



CENTRAL PINES

REGIONAL COUNCIL

Central Pines Regional Council Executive Committee

Meeting Agenda
Wednesday, February 26, 2025
6:00 – 8:00 pm | Virtual
Chair Brett Gantt, Presiding

- 1. Call to Order** **6:00 pm**
 - a. Call to Order and Welcome
Official: Brett Gantt, Chair
 - b. Roll Call
Beth Davis, Member Engagement Coordinator, Clerk to the Board
 - c. Declaration of Quorum
Official: Brett Gantt, Chair
 - d. Get to Know CPRC
Presenter: Brett Gantt, Chair
- 2. Review of Agenda** **6:10 pm**
 - a. Review of Agenda
Official: Brett Gantt, Chair
Potential Action: Chair Gantt will approve
- 3. Presentations and Recognitions** **6:15 pm**
 - a. Welcome New Chatham County Delegate
Presenter: Brett Gantt, Chair
Potential Action: None – Information Only
 - b. Foreign Trade Zone Sponsorship Request – Biogen
Presenters: Lindsay Whitson, Community & Economic Development Director; Michael Prazma, Biogen, Head of Manufacturing, Gene Therapy Operations; John Pieracci, Biogen, Head of Gene Therapy Development
Potential Action: Place on Consent Agenda
 - c. FY2024 Audit Presentation
Presenter: April Adams, Cherry Bekaert
Potential Action: None – Information Only
- 4. Business** **6:50 pm**
 - a. Connected Region 2050 Draft Scope of Work and Funding Strategy – Continuation of Discussion from September Executive Committee Meeting
Presenter: Lee Worsley, Executive Director
Potential Action: None – Information Only

5. Consent 7:40 pm

Items on the Consent Agenda are considered routine and will be enacted by a single motion unless a member of the Executive Committee requests an item be removed. Any item that is removed from the Consent Agenda will be considered individually after the Consent Agenda.

- a. DRAFT Minutes: November 2024
- b. DRAFT Minutes: January 2025
- c. FTZ Approval for Biogen, Resolution #2025-02-01
- d. Budget Amendment 4, Resolution #2025-02-02
- e. TDM Grant Application for NCDOT, Resolution #2025-02-03

6. Items Removed from Consent Agenda

7. Public Hearings

8. Executive Director's Report 7:45 pm

- a. Executive Director's Report
Presenter: Lee Worsley, Executive Director
Potential Action: None – Receive as Information

9. Chair's Report 7:50 pm

- a. Chair's Report
Presenter: Brett Gantt, Chair
Potential Action: None - Receive as Information

10. Around the Region 7:55 pm

- a. Around the Region Reports/Updates
Potential Action: None – Receive as Information

11. Closed Session

12. Other Business

- a. Other Business
Presenter: Brett Gantt, Chair

13. Adjournment 8:00 pm

- a. Adjourn the Meeting
Potential Action: Motion to Adjourn

Meeting Date:

February 26, 2025

Agenda Location:

Presentations & Recognition

Item Title:

Welcome New Chatham County Delegates

Presenter(s):

Brett Gantt, Chair

Background:

New Delegates and Alternate Delegates join the Central Pines Regional Council Board of Delegates yearly because of elections and local government appointment processes. Chatham County made their recent appointments for the upcoming year which impacted the membership of the Board of Delegates and the Executive Committee, since counties automatically serve.

New Delegates and Alternates:

- Amanda Robertson, Chatham County Delegate
- Katie Kenlan, Chatham County Alternate Delegate

Recommendation:

None-Information Only

Focus Area:

Administrative

Will Documentation Be Included for Agenda Packet:

Yes No

If yes, please include documentation in the appropriate meeting folder [HERE](#).

Is Any Additional Action/Communication Required:

- Public Hearing
- Newspaper Notice Required
- Website
- Press Release
- Social Media
- Other:

Meeting Date:

February 26, 2025

Agenda Location:

Consent

Item Title:

Foreign Trade Zone Sponsorship Request - Biogen

Presenter(s):

Lindsay Whitson (CPRC), Community and Economic Development Director

Michael Prazma (Biogen), Head of Manufacturing, Gene Therapy Operations

John Pieracci (Biogen), Head of Gene Therapy Development

Background:

History: The Central Pines Regional Council administers Foreign Trade Zone #93 on behalf of the US Foreign Trade Zone Board. In total, there are 259 Foreign Trade Zones located throughout the United States, and the Foreign Trade Zone Designation was granted to the then Triangle J Council of Governments in November 1983 as Foreign Trade Zone #93. Foreign Trade Zone #93 operates in 15 counties, including Chatham, Durham, Franklin, Granville, Harnett, Johnston, Lee, Moore, Orange, Person, Sampson, Vance, Wake, Warren, and Wilson counties. Seven counties are part of the Central Pines Regional Council, while eight are outside of it. Expansions outside of the Central Pines region were made after careful consideration and in line with the allowable service boundaries designated for our zone, with the permission of the counties and regional councils impacted.

Requester: Biogen is requesting FTZ designation for their facility located in Durham County. Biogen is a pioneer in neuroscience and are driving innovation to complete the most complex and devastating disease. Biogen plans to utilize the site for labeling and packaging of products that are in clinical phases.

Executive Committee Role: Within the Foreign Trade Zone #93 Zone Schedule, no specific provision requires the Executive Committee or the Board of Delegates to approve new FTZ applications. However, the bylaws of the Foreign Trade Zone Board mention that, as part of the FTZ Board's duties, "The (FTZ) Board shall consider applications for Zone status as part of the Research Triangle Area FTZ and may recommend sponsorship of application to the TJCOG Board of Delegates." Central Pines has always taken new applications to the Central Pines Regional Council's Foreign Trade Zone #93 Board for endorsement and then to the Central Pines Regional Council Board of Delegates/Executive Committee for approval. The application for Biogen follows the same process as other applicants have done since the FTZ inception. As directed by the Executive Committee at the January 2025 Special Executive Committee meeting, staff are looking into making recommendations for future approval processes.

Additional Information: For more information regarding what Foreign Trade is, you can view a ten-minute promotional video that CPRC created and visit the National Association of Foreign Trade Zone's homepage:

[Foreign Trade Zone Video - CPRC](#)

[NAFTZ](#)

Recommendation:

Place on Consent Agenda

Focus Area:

Community & Economic Development

Will Documentation Be Included for Agenda Packet:

Yes No

If yes, please include documentation in the appropriate meeting folder [HERE](#).

Is Any Additional Action/Communication Required:

- Public Hearing
- Newspaper Notice Required
- Website
- Press Release
- Social Media
- Other:



A RESOLUTION IN SUPPORT OF BIOGEN’S REQUEST FOR SPONSORSHIP UNDER FOREIGN TRADE ZONE # 93

WHEREAS, Central Pines Regional Council serves as the grantee administrator for Foreign Trade Zone #93 and;

WHEREAS, Central Pines Regional Council recognizes the importance of FTZ #93 as an economic tool and progressor of foreign domestic investment in our region and surrounding areas and;

WHEREAS, Central Pines Regional Council encourages businesses to utilize this tool to retain and create jobs, and further attract industry and businesses and;

WHEREAS, Central Pines Regional Council authorizes final sponsorship of inquiring FTZ #93 sites, authorizing applicants to then progress their application submittal to the U.S. Foreign Trade Zone Board.

NOW, THEREFORE, BE IT RESOLVED THAT Central Pines Regional Council hereby authorizes the sponsorship of Biogen’s request to submit an application to the U.S. Foreign Trade Zone Board, to have a designated usage-driven site in Foreign Trade Zone #93.

Passed this 26th day of February 2025 by the Central Pines Regional Council Executive Committee.

Signed:

Attest:

By: _____
Brett Gantt, Chair
Central Pines Regional Council
Board of Delegates

By: _____
Beth Seidel
Central Pines Regional Council
Clerk to the Board

Meeting Date:

February 26, 2025

Agenda Location:

Presentations & Recognition

Item Title:

FY2024 Audit Presentation

Presenter(s):

April Adams, Cherry Bekaert

Background:

NC General Statute requires that each unit of local government have its accounts audited after the close of the fiscal year by a certified public accountant. Central Pines is under contract with Cherry Bekaert Advisory LLC to audit its financial statements and compliance required by the Uniform Guidance and North Carolina State Single Audit Implementation Act. Cherry Bekaert has issued unmodified opinions on both the financial statements and single audit compliance. Cherry Bekaert partner, April Adams, will present an executive summary of its [FY23-24 audit](#) results.

Recommendation:

None-Information Only

Focus Area:

Administrative

Will Documentation Be Included for Agenda Packet:

Yes No

If yes, please include documentation in the appropriate meeting folder [HERE](#).

Is Any Additional Action/Communication Required:

- Public Hearing
- Newspaper Notice Required
- Website
- Press Release
- Social Media
- Other:

CENTRAL PINES REGIONAL COUNCIL

FINANCIAL STATEMENTS AND COMPLIANCE REPORT

As of and for the Year Ended June 30, 2024

And Reports of Independent Auditor

CENTRAL PINES REGIONAL COUNCIL
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Report of Independent Auditor

To the Board of Delegates
Central Pines Regional Council
Research Triangle Park, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the general fund, and the fiduciary fund of the Central Pines Regional Council (the “Council”), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Council’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 general fund, and the fiduciary fund of the Council as of June 30, 2024, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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 the Council and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council’s ability to continue as a going concern for twelve months after the date that the financial statements are available to be issued.

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 *Governmental 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 the Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Council. The accompanying supplementary information, as listed in the table of contents, as well as the 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 the 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 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 supplementary information and the schedule of expenditures of federal and State awards are fairly stated, in all material respects, in relation to the basic financial statements, as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2024, on our consideration of the Council'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 the Council'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 the Council's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Raleigh, North Carolina
November 14, 2024

CENTRAL PINES REGIONAL COUNCIL MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

The Central Pines Regional Council (the "Council" or "CPRC"), formerly known as Triangle J Council of Governments, is comprised of municipal and county governments in central North Carolina. The Council is one of 16 regional councils established in 1972 by the General Assembly to educate and empower local governments through direct assistance, regional planning, and technical expertise.

The organization was first established as the Research Triangle Regional Planning Commission in 1959 to help guide local governments in Wake, Durham, and Orange counties around impending growth related to the establishment of the Research Triangle Park. In 1973, the organization became the Triangle J Council of Governments and added the counties of Johnston, Lee, and Chatham. Moore County was added in the 2000's after the dissolution of another regional council.

On any given day, CPRC works with our partners to provide support across our six strategic focus areas: Aging and Human Services; Community and Economic Development; Environment and Resilience; Member Support and Strategy and Mobility and Transportation. In 2023, the Council became the designated Local Planning Agency for the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization.

This section of the Council's financial report represents our discussion and analysis of the financial performance of the Council for the year ended June 30, 2024. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

- The liabilities and deferred inflows of resources of the Council exceeded the assets and deferred outflows of resources of the Council at the close of the fiscal year by \$326,580 (*net position*).
- The Council's total net position decreased by \$371,615 as a result of decreases in federal and state funding exceeding the increase in expenditures of the same funding during the year.
- As of the close of the current fiscal year, the Council's general fund reported an ending fund balance of \$2,923,030. Of this amount, \$6,244,689 is restricted by state statute.

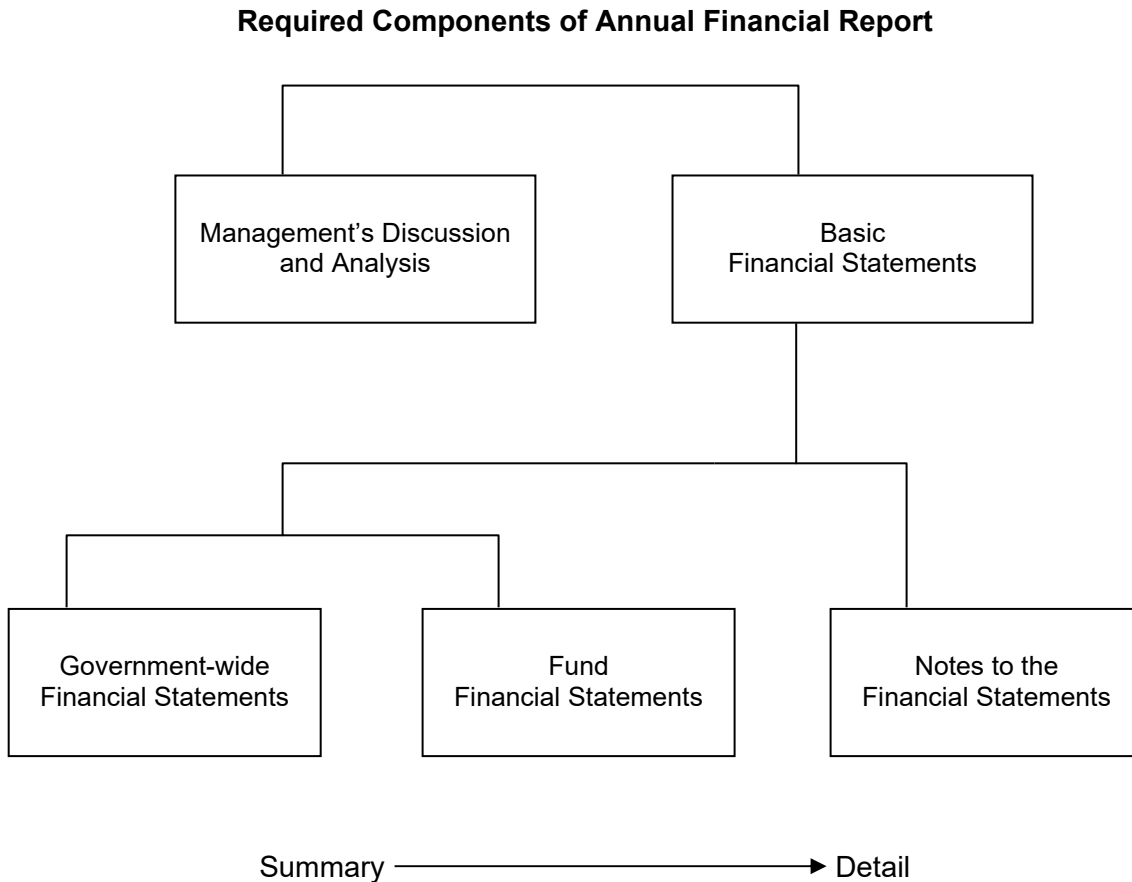
Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements which consist of three components as follows: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the Council's finances through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial condition of the Council.

**CENTRAL PINES REGIONAL COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2024

Figure 1



Basic Financial Statements

The first two statements (pages 10 and 11) in the basic financial statements are the *government-wide statements*. They provide both short and long-term information about the Council's financial status. The next statements (pages 12 through 17) are *fund financial statements*. These statements focus on the activities of the individual parts of the Council's government. These statements provide more detail than the government-wide statements. There are three parts to the fund financial statements: 1) the governmental funds statements, 2) the budgetary comparison statements, and 3) the other postemployment benefit trust fund statements.

The next section of the basic financial statements is the *notes*. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplementary information is provided to show details about the Council's indirect costs. Budgetary information required by the General Statutes also can be found in this part of the statements.

CENTRAL PINES REGIONAL COUNCIL MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Council's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Council's financial status as a whole.

The two government-wide statements report the Council's net position and how it has changed. Net position is the difference between the Council's total assets and deferred outflows and total liabilities and deferred inflows. Measuring net position is one way to gauge the Council's financial condition.

Government-wide financial statements may be divided into as many as three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include all of the Council's basic services such as general administration, economic and community development, human services, environmental protection, and transportation planning services. State and federal grants and contributions from regional non-profits, supporting entities, and local governments comprising the service area of the Council finance most of these activities.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Council's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Council's budget ordinance. One of the funds of the Council can be classified within the governmental funds category, while the other fund of the Council can be classified with the fiduciary funds category.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Council's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps to determine if there are more or less financial resources available to finance the Council's programs. The relationship between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation that is part of the fund financial statements.

The Council adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the constituent member local governments, the management of the Council, and the decisions of the Board of Delegates ("Board") about which services to provide and how to pay for them. It also authorizes the Council to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Council complied with the budget ordinance and whether or not the Council succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document.

The statement shows four columns: 1) the original budget as adopted by the Board, 2) the final budget as amended by the Board, 3) the actual resources, charges to appropriations, and ending balances in the General Fund, and 4) the difference or variance between the final budget and the actual resources and charges.

Fiduciary Fund – Fiduciary funds are used to account for resources held for the benefit of parties outside of the Council. The Council's fiduciary fund is for their Other Postemployment Benefit ("OPEB") trust fund.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 18 of this report.

**CENTRAL PINES REGIONAL COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2024

Government-Wide Financial Analysis

**Table 1
Condensed Statement of Net Position
June 30,**

	Governmental Activities	
	2024	2023
Assets:		
Current assets	\$ 9,275,318	\$ 10,381,650
Capital assets	4,013,868	41,985
	<u>13,289,186</u>	<u>10,423,635</u>
Deferred Outflows of Resources	<u>1,749,609</u>	<u>1,670,298</u>
Liabilities:		
Current liabilities	6,609,178	746,304
Noncurrent liabilities	8,005,977	3,762,401
	<u>14,615,155</u>	<u>4,508,705</u>
Deferred Inflows of Resources	<u>750,220</u>	<u>820,193</u>
Net Position:		
Net investment in capital assets	20,715	6,837
Restricted by stabilization of State Statute	6,244,689	4,269,056
Unrestricted	(6,591,984)	(4,230,858)
	<u>\$ (326,580)</u>	<u>\$ 45,035</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The liabilities and deferred inflows of resources of the Council exceeded assets and deferred outflows of resources by \$326,580 of June 30, 2024. The Council's net position decreased by \$371,615 for the fiscal year ended June 30, 2024. Of the net position, \$20,715 reflects the Council's net investment in capital assets (office and computer equipment, right-to-use assets, and vehicles). The Council uses these capital assets to provide services to constituent local government members; consequently, these assets are not available for future spending.

**CENTRAL PINES REGIONAL COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2024

**Table 2
Condensed Statement of Activities
June 30,**

	Governmental Activities	
	2024	2023
Revenues:		
Program Revenues:		
Charges for services	\$ 8,506,581	\$ 8,654,161
Intergovernmental revenues	21,639,384	20,146,395
General Revenues:		
Local government dues	784,773	701,110
Unrestricted investment earnings	195,381	199,669
Durham-Chapel Hill Carrboro MPO	214,569	-
Total Revenues	<u>31,340,688</u>	<u>29,701,335</u>
Expenses:		
Governmental Activities:		
General government	14,793,332	15,067,825
Community & economic development	1,987,020	2,668,773
Durham Chappel Hill Carboro MPO	2,917,745	-
Environmental protection	2,664,556	1,603,294
Economic and physical development	7,542,119	8,078,067
Transportation	1,807,531	1,958,977
Total Expenses	<u>31,712,303</u>	<u>29,376,936</u>
Change in net position	(371,615)	324,399
Net position, July 1	45,035	(279,364)
Net position, June 30	<u>\$ (326,580)</u>	<u>\$ 45,035</u>

Governmental Activities. Governmental activities decreased the Council's net position by \$371,615.

The Council's revenues were \$31,340,688. 69% of the Council's revenues come from federal and state revenues.

The Council's expenditures were \$31,712,303. 47% of the Council's expenditures were related to Human Services programs and 24% of expenses were member support related.

Financial Analysis of the Council's Funds

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

CENTRAL PINES REGIONAL COUNCIL MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

Governmental Funds. The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. 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 operating fund of the Council. At the end of the fiscal year, the General Fund unassigned fund balance reflects a deficit of \$3,853,865 while total fund balance was \$2,923,030, a consequence of State Statute requirements that program receivables are restricted. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The purpose of the comparison is to understand what resources are available for the coming year operations. At June 30, 2024, the fund balance of the governmental funds of the Council decreased by \$16,674 over the prior year.

Governmental Funds Budgetary Highlights. During the fiscal year, the Council 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 to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain services. The Council's total revenues were \$17 million less than budgeted and the Council's total expenditures were \$17 million less than the final budget.

Capital Assets and Debt Administration

Capital Assets. The Council's investment in capital assets for its governmental activities as of June 30, 2024 totals \$4,013,868 (net of accumulated depreciation and amortization). Capital assets include a furniture and a vehicle, which are substantially depreciated. Right-to-use leased assets include a building and copier leases.

Additional information on the Council's capital assets can be found in Notes 4 and 5 of the basic financial statements.

Long-Term Liabilities. The Council's long-term liabilities consisted of the following for its governmental activities as of June 30, 2024: a net OPEB liability of \$1,734,390, compensated absences of \$309,172, lease liability of \$3,993,153 and net pension liability of \$2,226,152, totaling \$8,262,867.

Additional information on the Council's long-term obligations can be found in Note 8 of the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The governmental activities of the Council make up the largest percentage of both revenues and expenditures. The Council conducts its administration of the government programs primarily within the indirect cost budget of the government programs it monitors and administers.

The adopted budget for the coming fiscal year calls for funded expenditures of approximately \$43 million. The change in the adopted budget over the current year is attributable to an increase in grant funding and project income.

Requests for Information

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

Hope Tally, Chief Financial Officer
4307 Emperor Boulevard, Suite 110
Durham, NC 27703

CENTRAL PINES REGIONAL COUNCIL
STATEMENT OF NET POSITION

JUNE 30, 2024

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash investments	\$ 1,536,256
Accounts receivable	171,639
Due from other governments	6,073,050
Restricted cash	<u>1,494,373</u>
Total Current Assets	<u>9,275,318</u>
Noncurrent Assets:	
Capital assets, net of accumulated depreciation and amortization	<u>4,013,868</u>
Total Noncurrent Assets	<u>4,013,868</u>
Total Assets	<u>13,289,186</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension deferrals	1,498,182
OPEB deferrals	<u>251,427</u>
Total Deferred Outflows of Resources	<u>1,749,609</u>
LIABILITIES	
Current Liabilities:	
Accounts payable and accrued liabilities	4,857,915
Unearned grant revenue	1,494,373
Lease liability	<u>256,890</u>
Total Current Liabilities	<u>6,609,178</u>
Noncurrent Liabilities:	
Compensated absences	309,172
Lease liability	3,736,263
Net pension liability	2,226,152
Net OPEB liability	<u>1,734,390</u>
Total Noncurrent Liabilities	<u>8,005,977</u>
Total Liabilities	<u>14,615,155</u>
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	19,866
OPEB deferrals	<u>730,354</u>
Total Deferred Inflows of Resources	<u>750,220</u>
NET POSITION	
Net investment in capital assets	20,715
Restricted:	
Stabilization by State Statute	6,244,689
Unrestricted	<u>(6,591,984)</u>
Total Net Position	<u>\$ (326,580)</u>

The accompanying notes to the financial statements are an integral part of these statements.

CENTRAL PINES REGIONAL COUNCIL
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and
				Changes in
				Net Position
				Primary
				Government
				Governmental
				Activities
Governmental Activities:				
Aging and Human Services	\$14,793,332	\$ 270,652	\$14,423,351	\$ (99,329)
Community and Economic Development	1,987,020	896,727	861,009	(229,284)
Durham Chapel Hill Carrboro MPO	2,917,745	761,280	2,376,371	219,906
Environment and Resilience	2,664,556	1,550,477	808,427	(305,652)
Member Support and Strategy	7,542,119	4,991,445	1,485,055	(1,065,619)
Transportation	1,807,531	36,000	1,685,171	(86,360)
Total Governmental Activities	<u>\$ 31,712,303</u>	<u>\$ 8,506,581</u>	<u>\$ 21,639,384</u>	<u>(1,566,338)</u>
General Revenues:				
Local revenues not restricted				784,773
Unrestricted investment earnings				195,381
Special Items:				
Durham-Chapel Hill Carrboro MPO				214,569
Total General Revenues and Special Items				<u>1,194,723</u>
Change in net position				(371,615)
Net position, beginning of year				45,035
Net position, end of year				<u>\$ (326,580)</u>

The accompanying notes to the financial statements are an integral part of these statements.

CENTRAL PINES REGIONAL COUNCIL
BALANCE SHEET – GENERAL FUND

JUNE 30, 2024

ASSETS

Cash and investments	\$ 1,536,256
Accounts receivable	74,966
Due from other governments	6,169,723
Restricted cash	1,494,373
Total Assets	\$ 9,275,318

LIABILITIES

Program accounts payable and accrued expenses	\$ 4,857,915
Unearned grant revenue	1,494,373
Total Liabilities	6,352,288

FUND BALANCES

Nonspendable for prepaid items	-
Restricted:	
Stabilization by State Statute	6,244,689
Assigned:	
Clean Water Education Partnership (CWEP)	47,530
Jordan Lake One Water (JLOW)	18,151
LOGO Career Expo	29,129
Triangle Area Rural Planning Organization (TARPO)	7,504
Triangle Area Water Supply Monitoring Project (TAWMSP)	110,543
Triangle Water Supply Partnership (TWSP)	319,349
Unassigned	(3,853,865)
Total Fund Balances	2,923,030
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,275,318

Amounts reported for governmental activities in the statement of net position are different because:

Ending fund balances - governmental funds.	\$ 2,923,030
Capital assets, including right-of-use assets, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,013,868
Some liabilities, including leases and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(4,302,325)
OPEB activity (including long-term liability, deferred outflows, and deferred inflows).	(2,213,317)
Pension activity (including long-term liability, deferred outflows, and deferred inflows) is not reported in the funds.	(747,836)
Net position of governmental activities	\$ (326,580)

The accompanying notes to the financial statements are an integral part of these statements.

CENTRAL PINES REGIONAL COUNCIL**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GENERAL FUND**

YEAR ENDED JUNE 30, 2024

Revenues:

Federal government grants	\$	5,112,412
State government grants		496,875
Federal and state passthrough		16,028,356
Member assessments		784,773
Special assessments		1,746,041
Local aging share		270,031
Program income/fees		6,374,372
Other income		117,878
Interest income		195,381
Total Revenues		<u>31,126,119</u>

Expenditures:

General government		231,071
Aging and Human Services		14,797,198
Community and Economic Development		1,847,209
Durham Chapel Hill Carrboro MPO		3,137,650
Environment and Resilience		2,485,107
Member Support and Strategy		7,051,506
Transportation		1,807,621
Lease capital outlay		4,159,786
Total Expenditures		<u>35,517,148</u>

Other Financing Sources (Uses):

Lease liability issued		<u>4,159,786</u>
Total Other Financing Sources (Uses)		<u>4,159,786</u>

Special Items:

Durham-Chapel Hill Carrboro MPO		<u>214,569</u>
Total Special Items		<u>214,569</u>

Net change in fund balances		(16,674)
Fund balances, beginning of year		<u>2,939,704</u>
Fund balances, end of year	\$	<u><u>2,923,030</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

CENTRAL PINES REGIONAL COUNCIL

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GENERAL FUND 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 \$ (16,674)

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 and amortization expense in the current period:

Capital outlay 4,312,839

Depreciation and amortization expense for governmental assets, net of disposals (340,956)

Some expenses reported in the statement of activities do not require the use of current financial resources in governmental funds and, therefore, are not reported as expenditures in the governmental funds:

Pension related changes (205,104)

OPEB related changes (59,100)

Compensated absences related changes (104,615)

The issuance of long-term debt (e.g., leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Issuance of lease agreement (4,159,786)

Repayments of lease liability 201,781

Change in net position of governmental activities \$ (371,615)

The accompanying notes to the financial statements are an integral part of these statements.

CENTRAL PINES REGIONAL COUNCIL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ANNUAL BUDGET AND ACTUAL – GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Federal government grants	\$ 6,572,219	\$ 12,106,855	5,112,412	\$ (6,994,443)
State government grants	1,600,010	1,719,641	496,875	(1,222,766)
Federal and state passthrough	15,773,982	17,704,664	16,028,356	(1,676,308)
Member assessments	781,646	794,646	784,773	(9,873)
Special assessments	997,560	1,996,434	1,746,041	(250,393)
Local aging share	253,953	270,031	270,031	-
Program income/fees	13,999,242	13,503,103	6,374,372	(7,128,731)
Other income	12,000	39,267	117,878	78,611
Interest income	-	-	195,381	195,381
Total Revenues	<u>39,990,612</u>	<u>48,134,641</u>	<u>31,126,119</u>	<u>(17,008,522)</u>
Expenditures:				
General government	193,773	189,239	231,071	(41,832)
Aging and Human Services	16,033,768	17,088,523	14,797,198	2,291,325
Community and Economic Development	820,530	1,236,608	1,847,209	(610,601)
Durham Chapel Hill Carrboro MPO	2,632,310	6,682,561	3,137,650	3,544,911
Environment and Resilience	2,345,004	2,901,361	2,485,107	416,254
Member Support and Strategy	13,307,878	13,947,549	7,051,506	6,896,043
Transportation	3,126,870	3,470,936	1,807,621	1,663,315
Housing	1,982,967	3,189,729	-	3,189,729
Total Expenditures	<u>40,443,100</u>	<u>48,706,506</u>	<u>31,357,362</u>	<u>17,349,144</u>
Other Financing Sources (Uses):				
Appropriation of fund balance	<u>452,488</u>	<u>571,865</u>	<u>-</u>	<u>571,865</u>
Total Other Financing Sources (Uses)	<u>452,488</u>	<u>571,865</u>	<u>-</u>	<u>571,865</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(231,243)</u>	<u>\$ (231,243)</u>
Fund balances, beginning of year			<u>2,939,704</u>	
Fund balances, end of year			<u>\$ 2,708,461</u>	
Fund balance (non-GAAP) June 30, 2024			\$ 2,708,461	
Durham-Chapel Hill Carrboro MPO			214,569	
Issuance of lease			4,159,786	
Lease capital outlay			<u>(4,159,786)</u>	
Fund balance (GAAP basis) June 30, 2024			<u>\$ 2,923,030</u>	

The accompanying notes to the financial statements are an integral part of these statements.

CENTRAL PINES REGIONAL COUNCIL
STATEMENT OF FIDUCIARY NET POSITION – OPEB TRUST FUND

JUNE 30, 2024

ASSETS	
Cash and cash equivalents	<u>\$ 417,568</u>
LIABILITIES	
Retirees OPEB payable	<u>\$ 54,958</u>
NET POSITION	
Restricted for OPEB benefits	<u>\$ 362,610</u>

The accompanying notes to the financial statements are an integral part of these statements.

CENTRAL PINES REGIONAL COUNCIL
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – OPEB TRUST FUND

YEAR ENDED JUNE 30, 2024

Additions:	
Net appreciation in fair value of investments	\$ 173
Total Additions	<u>173</u>
 Deductions:	
Benefit payments	<u>54,967</u>
Total Deductions	<u>54,967</u>
Change in net position	(54,794)
Net position restricted for OPEB benefits, beginning of year	<u>417,404</u>
Net position restricted for OPEB benefits, end of year	<u><u>\$ 362,610</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

CENTRAL PINES REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 1—Nature of operations and summary of significant accounting policies

The accounting policies of the Central Pines Regional Council (the “Council”) conform to accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applicable to governments. The following is a summary of the more significant accounting policies:

Reporting Entity – The Council is one of 16 regional councils of government formed pursuant to the General Statutes of North Carolina, Chapter 160A, Article 20, Part 2. Membership in the Council consists of seven counties (Durham, Orange, Wake, Chatham, Johnston, Lee, and Moore) and 39 municipalities from within those counties. The Board of Delegates is comprised of one delegate from each governmental unit.

Purpose – The Council’s purpose is to provide a forum for consideration of multi-jurisdictional matters affecting health, safety, welfare, education, recreation, economic conditions, regional planning, and development. The amount of local contribution from the members for the year ended June 30, 2024 (based on July 1999 capital) was \$0.39 for the first 150,000 persons, then \$0.20 per person thereafter. County dues exclude the incorporated population of the municipalities.

During the year ended June 30, 2017, the Council created Triangle J Regional Corporation, a 501(c)(3) not-for-profit organization. There was no activity within Triangle J Regional Corporation during the year ended June 30, 2024.

Basis of Presentation

Government-Wide Financial Statements – The Council has implemented Government Accounting Standards Board (“GASB”) 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and related standards. The statement of net position and the statement of activities display information about the Council. These statements include the financial activities of the overall council. Eliminations have been made to minimize the double counting of internal activities. These statements display the governmental activities of the Council. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Council’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 the Council’s funds. The Council maintains one governmental fund and one fiduciary fund which are described as follows:

General Fund – The General Fund is the general operating fund of the Council. 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 grants, technical assistance contracts, contracts and fees, and member dues. The primary expenditures are for area agencies on aging, planning assistance and administration, and the regional initiatives group.

Other Postemployment Benefit Trust Fund – The Other Postemployment Benefit (“OPEB”) Trust Fund is used to report resources that are required to be held in trust for the members and beneficiaries of the other postemployment benefit plan. The OPEB Trust Fund accounts for the Council’s contributions for healthcare coverage provided to qualified retirees.

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

CENTRAL PINES REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 1—Nature of operations and summary of significant accounting policies (continued)

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and 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 the Council gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants. Revenues from grants are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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. General capital asset acquisitions are reported as expenditures in governmental funds.

Budgetary Data – The Council's budget ordinance is adopted, as required by the North Carolina General Statutes, on or before July 1 for the next fiscal year.

Expenditures may not legally exceed appropriations at the program or project level. The Council's finance officer is authorized to transfer appropriations within a program or project; however, any revisions that alter total expenditure of any program must be approved by the governing board.

The appropriations are formally budgeted and legally controlled on a program or project basis. The annual budget, which is prepared on the modified accrual basis of accounting as required by North Carolina Statute, is amended during the fiscal year by the Board of Delegates, and the budget amounts reflected in the statement of revenues, expenditures, and changes in fund balance represent the budget as amended to June 30, 2024. Unencumbered annual appropriations lapse at each fiscal year-end and must be re-appropriated in the following fiscal year's budget.

Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Indirect Costs – Indirect costs in program or project expenditures are those costs not readily assignable to a program or incurred for a common or joint purpose benefiting more than one program or project. Indirect costs are charged to programs or projects during the year based on direct salaries and fringe benefits using the actual rate.

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Fund Balance/Net Position

Deposits and Investments – All deposits of the Council are made in board-designated official depositories and are either insured by the Federal Deposit Insurance Corporation ("FDIC") or held in investment vehicles authorized by the State Treasurer.

State law [G.S. 159-30 (c)] authorizes the Council 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 council; obligations of certain non-guaranteed federal agencies; certain high-quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust ("NCCMT").

The Council's investments are primarily in securities of the NCCMT Government Portfolio. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at amortized cost which approximates fair value, and is the NCCMT's share price. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than six months.

CENTRAL PINES REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 1—Nature of operations and summary of significant accounting policies (continued)

Cash and Cash Equivalents – The Council combines cash from program awards into one operating account to facilitate disbursements and investments and to maximize investment income. The Council considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

Accounts Receivable – The Council considers all revenues available if they are collected within 90 days subsequent to year-end except for grant receivables. Grant-related receivables are considered to be available regardless of when the amounts are collected. Grant revenues for which eligibility requirements have not been met at year-end are recorded as unearned revenues.

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

The Council provides for losses on receivables on the allowance method. The allowance method is based on experience, third party contracts, and other circumstances, which may affect the ability of debtors to meet their obligations. It is the Council's policy to charge-off uncollectible receivables when management determines the receivable will not be collected. Management of the Council believes all receivables will be collected. Therefore, no allowance for uncollectible accounts is considered necessary.

Capital Assets – Capital assets are defined by the Council as (a) physical assets and (b) technological assets with an initial, individual cost greater than or equal to (a) \$5,000 and (b) \$30,000 and an estimated useful life in excess of two years. Council assets meeting this definition are recorded at original cost at the time of acquisition and depreciated over the useful lives, ranging from 5 to 10 years, on a straight-line basis. When an asset is disposed of, the cost of the asset and the related accumulated depreciation are removed from the books. Any gain or loss on disposition is reflected in the earnings for the period.

Right-to-Use Lease Asset and Lease Liability – The Council has recorded right-to-use lease assets and lease liabilities as a result of implementing GASB 87, *Leases*. The right-to-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 services. These right-of-use assets are amortized on a straight-line basis over the life of the related lease.

Compensated Absences – Council policy provides the accumulation of earned vacation up to 240 hours. Leave is fully vested when earned. Accumulated earned vacation at June 30, 2024 was \$309,172. Accumulated vacation is accounted for on a LIFO basis, assuming employees are taking leave as it is earned. The current portion of the accumulated vacation pay is not considered to be material and, therefore, no provision has been made in the accompanying financial statements. Employees can accumulate an unlimited amount of sick leave. Accrued sick leave may be used in the determination of length of service for retirement benefit purposes. Since the Council has no further obligation for accumulated sick leave, no accrual for sick leave has been made.

Coverage for other postretirement benefits is provided through common insurance carriers.

Deferred Outflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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. The Council has two items that meet this criterion, its contributions and other deferrals made to the Local Government Employees' Retirement System ("LGERS") and contributions and other deferrals made to the Council's OPEB plan.

CENTRAL PINES REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 1—Nature of operations and summary of significant accounting policies (continued)

Deferred Inflows of Resources – 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 represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The Council has three items that meet this criterion, deferrals related to future changes of the pension, OPEB liabilities and unavailable revenue received outside the Council's 90-day policy at the general fund.

Net OPEB Liability – The Council maintains one postemployment benefit plan. The plan's financial statement is prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Contributions are recognized when due, and the Council will provide the contributions to the Plan. Benefits and refunds are recognized when due and payable in accordance with the term of the plan. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Deposits in savings account are at fair value. Administration costs of the plan are financed through investment earnings and deposits made by the Council.

Pension – 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 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 members' contributions are recognized in the period in which the contributions are due. The Council's employer contributions are recognized when due and the Council has a legal requirement to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

Unearned Revenue – Unearned revenue represents grant receipts not yet earned (not expended).

Net Position – Net position in the 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.

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

The governmental fund types classify fund balances as follows:

Nonspendable – 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. There was no nonspendable balance in the current year.

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

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

Committed – Portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Council's governing body (highest level of decision-making authority). Any changes or removal of specific purpose requires majority action by the governing body. There was no committed balance in the current year.

CENTRAL PINES REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 1—Nature of operations and summary of significant accounting policies (continued)

Assigned – Portion of fund balance that the Council intends to use for specific purposes.

Subsequent Year's Expenditures Clean Water Education Partnership, Central Pines Rural Planning Organization, Jordan Lake One Water, LOGO Career Expo, Triangle Area Water Supply Monitoring Project, Triangle Water Supply Partnership – Portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the Finance Director to modify the appropriations by resource or appropriation within funds.

Unassigned – Portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

When both restricted and unrestricted resources are available to use, it is the Council's policy to use restricted resources first then unrestricted resources, as they are needed.

Note 2—Deposits and investments

All of the Council's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Council's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Council, these deposits are considered to be held by the agent in the entity'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 the Council or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Council 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.

At June 30, 2024, the Council's deposits had a carrying amount of \$331,569 and a bank balance of \$404,030. Of the bank balance, \$250,000 was covered by FDIC. The remaining bank balance is collateralized under the Pooling Method.

At June 30, 2024, the Council's deposits in the OPEB Trust Fund had a carrying amount of \$417,568 and a bank balance of \$417,568. The bank balance is collateralized under the Pooling Method.

At June 30, 2024, the Council had the following investments:

Investment Type	Valuation Measurement Method	Book Value at June 30, 2024	Maturity	Rating
NCCMT - Government Portfolio	Fair Value Level 1	\$2,699,060	Less than 6 months	AAAm

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

CENTRAL PINES REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 2—Deposits and investments (continued)

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

The Council's investment in the NCCMT's Government Portfolio carried a credit rating of AAAm by Standard & Poor's and AAA-mf by Moody's Investor Service as of June 30, 2024. The Authority has no formal policy regarding credit risk on its investments. At June 30, 2023, the Council's OPEB Fund had \$417,568 in a Business Market Rate savings account.

Note 3—Receivables

The amount due from other governments and other receivables that is owed to the Council at June 30, 2024 consists of the following:

DHHS - Division of Aging and Adult Services	\$ 2,691,733
N.C. Department of Transportation	2,127,734
Capital Area MPO	154,973
Other receivables	<u>1,270,249</u>
	<u><u>\$ 6,244,689</u></u>

CENTRAL PINES REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 4—Capital assets

The capital assets of the Council at June 30, 2024 consist of an office building, administrative and program equipment and vehicles. The following is a schedule of capital assets:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
General equipment	\$ -	\$ 153,053	\$ -	\$ 153,053
Vehicles	17,779	-	-	17,779
	<u>17,779</u>	<u>153,053</u>	<u>-</u>	<u>170,832</u>
Less accumulated depreciation for:				
General equipment	-	30,611	-	30,611
Vehicles	9,524	2,540	-	12,064
	<u>9,524</u>	<u>33,151</u>	<u>-</u>	<u>42,675</u>
Total capital assets being depreciated, net	<u>8,255</u>			<u>128,157</u>
Capital assets being amortized:				
Building	480,820	4,159,786	(480,820)	4,159,786
Copier	21,748	-	-	21,748
	<u>502,568</u>	<u>4,159,786</u>	<u>(480,820)</u>	<u>4,181,534</u>
Less accumulated amortization for:				
Building	461,588	284,430	(461,588)	284,430
Copier	7,250	4,143	-	11,393
	<u>468,838</u>	<u>\$ 288,573</u>	<u>\$ (461,588)</u>	<u>295,823</u>
Total capital assets being amortized, net	<u>33,730</u>			<u>3,885,711</u>
Governmental acuties capital assets, net	<u>\$ 41,985</u>			<u>\$ 4,013,868</u>

Note 5—Retirement plan

Local Governmental Employees' Retirement System

Plan Description – The Council is a participating employer in the statewide LGERS, a cost-sharing multiple-employer defined benefit pension plan (the “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 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 member. 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, or by calling (919) 981-5454, or at www.osc.nc.gov.

CENTRAL PINES REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 5—Retirement plan (continued)

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 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 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.

Contributions – Contribution provisions are established by G.S. 128-30 and may be amended only by the North Carolina General Assembly. Employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by LGERS Board of Trustees. The Council's contractually required contribution rate for the year ended June 30, 2024 was 12.10% of compensation 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 Plan from the Council were \$476,740 for the year ended June 30, 2024. The contributions made from the Council equaled the required contributions for the year.

Refund of Contributions – Council 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 the 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, the Council reported a liability of \$2,226,152 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. The Council's proportion of the net pension liability was based on a projection of the Council'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, the Council's proportion was 0.03361%, which was an increase of 0.001299% from its proportion measured at June 30, 2022.

CENTRAL PINES REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 5—Retirement plan (continued)

For the fiscal year ended June 30, 2024, the Council recognized pension expense of \$205,104. At June 30, 2024, the Council 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	\$ 248,059	\$ 5,340
Changes of assumptions	94,599	-
Net difference between projected and actual earnings on pension plan investments	595,816	-
Changes in proportion and differences between Council contributions and proportionate share of contributions	82,968	14,526
Council contributions subsequent to the measurement date	476,740	-
	<u>\$ 1,498,182</u>	<u>\$ 19,866</u>

Deferred outflows of resources related to pensions resulting from the Council’s contributions subsequent to the measurement date of \$476,740 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:

<u>Fiscal Years Ending June 30,</u>	
2025	\$ 375,617
2026	200,609
2027	400,154
2028	25,196
	<u>\$ 1,001,576</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	2.50%
Salary Increase	3.25% to 8.25%, including inflation and productivity factor
Investment rate of return	6.50%, net of pension plan investment expense, including inflation

The plan currently uses mortality rates based on projections from 2010 using generational improvement with Scale Mortality Projections-2019 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 review for the period from January 1, 2015 through December 31, 2019.

Future ad hoc COLA amounts are not considered to be substantively automatic and are, therefore, not included in the measurement.

CENTRAL PINES REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 5—Retirement plan (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 weighing 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.

Asset Class	Target Allocation	Long-Term Expected Real Estate
Fixed income	33.0%	0.9%
Global equity	38.0%	6.5%
Real estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Opportunistic fixed income	7.0%	5.0%
Inflation sensitive	6.0%	2.7%
	100.0%	

The information above is based on 30-year expectations developed with the consulting actuary for the 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.

Sensitivity of the Council's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Council's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Council's proportionate share of the 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%)
Council's proportionate share of the net pension liability (asset)	\$ 3,856,721	\$ 2,226,152	\$ 883,715

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.

CENTRAL PINES REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 5—Retirement plan (continued)

Supplemental Retirement Income Plan

All full-time employees of the Council, who are members of LGERS, can voluntarily elect to participate in the Supplemental Retirement Income Plan of North Carolina. This plan is a defined contribution pension plan governed by the Department of the State Treasurer and a Board of Trustees. Participation begins at the date of employment in a defined contribution plan; benefits depend solely on amounts contributed to the plan plus investment earnings. The Council contributes amounts equal to 5% of each employee’s gross annual salary. Contributions are remitted bi-weekly and such contributions vest immediately. Council contributions to the plan totaled \$185,709 for the year ended June 30, 2024.

Note 6—Other postemployment benefits

Plan Administration – Under the terms of a Council resolution, the Council administers a single-employer defined benefit healthcare plan (the “Retiree Health Plan”). The plan provides postemployment healthcare benefits to retirees of the Council, provided they participate in the North Carolina LGERS and have at least five years of creditable service with the Council. The Council pays a percentage of the premium for the coverage based on the equivalent years of service as follows:

<u>Retire with CPRC Service</u>		<u>Individual Health Insurance Premium</u>	
<u>At Least</u>	<u>Not More Than</u>	<u>CPRC Pays</u>	<u>Employee Pays</u>
5 years	10 years	25%	75%
10 years	15 years	50%	50%
15 years	20 years	75%	25%
20+ years		100%	0%

Membership in the Retiree Health Plan consisted of 11 retirees and 33 active employees for a total of 44 employees included in the calculation as of June 30, 2023. The Council’s retirees may elect to purchase coverage for their dependents at the Council’s group rates. The Council’s Board may amend the benefit provisions. A separate report was not issued for the Retiree Health Plan.

Funding Policy – By Council resolution, the Council pays the full cost of coverage for the healthcare benefits paid to qualified retirees. The Council has chosen to fund the healthcare benefits on a pay-as-you-go basis. In fiscal year ended June 30, 2024, the Council’s total contributions were \$45,505. The OPEB Trust Fund is accounted for as a trust fund.

Benefits Provided – The Council’s plan provides healthcare benefits for retirees. The Council pays a percentage of the cost of coverage for employees’ benefits through private insurers.

The following are the Council’s contributions to the plan based on years of creditable service as of June 30, 2024:

<u>Years of Creditable Service</u>	<u>Date Hired Pre-July 1, 2007</u>	<u>Date Hired on or After July 1, 2007</u>
Less than 10 years	43.75%	0.00%
10 to 20 years	32.00%	0.00%
More than 20 years	24.25%	0.00%

CENTRAL PINES REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6—Other postemployment benefits (continued)

Investment Policy – The Council’s policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a Broad selection of distinct asset classes. The Council discourages the use of cash and cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. Investments are valued at fair value.

The following was the Board’s adopted asset allocation policy as of June 30, 2024:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and cash equivalents	100%	0.03%

For the year ended June 30, 2024, the annual money weighted rate of return on investments, net of investment expense, was 0.03%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the Council – The components of the net OPEB liability of the Council at June 30, 2024 were as follows:

Total OPEB liability	\$ 2,151,958
Plan fiduciary net position	417,568
Net OPEB liability	<u>\$ 1,734,390</u>

Plan fiduciary net position as a percentage of the total OPEB liability	19.40%
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Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases	3.25% - 8.41%
Investment rate of return	0.03%
Municipal bond index rate - prior measurement date	3.65%
Municipal bond index rate - measurement date	3.93%
Single equivalent interest rate - prior measurement date	2.21%
Single equivalent interest rate - measurement date	2.48%
Healthcare cost trend rates - Pre-Medicare	7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2032
Healthcare cost trend rates - Medicare	5.125% for 2022 decreasing to an ultimate rate of 4.50% by 2025

CENTRAL PINES REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6—Other postemployment benefits (continued)

The total OPEB liability was rolled forward to June 30, 2024, utilizing update procedures incorporating the actuarial assumptions. The discount rate used to measure the total OPEB liability was based upon the single equivalent interest rate.

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, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by LGERS.

The remaining actuarial assumptions (e.g., health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2022 valuation were based on a review of recent plan experience done concurrently with the June 30, 2022 valuation.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the Council, as well as what the Council’s net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Net OPEB liability	\$ 2,170,576	\$ 1,734,390	\$ 1,396,201

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability of the Council, as well as what the Council’s net 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:

	1% Decrease	Current Rate	1% Increase
Net OPEB liability	\$ 1,320,081	\$ 1,734,390	\$ 2,293,900

Changes in Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At June 30, 2024, the Council reported a net OPEB liability of \$1,734,390. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022.

Changes of Assumptions – Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2023 to 3.93% in 2024.

CENTRAL PINES REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 6—Other postemployment benefits (continued)

The components of the net OPEB liability of the Council, measured as of June 30, 2024 were as follows:

	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2023	<u>\$ 2,141,148</u>	<u>\$ 417,404</u>	<u>\$ 1,723,744</u>
Changes for the year:			
Service cost at the end of the year	102,303	-	102,303
Interest on TOL and cash flows	46,819	-	46,819
Change in benefit terms	-	-	-
Difference between expected and actual experience	13,987	-	13,987
Changes of assumptions or other inputs	(106,794)	-	(106,794)
Contributions - employer	-	45,505	(45,505)
Contributions - non-employer	-	-	-
Net investment income	-	164	(164)
Benefit payments	(45,505)	(45,505)	-
Plan administrative expenses	-	-	-
Other	-	-	-
Net changes	<u>10,810</u>	<u>164</u>	<u>10,646</u>
Balance as of June 30, 2024	<u><u>\$ 2,151,958</u></u>	<u><u>\$ 417,568</u></u>	<u><u>\$ 1,734,390</u></u>

For the year ended June 30, 2024, the Council recognized OPEB expense of \$59,100. At June 30, 2024, the Council reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16,721	\$ 432,378
Changes of assumptions or other inputs	234,706	296,791
Net difference between projected and actual earnings on plan investments	-	1,185
	<u>\$ 251,427</u>	<u>\$ 730,354</u>

The reported deferred outflows of resources net of deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Period for Fiscal Years Ending June 30:

2024	\$ (66,644)
2025	(125,681)
2026	(145,619)
2027	(109,137)
2028	(28,853)
Thereafter	(2,993)
	<u><u>\$ (478,927)</u></u>

The financial statements for the OPEB Trust Fund is shown as a fiduciary fund on pages 16 and 17.

CENTRAL PINES REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 7—Other employment benefits

The Council has elected to provide death benefits to employees through the Death Benefit Plan for members of LGERS (“Death Benefit Plan”), a multiple-employer, state-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the system, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the system at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee’s 12 highest months’ salary in a row during the 24 months prior to the employee’s death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the Council, the Council does not determine the number of eligible participants. The Council has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the state. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Council considers these contributions to be immaterial.

Note 8—Long-term obligations

Leases –The Council leases certain facilities and equipment under noncancelable leases. The lease agreements qualify as other than short-term lease agreements under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The leases have various terms, with maturity ranging from July 2024 through July 2033. The leases have discount rates of 3.25% and 8.25%. As a lessee, the Council recognized lease assets and lease liabilities on the statement of net position. See Note 5 for further information.

The future minimum lease obligations and the net present value of the operating and finance lease payments as of June 30, 2024 are as follows:

Years Ending June 30:	Principal	Interest	Total
2025	\$ 256,890	\$ 319,465	\$ 576,355
2026	293,530	297,122	590,652
2027	331,408	271,647	603,055
2028	372,989	242,838	615,827
2029	420,940	210,281	631,221
2030 - 2034	2,317,396	427,072	2,744,468
	<u>\$ 3,993,153</u>	<u>\$ 1,768,425</u>	<u>\$ 5,761,578</u>

Change in Long-Term Obligations – A summary of changes in long-term obligations for the year ended June 30, 2024 is as follows:

	Beginning Balance	Net Increase	Net Decrease	Ending Balance	Current Portion
Net OPEB liability	\$ 1,723,744	\$ 10,646	\$ -	\$ 1,734,390	\$ -
Compensated absences	204,557	104,615	-	309,172	-
Leases	35,148	4,159,786	(201,781)	3,993,153	256,890
Net pension liability	1,823,310	402,842	-	2,226,152	-
	<u>\$ 3,786,759</u>	<u>\$ 4,677,889</u>	<u>\$ (201,781)</u>	<u>\$ 8,262,867</u>	<u>\$ 256,890</u>

CENTRAL PINES REGIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

Note 9—Risk management

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council participates in two self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the Council obtains general liability of \$5 million per occurrence, auto liability coverage of \$5 million per occurrence, property coverage up to the total insurance values of the property policy, and workers' compensation coverage up to statutory limits. The pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability, and property in excess of \$500,000 and \$300,000 up to statutory limits for workers' compensation. The property liability pool has an aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values.

The Council carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past fiscal years. In accordance with G.S. 159-29, the Council's employees that have access to \$100 or more at any given time of the Council's funds are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$1,000,000. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

Note 10—Contingent liabilities

The Council is the recipient of various state and federal awards for specific purposes that are subject to review and possibly final audit by the grantor agencies. Such audits could lead to requests by the grantor agencies for reimbursement of expenditures disallowed under the compliance terms of the grant. At June 30, 2024, no requests for reimbursement by the grantor agencies existed for those grants which have been subjected to grantor audits.

Note 11—Concentration of risk

A material part of the Council's support is derived from grants from the North Carolina Department of Health and Human Services – Division of Aging. This support represented 47% of the Council's total revenue for the year ended June 30, 2024. The loss of this revenue would have an adverse effect on the Council's ability to continue to provide its aging services.

Note 12—Transfer of operations

Effective July 1, 2023, the boards of Central Pines Regional Council ("CPRC") and Durham-Chapel Hill-Carrboro ("DCHC") Metropolitan Planning Organization ("MPO") entered into a lead planning agency agreement to assume certain administrative duties and functions for MPO. MPO's previous governmental agency servicing as lead planning agency, the City of Durham, transferred \$214,569 in cash assets to CPRC upon transfer of DCHC MPO's operations. MPO transferred no capital assets, deferred outflows of resources, liabilities, or deferred inflows of resources.

Note 13—Subsequent events

The Council has evaluated subsequent events through November 14, 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

This section contains additional information required by governmental accounting standards board.

- Other Postemployment Healthcare Benefits –
Schedule of Changes in Net OPEB Liability, Related Ratios, and Investment Returns
Schedule of OPEB Employer Contributions
Notes to the Required Schedule
- Local Government Employees 'Retirement System –
Schedule of Proportionate Share of Net Pension Liabilities
Schedule of Contributions

CENTRAL PINES REGIONAL COUNCIL
OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS –
SCHEDULE OF CHANGES IN NET OPEB LIABILITY, RELATED RATIOS, AND INVESTMENT RETURNS

LAST SIX FISCAL YEARS ENDING JUNE 30

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability						
Service cost	\$ 102,303	\$ 134,985	\$ 158,078	\$ 163,836	\$ 112,344	\$ 62,775
Interest	46,819	61,357	48,731	50,542	59,678	59,009
Changes of benefit terms	-	-	-	40,278	-	-
Difference between expected and actual experience	13,987	(594,425)	3,334	(74,097)	(4,424)	45,705
Changes in assumptions	(106,794)	163,949	(307,957)	(105,169)	483,197	215,218
Benefit payments	(45,505)	(42,660)	(44,414)	(34,401)	(28,207)	(21,584)
Net change in total OPEB liability	<u>10,810</u>	<u>(276,794)</u>	<u>(142,228)</u>	<u>40,989</u>	<u>622,588</u>	<u>361,123</u>
Total OPEB liability, beginning	<u>2,141,148</u>	<u>2,417,942</u>	<u>2,560,170</u>	<u>2,519,181</u>	<u>1,896,593</u>	<u>1,535,470</u>
Total OPEB liability, ending	<u>\$ 2,151,958</u>	<u>\$ 2,141,148</u>	<u>\$ 2,417,942</u>	<u>\$ 2,560,170</u>	<u>\$ 2,519,181</u>	<u>\$ 1,896,593</u>
Plan fiduciary net position						
Contributions - employer	\$ 45,505	\$ 192,658	\$ 44,414	\$ 97,445	\$ 102,861	\$ 91,682
Contributions - non-employer	-	-	-	-	-	-
Contributions - active member	-	-	-	-	-	-
Net investment income	164	173	2,877	21	31	16
Benefit payments	(45,505)	(42,660)	(44,414)	(34,401)	(28,207)	(21,584)
Administrative expense	-	-	-	-	-	-
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>164</u>	<u>150,171</u>	<u>2,877</u>	<u>63,065</u>	<u>74,685</u>	<u>70,114</u>
Plan fiduciary net position, beginning	<u>417,404</u>	<u>267,233</u>	<u>264,356</u>	<u>201,291</u>	<u>126,606</u>	<u>56,492</u>
Plan fiduciary net position, ending	<u>\$ 417,568</u>	<u>\$ 417,404</u>	<u>\$ 267,233</u>	<u>\$ 264,356</u>	<u>\$ 201,291</u>	<u>\$ 126,606</u>
Net OPEB liability - ending	<u>\$ 1,734,390</u>	<u>\$ 1,723,744</u>	<u>\$ 2,150,709</u>	<u>\$ 2,295,814</u>	<u>\$ 2,317,890</u>	<u>\$ 1,769,987</u>
Plan fiduciary net position as a percentage of the total OPEB liability	19.40%	19.49%	11.05%	10.33%	7.99%	6.68%

* This schedule is intended to show information for 10 years. This schedule will not present 10 years of information until fiscal year 2026.

CENTRAL PINES REGIONAL COUNCIL
OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS –
SCHEDULE OF OPEB EMPLOYER CONTRIBUTIONS

LAST SIX FISCAL YEARS ENDING JUNE 30

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 313,414	\$ 405,734	\$ 405,734	\$ 404,714	\$ 404,714	\$ 276,180
Contributions in relation to the Actuarially Determined Contribution	<u>45,505</u>	<u>192,658</u>	<u>44,414</u>	<u>97,445</u>	<u>102,861</u>	<u>91,682</u>
Annual contribution deficiency (excess)	<u>\$ 267,909</u>	<u>\$ 213,076</u>	<u>\$ 361,320</u>	<u>\$ 307,269</u>	<u>\$ 301,853</u>	<u>\$ 184,498</u>
Covered employee payroll	\$ 1,470,449	\$ 1,470,449	\$ 2,010,476	\$ 2,010,476	\$ 1,685,103	\$ 1,685,103
Actual contributions as a percentage of covered employee payroll	3.09%	13.10%	2.21%	4.85%	6.10%	5.44%

⁽¹⁾ Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CENTRAL PINES REGIONAL COUNCIL
OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS –
NOTES TO THE REQUIRED SCHEDULE

LAST SIX FISCAL YEARS ENDING JUNE 30

Notes to the Required Schedule

Actuarially determined contribution rates, as a percentage of payroll used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated with each biennial actuarial valuation. The following actuarial methods and assumptions (from the June 30, 2022 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ended June 30, 2024.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Amortization period	30 years, closed
Asset valuation method	Market value of assets

Actuarial assumptions:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases	3.25% - 8.41%
Investment rate of return	0.03%
Municipal bond index rate - prior measurement date	3.65%
Municipal bond index rate - measurement date	3.93%
Year FNP depletion projected - prior measurement date	2048
Year FNP depletion projected - measurement date	2047
Single equivalent interest rate - prior measurement date	2.21%
Single equivalent interest rate - measurement date	2.48%
Healthcare cost trend rates - Pre-Medicare	7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2032
Healthcare cost trend rates - Medicare	5.125% for 2022 decreasing to an ultimate rate of 4.50% by 2025

Schedule of Investment Returns

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	-13.13%	56.19%	1.09%	31.33%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	
	54.60%	130%	-7.05%	

CENTRAL PINES REGIONAL COUNCIL
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM –
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITIES AND SCHEDULE OF CONTRIBUTIONS

*LAST TEN FISCAL YEARS ENDED JUNE 30**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Council's proportion of the net pension liability (asset) (%)	0.034%	0.032%	0.026%	0.026%	0.026%	0.025%	0.026%	0.023%	0.024%	0.027%
Council's proportion of the net pension liability (asset) (\$)	\$ 2,226,152	\$ 1,823,310	\$ 399,195	\$ 921,587	\$ 716,321	\$ 600,914	\$ 401,638	\$ 485,166	\$ 108,159	\$ 323,043
Council's covered payroll	\$ 2,683,663	\$ 2,260,266	\$ 1,985,350	\$ 1,859,630	\$ 1,729,645	\$ 1,635,289	\$ 1,376,448	\$ 1,472,426	\$ 1,237,322	\$ 1,237,322
Council's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	82.95%	80.67%	46.42%	49.56%	34.74%	24.56%	35.25%	7.35%	10.65%	22.25%
Plan fiduciary net position as a percentage of the total pension liability	82.49%	84.14%	95.51%	88.61%	90.86%	91.63%	98.31%	97.97%	98.09%	102.64%
Schedule of Contributions										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 476,740	\$ 322,882	\$ 255,166	\$ 210,512	\$ 178,483	\$ 144,865	\$ 130,516	\$ 119,540	\$ 91,809	\$ 105,581
Contributions in relation to the contractually required contribution	476,740	322,882	255,166	210,512	178,483	144,865	130,516	119,540	91,809	105,581
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

SUPPLEMENTARY INFORMATION

CENTRAL PINES REGIONAL COUNCIL
SCHEDULE OF INDIRECT COSTS –
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Indirect Personnel Costs:			
Salaries	\$ 643,941	\$ 631,506	\$ 12,435
Fringe benefits	239,696	233,892	5,804
	<u>883,637</u>	<u>865,398</u>	<u>18,239</u>
Administrative Costs:			
Audit cost	44,600	41,450	3,150
Conferences/professional development	30,000	26,773	3,227
Contractual	227,202	212,232	14,970
Dues and subscriptions	7,675	7,289	386
Equipment depreciation	29,922	30,611	(689)
General supplies	17,500	17,210	290
Insurance	30,233	23,282	6,951
Leased equipment	8,500	6,842	1,658
Legal cost	10,000	2,890	7,110
Office furnishings/repairs	545,533	526,173	19,360
Postage	2,600	824	1,776
Printing	9,057	6,051	3,006
Recruitment cost	9,835	10,004	(169)
Rent building	495,932	440,238	55,694
Software maintenance/support	66,308	43,693	22,615
Telecommunications	316,351	314,036	2,315
Travel - mileage	3,500	1,943	1,557
	<u>1,854,748</u>	<u>1,711,541</u>	<u>143,207</u>
Total Indirect Costs	<u>\$ 2,738,385</u>	<u>\$ 2,576,939</u>	<u>\$ 161,446</u>

CENTRAL PINES REGIONAL COUNCIL
SCHEDULE OF INDIRECT COSTS APPLIED TO PROGRAMS

YEAR ENDED JUNE 30, 2024

	Program Salaries	Program Fringe	Actual Indirect Costs Allocated to Programs Based on Salaries
319 Septic Phase II	\$ 3,366	\$ 1,007	\$ 2,241
Aging Ombudsman	228,460	99,879	168,405
Aging Planning & Administration	318,030	140,602	235,233
American Rescue Plan	123,882	40,726	84,427
ARP CDS Johnston	660	316	501
ARP Planning & Admin	90,672	34,288	64,092
ARP Title III-D-Health Promotion	31,307	14,822	23,660
ARP Ombudsman LOC6	1,087	292	707
CALSTART East Coast ZEV Plan	8,330	4,017	6,333
Cameron Rural Transformation Grant	784	294	730
Cary CDBG	36,633	15,183	28,640
CDS-Chatham	297	114	211
Center of the Region Enterprise (CORE)	18,123	7,426	15,738
Central Pines Rural Planning Organization	77,975	35,205	57,976
Chatham County URP	2,617	1,160	1,937
Chatham ESFR21	2,183	1,047	1,657
Chatham Housing Project	18,327	8,343	15,129
City of Durham LMI Solarize	5,351	2,123	3,834
City of Raleigh EV Study	5,257	1,863	3,648
City of Raleigh LMI Solarize	9,336	4,061	6,871
Clean Fuels Advanced Technologies	17,140	8,733	13,270
Clean Water Education Partnership (CWEP)	34,518	12,016	27,705
Climate Pollution Reduction Grant	62,335	23,375	43,877
Community & Economic Dev Strategy & Technical Assistance	9,943	3,953	7,527
Connected Region	6,663	2,979	59,382
Drive EV USA	7,086	3,183	5,264
Drug Alcohol Testing Program	4,181	1,785	2,164
Durham Communities to Clean Energy (C2C)	5,374	2,236	3,903
Durham County ESFR 2022	4,720	2,260	3,580
Economic Development District	27,030	10,702	19,353
Elder Abuse	10,330	3,080	6,878
Environment & Resilience Strategy & Technical Assistance	11,891	4,332	8,340
EPA Brownfields	5,278	2,067	3,768
ESG Chatham County	36,417	3,237	2,436
ESHPP Addor Community Center	2,968	1,199	2,125
ESHPP Lee County	2,292	916	1,897
ESHPP Princeton Grade School	2,395	962	1,900
Family Caregiver	57,800	24,783	42,357
FHLB Grant	2,197	1,057	1,702
Finance Assistance	70,765	11,608	33,472

CENTRAL PINES REGIONAL COUNCIL
SCHEDULE OF INDIRECT COSTS APPLIED TO PROGRAMS (CONTINUED)

YEAR ENDED JUNE 30, 2024

	Program Salaries	Program Fringe	Actual Indirect Costs Allocated to Programs Based on Salaries
Foreign Trade Zone	\$ 30,500	\$ 14,274	\$ 28,862
Grant Assistance	64,391	26,478	49,288
Harnett County ESFR 2022	4,475	2,144	3,395
Haw River Specialist	15,235	6,087	10,936
Health Promotion	7,519	3,598	5,702
Housing Strategy & Technical Assistance	15,152	6,195	11,005
JLOW Membership	17,192	4,977	12,520
Lead Capacity Building Program	8,126	3,434	5,929
Lee County ESFR 2021	3,682	1,735	2,817
Lee County URP 2022	1,650	801	1,593
Local Contact Agency (LCA)	298	276	295
Local Development District	4,720	1,839	3,364
Member Support & Strategy Technical Assistance	147,702	53,077	106,210
MIPPA VI	790	306	562
Morrisville Small Business	1,826	836	1,365
NC Biotech Ambassador Program	9,252	3,822	7,213
NC Recovery & Resiliency	67,673	30,355	52,733
NCARCOG Subrecipient Process	15,989	7,023	11,803
PL Federal Highway Administration Planning	1,024,512	390,796	725,911
Raleigh Watershed Protection	16,453	5,707	12,688
Regional Data Center	7,919	2,208	16,422
Safe Routes to School	44,493	22,400	34,309
Safe Streets Morrisville/Lee Co/Sanford	16,793	6,003	11,691
Sanford Rural Transformation Grant	794	310	638
Saralyn	1,668	623	1,175
Transportation Demand Management (TDM)	185,183	89,415	140,841
Transportation Strategy & Technical Assistance	33,332	12,135	33,317
Triangle Area Water Supply Monitoring Project	11,035	3,934	8,002
Triangle Clean Cities	43,165	21,335	33,039
Triangle Region Solid Waste Consortium	14,215	6,725	11,870
Triangle Water Supply Partnership	21,600	7,883	19,818
Tri-COG FEEDS	7,305	3,297	5,438
Trinity Zion Rehabilitation Project	4,080	1,677	2,952
Upper Cape Fear River Basin	8,562	2,371	6,963
Urban Transportation Support & Regional Planning Coordinati	174,652	62,100	129,084
URP-ESFR Orange County	10,960	4,995	8,183
USDA Rural Development HPG	1,632	750	1,222
Vass Rural Transformation Grant	2,312	960	1,811
Veteran Directed Home & Community Based Services	2,560	1,101	1,878
Wake County ARPA	13,818	3,171	8,714
Wake County Non-ARPA	22,156	7,408	29,313
Wake ESFR21	4,282	1,968	3,198
Total Indirect Costs	<u>\$ 3,453,653</u>	<u>\$ 1,363,760</u>	<u>\$ 2,576,939</u>

CENTRAL PINES REGIONAL COUNCIL
SUPPLEMENTAL SCHEDULE OF PROGRAM REVENUES –
BUDGET AND ACTUAL – GENERAL FUND

YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Aging & Human Services:			
Aging Fans	\$ 17,760	\$ 16,760	\$ (1,000)
Aging Ombudsman	561,920	515,612	(46,308)
Aging Planning & Administration	720,723	720,721	(2)
Aging Senior Center-GP	156,830	155,208	(1,622)
ARP CDS Johnston	61,702	14,668	(47,034)
ARP Congregate	295,853	102,708	(193,145)
ARP Family Caregiver	516,148	221,513	(294,635)
ARP Home Delivered Meals	666,631	490,046	(176,585)
ARP Ombudsman	38,427	707,528	669,101
ARP Planning & Admin	532,283	3,971	(528,312)
ARP Title III-B	1,493,887	196,204	(1,297,683)
ARP Title III-D-Health Promotion	158,414	78,891	(79,523)
ARP Ombudsman LOC6	31,956	2,086	(29,870)
CDS-Chatham	43,950	23,678	(20,272)
Elder Abuse	22,665	22,638	(27)
Family Caregiver	776,334	720,807	(55,527)
Health Promotion	131,036	131,025	(11)
Home Com Care Block Grant	10,493,879	10,449,977	(43,902)
Legal	57,688	57,688	-
Local Contact Agency (LCA)	6,019	633	(5,386)
MIPPA VI	98,272	26,744	(71,528)
MIPPA VII	91,051	26,588	(64,463)
Supplemental 5 Congregate Meals	568	568	-
Supplemental 5 Home Delivered	6,436	3,754	(2,682)
Veteran Directed Home & Community Based Services	108,091	107,182	(909)
	<u>17,088,523</u>	<u>14,797,198</u>	<u>(2,291,325)</u>

CENTRAL PINES REGIONAL COUNCIL
SUPPLEMENTAL SCHEDULE OF PROGRAM REVENUES –
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)

YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Community & Economic Development:			
Cary CDBG	\$ 85,000	\$ 85,000	\$ -
Center of the Region Enterprise (CORE)	57,575	20,500	(37,075)
Chatham County URP	139,700	5,714	(133,986)
Chatham ESFR21	239,015	45,568	(193,447)
Chatham Housing Project	45,000	43,500	(1,500)
Community & Economic Dev Strategy & Technical Assistance	132,811	74,330	(58,481)
Digital Inclusion	87,905	488	(87,417)
Duke Affordable Housing Study	12,938	-	(12,938)
Durham County ESFR 2022	299,254	21,000	(278,254)
Durham Senior Home Rehab	750,000	-	(750,000)
Economic Development District	85,735	61,639	(24,096)
EPA Brownfields	218,066	121,428	(96,638)
ESFR 2019 Harnett County	21,802	-	(21,802)
ESG Chatham County	60,708	58,564	(2,144)
ESHPF Addor Community Center	8,611	6,292	(2,319)
ESHPF Lee County	8,611	5,105	(3,506)
ESHPF Princeton Grade School	10,233	4,270	(5,963)
FHLB Grant	413,361	121,107	(292,254)
Foreign Trade Zone	77,640	77,635	(5)
Harnett County ESFR 2022	299,807	10,500	(289,307)
Haw River Specialist	149,317	126,873	(22,444)
Housing Strategy & Technical Assistance	36,785	36,785	-
Lead Capacity Building Program	184,100	30,176	(153,924)
Lee County ESFR 2021	59,521	48,400	(11,121)
Lee County URP 2022	20,910	20,910	-
Local Development District	26,000	9,923	(16,077)
Morrisville Small Business	6,436	4,033	(2,403)
NC Biotech Ambassador Program	30,329	21,167	(9,162)
Regional Data Center	30,189	30,189	-
Saralyn	178,560	3,502	(175,058)
Tri-COG FEEDS	17,001	16,843	(158)
Trinity Zion Rehabilitation Project	199,354	8,710	(190,644)
Urban Transportation Support & Regional Planning	402,495	343,495	(59,000)
URP-ESFR Orange County	32,519	19,014	(13,505)
USDA Rural Development HPG	189,612	178,224	(11,388)
Wake ESFR21	242,124	186,325	(55,799)
	<u>4,859,024</u>	<u>1,847,209</u>	<u>(3,011,815)</u>

CENTRAL PINES REGIONAL COUNCIL
SUPPLEMENTAL SCHEDULE OF PROGRAM REVENUES –
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)

YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Durham Chapel Hill Carborro MPO:			
DSWG-BSRS Durham Transit Staff Working Group	\$ 907,274	\$ -	\$ (907,274)
DSWG-P Durham Transit Staff Working Group	39,806	25,564	(14,242)
FTA Transit Capital and Operating Assistance	151,000	-	(151,000)
OSWG-P Orange Transit Staff Working Group	39,806	16,414	(23,392)
Federal Highway Administration Planning Group	4,341,282	3,095,672	(1,245,610)
Federal Highway Administration Planning Group Set Aside	24,900	-	(24,900)
Safe Streets for All	500,000	-	(500,000)
Transportation Planning	504,167	-	(504,167)
	<u>6,508,235</u>	<u>3,137,650</u>	<u>(3,370,585)</u>
Environment & Resilience:			
319 Septic Phase II	74,425	37,663	(36,762)
CALSTART East Coast ZEV Plan	25,000	18,945	(6,055)
Chapel Hill LMI Solarize	55,000	-	(55,000)
City of Durham LMI Solarize	246,999	37,608	(209,391)
City of Raleigh EV Study	22,000	12,840	(9,160)
City of Raleigh LMI Solarize	231,000	73,066	(157,934)
Clean Fuels Advanced Technologies	45,000	40,057	(4,943)
Clean Water Education Partnership (CWEP)	232,823	175,333	(57,490)
Climate Pollution Reduction Grant	320,894	328,732	7,838
Drive EV USA	97,000	85,449	(11,551)
Duke Resilience Grant	65,000	2,107	(62,893)
Durham Communities to Clean Energy (C2C)	25,000	15,000	(10,000)
Durham County LMI Solarize	55,000	10,520	(44,480)
EFC-Extreme Fast Charger	10,000	-	(10,000)
Environment & Resilience Strategy & Technical Assistance	36,466	31,613	(4,853)
JLOW Membership	60,751	70,900	10,149
NC Recovery & Resiliency	150,427	152,898	2,471
Orange County LMI Solarize	50,000	10,520	(39,480)
Raleigh Watershed Protection	612,751	541,746	(71,005)
Triangle Area Water Supply Monitoring Project	459,548	433,961	(25,587)
Triangle Clean Cities	118,062	109,150	(8,912)
Triangle Region Solid Waste Consortium	34,564	34,450	(114)
Triangle Sustainability Partnership (Solarize)	5,662	3,473	(2,189)
Triangle Water Supply Partnership	361,401	236,100	(125,301)
Upper Cape Fear River Basin	22,975	22,975	-
	<u>3,417,748</u>	<u>2,485,106</u>	<u>(932,642)</u>

CENTRAL PINES REGIONAL COUNCIL
SUPPLEMENTAL SCHEDULE OF PROGRAM REVENUES –
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)

YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Member Support & Strategy:			
American Rescue Plan	\$ 273,937	\$ 273,936	\$ (1)
Cameron Rural Transformation Grant	20,000	1,806	(18,194)
Connected Region	322,424	46,731	(275,693)
Drug Alcohol Testing Program	15,850	15,125	(725)
Finance Assistance	180,000	180,791	791
Grant Assistance	173,250	192,375	19,125
Human Resources Assistance	150,000	151,864	1,864
Member Support & Strategy Technical Assistance	361,365	352,604	(8,761)
NCARCOG Subrecipient Process	34,815	34,815	-
Non-Departmental	232,488	191,740	(40,748)
Sanford Rural Transformation Grant	10,012	1,741	(8,271)
Vass Rural Transformation Grant	32,500	5,082	(27,418)
Wake County ARPA	2,454,700	1,247,116	(1,207,584)
Wake County Non-ARPA	9,933,417	4,355,780	(5,577,637)
	<u>14,194,758</u>	<u>7,051,506</u>	<u>(7,143,252)</u>
Transportation:			
Central Pines Rural Planning Organization	179,010	179,010	-
Safe Routes to School	164,036	114,513	(49,523)
Safe Streets Morrisville/Lee Co/Sanford	300,000	34,487	(265,513)
Transportation Demand Management (TDM)	1,916,019	1,400,287	(515,732)
Transportation Strategy & Technical Assistance	79,153	79,153	-
	<u>2,638,218</u>	<u>1,807,450</u>	<u>(830,768)</u>
Total Program Revenues	<u>\$ 48,706,506</u>	<u>\$ 31,126,119</u>	<u>\$ (17,580,387)</u>

CENTRAL PINES REGIONAL COUNCIL
SUPPLEMENTAL SCHEDULE OF PROGRAM EXPENDITURES –
BUDGET AND ACTUAL – GENERAL FUND

YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Aging & Human Services:			
Aging Fans	\$ 17,760	\$ 17,760	\$ -
Aging Ombudsman	561,920	515,612	46,308
Aging Planning & Administration	720,723	720,721	2
Aging Senior Center-GP	156,830	155,208	1,622
ARP CDS Johnston	61,702	14,668	47,034
ARP Congregate	295,853	102,708	193,145
ARP Family Caregiver	516,148	221,513	294,635
ARP Home Delivered Meals	666,631	490,046	176,585
ARP Ombudsman	38,427	3,970	34,457
ARP Planning & Admin	532,283	196,204	336,079
ARP Title III-B	1,493,887	707,528	786,359
ARP Title III-D-Health Promotion	158,414	78,892	79,522
ARP Ombudsman LOC6	31,956	2,086	29,870
CDS-Chatham	43,950	23,678	20,272
Elder Abuse	22,665	22,638	27
Family Caregiver	776,334	720,807	55,527
Health Promotion	131,036	131,025	11
Home Com Care Block Grant	10,493,879	10,449,977	43,902
Legal	57,688	57,688	-
Local Contact Agency (LCA)	6,019	869	5,150
MIPPA VI	98,272	26,744	71,528
MIPPA VII	91,051	21,588	69,463
Supplemental 5 Congregate Meals	568	568	-
Supplemental 5 Home Delivered	6,436	3,754	2,682
Veteran Directed Home & Community Based Services	108,091	107,080	1,011
	<u>17,088,523</u>	<u>14,793,332</u>	<u>2,295,191</u>
Community & Economic Development:			
Cary CDBG	85,000	84,690	310
Center of the Region Enterprise (CORE)	57,575	44,574	13,001
Chatham County URP	139,700	5,714	133,986
Chatham ESFR21	239,015	50,482	188,533
Chatham Housing Project	45,000	43,200	1,800
Community & Economic Dev Strategy & Technical Assistance	132,811	74,300	58,511
Digital Inclusion	87,905	488	87,417
Duke Affordable Housing Study	12,938	-	12,938
Durham County ESFR 2022	299,254	22,269	276,985
Durham Senior Home Rehab	750,000	-	750,000
Economic Development District	85,735	61,639	24,096
EPA Brownfields	218,066	121,428	96,638
ESFR 2019 Harnett County	21,802	21,828	(26)
ESG Chatham County	60,708	58,564	2,144
ESHPP Addor Community Center	8,611	6,292	2,319
ESHPP Lee County	8,611	5,105	3,506
ESHPP Princeton Grade School	10,233	5,257	4,976
FHLB Grant	413,361	142,086	271,275
Foreign Trade Zone	77,640	77,635	5
Harnett County ESFR 2022	299,807	19,448	280,359

CENTRAL PINES REGIONAL COUNCIL
SUPPLEMENTAL SCHEDULE OF PROGRAM EXPENDITURES –
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)

YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Community & Economic Development (continued):			
Haw River Specialist	\$ 149,317	\$ 127,052	\$ 22,265
Housing Strategy & Technical Assistance	36,785	36,785	-
Lead Capacity Building Program	184,100	30,176	153,924
Lee County ESFR 2021	59,521	43,641	15,880
Lee County URP 2022	20,910	20,708	202
Local Development District	26,000	9,923	16,077
Morrisville Small Business	6,436	4,027	2,409
NC Biotech Ambassador Program	30,329	20,440	9,889
Regional Data Center	30,189	30,189	-
Saralyn	178,560	3,505	175,055
Tri-COG FEEDS	17,001	16,842	159
Trinity Zion Rehabilitation Project	199,354	8,709	190,645
Urban Transportation Support & Regional Planning Coordinatio	402,495	402,495	-
URP-ESFR Orange County	32,519	27,217	5,302
USDA Rural Development HPG	189,612	178,224	11,388
Wake ESFR21	242,124	182,091	60,033
	<u>4,859,024</u>	<u>1,987,023</u>	<u>2,872,001</u>
Durham Chapel Hill Carborro MPO:			
DSWG-BSRS Durham Transit Staff Working Group	907,274	-	907,274
DSWG-P Durham Transit Staff Working Group	39,806	9	39,797
FTA Transit Capital and Operating Assistance	151,000	-	151,000
OSWG-P Orange Transit Staff Working Group	39,806	-	39,806
Federal Highway Administration Planning Group	4,341,282	2,906,447	1,434,835
Federal Highway Administration Planning Group Set Aside	24,900	-	24,900
Safe Streets for All	500,000	10,000	490,000
Transportation Planning	504,167	1,289	502,878
	<u>6,508,235</u>	<u>2,917,745</u>	<u>3,590,490</u>
Environment & Resilience:			
319 Septic Phase II	74,425	37,663	36,762
CALSTART East Coast ZEV Plan	25,000	18,680	6,320
Chapel Hill LMI Solarize	55,000	-	55,000
City of Durham LMI Solarize	246,999	37,608	209,391
City of Raleigh EV Study	22,000	10,767	11,233
City of Raleigh LMI Solarize	231,000	73,066	157,934
Clean Fuels Advanced Technologies	45,000	40,017	4,983
Clean Water Education Partnership (CWEP)	232,823	224,005	8,818
Climate Pollution Reduction Grant	320,894	328,732	(7,838)
Drive EV USA	97,000	85,449	11,551
Duke Resilience Grant	65,000	2,107	62,893
Durham Communities to Clean Energy (C2C)	25,000	11,513	13,487
Durham County LMI Solarize	55,000	10,520	44,480
EFC-Extreme Fast Charger	10,000	-	10,000
Environment & Resilience Strategy & Technical Assistance	36,466	31,613	4,853
JLOW Membership	60,751	52,749	8,002
NC Recovery & Resiliency	150,427	152,898	(2,471)
Orange County LMI Solarize	50,000	10,520	39,480
Raleigh Watershed Protection	612,751	518,031	94,720

CENTRAL PINES REGIONAL COUNCIL
SUPPLEMENTAL SCHEDULE OF PROGRAM EXPENDITURES –
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)

YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Environment & Resilience (cont'd):			
Triangle Area Water Supply Monitoring Project	\$ 459,548	\$ 494,654	\$ (35,106)
Triangle Clean Cities	118,062	112,124	5,938
Triangle Region Solid Waste Consortium	34,564	34,417	147
Triangle Sustainability Partnership (Solarize)	5,662	3,473	2,189
Triangle Water Supply Partnership	361,401	355,854	5,547
Upper Cape Fear River Basin	22,975	18,097	4,878
	<u>3,417,748</u>	<u>2,664,557</u>	<u>753,191</u>
Member Support & Strategy:			
American Rescue Plan	273,937	273,936	1
Cameron Rural Transformation Grant	20,000	1,806	18,194
Connected Region	322,424	244,023	78,401
Drug Alcohol Testing Program	15,850	13,425	2,425
Finance Assistance	180,000	180,791	(791)
Grant Assistance	173,250	173,246	4
Human Resources Assistance	150,000	120,658	29,342
Member Support & Strategy Technical Assistance	361,365	350,044	11,321
NCARCOG Subrecipient Process	34,815	34,815	-
Non-Departmental	232,488	184,888	47,600
Sanford Rural Transformation Grant	10,012	1,741	8,271
Vass Rural Transformation Grant	32,500	5,082	27,418
Wake County ARPA	2,454,700	1,247,116	1,207,584
Wake County Non-ARPA	9,933,417	4,355,780	5,577,637
	<u>14,194,758</u>	<u>7,187,351</u>	<u>7,007,407</u>
Transportation:			
Central Pines Rural Planning Organization	179,010	178,686	324
Safe Routes to School	164,036	114,507	49,529
Safe Streets Morrisville/Lee Co/Sanford	300,000	34,487	265,513
Transportation Demand Management (TDM)	1,916,019	1,400,521	515,498
Transportation Strategy & Technical Assistance	79,153	79,153	-
	<u>2,638,218</u>	<u>1,807,354</u>	<u>830,864</u>
Total Program Expenditures	<u>\$ 48,706,506</u>	<u>\$ 31,357,362</u>	<u>\$ 17,349,144</u>

COMPLIANCE SECTION

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

To the Board of Delegates
Central Pines Regional Council
Research Triangle Park, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the general fund, and the fiduciary fund of the Central Pines Regional Council (the "Council"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprises the Council's basic financial statements, and have issued our report thereon dated November 14, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council'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 the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Council'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 the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Raleigh, North Carolina
November 14, 2024

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

To the Board of Delegates
Central Pines Regional Council
Research Triangle Park, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Central Pines Regional Council (the “Council”) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Council’s major federal programs for the year ended June 30, 2024. The Council’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Council 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance and the State Single Audit Implementation Act are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Council’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 the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Council’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 the State Single Audit Implementation Act we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Council'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 the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the Council'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 a 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 were not identified.

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

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

Cherry Bekaert LLP

Raleigh, North Carolina
November 14, 2024

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

To the Board of Delegates
Central Pines Regional
Research Triangle Park, North Carolina

Report on Compliance for Each Major State Program

Opinion on the Major State Program

We have audited the Central Pines Regional (the “Council”) 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 the Council’s major state programs for the year ended June 30, 2024. The Council’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state programs for the year ended June 30, 2024.

Basis for Opinion on the 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”) and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act are further described in the *Auditor’s Responsibilities for the Audit of Compliance* section of our report.

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

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Council’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 the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Council’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 the State Single Audit Implementation Act we:

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

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

Report on Internal Control over Compliance

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

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

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

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

Cherry Bekaert LLP

Raleigh, North Carolina
November 14, 2024

CENTRAL PINES REGIONAL COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2024

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-Through Grantor's Number	Expenditures		
			Federal (Direct and Pass-Through)	State	Pass-Through to Sub-Recipients
U.S. Department of Health and Human Services					
Programs passed-through North Carolina Department of Health and Human Services-Division of Aging					
Special Programs for the Aging-Title VII, Chapter 3					
Programs for Prevention of Elder Abuse, Neglect and Exploitation	93.041	NC-10	\$ 17,338	\$ 3,060	\$ -
Special Programs for the Aging-Title III-D			-	-	-
Disease Prevention and Health Promotion Services	93.043	NC-10	109,942	19,401	114,209
ARPA - Preventative Health	93.043	NC-10	78,891	-	-
Special Programs for the Aging-Title VII-D			-	-	-
Long Term Care Ombudsman Services for Older Individuals	93.042	NC-10	108,731	19,188	-
ARPA - Ombudsman	93.042	NC-10	3,971	-	-
			<u>318,873</u>	<u>41,649</u>	<u>114,209</u>
<u>Aging Cluster</u>					
Special Programs for the Aging - Title III-B Grants for Supportive Services and Senior Centers					
HCCBG - Access, In-Home Support Services, Legal Ombudsman-Title III, Part B	93.044	NC-10	2,374,850	419,091	2,785,317
Planning and Administration-Title III, Part B	93.044	NC-10	159,364	28,123	-
ARPA Supportive Services	93.044	NC-10	398,987	132,996	-
Special Programs for the Aging - Title III-C Nutrition Services			638,663	112,705	700,384
Congregate Nutrition-Title III, Part C1	93.045	NC-10	908,487	160,321	1,068,808
Home Delivered Meals-Title III, Part C2	93.045	NC-10	1,818,011	320,825	2,138,836
Nutrition Consolidated Appropriations Act	93.045	NC-10	4,322	-	4,322
ARPA Congregate Meals	93.045	NC-10	89,024	15,710	104,734
ARPA Home Delivered Meals	93.045	NC-10	414,817	73,203	488,020
ARPA Planning and Administration	93.045	NC-10	144,761	48,254	-
Nutrition Services Incentive Program	93.053	NC-10	393,731	-	393,731
Total Aging Cluster			<u>7,345,018</u>	<u>1,311,228</u>	<u>7,684,152</u>
National Family Caregiver Support, Title III, Part E	93.052	NC-10	678,185	45,212	596,702
ARPA Family Caregiver	93.052	NC-10	166,135	55,378	181,913
			<u>844,321</u>	<u>100,589</u>	<u>778,615</u>
Total U.S. Department of Health and Human Services			<u>8,508,212</u>	<u>1,453,466</u>	<u>8,576,976</u>
U.S. Department of Energy					
Program passed through North Carolina Department of Energy					
Conservation Research and Development					
Drive EV	81.086	DE-EE009228	54,150	-	-
Triangle Clean Cities	81.086	DE-FE0004002	110,000	-	-
CALSTART, Charge to Work USA	81.086	DE-EE0010645	18,680	-	-
Total U.S. Department of Energy			<u>182,830</u>	<u>-</u>	<u>-</u>

CENTRAL PINES REGIONAL COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2024

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-Through Grantor's Number	Expenditures		
			Federal (Direct and Pass-Through)	State	Pass-Through to Sub-Recipients
U.S. Department of Agriculture					
Rural Housing Preservation Grant	10.433		\$ 178,224	\$ -	\$ -
Total U.S. Department of Agriculture			<u>178,224</u>	<u>-</u>	<u>-</u>
U.S. Department of Transportation					
Program passed through North Carolina Department of Transportation					
Highway Planning and Construction					
Triangle TDM Rideshare	20.205	36225.9.17.2 49600.4.17 /	912,824	-	737,064
		49600.4.19			
TARPO Planning	20.205		143,010	-	-
Durham Communities to Clean Energy	20.205		11,513	-	-
Federal Highway	20.205		2,376,371	-	-
Highway Planning and Construction Clean Fuels	20.205	DE-FE0004002	32,046	-	-
Federal Highway	20.939	693JJ32440069	27,590	-	-
Safe Routes to Schools	20.516	48778.4.10	114,285	-	-
Total U.S. Department of Transportation			<u>3,617,639</u>	<u>-</u>	<u>737,064</u>
U.S. Department of Insurance					
Medicare Enrollment Assistance Program	93.071		35,000	-	-
U.S. Dept of Commerce					
Economic Development District	11.307		61,639	-	-
Economic Development Administration	11.302		16,843	-	-
Haw River Specialist	11.307	04-69-07696	127,052	-	-
Total U.S. Dept of Commerce			<u>205,534</u>	<u>-</u>	<u>-</u>
Southeast Crescent Regional Commission					
SEID Grant Program	90.705		9,923	-	-
Total Southeast Crescent Regional Commission			<u>9,923</u>	<u>-</u>	<u>-</u>
U.S. Environment Protection Agency					
EPA Brownfields	66.818	BF-02D32122	121,428	-	-
Program passed through North Carolina Department of Environmental Quality					
of Environmental Quality					
Climate Pollution Reduction Funds	66.046		328,732	-	-
319 Septic Phase II	66.460	477911	37,663	-	-
Total U.S. Environmental Protection Agency			<u>487,823</u>	<u>-</u>	<u>-</u>
Dept of Housing & Urban Development					
Home Investment Partnerships Program					
Lead Capacity Building Program	14.913		30,176	-	-
ESFR 2022 Durham County	14.239		22,269	-	-
ESFR 2022 Harnett County	14.239		19,448	-	-
ESFR 2021 Chatham County	14.239		50,482	-	-
ESFR 2021 Wake County	14.239		182,091	-	-
Emergency Solutions Grant Program	14.231		37,597	-	-
Total Dept of Housing & Urban Development			<u>342,063</u>	<u>-</u>	<u>-</u>
U.S. Dept of the Interior					
National Historic Preservation Act					
2022 HPF AACR	15.904		8,709	-	-
			<u>8,709</u>	<u>-</u>	<u>-</u>
U.S. Dept of Veterans Affairs					
Veterans Directed Home & Community Based Services	64.044		95,000	-	-
			<u>95,000</u>	<u>-</u>	<u>-</u>

CENTRAL PINES REGIONAL COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2024

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-Through Grantor's Number	Expenditures		
			Federal (Direct and Pass-Through)	State	Pass-Through to Sub-Recipients
U.S. Department of Treasury					
Coronavirus State and Local Fiscal Recovery Funds					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ 26,300	\$ -	\$ -
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		52,798	-	-
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		488	-	-
COVID-19 Passed through Wake County, North Carolina	21.027	34CV83	1,209,378	-	-
COVID-19 Homeowner Assistance Fund Program/Urgent Repair Program	21.026	HAF0019	5,714	-	-
COVID-19 Passed through NC Assoc Regional Council of Governments	21.027		273,936	-	-
Total U.S. Dept of Treasury			<u>1,568,614</u>	<u>-</u>	<u>-</u>
TOTAL FEDERAL AWARDS			<u>15,239,571</u>	<u>1,453,466</u>	<u>9,314,040</u>
STATE AWARDS					
NC Recovery & Resiliency		NC-47	-	152,468	-
N.C. Dept of Health and Human Services					
Division of Aging and Adult Services					
90% State Funds - Access		NC-10	-	864,219	864,219
90% State Funds - In-Home Services		NC-10	-	3,122,588	3,122,588
90% State Funds - Home Delivered Meals		NC-10	-	117,079	117,079
75% State Funds - Senior Center Development		NC-10	-	155,208	155,208
Project CARE-AAA Admin		NC-11	-	48,262	-
Total Division of Aging and Adult Services			<u>-</u>	<u>4,307,356</u>	<u>4,259,094</u>
North Carolina Department of Transportation					
Transportation Demand Management		36225.9.15 / 36225.9.16	-	487,462	234,802
TOTAL ASSISTANCE-STATE PROGRAMS			<u>-</u>	<u>4,947,286</u>	<u>4,259,094</u>
TOTAL ASSISTANCE			<u>\$ 15,239,571</u>	<u>\$ 6,400,752</u>	<u>\$ 13,573,134</u>

CENTRAL PINES REGIONAL COUNCIL

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2024

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal and state awards (the “schedule”) includes all federal and state grant activity of Central Pines Regional Council and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2—Summary of significant accounting policies

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

Note 3—Indirect cost rate

The Council has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

CENTRAL PINES REGIONAL COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses ___ yes X none reported

Noncompliance material to financial statements noted

___ yes X no

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses ___ yes X none reported

Noncompliance material to Federal awards

___ yes X no

Type of auditor’s report issued on compliance for major Federal program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance

___ yes X no

Identification of major Federal programs:

Assistance Listing Number
 93.044, 93.045, 93.053
 93.052
 21.027

Program Name
 Aging Cluster
 National Family Caregiver Support
 Coronavirus State & Local Fiscal Recovery Funds

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

\$ 750,000

Auditee qualified as low-risk auditee

 X yes ___ no

CENTRAL PINES REGIONAL COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2024

State Awards

Internal control over major State programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses ___ yes X none reported

Noncompliance material to State awards ___ yes X no

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act ___ yes X no

Identification of major State programs:

<u>Program Name</u>	<u>Cluster or Grant Number</u>
90% State Funds – Access	NC-10
90% State Funds – In-Home Services	NC-10
90% State Funds – Home Delivered Meals	NC-10
75% State Funds – Senior Center Development	NC-10

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.

CENTRAL PINES REGIONAL COUNCIL
SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2024

2023-001 Corrected.

Meeting Date:

February 26, 2025 – Executive Committee

Agenda Location:

Business

Item Title:

Connected Region 2050 Draft Scope of Work and Funding Strategy – Continuation of Discussion from September Executive Committee Meeting

Presenter(s):

Executive Director Lee Worsley

Background:

During the August 2024 Board of Delegates meeting, the Board heard presentations from the Wasatch Front Regional Council and the Mid-Ohio Regional Planning Commission on their regional visioning efforts.

As discussed, a comprehensive regional vision for our region has not been completed and implemented since 1969. Central Pines staff has been working for close to two years, laying the groundwork for beginning a regional visioning process.

As we approach the next steps in the process, it is time to begin finalizing the project's scope of work and focusing on a funding plan.

The attached scope of work has been developed over the last six months and has already received considerable input from several of our partner organizations.

The Executive Committee started providing feedback on the document, but time ran out before the entire document was discussed. The discussion will continue during the November Executive Committee meeting.

Funding for this project is not available within the current Central Pines budget. Central Pines staff will aggressively look for funding sources, including grant opportunities. However, many partners have asked about the local government's contributions to the project.

A draft funding strategy is also attached, including funding already committed and some small funding asks from local government members with populations over 20,000.

It is requested that the Executive Committee discuss the Scope of Work and the proposed funding plan. Additional opportunities for discussion and input will be provided at future Executive Committee and Board of Delegates meetings. The goal for tonight's meeting is to get higher level guidance on whether the scope of work needs major change and if the Funding Plan makes sense.

Thrive Central NC: Connected Region 2050

Scope of Work

The purpose of Connected Region 2050 is to create a shared vision, goals, success mechanisms and metrics for the ten counties in Central North Carolina: Johnston, Wake, Durham, Granville, Franklin, Orange, Chatham, Harnett, Lee, and Moore. Connected Region 2050 will inspire regional connections around transportation and mobility, housing support, infrastructure, and land use patterns to continue regional success in the Central NC area. Further, its purpose is to facilitate the coordination of existing local and regional plans. In a rapidly growing major metropolitan region of over 2 million people, Connected Region 2050 is needed to address the weaving of formerly separated urban communities and the rapid expansion of development and investment in rural and suburban communities.

Growth in the region will continue at a rapid pace. Current projections show that the region will add close to 50,000 people each year until 2050. Our region’s current successes result from regional cooperation, but continued collaboration is imperative to our region’s future achievements and sustainability. Connected Region 2050 is meant to serve as a guide to institutionalize and measure the region’s collaborative work to keep the region one of the best in the nation.

1. Project Scope & Foundation

Action	Details	Cost	Anticipated Completion Date
A. Develop a draft Scope of Work		\$3,100	May 31, 2024
B. Collect CIP plans from throughout the region to develop a regional CIP. Plans collected would include local government CIP and transit plans.	<ul style="list-style-type: none"> i. Illustrate collective infrastructure needs, gaps, and opportunities. ii. Create a clearinghouse of plans and analysis of alignment and gaps. iii. Use for demonstration of a Connected Region 2050 deliverable to the 10 counties, potential Ambassadors, and 	\$5,000	Start: June 2024 End: December 19, 2024

	investors to gain support for the project.		
C. Develop a graphic of the flow of work and decision-making for Connected Region 2050 (different committees/groups)		\$800	June 5, 2024
D. Receive input on Scope of Work	<ul style="list-style-type: none"> i. Have feedback session for stakeholders (MPO, RTA, RTP, Chambers) ii. Feedback session at the August CPRC Board of Delegates meeting iii. Detailed feedback on the Scope of Work at the September CPRC Executive Committee meeting. iv. Send the Scope of Work to Congressional and General Assembly Offices v. Review Scope of Work at the October 23, 2024 Regional Managers meeting. vi. Hold pop-up meetings in the 10 counties to receive input on the Scope of Work vii. The Board reviews and approves of the Scope of Work. viii. Work with individual local governments to gain commitment to participate and funding commitment 	\$25,000	<p>Send out to stakeholders June 7, 2024. Feedback session scheduled for August 2, 2024</p> <p>Send to Congress and General Assembly Offices following stakeholder feedback session, CPRC Board of Delegates meeting, and CPRC Executive Committee meeting. On or around October 1, 2024</p> <p>Send to local governments with funding request by October 1, 2024. Pop up events in</p>

			January and February 2025
E. Refine Scope of Work, get final approval from the Board of Delegates and publish it in final form		\$1,600	January 22, 2025

Deliverables for Task 1: Project Scope & Foundation

- Draft Scope of Work
- Regional CIP Document
- Deliver Scope of Work to local government members with funding request
- Pop Up Events in 10 counties to review draft scope
- Event with Stakeholders to review draft scope
- Graphic showing project process
- Final Scope of Work

TOTAL COST - \$35,500

Projected Completion Date: February 2025

2. Foundational Elements

Action	Details	Cost	Anticipated Completion Date
A. Establish the groundwork of the Connected Region 2050 by developing more awareness of the Connected Region's launch, getting people excited about the opportunity.	i. Articles written by Capitol B to highlight Central Pines' focus areas and regional issues and . ii. Videos - Development of a 30-second "hype" video to use for awareness and recruitment of ambassadors and funders	\$601,000	November 1, 2024 for articles November 15, 2024

	<ul style="list-style-type: none"> - a 2-minute, in-depth video to highlight Central Pines’ role as a neutral convener and agency equipped to manage Connected Region 2050. <p>iii. Microsite</p> <ul style="list-style-type: none"> - Creation of Central Pines’ Thrive NC Microsite to be the movement's central point, with emphasis on Connected Region 2050. <p>iv. Fundraising Strategy</p>		
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Deliverables for Task 2: Foundational Elements

- Six Articles from Capitol B
- 30-second “hype” video
- 2-minute in-depth video
- Thrive Central NC Microsite
- Fundraising Strategy

TOTAL COST - \$601,000

Projected Completion Date: November 15, 2024

3. Develop Feedback Loops

Action	Details	Cost	Anticipated Completion Date
A. Form the Ambassador Group	i. Launch a recruitment campaign for ambassadors who can serve as visionaries for this project.	\$19,000	Start reaching out on

	- Graphics developed during Task 1 will define the Ambassadors' roles and time commitment.		November 15, 2024. Established by January 15, 2025.
B. Form the Technical Advisory Committee	i. A group of individuals who will help guide the process and connect input from the Board, Ambassadors, and Subcommittees	\$2,000	Start: November 15, 2024 End: December 31, 2024
C. Engage CPRC Subcommittees in this work			February 15, 2025

Deliverables for Task 3: Develop Feedback Loops

- The formation of the Ambassador Group
- The formation of the Technical Advisory Committee
- Engagement of the CPRC Subcommittees

TOTAL COST - \$21,000

Projected Completion Date: February 15, 2025

4. Develop an Engagement Strategy

Action	Details	Cost	Anticipated Completion Date
A. Identify Community-Based Organizations (CBOs) with which Central Pines has connections in order to develop	i. Start reaching out to CBOs about citizen engagement.	\$2,300	January 2, 2025

connections for engagement.			
B. Develop an engagement strategy (on the vision, confirmation of goals, and strategies)	<p>i. Possible methods include: Surveys, public meetings (both in person and virtual), and tools like All Our Ideas</p> <p>ii. Develop an intentional engagement strategy to ensure historically underrepresented voices in this process and group and citizen engagement. Fund strategy to ensure engagement is effective.</p>	\$60,000	March 15, 2025
C. Receive comments on the engagement strategy and finalize the document		\$2,000	April 1, 2025

Deliverables for Task 4: Develop an Engagement Strategy

- Connect with CBOs regarding citizen engagement for Connected Region 2050
- The Connected Region 2050 Engagement Strategy

TOTAL COST – \$64,300

Projected Completion Date: April 1, 2025

5. Confirm Regional Challenges & Themes

Action	Details	Cost	Anticipated Completion Date
A. Gather data and develop profiles for proposed challenges		\$4,000	December 31, 2024
B. Utilize engagement strategy to conduct an initial	Assessment will include:	\$8,500	Start: April 1, 2025



assessment and confirmation of the challenges that will be the focus of Connected Region 2050	<ul style="list-style-type: none"> i. Impacts of Past and Future Growth ii. Land Use iii. Economic Mobility iv. Housing v. Transportation vi. Infrastructure vii. Consistency and Transparency for Changing Leadership viii. Climate & Pollution/Resiliency ix. Accessibility/Livable x. Connected Community – do people feel like communities are capable of doing things that can't be done individually? 		End: May 1, 2025
C. Run raw data through the Technical Advisory Committee for input and refinement		\$1,600	Start: May 1, 2025 End: June 1, 2025
D. Confirm Regional Challenges & Themes	<ul style="list-style-type: none"> i. Bring results to the Ambassador Group for confirmation of regional challenges and themes ii. Bring to the Board of Delegates 	\$4,600	<ul style="list-style-type: none"> i. July 2025 meeting ii. August 2025 meeting

Deliverables for Task 5: Confirm Regional Challenges & Themes

- Data profiles for proposed challenges
- Draft report on input on challenges to be given to the Working Group
- Refined report after meeting with the Working Group
- Final Report after meeting with the Ambassador Group and Board of Delegates

TOTAL COST - \$18,700

Projected Completion Date: August 30, 2025

6. Develop Base Information to Create Connected Region 2050

Action	Details	Time & Cost	Anticipated Completion Date
A. Connected Region Summit	<ul style="list-style-type: none"> i. Event to “Kick Off” the scenario planning and regional visioning work. ii. Examples of other regions that have done this to highlight benefits iii. A goal is to emphasize how land use impacts all other public services (transportation, housing, infrastructure) iv. Speakers to highlight the progress of the region, challenges facing the region, celebrating past successes, and helping get the group energized for work ahead. 	\$50,000	4 th quarter 2025
B. Form a Clearinghouse of all transportation, climate, and other plans throughout the region	<ul style="list-style-type: none"> v. Have an intern form the Clearinghouse vi. Develop a structure and have it approved by appropriate individuals/groups vii. Develop comparisons viii. Post on the Microsite and begin marketing 	\$8,100	Start: June 2024 End: June 30, 2025
C. Using Community Viz and other existing modeling platforms as needed, develop a scenario document similar to MORPC Insight 2050. The document would include several land use scenario possibilities and investigate the projected impacts	<ul style="list-style-type: none"> i. Present draft to Subcommittees ii. Present draft to Working Group iii. Present draft to Ambassador Group iv. Market document to get buy in and excitement around ULI Reality Check 	\$40,000	Work starts June 2025 Board by March 2026 Meeting so it can be used for 2 nd Connected Region Summit

<p>on transportation, housing, infrastructure, open space. The document would also develop cost estimates of each scenario (for development and to the local government). Other community impact such as open space used, water, sewer needs, housing impact, etc. would also be projected.</p>			
<p>D. Second Annual Connected Region Summit - ULI Reality Check Exercise</p>	<p>i. Second large gathering to keep momentum going ii. Partner with ULI to deploy a “Reality Check” session for the region. Potential invitees include: - Ambassador Group - Board - Managers - Planning Directors - Partner Organizations - Technical Advisory Group iii. Market and message the Connected Region 2050 Process as a way to keep the discussion going. iv. Summarize findings in a draft report/presentation/podcast</p>	<p>\$200,000 (estimate)</p>	<p>4th quarter 2026</p>

Deliverables for Task 6: Develop Base Information to Create Connected Region 2050

- Development of Regional Plans Clearinghouse
- Publication of the Scenario Document
- Execution of the ULI Reality Check exercises

- Draft and publication of a final report on the results of the ULI Reality Check

TOTAL COST - \$298,100

Projected Completion Date: December 31, 2026

7. Vision, Goals, Strategies, & Targets

Action	Details	Cost	Anticipated Completion Date
A. Develop a “primer” document that synthesizes all the information from the previous tasks into a State of a Connected Region document to inform the visioning process		\$10,000	1 st quarter 2027
B. Develop a Regional Vision	<ul style="list-style-type: none"> i. Staff develops a half-day retreat for the Ambassador Group to develop a regional vision draft. ii. Technical Advisory Committee refines the draft into a vision statement for consideration by the Board of Delegates. iii. The Board of Delegates considers and adopts the regional vision statement. 	\$9,700	1 st quarter 2027
C. Using the regional vision as a backdrop, develop regional goals with strategies and targets. Each goal	<ul style="list-style-type: none"> i. Goal & Strategy Development <ul style="list-style-type: none"> - Subcommittees draft potential goals and strategies - Take to the Technical Advisory 	\$17,300	Subcommittees draft goals April 2027

<p>will highlight the process and deliverable and how each one ties to the next. Goal, Strategies, and Targets:</p>	<p>Committee for refinement and ensure all goals and strategies work well together</p> <ul style="list-style-type: none"> - Take to the Ambassador Group for final recommendation - Take to the Board of Delegates for approval <p>ii. Target Development</p> <ul style="list-style-type: none"> - Targets developed by the Technical Advisory Committee. 		<p>Technical Advisory Committee May 2027</p> <p>Ambassador Group July 2027</p> <p>Targets Developed August/September 2027</p> <p>Board of Delegates December 2027</p>
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Deliverables for Task 7: Vision, Goals, Strategies, & Targets

- State of the Region document summarizing all the data from previous tasks
- Half-day retreat for the Ambassador Group to develop the Regional Vision
- The Regional Vision is approved by the Board of Delegates
- The Goals are adopted by the Board of Delegates
- The Strategies are approved by the Board of Delegates
- The Targets are developed by the Technical Advisory Committee

TOTAL COST - \$37,000

Projected Completion Date: December 31, 2027

8. Connected Region 2050 Development/Adoption

Action	Details	Cost	Anticipated Completion Date
A. Develop Draft	i. Staff develops draft Connected Region 2050 document	\$12,000	February 28, 2028

	<ul style="list-style-type: none"> ii. Draft Connected Region 2050 is reviewed by the Subcommittees iii. Draft Connected Region 2050 is given final review by the Technical Advisory Committee iv. Staff finalizes the draft Connected Region 2050 document 		
B. Local Government Comment Period	<ul style="list-style-type: none"> i. Draft Connected Region 2050 document is sent to regional managers for a 30-day comment period <ul style="list-style-type: none"> - The comment period should be structured in a way where alternative ideas are given rather than the ability just to reject something. ii. Staff gathers comments and prepares recommendations for the Technical Advisory Committee. iii. The Technical Advisory Committee meets to consider comments and make any revisions 	\$3,700	<ul style="list-style-type: none"> Send out draft March 1, 2028; Due back March 30, 2028 ii. April 15, 2028 iii. April 30, 2028
C. Ambassador Group Meeting is held to present the final Connected Region 2050 document and receive final endorsement		\$4,500	May 2028
D. The Connected Region 20250 document is presented to the Board of Delegates for adoption		\$3,500	June 2028

Deliverables for Task 8: Connected Region 2050 Development/Adoption

- Draft Connected Region 2050
- Comment Document
- Revised Connected Region 2050
- Final Connected Region 2050 approved by the Board of Delegates

TOTAL COST - \$23,700

Projected Completion Date: June 30, 2028

9. CPRC Working Group Develops Strategy on Alignment/Implementation of Connected Region 2050

Action	Details	Cost	Anticipated Completion Date
A. How CPRC will align our services with the Connected Region 2050's implementation	i. Aligning CPRC technical assistance with projects that advance Connected Region 20250's goals ii. Developing template policies that advance Connected Region 2050's goals iii. Highlighting alignments and gaps in existing policies and recommendations to better align to advance Connected Region 2050's goals iv. Development of updated strategies to keep members and the public informed on progress <ul style="list-style-type: none"> - Dashboard on the Microsite - A recognition program and best practices highlights 	\$2,500	Template policies by July 2028 Highlighting alignments and gaps start in June 2028 Recognition Program start in FY 28-29

Deliverables for Task 9: CPRC Working Group Develops Strategy on Alignment/Implementation of Connected Region 2050

- CPRC Technical Assistance Alignment Strategy
- Policy Templates
- Gap Alignment Strategy
- Connected Region Dashboard
- Recognition Program

TOTAL COST - \$2,500

Projected Completion Date: June 2027 & Onward

10. Publicize Final Connected Region 20250 Document via Third Connected Region Summit

Action	Details	Cost	Anticipated Completion Date
A. Document is published and publicly unveiled at third Connected Region Summit		\$50,000	Fourth Quarter 2028

Deliverables for Task 10: Publicize Final Connected Region 20250 Document via Third Connected Region Summit

- Develop the draft Connected Region Compact
- Finalize the draft Connected Region Compact
- Conduct a signing ceremony where the Compact is formally agreed to
- Final Signed Connected Region Compact is implemented

TOTAL COST - \$52,500

Projected Completion Date: December 31, 2028

Draft Budget

Task	Costs
Task 1: Project Scope & Foundation	\$35,500
Task 2: Foundational Elements	\$601,000
Task 3: Develop Feedback Loops	\$21,000
Task 4: Develop an Engagement Strategy	\$64,300
Task 5: Confirm Regional Challenges & Themes	\$18,700
Task 6: Develop Base Information to Create Connected Region 2050	\$298,100
Task 7: Vision, Goals, Strategies, & Targets	\$37,000
Task 8: Connected Region 2050 Development/Adoption	\$23,700
Task 9: CPRC Working Group Develops Strategy on Alignment/Implementation of Connected Region 2050	\$2,500
Task 10: Publicize Final Connected Region 20250 Document via Third Connected Region Summit	\$52,500
TOTAL	\$1,154,300

Contributors	Contribution
Capitol Broadcasting	\$300,000 (Committed)
Central Pines Regional Council	\$200,000 (Maximum Commitment)
Regional Transportation Alliance (RTA)	\$20,000 (Tentative)
RTP Foundation	\$15,000 (Committed \$15,000 year one, potential for an additional year(s))
Contribution Total to Date:	\$535,000

Tentative Fundraise Goal - \$619,300

	Fiscal Year 2024-2025	Fiscal Year 2025-2026	Fiscal Year 2026-2027	Fiscal Year 2027- 2028
Projected Expenditures				
Task 1: Project Scope & Foundation	\$35,500	\$0	\$0	\$0
Task 2: Foundational Elements	\$601,000	\$0	\$0	\$0
Task 3: Develop Feedback Loops	\$21,000	\$0	\$0	\$0
Task 4: Develop an Engagement Strategy	\$4,300	\$20,000	\$20,000	\$20,000
Task 5: Confirm Regional Challenges & Themes	\$10,000	\$8,700	\$0	\$0
Task 6: Develop Base Information to Create Connected Region 2050	\$8,100	\$290,000	\$0	\$0
Task 7: Vision, Goals, Strategies, & Targets	\$0	\$0	\$29,700	\$7,300
Task 8: Connected Region 2050 Development/Adoption	\$0	\$0	\$0	\$23,700
Task 9: CPRC Working Group Develops Strategy on Alignment/Implementation of Connected Region 2050	\$0	\$0	\$0	\$2,500
Task 10: Publicize Final Connected Region 2025 Document via Third Connected Region Summit	\$0	\$0	\$0	\$52,500
Total Expenditure By Year	\$679,000	\$318,700	\$49,700	\$106,000
Commitments By Year				
Central Pines Contribution from Member Dues	\$50,000	\$50,000	\$50,000	\$50,000
Capitol Broadcasting	\$300,000	\$0	\$0	\$0
RTP Foundation	\$15,000	\$0	\$0	\$0
Total Commitments By Year	\$365,000	\$50,000	\$50,000	\$50,000

Total Fundraising Need	\$314,000	\$268,700	(\$300)	\$56,000
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Potential Fundraising Need from Local Governments (Maximum Ask)

	Population	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Central Pines Regional Council		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 200,000
Wake County	1,213,377	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 80,000
Raleigh	476,401	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 80,000
Cary	180,367	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 30,000
Durham	292,939	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 40,000
Durham County	340,727	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 40,000
Johnston County	249,714	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 40,000
Chatham County	82,500	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 20,000
Orange County	151,635	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 30,000
Chapel Hill	62,195	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 20,000
Lee County	67,613	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 20,000
Granville County	62,881	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 20,000
Harnett County	145,438	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 30,000
Franklin County	80,236	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 20,000
Moore County	111,001	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 30,000
Clayton	29,204	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 10,000

Sanford	31,596	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 10,000
Carrboro	21,136	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 10,000
Apex	69,567	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 20,000
Fuquay	38,516	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 10,000
Garner	33,537	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 10,000
Holly Springs	45,072	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 10,000
Knightdale	20,386	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 10,000
Morrisville	32,224	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 10,000
Wake Forest	50,278	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 20,000
Total		\$ 205,000	\$ 205,000	\$ 205,000	\$ 205,000	\$ 820,000



Central Pines Regional Council Executive Committee

Meeting Minutes

Wednesday, November 20, 2024

6:00 – 8:00 pm | Virtual

Chair Brett Gantt, Presiding

Delegates & Alternates Attending:

Wilma Laney, Town of Aberdeen
Brett Gantt, Town of Apex
Randee Haven O'Donnell, Town of Carrboro
Heidi Carter, Durham County
Bill Carver, Lee County
Jean Hamilton, Orange County
Rebecca Wyhof Salmon, City of Sanford
Byron McAllister, Town of Selma
Susan Evans, Wake County

CPRC Staff Attending:

Beth Davis, Member Engagement Coordinator

Jenny Halsey, Assistant Executive Director

Lindsay Whitson, Community & Economic Development Director

Lee Worsley, Executive Director

Hope Tally, Chief Finance Officer

Karyl Fuller, Principal Planner

Guests:

George Keller, Customs Advisory Services, Inc.

Ron Radloff, US Flue Cured Tobacco Growers

1. Call to Order

a. Call to Order and Welcome
Official: Brett Gantt, Chair

b. Roll Call

c. Declaration of Quorum
Official: Brett Gantt, Chair

Chair Brett Gantt called the meeting to order at 6:01 pm and went over housekeeping information. He reminded everyone about the virtual meeting guidelines. Beth Davis, Clerk to the Board, called roll and a quorum was met.

d. Get to Know CPRC

Chair Gantt shared information about CPRC's first federal grant success, which was during 1960-1961 and was for \$34,330 to cover half the cost of a study of the sewerage problem of the Research Triangle Region.

2. Review of Agenda

- a. Review of Agenda
Official: Brett Gantt

Chair Gantt approved the agenda.

3. Presentations and Recognitions

- a. FTZ 93 Presentation – US Flue Cured Tobacco Growers
Presenter: Lindsay Whitson, Community & Economic Development Director, Ron Radloff, Senior Vice President Operations, US Flue Cured Tobacco Growers, and George Keller, President, Customs Advisory Services, Inc.
Potential Action: Place on Consent Agenda

US Flue-Cured Tobacco Growers, Inc. (USFCTG) processes tobacco and manufactures billions of cigarettes each year. Located in Person County, USFCTG has requested sponsorship of their application to the U.S Foreign Trade Zone Board and their request has been approved by the FTZ #93 Board for sponsorship of their application. The Central Pines Regional Council Board of Delegates or Executive Committee provides the final recommendation for sponsorship prior to the applicant completing their application.

Ms. Whitson gave an overview of the Foreign Trade Zone program, which was followed by a presentation from George Keller on the US Flue Cured Tobacco Growers business.

Several Executive Committee members had questions for Mr. Keller.

Chair Gant asked if there were any objections to placing this item on the Consent Agenda. Delegate Randee Haven O'Donnell objected to placing this on the Consent Agenda to be voted on separately. It has been added as Item 4c. Delegate Carter asked for Mr. Worsley's thoughts on whether this should be approved. Mr. Worsley gave several options as to how to proceed.

Delegate Rebecca Salmon gave her perspective on this as a member of the FTZ Board, stating that the approval of the FTZ request isn't necessarily an endorsement of the product. Delegate Susan Evans also shared a similar situation they had in Wake County and how they approached the issue. Delegate Wilma Laney shared that she was struggling with this as well. Delegate Bill Carver asked for more information on the role of the Executive Committee in the FTZ is. Ms. Whitson responded with clarification.

- b. First Look at CPRC Regional Data Center
Presenter: Karyl Fuller, Principal Planner
Potential Action: None – Information Only

Over the last few years, CPRC has been working on the development of a Regional Data Center (RDC). This initiative aims to bring together data, maps, online applications, and other materials to showcase our Region and the work that we do at CPRC. One of our other key goals was to make it easier for the staff and our members to access data that they use regularly.

A draft site is now available [here](#). It includes data, online maps, dashboards, and other apps focusing on the 7-county Region. There is also a blog to discuss new data, how to use data well, and where to find data on diverse topics.

The RDC is a work in progress, and Ms. Fuller wanted to share it with the Executive Committee to gather comments and feedback about anything from data to usability and even blog topics. The goal is to have a site that highlights our work, and that staff can sustainably maintain. Several Executive Committee members had questions and shared that this was a great resource.

- c. 2024 Comprehensive Economic Development Strategy Interim Report
Presenter: Lindsay Whitson, Community & Economic Development Director
Potential Action: Place on Consent Agenda

Central Pines Regional Council's Comprehensive Economic Development Strategy (CEDS) is a regional blueprint for community and economic development in the region. As the designated Economic Development District (EDD), Central Pines is required by the Economic Development Administration (EDA) to update the CEDS every five years, with an interim report approved annually.

Ms. Whitson shared some of the accomplishments achieved over the last year, in alignment with the 2021 to 2025 CEDS. Greater details can be found in the final report [here](#). The Executive Committee was asked to approve the included resolution in support of this year's interim CEDS report.

- d. Recognition of Outgoing Executive Committee Members
Presenter: Brett Gantt, Chair
Potential Action: None – Information Only

The terms of several Central Pines Regional Council Board members who also serve on the Executive Committee end at the beginning of December. As a result, the Executive Committee meeting on November 20, 2024, will be the Board members' final meeting.

Following tonight's meeting, the following members of the Executive Committee will complete their service on the Board of Delegates.

- Delegate Bill Carver, Lee County Commissioner
- Delegate Heidi Carter, Durham County Commissioner
- Delegate Mike Dasher, Chatham County Commissioner
- Delegate Frank Quis, Moore County Commissioner

On behalf of Central Pines, Chair Gantt & Mr. Worsley expressed their appreciation to these board members for their service to the community and to Central Pines. Their service will be officially recognized at the December 4, 2024, End-of-Year Board Celebration at Central Pines.

Delegate Heidi Carter shared that serving on TJCOG/CPRC's Board of Delegates has been a highlight of her career. Delegate Bill Carver echoed what Delegate Carter said and added that he really enjoyed how everyone worked together for the good of the region.

4. Business

a. FTZ Board Nominations

Presenter: Lindsay Whitson, Community & Economic Development Director

Potential Action: Place on Consent Agenda

The Board for Foreign Trade Zone (FTZ) #93 has four board members with a term that is expiring on December 31, 2024. The FTZ Nominating Committee has approved the renomination of all four members, which will allow them to serve another three-year term. These four board members include: Angie Stewart (Harnett County Economic Development), Chris Johnson (Johnston County Economic Development), Rebecca Salmon (Mayor for the City of Sanford), and Lori Bush (Councilmember for the Town of Cary). Their terms will run from January 1, 2025, until December 31, 2027.

b. Connected Region 2050 Draft Scope of Work and Funding Strategy – Continuation of Discussion from September Executive Committee Meeting

Presenter: Lee Worsley, Executive Director

Potential Action: None – Information Only

This item is being tabled until the next meeting to give ample time for discussion.

c. FTZ Discussion

Action: Table this item to provide time for additional research and bring it back up at the next meeting. It is requested that staff look at our policy related to FTZ. Staff would come back and answer the issues raised by EC including what the Charter states, what the responsibility of the Executive Committee is in this process, how it affects decisions made in the past, and whether they take a position that has to do with the cultural aspects of this.

Amendment: Delegate O'Donnell added that staff need to look at the economic burden and access data on health burden and costs associated with it.

Motion: Delegate Bill Carver

Second: Delegate Randee Haven O'Donnell

Discussion:

Delegate Carter added that she supports this motion, and it deserves additional thought. She stated that she would like clarity as to what reasons a board member might vote to deny this application. Do they approve based on meeting the requirements or are there other reasons it might be denied? She also echoed Delegate Carver's comment on finding out what the Charter states.

Chair Gantt added that he opposed this motion due to it not being an endorsement of the product. He also noted that this could open Pandora's Box, and it could encourage future Boards to make judgements in a way they wouldn't approve. Delegate McAllister agreed with Chair Gantt, as did Delegate Evans.

Delegate Hamilton shared that she supported tabling because it would clarify what the Charter says and would allow her to feel confident in her decision. Delegate Salmon shared that she agreed with Chair Gantt and gave her perspective as a member of the FTZ Board and how this is not an endorsement of the product. But she also agrees that tabling this item could help in clarifying details for the rest of the Executive Committee.

Delegate McAllister asked how tabling this item would affect US Flue Cured Tobacco Growers, to which Ms. Whitson responded that it would just delay the process.

Yes: 6

No: 3

The motion to table passed.

5. Consent

Items on the Consent Agenda are considered routine and will be enacted by a single motion unless a member of the Executive Committee requests an item be removed. Any item that is removed from the Consent Agenda will be considered individually after the Consent Agenda.

- a. DRAFT Minutes: September 2024
- ~~b. FTZ Approval for US Flue Cured Tobacco Growers, Resolution #2024-11-01~~
- c. CEDS Interim Report, Resolution #2024-11-02
- d. FTZ Board Nominations, Resolution #2024-11-03
- e. Budget Amendment 2, Resolution #2024-11-04

Action: Adoption of amended Consent Agenda as presented (excluding item b)

Motion: Delegate Susan Evans

Second: Delegate Heidi Carter

Vote: Approved unanimously by roll call

6. Items Removed from Consent Agenda

- a. FTZ Approval for US Flue Cured Tobacco Growers, Resolution #2024-11-01

7. Public Hearings

8. Executive Director's Report

- a. Executive Director's Report

Presenter: Lee Worsley

Potential Action: None – Receive as Information

- End of Year Celebration – Wednesday, December 4, 5:00 – 7:00 pm, informal gathering to celebrate the accomplishments throughout the year, including recognizing Board Members rotating off and staff career milestones.
- Regional Day – Friday, February 21, in the morning, for any elected officials. This event is for everyone to connect with each other as well as regional resources available. There will be an Exhibit Hall for partner agencies, programming, and more.
- Transportation Demand Management Award – Shuchi Gupta recently received an Excellence in TDM award (Excellence in MPO Award).
- Mr. Worsley thanked Karyl Fuller for all her hard work on the Regional Data Center.
- Mr. Worsley thanked Delegate Carver and Delegate Carter for their service to the Board.

9. Chair's Report

- a. Chair's Report

Presenter: Chair

Potential Action: None – Receive as Information

- Thank you to the Officers for their work on the formalization of the Executive Director Evaluation process to provide better feedback for the work Lee does.

10. Around the Region

a. Around the Region Reports/Updates

Prompt: What is the one thing you are most excited about before the end of the year?

- Sanford: Excited to break ground on the Sanford Agricultural Market Place. It will be part of the Sanford Central Green will provide more open space. It will be a permanent home for the Farmers Market. Delegate Salmon thanked Delegate Carver for his support of this project.
- Carrboro: Received a 2024 CleanTech Innovation Award for their street resurfacing. This will extend the life of their roads and the maintenance of those roads. It will also help reduce air pollution and the urban heat island affect.
- Lee County: Breaking ground on the new library and the programming this location will provide.
- Apex: Met the 3 finalists for the new Police Chief and gave the public an opportunity to talk to the candidates.
- Durham County: New headquarters for Manufacturing USA Institute in Durham.

11. Closed Session

12. Other Business

a. Other Business

Presenter: Brett Gantt

13. Adjournment

a. Adjourn the Meeting

Action: Move to adjourn

Motion: Delegate Heidi Carter

Second: Delegate Susan Evans

The meeting adjourned at 8:08 pm.

Duly adopted this 26th day of February 2025 while in regular session.

Brett Gantt
Board Chair

ATTEST:

Beth Davis
Clerk to the Board
Central Pines Regional Council

DRAFT



**Central Pines Regional Council
Executive Committee Special Meeting**
Meeting Minutes
Wednesday, January 22, 2025
4:00 – 5:30 pm | Virtual
Chair Brett Gantt, Presiding

Delegates & Alternates Attending:

Wilma Laney, Town of Aberdeen
Brett Gantt, Town of Apex
Ranee Haven O'Donnell, Town of Carrboro
Dr. Mike Lee, Durham County
Butch Lawter, Johnston County
Jean Hamilton, Orange County
Pamela Baldwin, Town of Pittsboro
Rebecca Wyhof Salmon, City of Sanford
Byron McAllister, Town of Selma
Susan Evans, Wake County

Lindsay Whitson, Community & Economic Development Director
Thomas McCallister, Housing & Community Development Coordinator
Lee Worsley, Executive Director
Hope Tally, Chief Finance Officer
Beth Seidel, Member Engagement Coordinator

Guests:

Ron Radloff, US Flue Cured Tobacco Growers
George Keller, Customs Advisory Services, Inc.

CPRC Staff Attending:

Jenny Halsey, Assistant Executive Director

1. Call to Order

- a. Call to Order and Welcome
Official: Brett Gantt, Chair
- b. Roll Call
- c. Declaration of Quorum
Official: Brett Gantt, Chair

Chair Brett Gantt called the meeting to order at 4:00 pm and went over housekeeping information. He reminded everyone about the virtual meeting guidelines. Beth Seidel, Clerk to the Board, called roll and a quorum was met.

2. Review of Agenda

- a. Review of Agenda
Official: Brett Gantt

Chair Gantt approved the agenda.

3. Business

- a. Foreign Trade Zone Sponsorship Request – US Flue Cured Tobacco Growers

Presenter: Lee Worsley, Executive Director

Potential Action: Consideration of Executive Director Recommendations

Mr. Worsley reviewed information on Foreign Trade Zone #93 and gave a brief history on how FTZ #93 was established and the role Central Pines has in administering the program. He also gave an overview of US Flue Cured Tobacco Growers and what they were asking for in their application. Mr. Worsley went over the previous meeting's actions regarding this particular applicant. He reviewed the motion that was made and the response to the questions that were asked of staff at that meeting.

Mr. Worsley shared information on a previous applicant that is similar to US Flue Cured Tobacco Growers, and how any action taken will affect past decisions.

Four recommendations were shared with the Executive Committee which included:

- **Recommendation 1:** Approve Resolution 2025-01-01, endorsing the FTZ Sponsorship application for US Flue Cured Tobacco Growers.
- **Recommendation 2:** Provide direction to staff on drafting changes to the Zone Schedule to prohibit future applications for companies that store tobacco-based products.
- **Recommendation 3:** Direct the Foreign Trade Zone Board to conduct an annual review of the FTZ #93 Zone Schedule.
- **Recommendation 4:** Direct staff to review and refine the FTZ sponsorship consideration process for FTZ #93.

Several Executive Committee members gave comments and asked questions for clarification on some of the recommendations. After some discussion, the following action was taken:

Action: Approve recommendations 1, 3, and 4

Motion: Delegate Byron McAllister

Second: Delegate Butch Lawter

Vote: Motion passed 9 yes, 1 no

Action: Deny recommendation 2

Motion: Delegate Byron McAllister

Second: Delegate Susan Evans

Vote:

After some discussion, the motion and second were withdrawn.

4. Consent

Items on the Consent Agenda are considered routine and will be enacted by a single motion unless a member of the Executive Committee requests an item be removed. Any item that is removed from the Consent Agenda will be considered individually after the Consent Agenda.

- a. Budget Amendment 3, Resolution #2025-01-02
- b. Deputy Finance Officer Resolution #2025-01-03

Action: Adoption of Consent Agenda as presented

Motion: Delegate Randee Haven O'Donnell

Second: Delegate Wilma Laney

Vote: Approved unanimously by roll call

5. Other Business

- a. Other Business
Presenter: Brett Gantt

6. Adjournment

- a. Adjourn the Meeting

The meeting was adjourned at 5:14 pm.

Duly adopted this 26th day of February 2025 while in regular session.

Brett Gantt
Board Chair

ATTEST:

Beth Davis
Clerk to the Board
Central Pines Regional Council

Meeting Date:

February 26, 2025

Agenda Location:

Consent

Item Title:

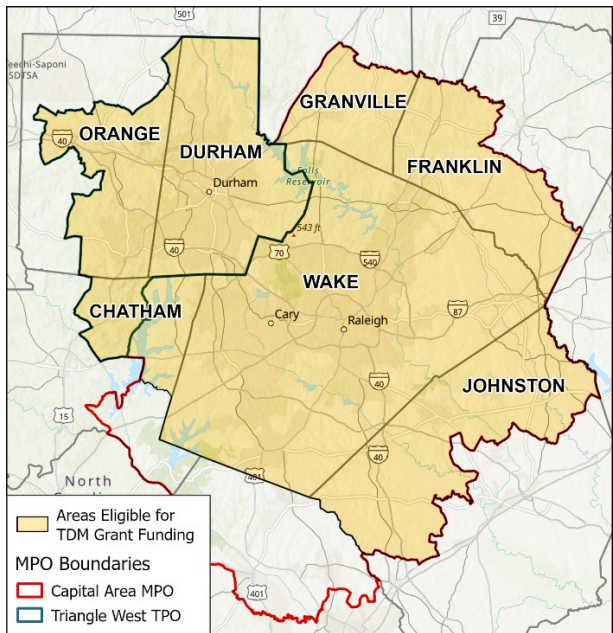
Resolution for CPRC’s Triangle Transportation Choices Grant Program’s FY26 Annual Grant Applications funded by NC Department of Transportation (NCDOT).

Presenter(s):

Shuchi Gupta, Principal Planner

Background:

Triangle Transportation Choices, a Transportation Demand Management (TDM) grant program, is a marketing and outreach effort to promote alternative transportation modes such as biking, walking,



telework, transit, vanpool, carpool, etc., within a seven-county region of North Carolina including the Triangle. The key program goal is to reduce the annual growth in Vehicle Miles Travelled (VMT) by 25% by promoting alternate modes. The seven-county program region includes all of Wake and Durham counties and specific areas of five other counties - Orange, Chatham, Franklin, Johnston, and Granville (see map on left)

CPRC has been administering this grant program since Fiscal Year 2009. It has historically been an annual grant aimed at the region's municipalities, universities, and colleges. For Fiscal Year 2025, the grant is funding a total of twenty organizations in the grant region. Some of these are the municipalities - Raleigh, Durham, Chapel Hill; Universities- NCSU, UNC- Chapel Hill, Duke University; and Community Based Organizations- Oaks and Spokes, Bike Durham and El Centro.

The program has surpassed its annual goal of 25% VMT reduction every year since Fiscal Year 2009.

There are numerous well-documented benefits associated with using the alternative transportation modes that encompass TDM strategies. Using transit, carpooling, vanpooling, biking, walking, or telecommuting all utilize existing transportation infrastructure, reduce traffic congestion, and improve air quality. Modes such as biking and walking have been linked with improvements in an individual’s physical and mental health. The Table on next page provides a good estimate of program benefits for the grant region for FY24. These statistics are still being finalized by staff but are not expected to change too much.










CPRC has been receiving grant funding from North Carolina Department of Transportation (NCDOT) as well as CAMPO and Triangle West (ex DCHC) MPOs, since the inception of program in 2007 for program administration and management.

Program administration includes ensuring TDM programs funded by it are consistent with the 7-Year TDM Plan of 2007, providing overall management and dispersal of grant funds as approved by its Oversight Committee, and coordinating evaluation and monitoring activities for the Program (quarterly reports, biennial commute surveys, annual impact reports, etc.)

CPRC annually applies for two NCDOT funded TDM grants. For Fiscal Year 2026 funding, NCDOT released these applications in Feb, and these are due by March 21, 2025.

The attached resolution is a required document for these grant applications. One grant application is for grant administration and will fund CPRC staff. The second application is primarily for grant monitoring and evaluation purposes. It funds CPRC as well as the regional transit area agency for its TDM efforts. CPRC has been submitting this resolution, for its Board’s approval for the last several years- ever since it was requested by NCDOT.

IMPACTS OF TDM IN FY24:

	5 million vehicle trips avoided	That's over 86,000 days not spent driving a car	
	2.9 million gallons of gas saved	It would take 340 tanker trucks to hold that much gas	
	72 million commute miles reduced	That's roughly 25,000 trips from San Francisco to New York	
	23,000 alternative transportation users supported	If they all drove alone, their cars would span 65 miles bumper-to-bumper	
	54 million pounds of Carbon dioxide (CO2) release prevented	That's the same as over 5,000 homes not using electricity for a year	

The Resolution is attached for the Executive Committee’s information.

Recommendation:

Place on Consent Agenda

Focus Area:

Mobility & Transportation

Will Documentation Be Included for Agenda Packet:

Yes No

If yes, please include documentation in the appropriate meeting folder [HERE](#).

Is Any Additional Action/Communication Required:

- Public Hearing
- Newspaper Notice Required
- Website
- Press Release
- Social Media
- Other: None

PUBLIC TRANSPORTATION PROGRAM RESOLUTION

FY 2026 RESOLUTION

Section 5311 (including ADTAP), 5310, 5339, 5307 and applicable State funding, or combination thereof.

Applicant seeking permission to apply for Public Transportation Program funding, enter into agreement with the North Carolina Department of Transportation, provide the necessary assurances and the required local match.

A motion was made by *(Board Member's Name)* _____ and seconded by *(Board Member's Name or N/A, if not required)* _____ for the adoption of the following resolution, and upon being put to a vote was duly adopted.

WHEREAS, Article 2B of Chapter 136 of the North Carolina General Statutes and the Governor of North Carolina have designated the North Carolina Department of Transportation (NCDOT) as the agency responsible for administering federal and state public transportation funds; and

WHEREAS, the North Carolina Department of Transportation will apply for a grant from the US Department of Transportation, Federal Transit Administration and receives funds from the North Carolina General Assembly to provide assistance for rural public transportation projects; and

WHEREAS, the purpose of these transportation funds is to provide grant monies to local agencies for the provision of rural, small urban, and urban public transportation services consistent with the policy requirements of each funding source for planning, community and agency involvement, service design, service alternatives, training and conference participation, reporting and other requirements (drug and alcohol testing policy and program, disadvantaged business enterprise program, and fully allocated costs analysis); and

WHEREAS, the funds applied for may be Administrative, Operating, Planning, or Capital funds and will have different percentages of federal, state, and local funds.

WHEREAS, non-Community Transportation applicants may apply for funding for "purchase-of-service" projects under the Section 5310 program.

WHEREAS, *(Legal Name of Applicant)* **Central Pines Regional Council** hereby assures and certifies that it will provide the required local matching funds; that its staff has the technical capacity to implement and manage the project(s), prepare required reports, obtain required training, attend meetings and conferences; and agrees to comply with the federal and state statutes, regulations, executive orders, Section 5333 (b) Warranty, and all administrative requirements related to the applications made to and grants received from the Federal Transit Administration, as well as the provisions of Section 1001 of Title 18, U. S. C.

WHEREAS, the applicant has or will provide all annual certifications and assurances to the State of North Carolina required for the project;

NOW, THEREFORE, be it resolved that the *(Authorized Official's Title)** _____ of *(Name of Applicant's Governing Body)* _____ is hereby authorized to submit grant application (s) for federal and state funding in response to NCDOT's calls for projects, make the necessary assurances and certifications and be empowered to enter into an agreement with the NCDOT to provide rural, small urban, and urban public transportation services.

I *(Certifying Official's Name)** _____ *(Certifying Official's Title)* _____ do hereby certify that the above is a true and correct copy of an excerpt from the minutes of a meeting of the *(Name of Applicant's Governing Board)* _____ duly held on the _____ day of _____, _____.

Signature of Certifying Official

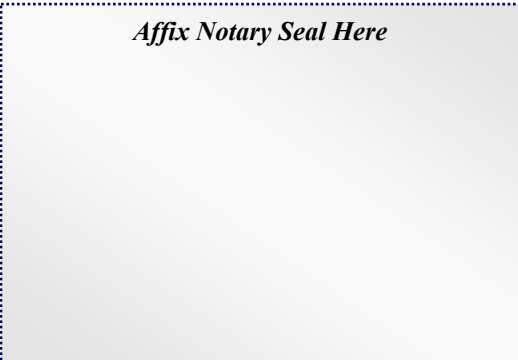
***Note that the authorized official, certifying official, and notary public should be three separate individuals.**

Seal Subscribed and sworn to me *(date)* _____

*Notary Public **

Printed Name and Address

My commission expires *(date)* _____



Meeting Date:

February 26, 2025-Executive Committee

Agenda Location:

Consent

Item Title:

FY24-25 Budget Amendment #4

Presenter(s):

Hope Tally, CFO

Background:

According to the Budget Resolution for Fiscal Year 2024-2025 adopted on May 22, 2024, the Chief Finance Officer is authorized to transfer funds within and among divisions as needed during the fiscal year. Any additions or reductions to the total budget warrant adoption of an amendment to the FY25 budget resolution. The proposed attached resolution increases the total CPRC budget by \$87,317.

New Project Funding:

The Environment & Resilience division is being increased by \$30,507 with the award of the Little River Watershed Grant funded through the NC Department of Environmental Quality for the Town of Wendell. The funding will be used to develop a system that creates efficiencies between stormwater infrastructure data and the town's mapping system, making stormwater infrastructure information more readily available as the Town plans for operations and maintenance.

The Environment & Resilience division is also being increased by \$20,000 to reflect an agreement with the Town of Pittsboro to work with Pittsboro staff and citizens on climate, energy, and resilience planning.

The Environment & Resilience division is also being increased by \$25,000 to reflect Venture funds managed by the SE Sustainability Directors Network for work on resilience hubs/planning.

Changes to Project Funding:

The Environment & Resilience division is being amended by a total decrease of \$620,690. An Energy Futures Hub grant in the amount of \$500,000 was not awarded. The budgets for the Triangle Area Water Supply Monitoring and Clean Water Education Partnership projects are being reduced in the amount of \$115,690 in response to potential federal funding changes. The Durham County LMI Solarize project is being reduced by \$5,000 to reflect the current amended contract.

The Triangle West TPO division is being increased by a total of \$632,500 to reflect additional funding for MPO program work through NC Department of Transportation.

Recommendation:

Place on Consent Agenda

Focus Area:

Administration & Operations

Will Documentation Be Included for Agenda Packet:

Yes No

If yes, please include documentation in the appropriate meeting folder [HERE](#).

Is Any Additional Action/Communication Required:

- Public Hearing
- Newspaper Notice Required
- Website
- Press Release
- Social Media
- Other:

Central Pines Regional Council
A Resolution for Budget Amendment
of the Fiscal Year 2024-2025 Budget
Amendment 4

WHEREAS, the Central Pines Regional Council adopted its 2024-2025 Budget Resolution on May 22, 2024; and, **WHEREAS**, it is necessary for Central Pines Regional Council to make a revision by way of the following amendment;

NOW, THEREFORE, BE IT RESOLVED that the Central Pines Regional Council FY 2024-2025 Budget Resolution is hereby amended as follows:

SECTION 1. REVENUES

Revenues by Source:	Revised	Amendment	New Revised
Federal	\$ 14,293,669	\$ (373,500)	\$ 13,920,169
Federal Pass Thru	\$ 19,181,407	\$ 30,507	\$ 19,211,914
State	\$ 2,842,719	\$ -	\$ 2,842,719
Member Investment	\$ 898,436	\$ -	\$ 898,436
Special Local Dues	\$ 4,465,938	\$ 506,000	\$ 4,971,938
Local Aging Share	\$ 272,525	\$ -	\$ 272,525
Project Income	\$ 6,006,050	\$ 40,000	\$ 6,046,050
Assigned Fund Balance	\$ 468,734	\$ (115,690)	\$ 353,044
Other Revenue	\$ 7,069	\$ -	\$ 7,069
General Fund Total Revenues:	\$ 48,436,547	\$ 87,317	\$ 48,523,864

SECTION 2. EXPENDITURES

Expenditures by Division:	Revised	Amendment	New Revised
General Government	\$ 402,858	\$ -	\$ 402,858
Member Support Strategy	\$ 6,399,570	\$ -	\$ 6,399,570
Transportation	\$ 3,218,764	\$ -	\$ 3,218,764
Triangle West TPO	\$ 6,760,317	\$ 632,500	\$ 7,392,817
Community & Economic Development	\$ 2,032,282	\$ -	\$ 2,032,282
Housing	\$ 5,047,974	\$ -	\$ 5,047,974
Environment & Resilience	\$ 8,734,678	\$ (545,183)	\$ 8,189,495
Aging & Human Services	\$ 15,840,104	\$ -	\$ 15,840,104
General Fund Total Expenditures:	\$ 48,436,547	\$ 87,317	\$ 48,523,864

Adopted and approved on this 26th day of February 2025.

Brett Gantt, Chair

Attest:

Lee Worsley, Executive Director