TOWN OF JONESVILLE
TOURISM DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF THE TOWN OF JONESVILLE, NORTH CAROLINA)

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

TOWN OF JONESVILLE TOURISM DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF THE TOWN OF JONESVILLE, NORTH CAROLINA)
June 30, 2025

Members

Toby Butcher
Cater Kemple
David Moxley
Parth Patel

Officers

Anita Darnell, President
Regina Adkins, Vice President
Andi Robertson, Secretary

TOWN OF JONESVILLE TOURISM DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF THE TOWN OF JONESVILLE, NORTH CAROLINA)
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Independent Auditor's Report

To the Members of the
Jonesville Tourism Development Authority

Opinions

We have audited the financial statements of the governmental activities, and each major fund of the Jonesville Tourism Development Authority (the "Authority"), a component unit of the Town of Jonesville, North Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Jonesville Tourism Development Authority, a component unit of the Town of Jonesville, North Carolina as of June 30, 2025, and the respective changes in financial position and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibility for the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis as indicated in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Required Supplementary Information (Continued)

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated January 30, 2026, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Bernard Robinson & Company, L.L.P.

Greensboro, North Carolina
January 30, 2026

As management of the Jonesville Tourism Development Authority, we offer readers of the Jonesville Tourism Development Authority's financial statements this narrative overview and analysis of the financial activities of the Jonesville Tourism Development Authority for the fiscal year ended June 30, 2025. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Authority's financial statements, which follow this narrative.

Financial Highlights

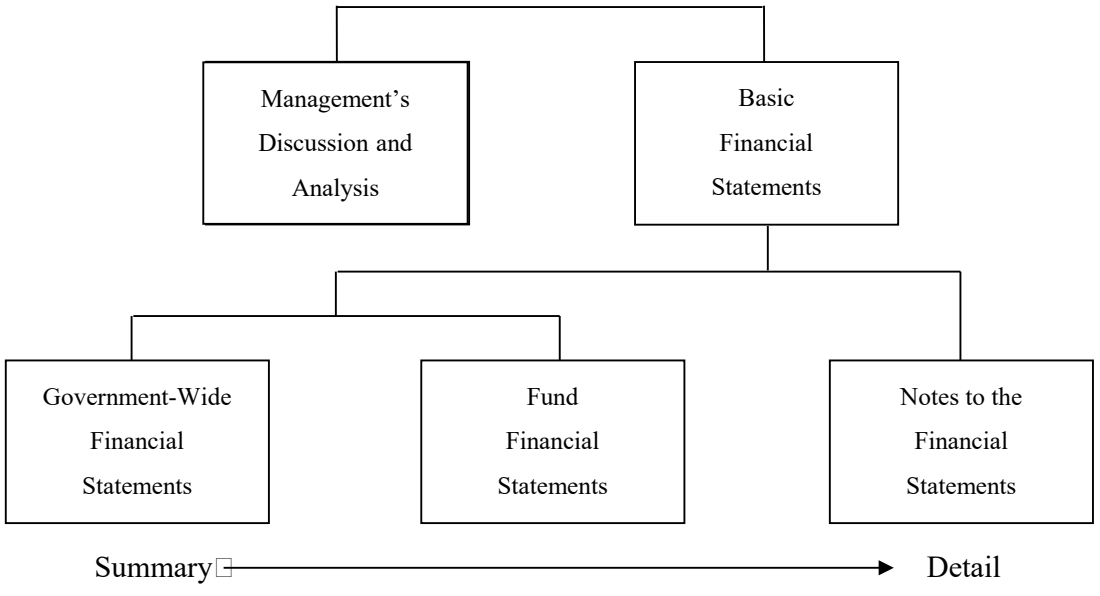
- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $437,307 (net position).
- The Authority's total net position increased by $26,930 primarily due to the decrease in operating expenses during the year.
- As of the close of the current fiscal year, the Authority's governmental funds reported ending fund balances of $418,925 with a net change of $28,898 in fund balance. Approximately 10% of this total amount or $42,469 is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $376,456, or approximately 95% of total General Fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Jonesville Tourism Development Authority's basic financial statements. The Authority'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 Authority 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 readers' understanding of the financial condition of the Jonesville Tourism Development Authority.

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 Authority's financial status.

The next statements (Exhibits 3 and 5) are Fund Financial Statements. These statements focus on the activities of the individual parts of the Authority'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 to the financial statements. The notes explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the Authority's individual 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 Authority'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 Authority's financial status as a whole.

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

The government-wide statements consist of governmental activities. The governmental activities include most of the Authority's basic services such as providing advertising and promoting tourism for the Town of Jonesville. The government-wide financial statements are on Exhibits 1 and 2 of the basic financial statements.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Authority'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 Jonesville Tourism Development Authority, 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 Statues or the Authority's budget ordinance.

Governmental Funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Authority'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 that 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 Authority's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds (if any) will be described in a reconciliation that is explained in the notes.

The Jonesville Tourism Development Authority adopts an annual budget for its General Fund, as required by the General Statues. The budget is a legally adopted document that incorporates input from the citizens of the Authority, the management of the Authority, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Authority to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Authority complied with the budget ordinance and whether or not the Authority 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.

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 are on pages 14-19 of this report.

Government-Wide Financial Analysis
The Jonesville Tourism Development Authority's Net Position

Figure 2

	Governmental Activities	
	2025	2024
Assets:		
Current and other assets	$ 423,267	$ 394,452
Capital assets	18,382	20,350
Total assets	441,649	414,802
Liabilities:		
Current and other liabilities	4,342	4,425
Total liabilities	4,342	4,425
Net Position:		
Net invested in capital assets	18,382	20,350
Restricted	42,469	61,852
Unrestricted	376,456	328,175
Total net position	$ 437,307	$ 410,377

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 Jonesville Tourism Development Authority exceeded liabilities and deferred inflows by $437,307 as of June 30, 2025. The Authority's net position increased by $26,930 for the fiscal year ended June 30, 2025. The Authority investment in capital assets represented $18,382 of the net position. The Authority uses capital assets to promote the Town of Jonesville, consequently, these assets are not available for future spending. Although the Authority's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. As of June 30, 2025, the Authority had no related debt to its assets. An additional portion of the Authority's net position, $42,469, represents resources that are subject to external restrictions on how they may be used. The remaining balance of $376,456 is unrestricted.

Several particular aspects of the Authority's financial operations negatively influenced the total unrestricted governmental net position:

- Increase in occupancy revenues and decrease in operating expenses for the fiscal year.

The Jonesville Tourism Development Authority's Net Position

Figure 3

	Governmental Activities	
	2025	2024
Revenues:		
Occupancy tax	$ 412,135	$ 413,801
Other	14,363	10,011
Total revenues	426,498	423,812
Expenses:		
Current and other liabilities	397,600	433,629
Depreciation	1,968	1,968
Total liabilities	399,568	435,597
(Decrease)/increase in net position	26,930	(11,785)
Net position, July 1,	410,377	422,162
Net position, June 30,	$ 437,307	$ 410,377

Governmental Activities - Governmental activities increased the Authority's net position by $26,930. The key element of this increase was a decrease in operating expenses.

Financial Analysis of the Authority's Funds

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

Governmental Funds - The focus of the Jonesville Tourism Development Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Jonesville Tourism Development Authority's financing requirements.

The general fund is the chief operating fund of the Jonesville Tourism Development Authority. At the end of the current fiscal year, the Authority's fund balance available in the General Fund was $376,456, while total fund balance reached $437,307. The Authority currently has an available fund balance of 95% of general fund expenditures, and total fund balance represents 110% of the same amount.

General Fund Budgetary Highlights - During the fiscal year, the Authority may revise 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.

Budget amendments were made during the year to increase projected expenditures.

Capital Asset and Debt Administration

Capital Assets - The Authority's investment in capital assets for its governmental activities as of June 30, 2025 totals $18,382 and represents equipment (net of accumulated depreciation).

Jonesville Tourism Development Authority's Capital Assets
(net of Depreciation)

Figure 4

	Governmental Activities	
	2025	2024
Equipment	$ 18,382	$ 20,350
Total	$ 18,382	$ 20,350

Additional information of the Authority's capital assets can be found in the Notes of the basic financial statements.

Economic Factors and Next Year's Budget and Rates

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

- Occupancy rates for Fiscal Year 2025/2026 will remain constant at 6% of the gross lodging cost.

Budget Highlights for the Fiscal Year Ending June 30, 2026

Governmental Activities

- The increase in targeted marketing to specific regions to promote the Town and Yadkin Valley are a continued in the budget for Fiscal Year 2025/2026.

- Three of the local hotels are doing full interior renovations over the fiscal year. Accommodation tax revenues are expected to fall below normal during the renovations. Expenditures may need to be adjusted as revenues are realized.

Requests for Information

This report is designed to provide an overview of the Authority' 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 Finance Officer of the Jonesville Tourism Development Authority, Wendy Thompson, at 1503 NC 67 Hwy, Jonesville, NC 28642, or 336-835-3426.

TOWN OF JONESVILLE TOURISM DEVELOPMENT AUTHORITY Exhibit 1
(A COMPONENT UNIT OF THE TOWN OF JONESVILLE, NORTH CAROLINA)
Statement of Net Position
June 30, 2025

	Governmental Activities	Total
Assets		
Current assets:		
Cash and cash equivalents	$ 380,798	$ 380,798
Accounts receivable	42,469	42,469
Total current assets	423,267	423,267
Non current assets:		
Capital assets:		
Equipment, net of depreciation	18,382	18,382
Total capital assets	18,382	18,382
Total assets	441,649	441,649
Liabilities		
Current liabilities:		
Due to component unit	4,342	4,342
Total current liabilities	4,342	4,342
Net Position		
Net investment in capital assets	18,382	18,382
Restricted for:		
Stabilization by State Statute	42,469	42,469
Unrestricted	376,456	376,456
Total net position	$ 437,307	$ 437,307

See Notes to Financial Statements

TOWN OF JONESVILLE TOURISM DEVELOPMENT AUTHORITY Exhibit 2
(A COMPONENT UNIT OF THE TOWN OF JONESVILLE, NORTH CAROLINA)
Statement of Activities
Year Ended June 30, 2025

	Governmental Activities	Total
Revenues:		
Governmental activities:		
Occupancy tax	$ 412,135	$ 412,135
Investment earnings	6,474	6,474
Miscellaneous	7,889	7,889
Total revenues	426,498	426,498
Expenses:		
Cultural and Recreation		
Operations	397,600	397,600
Depreciation	1,968	1,968
Total expenses	399,568	399,568
Change in net position	26,930	26,930
Net position, beginning	410,377	410,377
Net position, ending	$ 437,307	$ 437,307

See Notes to Financial Statements

TOWN OF JONESVILLE TOURISM DEVELOPMENT AUTHORITY Exhibit 3
(A COMPONENT UNIT OF THE TOWN OF JONESVILLE, NORTH CAROLINA)
Balance Sheet
June 30, 2025

	Major Funds General	Total Governmental Funds
Assets:		
Cash and cash equivalents	$ 380,798	$ 380,798
Accounts receivable	42,469	42,469
Total assets	423,267	423,267
Liabilities:		
Accounts payable and accrued liabilities	-	-
Due to component unit	4,342	4,342
Total liabilities	4,342	4,342
Fund Balances:		
Restricted:		
Stabilization by State Statute	42,469	42,469
Unassigned	376,456	376,456
Total fund balances	$ 418,925	418,925
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds -		
Gross capital assets at historical cost	$ 86,390	
Less: Accumulated depreciation	68,008	18,382
		$ 437,307

See Notes to Financial Statements

TOWN OF JONESVILLE TOURISM DEVELOPMENT AUTHORITY Exhibit 4
(A COMPONENT UNIT OF THE TOWN OF JONESVILLE, NORTH CAROLINA)
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Fund
Year Ended June 30, 2025

	Major Funds General	Total Governmental Funds
Revenues:		
Occupancy tax	$ 412,135	$ 412,135
Interest	6,474	6,474
Miscellaneous	7,889	7,889
Total revenues	426,498	426,498
Expenditures:		
Current:		
Tourism promotions	333,687	333,687
Tax collection fees	-	-
Professional fees	11,379	11,379
Maintenance and repairs	45,534	45,534
Utilities	7,000	7,000
Miscellaneous	-	-
Total expenditures	397,600	397,600
Excess of expenditures over revenues	28,898	28,898
Net change in fund balance	28,898	28,898
Fund balance, beginning	390,027	
Fund balance, ending	$ 418,925	
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period -		
Depreciation expense for governmental assets		(1,968)
Total change in net position of governmental activities		$ 26,930

See Notes to Financial Statements

TOWN OF JONESVILLE TOURISM DEVELOPMENT AUTHORITY Exhibit 5
(A COMPONENT UNIT OF THE TOWN OF JONESVILLE, NORTH CAROLINA)
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Annual Budget and Actual - General Fund
Year Ended June 30, 2025

	General Fund			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Occupancy tax	$ 384,000	$ 384,000	$ 412,135	$ 28,135
Interest	7,000	7,000	6,474	(526)
Miscellaneous	500	500	7,889	7,389
Total revenues	391,500	391,500	426,498	34,998
Expenditures				
Current:				
Tourism promotions	301,900	362,100	333,687	28,413
Tax collection fees	-	-	-	-
Professional fees	12,100	12,100	11,379	721
Maintenance and repairs	63,000	63,000	45,534	17,466
Utilities	14,500	14,500	7,000	7,500
Miscellaneous	-	-	-	-
Total expenditures	391,500	451,700	397,600	54,100
Revenues over (under) expenditures	-	(60,200)	28,898	89,098
Fund balance appropriated	-	60,200	-	(60,200)
Net change in fund balances	$ -	$ -	28,898	$ 28,898
Fund balances, beginning			390,027	
Fund balances, ending			$ 418,925	

See Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Jonesville Tourism Development Authority (the "Authority") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

Reporting Entity

The Jonesville Tourism Development Authority is headquartered in Jonesville, North Carolina. The Town of Jonesville appoints the members of the Authority's governing board. The Authority receives revenue through a six percent occupancy tax, which is levied and collected by the Town of Jonesville. The Town remits the taxes collected to the Authority. The Authority, which has a June 30 year-end, is presented as if it were a governmental fund. The transactions of the management of the Authority are included in the accompanying basic financial statements. The accompanying basic financial statements include all funds required by generally accepted accounting principles. There were no component units for which the Authority was financially accountable at June 30, 2025.

Basis of Presentation

Government-Wide Statements: The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Authority's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by recipients of goods and services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital needs 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 Authority's funds. Separate statements for each fund are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Authority reports the following major governmental fund:

General Fund – The General Fund is the general operating fund of the Authority. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue source is the occupancy tax remitted from the Town. The primary expenditures are for the advertising and promoting tourism in the Town.

Measurement Focus and Basis of Accounting

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Government-Wide Fund 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 accrual basis of accounting. Revenues are reported using accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Budgetary Data

The Authority's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund. All annual appropriations lapse at the fiscal year-end. Budgetary control is exercised, and appropriations are made and amended as necessary by the governing board. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. All amendments must be approved by the governing board and the Board must adopt an interim budget that covers the time until the annual ordinance can be adopted.

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Fund Equity

Deposits and Investments

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

Cash and Cash Equivalents

The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets are defined by the unit as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Asset Class	Estimated Useful Lives
Equipment	3 - 10 years
Furniture and maintenance equipment	3 - 10 years
Vehicles	3 - 10 years

Deferred Outflows and 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 Authority has no items that meet this criterion. 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 Authority has no items that meet the criterion for this category.

Net Position

Net position in government-wide fund financial statements are classified as net invested 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 five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances (Continued)

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 the 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.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Jonesville Tourism Development Authority's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove to revise the limitation.

Assigned Fund Balance – portion of fund balance that the Authority intends to use for specific purposes.

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

NOTE 2 - DETAIL NOTES ON ALL FUNDS

A. Assets

Deposits

All of the deposits of the Authority are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Authority's agent in the Authority's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer' s agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Authority, these deposits are considered to be held by the Authority's agent in their 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.

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

A. Assets (Continued)

Deposits (Continued)

The State Treasurer does not confirm this information with the Authority or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Authority under the Pooling Method, the potential exists for under collateralization, and its risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Authority has no formal 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 Authority complies with the provisions of G.S. 159-31 when designating official depositors and verifying that deposits are properly secured. The Authority has no formal policy regarding credit risk from deposits.

At June 30, 2025, the Authority's deposits had a carrying amount of $380,798 and a bank balance of $407,702 Of the bank balance, $360,153 was covered by federal depository insurance.

Capital Assets

Capital asset activity for the Authority for the year ended June 30, 2025 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets being depreciated:				
Equipment	$ 86,390	$ -	$ -	$ 86,390
Total capital assets being depreciated	86,390	-	-	86,390
Less accumulated depreciation for:				
Equipment	66,040	1,968	-	68,008
Total accumulated depreciation	66,040	1,968	-	68,008
Government activity capital assets, net	$ 20,350			$ 18,382

Depreciation expense was charged to the general government.

Deposits

The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; error and omission; injuries to employees; and natural disasters. The Authority carries no commercial insurance for all other risks of loss. The finance officer is individually bonded for $50,000. The Authority is not covered by flood insurance.

NOTE 3 - 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	$ 418,925
Less:	
Stabilization by State Statute	42,469
Remaining Fund Balance	$ 376,456