

# **CENTRALINA REGIONAL COUNCIL**

## **ANNUAL FINANCIAL REPORT AND COMPLIANCE REPORTS**

***As of and for the Year Ended June 30, 2024***

***And Reports of Independent Auditor***

# CENTRALINA REGIONAL COUNCIL

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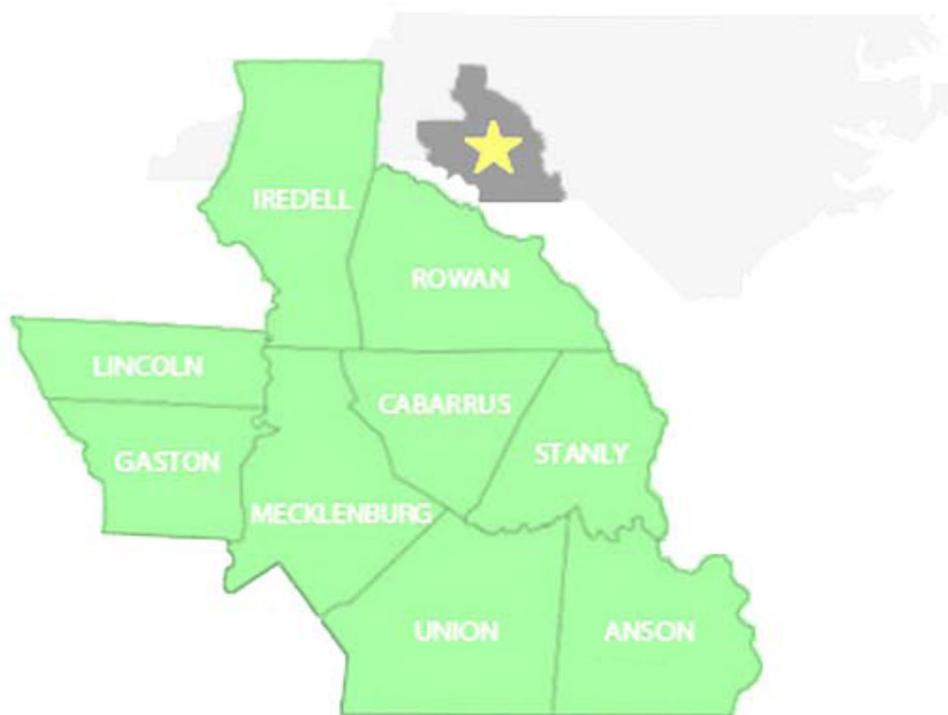
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## **FINANCIAL SECTION**

## Report of Independent Auditor

To the Board of Delegates  
Centralina Regional Council  
Charlotte, North Carolina

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit and each major fund of Centralina Regional Council (“Centralina”) as of and for the year ended June 30, 2024, and the related notes to the financial statements which, collectively, comprise Centralina’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit and each major fund of Centralina Regional Council as of June 30, 2024, and the respective changes in financial position and the respective budgetary comparison for the General Fund and Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with 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. 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 Centralina and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe 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 the 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 Centralina’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor’s Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Centralina'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 Centralina'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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Centralina's basic financial statements. The accompanying individual fund schedules and schedule of expenditures of federal and State awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 and 2023 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund 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 for the years ended June 30, 2024 and 2023, as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, the financial statements of the governmental activities, discretely presented component unit and each major fund of Centralina as of and for the year ended June 30, 2023 (none of which is presented herein), and we expressed unmodified opinions on those basic financial statements. Those audits were conducted for purposes of forming an opinion on the basic financial statements as a whole. The accompanying individual fund schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In our opinion, the accompanying individual fund schedules is fairly stated in, all material respects, in relation to the financial statements from which it has been derived.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2024, on our consideration of Centralina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Centralina's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Centralina's internal control over financial reporting and compliance.

*Cherry Bekaert LLP*

Charlotte, North Carolina  
October 24, 2024



# CENTRALINA REGIONAL COUNCIL

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2024

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This section of the financial report of Centralina Regional Council ("Centralina") represents discussion and analysis of the performance of Centralina for the year ended June 30, 2024. This information should be read in conjunction with the audited financial statements included in this report.

Since 1968, Centralina has been dedicated to serving the needs of the nine-county Greater Charlotte region. Centralina addresses area-wide issues and opportunities by offering planning, coordination, advocacy, and technical assistance services. Our neutral platform and regional framework allow local leaders to work together to create holistic solutions that will advance our region.

Centralina is currently operating under a three-year Strategic Plan (2022-2025) that serves as a roadmap for organizational growth and fiscal stability in service of our mission and in line with our core values. The plan was informed by robust engagement with our staff, Board and regional stakeholders. The plan is flexible, but demonstrates our firm commitment to organizational excellence, fiscal responsibility and service. Annual workplans approved by the Board guide our priorities and activities for each fiscal year.

**Vision:** Centralina is a collaborative organization and trusted partner leading the region, communities and individuals towards a thriving future.

**Mission:** Centralina's mission is to lead regional collaboration and sparks local action to expand opportunity and improve quality of life. We do this through creative problem solving, innovative service delivery, and support to our local governments.

### Goals:

1. Lead regional engagement to prepare, plan and act on issues that respond to today's needs and tomorrow's opportunities.
2. Build local government capacity, efficiency and innovation in service to Centralina communities and the region.
3. Grow our portfolio of person-centered services that enhance an individual's ability to thrive in their careers and in their communities.
4. Strive for organizational excellence by investing in our employees, promoting our work and building efficient systems.

Centralina delivers programs and services in support of these goals through the work of our six departments:

- **Centralina Regional Planning** fosters collaboration and looks strategically at our region's interconnected systems of land use, transportation, and economy. It helps local governments create places of lasting value through comprehensive and mutually beneficial strategies and results.
- **Centralina Community Economic Development** addresses regional economic opportunities and challenges. It offers technical assistance, staff, and expertise to communities and helps leverage resources to improve housing, public infrastructure and downtown revitalizations.
- **Centralina Area Agency on Aging** identifies needs and delivers critical services to support older and disabled adults. Through programming, planning, technical assistance and direct services, it helps residents feel like valued members of their communities.
- **Centralina Workforce Development Board** solves the needs of employers and career seekers across our region to create a thriving workforce. Through services and programming, it ensures that the development and training needs of our area are met so that we remain a competitive player in the global economy.

# CENTRALINA REGIONAL COUNCIL

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2024

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- **Centralina Government Affairs and Member Engagement** helps us deliver value to member governments and regional stakeholders. It supports our departments and creates opportunities for relationship building, information exchange, advocacy, and strategic support.
- **Centralina Administration and Finance** oversees the coordination, implementation and monitoring of administrative and financial activities within Centralina and in consultation with the Board of Delegates.

The following summary of activities for the year ended June 30, 2024; the organization's annual report includes additional details about case study projects, maps, and photos to further illustrate the impact of Centralina's work over the fiscal year.

### *Organization Wide Accomplishments*

- Completed or initiated 92% or 76 of the planned 82 activities in our FY24 workplan.
- Recognized Centralina's 55 years of service to the region with a Regional Roadtrip that engaged over 40 local governments to share ideas and understand needs of our members.
- Managed implementation of the region's 5-year Comprehensive Economic Development Strategy, *Prosperity for All* and the *CONNECT Beyond Regional Mobility Strategy*
- Completed the region's first Preliminary Climate Action Plan that covers 13 counties and 2 states and was funded by a USEPA grant.
- Completed the Four-Year Regional Aging Plan and submitted to the NC Department of Adult and Aging Services.
- Completed the Advancing the Plan Committee report on regional governance and funding structure for public transit to guide *CONNECT Beyond* implementation.
- Launched planning and engagement efforts to develop a Regional Digital Inclusion Plan with county roadmaps for expanding broadband access and digital equity.
- Completed Regional Resilience Collaborative activities with county emergency managers to develop county recovery roadmaps. Efforts led to a documented 14% increase in capacity among county EMs.
- Launched the Disaster Recovery Financial Administration Training program to support securing of disaster recovery funds, building financial systems and incorporating staffing best practices. We offered 3 regional workshops attended by over 40 individuals from 5 counties.
- Completed regional engagement and development of a Transportation Demand Management (TDM) Implementation Guidebook.
- Wrapped up bi-partisan state advocacy activities in the North Carolina General Assembly short session; continued to build relationships with our state and federal representatives. Hosted two major event with North Carolina Senator Thom Tillis and Congresswoman Alama Adamas
- Collaborated with the State on joint grant federal applications to the US Dept. of Labor Critical Sector Job Quality grant and EPA's Climate Pollution Reduction Implementation grant
- Engage over 200 local government professionals in 8 Centralina Learns events.
- Hosted over 146 individuals in regional networking and learning events.
- Provided 35 local governments and partner organizations with technical services such as strategic planning & facilitation, HR assistance, grant support, housing & community development and planning assistance.
- Continued to provide support, advise and technical assistance to members about the American Rescue Plan Act (ARPA) spending and project implementation.
- Established the award-winning Small Towns Thrive initiative that included 11 convenings, 4 peer-to-peer sessions, 7 trainings and workshops and 4 guidance documents.
- Evolved our portfolio of programs for older adults and caregivers to better serve our most rapidly growing demographic in the region.

# CENTRALINA REGIONAL COUNCIL

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2024

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### *Service Reach for Workforce and Aging*

- 1,575 employers served with 22,051 services
- 19,750 career seekers served through NCWorks Career Centers including 141 workshop participants
- 19,750 job referrals
- 65 sponsored adult and youth job seeker work experiences
- 24 on-the-job training partnerships with local employers
- 48 new trained lay leaders (Aging)
- 44 workshops with 400 participants
- 14 webinars hosted with 1,522 participants and 469 post-event views
- 1,755 information or assistance calls received on the 800-line
- 318 complaints addressed related to long term care facilities
- 105 individuals served with home improvement or chore enhanced service
- 13,549 boxes of fresh produce and groceries provided (ARPA Grocery and Fresh Produce Program)

### *Centralina Operations & Services Highlights*

Centralina invested significant resources and time into additional enhancements to our internal systems and operations during the year. Centralina hired a full-time IT Manager which has been an important investment in internal professional capacity. This hire has led to improved internal customer service, stronger coordination with the contracted managed service provider and enhance capacity to begin tackling several cybersecurity and policy/procedure projects. Centralina's Finance Department continued making improvements to the organization's budgeting and financial management processes. This year we were able to achieve a stronger alignment between work plan and budget development at the department level. Centralina staff engagement activities this year included continued professional development training for emerging leaders, service projects in the region and enhanced monthly staff meetings to build internal awareness of departments and their key projects.

### *Overview of the financial statements*

The audited financial statements of Centralina consist of three components. They are as follows:

- Management's Discussion and Analysis
- Basic Financial Statements
- Individual Fund Statements and Schedules that present comparative balance sheets for the General Fund and Special Revenue Fund, budgetary statement for the Component Unit, and computation of the indirect cost allocation rate

The *Basic Financial Statements* include two types of statements that present different views of Centralina's finances. The first is the *government-wide statements*. The government-wide statements are presented on the full accrual basis of accounting and include the Statement of Net Position and the Statement of Activities. The Statement of Net Position includes all of Centralina's assets and deferred outflows of resources as well as liabilities and deferred inflows of resources. Assets, deferred outflows of resources, liabilities, and deferred inflows of resources are classified in the order of relative liquidity for assets and deferred outflows and due date for liabilities and deferred inflows. This statement provides a summary of Centralina's investment in assets and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The Statement of Activities summarizes Centralina's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

# CENTRALINA REGIONAL COUNCIL

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2024

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The second set of statements included in the basic financial statements is the *Fund Financial Statements*, which are presented for Centralina's major governmental funds. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near-term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The fund financial statements focus on Centralina's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about Centralina as an economic unit, while the fund financial statements provide information on the financial resources of Centralina's major funds.

### Government-Wide Statements

The government-wide statements report information about Centralina as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of Centralina's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report Centralina's net position and how it has changed. A review of net position (i.e., the difference between Centralina's assets and deferred outflows of resources and liabilities and deferred inflows of resources) is one way to measure the entity's financial health or position.

The government-wide statements are divided into two categories:

- *Governmental Activities* – All of Centralina's basic services are included here.
- *Component Unit* – Although legally separate from Centralina, the Centralina Workforce Development Consortium is important to Centralina because Centralina provides all managerial and accounting functions for the Consortium and the Consortium is for the benefit of residents of seven of the nine counties in the geographic area of Centralina.

The government-wide statements are shown as Exhibits A and B of this report.

### Fund Financial Statements

The fund financial statements provide more detailed information about Centralina's funds, focusing on its most significant or "major" funds - not the government as a whole. Funds are accounting devices Centralina uses to keep track of specific sources of funding and spending on particular programs. Centralina established funds to control and manage money for a particular purpose or to show that it is properly using certain revenues, such as in the Special Revenue - Grant Project Fund. All of Centralina's funds are governmental funds.

*Governmental Funds* – All of Centralina's basic services are included in the governmental funds, which generally focus on two things - how cash and other assets can readily be converted to cash flow in and out, and the balances left at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the coming year to finance Centralina's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statements, in the form of a reconciliation, explains the relationship (or differences) between the government-wide and the fund financial statements. Centralina has two governmental funds: the General Fund and the Special Revenue Fund.

**CENTRALINA REGIONAL COUNCIL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

*JUNE 30, 2024*

The governmental fund statements are shown as Exhibits C, D, E, F, G, & H of this report.

	<b>2024</b>	<b>2023</b>
Current and other assets	\$ 20,519,957	\$ 4,826,804
Noncurrent assets	1,931,775	2,341,016
Total Assets	22,451,732	7,167,820
Deferred outflows of resources	1,533,445	1,465,027
Current liabilities	19,695,673	4,096,889
Noncurrent liabilities	4,445,940	4,535,467
Total Liabilities	24,141,613	8,632,356
Deferred inflows of resources	190,724	171,672
Net investment in capital assets	214,429	278,781
Restricted	1,661,715	1,067,450
Unrestricted net position	(2,223,304)	(1,517,412)
Total Net Position	\$ (347,160)	\$ (171,181)

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. Liabilities and deferred inflows exceeded assets and deferred outflows by \$347,160 as of June 30, 2024. As of June 30, 2024, liabilities and deferred inflows exceeded assets and deferred outflows by \$171,181. Centralina's net position decreased \$175,979 and \$377,633 for the fiscal years ended June 30, 2024, and 2023, respectively. The net position decrease year over year is due primarily to increase in net pension liability.

As of June 30, 2024 Centralina's current assets increased \$15,693,143 over June 30, 2023 and current liabilities increased \$15,598,784, respectively. The increase in assets and liabilities is due primarily to a direct grant appropriation in Session Law (S.L.) 2023-134 for Fiscal Year 2023-24. As of June 30, 2024 the grant appropriation were advanced to Centralina, which has deferred the revenue until cost are incurred.

	<b>2024</b>	<b>2023</b>
Revenue:		
Restricted intergovernmental revenues	\$ 20,839,599	\$ 18,910,237
Technical assistance contracts	1,322,488	1,088,808
Other program revenue	602,013	643,976
Interest and other earnings	68,533	33,111
Member dues and contributions	938,972	929,201
Total Revenues	23,771,605	21,605,333
Expenses:		
General government	1,354,526	1,404,948
Transportation	992,600	684,453
Environmental protection	565,384	258,655
Economic and physical development	1,364,222	1,241,703
Human services	18,756,435	17,467,100
Workforce development	914,417	926,107
Total Expenses	23,947,584	21,982,966
Excess of Revenues Over (Under) Expenditures	(175,979)	(377,633)
Beginning net position	(171,181)	206,452
Ending net position	\$ (347,160)	\$ (171,181)

# CENTRALINA REGIONAL COUNCIL

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2024

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### Financial Analysis of Centralina's Funds

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

**Governmental funds:** The focus of Centralina's governmental funds is to provide information on near-term inflows, outflows and balances of usable resources. Such information is useful in assessing Centralina's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Centralina. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$(348,600), while total fund balance amounted to \$1,383,236. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance for fiscal year ending 2024 represents 16.19% of total General Fund expenditures which is a decrease from fiscal year ending 2023 which was 18.29%.

**General fund budgetary highlights:** During the fiscal year, Centralina revised the budget on several occasions. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as federal and state grants, technical and assistance contracts and other services; and (3) increases in appropriations that become necessary to maintain services.

### Capital Assets

Centralina's investment in capital assets for its governmental activities as of June 30, 2024 totals \$1,931,775 (net of accumulated depreciation and amortization). These assets include the financial software system, vehicles, furniture, fixtures and equipment, leasehold improvements, and right to use lease assets.

### Next Year's Roadmap

Next fiscal year will be the second implementation year of the strategic plan. The Board-approved FY24-25 workplan outlines specific actions related to each of the new strategic plan goals. To ensure alignment of strategy and resources, department workplans and budgets support the organizational workplan and budget. Progress on the workplan is reported quarterly, while success stories are documented and shared throughout the year.

### Key Initiatives for FY2024-25

- Updating the organization's strategic plan for the next three years (FY26-FY29)
- Continuing to implement key recommendations of *CONNECT Beyond, Prosperity for All* regional plans and providing guidance to local governments in how they can support implementation.
- Supporting local governments through American Rescue Plan Act (ARPA) close out, grant development and other technical assistance services.
- Completing work on regional resilience, climate and digital inclusion planning.
- Continued development of new, innovative services for older adults in response to the ARPA funding transition and new business development opportunities.
- Supporting dislocated workers, career seekers and businesses in need of workforce services.
- Developing and submitting applications for federal competitive grants to support work in economic development, transportation, resilience, and other areas.
- Building the federal and state relations strategies for the upcoming 119<sup>th</sup> Congress and North Carolina General Assembly Long Session.
- Embarking on succession planning and talent development activities across the organization.

**CENTRALINA REGIONAL COUNCIL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

*JUNE 30, 2024*

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**Request for Information**

This report is intended to provide a summary of the financial condition of Centralina Regional Council. Questions or requests for additional information should be addressed to:

Denise M. Strosser, Finance Director  
Centralina Regional Council  
10735 David Taylor Drive, Suite 250  
Charlotte, North Carolina 28262



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## **BASIC FINANCIAL STATEMENTS**



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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CENTRALINA REGIONAL COUNCIL**  
**STATEMENT OF NET POSITION**

**EXHIBIT A**

*JUNE 30, 2024*

	<b>Primary Government</b>	<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Workforce Development Consortium</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 15,768,320	\$ -
Accounts Receivables	45,426	-
Due from other governments	4,673,757	192,677
Prepaid items	32,454	-
Total Current Assets	<u>20,519,957</u>	<u>192,677</u>
Noncurrent Assets:		
Capital Assets:		
Right to use lease assets, net of amortization	1,717,346	-
Furniture, fixtures and equipment, net of depreciation and disposition	<u>214,429</u>	<u>-</u>
Total Noncurrent Assets	<u>1,931,775</u>	<u>-</u>
Total Assets	<u>22,451,732</u>	<u>192,677</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Contributions to pension plan in current fiscal year	497,899	-
Pension deferrals	1,017,950	-
OPEB deferrals	<u>17,596</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>1,533,445</u>	<u>-</u>

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

**CENTRALINA REGIONAL COUNCIL**  
**STATEMENT OF NET POSITION (CONTINUED)**

**EXHIBIT A**

*JUNE 30, 2024*

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Workforce Development Consortium</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts and grants payable	\$ 3,539,450	\$ 192,677
Current portion of long term liabilities	521,285	-
Accrued Payroll	101,961	-
Unearned revenue	15,532,977	-
Total Current Liabilities	19,695,673	192,677
Noncurrent Liabilities:		
Net pension liability	2,406,962	-
Total OPEB liability	236,153	-
Noncurrent portion of long-term liabilities	1,802,825	-
Total Noncurrent Liabilities	4,445,940	-
Total Liabilities	24,141,613	192,677
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Pension deferrals	20,017	-
OPEB deferrals	170,707	-
Total Deferred Inflows of Resources	190,724	-
<b>NET POSITION:</b>		
Net investment in capital assets	214,429	-
Restricted:		
Stabilization by State Statute	1,661,715	-
Unrestricted	(2,223,304)	-
<b>Total Net Position</b>	<b>\$ (347,160)</b>	<b>\$ -</b>

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

**CENTRALINA REGIONAL COUNCIL**  
**STATEMENT OF ACTIVITIES**

**EXHIBIT B**

*YEARS ENDED JUNE 30, 2024*

Functions / Programs	Expenses	Indirect Expenses Allocation	Program Revenues	
			Charges for Services	Operating Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 2,957,350	\$ (1,602,825)	\$ 214,670	\$ 283,089
Transportation	815,094	177,506	665,528	194,436
Environmental protection	445,837	119,547	82,719	461,835
Economic and physical development	1,030,209	334,013	651,779	587,000
Human services	18,028,676	727,760	307,106	18,414,522
Workforce development	670,418	243,999	15,700	898,717
Total Primary Government	<u>\$ 23,947,584</u>	<u>\$ -</u>	<u>\$ 1,937,502</u>	<u>\$ 20,839,599</u>
Component Unit:				
Workforce Development Consortium	<u>\$ 2,197,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,197,202</u>
Total Component Unit	<u>\$ 2,197,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,197,202</u>

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

**CENTRALINA REGIONAL COUNCIL**  
**STATEMENT OF ACTIVITIES (CONTINUED)**

**EXHIBIT B**

*YEARS ENDED JUNE 30, 2024*

	Net (Expense) Revenue and Changes in Net Position	
	Primary Government	Component Unit
Functions / Programs	Governmental Activities	Workforce Development Consortium
Primary Government:		
Governmental Activities:		
General government	\$ (856,766)	\$ -
Transportation	(132,636)	-
Environmental protection	(20,830)	-
Economic and physical development	(125,443)	-
Human services	(34,808)	-
Workforce development	-	-
Total Primary Government	(1,170,483)	-
Component Unit:		
Workforce Development Consortium	-	-
Total Component Unit	-	-
General Revenues:		
Member dues and contributions	938,972	-
Unrestricted investment earnings	55,532	-
Total General Revenues	994,504	-
Change in net position	(175,979)	-
Net position - beginning	(171,181)	-
Net position - ending	\$ (347,160)	\$ -

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



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**FUND FINANCIAL STATEMENTS**

**CENTRALINA REGIONAL COUNCIL**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**

**EXHIBIT C**

*JUNE 30, 2024*

	<b>Major Funds</b>		<b>Total Governmental Funds</b>
	<b>General</b>	<b>Special Revenue Fund</b>	
<b>ASSETS</b>			
Cash and investments	\$ 15,768,320	\$ -	\$ 15,768,320
Receivables	45,426	-	45,426
Due from other governments	1,616,289	3,057,468	4,673,757
Prepayments	70,121	-	70,121
Total Assets	17,500,156	3,057,468	20,557,624
<b>LIABILITIES</b>			
Accounts and grants payable	481,982	3,057,468	3,539,450
Accrued Payroll	101,961	-	101,961
Unearned revenue	15,532,977	-	15,532,977
Total Liabilities	16,116,920	3,057,468	19,174,388
<b>FUND BALANCES</b>			
Nonspendable:			
Prepayments	70,121	-	70,121
Restricted:			
Stabilization by State Statute	1,661,715	-	1,661,715
Unassigned	(348,600)	-	(348,600)
Total Fund Balances	1,383,236	-	1,383,236
Total Liabilities and Fund Balances	\$ 17,500,156	\$ 3,057,468	\$ 20,557,624

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

**CENTRALINA REGIONAL COUNCIL**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**

**EXHIBIT D**

*JUNE 30, 2024*

Amounts reported for governmental activities in the Statement of Net Position  
are different because:

Ending fund balance - governmental funds	\$	1,383,236	
Prepaid lease deposits recognized as a leased asset in governmental activities		(37,667)	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		1,931,775	
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.		497,899	
Pension related deferrals		997,933	
OPEB related deferrals		(153,111)	
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Net pension liability	(2,406,962)		
Total OPEB liability	(236,153)		
Compensated absences	(460,320)		
Lease liability	(1,806,348)		
Other long-term liability	(57,442)	(4,967,225)	
Net Position of Governmental Activities		\$	(347,160)

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

**CENTRALINA REGIONAL COUNCIL**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**

**EXHIBIT E**

*YEAR ENDED JUNE 30, 2024*

	<b>Major Funds</b>		<b>Total Governmental Funds</b>
	<b>General</b>	<b>Special Revenue Fund</b>	
Revenues:			
Restricted intergovernmental revenues	\$ 5,659,910	\$ 15,179,689	\$ 20,839,599
Technical assistance contracts	1,322,488	-	1,322,488
Other program revenue	601,998	15	602,013
Interest and other	68,533	-	68,533
Member dues and contributions	938,972	-	938,972
Total Revenues	8,591,901	15,179,704	23,771,605
Expenditures:			
General government	1,130,346	-	1,130,346
Transportation	992,600	-	992,600
Environmental protection	565,384	-	565,384
Economic and physical development	1,364,222	-	1,364,222
Human services	3,576,732	15,179,704	18,756,436
Workforce development	914,417	-	914,417
Total Expenditures	8,543,701	15,179,704	23,723,405
Excess of Revenues Over Expenditures	48,200	-	48,200
Fund Balances - July 1	1,335,036	-	1,335,036
Fund Balances - June 30	\$ 1,383,236	\$ -	\$ 1,383,236

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

**CENTRALINA REGIONAL COUNCIL****EXHIBIT F****RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES***YEAR ENDED JUNE 30, 2024*

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

Net change in fund balances - total governmental funds	\$	48,200
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, net of deletions		12,324
Amortization expense		(344,891)
Depreciation expense		<u>(76,674)</u>
		(409,241)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.		497,899
Pension expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.		(690,261)
OPEB expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.		8,632
The incurrence of lease liability provides current financial resources to governmental funds, while the repayment of the principal of lease liability consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This is the amount by which lease liabilities incurred exceed total principal payments made under those lease liabilities		288,621
Recording of the net adjustment to the obligation for compensated absences		75,171
Payment on accrued litigation		<u>5,000</u>
Change in net position of governmental activities	\$	<u>(175,979)</u>

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

**CENTRALINA REGIONAL COUNCIL****EXHIBIT G****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL – NON-GAAP – GENERAL FUND**

YEAR ENDED JUNE 30, 2024

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Revenues:				
Restricted intergovernmental revenues	\$ 4,990,353	\$ 6,616,711	\$ 5,659,910	\$ (956,801)
Technical assistance contracts	1,240,777	1,530,026	1,322,488	(207,538)
Other program revenue	790,831	470,932	601,998	131,066
Interest and other	24,000	225,853	68,533	(157,320)
Member dues and contributions	937,503	940,000	938,972	(1,028)
Total Revenues	7,983,464	9,783,522	8,591,901	(1,191,621)
Expenditures:				
Current:				
General Government:				
Member services, board and committees	720,000	1,072,966	875,232	197,734
Management and business operations	1,922,500	2,005,705	1,720,796	284,909
Information technology and data service	215,000	367,247	338,896	28,351
Indirect costs representation	(1,806,658)	(1,897,451)	(1,804,578)	(92,873)
Total General Government	1,050,842	1,548,467	1,130,346	418,121
Transportation:				
Planning assistance and administration	454,290	975,713	888,094	87,619
Integrated mobility management	-	154,631	104,506	50,125
Total Transportation	454,290	1,130,344	992,600	137,744
Environmental Protection:				
Planning assistance and administration	289,213	621,165	565,384	55,781
Total Environmental Protection	289,213	621,165	565,384	55,781
Economic and Physical Development:				
Planning assistance and administration	61,498	132,083	120,222	11,861
Economic program initiative	1,200,000	1,377,974	1,244,000	133,974
Total Economic and Physical development	1,261,498	1,510,057	1,364,222	145,835
Human services				
Area agency on aging	3,863,622	4,026,898	3,576,732	450,166
Workforce development	1,064,000	946,591	914,417	32,174
Total Expenditures	7,983,464	9,783,522	8,543,701	1,239,821
Revenues Over Expenditures	\$ -	\$ -	48,200	\$ 48,200
Fund Balance - July 1			1,335,036	
Fund Balance - June 30			\$ 1,383,236	

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

**CENTRALINA REGIONAL COUNCIL****EXHIBIT H****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL – SPECIAL REVENUE FUND**

YEAR ENDED JUNE 30, 2024

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Revenues:				
Restricted intergovernmental revenues				
Aging pass-through funds				
HCC Block Grant	\$ 11,500,000	\$ 12,100,000	\$ 11,778,455	\$ 321,545
USDA/NSIP Supplement	650,000	750,000	519,798	230,202
Title III-B legal	103,000	203,000	110,178	92,822
Family Caregiver	573,000	623,000	574,114	48,886
Disease Prevention/Health Promotion	52,300	72,300	30,285	42,015
State Senior Center General Purpose	117,000	137,000	114,073	22,927
Heat Fan Relief	15,000	15,100	14,387	713
ARPA Support Services	209,000	309,000	987,854	(678,854)
ARPA Congregate Nutrition	1,727,801	1,827,801	552,799	1,275,002
ARPA Home Delivered meals	1,170,000	1,270,000	497,761	772,239
Total Aging Revenue	16,117,101	17,307,201	15,179,704	2,127,497
Expenditures:				
Grant-Related Expenditures:				
Aging Pass-through Funds:				
HCC Block Grant	11,500,000	12,100,000	11,778,455	321,545
USDA/NSIP Supplement	650,000	750,000	519,798	230,202
Title III-B legal	103,000	203,000	110,178	92,822
Family Caregiver	573,000	623,000	574,114	48,886
Disease Prevention/Health Promotion	52,300	72,300	30,285	42,015
State Senior Center General Purpose	117,000	137,000	114,073	22,927
Heat Fan Relief	15,000	15,100	14,387	713
ARPA Support Services	209,000	309,000	987,854	(678,854)
ARPA Congregate Nutrition	1,727,801	1,827,801	552,799	1,275,002
ARPA Home Delivered meals	1,170,000	1,270,000	497,761	772,239
Total Aging Expenditures	16,117,101	17,307,201	15,179,704	2,127,497
Revenues Over Expenditures	\$ -	\$ -	-	\$ -
Fund Balance - July 1			-	
Fund Balance - June 30			\$ -	

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



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# CENTRALINA REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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### Note 1—Summary of significant accounting policies

The accounting policies of Centralina Regional Council (“Centralina”) and its discretely presented component unit conform to generally accepted accounting principles (“U.S. GAAP”) as applicable to governments. Significant accounting policies are as follows:

*Reporting Entity* – Centralina Regional Council is a public authority which is governed by a Board of Delegates composed of 64 elected officials.

As required by U.S. GAAP, these financial statements present Centralina and its component units, as legally separate entities for which Centralina is financially accountable. The Centralina Workforce Development Consortium, a discretely presented component unit, is reported in a separate column in Centralina’s financial statements in order to emphasize that it is legally separate from Centralina. Centralina Foundation, Inc.; Centralina Economic Development Commission, Inc.; and Centralina Connection, Inc. are presented as blended component units. The blended presentation method presents component units as a department of Centralina and offers no separate presentation as with the discrete method.

*Centralina Workforce Development Consortium* – Centralina does not appoint the governing board of the Centralina Workforce Development Consortium (the “Consortium”); however, the seven members of the Consortium are members of Centralina. The Consortium is a discretely presented component unit which is reported separately within Centralina’s financial statements to emphasize that it is legally separate from the primary government. Centralina is financially accountable for the Consortium. Centralina provides all managerial and accounting functions for the Consortium under an administrative agreement, which includes the preparation and adoption of budgets. Title to all assets and liabilities of the Consortium are held by Centralina. If the Consortium were to dissolve, all assets and liabilities of the Consortium would revert back to Centralina. Also, the Consortium is for the benefit of the residents of seven of the nine counties comprising the geographic area served by Centralina. The Consortium does not issue separate financial statements.

*Centralina Foundation, Inc.* – Centralina Foundation, Inc. (the “Foundation”) is a North Carolina nonprofit corporation that promotes improved health and welfare through innovative, collaborative, and inclusive community-based programs directly impacting people and communities in the southern piedmont region of North Carolina. The governing board of the Foundation includes nine trustees, five of which are the officers and Executive Director of Centralina. The other four are elected by the Board of Trustees and include civic leaders from many walks of life. The Foundation contracts with Centralina for provision of its administrative support and fiscal management and does not issue separate financial statements.

*Centralina Economic Development Commission, Inc.* – The governing board of Centralina Economic Development Commission, Inc. (the “Commission”) is appointed by the Executive Committee of Centralina. The Commission is a nonprofit corporation organized to facilitate; plan; and coordinate innovative regional economic development, promote new and effective thinking and action, including federal, state, and local legislation; and to facilitate regional economic development in and around the southern piedmont region of North Carolina. The Commission does not issue separate financial statements.

*Centralina Connection, Inc.* – The governing board of Centralina Connection, Inc. is appointed by its nominating committee. Centralina Connection is a nonprofit corporation organized to coordinate and work with volunteers and funding streams to promote independence by offering transportation services to and engagement of primarily older adults, persons with disabilities, and veterans, and to provide access to resources in the community through collaborating with existing agents. Centralina Connection does not issue separate financial statements.

# CENTRALINA REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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### **Note 1—Summary of significant accounting policies (continued)**

#### *Basis of Presentation*

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of Centralina'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. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including member dues, are presented as general revenues.

*Fund Financial Statements* – The fund financial statements provide information about Centralina's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

Centralina reports the following major governmental funds:

*General Fund* – The General Fund is the general operating fund of Centralina. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are federal and state restricted intergovernmental revenues, technical assistance contracts, other program revenues, and member dues and contributions. The primary expenditures are for general government, transportation, environmental protection, economic and physical development, human services, and workforce development.

*Special Revenue Fund* – This fund is used to account for certain grant funds that are restricted for use for a particular purpose.

*Measurement Focus and Basis of Accounting* – In accordance with North Carolina General Statutes, all funds of Centralina are maintained during the year using the modified accrual basis of accounting.

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

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

# CENTRALINA REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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### **Note 1—Summary of significant accounting policies (continued)**

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

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

Those revenues susceptible to accrual are member dues and contributions, investment earnings, technical assistance contracts, contracts and fees, and federal and state restricted intergovernmental revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

*Budgetary Data* – Centralina’s budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and Special Revenue Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Special Revenue Fund and the Component Unit. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Any revisions that alter total expenditures of any fund must be approved by the Board of Delegates. During the year, several amendments to the original budget were necessary.

The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

*Allocation of Indirect Costs* – Indirect costs are allocated to all cost centers, including grants, based upon actual expenditures and depreciation, in accordance with Office of Management and Budget 2 CFR Part 200. Indirect costs necessary to sustain overall operations are allocated as a percentage of total direct labor costs and employee benefits charged to cost centers.

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

State law [G.S. 159-30(c)] authorizes Centralina 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 banker’s acceptances; and the North Carolina Capital Management Trust (“NCCMT”). Centralina’s investments are generally reported at fair value. 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 of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

# CENTRALINA REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

### Note 1—Summary of significant accounting policies (continued)

*Allowances for Doubtful Accounts* – Receivables are reported a net realizable value; therefore, they are shown net of allowance for doubtful accounts where applicable. The allowance is an estimate of the uncollectible amount based on management's experience and knowledge. No allowance for doubtful accounts is considered necessary.

*Prepayments* – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and reported as expenses or expenditures as the items are used.

*Capital Assets* – Capital assets are defined by Centralina as assets with an initial, individual cost greater than or equal to \$5,000, and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

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

<b>Asset Class</b>	<b>Estimated Useful Lives</b>
Furniture and equipment	5 – 10 years
Computer equipment and software	3 – 5 years
Vehicles	5 years

Centralina's capital assets also include certain right-of-use- assets. These right-of-use assets arise in association with agreements where Centralina reports a lease or agreement or Centralina reports an Information Technology Subscription in accordance with the requirements of Government Accounting Standards Board ("GASB") 87 and GASB 96, respectively.

The right-of-use assets are 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-of-use assets are presented under capital assets and are amortized on a straight-line basis over the life of the related lease.

The right-of-use Subscription-Based Information Technology Arrangement ("SBITA") assets are initially measured at an amount equal to the initial measurement of the SBITA liability plus any SBITA payments made at the start of the SBITA term, if applicable, plus capitalizable initial implementation costs at the start of the SBITA term, less any incentives received from the SBITA vendor at the start of the SBITA term. SBITA payments, as well as payments for capitalizable implementation costs made before the start of the SBITA term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the SBITA term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the SBITA term at which time the amount should be included in the initial measurement of the SBITA asset. The right-of-use SBITA assets should be amortized on a straight-line basis over the SBITA term.

*Long-Term Liabilities* – In the government-wide financial statements, long-term debt, and other long-term obligations are reported as liabilities in the governmental activities column of the Statement of Net Position.

In fund financial statements, the face amount of debt issued is reported as other financing sources, and debt payments are reported as expenditures in the period in which they are paid.

**CENTRALINA REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

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**Note 1—Summary of significant accounting policies (continued)**

*Compensated Absences* – The vacation policy of Centralina provides for the accumulation of earned vacation leave up to maximum amount as indicated below:

<b>Years of Employment</b>	<b>Days Earned Per Year</b>	<b>Limit of Accrued Maximum Days</b>
Less than 3	12	24
Less than 8	15	45
Less than 5	18	54
More than 15	21	63

The daily rate of pay for accumulated leave time shall be computed on the basis of a 52-week year and 40 hours per week. In circumstances where new staff members have been granted advanced leave rates, the maximum accumulations will be based on days earned per year.

Employees have until the end of the fiscal year (June 30) to use vacation leave that is above the maximum number of days allowed per years of employment. Any excess vacation not used by the end of each fiscal year shall be converted to sick leave.

Vacation leave is fully vested when earned. Centralina's government-wide financial statements, an expense and a liability for compensated absences and the salary-related payments, are recorded as the leave is earned. Centralina has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

Centralina's sick leave policy provides for an unlimited accumulation of earned sick leave. Unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Upon termination of employment, employees hired prior to January 1, 2018 may be eligible to receive payment for up to one-third of earned sick leave, not to exceed 15 days of pay. Employees hired on or after January 1, 2018 are not eligible for accumulated sick leave payout.

*Deferred Outflows/Inflows of Resources* – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. Centralina has several items that meet the criterion for this category, contributions made subsequent to the measurement date for the pension and OPEB plans and other pension and OPEB deferrals. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. Centralina has three items that meet the criterion for this category, deferred revenue which represents revenue that will be available for use during the next fiscal year, and other deferred pension and OPEB deferrals.

*Net Position/Fund Balances* – Net position in government-wide financial statements is 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 or regulations of other governments or imposed by law through state statute.

# CENTRALINA REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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### Note 1—Summary of significant accounting policies (continued)

In the governmental fund financial statements, fund balance is composed of three classifications designed to disclose the hierarchy of constraints placed on how the 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.

*Prepayments* – Portion of the fund balance that is not available for appropriation because it represents the year-end balance of prepayments which are not expendable, available resources.

*Restricted Fund Balance* – This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

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

*Unassigned Fund Balance* – This classification includes the portion of the fund balance that has not been reported in any other classification.

The General Fund's fund balance was \$1,383,236 at June 30, 2024, of which \$1,661,715 was restricted and \$70,121 was nonspendable, leaving \$0 available for appropriation.

Centralina has a revenue spending policy that provides policy for programs with multiple revenue sources. The Finance Director will use resources in the following hierarchy: proportionally as dictated by the grant, federal funds, state funds, local non-council funds, and local Centralina funds. For the purposes of the fund balance classification, expenditures are to be spent from the restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly, unassigned fund balance. The Finance Director has the authority to deviate from this policy if it is in the best interest of Centralina.

Centralina has also adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of Centralina in such a manner that the available fund balance is at least 15% of budgeted expenditures. If the fund balance exceeds 30% of budgeted expenditures, Centralina's Executive Committee or Executive Director will identify opportunities to use the "excess" fund balance to provide additional services to members, enhance service delivery, or adjust dues for members.

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

Centralina also participates in a postemployment benefit plan ("OPEB") for health insurance (the "Plan"). Centralina currently finances the Plan following a pay-as-you-go approach, paying an amount each year equal to the premiums related to the coverage. For purposes of measuring the total OPEB liability, deferred inflows and inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

# CENTRALINA REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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### Note 2—Deposits

All of Centralina's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage are collateralized with securities held by Centralina's agent in Centralina'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 Centralina, these deposits are considered to be held by Centralina's agent in Centralina's name. The amount of the pledged collateral is based on an approved averaging method for non-interest 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 Centralina or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for Centralina 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. Centralina has no formal policy regarding custodial risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. Centralina complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2024, Centralina's deposits had a carrying amount of \$247,677 and a bank balance of \$261,082. Of the bank balance, \$250,000 was covered by federal depository insurance; any amounts in excess of \$250,000 were covered by collateral held under the pooling method.

### Note 3—Investments

At June 30, 2024, Centralina had \$15,520,643 invested with the North Carolina Capital Management Trust's Government Portfolio, which carried a credit rating of AAA by Standard & Poor's and are reported at fair value using Level 1 measurement. Centralina has no policy on credit risk.

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 of fair value hierarchy: Level 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

*Interest Rate Risk* – Centralina does not have a formal policy to limit interest rate risk.

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

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

*Concentration of Credit Risk* – Centralina places no limit on the amount that Centralina may invest in any one issuer.

CENTRALINA REGIONAL COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

**Note 4—Receivables**

Receivables at the government-wide level consisted of the following at June 30, 2024:

	<b>Due from Other Governments</b>	<b>Other</b>
Government activities:		
General	\$ 1,616,289	\$ 45,426
Special Revenue	3,057,468	-
	<u>\$ 4,673,757</u>	<u>\$ 45,426</u>
Workforce Development Consortium	<u>\$ 192,677</u>	<u>\$ -</u>

Due from other governments consisted of the following at June 30, 2024:

	<b>Governmental Activities</b>	<b>Workforce Development Consortium</b>
Receivables under expenditure-driven grants	\$ 4,285,153	\$ 192,677
Technical assistance contracts	388,604	-
	<u>\$ 4,673,757</u>	<u>\$ 192,677</u>



**CENTRALINA REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2024*

**Note 5—Capital assets**

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

	<b>Beginning Balance</b>	<b>Increased</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets being depreciated:				
Furniture, fixtures and leasehold improvements	\$ 309,088	\$ 7,430	\$ -	\$ 316,518
Vehicles	120,994	36,791	31,897	125,888
Computer server and AV equipment	109,147	-	-	109,147
Right-of-use assets:				
Lease office space	2,274,189	-	-	2,274,189
Lease AV equipment	76,072	-	-	76,072
Lease office equipment	77,963	-	-	77,963
Total capital assets	<u>2,967,453</u>	<u>44,221</u>	<u>31,897</u>	<u>2,979,777</u>
Less accumulated depreciation:				
Furniture, fixtures and leasehold improvements	69,894	61,941	-	131,835
Vehicles	84,966	12,221	-	97,187
Computer server and AV equipment	105,588	2,512	-	108,100
Less accumulated amortization:				
Lease office space	321,507	300,408	-	621,915
Lease office equipment	15,214	15,214	-	30,428
Lease office equipment	29,268	29,269	-	58,537
Total accumulated depreciation	<u>626,437</u>	<u>\$ 421,565</u>	<u>\$ -</u>	<u>1,048,002</u>
Total capital assets, net	<u>\$ 2,341,016</u>			<u>\$ 1,931,775</u>

Centralina has recorded four right-of-use lease assets. The assets are right-of-use assets for leased office space, leased AV equipment and leased office equipment. The related leases are discussed in the lease subsection of the liabilities section of this note. The right-of-use lease assets are amortized on a straight-line basis over the terms of the related leases.

# CENTRALINA REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

### Note 6—Accounts and grants payable

Accounts and grants payable at the government-wide level consisted of the following at June 30, 2024:

	Vendors	Subrecipients	Total
Government activities:			
General	\$ 481,982	\$ -	\$ 481,982
Special revenue	-	3,057,468	3,057,468
	<u>\$ 481,982</u>	<u>\$ 3,057,468</u>	<u>\$ 3,539,450</u>
Workforce Development Consortium	\$ -	\$ 192,677	\$ 192,677

### Note 7—Pension plan obligations

#### Local Governmental Employees' Retirement System

**Plan Description** – Centralina Regional Council is a participating employer in the statewide LGERS, a cost-sharing, multiple-employer, defined benefit pension plan administered by the state of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEO) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members.

The LGERS is included in the Annual Comprehensive Financial Report ("ACFR") for the state of North Carolina. The state's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

**Benefits Provided** – LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic postretirement benefit increases. Increases are contingent upon actuarial gains of the plan.

# CENTRALINA REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

### Note 7—Pension plan obligations (continued)

*Contributions* – Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Centralina employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. Centralina's contractually required contribution rate for the year ended June 30, 2024 was 12.85% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from Centralina were \$497,899 for the year ended June 30, 2024.

*Refunds of Contributions* – Centralina employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* – At June 30, 2024, Centralina reported a liability of \$2,406,962 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023, utilizing update procedures incorporating the actuarial assumptions. Centralina's proportion of the net pension liability was based on a projection of Centralina's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023 (measurement date), Centralina's proportion was 0.03634%, which was a decrease of 0.00155% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, Centralina recognized pension expense of \$192,362. At June 30, 2024, Centralina reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 268,207	\$ 5,774
Changes of assumptions	102,282	-
Net difference between projected and actual earnings on pension plan investments	644,208	-
Changes in proportion and differences between Council contributions and proportionate share of contributions	3,253	14,243
Total contributions subsequent to the measurement date	497,899	-
Total	<u>\$ 1,515,849</u>	<u>\$ 20,017</u>

**CENTRALINA REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2024*

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**Note 7—Pension plan obligations (continued)**

\$497,899 was reported as deferred outflows of resources related to pensions, resulting from Centralina contributions subsequent to the measurement date, will be recognized as a decrease of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

**Years Ending June 30:**

2025	\$	364,319
2026		177,803
2027		428,570
2028		27,241
	\$	<u>997,933</u>

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

Inflation	2.5%
Salary increases	3.25% to 8.41%, including inflation and productivity factor
Investment rate of return	6.50%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

Future ad hoc cost of living adjustment (COLA) amounts are not considered to be substantively automatic and are therefore not included in the measurement.

**CENTRALINA REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**Note 7—Pension plan obligations (continued)**

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Equity	8.0%	5.9%
Alternatives	8.0%	8.2%
Opportunistic Fixed Income	7.0%	5.0%
Inflation Sensitive	6.0%	2.7%
	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. All rates of return and inflation are annualized.

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

# CENTRALINA REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

### Note 7—Pension plan obligations (continued)

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

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Centralina's proportionate share of the net pension liability (asset)	\$ 4,169,968	\$ 2,406,962	\$ 955,491

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

### Note 8—Supplemental retirement income plan

*Plan Description* – Centralina contributes to the Supplemental Retirement Income Plan ("SRI Plan"), a defined contribution plan administered by the Department of the State Treasurer and Board of Trustees. The SRI Plan provides retirement benefits to all permanent, full-time Centralina employees. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

*Funding Policy* – Centralina contributes each month 3.0% of each employee's salary. All amounts contributed are vested immediately. Also, employees may make voluntary contributions to the SRI Plan. Contributions from employees and Centralina for the year ended June 30, 2024, amounted to \$262,602.

### Note 9—Deferred compensation plan

*Plan Description* – Centralina provides employees the opportunity to defer current compensation under a 457 plan administered by the Department of the State Treasurer and Board of Trustees. The deferred compensation plan provides retirement benefits to full-time, part-time, and temporary employees. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

*Funding Policy* – Centralina does not contribute to the plan but submits contributions on behalf of employees through payroll deductions. Contributions from employees for the year ended June 30, 2024, amounted to \$22,702.

### Note 10—Postemployment healthcare benefits

*Plan Description* – Under the terms of Centralina's personnel policy manual, Centralina administers a single-employer, defined benefit Healthcare Benefits Plan ("HCB Plan"). The HCB Plan provides postemployment healthcare benefits to qualified retirees of Centralina. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. There are no authoritative requirements to pay Other Post-Employment Benefits ('OPEB') as benefits come due.

*Retiree Dental and Vision Insurance* – Centralina will pay a fixed amount towards the cost of an eligible retiree's monthly premium for retiree medical insurance, which amount will be established each year by the Executive Board or Board of Delegates (the "Base Premium Supplement"). The Base Premium Supplement is Centralina's contribution to the cost of an eligible retiree's medical insurance. The Base Premium Supplement implemented and effective as of July 1, 2015 is (\$425).

# CENTRALINA REGIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

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### **Note 10—Postemployment healthcare benefits (continued)**

The Base Premium Supplement may be adjusted at the sole discretion of the Executive Board or Board of Delegates, and will be administered as follows:

- If the retiree has less than 15 years of service with Centralina, as of his/her retirement date, no Base Premium Supplement will be paid by Centralina;
- If the retiree has completed at least 15 years of service with Centralina, as of his/her retirement date, Centralina will pay the Base Premium Supplement; and
- If the retiree has completed more than 15 years of service with Centralina, as of his/her retirement date, the Base Premium Supplement will be increased by 2% for each full year of completed service in excess of 15 years with a maximum benefit of 80% (the resulting amount is the “Enhanced Premium Supplement”).

Any eligible retiree’s premium in excess of the Base Premium Supplement or, if applicable, the Enhanced Premium Supplement, will be the responsibility of the retiree. Beginning, January 1, 2018, the Retiree is responsible for paying the cost of the medical premium themselves. Centralina will then make base payments to the employee upon receipt of the retiree’s payment to the recognized insurer.

Retiree medical coverage will be made available to eligible retirees annually, and if renewed a retiree may accept and pay for such coverage until the retiree is eligible for Medicare.

*Retiree Dental and Vision Insurance* – The Premium Supplement for the retiree’s dental and vision insurance is dependent upon the retiree’s years of service with Centralina. The Premium Supplement for Dental and Vision Insurance shall be administered as follows:

- If the retiree has less than 15 years of service with Centralina, as of his/her retirement date, no portion of the premium for dental and vision will be paid by Centralina;
- If the retiree has completed at least 15 years of service with Centralina, as of his/her retirement date, Centralina will pay 50% of the active employee coverage amount for dental and vision;
  - For example, if the monthly premium for dental insurance is \$28, Centralina will pay \$14, or 50% towards an active employee’s coverage. A retiree with 15 years of service to Centralina will receive 50% of the active employee’s covered amount or \$7.
- If the retiree has completed more than 15 years of service with Centralina, as of his/her retirement date, the premium for dental and vision will be increased by 2% for each full year of completed service in excess of 15 years with a maximum benefit of 80%.

Retirees are responsible for paying the remaining portion to satisfy the monthly premiums. Retirees must designate a payment schedule for this excess at the beginning of the insurance plan year. Any payments not made by the scheduled date could result in the termination of insurance coverage.

Upon eligibility for Medicare, the retiree can maintain dental and vision coverage by paying the full cost of the premium.

**CENTRALINA REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2024*

**Note 10—Postemployment healthcare benefits (continued)**

Membership of the HCB Plan consisted of the following at June 30, 2023, the date of the latest actuarial valuation:

	<b>General Employees</b>
Retirees and dependents receiving benefits	-
Active plan members	47
	<u>47</u>

*Total OPEB Liability* – Centralina's total OPEB liability of \$236,153 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023.

*Actuarial Assumptions and Other Inputs* – The total OPEB liability on the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation:	
General employees	3.25% to 8.41%
Municipal Bond Index Rate:	
Prior measurement date	3.54%
Measurement date	3.65%

The discount rate used to measure the Total OPEB Liability was based on the last Thursday of June of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer.

Changes in the Total OPEB liability:

	<b>Total OPEB Liability</b>
Balance at June 30, 2022	\$ 272,482
Changes for the year	
Service cost	17,396
Interest	10,262
Changes of benefit terms	-
Differences between expected and actual experience	(61,628)
Changes in assumptions or other inputs	(2,356)
Benefit payments	(3)
Net changes	<u>(36,329)</u>
Balance at June 30, 2023	<u>\$ 236,153</u>

There was a change in the Total OPEB Liability arising from the change in the Discount Rate from 3.54% on the Prior Measurement Date to 3.65% on the Current Measurement Date.



**CENTRALINA REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**Note 10—Postemployment healthcare benefits (continued)**

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2023 valuation.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* – The following exhibit presents the total OPEB liability of Centralina's Plan, calculated using the discount rate of 3.65%, as well as what Centralina's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current discount rate:

	<b>1% Decrease (2.65%)</b>	<b>Discount Rate (3.65%)</b>	<b>1% Increase (4.65%)</b>
Total OPEB liability	<u>\$ 258,458</u>	<u>\$ 236,153</u>	<u>\$ 215,814</u>

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates* – The following exhibit presents the total OPEB liability of Centralina's Plan, calculated using the healthcare cost trend rates, as well as what Centralina's total OPEB liability would be if it were calculated using healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Total OPEB liability	<u>\$ 208,353</u>	<u>\$ 236,153</u>	<u>\$ 268,920</u>

*OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB*

For the year ended June 30, 2024, Centralina recognized OPEB benefit of \$8,632. At June 30, 2024, Centralina reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 130,759
Changes of assumptions	17,596	39,948
Total	<u>\$ 17,596</u>	<u>\$ 170,707</u>

**CENTRALINA REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2024*

**Note 10—Postemployment healthcare benefits (continued)**

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in OPEB expense as follows:

**Years Ending June 30:**

2025	\$	(32,577)
2026		(31,003)
2027		(28,597)
2028		(20,931)
2029		(21,316)
2030		(18,687)
	\$	<u>(153,111)</u>

**Note 11—Deferred outflows/inflows of resources**

The following is a summary of deferred outflows of resources and inflows of resources at June 30, 2024:

	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Pension deferrals	\$ 1,017,950	\$ 20,017
Pension contributions after the measurement date	497,899	\$ -
OPEB deferrals	17,596	170,707
	<u>\$ 1,533,445</u>	<u>\$ 190,724</u>

**Note 12—Risk management**

Centralina is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Centralina also purchases general, auto, public officials, and employment practices liability coverage of \$5 million per occurrence, auto physical damage coverage for owned autos at actual cash value, and crime coverage of \$250,000 per occurrence.

In July 2005, Centralina entered into an agreement with the North Carolina Interlocal Risk Management Agency and has agreed to pool the risk of its workers' compensation liabilities and payment of claims for employers' liability coverage pursuant to the provisions of the North Carolina General Statutes 160A-460. Centralina's liability coverage limits are \$500,000 per accident for bodily injury by accident and \$500,000 per employee for bodily injury by disease, which includes a \$500,000 policy limit.

Centralina carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

In accordance with G.S. 159-29, Centralina's Finance Director and any employees acting in the course and scope of their employment that have access to \$100 or more at any given time of Centralina's funds are bonded under Public Officials Liability through Interlock Risk Financing Fund of North Carolina. Centralina's Public Officials Liability coverage limit is up to \$5 million per claim.

**CENTRALINA REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2024

**Note 13—Long-term liabilities**

The future minimum lease liabilities and the net present value of these minimum lease payments as of June 30, 2024 were as follows:

<b>Years Ending June 30,</b>	<b>Principal Payment</b>	<b>Interest Payments</b>	<b>Total</b>
2025	\$ 296,622	\$ 74,751	\$ 371,373
2026	299,674	61,419	361,093
2027	301,899	47,842	349,741
2028	324,743	33,742	358,485
2029	383,101	18,585	401,686
Thereafter	200,309	2,675	202,984
	<u>\$ 1,806,348</u>	<u>\$ 239,014</u>	<u>\$ 2,045,362</u>

Changes in long-term liabilities:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Current Portion of Balance</b>
Government activities:					
Net pension liability (LGERS)	\$ 2,137,537	\$ 269,425	\$ -	\$ 2,406,962	\$ -
Total OPEB liability	272,482	-	36,329	236,153	-
Lease Liabilities	2,094,969	-	288,621	1,806,348	296,622
Compensated absences	535,491	144,492	219,663	460,320	219,663
Other liabilities	62,442	-	5,000	57,442	5,000
	<u>\$ 5,102,921</u>	<u>\$ 413,917</u>	<u>\$ 549,613</u>	<u>\$ 4,967,225</u>	<u>\$ 521,285</u>

**Note 14—Transactions with component unit**

The Consortium focuses on developing a strong, trained, and effective workforce in its seven-county area. Centralina provides administrative functions to the Consortium under an agreement. The Consortium reported revenues and expenses of \$2,197,202 for the year ended June 30, 2024.

**Note 15—Summary disclosure of significant contingencies**

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

*Subcontractors* – For a majority of the expenditures in the Workforce Investment Act (“WIA”) and Aging Programs (“Aging”), Centralina contracts with other governments or local agencies to perform the specific services set forth in the grant agreements. Centralina disburses grant funds to the agencies based on monthly expenditure and performance reports received from each agency.

WIA and Aging subcontractors are required to have an annual independent audit. Centralina requires each agency to submit a copy of the audit reports. If such audits disclose expenditures not in accordance with terms of the grants, the grantor agency could disallow the costs and require reimbursement of the disallowed costs either from Centralina or the delegate agency. Centralina generally has the right of recovery from the subcontractors.

**CENTRALINA REGIONAL COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2024*

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**Note 15—Summary disclosure of significant contingencies (continued)**

For the year ended June 30, 2024, agency costs of various amounts were disbursed for which the audits have not been received. Based on prior experience, management believes that Centralina will not incur significant losses from possible grant disallowances.

**Note 16—Subsequent events**

Centralina management has evaluated subsequent events through October 24, 2024, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**



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# CENTRALINA COUNCIL OF GOVERNMENTS

## SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

### REQUIRED SUPPLEMENTARY INFORMATION

*LAST SEVEN FISCAL YEARS\**

Total OPEB Liability	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 17,396	\$ 22,250	\$ 24,363	\$ 18,275	\$ 18,979	\$ 19,542	\$ 22,933
Interest	10,262	6,592	7,922	10,327	13,038	11,719	10,363
Differences between expected and actual experience	(61,628)	(3,941)	(68,409)	(5,545)	(80,795)	(6,094)	9,115
Changes of assumptions	(2,356)	(35,323)	(14,950)	36,220	(4,327)	(9,988)	(39,235)
Benefit payments	(3)	(34)	(203)	(3,596)	(7,002)	(11,347)	(25,107)
<b>Net change in total OPEB liability</b>	<b>(36,329)</b>	<b>(10,456)</b>	<b>(51,277)</b>	<b>55,681</b>	<b>(60,107)</b>	<b>3,832</b>	<b>(21,931)</b>
<b>Total OPEB liability - beginning</b>	<b>272,482</b>	<b>282,938</b>	<b>334,215</b>	<b>278,534</b>	<b>338,641</b>	<b>334,809</b>	<b>356,740</b>
<b>Total OPEB liability - ending</b>	<b>\$ 236,153</b>	<b>\$ 272,482</b>	<b>\$ 282,938</b>	<b>\$ 334,215</b>	<b>\$ 278,534</b>	<b>\$ 338,641</b>	<b>\$ 334,809</b>
<b>Covered payroll</b>	<b>\$ 3,246,559</b>	<b>\$ 2,497,113</b>	<b>\$ 2,497,113</b>	<b>\$ 2,536,424</b>	<b>\$ 2,536,424</b>	<b>\$ 2,580,488</b>	<b>\$ 2,580,488</b>
<b>Total OPEB liability as a percentage of covered payroll</b>	<b>7.27%</b>	<b>10.91%</b>	<b>11.33%</b>	<b>13.18%</b>	<b>10.98%</b>	<b>13.12%</b>	<b>12.97%</b>

#### Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal year 2024</u>	<u>Rate</u>
Municipal Bond Index Rate at Prior Measurement Date	3.54%
Municipal Bond Index Rate at Measurement Date	3.65%
<u>Fiscal year 2023</u>	<u>Rate</u>
Municipal Bond Index Rate at Prior Measurement Date	2.61%
Municipal Bond Index Rate at Measurement Date	3.54%
<u>Fiscal year 2022</u>	<u>Rate</u>
Municipal Bond Index Rate at Prior Measurement Date	2.21%
Municipal Bond Index Rate at Measurement Date	2.16%
<u>Fiscal year 2021</u>	<u>Rate</u>
Municipal Bond Index Rate at Prior Measurement Date	3.50%
Municipal Bond Index Rate at Measurement Date	2.21%
<u>Fiscal year 2020</u>	<u>Rate</u>
Municipal Bond Index Rate at Prior Measurement Date	3.89%
Municipal Bond Index Rate at Measurement Date	3.50%
<u>Fiscal year 2019</u>	<u>Rate</u>
Municipal Bond Index Rate at Prior Measurement Date	3.56%
Municipal Bond Index Rate at Measurement Date	3.89%
<u>Fiscal year 2018</u>	<u>Rate</u>
Municipal Bond Index Rate at Measurement Date	3.65%

\*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30 and will build to a ten year schedule as more information becomes available.

**CENTRALINA COUNCIL OF GOVERNMENTS**  
**LOCAL GOVERNMENT EMPLOYEE'S RETIREMENT SYSTEM – SCHEDULE OF**  
**PROPORTIONATE SHARE OF THE NET POSITION LIABILITY (ASSET)**  
**REQUIRED SUPPLEMENTARY INFORMATION**

***LAST TEN FISCAL YEARS\****

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Centralina's proportion of the net pension liability (asset) (%)	0.03634%	0.03789%	0.03848%	0.03814%	0.03541%
Centralina's proportion of the net pension liability (asset) (\$)	\$ 2,406,962	\$ 2,137,537	\$ 590,128	\$ 1,362,905	\$ 967,019
Centralina's covered-employee payroll	3,468,776	2,907,190	2,864,235	2,810,818	2,748,709
Centralina's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	69.39%	73.53%	20.60%	48.49%	35.18%
Plan fiduciary net position as a percentage of the total pension liability	82.49%	84.14%	95.51%	88.61%	90.86%
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Centralina's proportion of the net pension liability (asset) (%)	0.03846%	0.03761%	0.0360%	0.0390%	0.0410%
Centralina's proportion of the net pension liability (asset) (\$)	\$ 912,403	\$ 574,577	\$ 763,616	\$ 175,523	\$ (240,911)
Centralina's covered-employee payroll	2,846,538	2,652,802	2,476,046	2,532,892	2,580,938
Centralina's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	32.05%	21.66%	30.84%	6.93%	-9.33%
Plan fiduciary net position as a percentage of the total pension liability	91.63%	94.18%	91.47%	98.09%	102.64%

\*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30 and will build to a ten year schedule as more information becomes available.



**CENTRALINA COUNCIL OF GOVERNMENTS**  
**LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM**  
**SCHEDULE OF CONTRIBUTIONS**  
**REQUIRED SUPPLEMENTARY INFORMATION**

***LAST TEN FISCAL YEARS\****

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Contractually required contribution	\$ 497,899	\$ 408,461	\$ 329,958	\$ 290,720	\$ 251,568
Contributions in relation to the contractually required contribution	497,899	408,461	329,958	290,720	251,568
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Centralina's covered employee payroll	\$ 3,855,040	\$ 3,468,776	\$ 2,907,190	\$ 2,864,235	\$ 2,810,818
Contributions as a percentage of covered employee payroll	12.92%	11.78%	11.35%	10.15%	8.95%
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 213,024	\$ 213,490	\$ 192,329	\$ 165,153	\$ 181,071
Contributions in relation to the contractually required contribution	213,024	213,490	192,329	165,153	181,071
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Centralina's covered employee payroll	\$ 2,748,709	\$ 2,846,538	\$ 2,652,802	\$ 2,476,046	\$ 2,532,892
Contributions as a percentage of covered employee payroll	7.75%	7.50%	7.25%	6.67%	7.15%

\*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30 and will build to a ten year schedule as more information becomes available.



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## **INDIVIDUAL FUND SCHEDULES**



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## **GENERAL FUND**



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**CENTRALINA REGIONAL COUNCIL**  
**GENERAL FUND**  
**COMPARATIVE BALANCE SHEETS**

**SCHEDULE 1**

*JUNE 30, 2024*  
*WITH COMPARATIE TOTALS FOR JUNE 30, 2023*

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and investments	\$ 15,768,320	\$ 2,177,959
Receivables	45,426	35,005
Due from other governments	1,616,289	1,032,445
Prepayments	70,121	92,488
Total Assets	<u>\$ 17,500,156</u>	<u>\$ 3,337,897</u>
<b>LIABILITIES</b>		
Liabilities:		
Accounts and grants payable	\$ 481,982	\$ 215,790
Due to special revenue fund	-	1,283,386
Accrued Payroll	101,961	85,863
Unearned revenue	15,532,977	417,822
Total Liabilities	<u>16,116,920</u>	<u>2,002,861</u>
<b>Fund Balances:</b>		
Nonspendable:		
Prepayments	70,121	92,488
Restricted:		
Stabilization by State Statute	1,661,715	1,067,450
Unassigned	(348,600)	175,098
Total Fund Balances	<u>1,383,236</u>	<u>1,335,036</u>
Total Liabilities and Fund Balances	<u>\$ 17,500,156</u>	<u>\$ 3,337,897</u>

**CENTRALINA REGIONAL COUNCIL**  
**GENERAL FUND**  
**INDIRECT COST CENTER –**  
**COMPUTATION OF INDIRECT COST ALLOCATION RATE**

**SCHEDULE 2**

*YEAR ENDED JUNE 30, 2024*

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Personnel Expenditures:	
Salaries	\$ 595,575
Fringe benefits	343,269
	<hr/>
	938,844
Operating Expenditures:	
Contract Audit Fees	58,000
Contractual - Services & Consultants	288,942
Legal	1,990
Training/Confirences/Travel	24,231
Mileage Reimb/Gas/Maint.	4,849
Auto - Gas and Maintenance	11,445
Materials & Supplies	73,077
Insurance - liability/bonding/Auto	16,039
IT Computers/Accessories/Repairs	25,178
Maint & Repair - Equipment	9,547
Phone - Base Rate	30,403
Software/Website licensing & support	61,322
Postage	4,072
Dues & Subscriptions	27,312
	<hr/>
	636,407
Total indirect costs - unadjusted	1,575,251
Adjustment for depreciation and amortization expense	421,567
	<hr/>
Total indirect costs - adjusted for depreciation expense	\$ 1,996,818
Total personnel expenditures	\$ 5,298,784
Less personnel expenditures in indirect cost pool	938,844
Total personnel expenditures earning indirect costs	<hr/>
	\$ 4,359,940
	<hr/>



CENTRALINA REGIONAL COUNCIL  
GENERAL FUND  
INDIRECT COST CENTER –  
COMPUTATION OF INDIRECT COST ALLOCATION RATE

SCHEDULE 2  
(CONTINUED)

YEAR ENDED JUNE 30, 2024

	Adjusted
Allocation Rate Computation:	
Direct Salaries and Fringes Base	\$ 4,359,940
Indirect Cost Rate	41.39%
Recoverable Indirect Costs	\$ 1,804,579
Indirect Actual Expense Cost	\$ 1,996,818
FY 2023 Carryforward to FY 2024	(84,777)
Adjusted Indirect Actual Expense Cost	1,912,041
Less: Recoverable Indirect Costs	(1,804,579)
Recoverable indirect cost (over)/under indirect cost pool	\$ 107,462



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**SPECIAL REVENUE FUND**

CENTRALINA REGIONAL COUNCIL  
SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS

SCHEDULE 3

JUNE 30, 2024  
WITH COMPARATIVE TOTALS FOR JUNE 30, 2023

	2024	2023
<b>ASSETS</b>		
Due from other governments	\$ 3,057,468	\$ 1,526,574
Due from general fund	-	1,283,386
<b>Total Assets</b>	<u>\$ 3,057,468</u>	<u>\$ 2,809,960</u>
<b>LIABILITIES</b>		
Accounts and grants payable	\$ 3,057,468	\$ 2,809,951
<b>Total Liabilities</b>	<u>\$ 3,057,468</u>	<u>\$ 2,809,951</u>

**COMPONENT UNIT**

**CENTRALINA REGIONAL COUNCIL****SCHEDULE 4****COMPONENT UNIT****CENTRALINA WORKFORCE DEVELOPMENT CONSORTIUM****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL***FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2024*

	Grant Award	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
WIA / WIOA Grants:				
WIOA 21-4050 Youth Initiative Fund	\$ 26,610	\$ -	\$ 26,610	\$ 26,610
WIOA 22-4020 Adult Services	1,446,779	1,227,753	-	1,227,753
WIOA 22-4030 Dislocated Worker	509,141	420,508	19,600	440,108
WIOA 22-4040 Youth Services	1,057,892	844,568	-	844,568
WIOA 22-4050 Statewide Activities-Infrastructure Cost Sharing	77,244	-	77,244	77,244
WIOA 23-4020 Adult Services	1,289,956	-	966,223	966,223
WIOA 23-4030 Dislocated Worker	520,242	-	371,505	371,505
WIOA 23-4040 Youth Services	1,071,096	-	736,020	736,020
Total Revenues	5,998,960	2,492,829	2,197,202	4,690,031
Expenditures:				
WIA / WIOA Grants:				
WIOA 21-4050 Youth Initiative Fund	26,610	-	26,610	26,610
WIOA 22-4020 Adult Services	1,446,779	1,227,753	-	1,227,753
WIOA 22-4030 Dislocated Worker	509,141	420,508	19,600	440,108
WIOA 22-4040 Youth Services	1,057,892	844,568	-	844,568
WIOA 22-4050 Statewide Activities-Infrastructure Cost Sharing	77,244	-	77,244	77,244
WIOA 23-4020 Adult Services	1,289,956	-	966,223	966,223
WIOA 23-4030 Dislocated Worker	520,242	-	371,505	371,505
WIOA 23-4040 Youth Services	1,071,096	-	736,020	736,020
Total Expenditures	5,998,960	2,492,829	2,197,202	4,690,031
Revenues over expenditures	-	-	-	-
Fund Balance - July 1	-	-	-	-
Fund Balance - June 30	\$ -	\$ -	\$ -	\$ -

## **COMPLIANCE SECTION**

**Report of Independent Auditor 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**

To the Board of Delegates  
Centralina Regional Council  
Charlotte, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, and each major fund of Centralina Regional Council ("Centralina"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Centralina's basic financial statements and have issued our report thereon dated October 24, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Centralina'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 Centralina's internal control. Accordingly, we do not express an opinion on the effectiveness of Centralina'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Centralina'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 material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Centralina'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 result of that testing, and not to provide an opinion on the effectiveness of Centralina's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Centralina's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cherry Bekaert LLP*

Charlotte, North Carolina  
October 24, 2024

**Report of Independent Auditor on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control over Compliance in Accordance with the OMB Uniform Guidance and the State Single Audit Implementation Act**

To the Board of Delegates  
Centralina Regional Council  
Charlotte, North Carolina

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Centralina Regional Council's ("Centralina"), compliance with the types of compliance requirements identified as subject to audit 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 Centralina's major federal programs for the year ended June 30, 2024. Centralina'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, Centralina complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 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 Centralina and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe 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 Centralina's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Centralina'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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and 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 Centralina's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and 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 Centralina'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 Centralina'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 and State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Centralina'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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in 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 have not been 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.

**Purpose of this Report**

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 and State Single Audit Implementation Act Accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Charlotte, North Carolina  
October 24, 2024

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

To the Board of Delegates  
Centralina Regional Council  
Charlotte, North Carolina

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited Centralina Regional Council's ("Centralina"), compliance with the types of compliance requirements identified as subject to audit 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 Centralina's major state programs for the year ended June 30, 2024. Centralina'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, Centralina complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 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 Centralina and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe 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 Centralina's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Centralina'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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and 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 Centralina's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and 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 Centralina'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 Centralina'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 and State Single Audit Implementation Act but not for the purpose of expressing an opinion on the effectiveness of Centralina'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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in 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 have not been 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.

**Purpose of this Report**

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 and State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Charlotte, North Carolina  
October 24, 2024

**CENTRALINA REGIONAL COUNCIL**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2024

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**Section I—Summary of Auditor's Results**

**Financial Statements**

Type of Auditor's Report Issued on whether the financial statements were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness identified? ☐ yes ☒ no
- Significant deficiency identified that is not considered to be material weakness ☐ yes ☒ none reported

Noncompliance material to financial statements noted:

☐ yes ☒ no

**Federal Awards**

Internal control over major federal programs:

- Material weakness identified? ☐ yes ☒ no
- Significant deficiency identified that is not considered to be material weakness ☐ yes ☒ none reported

Noncompliance material to federal awards

☐ yes ☒ no

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 ☒ no

Identification of major federal programs:

<b>Federal Assistance Listing Number</b>	<b>Program Name</b>
<u>Aging Cluster:</u>	
93.044	COVID-19 Special Programs for the Aging – Title III B
93.045	COVID-19 Special Programs for the Aging – Title III C
93.053	Nutrition Services Incentive Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B Programs

\$750,000

Auditee qualified as low-risk auditee?

☒ yes ☐ no



**CENTRALINA REGIONAL COUNCIL**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

*YEAR ENDED JUNE 30, 2024*

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**Section I—Summary of Auditor’s Results (continued)**

**State Awards**

Internal control over major State programs:

- Material weakness identified? ☐ yes ☒ no
- Significant deficiency identified that is not considered to be material weakness ☐ yes ☒ none reported

Noncompliance material to State awards ☐ yes ☒ 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 ☒ no

Identification of major State programs:

<u>Program Name</u>
90% State Funds – Ombudsman
90% State Funds – Access
90% State Funds – In-Home Services
90% State Funds – Home Delivered Meals
90% State Funds – Congregate Nutrition

These State programs above for Centralina Regional Council is the State matching funds for the Aging Cluster. Therefore, this program has been included in the list of major federal programs above.

**Section II—Financial Statement Findings**

None reported.

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

None reported.

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

None reported.

**CENTRALINA REGIONAL COUNCIL**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

*YEAR ENDED JUNE 30, 2024*

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No findings were reported for the year ended June 30, 2023.

# CENTRALINA REGIONAL COUNCIL

## SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2024

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State/ Pass-Through Grantor Number</u>	<u>Fed. (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to subrecipients</u>
<b>FEDERAL GRANTS:</b>					
<b>CASH PROGRAMS</b>					
U.S. DEPARTMENT OF COMMERCE					
Economic Development Administration					
Direct program					
Strategic Planning Grant	11.302	ED22ATL3020032	\$ 65,879	\$ -	\$ -
Total U.S. Department of Commerce			<u>65,879</u>	<u>-</u>	<u>-</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Alma Adams HUD					
Total U.S. Department of Housing and Urban Development	14.251	B-23-CP-NC-0936	<u>26,783</u>	<u>-</u>	<u>-</u>
U.S. DEPARTMENT OF LABOR					
Employment and Training Administration					
Passed through North Carolina Department of Commerce					
Division of Employment and Training					
Workforce Innovation and Opportunity Act Cluster					
WIOA - Adult Programs	17.258,17.278	AA-38547-22-55-A-37	127,975	-	-
WIOA - Adult Programs	17.258,17.278	23A55AY000007-01-00	1,033,086	-	966,223
WIOA - Youth Activities	17.259	AA-38547-22-55-A-37	139,917	-	-
WIOA - Youth Activities	17.259	23A55AY000007-01-00	907,635	-	736,020
WIOA - Dislocated Workers	17.258,17.278	AA-38547-22-55-A-37	52,678	-	19,600
WIOA - Dislocated Workers	17.258,17.278	23A55AY000007-01-00	375,083	-	371,505
WIOA - Business Services	17.258	23A55AY000007-01-00	20,032	-	-
WIOA - Youth Initiative	17.278	AA-36337-21-55-A-37	26,610	-	26,610
WIOA - Statewide Activities Infrastructure	17.278		77,244		77,244
WIOA - Administrative Cost Pool/Incentives/Capital and Special Grants	17.258,17.278,17.259	AA-38547-22-55-A-37	49,411	-	-
	17.258,17.278,17.259	23A55AY000007-01-00	<u>286,249</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Labor			<u>3,095,920</u>	<u>-</u>	<u>2,197,202</u>
U.S. DEPARTMENT OF ENERGY					
Clean Cities Outreach, Education, and Performance Tracking					
	81.086	DE-EE0009572	112,233	-	-
Developing Replicable, Innovative Variants for Engagement (DRIVE)					
	81.086	DE-EE0009228	25,424	-	-
Affordable Mobility Platform					
	81.086	DE-EE0009864	<u>11,696</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Energy			<u>149,353</u>	<u>-</u>	<u>-</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY					
Climate Pollution Reduction Grant					
	66.046	02D55423	270,304	-	-
Passed through Piedmont Triad Regional Council					
205(j) One Water	66.454	1234567-20524	<u>6,178</u>	<u>-</u>	<u>-</u>
Total U.S. Environmental Protection Agency			<u>276,482</u>	<u>-</u>	<u>-</u>
SOUTHEAST CRESCENT REGIONAL COMMISSION					
SEID Grant Program-Local Development District Capacity Building Program					
	90.705	SCRC-SEID-01-23	<u>16,255</u>	<u>-</u>	<u>-</u>
Total Southeast Crescent Regional Commission			<u>16,255</u>	<u>-</u>	<u>-</u>

# CENTRALINA REGIONAL COUNCIL

## SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2024

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State/ Pass-Through Grantor Number</u>	<u>Fed. (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to subrecipients</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Administration on Aging					
Passed through North Carolina Department of Health and Human Services					
Division of Aging and Adult Services					
Special Programs for the Aging, Title VII, Chapter 3					
Programs for the Prevention of Elder Abuse, Neglect, and Exploitation	93.041	23/24 01NCOAEA	\$ 22,619	\$ 1,331	\$ -
Special Programs for the Aging, Title VII, Chapter 2					
Programs for Long-term Ombudsman Services for Older Individuals	93.042	23/24 AANCT3SS	89,162	5,245	-
COVID-19 American Rescue Plan - Ombudsman	93.042	2101NCOMC6	128	-	-
Total Ombudsman			89,290	5,245	-
Passed through the University of NC-Asheville					
UNCA Evidence Based Falls Prevention	93.761	90FPSG0035-01-01	4,592	-	-
UNCA PEARLS	93.734	90CSSG0056-01-00	80,366	-	-
			84,958	-	-
Special Programs for the Aging, Title III F					
Disease Prevention and Health Promotion Services	93.043	23/24 AANCT3PH	143,437	8,437	30,285
COVID-19 American Rescue Plan - Disease Prevention and Health Promotion	93.043	2101NCOHC6	97,308	-	-
Total Disease Prevention and Health Promotion			240,745	8,437	30,285
Aging Cluster					
Special Programs for the Aging - Title III B					
Grants for Supportive Services and Senior Centers					
Legal Services	93.044	23/24 AANCT3SS	104,057	6,121	110,178
Ombudsman	93.044	23/24 AANCT3SS	487,037	28,649	-
Access	93.044	23/24 AANCT3SS	447,365	26,316	473,681
In Home Services	93.044	23/24 AANCT3SS	2,587,197	151,495	2,556,841
COVID-19 American Rescue Plan - Supportive Services	93.044	2101NCSSC6	1,252,500	221,029	987,854
Special Programs for the Aging - Title III C					
Nutrition Services-Planning and Administration					
Congregate Nutrition	93.045	23/24 AANCT3SS	1,612,656	93,661	1,391,399
Home Delivered Meals	93.045	23/24 AANCT3HD	1,777,433	104,555	1,881,988
COVID-19 American Rescue Plan					
COVID-19 Congregate Nutrition - Title III C1	93.045	2101NCCMC6	474,133	83,670	552,799
COVID-19Home Delivered Meals - Title III C2	93.045	2101NCHDC6	423,097	74,664	497,761
COVID-19 AAA Planning and Administration	93.045	2101NCCMC6/2101NCHDC6	225,054	75,018	-
Consolidated Appropriations Act, 2021 Supplemental Nutrition					
Home Delivered Meals - Title III C2	93.045	2101NCHDC05	25,457	2,829	-
Nutrition Services Incentive Program	93.053	n/a	519,798	-	519,798
Total Aging Cluster			9,935,784	868,007	8,972,299
Special Programs for the Aging - Title III E					
National Family Caregiver Support Program	93.052	23/24 AANCT3FC	913,105	59,542	574,114
COVID-19 American Rescue Plan - Family Caregiver Support Program	93.052	2101NCFCC6	194,137	64,712	-
Total Family Caregiver Support Program			1,107,242	124,254	574,114
Administration for Community Living					
Passed through NC Department of Insurance - SHIIP Division					
MIPPA	93.071	2201NCMIAA-00/2201NCMIDR-00	32,427	-	-
MIPPA	93.071	2201NCMIAA-01/2201NCMIDR-01	66,979	-	-
Total MIPPA			99,406	-	-
Senior Medicare Patrol	93.048	90MPPG0074-01-00	10,000	-	-
Administration for Community Living					
Passed through USAging Leaders in Aging Well at Home	93.048	90HDCR0007-01-00	152,962	-	-
Centers for Disease Control and Prevention					
Passed through the University of NC - Asheville					
Project Name	93.945	6-NU58DP007475-01-01	12,000	-	-
Total U.S. Department of Health and Human Services			11,755,006	1,007,274	9,576,698

# CENTRALINA REGIONAL COUNCIL

## SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2024

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State/Pass-Through Grantor Number</u>	<u>Fed. (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to subrecipients</u>
<b>FEDERAL AWARDS (Continued)</b>					
<b>CASH PROGRAMS (Continued)</b>					
U.S. DEPARTMENT OF TRANSPORTATION					
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program	20.223	693JJ32450018	\$ 92,481	\$ -	\$ -
Passed through North Carolina Department of Transportation					
Charlotte UZA Grant	20.513	2022000468	18,447	-	-
Charlotte UZA Grant	20.513	2023000459	43,511	-	-
Passed through North Carolina State University					
Clean Fuels Advanced Technology 2014-2018	20.205	PAM-P22-002383-SA05	36,000	-	-
Passed through City of Charlotte					
Linking Transit and Land Use at the Community Scale	20.205	15-21128	33,600	-	-
Total U.S. Department of Transportation			<u>224,039</u>	<u>-</u>	<u>-</u>
U.S. DEPARTMENT OF THE TREASURY					
Passed through North Carolina Association of Regional Councils of Government					
COVID-19 American Rescue Plan Act - Local Government Assistance	21.027	SLFRP0129	265,061	-	-
COVID-19 NC County Digital Inclusion Plan Expansion Project	21.027	ODEL-2-IEI	48,911	-	-
Total U.S. Department of Treasury			<u>313,972</u>	<u>-</u>	<u>-</u>
Total Federal Awards			<u>15,923,689</u>	<u>1,007,274</u>	<u>11,773,900</u>
<b>STATE GRANTS</b>					
<b>CASH AWARDS</b>					
N. C. Department of Environment and Natural Resources					
Land Monitoring Services	N/A	EAH-10182021	-	63,193	-
Total N. C. Department of Environment and Natural Resources			<u>-</u>	<u>63,193</u>	<u>-</u>
N. C. Department of Health and Human Services					
Division of Aging					
90% State Funds - Access		Region F NGA SFY 2024	-	960,499	960,499
90% State Funds - In Home Services		Region F NGA SFY 2024	-	4,344,228	4,344,228
90% State Funds - Home Delivered Meals		Region F NGA SFY 2024	-	169,874	169,874
AAA Plan & Administration		Region F NGA SFY 2024	-	48,262	-
Fans Programs		Region F NGA SFY 2024	-	14,363	14,363
Senior Center General Purpose		Region F NGA SFY 2024	-	114,073	114,073
Division of Health Benefits					
Local Contact Agencies		30-2023-041-DHB	-	990	-
Total N.C. Department of Health and Human Services			<u>-</u>	<u>5,652,289</u>	<u>5,603,037</u>
N. C. Department of Transportation					
Rideshare Program		23-RS-912	-	40,000	-
Total N.C. Department of Transportation			<u>-</u>	<u>40,000</u>	<u>-</u>
N. C. Office of State Budget and Management					
Disaster Relief and Recovery/Mitigation/Resiliency		SL 2021-180 (SB 105)	-	332,380	-
Session Law (S.L.) 2023-134		40991	-	18,029	-
Total N. C. Office of State Budget and Management			<u>-</u>	<u>350,409</u>	<u>-</u>
Total state awards			<u>-</u>	<u>6,105,891</u>	<u>5,603,037</u>
Total federal and state awards			<u>\$ 15,923,689</u>	<u>\$ 7,113,165</u>	<u>\$ 17,376,937</u>

## CENTRALINA REGIONAL COUNCIL

### NOTES TO THE SCHEDULE F EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2024

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#### **Note 1—Basis of presentation**

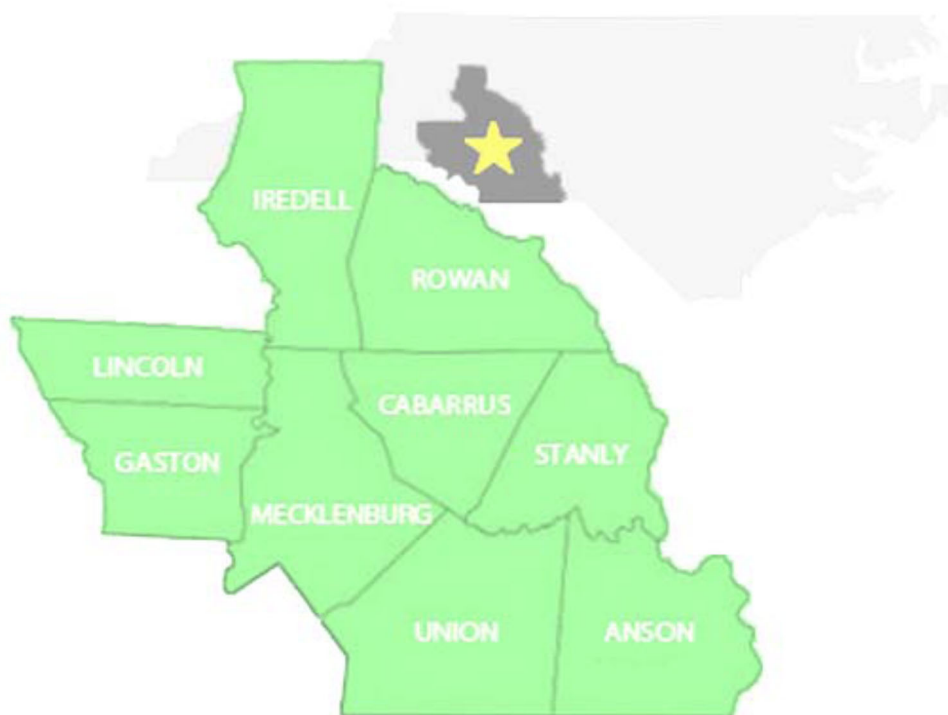
The accompanying schedule of expenditures of federal and State awards ("SEFSA") includes the federal and state grant activity of Centralina Regional Council ("Centralina") under the programs of the federal government and the state of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of Centralina, it is not intended to, and does not, present the financial position, changes in net position of Centralina.

#### **Note2—Summary of significant accounting policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### **Note 3—Indirect cost rate**

Centralina has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



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