u>	<u>870,882</u>	<u>960,914</u>	<u>16,717,239</u>	<u>11,746,360</u>
Total net position	<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>

As shown above, assets of the Authority exceeded liabilities by \$43,197,429 at June 30, 2022. Capital assets decreased \$1,848,359, which includes depreciation and the sale of vehicles meeting their useful life. The Authority's net position increased by \$2,288,280 during the fiscal year ended June 30, 2022. The largest portion of net position (57.9%) reflects the Authority's investments in capital assets (e.g., land, buildings, improvements other than buildings, and machinery and equipment) less any related debt still outstanding that was issued to acquire those items. The Authority uses these capital assets to provide services to citizens of the ten-county region; consequently, the assets are not available for future spending. Although PART's investment in capital assets is reported net of outstanding debt, the resources needed to repay the debt must be provided by other sources, since capital assets cannot be used to liquidate these liabilities. An additional portion of PART's net position, \$1,480,606, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$16,717,239 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, 2022 (as shown in Exhibit 2) with comparative data for June 30, 2021.

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

**Figure 3**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 269,665	\$ 235,254	\$ 179,509	\$ 226,342	\$ 449,174	\$ 461,596
Operating grants and contributions	5,258,303	5,402,996	328,724	359,902	5,587,027	5,762,898
Capital grants and contributions	524,008	3,935,944	-	-	524,008	3,935,944
General revenues:						
Rental vehicle tax	5,004,818	4,032,954	-	-	5,004,818	4,032,954
Vehicle license tax	157,111	165,516	-	-	157,111	165,516
Other	61,201	70,466	25,208	38,033	86,409	108,499
Total revenues	<u>11,275,106</u>	<u>13,843,130</u>	<u>533,441</u>	<u>624,277</u>	<u>11,808,547</u>	<u>14,467,407</u>
Expenses:						
Transportation	8,798,379	8,540,335	-	-	8,798,379	8,540,335
Commuter resources	-	-	721,888	844,462	721,888	844,462
Total expenses	<u>8,798,379</u>	<u>8,540,335</u>	<u>721,888</u>	<u>844,462</u>	<u>9,520,267</u>	<u>9,384,797</u>
Change in net position	<u>2,476,727</u>	<u>5,302,795</u>	<u>(188,447)</u>	<u>(220,185)</u>	<u>2,288,280</u>	<u>5,082,610</u>
Net position, July 1	<u>39,632,870</u>	<u>34,330,075</u>	<u>1,276,279</u>	<u>1,496,464</u>	<u>40,909,149</u>	<u>35,826,539</u>
Net position, June 30	<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>

**Governmental activities.** Net position of governmental activities increased by \$2,476,727. Key elements of this increase are as follows:

- Continued utilization of Grants funding operations at 100%.
- Increased local revenues.
- State match on FY2021 vehicle purchases.
- State Maintenance Assistance Program (SMAP) funding resumed.

**Business-type activities.** Net position of business-type activities decreased by \$188,447 during the year. Although service revenues continued to be negatively impacted by the pandemic, van pool leases increased by 75% in the last quarter of FY 2022.

**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 \$17.4 million, of which \$15.5 million was unrestricted and available for working capital needs and transfers (to) from other funds. The General Fund budget was amended one time during FY 2022. Revenues were increased by \$770K to reflect increased utilization of CARES Act Funding, the receipt of State Maintenance Assistance Program (SMAP) funds and an offset for the deletion of AMTRAK revenue. Transfers increased by \$520K reflecting the receipt of NCDOT State Match for buses acquired in FY2021. On an actual basis revenues were above budget projections by \$1,397K reflecting increased local revenue generated through Rental Vehicle Taxes and SMAP funding. Expenditures underran the final budget by \$1,259K due to reduced route costs, fuel costs, and personnel vacancies. The final actual performance resulted in an increase of fund balance of \$4,182K.

**Proprietary fund.** The Commuter Resources Fund budget was amended once during FY 2022. Revenues were reduced by \$62K to reflect a decrease in van pool leases, a reduction in the TDM approved funding, and an increase from proceeds for the sale of two vans. Expenditures were reduced \$29K reflecting an increase of marketing expenditures for transportation revitalization efforts and offset by decreased fuel, insurance, maintenance, and professional services as it relates to van pool leases. The final actual performance resulted in revenues below expenditures by \$57K.

**Capital assets.** PART’s net investment in capital assets for its governmental and business-type activities as of June 30, 2022, totals \$24,998,150 (net of accumulated depreciation). These assets include land, buildings, improvements other than buildings (infrastructure such as parking lot paving, curbs and landscaping), and machinery and equipment.

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

**Figure 4**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 5,984,714	\$ 5,984,714	\$ -	\$ -	\$ 5,984,714	\$ 5,984,714
Buildings	8,611,567	8,866,711	-	-	8,611,567	8,866,711
Improvements other than buildings	614,451	795,987	-	-	614,451	795,987
Machinery and equipment	9,645,379	10,866,619	142,039	263,114	9,787,418	11,129,733
Construction in progress	-	69,364	-	-	-	69,364
<b>Total</b>	<b>\$ 24,856,111</b>	<b>\$ 26,583,395</b>	<b>\$ 142,039</b>	<b>\$ 263,114</b>	<b>\$ 24,998,150</b>	<b>\$ 26,846,509</b>

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

- PART completed a car-charging station project and a phone system upgrade totaling \$70,237.
- PART disposed of 2 vans and 5 buses with proceeds of \$43,830. These assets had met their FTA useful lives.

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, 2023**

**Governmental activities.** The General Fund budget is \$8.3 million. Funding for operations is largely composed of Rental vehicle Tax (46%), Grant Revenue (47%), and Fare Revenues (2%). Expenditures are projected to increase due to capital purchases requiring transfers to the Grants Fund to meet local match.

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

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The Grants Fund reflects expenditures of \$2M for PART'S acquisition of capital assets including 4 buses, 2 LTVs, and a bus lift. This will be funded partially by grants and a transfer from the General Fund.

**Business-type activities.** Commuter Resources (CR) budget is at \$924K 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, 2022**

**Exhibit 1**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 16,637,902	\$ 862,787	\$ 17,500,689
Rental vehicle tax receivable	472,400	-	472,400
Due from other governments	40,167	56,379	96,546
Accounts receivable	10,936	215	11,151
Grants receivable:			
Federal Transit Administration	462,316	-	462,316
NC Department of Transportation	19,042	59,576	78,618
Lease receivable	13,738	-	13,738
Restricted cash and cash equivalents	400,041	5,700	405,741
Total current assets	<u>18,056,542</u>	<u>984,657</u>	<u>19,041,199</u>
Noncurrent assets:			
Lease receivable, non-current	4,118	-	4,118
Right to use leased assets, net of amortization	1,434	-	1,434
Capital assets:			
Land and other nondepreciable assets	5,984,714	-	5,984,714
Other capital assets, net of depreciation	18,871,397	142,039	19,013,436
Total capital assets	<u>24,861,663</u>	<u>142,039</u>	<u>25,003,702</u>
Total assets	<u>\$ 42,918,205</u>	<u>\$ 1,126,696</u>	<u>\$ 44,044,901</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and other accrued liabilities	\$ 630,470	\$ 20,925	\$ 651,395
Payable from restricted assets - security deposits	-	5,700	5,700
Compensated absences - current	85,106	12,239	97,345
Total current liabilities	<u>715,576</u>	<u>38,864</u>	<u>754,440</u>
Noncurrent liabilities			
Compensated absences	75,391	-	75,391
Total noncurrent liabilities	<u>75,391</u>	<u>-</u>	<u>75,391</u>
Total liabilities	<u>790,967</u>	<u>38,864</u>	<u>829,831</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases	17,641	-	17,641
Total deferred inflows of resources	<u>17,641</u>	<u>-</u>	<u>17,641</u>
<b>NET POSITION</b>			
Net investment in capital assets	24,857,545	142,039	24,999,584
Restricted for:			
Stabilization by State Statute	1,022,717	-	1,022,717
Capital expenditures	382,978	74,911	457,889
Unrestricted	15,846,357	870,882	16,717,239
Total net position	<u>42,109,597</u>	<u>1,087,832</u>	<u>43,197,429</u>
Total liabilities and net position	<u>\$ 42,918,205</u>	<u>\$ 1,126,696</u>	<u>\$ 44,044,901</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, 2022

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		Total
					Governmental Activities	Business-Type Activities	
<b>Primary government</b>							
Governmental activities:							
Transportation	\$ 8,798,379	\$ 269,665	\$ 5,258,303	\$ 524,008	\$ (2,746,403)	\$ -	\$ (2,746,403)
Total governmental activities	8,798,379	269,665	5,258,303	524,008	(2,746,403)	-	(2,746,403)
Business-type activities:							
Transportation Demand Management	721,888	179,509	328,724	-	-	(213,655)	(213,655)
Total business-type activities	721,888	179,509	328,724	-	-	(213,655)	(213,655)
Total primary government	\$ 9,520,267	\$ 449,174	\$ 5,587,027	\$ 524,008	(2,746,403)	(213,655)	(2,960,058)
General revenues and transfers:							
Rental vehicle tax					5,004,818	-	5,004,818
Vehicle registration tax					157,111	-	157,111
Gain on disposal of capital assets					193	25,208	25,401
Miscellaneous					61,008	-	61,008
Total general revenues and transfers					5,223,130	25,208	5,248,338
Change in net position					2,476,727	(188,447)	2,288,280
Net position - beginning					39,632,870	1,276,279	40,909,149
Net position - ending					\$ 42,109,597	\$ 1,087,832	\$ 43,197,429

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

**Piedmont Authority for Regional Transportation**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2022**

**Exhibit 3**

**(2 pages)**

	<u>Major Funds</u>		<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Grants Fund</u>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16,637,902	\$ -	\$ 16,637,902
Rental vehicle tax receivable	472,400	-	472,400
Due from other governments	40,167	-	40,167
Accounts receivable	10,936	-	10,936
Grants receivable:			
Federal Transit Administration	462,316	-	462,316
NC Department of Transportation	19,042	-	19,042
Lease receivable	17,856	-	17,856
Restricted cash	400,041	-	400,041
	<u>\$ 18,060,660</u>	<u>\$ -</u>	<u>\$ 18,060,660</u>
<b>Total assets</b>			
	<u>\$ 18,060,660</u>	<u>\$ -</u>	<u>\$ 18,060,660</u>
<b>LIABILITIES</b>			
Accounts payable and other accrued liabilities	\$ 630,470	\$ -	\$ 630,470
	<u>630,470</u>	<u>-</u>	<u>630,470</u>
<b>Total liabilities</b>			
	<u>630,470</u>	<u>-</u>	<u>630,470</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases	17,641	-	17,641
	<u>17,641</u>	<u>-</u>	<u>17,641</u>
<b>Total deferred inflows of resources</b>			
	<u>17,641</u>	<u>-</u>	<u>17,641</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Leases	215	-	215
Restricted:			
Stabilization by State Statute	1,022,717	-	1,022,717
Capital expenditures	382,978	-	382,978
Committed:			
Capital expenditures	400,041	-	400,041
Assigned:			
Capital expenditures	67,955	-	67,955
Unassigned:	15,538,643	-	15,538,643
	<u>17,412,549</u>	<u>-</u>	<u>17,412,549</u>
<b>Total fund balances</b>			
	<u>17,412,549</u>	<u>-</u>	<u>17,412,549</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 18,060,660</u>	<u>\$ -</u>	

**Piedmont Authority for Regional Transportation  
Balance Sheet  
Governmental Funds  
June 30, 2022**

**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			\$ 24,856,111
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds			1,434
Earned revenues considered deferred inflows of resources in the funds			-
Some liabilities are not due and payable in the current period and therefore not included:			
Compensated absences payable			<u>(160,497)</u>
Net position of governmental activities			<u>\$ 42,109,597</u>

**Piedmont Authority for Regional Transportation**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2022**

**Exhibit 4**

**(2 pages)**

	<u>Major Funds</u>		<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Grants Fund</u>	
<b>Revenues</b>			
Rental vehicle tax	\$ 5,004,818	\$ -	\$ 5,004,818
Vehicle registration tax	157,111	-	157,111
Farebox (including PART Connections)	269,665	-	269,665
Grants:			
Federal Transit Administration	4,404,868	-	4,404,868
NC Department of Transportation	744,702	555,934	1,300,636
Regional MPOs	108,732	-	108,732
Lease revenue	4,320	-	4,320
Other local revenue	56,688	-	56,688
	<u>10,750,904</u>	<u>555,934</u>	<u>11,306,838</u>
<b>Expenditures</b>			
Board of Trustees	13,601	-	13,601
Office of Executive Director	154,675	-	154,675
Administration and Financial Services	593,048	-	593,048
PART Express	5,688,242	-	5,688,242
Marketing and Communications	64,547	-	64,547
Planning	513,498	-	513,498
Capital outlay	44,168	36,108	80,276
Debt service:			
Principal	10,039	-	10,039
Interest	6	-	6
	<u>7,081,824</u>	<u>36,108</u>	<u>7,117,932</u>
Revenues over (under) expenditures	3,669,080	519,826	4,188,906
<b>Other financing sources (uses)</b>			
Sale of capital assets	15,505	-	15,505
Lease liabilities issued	10,039	-	10,039
Transfer from Grants Fund	487,901	-	487,901
Transfer to General Fund	-	(487,901)	(487,901)
	<u>513,445</u>	<u>(487,901)</u>	<u>25,544</u>
Net change in fund balance	4,182,525	31,925	4,214,450
Fund balance, beginning of year	<u>13,230,024</u>	<u>(31,925)</u>	<u>13,198,099</u>
Fund balance, end of year	<u>\$ 17,412,549</u>	<u>\$ -</u>	<u>\$ 17,412,549</u>

**Piedmont Authority for Regional Transportation**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2022**

**Exhibit 4**

**(2 pages)**

**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	\$ 4,214,450
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	70,237
Depreciation expense for governmental assets	(1,782,209)
Right to use leased asset capital outlay expenditures which were capitalized	10,039
Amortization expense for right to use leased asset	(8,605)
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	(15,505)
Gain on disposal of capital assets	193
Change in unavailable revenue	(31,925)
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>20,052</u>
Total change in net position - governmental activities	<u>\$ 2,476,727</u>

**Piedmont Authority for Regional Transportation**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**Year Ended June 30, 2022**

**Exhibit 5**

	Budgeted Amounts		Actual Amounts	Variance with Final Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Rental vehicle tax	\$ 3,300,000	\$ 3,300,000	\$ 5,004,818	\$ 1,704,818
Vehicle registration tax	153,000	153,000	157,111	4,111
Farebox (including PART Connections)	280,000	280,000	269,665	(10,335)
Grant revenues:				
Federal Transit Administration	4,485,369	4,637,398	4,404,868	(232,530)
NC Department of Transportation	129,264	746,856	744,702	(2,154)
Local revenues:				
Regional MPOs	207,267	207,267	108,732	(98,535)
Lease revenue	4,200	4,200	4,320	120
Other local revenue	25,000	25,000	56,688	31,688
<b>Total revenues</b>	<b>8,584,100</b>	<b>9,353,721</b>	<b>10,750,904</b>	<b>1,397,183</b>
<b>Expenditures</b>				
Board of Trustees	38,435	38,435	13,601	24,834
Office of Executive Director Administration and financial services	226,700	226,700	154,675	72,025
PART Express	692,150	692,150	593,048	99,102
Marketing and communications	6,479,255	6,479,255	5,688,242	791,013
Planning	142,500	142,500	64,547	77,953
Capital outlay	641,953	641,953	513,498	128,455
Debt service:				
Principal	100,000	100,000	44,168	55,832
Interest	10,039	10,039	10,039	-
	6	6	6	-
<b>Total expenditures</b>	<b>8,331,038</b>	<b>8,331,038</b>	<b>7,081,824</b>	<b>1,249,214</b>
Revenues over expenditures	253,062	1,022,683	3,669,080	2,646,397
<b>Other financing sources (uses)</b>				
Sale of capital assets	-	-	15,505	15,505
Lease liabilities issued	-	-	10,039	10,039
Transfer from Grants Fund - Capital Grants	-	519,924	487,901	(32,023)
<b>Total other financing uses</b>	<b>-</b>	<b>519,924</b>	<b>513,445</b>	<b>(6,479)</b>
Appropriation to fund balance	(253,062)	(1,542,607)	-	1,542,607
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>4,182,525</b>	<b>\$ 4,182,525</b>
Fund balance at beginning of year			13,230,024	
<b>Fund balance at end of year</b>			<b>\$ 17,412,549</b>	

**Piedmont Authority for Regional Transportation**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Grants Fund**  
**Year Ended June 30, 2022**

**Exhibit 6**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
North Carolina Department of Transportation:				
Capital grants	\$ 558,138	\$ 558,138	\$ 555,934	\$ (2,204)
Total revenues	558,138	558,138	555,934	(2,204)
<b>Expenditures</b>				
Charging stations	38,214	38,214	36,108	2,106
Total expenditures	38,214	38,214	36,108	2,106
Revenues over expenditures	519,924	519,924	519,826	(98)
<b>Other financing uses</b>				
Transfer to General Fund	(519,924)	(519,924)	(487,901)	32,023
Total other financing uses	(519,924)	(519,924)	(487,901)	32,023
Net change in fund balance	\$ -	\$ -	31,925	\$ 31,925
Fund deficit at beginning of year			(31,925)	
Fund balance at end of year			\$ -	

**Piedmont Authority for Regional Transportation**  
**Statement of Fund Net Position**  
**Proprietary Fund**  
**June 30, 2022**

**Exhibit 7**

	<b>Commuter Resources Fund</b>	<b>Total Enterprise Fund</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 862,787	\$ 862,787
Due from other governments	56,379	56,379
Accounts receivable	215	215
Grants receivable:		
NC Department of Transportation	59,576	59,576
Restricted cash and cash equivalents	5,700	5,700
	<u>984,657</u>	<u>984,657</u>
Total current assets	984,657	984,657
Capital assets:		
Other capital assets, net of depreciation	142,039	142,039
	<u>142,039</u>	<u>142,039</u>
Total assets	<u>1,126,696</u>	<u>1,126,696</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and other accrued liabilities	20,925	20,925
Payable from restricted assets - security deposits	5,700	5,700
Current portion of long-term liabilities	12,239	12,239
	<u>38,864</u>	<u>38,864</u>
Total current liabilities	38,864	38,864
Total liabilities	<u>38,864</u>	<u>38,864</u>
<b>NET POSITION</b>		
Net investment in capital assets	142,039	142,039
Restricted for capital expenditures	74,911	74,911
Unrestricted	870,882	870,882
	<u>870,882</u>	<u>870,882</u>
Total net position	<u>\$ 1,087,832</u>	<u>\$ 1,087,832</u>

**Piedmont Authority for Regional Transportation**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Fund**  
**Year Ended June 30, 2022**

**Exhibit 8**

	<u>Commuter Resources</u>	<u>Total Enterprise Fund</u>
<b>Operating revenues</b>		
Charges for sales and services	\$ 179,509	\$ 179,509
Total operating revenues	<u>179,509</u>	<u>179,509</u>
<b>Operating expenses</b>		
TDM/vanpool:		
Vehicle expense	181,898	181,898
Personnel expense	193,189	193,189
Administration	50,168	50,168
Office expense	3,731	3,731
Space and furnishings	14,149	14,149
Professional development	2,459	2,459
Other professional services	1,167	1,167
Miscellaneous	-	-
Depreciation	117,959	117,959
Piedmont Transit Resources Information Center:		
Personnel expense	129,757	129,757
Administration	8,435	8,435
Professional development	561	561
Other professional services	377	377
Office expense	487	487
Space and furnishings	17,551	17,551
Total operating expenses	<u>721,888</u>	<u>721,888</u>
Operating loss	<u>(542,379)</u>	<u>(542,379)</u>
<b>Nonoperating revenues</b>		
NC Department of Transportation	99,124	99,124
City of Greensboro	47,580	47,580
City of High Point	15,860	15,860
City of Winston-Salem	35,686	35,686
NC Department of Transportation - Call Center	75,692	75,692
City of High Point - Call Center	26,756	26,756
Davidson County - Call Center	26,756	26,756
Amtrak	1,270	1,270
Total intergovernmental revenues	<u>328,724</u>	<u>328,724</u>
Gain on sale of capital assets	<u>25,208</u>	<u>25,208</u>
Total nonoperating revenues	<u>353,932</u>	<u>353,932</u>
Change in net position	(188,447)	(188,447)
Total net position, beginning	<u>1,276,279</u>	<u>1,276,279</u>
Total net position, ending	<u>\$ 1,087,832</u>	<u>\$ 1,087,832</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, 2022**

**Exhibit 9**

	<b>Commuter Resources</b>	<b>Total Enterprise Fund</b>
<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 223,186	\$ 223,186
Cash paid for goods and services	(275,587)	(275,587)
Cash paid to employees for services	(313,333)	(313,333)
Net cash used by operating activities	<u>(365,734)</u>	<u>(365,734)</u>
<b>Cash flows from noncapital financing activities</b>		
State grants	176,903	176,903
Other governmental agencies	157,478	157,478
Net cash provided by noncapital financing activities	<u>334,381</u>	<u>334,381</u>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from disposal of capital assets	28,325	28,325
Net cash provided by capital and related activities	<u>28,325</u>	<u>28,325</u>
Net increase in cash and cash equivalents	(3,028)	(3,028)
Cash and cash equivalents at beginning of year	871,515	871,515
Cash and cash equivalents at end of year	<u>\$ 868,487</u>	<u>\$ 868,487</u>
<b>Cash and cash equivalents</b>		
Unrestricted	\$ 862,787	\$ 862,787
Restricted	5,700	5,700
	<u>\$ 868,487</u>	<u>\$ 868,487</u>
<b>Reconciliation of operating loss to net cash used by operating activities</b>		
Operating loss	\$ (542,379)	\$ (542,379)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	117,959	117,959
Change in assets and liabilities:		
Increase in accounts receivable	41,427	41,427
Decrease in due from other governments	802	802
Decrease in accounts payable and accrued liabilities	14,207	14,207
Decrease in security deposits	2,250	2,250
Net cash used by operating activities	<u>\$ (365,734)</u>	<u>\$ (365,734)</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**

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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**

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**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 \$5,700 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**

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(3) Receivables

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

(4) Lease Receivable

The lease receivable is 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

PART has recorded a right-to-use lease asset as a result of implementing GASB 87. The right-to-use asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use asset is amortized on a straight-line basis over the life of the related lease.

**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, 2022. In addition to liabilities, the statement of financial position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. PART has one item that meets the criterion for this category as of June 30, 2022: leases.

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

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**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.

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

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

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

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*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, 2021, PART implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources, except for certain regulated leases. This adjustment had no effect on the beginning net position at July 1, 2021, since the deferred inflows equal the amount of the lease receivable upon adoption for the lease in which PART is a lessor, and since the right-of-use leased asset equals the lease liability upon adoption for the lease in which PART is a lessee.

**2. Detailed Notes on All Funds**

**A. Assets and investments**

(1) Deposits

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

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

At June 30, 2022, PART's deposits had a carrying amount of \$6,662,063 and a bank balance of \$6,631,788. 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, 2022.

(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, 2022, PART had the following investments and maturities:

<u>Investments by Type</u>	<u>Valuation Measurement Method</u>	<u>Book Value at 6/30/2022</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust - Government Portfolio	Fair value Level 1	\$ 11,244,217	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, 2022.

(3) Receivables

At June 30, 2022, the Authority's receivables consist of the following:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Local</u>
Governmental funds:			
Grants receivable	\$ 462,316	\$ 19,042	\$ -
Rental vehicle tax	-	-	472,400
Lease receivable	-	-	17,856
Accounts receivable	-	-	10,936
Due from other governments	-	-	40,167
Total governmental funds	<u>462,316</u>	<u>19,042</u>	<u>541,359</u>
Business-type funds:			
Grants receivable	-	59,576	-
Accounts receivable	-	-	215
Due from other governments	-	-	56,379
Total business-type funds	<u>-</u>	<u>59,576</u>	<u>56,594</u>
Total receivables	<u>\$ 462,316</u>	<u>\$ 78,618</u>	<u>\$ 597,953</u>

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

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PART has entered into a lease agreement that conveys the right to use space for an ATM at one of its park and ride lots. The noncancellable lease term runs through August 1, 2023, and the lessee has one additional extension option, for a period of 36 months, through August 1, 2026. Management believes that it is reasonably certain that the lessee will exercise the extension option. The lease calls for monthly payments in the amount of \$350 during the noncancellable term, and \$375 per month during the extension period. There are no variable components in the lease. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term, at a discount rate of 0.514%, which is based on PART's incremental borrowing rate. Future minimum lessee payments due to PART under non-cancelable lease agreement, as of June 30, 2022, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 4,118	\$ 82	\$ 4,200
2024	4,415	60	4,475
2025	4,463	37	4,500
2026	4,486	14	4,500
2027	<u>374</u>	<u>1</u>	<u>375</u>
	<u>\$ 17,856</u>	<u>\$ 194</u>	<u>\$ 18,050</u>

PART reported lease revenue of \$4,320 and interest revenue of \$94 during the year ended June 30, 2022. Deferred inflows of resources related to the lease amounted to \$17,641 as of June 30, 2022.

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

(4) Capital assets

Capital asset activity for the year ended June 30, 2022 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	<u>69,364</u>	<u>-</u>	<u>-</u>	<u>(69,364)</u>	<u>-</u>
Total capital assets not being depreciated	<u>6,054,078</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (69,364)</u>	<u>5,984,714</u>
Capital assets being depreciated:					
Buildings	10,205,775	\$ -	\$ -	\$ -	10,205,775
Improvements other than buildings	6,966,021	-	-	-	6,966,021
Machinery and equipment	<u>18,733,596</u>	<u>70,237</u>	<u>(1,867,252)</u>	<u>69,364</u>	<u>17,005,945</u>
Total capital assets being depreciated	<u>35,905,392</u>	<u>\$ 70,237</u>	<u>\$ (1,867,252)</u>	<u>\$ 69,364</u>	<u>34,177,741</u>
Less accumulated depreciation for:					
Buildings	1,339,064	\$ 255,144	\$ -	\$ -	1,594,208
Improvements other than buildings	6,170,034	181,536	-	-	6,351,570
Machinery and equipment	<u>7,866,977</u>	<u>1,345,529</u>	<u>(1,851,940)</u>	<u>-</u>	<u>7,360,566</u>
Total accumulated depreciation	<u>15,376,075</u>	<u>\$ 1,782,209</u>	<u>\$ (1,851,940)</u>	<u>\$ -</u>	<u>15,306,344</u>
Total capital assets being depreciated, net	<u>20,529,317</u>				<u>18,871,397</u>
Governmental activity capital assets, net	<u>\$ 26,583,395</u>				<u>\$ 24,856,111</u>

Depreciation expense of \$1,782,209 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	\$ 1,312,809	\$ -	\$ (64,763)	\$ -	\$ 1,248,046
Total capital assets being depreciated	<u>1,312,809</u>	<u>\$ -</u>	<u>\$ (64,763)</u>	<u>\$ -</u>	<u>1,248,046</u>
Less accumulated depreciation for:					
Machinery and equipment	1,049,695	\$ 117,959	\$ (61,647)	\$ -	1,106,007
Total accumulated depreciation	<u>1,049,695</u>	<u>\$ 117,959</u>	<u>\$ (61,647)</u>	<u>\$ -</u>	<u>1,106,007</u>
Business-type activity capital assets, net	<u>\$ 263,114</u>				<u>\$ 142,039</u>

(5) Right-to-use leased assets

The Authority has recorded one right-to-use leased asset. The asset is for a right to use parking lot spaces in the City of Greensboro on city-owned property. The related lease is discussed in the Leases subsection of the Liabilities section of this note. The right-to-use asset is amortized on a straight-line basis over the term of the lease. Right-to-use asset activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental activities:					
Right-to-use assets:					
Parking spaces	\$ -	\$ 10,039	\$ -	\$ -	\$ 10,039
Less accumulated amortization for:					
Parking spaces	-	8,605	-	-	8,605
Governmental activity Right-to-use assets, net	<u>\$ -</u>				<u>\$ 1,434</u>

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

**B. Liabilities**

(1) Payables

Payables at the government-wide level at June 30, 2022, were as follows:

	<u>Vendors</u>	<u>Other</u>	<u>Total</u>
Governmental activities:			
General Fund	\$ 545,815	\$ 84,655	\$ 630,470
Total governmental activities	<u>\$ 545,815</u>	<u>\$ 84,655</u>	<u>\$ 630,470</u>
Business-type activities:			
CR Fund	\$ 20,925	\$ -	\$ 20,925
Total business-type activities	<u>\$ 20,925</u>	<u>\$ -</u>	<u>\$ 20,925</u>

(2) Risk management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. PART carries Public Officials Liability coverage with limits of \$1,000,000 per occurrence and \$1,000,000 aggregate through Hudson Insurance Company. Prescient National Insurance insures workers' compensation for PART employees. PART carries automobile liability coverage for vanpool vehicles through 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. 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 insured on National Express' insurance and provides the Authority a certificate of said insurance.

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

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

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

The Hartford Fire Insurance Company maintains the performance bond on Scott W. Rhine, Chief Executive Officer/General Manager for the Piedmont Authority for Regional Transportation, in the amount of \$500,000 through January 2023.

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

(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 requires fixed annual payments in the amount of \$10,046, the last of which was due on September 1, 2021. As such, no lease liability remains as of June 30, 2022. As of June 30, 2022, the remaining net book value of the related right-of-use lease asset was \$1,434, net of accumulated amortization of \$8,605.

(4) Retirement plan

PART sponsors a defined contribution retirement plan covering substantially all employees. The Authority matches 100% of the first 6% of total compensation that a participant contributes to the plan. Amounts charged to expense for this plan totaled approximately \$70,339 for the General Fund and \$15,449 for the CR Fund.

(5) Long-term liabilities

Changes in long-term liabilities:

	<u>Balance July 1, 2021, as restated</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2022</u>	<u>Current Portion of Long-Term Liabilities</u>
Governmental activities:					
Compensated absences	\$ 180,549	\$ 65,054	\$ (85,106)	\$ 160,497	\$ 85,106
Lease liability	<u>10,039</u>	<u>-</u>	<u>(10,039)</u>	<u>-</u>	<u>-</u>
	<u>\$ 190,588</u>	<u>\$ 65,054</u>	<u>\$ (95,145)</u>	<u>\$ 160,497</u>	<u>\$ 85,106</u>
Business-type activities:					
Compensated absences	<u>\$ 2,347</u>	<u>\$ 25,430</u>	<u>\$ (15,538)</u>	<u>\$ 12,239</u>	<u>\$ 12,239</u>
	<u>\$ 2,347</u>	<u>\$ 13,764</u>	<u>\$ (15,538)</u>	<u>\$ 12,239</u>	<u>\$ 12,239</u>

(6) Contingent liabilities and commitments

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

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**

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COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel strain of the coronavirus (“COVID-19”) to be a pandemic. The COVID-19 pandemic is having widespread, rapidly evolving, and unpredictable impacts on global society, economies, and business practices. Federal and state governments have implemented measures in an effort to contain the virus, including social distancing, travel restrictions, border closures, limitations on public gatherings, work from home, supply chain logistical changes, and closure of non-essential businesses. The COVID-19 pandemic has impacted and may continue to impact the Authority, including employees, partners, and communities, and there is substantial uncertainty in the nature and degree of its continued effects over time. The financial statements do not reflect any adjustments as a result of the continuing increase in economic uncertainty.

**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 General Fund from the Grants Fund in the amount of \$487,901 reimbursed the General Fund for previous funds provided to the Grants Fund by the General Fund due to timing of grant receipts.

**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	\$ 17,412,549
Less:	
Nonspendable:	
Leases	215
Restricted:	
Stabilization by State Statute	1,022,717
Capital expenditures	382,978
Committed:	
Capital expenditures	400,041
Assigned:	
Capital expenditures	<u>67,955</u>
Fund balances available for appropriation	<u>\$ 15,538,643</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, 2022**

**Exhibit 10**

**(3 pages)**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
<b>Revenues</b>			
Rental vehicle tax	\$ 3,300,000	\$ 5,004,818	\$ 1,704,818
Vehicle registration tax	153,000	157,111	4,111
Farebox (including PART Connections)	280,000	269,665	(10,335)
Grants:			
Federal Transit Administration:			
Operating grant	1,225,681	1,282,831	57,150
Preventative maintenance grant	184,809	265,268	80,459
CARES Act	3,226,908	2,856,769	(370,139)
NC Department of Transportation:			
State maintenance assistance	667,867	667,867	-
Model enhancement	1,612	3,569	1,957
Model maintenance	77,377	73,266	(4,111)
Local revenues:			
Regional MPO model enhancement	4,010	8,878	4,868
Regional MPO model maintenance	104,595	99,854	(4,741)
Regional MPO model special projects	98,662	-	(98,662)
Lease revenue	4,200	4,320	120
Other local revenue	25,000	56,688	31,688
Total revenues	<u>9,353,721</u>	<u>10,750,904</u>	<u>1,397,183</u>
<b>Expenditures</b>			
Board of Trustees:			
Salaries and benefits	12,875	10,139	2,736
Travel and meetings	10,560	3,462	7,098
Special initiatives	15,000	-	15,000
Total Board of Trustees	<u>38,435</u>	<u>13,601</u>	<u>24,834</u>
Office of Executive Director:			
Salaries and benefits	114,000	110,810	3,190
Legal services	50,000	28,885	21,115
Other professional services	35,000	1,068	33,932
Travel and meetings	8,700	4,104	4,596
Office expenses	8,500	5,716	2,784
Space and furnishings	10,500	4,092	6,408
Total Office of Executive Director	<u>226,700</u>	<u>154,675</u>	<u>72,025</u>

**Piedmont Authority for Regional Transportation**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**Year Ended June 30, 2022**

**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	\$ 485,300	\$ 434,699	\$ 50,601
Insurance - property and casualty	70,000	49,329	20,671
Professional services	69,350	54,613	14,737
Travel and training	11,500	3,976	7,524
Office expenses	6,500	7,116	(616)
Space and furnishings	49,500	43,315	6,185
	<u>692,150</u>	<u>593,048</u>	<u>99,102</u>
PART Express:			
Vehicle operations contract	4,536,800	4,279,673	257,127
Fuel and lubricants	1,064,000	703,384	360,616
Maintenance and repairs	90,000	35,195	54,805
Buildings and ground management	225,000	228,648	(3,648)
Miscellaneous	10,000	8,560	1,440
Salaries and benefits	375,800	329,903	45,897
Professional services	136,000	56,147	79,853
Travel and training	7,700	1,185	6,515
Office expenses	20,100	19,651	449
Space and furnishings	13,855	25,896	(12,041)
	<u>6,479,255</u>	<u>5,688,242</u>	<u>791,013</u>
Marketing and communications:			
Salaries and benefits	50,000	25,749	24,251
Professional services	35,000	14,768	20,232
Media and advertising	40,000	6,388	33,612
Travel and training	2,000	-	2,000
Office expenses	3,000	117	2,883
Space and furnishings	12,500	17,525	(5,025)
	<u>142,500</u>	<u>64,547</u>	<u>77,953</u>

**Piedmont Authority for Regional Transportation**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**Year Ended June 30, 2022**

**Exhibit 10**

**(3 pages)**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Planning:			
Salaries and benefits	\$ 267,000	\$ 261,178	\$ 5,822
Professional services	103,862	4,809	99,053
Travel and training	6,200	2,589	3,611
Office expenses	2,100	611	1,489
Space and furnishings	37,700	31,512	6,188
Model enhancement	-	13,940	(13,940)
Model maintenance	225,091	198,859	26,232
Total planning	<u>641,953</u>	<u>513,498</u>	<u>128,455</u>
Capital outlay	<u>100,000</u>	<u>44,168</u>	<u>55,832</u>
Debt service:			
Principal retirement	10,039	10,039	-
Interest and other charges	<u>6</u>	<u>6</u>	<u>-</u>
Total debt service	<u>10,045</u>	<u>10,045</u>	<u>-</u>
Total expenditures	<u>8,331,038</u>	<u>7,081,824</u>	<u>1,249,214</u>
Revenues over expenditures	<u>1,022,683</u>	<u>3,669,080</u>	<u>2,646,397</u>
Other financing sources:			
Sale of capital assets	-	15,505	15,505
Lease liabilities issued	-	10,039	10,039
Transfer from Grants Fund - Capital Grants	<u>519,924</u>	<u>487,901</u>	<u>(32,023)</u>
Total other financing sources	<u>519,924</u>	<u>513,445</u>	<u>(6,479)</u>
Appropriation to fund balance	<u>(1,542,607)</u>	<u>-</u>	<u>1,542,607</u>
Net change in fund balance	<u>\$ -</u>	<u>4,182,525</u>	<u>\$ 4,182,525</u>
Fund balance at beginning of year		<u>12,829,983</u>	
Fund balance at end of year		<u>\$ 17,012,508</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, 2022**

**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>
<b>Other financing sources</b>					
<b>(uses)</b>					
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, 2022

Exhibit 12

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
<b>Revenues</b>			
NC Department of Transportation Grants:			
Charging stations	\$ 70,138	\$ 67,932	\$ (2,206)
Vehicles	488,000	488,002	2
Total revenues	<u>558,138</u>	<u>555,934</u>	<u>(2,204)</u>
<b>Expenditures</b>			
Charging stations	<u>38,214</u>	<u>36,108</u>	<u>2,106</u>
Total expenditures	<u>38,214</u>	<u>36,108</u>	<u>2,106</u>
Revenues over expenditures	<u>519,924</u>	<u>519,826</u>	<u>(98)</u>
<b>Other financing uses</b>			
Transfer to General Fund	<u>(519,924)</u>	<u>(487,901)</u>	<u>32,023</u>
Total other financing uses	<u>(519,924)</u>	<u>(487,901)</u>	<u>32,023</u>
Net change in fund balance	<u>\$ -</u>	<u>31,925</u>	<u>\$ 31,925</u>
Fund deficit at beginning of year		<u>(31,925)</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, 2022**

**Exhibit 13**

**(2 pages)**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
<b>Operating revenues</b>			
Charges for sales and services	\$ 165,000	\$ 179,509	\$ 14,509
Total operating revenues	<u>165,000</u>	<u>179,509</u>	<u>14,509</u>
<b>Operating expenditures</b>			
<b>TDM/Vanpool</b>			
Salaries and benefits	195,100	182,162	12,938
Fuel and lubricants	75,000	75,153	(153)
Maintenance and repairs	50,000	30,931	19,069
Insurance - vehicles	85,000	73,836	11,164
Transportation	10,000	1,978	8,022
Marketing	63,000	40,900	22,100
Information technology services	7,500	4,194	3,306
Other Professional Services	15,000	1,167	13,833
Driver testing	2,000	2,330	(330)
Travel and training	6,600	2,459	4,141
Printing	15,000	2,744	12,256
Office expense	4,500	3,731	769
Space and furnishings	12,600	14,149	(1,549)
	<u>541,300</u>	<u>435,734</u>	<u>105,566</u>
<b>Piedmont Transit Resources</b>			
<b>Information Center</b>			
Salaries and benefits	143,600	130,892	12,708
Marketing	2,000	-	2,000
Information technology services	12,600	8,435	4,165
Other Professional Services	1,000	377	623
Office Expense	1,000	487	513
Travel and training	1,700	561	1,139
Space and furnishings	18,700	17,551	1,149
	<u>180,600</u>	<u>158,303</u>	<u>22,297</u>
Total operating expenditures	<u>721,900</u>	<u>594,037</u>	<u>127,863</u>
Operating loss	<u>(556,900)</u>	<u>(414,528)</u>	<u>142,372</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, 2022**

**Exhibit 13**

**(2 pages)**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
<b>Nonoperating revenues</b>			
NC Department of Transportation	\$ 134,366	\$ 99,124	\$ (35,242)
City of Greensboro	68,000	47,580	(20,420)
City of High Point	25,000	15,860	(9,140)
City of Winston-Salem	51,000	35,686	(15,314)
NC Department of Trans - Call Center	97,044	75,692	(21,352)
City of High Point - Call Center	37,826	26,756	(11,070)
Davidson County - Call Center	35,000	26,756	(8,244)
Amtrak	8,000	1,270	(6,730)
	<u>456,236</u>	<u>328,724</u>	<u>(127,512)</u>
Total intergovernmental revenues			
Other nonoperating revenue	<u>28,000</u>	<u>-</u>	<u>(28,000)</u>
Total nonoperating revenues	<u>484,236</u>	<u>328,724</u>	<u>(155,512)</u>
Revenues under expenditures	<u>(72,664)</u>	<u>(85,804)</u>	<u>(13,140)</u>
<b>Other financing sources</b>			
Sale of capital assets	<u>-</u>	<u>28,325</u>	<u>28,325</u>
Total other financing sources	<u>-</u>	<u>28,325</u>	<u>28,325</u>
Appropriation from fund balance	<u>72,664</u>	<u>-</u>	<u>(72,664)</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>(57,479)</u>	<u>\$ (57,479)</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual</b>			
Depreciation		(117,959)	
Gain on sale of capital assets		25,208	
Proceeds from sale of capital assets		(28,325)	
Change in compensated absences		<u>(9,892)</u>	
Change in net position		<u>\$ (188,447)</u>	

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## ***Compliance Section***

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

Board of Trustees  
Piedmont Authority for Regional Transportation  
Greensboro, NC

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, 2022, 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 November 1, 2022.

### **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.

# FORVIS

## 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, NC  
November 1, 2022

## Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the OMB Uniform Guidance and the State Single Audit Implementation Act

Board of Trustees  
Piedmont Authority for Regional Transportation  
Greensboro, NC

### Report on Compliance for Each Major Federal Program

#### ***Opinion on Each 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 each of the Authority's major federal programs for the year ended June 30, 2022. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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.

## ***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 each 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.

# FORVIS

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, NC  
November 1, 2022**

## Independent Auditor's Report on Compliance for Each Major State Program and on Internal Control over Compliance Required by the OMB Uniform Guidance and the State Single Audit Implementation Act

Board of Trustees  
Piedmont Authority for Regional Transportation  
Greensboro, NC

### Report on Compliance for Each Major State Program

#### **Opinion on Each 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 each of the Authority's major state programs for the year ended June 30, 2022. The Authority's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2022.

#### **Basis for Opinion on Each Major State Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 each major state program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

## ***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 each 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.

# FORVIS

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, NC  
November 1, 2022**

## 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:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
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?  X  Yes \_\_\_\_\_ No

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

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**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:

<u>Name of State Program</u>
State Maintenance Assistance Program (DOT 9)
Urban State Match - Bus Replacement (DOT 19)

**Section II: Financial Statement Findings**

There were no findings related to the financial statements for the fiscal year ended June 30, 2022.

**Section III: Federal Awards Findings and Questioned Costs**

There were no findings related to federal awards for the fiscal year ended June 30, 2022.

**Section IV: State Awards Findings and Questioned Costs**

There were no findings related to state awards for the fiscal year ended June 30, 2022.

**Piedmont Authority for Regional Transportation  
Schedule of Expenditures of Federal and State Awards  
Year Ended June 30, 2022**

**Exhibit 14**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State Number	Grant Number	Current Year Expenditures			
				Total	Federal Expenditures (Direct and Pass-Through)	State Expenditures	Local Expenditures
<b>Federal grants</b>							
U.S. Department of Transportation:							
Federal Transit Cluster:							
Federal Transit - Formula Grants (Urbanized Area Formula Program):							
Section 5307 Operating & Capital	20.507		NC-2020-007	\$ 918,810	\$ 459,404	\$ -	\$ 459,406
Section 5307 Operating & Capital	20.507		NC-2021-011	1,945,696	1,062,474	-	883,222
Greensboro UZA Section 5307 and 5339	20.507		NC-2020-021	26,411	26,221	-	190
				<u>2,890,917</u>	<u>1,548,099</u>	<u>-</u>	<u>1,342,818</u>
COVID-19 - Federal Transit - Formula Grants (Urbanized Area Formula Program):							
Section 5307 ARPA	20.507		NC-2022-011	1,481,269	1,481,269	-	-
Section 5307 CARES Act	20.507		NC-2021-009	283,860	283,860	-	-
CARES Act CRRSSA Greensboro	20.507		NC-2020-015	1,036,218	1,036,218	-	-
				<u>2,801,347</u>	<u>2,801,347</u>	<u>-</u>	<u>-</u>
Total Federal Transit - Formula Grants (Urbanized Area Formula Program):				<u>5,692,264</u>	<u>4,349,446</u>	<u>-</u>	<u>1,342,818</u>
Total Federal Transit Cluster				<u>5,692,264</u>	<u>4,349,446</u>	<u>-</u>	<u>1,342,818</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	7500024903	212,798	61,468	15,367	135,963
Total Highway Planning and Construction Cluster				<u>212,798</u>	<u>61,468</u>	<u>15,367</u>	<u>135,963</u>
Formula Grants for Rural Areas	20.509		21-CA-120	55,422	55,422	-	-
Total passed through North Carolina Department of Transportation				<u>268,220</u>	<u>116,890</u>	<u>15,367</u>	<u>135,963</u>
Total U.S. DOT assistance				<u>5,960,484</u>	<u>4,466,336</u>	<u>15,367</u>	<u>1,478,781</u>
<b>State Grants</b>							
North Carolina Department of Transportation:							
State Maintenance Assistance		DOT-9	12-SM-022	667,867	-	667,867	-
Ridesharing		DOT-11	22-RS-120	349,636	-	174,818	174,818
Urban State Match - Bus Replacement		DOT-19	22-UM-120	976,005	-	488,002	488,003
Total North Carolina Department of Transportation				<u>1,993,508</u>	<u>-</u>	<u>1,330,687</u>	<u>662,821</u>
North Carolina Department of Environmental Quality:							
Volkswagen Mitigation Settlement		DEQ-31	DCP0028	67,931	-	67,931	-
Total State assistance				<u>2,061,439</u>	<u>-</u>	<u>1,398,618</u>	<u>662,821</u>
Total assistance				<u>\$ 8,021,923</u>	<u>\$ 4,466,336</u>	<u>\$ 1,413,985</u>	<u>\$ 2,141,602</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.