

**UPPER COASTAL PLAIN COUNCIL OF GOVERNMENTS**

**Wilson, North Carolina**

**Financial Statements**

**For the Year Ended June 30, 2021**

**Upper Coastal Plain Council of Governments  
Wilson, North Carolina**

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June 30, 2021**

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**Alan W. Thompson, CPA  
R. Bryon Scott, CPA  
Gregory S. Adams, CPA**

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Upper Coastal Plain Council of Governments  
Wilson, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Upper Coastal Plain Council of Governments as of and for the year then ended June 30, 2021, and the related notes to the financial statements which collectively comprise the Upper Coastal Plain Council of Governments's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Upper Coastal Plain Council of Governments as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the General Fund, Aging, Workforce Development , EDA-RLF, and Planning and Development Services Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 12 and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions on pages 39 and 40, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Upper Coastal Plain Council of Governments. The combining and individual fund statements, budgetary schedules, and other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with Government Auditing Standards, we have also issued our report dated November 23, 2021 on our consideration of the Upper Coastal Plain Council of Governments' 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 the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Upper Coastal Plain Council of Governments' internal control over financial reporting and compliance.

*Thompson, Rice, Scott, Adams & Co., P.A.*

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Whiteville, NC

November 23, 2020

## Management's Discussion and Analysis

As management of the Upper Coastal Plain Council of Governments, we offer readers of the Council's financial statements this narrative overview and analysis of the financial activities of the Council for the fiscal year ended June 30, 2021. The information presented here can be read in conjunction with additional information that we have furnished in the Council's financial statements, which follow this narrative.

### Financial Highlights

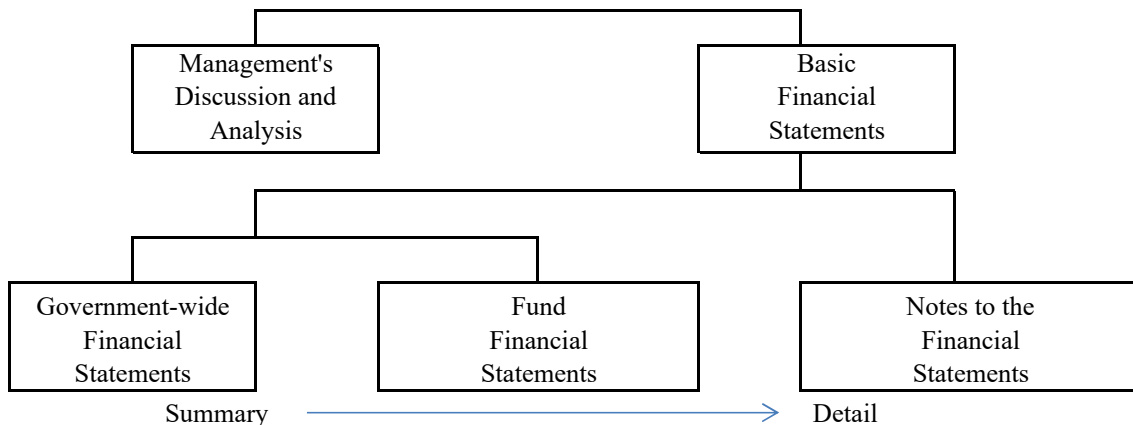
- The assets and deferred outflows of resources of the Council exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$933,903 (net position).
- The government's total net position increased by \$177,376.
- As of the close of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$1,289,684, an increase of \$386,566 in comparison with the prior year. Approximately 61.27% of this amount, or \$790,174 is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$174,749
- Upper Coastal Plain Council of Governments' total debt, increased by \$169,706 during the current fiscal year.
- Expenditures in the Workforce Development Fund accounted for approximately \$4.3 million or 43.40% of the total expenditures of the Council.
- Expenditures in the Aging Fund accounted for approximately \$4.6 million or 47.40% of the total expenditures of the Council.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Upper Coastal Plain Council of Governments basic financial statements. The Council's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). 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 supplemental information that will enhance the reader's understanding of the financial condition of the Council.

### Required Components of Annual Financial Report

Figure 1



### **Basic Financial Statements**

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Council's financial status.

The next statements (Exhibits 3 through 5) 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 two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the budgetary comparison 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, **supplemental information** is provided to show details about the Council's governmental funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

### **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 they have changed. Net position is the difference between the Council's total assets and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Council's financial condition.

The government-wide statements consist of governmental activities. The governmental activities include most of the Council's basic services such as economic development and planning, human services, including the aging program and workforce development and general administration. State and federal grant funds and appropriations from counties finance most of these activities offered by the Council.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

### **Fund Financial Statements**

The fund financial statements (see Figure 1) 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. All of the Council's funds are governmental funds.



### **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, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Council's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Council adopts an annual budget for its General Fund and each separate special revenue fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Council's member municipalities, the management of the Council, and the decisions of the 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 and each special revenue 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. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

### **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 start on page 24 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Council's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 39 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as one useful indicator of a government’s financial condition. The assets and deferred outflows of the Council exceeded liabilities and deferred inflows by \$933,903 as of June 30, 2021. The Council's net position increased by \$177,376 for the fiscal year ended June 30, 2021. One of the largest portions of net position (82.24%) represents resources that are subject to external restrictions on how they may be used. An additional portion of Upper Coastal Plain Council of Governments net position (3.07%) reflects the Council's net investment in capital assets (e.g. fixtures and equipment). The Council uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Net position exceeded restrictions on net position and net investment in capital assets by \$137,167.

**Upper Coastal Plain Council of Governments' Net Position**

**Figure 2**

	Governmental Activities	
	2021	2020
Current and other assets	\$ 2,381,276	\$ 1,995,285
Capital Assets	28,668	38,110
Deferred outflows of resources	371,602	307,145
Total assets and deferred outflows of resources	<u>2,781,546</u>	<u>2,340,540</u>
Accounts payable and accrued liabilities	862,973	765,551
Other liabilities	756,051	586,345
Deferred inflows of resources	228,619	232,117
Total liabilities and deferred inflows of resources	<u>1,847,643</u>	<u>1,584,013</u>
<b>Net position:</b>		
Net investment in capital assets	28,668	38,110
Restricted	768,068	602,751
Unrestricted	137,167	115,666
Total Net Position	<u>\$ 933,903</u>	<u>\$ 756,527</u>

**Upper Coastal Plain Council of Governments Changes in Net Assets**  
**Figure 3**

	Governmental Activities	
	2021	2020
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 626,687	\$ 466,223
Operating grants & contributions	9,361,830	8,857,784
Capital grants & contributions	-	-
General revenues:		
Local governmental dues	222,217	222,008
Investment earnings, unrestricted	-	-
Investment earnings, restricted	1,051	7,920
Miscellaneous, unrestricted	5,445	434
Special Item	(14,498)	-
Total Revenues	10,202,732	9,554,369
 <b>Expenses:</b>		
General government	-	-
Economic and physical development	944,142	783,747
Human services	4,738,612	4,272,935
Workforce development	4,342,602	4,678,960
Total Expenses	10,025,356	9,735,642
 Increase (Decrease) in Net Position	177,376	(181,273)
Net position, July 1	756,527	937,800
Net position, June 30	\$ 933,903	\$ 756,527

**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.

**Governmental Funds**

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

The general fund is the chief operating fund of the Council. At the end of the current fiscal year, the Council's fund balance available in the General Fund was \$174,749 while total fund balance reached \$299,264. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers.

At June 30, 2021, the governmental funds of the Council reported a combined fund balance of \$1,289,684, a 42.80% increase from last year. The primary reason for this increase is EDA - RLF and Planning & Development Services collecting more than they spent.

**General Fund Budgetary Highlights**

During the fiscal year, the Council amended the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. The General Fund budget did not change during the current fiscal year.

Approximately 58.99% of the Council's budget is for contracted services or pass-thru funds to other agencies. If these agencies do not provide the level of services that are included in their contracts and grants, they do not receive reimbursement from the Council. The unliquidated funds for Workforce Development carry forward and are available for expenditures in the next fiscal year.

**Capital Asset and Debt Administration**

**Capital Assets.** Upper Coastal Plain Council of Governments capital assets for its governmental activities as of June 30, 2021 totals \$28,668 (net of accumulated depreciation). These assets include primarily furniture and equipment.

The Council purchased several laptops during the year.

**Upper Coastal Plain Council of Governments Changes in Net Assets**  
**Figure 4**

	Governmental Activities	
	2021	2020
Leasehold Improvements	\$ 14,612	\$ 24,353
Furniture and Equipment	14,056	13,757
Total (net of accumulated depreciation)	<u>\$ 28,668</u>	<u>\$ 38,110</u>

Additional information on the Council’s capital assets can be found in Note 3 of the basic financial Statements.

**Long-Term Debt**

As of June 30, 2021, Upper Coastal Plain Council of Governments reported the following debt.

**Outstanding Debt**  
**Figure 5**

	Governmental Activities	
	2021	2020
Net Pension Liability	\$ 595,690	\$ 443,502
Compensated Absences Payable	160,361	142,843
Total	<u>\$ 756,051</u>	<u>\$ 586,345</u>

Additional information regarding the Council's liability for accrued annual leave can be found in the Notes to the Financial Statements.

**Economic Factors and Next Year’s Budgets and Rates**

The following key economic indicators reflect the growth and prosperity of the Council.

**Workforce Development**

- Turning Point WDB in partnership with Upper Coastal Plain COG/Planning department purchased an innovative technology to enhance workforce and economic development services virtually during Covid-19 pandemic. Premier Virtual platform is designed to bridge the gap between technology and human interaction for such events as career fairs, job expos, etc. providing the following services to jobseekers and employers.
- Turning Point WDB has funded over \$30,279 to assist eligible customers of Governor Cooper’s approved Finish Line Grant (FLG) program that leverage \$7 million in federal funds continued to help students pay for course materials, housing, medical needs, dependent care or other financial emergencies that students may face through no fault of their own.
- Turning Point WDB in partnership with Upper Coastal Plain COG/Aging department is addressing substance/opioid abuse affecting local workforce and economic development within the region. This partnership will serve as liaison between the region’s employers, workforce board, aging program and county commissioners by hiring an Opioid/Substance Abuse Navigator.
- Turning Point WDB served over 4,600 distinct individuals receiving WIOA services (Adult, Dislocated Worker, Youth and Wagner Peyser) in our region. Unemployment rate in October 2021 – 5.6% (unemployment rate only captures those citizens actively seeking employment) 2,863 more people were working as the same time the previous year.
- Turning Point WDB received the forth State Career Pathways certification for Biotechnology to be included with Advance Manufacturing, Healthcare and Business Service Support.

**Economic Factors and Next Year’s Budgets and Rates (continued)**

**Aging**

- As more than 10,000 turn 65 daily, across the nation, the region continues to see growth in the Aging population as well as an increased demand for Aging services provided through the Home & Community Block Grant (HCCBG) and other funding sources. Unfortunately, during this time of increased need, HCCBG funding continues to fall behind in meeting the needs of older adults in the region.
- However, just as Families First and CARES Act funding provided additional dollars to support older adults who were negatively impacted by COVID-19, additional Supplemental Nutrition and American Rescue Plan funding will allow the Area Agency on Aging to do more to assist in the COVID-19 recovery efforts. During fiscal year 21-22, these additional funds will be used to continue to address food insecurity, social isolation, technology challenges, and more within the region. The region received \$213,532 in Supplemental Nutrition funding and just over \$1.7 million in American Rescue Plan funding. Programs and staffing levels will continue to be adjusted to use additional available resources efficiently, effectively, and fully.

**Planning and Development Services**

- Local Government and departmental services for local and regional priorities are impacted primarily by state, federal and foundational grant funding availability. Where needed, member government dues are utilized as match funds for grants, primarily related to regional efforts. As in prior years, funding for some existing projects will be ending during the coming year while new projects begin. Staff will also invest resources over the coming year on developing new grant applications and contracts in the areas of infrastructure, economic development, community development and more to facilitate future years’ funding to sustain and/or expand staffing levels. Programs and projects are principally guided by the UCPCOG Board approved “Comprehensive Economic Development Strategy (CEDS)” and a closely related “Program of Work” for the PDS Department. The documents set out priorities, goals, strategies and related action items. An amendment to the CEDS will be created by regional stakeholders and adopted by the Board to reflect changing priorities and needs because of the COVID-19 Pandemic.
- For the coming fiscal year, the department currently has an operational budget of \$1,083,979.00. This funding is considered “in hand”, meaning it has been acquired contractually with member governments and/or other funders through grant awards, technical service contracts, and/or other legal instruments obligating funds to the organization. These revenues represent 35 active or starting projects/programs and have a corresponding, related line item in the department budget. Each project/program has its own detailed budget that is actively tracked and updated on a regular basis for fiscal and management control as well as reporting to the corresponding funder and to meet all necessary compliance and regulatory guidelines.
- The department will also work to raise additional funds during the year. Staffing levels and other expenses will be adjusted as needed during the year to help ensure departmental solvency as well as individual and overall departmental budget management. As of June 30, 2021, nine (9) additional projects were in development.

Management Discussion and Analysis  
Upper Coastal Plain Council of Governments

**Governmental Activities**

Budgeted expenditures in the General Fund are expected to increase by \$508. None of the General Fund Balance is expected to be spent this year.

The majority of funds received by the Council are Federal and State funds. Both Federal and State governments are currently seeking ways to reduce expenditures. As unemployment remains a problem and the increased rate of retirements causes more of a demand for services for the senior population, it is hard to determine what kind of impact future or pending legislation will have on the Council's funding.

**Requests for Information**

This report is designed to provide an overview of the Council's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Council's Executive Director at Upper Coastal Plain Council of Governments, PO Box 9, Wilson, NC 27894-0009.

## **BASIC FINANCIAL STATEMENTS**



**Upper Coastal Plain Council of Governments**  
**Wilson, North Carolina**  
**Statement of Net Position**  
**June 30, 2021**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current assets:	
Cash & Cash Equivalents	\$ 190,272
Accounts Receivable	2,168,898
Notes Receivable	-
Prepaid Expenses	22,106
Total current assets	2,381,276
Non-current assets:	
Capital Assets	
Capital assets, net of depreciation	28,668
Total Assets	2,409,944
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>371,602</b>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts Payable and Accrued Expenses	862,973
Long-term liabilities:	
Net Pension Liability	595,690
Due in more than one year	160,361
Total Liabilities	1,619,024
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension deferrals	-
Grants not yet earned	228,619
Total deferred inflows of resources	228,619
<b>NET POSITION</b>	
Net investment in capital assets	28,668
Restricted for:	
Stabilization by State Statute	107,597
Revolving Loans	660,471
Unrestricted	137,167
Total Net Position	\$ 933,903

**Upper Coastal Plain Council of Governments  
Wilson, North Carolina  
Statement of Activities  
For the Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
<b>Primary Government:</b>					
Governmental Activities:					
General Government	\$ -	\$ -	\$ -	\$ -	-
Economic & Physical Development		-	-	-	-
Revolving Loan	2,741	-	-	-	(2,741)
Planning & Development	941,401	626,687	443,952	-	129,238
Human Services	4,738,612	-	4,616,514	-	(122,098)
Workforce Development	4,342,602	-	4,301,364	-	(41,238)
Total governmental activities	<u>\$ 10,025,356</u>	<u>\$ 626,687</u>	<u>\$ 9,361,830</u>	<u>\$ -</u>	<u>(36,839)</u>
General revenues:					
					222,217
					-
					1,051
					5,445
					(14,498)
					<u>214,215</u>
					Change in Net Position 177,376
					Net position, beginning <u>756,527</u>
					Net position, ending <u>\$ 933,903</u>

**Upper Coastal Plain Council of Governments**  
**Wilson, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	<b>Major Funds</b>					<b>Total Non-Major Funds</b>	<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Aging Program</b>	<b>Workforce Investment</b>	<b>EDA - RLF</b>	<b>Planning &amp; Development Services</b>		
<b>ASSETS</b>							
Cash and cash equivalents	\$ 190,272	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,272
Accounts receivable	33,502	1,044,634	949,673	-	93,562	47,527	2,168,898
Notes receivable	-	-	-	-	-	-	-
Prepaid expenses	16,918	4,873	-	-	315	-	22,106
Due from other funds	74,095	-	-	660,471	14,602	38,372	787,540
Total assets	<u>\$ 314,787</u>	<u>\$ 1,049,507</u>	<u>\$ 949,673</u>	<u>\$ 660,471</u>	<u>\$ 108,479</u>	<u>\$ 85,899</u>	<u>\$ 3,168,816</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Accounts payable and accrued liabilities	\$ 14,719	\$ 483,339	\$ 338,658	\$ -	\$ 19,560	\$ 6,697	\$ 862,973
Due to other funds	-	454,513	333,027	-	-	-	787,540
Total liabilities	<u>14,719</u>	<u>937,852</u>	<u>671,685</u>	<u>-</u>	<u>19,560</u>	<u>6,697</u>	<u>1,650,513</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
	804	6,100	100,621	-	41,892	79,202	228,619
Fund balances:							
Nonspendable							
Prepaid expenses	16,918	4,873	-	-	315	-	22,106
Restricted							
Stabilization by State Statute	107,597	-	-	-	-	-	107,597
Revolving Loans	-	-	-	660,471	-	-	660,471
Assigned							
Aging Program	-	100,682	-	-	-	-	100,682
Workforce Development	-	-	177,367	-	-	-	177,367
Planning & Development Services	-	-	-	-	46,712	-	46,712
Unassigned	174,749	-	-	-	-	-	174,749
Total fund balances	<u>299,264</u>	<u>105,555</u>	<u>177,367</u>	<u>660,471</u>	<u>47,027</u>	<u>-</u>	<u>1,289,684</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 314,787</u>	<u>\$ 1,049,507</u>	<u>\$ 949,673</u>	<u>\$ 660,471</u>	<u>\$ 108,479</u>	<u>\$ 85,899</u>	<u>\$ 3,168,816</u>

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

**Upper Coastal Plain Council of Governments**  
**Wilson, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

(continued)

Amounts reported for governmental activities in the Statement of New Position (Exhibit 1) are different because:

Total fund balance, governmental funds	\$ 1,289,684
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds.	28,668
Net pension asset (liability)	(595,690)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	135,337
Notes Receivable related to revolving loan activity in the government-wide statements do not provide current financial resources, and therefore are deferred in the fund statements.	-
Pension related deferrals	
Differences between expected and actual experience	75,225
Changes in proportion and differences between Council Contributions and proportionate share of contributions are deferred outflows	32,881
Changes in assumptions	44,331
Net difference between projected and actual earnings on pension plan investments	83,828
Accrued Compensated absences are not due and payable in the current period and therefore are not reported in the funds.	<u>(160,361)</u>
Net Position	<u>\$ 933,903</u>

**Upper Coastal Plain Council of Governments  
Wilson, North Carolina  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For the Year Ended June 30, 2021**

	<b>Major Funds</b>					<b>Total Non-Major Funds</b>	<b>Total Governmental Funds</b>
	<b>General</b>	<b>Aging Program</b>	<b>Workforce Investment</b>	<b>EDA - RLF</b>	<b>Planning &amp; Development Services</b>		
<b>REVENUES</b>							
Restricted Intergovernmental:							
Contributions - Federal	\$ -	\$ 2,605,419	\$ 4,301,364	\$ -	\$ 443,952	\$ -	\$ 7,350,735
Contributions - State	-	1,962,833	-	-	-	-	1,962,833
Contributions - Local	-	-	-	-	-	-	-
State AAA Support	-	48,262	-	-	-	-	48,262
Per Capita Assessment	222,217	-	-	-	-	-	222,217
Other Revenues	-	5,445	-	-	626,687	-	632,132
Interest Income	-	-	-	1,051	-	-	1,051
Revolving Loan Repayments	-	-	-	80,000	-	-	80,000
Program Income	-	-	-	-	-	-	-
Total revenues	<u>222,217</u>	<u>4,621,959</u>	<u>4,301,364</u>	<u>81,051</u>	<u>1,070,639</u>	<u>-</u>	<u>10,297,230</u>
<b>EXPENDITURES</b>							
Personnel	-	445,193	178,343	195	387,697	-	1,011,428
Travel and Training	960	15,888	1,700	-	21,433	-	39,981
Operating Expenses	-	36,369	376,501	-	9,049	-	421,919
Subcontractors	-	3,350,338	3,340,792	-	-	-	6,691,130
Program Operation	-	624,990	403,728	2,470	303,109	-	1,334,297
Capital Outlay	-	1,261	300	-	5,099	-	6,660
Indirect Cost	-	223,840	-	72	181,337	-	405,249
Revolving Loans made	-	-	-	-	-	-	-
Total expenditures	<u>960</u>	<u>4,697,879</u>	<u>4,301,364</u>	<u>2,737</u>	<u>907,724</u>	<u>-</u>	<u>9,910,664</u>
Revenues Over (Under) Expenditures	221,257	(75,920)	-	78,314	162,915	-	386,566
Other Financing Sources:							
Transfers (to) from other funds	(169,910)	78,195	-	-	91,715	-	-
Revenue and Other financing Sources Over (Under) Expenditures	51,347	2,275	-	78,314	254,630	-	386,566
<b>Fund Balances:</b>							
Beginning of year	<u>247,917</u>	<u>103,280</u>	<u>177,367</u>	<u>582,157</u>	<u>(207,603)</u>	<u>-</u>	<u>903,118</u>
End of year	<u>\$ 299,264</u>	<u>\$ 105,555</u>	<u>\$ 177,367</u>	<u>\$ 660,471</u>	<u>\$ 47,027</u>	<u>\$ -</u>	<u>\$ 1,289,684</u>

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

**Upper Coastal Plain Council of Governments**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**June 30, 2021**

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

Net changes in fund balance - total governmental funds	\$	386,566
<p>Governmental funds report capital outlay as expenditures, however in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.</p>		
Capital outlay expenditures which were capitalized	7,525	
Depreciation expense for governmental activities	<u>(16,967)</u>	(9,442)
<p>Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.</p>		
		135,337
<p>Revolving loan repayments and advances are reported as revenues and expenditures in the governmental funds. This is the amount that advances exceeded repayments.</p>		
		(80,000)
<p>Revolving loan outstanding balance written off.</p>		
		(14,498)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resource and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated Absences	(17,518)	
Pension Expense	<u>(223,068)</u>	<u>(240,586)</u>
Total Changes in Net Position of Governmental Activities	\$	<u><u>177,376</u></u>

**Upper Coastal Plain Council of Governments**  
**Wilson, North Carolina**  
**General Fund and Annually Budgeted Major Special Revenue Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2021**

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Per capita assessments	\$ 222,217	\$ 222,217	\$ 222,217	\$ -
Total Revenues	<u>222,217</u>	<u>222,217</u>	<u>222,217</u>	<u>-</u>
<b>Expenditures:</b>				
Travel and Training	14,250	14,250	960	13,290
Program Operation	5,000	5,000	-	5,000
Total Expenditures	<u>19,250</u>	<u>19,250</u>	<u>960</u>	<u>18,290</u>
Revenues Over (Under) Expenditures	<u>202,967</u>	<u>202,967</u>	<u>221,257</u>	<u>18,290</u>
Other Financing Sources (Uses):				
Transfers (to) from other funds	<u>(202,967)</u>	<u>(202,967)</u>	<u>(169,910)</u>	<u>33,057</u>
Total Other Financing Sources (Uses)	<u>(202,967)</u>	<u>(202,967)</u>	<u>(169,910)</u>	<u>33,057</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>51,347</u>	<u>\$ 51,347</u>
<b>Fund Balances:</b>				
Beginning of the year, July 1			247,917	
End of year, June 30			<u>\$ 299,264</u>	

**Upper Coastal Plain Council of Governments**  
**Wilson, North Carolina**  
**General Fund and Annually Budgeted Major Special Revenue Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2021**

	Aging Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Restricted Intergovernmental				
Contributions - Federal	\$ 2,414,662	\$ 3,386,630	\$ 2,605,419	\$ (781,211)
Contributions - State	1,639,597	1,869,552	1,962,833	93,281
State AAA Support	48,263	48,263	48,262	(1)
Other Income	3,500	3,500	5,445	1,945
Total Revenues	<u>4,106,022</u>	<u>5,307,945</u>	<u>4,621,959</u>	<u>(685,986)</u>
<b>Expenditures:</b>				
Personnel	432,346	427,530	445,193	(17,663)
Travel and Training	48,749	(10,643)	15,888	(26,531)
Operating Expenses	29,663	35,063	36,369	(1,306)
Subcontractors	3,385,211	3,679,712	3,350,338	329,374
Program Operation	62,260	1,008,352	624,990	383,362
Capital Outlay	1,800	1,800	1,261	539
Indirect Cost	207,488	227,626	223,840	3,786
Total Expenditures	<u>4,167,517</u>	<u>5,369,440</u>	<u>4,697,879</u>	<u>671,561</u>
Revenues Over (Under) Expenditures	<u>(61,495)</u>	<u>(61,495)</u>	<u>(75,920)</u>	<u>(14,425)</u>
Other Financing Sources (Uses):				
Transfers (to) from other funds	<u>61,495</u>	<u>61,495</u>	<u>78,195</u>	<u>16,700</u>
Total Other Financing Sources (Uses)	<u>61,495</u>	<u>61,495</u>	<u>78,195</u>	<u>16,700</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>2,275</u>	<u>\$ 2,275</u>
<b>Fund Balances:</b>				
Beginning of year, July 1			103,280	
End of year, June 30			<u>\$ 105,555</u>	



**Upper Coastal Plain Council of Governments**  
**Wilson, North Carolina**  
**General Fund and Annually Budgeted Major Special Revenue Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2021**

	Workforce Development			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Restricted Intergovernmental				
Contributions - Federal	\$ 6,837,150	\$ 6,291,585	\$ 4,301,364	\$ (1,990,221)
Other Revenues	-	-	-	-
Total Revenues	<u>6,837,150</u>	<u>6,291,585</u>	<u>4,301,364</u>	<u>(1,990,221)</u>
<b>Expenditures:</b>				
Personnel	346,676	329,871	178,343	151,528
Travel and Training	112,259	106,487	1,700	104,787
Operating Expenses	784,084	681,925	376,501	305,424
Subcontractors	3,927,868	4,008,621	3,340,792	667,829
Program Operation	1,818,187	1,285,825	403,728	882,097
Capital Outlay	35,000	30,300	300	30,000
Total Expenditures	<u>7,024,074</u>	<u>6,443,029</u>	<u>4,301,364</u>	<u>2,141,665</u>
Revenues Over (Under) Expenditures	<u>(186,924)</u>	<u>(151,444)</u>	<u>-</u>	<u>151,444</u>
Other Financing Sources (Uses):				
Transfers (to) from other funds	35,480	-	-	-
Appropriated Fund Balance	151,444	151,444	-	(151,444)
Total Other Financing Sources (Uses)	<u>186,924</u>	<u>151,444</u>	<u>-</u>	<u>(151,444)</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund Balances:</b>				
Beginning of year, July 1			177,367	
End of year, June 30			<u>\$ 177,367</u>	

**Upper Coastal Plain Council of Governments**  
**Wilson, North Carolina**  
**General Fund and Annually Budgeted Major Special Revenue Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2021**

	EDA - RLF			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>				
Other Revenues	\$ -	\$ -	\$ -	\$ -
Interest Income	9,000	9,000	1,051	(7,949)
Revolving Loan Repayments	10,000	10,000	80,000	70,000
Total Revenues	19,000	19,000	81,051	62,051
<b>Expenditures:</b>				
Personnel	1,073	1,073	195	878
Operating Expenses	655	655	-	655
Program Operation	150,300	150,300	2,470	147,830
Indirect Cost	527	527	72	455
Total Expenditures	152,780	152,780	2,737	150,043
Revenues Over (Under) Expenditures	(133,780)	(133,780)	78,314	212,094
Other Financing Sources (Uses):				
Fund Balance Appropriated	133,780	133,780	-	(133,780)
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ -	78,314	\$ 78,314
<b>Fund Balances:</b>				
Beginning of year, July 1			582,157	
End of year, June 30			\$ 660,471	

\*\*\$14,498 outstanding loan balance is written off. See Notes 8 for details.

**Upper Coastal Plain Council of Governments**  
**Wilson, North Carolina**  
**General Fund and Annually Budgeted Major Special Revenue Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2021**

	Planning & Development Services			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Restricted Intergovernmental:				
Contributions - Federal	\$ 130,000	\$ 485,000	\$ 443,952	\$ (41,048)
Other Revenues	<u>627,977</u>	<u>472,977</u>	<u>626,687</u>	<u>153,710</u>
Total Revenues	<u>757,977</u>	<u>957,977</u>	<u>1,070,639</u>	<u>112,662</u>
<b>Expenditures:</b>				
Personnel	426,694	451,594	387,697	63,897
Travel and Training	25,100	26,300	21,433	4,867
Operating Expenses	23,030	23,105	9,049	14,056
Program Operation	166,705	326,680	303,109	23,571
Capital Outlay	2,000	7,100	5,099	2,001
Indirect Cost	<u>206,115</u>	<u>214,865</u>	<u>181,337</u>	<u>33,528</u>
Total Expenditures	<u>849,644</u>	<u>1,049,644</u>	<u>907,724</u>	<u>141,920</u>
Revenues Over (Under) Expenditures	<u>(91,667)</u>	<u>(91,667)</u>	<u>162,915</u>	<u>254,582</u>
<b>Other Financing Sources (Uses):</b>				
Transfers (to) from other funds	<u>91,667</u>	<u>91,667</u>	<u>91,715</u>	<u>48</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>254,630</u>	<u>\$ 254,630</u>
<b>Fund Balances:</b>				
Beginning of year, July 1			(207,603)	
End of year, June 30			<u>\$ 47,027</u>	

**Upper Coastal Plain Council of Governments**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**1. Summary of Significant Accounting Policies**

The accounting policies of Upper Coastal Plain Council of Governments conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

**A. Reporting Entity**

Upper Coastal Plain Council of Governments (Council) is a multi-county planning and development organization.

The Council was established to perform and carry out such powers, duties, and responsibilities as authorized by North Carolina General Statute 160A-470.

The membership of the Council is composed of local governmental units who have:

1. Made application to the Council by resolution and adoption of the Charter and Bylaws.
2. Received membership acceptance and approval by the Board of Directors.
3. Appropriated in their annual budgets the pro-rata assessment for the support of the Council's operation.
4. Paid their annual pro-rata membership dues and are otherwise members in good standing.

The Board is constituted in a two-part governance:

1. The Executive Committee, which meets monthly and is comprised of the following:
  - One county commissioner appointed by each member county.
  - One city/town alderman or councilman representing a member municipality elected by caucus of the member municipalities in that county.
  - Officers of the Board are elected from those serving on the Executive Committee.
2. The general membership board is comprised of the following:
  - The Executive Committee.
  - Additional members appointed as necessary to satisfy Federal requirements for Board composition. The Boards of county commissioners of the appropriate counties select these additional members.

Dues and administrative fees received from the related local governments amounted to \$222,217 for the year ended June 30, 2021.

Accounting principles generally accepted in the United States of America require that the reporting entity include: 1) the primary government, 2) organizations for which the primary government is financially accountable, and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Statement No. 14 have been considered and the Council has no component unit of any other entity.

The financial statements of the Council have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

**Upper Coastal Plain Council of Governments**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**B. Basis of Presentation and Basis of Accounting**

**Basis of Presentation, Measurement Focus - Basis of Accounting**

*Government-wide Statements:*

The statement of net position and the statement of activities display information about the Council. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements ordinarily distinguish between the *governmental and business-type activities* of the governmental entity. Governmental activities generally are financed through intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. However, the Council does not have any business-type activities.

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. Indirect expense allocations have been made in the funds. Program revenues include: 1) fees and charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

*Fund Financial Statements:*

The fund financial statements provide information about the Council's funds, all of which are governmental since the Council has no proprietary or fiduciary funds. The emphasis of fund financial statements is on major governmental, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Council reports the following major governmental funds:

**General Fund** – This is the Council's primary operating fund. It accounts for all financial resources of the general government, except those that are required to be accounted for in another fund.

**Special Revenue Funds** - Special Revenues Funds account for specific revenue sources that are legally restricted to expenditures for specified purposes. The major special revenue funds are the Aging Fund, Workforce Development Fund, EDA - RLF, and the Planning and Development Services.

The Council reports the following non-major governmental funds.

**Special Revenue Funds** - Special Revenue Funds account for specific revenue sources that are legally restrictive to expenditures for specified purposes. The non-major special revenue fund is the COG - Projects Fund.

**C. Measurement Focus and Basis of Accounting**

In accordance with North Carolina General Statutes, all funds of the Council are maintained during the year using the modified accrual basis of accounting.

**Upper Coastal Plain Council of Governments**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

*Government-wide Financial Statements.*

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

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

*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. The Council considers all revenues reported in the governmental funds to be available if the revenues are collected within ninety days after year-end. These could include federal, State, and county grants, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on capital leases, claims and judgments and compensated absence, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital lease are reported as other financing sources.

Under the terms of grant agreements, the Council funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Council's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

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

**D. Budgetary Data**

The Council's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds. All appropriations lapse at the fiscal-year end. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the program level for all annually budgeted funds. Amendments are required for any revisions that alter total expenditures of any program within a fund and all amendments must be approved by the governing board. However, transfers from one appropriation to another within the same fund and program in any amount may be made by the finance officer. The finance officer is also permitted to authorize expenditures from the contingency account, if any, provided that such expenditures are transferred to an existing appropriation on a budget line item before the expenditure is made. All such transfers must be reported to the Board at its next meeting and duly recorded in the minutes. During the year, several amendments were necessary due to increased or decreased federal and State funding for various programs.

**Upper Coastal Plain Council of Governments**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Equity**

**Deposits and Investments**

All deposits of the Council are made in Board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Council may designate as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Council may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

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 authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The Council's investments are reported at fair value.

**Cash and Cash Equivalents**

The Council pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

**Allowance for Doubtful Accounts**

Accounts Receivable are considered to be fully collectible. Accordingly, no allowance for doubtful accounts is required.

**Notes Receivable**

Loans are recognized as funds are lent. Because the Council's notes receivable are long-term, they do not meet the definition of a current asset under the "current financial resources measurement focus" and therefore, a like amount of the Council's EDA - RLF special revenue fund balance is reserved by deferring the outstanding balance as unavailable revenue. Notes receivable that historically experience uncollectible accounts are shown net of allowance for doubtful accounts. Notes receivable determined to be uncollectible are shown in the statement of revenue, expenditures, and changes in fund balance as a reduction of fund balance. The amount of principal due on notes receivable within one year is considered immaterial.

**Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. It is the policy of the Council to capitalize all capital assets costing more than \$1,000 with an estimated useful life of two or more years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**Upper Coastal Plain Council of Governments**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**Deferred Outflows / Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Council has one item that meets this criterion - contributions made to the pension plan in the current fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Council has two items that meets the criterion for this category - Unearned revenue (for grants received but not yet expended), and deferrals of pension expense that result from the implementation of GASB Statement 68.

**Long-Term Obligations**

In the government-wide financial statements, other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

**Compensated Absences**

The vacation policy of the Council provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. Accumulated earned vacation at June 30, 2021 amounted to \$160,361. The Council has assumed a first-in, first-out method of using accumulated compensated time. Compensated absences are designated as a long-term liability in the governmental-wide financial statements, as the current portion is immaterial to the financial statements.

The sick leave policy of the Council provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of services for retirement benefit purposes. Since the Council has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the Council.

**Net Position/Fund Balances**

**Net Position**

Net position in government-wide financial statements is classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

**Fund Balances**

In the governmental fund financial statements, fund balance is composed of three 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:

**No spendable Fund Balance** - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Prepaid expenses - portion of fund balance that is not an available resources because it represents expenditures paid in advance, which are not spendable resources.



**Upper Coastal Plain Council of Governments**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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

Restricted for Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute." *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net Position and Restricted fund balance on the face of the balance sheet.

Restricted for Revolving loans - portion of fund balance that is restricted for low interest loan program activity.

**Assigned Fund Balance** - The portion of fund balance that Council intends to use for specific purposes.

Assigned for Aging Program - portion of fund balance that has been budgeted by the Board for Aging programs.

Assigned for Workforce Investment - portion of fund balance that has been budgeted by the Board for Workforce Development programs.

Assigned for Planning and Development- portion of fund balance that has been budgeted by the Board for Planning and Development services.

**Unassigned Fund Balance** - The portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The Council has no formal revenue spending policy for programs with multiple revenue resources. The Finance Officer has authority to make spending decisions in the order that best serves the interest of the Council.

The Council has not adopted a formal fund balance policy for the General Fund.

**Defined Benefit Pension Plans**

The Council participates in one cost-sharing, multiple-employer, defined benefit pension plan that is administered by the State; the Local Governmental Employees' Retirement System (LGERS). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Council's employer contributions are recognized when due and the Council has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

**Upper Coastal Plain Council of Governments  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2021**

**F. Revenues and Expenditures**

**Cost Allocation Plan**

Upper Coastal Plain Council of Governments instituted a cost allocation plan in which indirect costs are pro-rated to the various grants based on an indirect rate that is determined in accordance with federal guidelines.

The rates that were used to allocate indirect costs to individual programs were based on the percentage of indirect cost to direct salaries and direct fringe benefits.

**G. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**2. Stewardship, Compliance and Accountability**

**Deficit in Fund Balance or Net Position of Individual Funds**

None.

**3. Detail Notes on All Funds**

**A. Assets**

**Deposits**

All the deposits of the Council 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 Council'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 Council's 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 the escrow agent. Because of the inability to measure the exact amounts 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. The Council has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Council complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2021, the Council's deposits had a carrying amount of \$190,172 and a bank balance of \$504,512. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. At June 30, 2021, the Council's petty cash fund totaled \$100.

**Upper Coastal Plain Council of Governments**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**Receivables**

Receivables at the government-wide level at June 30, 2021, were as follows:

Accounts Receivable:	
General Fund	\$ 33,502
Special Revenue - due from other government units	2,087,869
Non-Major Funds - due from Development Corp.	47,527
Total	<u>\$ 2,168,898</u>

**Capital Assets**

Capital asset activity for the year ended June 30, 2021, was as follows:

	<u>Beginning</u> <u>Balances</u>		<u>Increases</u>		<u>Decreases</u>		<u>Ending</u> <u>Balances</u>
Capital assets being depreciated:							
Leasehold Improvements	\$ 146,116	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,116
Furniture and Equipment	579,977		7,525		(6,667)		580,835
Total Capital assets being depreciated	<u>726,093</u>		<u>7,525</u>		<u>(6,667)</u>		<u>726,951</u>
Less accumulated depreciation for:							
Leasehold Improvements	121,763		9,741		-		131,504
Furniture and Equipment	566,220		7,226		(6,667)		566,779
Total accumulated depreciation	<u>687,983</u>	\$	<u>16,967</u>	\$	<u>(6,667)</u>	\$	<u>698,283</u>
Governmental activity capital assets, net	<u>\$ 38,110</u>					<u>\$ 28,668</u>	

Depreciation expense was charged to functions/programs of the primary government as follows:

General Fund	\$ 9,790
Special Revenues:	
Aging	2,727
Planning and Development	805
Workforce Development	3,645
Total	<u>\$ 16,967</u>

**Upper Coastal Plain Council of Governments**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**B. Liabilities**

**Pension Plan Obligations**

**Local Governmental Employees' Retirement System**

*Plan Description.* The Council is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic postretirement benefit increases. Increases are contingent upon actuarial gains of the plan.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Council employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Council's contractually required contribution rate for the year ended June 30, 2021, was 10.22% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Council were \$135,337 for the year ended June 30, 2021.

*Refunds 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 employer contributions or any other benefit provided by LGERS.

**Upper Coastal Plain Council of Governments**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2021, the Council reported a liability of \$595,690 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2021, the Council's proportion was 0.01667% (measured as of June 30, 2020), which was an increase of 0.00043% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Council recognized pension expense of \$223,068. At June 30, 2021, 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	\$ 75,225	\$ -
Changes of assumptions	44,331	-
Net difference between projected and actual earnings on pension plan investments	83,828	-
Changes in proportion and differences between Council Contributions and proportionate share of contributions	32,881	-
Council contributions subsequent to the measurement date	135,337	-
Total	<u>\$ 371,602</u>	<u>\$ -</u>

\$135,337 reported as deferred outflows of resources related to pensions resulting from Council contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2021	\$ 70,629
2022	88,204
2023	52,623
2024	24,809
2025	-
Thereafter	-
	<u>\$ 236,265</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	3.50 percent
Investment Rate of Return	7.00 percent, net of pension plan investment expense, including inflation

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

**Upper Coastal Plain Council of Governments  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2021**

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29%	1.4%
Global Equity	42%	5.3%
Real Estate	8%	4.3%
Alternatives	8%	8.9%
Credit	7%	6.0%
Inflation Protection	6%	4.0%
	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 7.00%. 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 asset to changes in the discount rate .* The following presents the Council's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the Council's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Council's proportionate share of the net pension liability (asset)	\$ 1,208,590	\$ 595,690	\$ 86,327

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

**Upper Coastal Plain Council of Governments**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**NC 401(k)**

The Council offers employees to participate in the NC 401(k) plan. The Council currently contributes 2% of employee's annual salary to their plan. This is a non-matching required contribution. Current year contributions were \$26,821 from employer and \$23,705 employee voluntary contributions.

**Postemployment Benefits**

The Council offers no postemployment benefits to employees.

**Other Employment Benefits**

The Council has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Government Employees' Retirement System (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. All death benefit payments are made from the Death Benefit Plan. The Council has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The Council considers these contributions to be immaterial.

**Deferred Outflows and Inflows of Resources**

Deferred outflows of resources is comprised of the following:

Contributions to pension plan in current fiscal year	\$ 135,337
Differences between expected and actual experience	75,225
Change of assumptions	44,331
Net difference between projected and actual earnings on pension plan investments	83,828
Changes in proportion and differences between employer contributions and proportionate share of contributions	32,881
Total	<u><u>\$ 371,602</u></u>

Deferred inflows of resources at year-end is comprised of the following:

Per capita assessment not yet earned (General)	\$ 804
Grants not yet earned (Special Revenue)	227,815
Total	<u><u>\$ 228,619</u></u>

**Commitments**

At June 30, 2021, the Council had no material commitments outstanding that in the opinion of management will have a material adverse effect on the Council's financial position.

**Upper Coastal Plain Council of Governments**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**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 has Commercial Coverage in the following amounts: property coverage of \$1,000,000 per occurrence and worker's compensation coverage up to the statutory limits. The finance officer is covered under a blanket fidelity bond during the year. The Council's Finance Officer is covered under a separate fidelity bond in the amount of \$500,000.

**Claims and Judgments**

At June 30, 2021, the Council had no claims or judgments outstanding that in the opinion of management or Council attorney will have a material adverse effect on the Council's financial position.

**Lease Management**

The Council had an annual lease agreement with the Upper Coastal Plain Development Corp. for office space for \$75,000 through June 30, 2021. See Related Organization Note 6.

**Long-Term Obligations**

The following is a summary of changes in the Council's long-term obligations for the fiscal year ended June 30, 2021:

	<u>Balance</u> <u>June 30, 2020</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2021</u>
Governmental Activities:				
Net pension liability	\$ 443,502	\$ 152,188	\$ -	\$ 595,690
Compensated Absences Payable	142,843	17,518	-	160,361
Governmental activities long-term liabilities	<u>\$ 586,345</u>	<u>\$ 169,706</u>	<u>\$ -</u>	<u>\$ 756,051</u>

**Interfund Balances and Activity**

The composition of interfund balances as of June 30, 2021 is as follows:

Due to/from other funds:

<u>Payable Funds</u>		<u>Receivable Funds</u>	
General Fund	\$ -	General Fund	\$ 74,095
Special Revenue Funds:		Special Revenue Funds:	
Aging	454,513	Aging	-
Workforce Development	333,027	Workforce Development	-
Planning & Development	-	Planning & Development	14,602
EDA - RLF	-	EDA - RLF	660,471
COG - Projects	-	COG - Projects	38,372
	<u>\$ 787,540</u>		<u>\$ 787,540</u>

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.



**Upper Coastal Plain Council of Governments**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

Transfers to/from other funds at June 30, 2021, consist of the following:

From the General Fund to the Aging Fund	\$ 78,195
From the General Fund to Planning and Development Services	91,715
Total	\$ 169,910

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts providing matching funds for various grant programs.

**4. Fund Balance**

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation:

Total fund balance - General Fund	\$ 299,264
Less:	
Stabilization by State Statute	107,597
Remaining Fund Balance	191,667

**5. Summary of Disclosure of Significant Contingencies**

The Council receives substantially all of its support from federal, State, and local governments. A reduction in the level of this support, if this were to occur, would have a significant effect on the Council's programs and activities. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

**6. Related Organization**

The Executive committee of the Upper Coastal Plain Council of Governments is also the Board of Directors for the Upper Coastal Plain Development Corporation (a non-profit organization). The Council is accountable for the Development Corp. because of the related governing boards; however, the Council is not financially accountable for the Development Corp. The Council is also disclosed as a related organization in the notes to the financial statements for the Upper Coastal Plains Development Corporation.

The Council leases office space from the Development Corp. and provided employees to staff the Development Center. The office lease paid to the Development Corp. for the year ended June 30, 2021 equaled \$75,000.

Operating Lease - The council is obligated under the above lease agreement to make monthly payments of \$6,250 through June 30, 2021.

**7. Significant Effects of Subsequent Events**

There were no significant subsequent events through the issuance date of the financial statements.

**Upper Coastal Plain Council of Governments**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**8. Special Item**

The outstanding revolving loan to Mel-n-Kane is delinquent due to COVID-19. The major criteria for receiving such a loan is that the money is spent for purposes that will create new jobs or maintain existing jobs in the area. The note bears interest at a rate of 6.5%, and is repaid monthly. Final maturity is December 2021. The notes are collateralized by some or all of the following: real estate, certificates of deposit, inventory, accounts receivable, vehicle titles, and life insurance policies. During FY 21, \$80,000 principal payment was received and the remaining \$14,498 balance was written off. At June 30,2021, there was no outstanding loan.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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Schedule of the Proportionate Share of the Net Pension Asset (Liability) - Local  
Government Employees' Retirement System

Schedule of Contributions - Local Government Employees' Retirement System

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**Upper Coastal Plain Council of Governments  
Proportionate Share of Net Pension Liability (Asset)  
Required Supplementary Information  
Last Eight Fiscal Years \***

**Local Government Employees' Retirement System**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Council's proportion of the net pension liability (asset) (%)	0.01667%	0.01624%	0.01643%	0.01630%
Council's proportion of the net pension liability (asset) (\$)	\$ 595,690	\$ 443,502	\$ 38,976	\$ 249,019
Council's covered payroll	\$ 1,303,701	\$ 1,322,047	\$ 1,229,986	\$ 1,197,170
Council's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	45.69%	33.55%	3.17%	20.80%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	91.63%	94.18%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Council's proportion of the net pension liability (asset) (%)	0.01716%	0.01536%	0.01598%	0.01750%
Council's proportion of the net pension liability (asset) (\$)	\$ 364,193	\$ 68,935	\$ (94,241)	\$ 210,942
Council's covered payroll	\$ 1,197,170	\$ 1,124,721	\$ 1,081,443	\$ 1,088,986
Council's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	30.42%	6.13%	-8.71%	19.37%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

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

\*\*This will be the same percentage for all participant employers in the LGERS plan.

**Upper Coastal Plain Council of Governments  
Contributions  
Required Supplementary Information  
Last Eight Fiscal Years**

**Local Government Employees' Retirement System**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 135,337	\$ 117,724	\$ 103,516	\$ 100,734
Contributions in relation to the contractually required contribution	<u>135,337</u>	<u>117,724</u>	<u>103,516</u>	<u>100,734</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Council's covered payroll	\$ 1,324,238	\$ 1,303,701	\$ 1,322,047	\$ 1,328,943
Contributions as a percentage of covered payroll	10.22%	9.03%	7.83%	7.58%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 90,404	\$ 80,929	\$ 79,518	\$ 76,458
Contributions in relation to the contractually required contribution	<u>90,404</u>	<u>80,929</u>	<u>79,518</u>	<u>76,458</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Council's covered payroll	\$ 1,229,986	\$ 1,197,170	\$ 1,124,721	\$ 1,081,443
Contributions as a percentage of covered payroll	7.35%	6.76%	7.07%	7.07%

**INDIVIDUAL FUND STATEMENTS AND  
SCHEDULES**

**Upper Coastal Plain Council of Governments**  
**Wilson, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Per capita assessments	\$ 222,217	\$ 222,217	\$ -
Total revenues	<u>222,217</u>	<u>222,217</u>	<u>-</u>
Expenditures			
Travel and Training	14,250	960	13,290
Program Operation	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>19,250</u>	<u>960</u>	<u>18,290</u>
Revenues over (under) expenditures	<u>202,967</u>	<u>221,257</u>	<u>18,290</u>
Other financing sources (uses):			
Transfer (to) from other funds	<u>(202,967)</u>	<u>(169,910)</u>	<u>33,057</u>
Total other financing sources (uses)	<u>(202,967)</u>	<u>(169,910)</u>	<u>33,057</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>51,347</u>	<u>\$ 51,347</u>
Fund balances, beginning		<u>247,917</u>	
Fund balances, ending		<u>\$ 299,264</u>	

**Upper Coastal Plain Council of Governments  
Wilson, North Carolina  
Aging Fund  
Combining Schedule of Revenues and Expenditures  
For the Year Ended June 30, 2021**

	Admin	NSIP	HCCBG	Senior Center General Purpose	Legal Services	Ombudsman	Elder Abuse
<b>Revenues</b>							
Contributions - Federal	\$ 197,483	\$ 104,681	\$ 979,943	\$ -	\$ 13,173	\$ 159,422	\$ -
Contributions - State	10,822	-	1,679,720	52,727	775	9,378	-
Contributions - Local	-	-	-	-	-	-	-
State AAA Support	48,262	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-
Program Income	-	-	-	-	-	-	-
Total revenues	<u>256,567</u>	<u>104,681</u>	<u>2,659,663</u>	<u>52,727</u>	<u>13,948</u>	<u>168,800</u>	<u>-</u>
<b>Expenditures</b>							
Personnel	182,494	-	-	-	-	107,412	3,820
Travel and Training	4,018	-	-	-	-	2,039	-
Operating Expenses	14,510	-	-	-	-	3,978	(1)
Subcontractors	-	104,681	2,654,806	52,727	13,949	-	-
Program Operation	10,338	-	1,984	-	-	1,368	-
Capital Outlay	-	-	-	-	-	-	-
Indirect Cost	100,363	-	-	-	-	54,006	1,921
Total expenditures	<u>311,723</u>	<u>104,681</u>	<u>2,656,790</u>	<u>52,727</u>	<u>13,949</u>	<u>168,803</u>	<u>5,740</u>
Revenues over (under) expenditures	<u>(55,156)</u>	<u>-</u>	<u>2,873</u>	<u>-</u>	<u>(1)</u>	<u>(3)</u>	<u>(5,740)</u>
<b>Other Financing Sources:</b>							
Transfers from other funds	<u>61,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ 6,339</u>	<u>-</u>	<u>\$ 2,873</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (3)</u>	<u>\$ (5,740)</u>

**continued**



**Upper Coastal Plain Council of Governments  
Wilson, NC  
Aging Fund  
Combining Schedule of Revenues and Expenditures  
For the Year Ended June 30, 2021**

	<u>Title V</u>	<u>MIS</u>	<u>Fan Relief</u>	<u>Senior Medicare Patrol</u>	<u>MIPPA</u>
<b>Revenues</b>					
Contributions - Federal	\$ 310,038	\$ -	\$ -	\$ 5,000	\$ 20,047
Contributions - State	-	-	2,888	-	-
Contributions - Local	-	-	-	-	-
State AAA Support	-	-	-	-	-
Other Revenues	-	4,046	-	-	-
Interest Income	-	-	-	-	-
Program Income	-	-	-	-	-
Total revenues	<u>310,038</u>	<u>4,046</u>	<u>2,888</u>	<u>5,000</u>	<u>20,047</u>
<b>Expenditures</b>					
Personnel	48,612	-	-	4,632	15,427
Travel and Training	803	-	-	-	53
Operating Expenses	2,112	-	-	368	4,567
Subcontractors	232,529	-	2,834	-	-
Program Operation	60	1,592	-	-	-
Capital Outlay	-	-	-	-	-
Indirect Cost	25,922	-	-	-	-
Total expenditures	<u>310,038</u>	<u>1,592</u>	<u>2,834</u>	<u>5,000</u>	<u>20,047</u>
Revenues over (under) expenditures	<u>-</u>	<u>2,454</u>	<u>54</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources:</b>					
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>-</u>	<u>\$ 2,454</u>	<u>\$ 54</u>	<u>\$ -</u>	<u>\$ -</u>

**continued**

**Upper Coastal Plain Council of Governments  
Wilson, NC  
Aging Fund  
Combining Schedule of Revenues and Expenditures  
For the Year Ended June 30, 2021**

	Caregiver- FSCP	Health Pr.- Evid. Based	UNC Chronic Disease Education	Families First	CARES - Plan &Admin	CARES - Family Caregiver	CARES - Non HCCBG Legal Services
<b>Revenues</b>							
Contributions - Federal	\$ 138,485	\$ 22,307	\$ -	\$ -	\$ 71,227	\$ 28,914	18,441
Contributions - State	9,232	1,312	-	195,979	-	-	-
Contributions - Local	-	-	-	-	-	-	-
State AAA Support	-	-	-	-	-	-	-
Other Revenues	985	414	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-
Program Income	-	-	-	-	-	-	-
Total revenues	<u>148,702</u>	<u>24,033</u>	<u>-</u>	<u>195,979</u>	<u>71,227</u>	<u>28,914</u>	<u>18,441</u>
<b>Expenditures</b>							
Personnel	64,248	11,296	78	-	-	-	-
Travel and Training	1,008	3,335	-	-	1,585	739	-
Operating Expenses	5,389	2,418	-	-	3,028	-	-
Subcontractors	23,090	-	-	195,958	-	-	18,441
Program Operation	22,113	1,167	-	-	66,615	28,173	-
Capital Outlay	-	-	-	-	-	-	-
Indirect Cost	32,303	5,679	39	-	-	-	-
Total expenditures	<u>148,151</u>	<u>23,895</u>	<u>117</u>	<u>195,958</u>	<u>71,228</u>	<u>28,912</u>	<u>18,441</u>
Revenues over (under) expenditures	<u>551</u>	<u>138</u>	<u>(117)</u>	<u>21</u>	<u>(1)</u>	<u>2</u>	<u>-</u>
<b>Other Financing Sources:</b>							
Transfers from other funds	-	-	-	-	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures	\$ <u>551</u>	\$ <u>138</u>	\$ <u>(117)</u>	\$ <u>21</u>	\$ <u>(1)</u>	\$ <u>2</u>	\$ <u>-</u>

**Upper Coastal Plain Council of Governments  
Wilson, NC  
Aging Fund  
Combining Schedule of Revenues and Expenditures  
For the Year Ended June 30, 2021**

	CARES-HCCBG- In Home, Nutrition Services	CARES - Ombudsman	HRSA Implementation	Mobility Study	Total
<b>Revenues</b>					
Contributions - Federal	\$ 497,213	39,045	\$ -	-	\$ 2,605,419
Contributions - State	-	-	-	-	1,962,833
Contributions - Local	-	-	-	-	-
State AAA Support	-	-	-	-	48,262
Other Revenues	-	-	-	-	5,445
Interest Income	-	-	-	-	-
Program Income	-	-	-	-	-
Total revenues	<u>497,213</u>	<u>39,045</u>	<u>-</u>	<u>-</u>	<u>4,621,959</u>
<b>Expenditures</b>					
Personnel	-	7,174	-	-	445,193
Travel and Training	2,220	-	88	-	15,888
Operating Expenses	-	-	-	-	36,369
Subcontractors	51,323	-	-	-	3,350,338
Program Operation	443,666	28,264	2,950	16,700	624,990
Capital Outlay	-	-	1,261	-	1,261
Indirect Cost	-	3,607	-	-	223,840
Total expenditures	<u>497,209</u>	<u>39,045</u>	<u>4,299</u>	<u>16,700</u>	<u>4,697,879</u>
Revenues over (under) expenditures	<u>4</u>	<u>-</u>	<u>(4,299)</u>	<u>(16,700)</u>	<u>(75,920)</u>
<b>Other Financing Sources:</b>					
Transfers from other funds	-	-	-	16,700	78,195
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ (4,299)</u>	<u>\$ -</u>	<u>\$ 2,275</u>

**Upper Coastal Plain Council of Governments  
Wilson, North Carolina  
Workforce Development  
Combining Schedule of Revenues and Expenditures  
For the Year Ended June 30, 2021**

	WIOA Administration	WIOA Adult	WIOA Youth	WIOA Dislocated Worker	WIOA - Enhanced Business Services	WIOA - Roanoke Rapids Center Lease	WIOA - Ramp East Initiative	WIOA - Finish Line Grants	WFD Project	Total
<b>Revenues</b>										
Contributions - Federal	\$ 376,341	\$ 1,460,295	\$ 1,243,476	\$ 1,074,523	\$ 64,770	\$ 58,683	\$ 17,946	\$ 5,330	\$ -	\$ 4,301,364
Contributions - State	-	-	-	-	-	-	-	-	-	-
Contributions - Local	-	-	-	-	-	-	-	-	-	-
State AAA Support	-	-	-	-	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	-
Program Income	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>376,341</u>	<u>1,460,295</u>	<u>1,243,476</u>	<u>1,074,523</u>	<u>64,770</u>	<u>58,683</u>	<u>17,946</u>	<u>5,330</u>	<u>-</u>	<u>4,301,364</u>
<b>Expenditures</b>										
Personnel	63,153	-	62,872	-	47,170	-	5,148	-	-	178,343
Travel and Training	1,145	-	53	-	487	-	15	-	-	1,700
Operating Expenses	17,469	170,010	-	128,253	520	58,683	1,566	-	-	376,501
Subcontractors	-	1,228,299	1,180,551	926,612	-	-	-	5,330	-	3,340,792
Program Operation	294,574	61,986	-	19,358	16,593	-	11,217	-	-	403,728
Capital Outlay	-	-	-	300	-	-	-	-	-	300
Indirect Cost	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>376,341</u>	<u>1,460,295</u>	<u>1,243,476</u>	<u>1,074,523</u>	<u>64,770</u>	<u>58,683</u>	<u>17,946</u>	<u>5,330</u>	<u>-</u>	<u>4,301,364</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources:</b>										
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>										
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Upper Coastal Plain Council of Governments  
Wilson, North Carolina  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021**

	<b>COG - Projects</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ -	\$ -
Accounts Receivable	47,527	47,527
Due from other Funds	38,372	38,372
Total Assets	\$ 85,899	\$ 85,899
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 6,697	\$ 6,697
Due to other funds	-	-
Total liabilities	6,697	6,697
<b>Deferred Inflows of Resources</b>	79,202	79,202
<b>Fund Balances:</b>		
Unassigned	-	-
Total liabilities, deferred inflows of resources and fund balances	\$ 85,899	\$ 85,899

**Upper Coastal Plain Council of Governments  
Wilson, North Carolina  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2021**

	<b>COG - Projects</b>	<b>Total Nonmajor Governmental Funds</b>
Revenues:		
Contributions - Federal	\$ -	\$ -
Contributions - State	-	-
Contributions - Local	-	-
State AAA Support	-	-
Other Revenues	-	-
Interest Income	-	-
Program Income	-	-
Total Revenues	-	-
Expenditures:		
Personnel	-	-
Travel and Training	-	-
Operating Expenses	-	-
Subcontractors	-	-
Program Operation	-	-
Capital Outlay	-	-
Indirect Cost	-	-
Total Expenditures	-	-
Revenues over(under) expenditures	-	-
Other financing sources (uses):		
Operating transfers in (out)	-	-
Total other financing sources	-	-
(uses)	-	-
Net Change in Fund Balance	-	-
Fund Balances:		
Beginning of Year, July 1	-	-
End of Year, June 30	\$ -	\$ -

**Upper Coastal Plain Council of Governments  
Wilson, North Carolina  
Schedule of Fringe Benefits  
For the Year Ended June 30, 2021**

			<u>Fiscal Year Actual Cost</u>
<b>Total Annual Salaries</b>	\$		<u>1,266,969</u>
<b>Fringe Benefits:</b>			
FICA			100,492
LGERS Retirement			135,381
Supplemental Retirement			26,821
Group Insurance			157,607
Workers Comp			3,856
Unemployment Insurance			1,784
Total Fringe Benefits	\$		<u><u>425,941</u></u>
 <b>Fringe Benefit Calculation</b>			
<u>Total Fringe Benefits</u> =		<u>425,941</u>	33.62%
Total Annual Salaries		1,266,969	
 <b>Personnel Cost:</b>			
Total Annual Salaries	\$		1,266,969
Total Fringe Benefits			425,941
Total Personnel Cost	\$		<u><u>1,692,910</u></u>

**Upper Coastal Plain Council of Governments**  
**Wilson, North Carolina**  
**Schedule of Indirect Costs**  
**For the Year Ended June 30, 2021**

	<u>Fiscal Year</u> <u>Actual Cost</u>
<b>Total Indirect Expenditures:</b>	
Total indirect annual salaries	\$ 311,413
Total indirect fringe benefits at 37.840% of salary	99,049
Professional Services	13,652
Travel	8,866
Operating Expenses	167,014
Total Indirect Expenditures	<u>\$ 599,994</u>
 <b>Direct Salaries and Direct Fringe Benefits</b>	
Total personnel costs	\$ 1,692,910
Less:	
Total indirect salaries	(311,413)
Total indirect fringe benefits	(99,049)
Total Direct Salaries and Total Direct Fringe Benefits	<u>\$ 1,282,448</u>
 <b>Indirect Rate Calculation</b>	
<u>Total Indirect Expenditures</u> = \$ 599,994	46.79%
Total Direct Salaries and Total Direct Fringe Benefits	\$ 1,282,448



## **COMPLIANCE SECTION**



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**Report On Internal Control Over Financial Reporting And On Compliance and  
Other Matters Based On An Audit Of Financial Statements Performed In Accordance With  
*Government Auditing Standards***

**Independent Auditors' Report**

To the Board of Directors  
Upper Coastal Plain Council of Governments  
Wilson, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Upper Coastal Plain Council of Governments as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprises the Upper Coastal Plain Council of Government's basic financial statements, and have issued our report thereon dated November 23, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Upper Coastal Plain Council of Governments '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 Upper Coastal Plain Council of Governments '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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the 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 weakness 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 may exist that have not been identified.

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### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Upper Coastal Plain Council of Governments 's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### Purpose of this Report

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

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
November 23, 2021



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**Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act**

**Independent Auditors' Report**

To the Board of Directors  
Upper Coastal Plain Council of Governments  
Wilson, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the Upper Coastal Plain Council of Governments 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 Council, that could have a direct and material effect on each of Upper Coastal Plain Council of Governments major federal programs for the year ended June 30, 2021. Upper Coastal Plain Council of Governments major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Upper Coastal Plain Council of Governments' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by 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*. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Upper Coastal Plain Council of Governments' compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Upper Coastal Plain Council of Governments' compliance.

#### Opinion on Each Major Federal Program

In our opinion, Upper Coastal Plain Council of Governments 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, 2021.

#### Report on Internal Control Over Compliance

Management of Upper Coastal Plain Council of Governments is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Upper Coastal Plain Council of Governments internal control over compliance with the types of requirements that could have direct and material effect on major federal program to determine the auditing procedures that are appropriate in the circumstance for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the OMB Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
November 23, 2021



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**Report On Compliance With Requirements Applicable To Each Major State  
Program And Internal Control Over Compliance In Accordance With  
OMB Uniform Guidance and the State Single Audit Implementation Act**

**Independent Auditors' Report**

To the Board of Directors  
Upper Coastal Plain Council of Governments  
Wilson, North Carolina

Report on Compliance for Each Major State Program

We have audited Upper Coastal Plain Council of Governments, North Carolina's, compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Upper Coastal Plain Council of Governments' major state programs for the year ended June 30, 2021. Upper Coastal Plain Council of Governments' major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with State statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Upper Coastal Plain Council of Governments' major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and applicable sections of *Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the Audit Manual for Governmental Auditors in North Carolina, and the *State Single Audit Implementation Act*. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Upper Coastal Plain Council of Governments' compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Upper Coastal Plain Council of Governments's compliance.

#### Opinion on Each Major State Program

In our opinion, Upper Coastal Plain Council of Governments complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

#### Report on Internal Control Over Compliance

Management of Upper Coastal Plain Council of Governments is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Upper Coastal Plain Council of Governments' internal control over compliance with the types of requirements that could have and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. However, material weakness may exist that have not been identified.

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

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
November 23, 2021

**Upper Coastal Plain Council of Governments  
Wilson, North Carolina  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2021**

Section I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified?        Yes   X   No

Significant Deficiency(s) identified?        Yes   X   None Reported

Noncompliance material to financial statements noted?        Yes   X   No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified?        Yes   X   No

Significant Deficiency(s) identified?        Yes   X   None Reported

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

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

Identification of major federal programs:

CFDA Numbers

Names of Federal Program or Cluster

93.044  
93.045  
93.053  
11.307

Aging Cluster  
Title III - Bart B Supportive Services  
Title III - Part C Nutrition Services  
Nutrition Services Incentive Program (NSIP)  
Economic Adjustment Assistance

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

Auditee qualified as low-risk auditee?   X   Yes        No





**Upper Coastal Plain Council of Governments  
Wilson, North Carolina  
Corrective Action Plan  
For the Fiscal Year Ended June 30, 2021**

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Section II. Financial Statement Findings

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None Reported.

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Section III. Federal Award Findings and Question Costs

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None Reported.

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Section IV. State Award Findings and Question Costs

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None Reported.

**Upper Coastal Plain Council of Governments  
Wilson, North Carolina  
Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2021**

None Reported.

**Upper Coastal Plain Council of Governments**  
**Wilson, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2021**

Grantor Pass-through Grantor Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Pass-thru to Sub- Recipient	Local Expenditures
<b><u>Federal Awards</u></b>						
<b><u>U. S. Department of Labor</u></b>						
Passed through the N.C. Dept of Health and Human Services:						
Division of Aging and Adult Services:						
Senior Community Service Employment Program	17.235		\$ 310,038	\$ -	\$ -	\$ 34,449
Passed through N. C. Department of Commerce -						
Division of Workforce Solutions						
Workforce Investment Act Cluster						
WIOA - Adult Programs	17.258		1,611,127	-	1,228,299	-
WIOA - Youth Activities	17.259		1,358,530	-	1,180,551	-
WIOA - Dislocated Workers	17.278		1,331,707	-	931,942	-
Total Workforce Investment Act Cluster			4,301,364	-	3,340,792	-
Total U.S. Department of Labor			4,611,402	-	3,340,792	34,449
<b><u>U.S. Department of Agriculture</u></b>						
Passed through Rural Development						
Community Facilities Technical Assistance and Training Program (CF TAT)	10.761	04-79-07175	60,475	-	-	-
Total U.S. Department of Agriculture			60,475	-	-	-
<b><u>U.S. Department of Commerce</u></b>						
Direct Program:						
Economic Development Administration:						
District Planning Grant	11.302		52,500	-	-	-
Economic Adjustment Assistance						
Hurricane Matthew Assistance	11.307		51,074	-	-	-
Revolving Loan Fund	11.307		474,394	-	-	-
Broadband Study Grant	11.307		29,399	-	-	-
CARES - Economic Adjustment Assistance	11.307		133,836	-	-	-
Total Economic Adjustment Assistance			688,703	-	-	-
Total U.S. Department of Commerce			741,203	-	-	-
<b><u>U.S. Department of Health and Human Services:</u></b>						
Passed through the NC Department of Health and Human Services:						
Division of Aging and Adult Services:						
<u>Aging Cluster</u>						
Title III - C1 / Congregate Nutrition	93.045		98,000	5,765	103,765	11,529
Title III - Families First - Congregate Nutrition	93.045		65,619	-	130,340	-
Title III - CARES - Congregate Nutrition	93.045		5,898	-	5,898	-
Title III - C2 / Home Delivered Meals	93.045		404,904	23,818	420,872	47,636

**Upper Coastal Plain Council of Governments  
Wilson, North Carolina  
Schedule of Expenditures of Federal and State Awards  
For the Year Ended June 30, 2021**

Grantor Pass-through Grantor Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Pass-thru to Sub- Recipient	Local Expenditures
Title III - Families First - C2 / Home Delivered Meals	93.045		113,562	-	65,618	-
Title III - CARES - C2 / Home Delivered Meals	93.045		10,609	-	10,606	-
Title III - C1 / Planning and Administrative	93.045		101,092	5,540	-	28,158
Title III - CARES Planning and Administrative	93.045		71,229	-	-	23,743
Title III - B / Planning and Administrative	93.044		58,376	3,199	-	16,260
Title III - B / Legal Services	93.044		13,174	775	13,949	1,550
Title III - CARES - B / Legal Services	93.044		18,441	-	18,441	-
Title III - B / Ombudsman	93.044		145,398	8,553	-	17,106
Title III - B / Access	93.044		157,736	9,279	167,015	18,557
Title III - B / In Home Support	93.044		334,446	19,673	353,004	39,347
Title III - CARES - B / In Home Support	93.044		480,706	-	34,816	-
Nutrition Services Incentive Program (NSIP)	93.053		104,681	-	104,681	-
Total Aging Cluster			2,183,871	76,602	1,429,005	203,886
Title VII - E / Ombudsman	93.042		14,025	825	-	1,650
Title VII - CARES - E / Ombudsman	93.042		39,045	-	-	-
Title III - B / Elder Abuse	93.041		-	-	-	-
Title III - D / Disease Prevention and Health Promotion	93.043		22,309	1,312	-	2,625
Title III - E / Planning & Administration	93.052		38,016	2,083	-	10,589
Title III - E / Family Caregiver	93.052		138,485	9,232	23,090	-
Title III - CARES - E / Family Caregiver	93.052		28,914	-	-	-
Medicare Improvements for Patients and Providers	93.071		20,047	-	-	-
NC Senior Medicare Patrol Program	93.048		5,000	-	-	-
Total U.S. Department of Health and Human Services			2,489,712	90,054	1,452,095	218,750
<b><u>U.S. Environmental Protection Agency</u></b> Direct Program						
Brownsfields Assessment & Cleanup Cooperative Agreement	66.818		168,549	-	-	-
Total U.S. Environmental Protection Agency			168,549	-	-	-
<b>Total Federal Assistance Expended</b>			<b>8,071,341</b>	<b>90,054</b>	<b>4,792,887</b>	<b>253,199</b>
<b><u>State Grants:</u></b>						
<u>NC Department of Health and Human Services:</u>						
Division of Aging:						
Senior Center Outreach			-	52,728	52,727	17,576
State Appropriation			-	48,262	-	-
Fan Heat			-	2,888	2,834	-

**Upper Coastal Plain Council of Governments  
Wilson, North Carolina  
Schedule of Expenditures of Federal and State Awards  
For the Year Ended June 30, 2021**

Grantor Pass-through Grantor Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Pass-thru to Sub- Recipient	Local Expenditures
90% State Funds:						
Access			-	28,981	28,981	3,220
Home Delivered Meals			-	396,963	389,694	44,107
In-Home Service			-	1,195,241	1,191,477	132,805
			<hr/>			
Total N.C. Department of Health and Human Services			-	1,725,063	1,665,713	197,708
			<hr/>			
<b>Total State Assistance Expended</b>			-	1,725,063	1,665,713	197,708
			<hr/>			
<b>Total Federal and State Assistance Expended</b>			<b>\$ 8,071,341</b>	<b>\$ 1,815,117</b>	<b>\$ 6,458,600</b>	<b>\$ 450,907</b>
			<hr/> <hr/>			

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

Basis of Presentation

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of the Upper Coastal Plain Council of Governments under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Upper Coastal Plain Council of Governments, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Upper Coastal Plain Council of Governments.

Summary of Significant Accounting Policies

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

Upper Coastal Plain Council of Governments has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Aging Cluster.