JACKSON COUNTY
TOURISM DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF JACKSON COUNTY, NORTH CAROLINA)

BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

JACKSON COUNTY TOURISM DEVELOPMENT AUTHORITY

(A COMPONENT UNIT OF JACKSON COUNTY, NORTH CAROLINA)

BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

TABLE OF CONTENTS

Exhibit		Page
	List of Principal Officials	
	Independent Auditor's Report	1-3
	Management's Discussion and Analysis	4-9
	Basic Financial Statements:	
A	Statement of Net Position	10
B	Statement of Activities	11
C	Balance Sheet - Governmental Funds	12
D	Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	13
E	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund to the Statement of Activities	14
	Notes to the Financial Statements	15-27
Schedule		
	Required Supplementary Information:	
A-1	Budgetary Comparison Schedule - General Fund	28
A-2	Notes to Budgetary Comparison Schedule	29
A-3	Local Governmental Employees' Retirement System - Proportionate Share of Net Pension Liability (Asset)	30
A-4	Local Governmental Employees' Retirement System - Contributions	31

Jackson County Tourism Development Authority

(A Component Unit of Jackson County, North Carolina)

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

Officers

Dale Collins, Chairman
Jason Kimenker, Vice Chairman
Craig Smith, Secretary

Board Members

Jack Austin
Trevor Brown
Mandi Cantrell
Peter Evers
John Faulk
Brett Stewart

Ex-Officio Board Members

Jenny Hooper, Jackson County Commissioner
Todd Vineyard, Jackson County Chamber of Commerce
Susan Gregory, Cashiers Area Chamber of Commerce

Nick Breedlove, Executive Director
Darlene Fox, Jackson County Finance Officer

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& ASSOCIATES, CPAs, P.A.
"A Professional Association of Certified Public Accountants and Management Consultants"

Independent Auditor's Report

To the Board of Directors
Jackson County Tourism Development Authority
Sylva, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Jackson County Tourism Development Authority, (a component unit of Jackson County, North Carolina) (the "Authority"), as of and for the year ended June 30, 2026 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 referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of the Jackson County Tourism Development Authority, as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Jackson County Tourism Development 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.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- exercise professional judgement 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 Jackson County Tourism Development 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 Jackson County Tourism Development Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Governmental Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions, and the Budgetary Comparison Schedule and related notes for the General Fund to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information

and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 26, 2026

Management's Discussion and Analysis
June 30, 2026

The purpose of management's discussion and analysis (MDA) is to help Jackson Authority Tourism Development Authority residents and other readers understand what the financial statements and notes in this financial report say about the Authority's financial health and why it has changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the finance staff's knowledge of the Authority's finances.

If you have questions about this report or require further information, contact the Department of Finance at 401 Grindstaff Cove Road, Sylva, North Carolina 28779.

Overview of the Financial Statements

The Authority's financial report contains basic financial statements. Those financial statements present the Authority's finances at both an overall and a detailed level. The first two, government-wide financial statements, cover the Authority's governmental activities (the primary government). See Figure A-1.

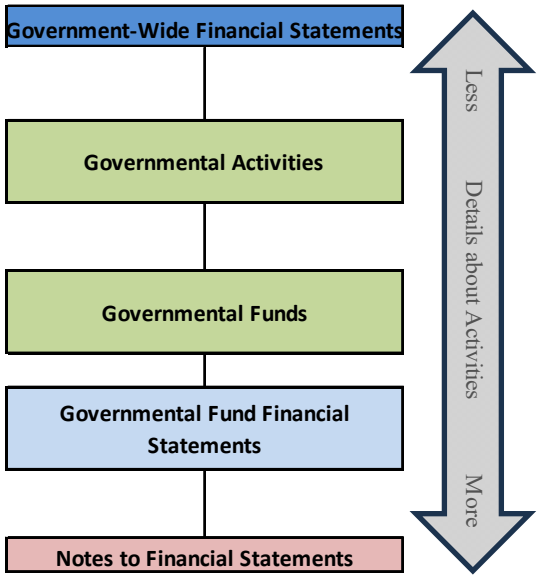
- Governmental activities comprise the Authority's most basic function, which is economic development. Governmental activities primarily are financed by occupancy taxes from hotel/motel room occupancy within the County.

The remaining basic financial statements present the Authority's finances in greater detail. As their name implies, the *fund financial statements* disaggregate financial information by separate funds to report on the specific purposes for which resources are used or for which they are restricted. The Authority reports one group of funds:

- *Governmental fund financial statements* report all of the governmental activities except those that involve providing services to Authority departments.

Contents of the Authority's Basic Financial Statements

Figure A-1



The next section of this financial report contains *notes to financial statements,* which delve deeper into the Authority's finances as reported in the financial statements. The information in the notes is as important to understanding the Authority's finances as the information in the financial statements. The Authority uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

Types of Information in the Financial Statements

All of the Authority's financial statements, except for the governmental fund financial statements, use the *economic resources measurement focus and accrual basis of accounting.* See Figure A-2. In other words, they comprehensively report all types of financial statement elements:

- Assets - resources the Authority controls, from short-term assets like cash to long-term assets like buildings and equipment
- Liabilities - amounts the Authority owes, from short-term liabilities such as salaries payable to long-term liabilities such as outstanding debt and net amounts owed to employees for pensions
- Deferred outflows of resources and deferred inflows of resources—flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related
- Revenues and expenses - inflows and outflows of economic resources, respectively, related to the current year.

Governmental fund financial statements use the *current financial resources measurement focus and modified accrual basis of accounting* to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing bonds or selling equipment, as well as principal and interest payments on bonds and spending on the construction of a building.

Figure A-2

	Financial Statements	
	Government-Wide	**Governmental Fund**
Types of assets and liabilities	All assets and liabilities, both financial and nonfinancial, short term and long term	Only current financial resources, such as cash, taxes receivable, and accounts payable
Types of revenues/additions	All types of revenues/additions that flow into the government during the year that relate to that year, regardless of when cash is received	Only revenues that are measurable and available to finance expenditures of that year
Types of expenses/ deductions/expenditures	All types of expenses/deductions that flow out of the government during the year that relate to that year, regardless of when cash is paid	Only expenditures for which the related governmental fund liability is incurred in that year
Types of deferred outflows of resources and deferred inflows of resources	All types of resources that flow into and out of the government during the year that relate to a future year	Current financial resources that flow into and out of the governmental funds during the year that relate to a future year

More details about the measurement focuses and bases of accounting can be found in the first note to financial statements, the summary of significant accounting policies.

Analysis of the Authority's Finances

Table A-1

	Governmental Activities		Total Percentage Change
	2026	**2025**	**2026-2025**
Assets:			
Current and other assets	$ 3,744,500	$ 3,409,320	9.83%
Capital assets	5,965	7,049	-15.38%
Total assets	3,750,465	3,416,369	9.78%
Deferred Outflows of Resources	59,699	76,243	-21.70%
Liabilities:			
Current liabilities	20,862	81,477	-74.40%
Long-term liabilities	136,380	146,694	-7.03%
Total liabilities	157,242	228,171	-31.09%
Deferred Inflows of Resources	23,753	26,442	-10.17%
Net Position:			
Net investment in capital assets	5,965	7,049	-15.38%
Restricted:			
Stabilization by state statute	479,903	319,994	49.97%
Tourism promotion	3,143,301	2,910,956	7.98%
Total net position	$ 3,629,169	$ 3,237,999	12.08%

Table A-1 shows that as of June 30, 2026, the Authority's total net position (assets and deferred outflows minus liabilities and deferred inflows) was $3,629,169. This is an increase of $391,170 or 12.08 percent compared with 2025. This increase is primarily due to the large increase in occupancy tax collected. The occupancy tax collected rate was raised from 4% to 6% in fiscal year 2026. The following sections of the MDA analyze the finances of the governmental activities.

Governmental Activities

Table A-2 shows that revenues exceeded expenses in the current year, resulting in an increase in net position. The total net position of the Authority's governmental activities was $3,629,169, an increase of $391,170 or 12.08 percent from 2025. Various events contributed to this increase in net position; however, the primary factors affecting the change in net position are as follows:

- Increase in room occupancy taxes came in higher than projections and was the main cause of increase in total revenues for fiscal year 2026.
- Decrease in investment earnings was due to lower rates on the TDAs cash and investments as compared to the prior year.
- Increase in total expenses was mainly caused by contributions to the county for the County to purchase a piece of property for tourism and development within the County.

Table A-2

	Governmental Activities		Total Percentage Change
	2026	2025	2026-2025
Revenues:			
General revenues:			
Room occupancy taxes	$ 3,819,524	$ 2,370,462	61.13%
Investment earnings	121,273	152,326	-20.39%
Miscellaneous	7,239	1,016	612.50%
Total revenues	3,948,036	2,523,804	56.43%
Expenses:			
Economic development - tourism:			
Contract services	222,873	241,046	-7.54%
Operating expenses	2,038,671	2,150,829	-5.21%
Contributions to county	1,295,322	745,000	73.87%
Total expenses	3,556,866	3,136,875	13.39%
Change in net position	391,170	(613,071)	-163.81%
Net Position:			
Beginning of year - July 1	3,237,999	3,851,070	-15.92%
End of year - June 30	$ 3,629,169	$ 3,237,999	12.08%

In fiscal year 2026, approximately 97% of the Authority's revenues were from occupancy tax.

Increase in Room Occupancy Taxes. The total received for the year of $3,819,524 increased $1,449,062 from the prior fiscal year. The primary cause of this increase was an increase in room occupancy tax from 4% to 6% in the current year.

In fiscal year 2026 all of the Authority's expenditure was for economic development within the County.

Increase in Economic Development. The total paid for the year of $3,556,866 increased $419,991 from the prior fiscal year. The primary cause of this increase was additional funding of projects within the County. The Authority contributed $1,295,322 to the County in the current fiscal year as compared to $745,000 in the prior fiscal year.

Governmental Funds

The Authority reports one major fund individually in the governmental fund financial statements, the General Fund. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. However, certain factors that are relevant to the Authority's current financial health are more apparent in the fund financial statements than in the government-wide financial statements. These major funds are shown in Table A-3 and are discussed in more detail below.

Revenues, Expenditures, and Changes in Fund Balances

Table A-3

	General Fund	
	2026	**2025**
Total revenues	$ 3,948,036	$ 2,523,804
Total expenditures	3,552,241	3,125,557
Net change in fund balances	395,795	(601,753)
Beginning of year, July 1	3,327,843	3,929,596
End of year - June 30	$ 3,723,638	$ 3,327,843

Fund balance represents the financial standing of a governmental fund as of the end of the fiscal year from a short-term perspective.

General Fund. The $395,795 fund balance increase in the General Fund includes an increase in the amount of occupancy taxes collected of $1,449,062. An increase in expenditures was realized in the economic development function, the only function of the Authority due to an increase contribution to the County of $550,322.

Currently Known Facts, Decisions, or Conditions

The Authority is aware of the following developments that will have an impact on the Authority's finances in the future and were therefore incorporated into next year's budget:

- Occupancy tax and tourism within the County

Occupancy Tax and Tourism within the County. Comparing the fiscal years, there is stable trend in occupancy tax dollars. FY 2024-2025 as well as FY 2025-2026 shows relatively stable collections, similar to previous years, suggesting a sustained level of tourism activity. Data suggests a seasonal pattern in occupancy tax collections, with higher revenue during peak tourist seasons.

JACKSON COUNTY TOURISM DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF JACKSON COUNTY, NORTH CAROLINA)

STATEMENT OF NET POSITION
JUNE 30, 2026

	Governmental Activities
Assets:	
Current assets:	
Cash and investments	$ 3,264,597
Due from other governments	2,142
Room occupancy taxes receivable - due from primary government	477,761
Total current assets	3,744,500
Non-current assets:	
Capital assets:	
Capital assets, net	5,965
Total assets	3,750,465
Deferred Outflows of Resources:	
Contributions to pension plan in current fiscal year	23,681
Pension deferrals	36,018
Total deferred outflows of resources	59,699
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	20,862
Long-term liabilities:	
Net pension liability	136,380
Total liabilities	157,242
Deferred Inflows of Resources:	
Pension deferrals	23,753
Net Position:	
Net investment in capital assets	5,965
Restricted for:	
Stabilization by state statute	479,903
Tourism promotion	3,143,301
Total net position	$ 3,629,169

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

JACKSON COUNTY TOURISM DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF JACKSON COUNTY, NORTH CAROLINA)

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Primary Government:			
Governmental Activities:			
Tourism promotion	$ 3,556,866	$ 7,239	$ (3,549,627)
Total governmental activities	$ 3,556,866	$ 7,239	(3,549,627)
	General Revenues:		
	Taxes:		
	Room occupancy taxes		3,819,524
	Interest earnings		121,273
	Total general revenues		3,940,797
	Change in net position		391,170
	Net Position:		
	Beginning of year - July 1		3,237,999
	End of year - June 30		$ 3,629,169

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

JACKSON COUNTY TOURISM DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF JACKSON COUNTY, NORTH CAROLINA)

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2026

	Governmental Activities
Assets:	
Cash and investments	$ 3,264,597
Due from other governments	2,142
Room occupancy taxes receivable - due from primary government	477,761
Total assets	$ 3,744,500
Liabilities and Fund Balance:	
Liabilities:	
Accounts payable and accrued liabilities	$ 20,862
Fund Balance:	
Restricted:	
Stabilization by state statute	479,903
Tourism promotion	3,243,735
Total fund balance	3,723,638
Total liabilities and fund balance	$ 3,744,500
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balance	$ 3,723,638
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	5,965
Net pension asset (liability)	(136,380)
Pension related deferrals	35,946
Net position of governmental activities	$ 3,629,169

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

JACKSON COUNTY TOURISM DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF JACKSON COUNTY, NORTH CAROLINA)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND FOR THE YEAR ENDED JUNE 30, 2026

	General Fund
Revenues:	
Room occupancy taxes	$ 3,819,524
Investment earnings	121,273
Miscellaneous	7,239
Total revenues	3,948,036
Expenditures:	
Economic development:	
Contracted services	222,873
Operating expenditures/expenses	2,034,046
Contributions to county	1,295,322
Total expenditures/expenses	3,552,241
Net change in fund balance	395,795
Fund Balance:	
Beginning of year, July 1	3,327,843
End of year, June 30	$ 3,723,638

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

JACKSON COUNTY TOURISM DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF JACKSON COUNTY, NORTH CAROLINA)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2026

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different because:

Net changes in fund balances - total governmental funds (Exhibit D)	$	395,795
Expenses related to pension		(3,541)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.		(1,084)
Change in net position of governmental activities (Exhibit B)	$	391,170

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

1. Summary of Significant Accounting Policies

The accounting policies of the Jackson County 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:

A. Reporting Entity

The North Carolina General Legislature enacted a law which authorized Jackson County (the "County") to levy a room occupancy and tourism development tax, and the Board of Commissioners adopted a resolution levying this tax on November 19, 2012. The Board of Commissioners created the Jackson County Tourism Development Authority (the "Authority") as a public authority under the Local Government Budget and Fiscal Control Act. The Authority is a component unit of Jackson County. The Authority is governed by a 13-member Board of Directors, all who serve without compensation. The nine voting members are appointed by the Board of Commissioners. The four ex-officio members are comprised of a member of the Board of Commissioners, the County Finance Officer and the executive directors of the Jackson County Chamber of Commerce and the Cashiers Area Chamber of Commerce. Monthly reports are to be provided to the Board of Commissioners. The Authority may contract with any person, firm or organization to advise and assist in carrying out its duty to promote travel and tourism for Jackson County.

The County is authorized under Session Law 2011-170 (most recently amended by North Carolina Session Law 2012-100) to collect an occupancy tax of not less than three percent (3%) nor more than six percent (6%) of the gross revenues from hotel/motel room occupancy within the County. Gross proceeds of the tax are collected by Jackson County and remitted to the Authority, net of the cost to the County of administration and collecting the tax, not to exceed three percent (3%) of the first five hundred thousand dollars ($500,000) in tax collected and one percent (1%) of the remaining tax collected. The Authority is authorized to collect room occupancy taxes up to six percent (6%), and currently is collecting the full six percent (6%) it is legally allowed to collect. The collections are remitted on a monthly basis. The Authority is authorized to expend these funds to promote tourism in the Jackson County area.

Due to the ability of Jackson County to exercise its will over the Authority's Board and the Authority's fiscal dependence on the County, the Authority is reported as a discretely presented component unit in the County's financial statements.

B. Basis of Presentation

Government-Wide Statements. The Statement of Net Position and the Statement of Activities display information about the primary government (the "Authority"). These statements include the financial activities of the overall government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. The Authority only has governmental 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. Program revenues include: (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Basic Financial Statements: The governmental fund balance sheet/statement of net position and the statement of governmental fund revenues, expenditures, and changes in fund balance/statement of activities display information about the Authority. These statements include the financial activities of the overall government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The Authority reports the following major governmental fund:

General Fund. This is the Authority's operating fund. It accounts for all financial resources of the general government.

C. Measurement Focus, Basis of Accounting

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

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

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

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

Room occupancy taxes collected and held by Jackson County and taxes receivable by Jackson County on behalf of the Authority at year-end to be remitted to the Authority, are recognized as revenue. The Authority considers all revenues available if they are collected within 60 days after year-end.

D. Assets, Liabilities and Fund Equity

Deposits and Investments.

All deposits of the Authority are made in Board-designated official depositories and are collateralized as required by 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.

State law [G.S. 159-30] authorizes the Authority to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; the North Carolina Capital Management Trust (NCCMT) Government Portfolio is an SEC-registered money market mutual fund that is certified by the Local Government Commission under the provisions of G.S. 159-30(c)(8) and the North Carolina Administrative Code, Title 20, Chapter 03, Section .0700. The Government Portfolio is a 2a-7 fund that invests in treasuries, government agencies, and repurchase agreements collateralized by treasuries. It is rated AAAm by S&P and AAA-mf by Moody's Investor Services and reported at fair value.

Cash and Cash Equivalents

All cash and investments are essentially demand deposits and are considered 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.

Accounts Receivable

Accounts receivable come from occupancy taxes, which are centrally collected by Jackson County and disbursed to the Authority the following month. All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years. The Authority currently has no receivables at June 30, 2026, deemed uncollectible.

Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are $1,000 for any capital asset. 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 costs of normal maintenance or repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Equipment of the Authority is depreciated over their useful lives on a straight-line basis as follows:

Asset Class	Estimated Useful Lives
Equipment	10 years

Compensated Absences

The vacation policy of the Authority provides for paid time off earned during the fiscal year but must be taken by June 30 of that fiscal year end or it is forfeited. Therefore, no compensated absences liability is owed or reported at fiscal year-end.

The Authority's sick leave policy provides for sick time off earned during the fiscal year by must be taken by June 30 of that fiscal year end or it is forfeited. Therefore, no compensated absences liability is owed or reported at fiscal year-end.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow 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 two items that meet this criterion - contributions made to the pension plan in the 2026 fiscal year and pension deferrals. In addition to liabilities, the Statement of Net Position can also 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 one item that meets the criterion for this category – pension deferrals.

Net Position/Fund Balances

Net Position

Net position in the government-wide financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) 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:

Non-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.

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 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".

Restricted for Tourism Promotion – portion of fund balance restricted by law to promote travel, tourism, and conventions in the Authority.

Committed Fund Balance. The committed fund balance classification includes amounts that can only be used for specific purposes determined by a formal action of the Authority's highest level of decision-making authority. The governing board is the highest level of decision-making authority for the government that 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 or revise the limitation, which requires majority action by the governing board.

Assigned Fund Balance. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing board (the "Board") has, by resolution, authorized the Finance Director to assign fund balance.

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

The Jackson County Tourism Development Authority has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: federal funds, state funds, local non-Authority funds, and Authority funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund

balances first, followed in order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Jackson County Tourism Development Authority.

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	$ 3,723,638
Less:	
Stabilization by state statute	479,903
Total available fund balance	$ 3,243,735

The Jackson County Tourism Development Authority has established a formal minimum fund balance policy. It has established an amount equivalent to 30% of current fiscal year budget. This policy has been met as of June 30, 2026.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Defined Benefit Cost-Sharing Plans

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 Authority's employer contributions are recognized when due and the Authority 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.

2. Detail Notes on All Funds

A. Assets

Deposits

All of the Authority's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits over the federal depository insurance coverage 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 the Authority'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 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 this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Authority has no policy regarding custodial credit risk for deposits.

At year-end, the Authority's deposits had a carrying amount of $164,597 and a bank balance of $173,559. Of the bank balance, $173,559 was covered by federal depository insurance, and $0 was covered by collateral held under the Pooling Method. The Authority had no cash on hand at year-end.

Investments

At June 30, 2026, the Authority's investments consisted of $3,100,000 in the North Carolina Capital Management Trust's Government Portfolio, which carried a credit rating of AAAm by Standard and Poor's and AAAmf by Moody's Investor Service. The NCCMT government Portfolio is measured at fair value. The Authority has no formal policy on credit risk.

Custodial Credit Risk

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

Receivables

The Authority received approximately 97% of its revenue from Jackson County during the year ended June 30, 2026, under room occupancy tax levies of Jackson County. Receivables consist of room occupancy taxes collected on behalf of the Authority, accrued interest and sales taxes from the state. At June 30, 2026, the Authority was owed room occupancy tax collections from Jackson County in the amount of $466,610 and accrued interest in the amount of $11,151. Due from other governments is sales taxes from the state in the amount of $2,142 at year end. The Authority does not recognize an allowance for doubtful accounts.

Capital Assets

Capital asset activity for the year ended June 30, 2026 was as follows:

	Balance July 1, 2025	Increases	Decreases	Balance June 30, 2026
Governmental Activities:				
Depreciable Capital Assets:				
Equipment	$ 10,844	$ -	$ -	$ 10,844
Less Accumulated Depreciation:				
Equipment	(3,795)	(1,084)	-	(4,879)
Depreciable capital assets, net	$ 7,049	$ (1,084)	$ -	$ 5,965

B. Liabilities

Accounts Payable

	Vendors
General	$ 20,862

Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description. The Authority is a participating employer in the state-wide 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, firefighters and rescue squad workers. Benefit provisions are established by General Statute 128-27 and may be amended only by 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 for the state of North Carolina. The State's Annual Comprehensive Financial Report 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.

Benefits Provided. LGERS provides retirement, disability 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. General employee plan members are eligible to retire with unreduced 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. General employee plan members are eligible to retire with reduced 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 and rescue squad workers). Disabled members may qualify for disability benefits at earlier ages. Survivor benefits are available to eligible beneficiaries of general employee plan 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 workers 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 in lieu of the return of the member's contributions that is generally available to beneficiaries of deceased members. The plan does not provide for automatic post-retirement benefit increases. Cost of living benefit increases are contingent upon investment gains of the plan at the discretion of the LGERS Board of Trustees, except as authorized by the General Assembly.

LGERS plan members who are LEOs are eligible to retire with unreduced retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with reduced retirement benefits at age 50 with 15 years of creditable service as an officer. LEOs who complete 25 years of creditable service with 15 years as an officer are eligible to retire with reduced retirement benefits. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life in lieu of the return of the member's contributions that is generally available to beneficiaries of deceased members.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Plan members are required to contribute 6% of their compensation. The required contribution rates for employers are set periodically and affirmed annually by the LGERS Board of Trustees. The Authority's contractually required contribution rate for the year ended June 30, 2026, was 14.35% 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 Authority were $23,681 for the year ended June 30, 2026.

Refunds of Contributions - Authority 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 include interest (currently 4% per year) regardless of the number of years of retirement service credit or for the reason for separation from service. 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 any other retirement or survivor benefit provided by LGERS.

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

At June 30, 2026, the Authority reported a liability of $136,380 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024. The total pension liability was then rolled forward to the measurement date of June 30, 2025 utilizing update procedures incorporating the actuarial assumptions. The Authority's proportion of the net pension liability was based on a projection of the Authority'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, 2026 (measured as of June 30, 2025), the Authority's proportion was .00221% which was an increase of 0.00003% from its proportion as of June 30, 2025 (measured as of June 30, 2024).

For the year ended June 30, 2026, the Authority recognized pension expense of $27,222. At June 30, 2026, the Authority 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	$ 33,263	$ -
Net difference between projected and actual earnings on pension plan investments	-	4,062
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,755	19,691
Employer contributions subsequent to the measurement date	23,681	-
Total	$ 59,699	$ 23,753

$23,681 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2027. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2027	$ 22,277
2028	(2,250)
2029	(2,733)
2030	(5,029)
Total	$ 12,265

Actuarial Assumptions. The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increase	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 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.

The actuarial assumptions and methods used in the December 31, 2024 valuation were based on the results of an actuarial experience prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021.

Future ad hoc cost of living 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, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	29.0%	2.4%
Global equity	42.0%	6.8%
Real estate	8.0%	6.1%
Alternatives	8.0%	7.9%
Opportunistic fixed income	7.0%	5.1%
Inflation sensitive	6.0%	4.2%
Total	100.0%	

The information above is based on 30-year expectations developed with an investment consulting firm. The long-term nominal rates of return underlying the real rates of return are arithmetic annual figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. Return projections do not include any excess return expectations over benchmark averages for public markets. All rates of return and inflation are annual amounts.

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. This discount rate is within a reasonable range of the long-term nominal expected return on pension plan investments. The calculation of the net pension liability is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on those 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 benefits payments to determine the total pension liability.

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

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Authority's proportionate share of the net pension liability (asset)	$ 260,381	$ 136,380	$ 34,793

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 for the State of North Carolina.

Long-Term Obligations

A summary of changes in long-term obligations follows:

	Balance July 1, 2025	Increases	Decreases	Balance June 30, 2026	Current Portion
Governmental Activities:					
Net pension liability (LGERS)	$ 146,694	$ -	$ 10,314	$ 136,380	$ -

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for these risks of loss. There have been no significant reductions in insurance coverage in the current year and claims have not exceeded coverage in any of the past three fiscal years.

Because the Authority owns no real property, they do not carry flood insurance. In accordance with G.S. 159-29, the Finance Officer is individually bonded for $1,000,000 effective July 1, 2025.

3. Revenue

Occupancy Taxes

In accordance with state law (most recently amended by North Carolina Session Law 2013- 61), a room occupancy tax of not less than three percent (3%) nor more than six percent (6%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the County that is subject to sales tax imposed by the state under G.S. 105-164.4(a)(3) and from the rental of private residences and cottages within the County that are exempt from the sales tax imposed under G.S. 105-164.4(a)(3) solely because they are rented for less than 15 days. This tax is in addition to any state or local sales tax. Gross proceeds of the tax are collected by Jackson County and remitted to the Authority net of the cost to the County of administration and collecting the tax not to exceed three percent (3%) of the first five hundred- thousand dollars ($500,000) in tax collected and one percent (1%) of the remaining tax collected each year.

4. Related Party Transactions

During the fiscal year ended June 30, 2026, the Authority provided a contribution of $1,295,322 to Jackson County. The purpose of this contribution was for funding of various projects within the County.

5. New Accounting Standard

For the year ended June 30, 2026, GASB Statement No. 103, *Financial Reporting Model Improvements*, was implemented. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement changes the Management's Discussion and Analysis to limit discussion areas while requiring detailed analysis to explain why balances and results of operations changed. The Statement clarifies items reported as Unusual or Infrequent Items, formerly reported as Special or Extraordinary Items, as well as reporting requirements. Changes are required to the reporting format of the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position. The Statement requires changes to the reporting of major and nonmajor component units. Also, all budgetary comparison information is now required to be presented as Required Supplementary Information. No restatements were required as a result of implementation. Only the applicable provisions have been implemented.

JACKSON COUNTY TOURISM DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF JACKSON COUNTY, NORTH CAROLINA)

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund				
				Variances Over / (Under)	
	Budgeted Amounts				
	Original	Final	Actual	Original to Final Budget	Final Budget to Actual
Revenues:					
Room occupancy taxes			$ 3,819,524		
Investment earnings			121,273		
Miscellaneous			7,239		
Total revenues	$ 3,541,549	$ 3,541,549	3,948,036	$ -	$ 406,487
Expenditures:					
Economic development:					
Salaries and benefits			222,873		
Operating expenditures			2,034,046		
Contributions to county			1,295,322		
Total expenditures	3,541,549	3,836,871	3,552,241	295,322	(284,630)
Revenues over (under) expenditures	-	(295,322)	395,795	(295,322)	691,117
Other Financing Sources (Uses):					
Appropriated fund balance	-	295,322	-	295,322	(295,322)
Net change in fund balance	$ -	$ -	395,795	$ -	$ 395,795
Fund Balance:					
Beginning of year, July 1			3,327,843		
End of year, June 30			$ 3,723,638		

See notes to required supplementary information.

JACKSON COUNTY TOURISM DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF JACKSON COUNTY, NORTH CAROLINA)

NOTES TO BUDGETARY COMPARISON SCHEDULE
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2026

Note 1 - Budgetary Basis of Accounting

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 fiscal year-end. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds. The Finance Director is authorized to transfer amounts between line-item expenditures within department limitation and without amendment. Any revision that alters the total expenditures of any department or fund requires approval of the Board. All amendments must be approved by the governing board and the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted. During the year, budget amendments to the original budget were necessary. The amendments were approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

Note 2 - Budgetary Highlights

	Variances Over / (Under) General Fund
Budgetary Revenues	
Differences - final budget to actual:	$ 406,487
The increase in revenues over budget by $406,487 is primarily attributable to room occupancy taxes as occupancy tax revenues came in higher than budgeted projections.	
Budgetary Expenditures	
Differences - final budget to actual:	$ (284,630)
The decrease in expenditures over budget by $284, 630 is primarily attributable to operating expenses coming in under budgeted projections.	
Differences - original budget to final budget:	$ 295,322
The increase in expenditures from original budget to final budget is primarily due to contributions to the County that was needed once final numbers were received for the purchase of the property the County intended to purchase for the TDA.	
Budgetary Other Financing Sources (Uses)	
Differences - final budget to actual:	$ (295,322)
General Fund financing uses were less than budgeted due to the appropriated line is due to contributions to the county as discussed above.	
Differences - original budget to final budget:	$ 295,322
The increase in other financing sources from original budget to final budget is due to contributions to the county as discussed above.	

JACKSON COUNTY TOURISM DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF JACKSON COUNTY, NORTH CAROLINA)

JACKSON COUNTY TDA'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST FIVE FISCAL YEARS*

Local Governmental Employees' Retirement System

	2026	2025	2024	2023	2022
Jackson County TDA's proportion of the net pension liability (asset) (%)	0.00221%	0.00218%	0.00271%	0.00234%	0.00224%
Jackson County TDA's proportion of the net pension liability (asset) ($)	$ 136,380	$ 146,694	$ 179,353	$ 132,009	$ 34,353
Jackson County TDA's covered payroll	$ 180,254	$ 145,962	$ 133,451	$ 144,868	$ 120,374
Jackson County TDA's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	75.66%	100.50%	134.40%	91.12%	28.54%
Plan fiduciary net position as a percentage of the total pension liability**	85.68%	83.30%	82.49%	84.14%	95.51%

Notes to the Schedule:

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

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

Pension schedules are intended to show information for ten years.
Additional year's information will be displayed as it becomes available.

See Notes to Required Supplementary Information for LGERS on the following schedule.

JACKSON COUNTY TOURISM DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF JACKSON COUNTY, NORTH CAROLINA)

JACKSON COUNTY TDA'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST FIVE FISCAL YEARS

Local Governmental Employees' Retirement System

	2026	2025	2024	2023	2022
Contractually required contribution	$ 23,681	$ 24,515	$ 18,756	$ 16,148	$ 16,443
Contributions in relation to the contractually required contribution	23,681	24,515	18,756	16,148	16,443
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Jackson County TDA's covered payroll	$ 165,022	$ 180,254	$ 145,962	$ 133,451	$ 144,868
Contributions as a percentage of covered payroll	14.35%	13.60%	12.85%	12.10%	11.35%

Pension schedules are intended to show information for ten years.
Additional year's information will be displayed as it becomes available.

Notes to the Required Supplementary Information for LGERS:

Changes in Assumptions and Methods

June 30, 2025 measurement. The total pension liability was determined from the December 31, 2024 actuarial valuation and rolled forward to June 30, 2025. There were no changes in actuarial assumptions or benefit terms reflected in this measurement. The following historical changes affect the information presented in the schedules.

December 31, 2020 valuation. The investment return assumption and discount rate decreased from 7.00% to 6.50%. Based on the experience review for January 1, 2015 through December 31, 2019, the Board adopted updated assumptions on January 28, 2021. Mortality assumptions were changed to Pub-2010 tables with mortality improvement scale MP-2019, and retirement, salary increase and termination assumptions were updated. The effect on contribution requirements was phased in over five years beginning with contributions effective July 1, 2022.

Changes in Benefit Terms

A permanent cost-of-living increase of 0.105% became effective July 1, 2016. A one-time supplement equal to 2% of the annual retirement allowance was paid to eligible benefit recipients in October 2022. The supplement did not increase ongoing monthly benefits.

Contribution Requirements

Required employer contribution rates are established by the LGERS Board of Trustees using actuarial valuations and its Employer Contribution Rate Stabilization Policy. The policy rates may differ from the underlying actuarially determined rates. The actuarial calculation for fiscal year 2026 was based on the December 31, 2023 valuation. Required contributions are calculated using the applicable employer rates and covered payroll. Employer-specific adjustments apply when assessed by LGERS.

See the notes to the financial statements for contribution requirements and the actuarial assumptions used to measure the proportionate share of the net pension liability.