

**Rowan County Tourism  
Development Authority  
Salisbury, North Carolina**

**Independent Auditor's Reports  
Basic Financial Statements  
And  
Information Accompanying the  
Basic Financial Statements**

**For the year ended  
June 30, 2023**



**Rowan County Tourism Development Authority**

**Table of Contents**  
**June 30, 2023**

<b>Independent Auditor's Report</b>	<b>1-2</b>
<b>Management's Discussion and Analysis</b>	<b>3-9</b>
<b>Basic Financial Statements:</b>	
Exhibit A    Governmental Fund Balance / Statement of Net Position	10
Exhibit B    Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds / Statement of Activities	11
Exhibit C    Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	12
Notes to the Financial Statements	13-24
<b>Required Supplement Information</b>	
Proportionate Share of Net Pension Liability (Asset)	25
Pension Contributions	26



**EDDIE CARRICK, CPA, PC**  
Certified Public Accountant

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Independent Auditor's Report

To the Board of Directors  
Rowan County Tourism Development Authority  
Salisbury, North Carolina

**Opinions**

I have audited the accompanying financial statements of the governmental activities and major fund of the Rowan County Tourism Development Authority (a component unit of Rowan County), as of and for the year ended June 30, 2023 and 2022, 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 my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Rowan County Tourism Development Authority as of June 30, 2023 and 2022, and the respective changes in financial position, and the respective 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**

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

**Responsibility of Management's for the Audit of the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 raises substantial doubt about the Rowan 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 Responsibility for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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 material statement 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, I

- Exercised professional judgement and maintained 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 Rowan 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rowan County Tourism Development Authority 's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 9 and pension schedules on pages 24 and 25 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.



Eddie Carrick, CPA, PC  
Lexington, North Carolina  
October 25, 2023





# **VISIT ROWAN COUNTY**

**NORTH CAROLINA**

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## **ROWAN COUNTY TOURISM DEVELOPMENT AUTHORITY**

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### **Management's Discussion and Analysis**

As management of the Rowan County Tourism Development Authority, we offer the readers of the Rowan County Tourism Development Authority's financial statements this narrative overview and analysis of the financial activities of the Rowan County Tourism Development Authority for the fiscal year ended June 30, 2023. 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 outflow of resources of the Rowan County Tourism Development Authority exceeded its liabilities and deferred inflow of resources at the close of the fiscal year by \$3,159,711 (*net position*).
- The government's total net position increased by \$17,497, primarily due to increased collections of occupancy tax.
- As of the close of the current fiscal year, Rowan County Tourism Development Authority's governmental fund reported ending fund balance of \$488,125 with a net increase of \$89,936 in fund balance. Approximately 48% of this total amount, or \$239,738 is restricted or nonspendable.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$248,395, or 15% of total general fund expenditures for the fiscal year.
- The debt increased by \$46,697 due to an increase in pension liability of \$46,697.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as introduction to the Rowan County Tourism Development Authority's basic financial statements. As discussed in footnote B of the financial statements, the Authority is a special purpose entity operating for the single purpose of promoting tourism for Rowan County. As such, the Authority has opted to present its government-wide financial statements and fund statements together. The basic financial statements present two different views of the Authority through the government-wide financial statements and fund financial statements.

#### **Basic Financial Statements**

The first two statements (Exhibits A and B) in the basic financial statements report the government-wide financial statements and fund financial statements using a columnar format, with a reconciliation column between the two. The government-wide financial statement column provides both short and long-term information about the Authority's financial status.



Management Discussion and Analysis  
Rowan County Tourism Development Authority

The next statement (Exhibit C) represents the budgetary comparison of the fund financial statements, which is required by General Statutes.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements.

### **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 total liabilities. Measuring net position is one way to gauge the Authority's financial condition.

The governmental activities include all of the Authority's services. Occupancy taxes finance most of these activities.

### **Fund Financial Statements**

The fund financial statements provide a more detailed look at the Authority's most significant activities. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Rowan County 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 General Statutes or the Authority's budget ordinance. The sole fund of Rowan County Tourism Development Authority is a governmental (general) fund.

**Governmental Funds** – Government funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All 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* which provides a short term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him 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 is described in a reconciliation that is part of the fund financial statements.



Management Discussion and Analysis  
Rowan County Tourism Development Authority

The Rowan County Tourism Development Authority adopts an annual budget for the General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the county, 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 the 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 in 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 differences or variance between the final budget and actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

**Notes to the Financial Statements** – The notes provide additional information that is essential to the full understanding of data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 13 of this report.

**Interdependence with Other Entities:** The Authority receives no funds from the Federal Government or the State of North Carolina. Rowan County acts as the collecting agent for the tourism occupancy tax.



**Government-Wide Financial Statements**

**Rowan County Tourism Development Authority - Net Position**

	<i>Governmental Activities</i>		
	2023	2022	2021
Current and other assets	\$ 491,392	\$ 400,613	\$ 279,924
Capital assets	2,685,085	2,750,994	2,747,736
Deferred outflow of resources	42,347	14,380	12,674
Total assets	<u>3,218,824</u>	<u>3,165,987</u>	<u>3,040,334</u>
Long-term liabilities	55,286	-	370,011
Other liabilities	3,267	11,012	4,855
Deferred inflow of resources	560	12,761	-
Total liabilities	<u>59,113</u>	<u>23,773</u>	<u>374,866</u>
<b>Net position:</b>			
Net investment in capital assets	2,685,085	2,750,994	2,397,736
Restricted	239,730	195,399	112,820
Unrestricted	234,897	195,822	154,912
Total net position	<u>\$ 3,159,711</u>	<u>\$ 3,142,214</u>	<u>\$ 2,665,468</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflow of resources of the Authority exceeded liabilities and deferred inflow of resources by \$3,159,711 as of June 30, 2023. The Authority's net position increased by \$17,497 for the fiscal year ended June 30, 2023. However, the largest portion (85%) reflects the Authority's net investment in capital assets (equipment and vehicular equipment). The Authority uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Authority's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since capital assets cannot be used to liquidate these liabilities. An additional portion of the Authority's net position, \$239,730, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$234,897 is unrestricted.

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

- Increase in occupancy tax collections





Management Discussion and Analysis  
 Rowan County Tourism Development Authority

**Rowan County Tourism Development Authority - Changes in Net Position**

	<i>Governmental Activities</i>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Revenues:</b>			
Occupancy taxes	\$ 1,436,537	\$ 1,266,679	\$ 882,285
Rental and shared expense revenue	94,981	99,987	111,008
Other	197,186	797,254	122,004
Total revenues	<u>1,728,706</u>	<u>2,163,922</u>	<u>1,115,297</u>
<b>Expenses:</b>			
Building expenses	165,992	169,169	91,913
Tourism development	1,545,215	1,518,005	1,031,107
Total expenses	<u>1,711,209</u>	<u>1,687,176</u>	<u>1,123,020</u>
Increase in net position	17,497	476,746	(7,723)
Net position, July 1	<u>3,142,214</u>	<u>2,665,468</u>	<u>2,673,190</u>
Net position, June 30	<u>\$ 3,159,711</u>	<u>\$ 3,142,214</u>	<u>\$ 2,665,468</u>

**Governmental activities.** Governmental activities increased the Authority's net position by \$17,497. Key elements of this increase are as follows:

- Increase in occupancy tax

**Financial Analysis of the Authority's Funds**

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

**Governmental Funds.** The focus of the 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 Authority's financing requirements.

The general fund is the only fund of the Authority. At the end of the current fiscal year, the Authority's fund balance available in the General Fund was \$248,395, while total fund balance reached \$488,125. The Authority currently has available fund balance of 15% of total General Fund expenditures, while total fund balance represents 30% of that same amount.

At June 30, 2023, the governmental funds of the Authority reported a combined fund balance of \$488,125 with a net increase in fund balance of \$89,936. Included in this change in fund balance are increases in fund balance in the General Fund.



Management Discussion and Analysis  
 Rowan County Tourism Development Authority

**General Fund Budgetary Highlights:** During the fiscal year, the Authority made several revisions to the budget. 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.

**Capital Assets and Debt Administration**

**Capital assets.** The Authority's investment in capital assets for its governmental activities as of June 30, 2023, totals \$2,685,085 (net of accumulated depreciation). These assets include buildings, computers, furniture and fixtures, office equipment, and trolleys.

Acquisitions during the year included building renovations and equipment purchases.

**Rowan County Tourism Development Authority's  
 Capital Assets (net of depreciation)**

	<i>Governmental Activities</i>		
	<i>2023</i>	<i>2022</i>	<i>2021</i>
Land and CIP	\$ 250,604	\$ 250,604	\$ 250,604
Building	2,365,236	2,410,753	2,386,322
Equipment	25,013	15,917	7,602
Trolleys	44,232	73,720	103,208
	<u>\$ 2,685,085</u>	<u>\$ 2,750,994</u>	<u>\$ 2,747,736</u>

Additional information on the Authority's capital assets can be found in Note III.A.4 of the Basic Financial Statements.

**Long-term Debt**

**Rowan County Tourism Development Authority's Outstanding Debt (Figure 5)**

	<i>Governmental Activities</i>			<i>Total</i>		
	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>
Compensated absences	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Railwalk Interlocal Agreement	-	-	350,000	-	-	350,000
Net pension liability(LGERS)	55,286	8,588	20,011	55,286	8,588	20,011
	<u>\$ 55,286</u>	<u>\$ 8,588</u>	<u>\$ 370,011</u>	<u>\$ 55,286</u>	<u>\$ 8,588</u>	<u>\$ 370,011</u>

**Economic Factors and Next Year's Budgets**

The Tourism Authority Board of Directors voted in 2013 to contract marketing functions, programming, professional and visitor services and operations through the Salisbury-Rowan County Convention and Visitors Bureau, a NC 501(c), (6) not-for-profit. The Convention and Visitors Bureau (CVB) also manages the Rowan County Arts Council on behalf of the Rowan County Tourism Authority and the Tourism Authority's Trolley System. The Authority continues to manage the Gateway Office Building operations as owner of the property. The Tourism Authority seeks to maximize available resources for tourism marketing,



Management Discussion and Analysis  
Rowan County Tourism Development Authority

branding and visitors services through its contracted relationship with the Salisbury-Rowan County Convention and Visitors Bureau, (CVB) by directing available resources to the CVB to fulfill the Authority's purpose.

**Economic Factors and Fiscal Year 2023-24 Budget**

The following key economic indicators will have a negative impact on the Authority's budget if they result in a decrease in occupancy tax revenues below budget:

- Slowing economic conditions driven by rising interest rates and continued inflationary impacts on the costs of goods and services. Travel is highly sensitive to price increases impacting demand.
- Slow return of business travel to pre pandemic levels as technology utilization has decreased the need for business travel as businesses have adopted more virtual meeting options in lieu of corporate travel.
- Inflation's impacts on fuel and travel costs and its impacts on food and beverage costs.
- Supply and labor shortages still continuing to impact hospitality related businesses

The following key economic indicators may have a positive impact on the Authority's budget and may result in an increase in occupancy tax revenues above budget:

- High demand for leisure travel remains strong post pandemic.
- An increase in group travel and events for activities such as sporting tournaments, concerts, festivals, and specialty gatherings.
- Increase in lodging opportunities and available inventory most notably the rise in short term rental properties through platforms such as Airbnb and VRBO.
- New businesses relocating and expanding in Rowan County fueling an increase in construction travel and business service travel.

**Budget Highlights for the Fiscal Year Ending June 30, 2024**

- Occupancy Tax revenues are projected to equal \$1,400,000 for Fiscal Year 2023-2024 and are based on FY 2022-2023 occupancy tax collections, current economic conditions and lodging market data.
- Revenues from Gateway Building operations are expected to equal \$134,000, as revenues from leases will increase due to a lease rate increase for tenants.
- Revenues from services are budgeted at \$170,000 for FY2023-2024
- FY 2023-2024 includes a one-time appropriation from Rowan County for \$500,000 to complete a directional signage system for visitors to Rowan County.
- Total revenues and expenses to the Rowan County Tourism Authority for FY 2023-2024 budgeted for \$2,211,000 respectively.

**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 James Meacham, 204 East Innes Street, Salisbury, NC 28144 (704) 638-3100, or by e-mail at [meacham@visitrowancountync.com](mailto:meacham@visitrowancountync.com))



**ROWAN COUNTY TOURISM DEVELOPMENT AUTHORITY**  
**(A Component Unit of Rowan County)**  
**GOVERNMENTAL FUND BALANCE SHEET / STATEMENT OF NET POSITION**  
**June 30, 2023**  
**(With Comparative Net Position for June 30, 2022)**

	General Fund	Adjustments (Note B)	2023	2022
			Statement of Net Position	
<b>ASSETS</b>				
Cash and investments	\$ 251,662	\$ -	\$ 251,662	\$ 203,368
Accounts receivable, net	239,730	-	239,730	195,399
Prepaid	-	-	-	1,846
Capital assets, net of accumulated depreciation		2,685,085	2,685,085	2,750,994
<b>Total assets</b>	<b>\$ 491,392</b>	<b>2,685,085</b>	<b>3,176,477</b>	<b>3,151,607</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension outflows		42,347	42,347	14,380
<b>Total deferred outflows of resources</b>		<b>42,347</b>	<b>42,347</b>	<b>14,380</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 3,267	-	3,267	2,424
<b>Long-term liabilities</b>				
Pension liability	-	55,286	55,286	8,588
Railwalk interlocal agreement	-	-	-	-
Compensated absences	-	-	-	-
<b>Total liabilities</b>	<b>3,267</b>	<b>55,286</b>	<b>58,553</b>	<b>11,012</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension deferrals		560	560	12,761
<b>Total deferred inflows of resources</b>		<b>560</b>	<b>560</b>	<b>12,761</b>
<b>FUND BALANCE / NET POSITION</b>				
<b>Fund Balances:</b>				
Stabilization by State Statute	239,730	(239,730)	-	-
Prepays	-	-	-	-
Unassigned	248,395	(248,395)	-	-
<b>Total fund balance</b>	<b>488,125</b>	<b>(488,125)</b>	<b>-</b>	<b>-</b>
<b>Total liabilities deferred inflows and fund balance</b>	<b>\$ 491,392</b>	<b>(432,279)</b>	<b>59,113</b>	<b>23,773</b>
<b>Net position:</b>				
Net invested in capital assets		-	2,685,085	2,750,994
Restricted by State Statute		-	239,730	195,399
Unrestricted		-	234,897	195,822
<b>Total net position</b>		<b>\$ 3,159,711</b>	<b>\$ 3,159,711</b>	<b>\$ 3,142,214</b>

Notes to the financial statements are an integral part hereof





**ROWAN COUNTY TOURISM DEVELOPMENT AUTHORITY**  
(A Component Unit of Rowan County)  
**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES / STATEMENT OF NET ACTIVITIES**  
For the fiscal year ended June 30, 2023  
(With Comparative Statement of Net Activities for Year Ended June 30, 2022)

	General Fund	Adjustments (Note B)	Statement of Activities	
			2023	2022
<b>REVENUES</b>				
Occupancy taxes - current	\$ 1,436,537	\$ -	\$ 1,436,537	\$ 1,266,679
ARP Funds	-	-	-	627,466
Rental and shared expense revenues	94,981	-	94,981	99,987
Trolley revenues	79,251	-	79,251	29,721
Holiday Caravan	68,474	-	68,474	63,904
Partner services	39,688	-	39,688	75,896
Other income	9,775	-	9,775	269
Total revenues	<u>1,728,706</u>	<u>-</u>	<u>1,728,706</u>	<u>2,163,922</u>
<b>EXPENDITURES</b>				
CVB tourism staff and branding	1,172,125	-	1,172,125	1,131,827
ARP grants	-	-	-	152,483
Building expenses	165,992	-	165,992	169,169
Holiday Caravan expense	64,674	-	64,674	54,729
Salaries and wages	90,727	-	90,727	44,875
Professional	34,369	-	34,369	16,063
Capital projects	53,134	(31,172)	21,962	-
Trolley expense	6,366	-	6,366	3,384
Employee health and retirement	14,766	-	14,766	9,738
Other operating costs	6,742	-	6,742	2,024
Payroll taxes	6,419	-	6,419	3,237
Marketing supplies	-	-	-	116
Destination marketing, travel and development	-	-	-	3,500
Partner services expenses	23,456	-	23,456	-
Visitors center	-	-	-	3,286
Less, change in pension deferrals	-	6,530	6,530	(368)
Loan payments	-	-	-	-
Compensated absences	-	-	-	-
Depreciation	-	97,081	97,081	93,113
Total expenditures / expenses	<u>1,638,770</u>	<u>72,439</u>	<u>1,711,209</u>	<u>1,687,176</u>
Revenues over (under) expenditures	<u>89,936</u>	<u>(72,439)</u>	<u>17,497</u>	<u>476,746</u>
Change in fund balance	89,936			
Change in net position			17,497	476,746
Beginning of year	<u>398,189</u>		<u>3,142,214</u>	<u>2,665,468</u>
End of year	<u>\$ 488,125</u>		<u>\$ 3,159,711</u>	<u>\$ 3,142,214</u>

Notes to the financial statements are an integral part hereof



**ROWAN COUNTY TOURISM DEVELOPMENT AUTHORITY**  
**(A Component Unit of Rowan County)**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -**  
**GENERAL FUND**  
**For the fiscal year ended June 30, 2023**

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Occupancy taxes - current			\$ 1,436,537	
Rental and shared expense revenues			94,981	
Trolley revenues			79,251	
Holiday Caravan			68,474	
Partner services			39,688	
Other income			9,775	
Total revenues	<u>\$ 2,038,000</u>	<u>\$ 2,210,500</u>	<u>1,728,706</u>	<u>\$ (481,794)</u>
<b>EXPENDITURES</b>				
CVB tourism staff and branding			1,172,125	
Building expenses			165,992	
Holiday Caravan expense			64,674	
Salaries and wages			90,727	
Professional			34,369	
Capital projects			53,134	
Trolley expense			6,366	
Employee health and retirement			14,766	
Other operating costs			6,742	
Payroll taxes			6,419	
Partner services expenses			23,456	
Total expenditures / expenses	<u>2,038,000</u>	<u>2,210,500</u>	<u>1,638,770</u>	<u>571,730</u>
Revenues over (under) expenditures			89,936	
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriated fund balance	-	-	-	-
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	89,936	<u>\$ 89,936</u>
Fund balance - beginning of year			<u>398,189</u>	
Fund balance - end of year			<u>\$ 488,125</u>	

Notes to the financial statements are an integral part hereof



**Rowan County Tourism Development Authority**  
**(A component unit of the County of Rowan)**

**NOTES TO FINANCIAL STATEMENTS**  
**As of or for the Year Ended June 30, 2023**

***I. Summary of significant accounting policies***

The financial statements of the Rowan County Tourism Development Authority (Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting financial reporting principles. The following is a summary of the more significant accounting policies.

***A. Reporting entity***

The Rowan County Tourism Development Authority is a public authority under the North Carolina General Statutes. It was established by Rowan County to receive the local room occupancy tax collected by the Rowan County finance officer. Expenditure of these funds is limited to promoting travel, tourism and conventions in Rowan County and sponsor tourist-oriented events and activities in Rowan County. It is governed by a eleven-member appointed board. As required by generally accepted accounting principles, these financial statements present the Authority and any existing component unit, a legally separate entity for which the Authority is financially accountable. For the year ended June 30, 2023, the Authority had no component units.

The Rowan County Tourism Development Authority qualifies and is presented as a component unit of the County of Rowan, North Carolina.

***B. Basis of presentation***

Government-wide Statements: The statement of net position and the statement of activities display the information about the government. These statements include the activities of the overall government.

The statement of activities presents a comparison between direct expenses and revenues for the Authority's governmental activities. Revenues include occupancy tax from lodging establishments in Rowan County, charges for rentals of two motorized trolley cars and interest on cash deposits.

Fund Financial Statements: The fund financial statements provide information about the Authority's general fund. It is a governmental fund and is used to account for all financial resources of the Authority.

The Authority has implemented Government Accounting Standards Board Statement Number 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments and related standards. These new standards provide for significant changes in terminology and presentation and for inclusion of Management's Discussion and Analysis as required supplementary information. Governmental Accounting Standards Board Statement Number 34 permits special purpose governments engaged in only governmental activities and operating only one program the option of presenting combined government-wide financial statements. The Authority has elected this option for presentation of the financial statements In the combined statements, there is an Adjustments column in order to effect the transition from the fund to the government-wide financial statements.



## ***Notes to the Financial Statements (continued)***

### ***C. 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 basis of accounting.

Government-wide Financial Statements: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses 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 occupancy taxes, grants, and donations. On an accrual basis, revenue from occupancy taxes is recognized in the fiscal year for which the taxes are earned. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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 compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

The Authority considers all revenue available if they are collected within 90 days after year end. Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures.

### ***D. Budgetary data***

The Authority's budget is adopted as required by the North Carolina General Statutes. All annual appropriations lapse at the fiscal-year end. The budget is prepared using the modified accrual basis of accounting. Expenditures may not exceed appropriations at the program level.

Amendments are required for any revisions to the budget and must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

### ***E. Assets, Liabilities, and Fund Equity:***

#### ***1. 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.

State law (G.S. 159-30(c)) 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; bonds and notes of any North Carolina local government or public authority; obligations of certain nonguaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust, The Authority's investments are reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT- Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2023, The Term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.





**Notes to the Financial Statements (continued)**

**2. Cash and Cash Equivalents**

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

**3. Taxes Receivable**

The Authority receives ninety-nine percent of room occupancy taxes which are levied at three percent of the gross receipts derived from the rental of any room lodging, or similar accommodation furnished by a hotel, motel or similar establishment within Rowan County, which is subject to the three percent sales tax imposed by the State under General Statute 105-164, 4(3). The occupancy taxes are collected by the Rowan County Finance Department monthly and made available, net of 1% in collection fee, to the Authority during the subsequent month.

**4. Capital Assets**

Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$500 and an estimated useful life of more than two years. Purchased or constructed capital assets are reported at cost. Donated capital assets are recorded at their estimated fair value at the date of donation. 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:

<u>Asset Class</u>	<u>Life</u>
Vehicles	6 yrs
Buildings	40 yrs
Furniture and office equipment	7-10 yrs
Computer equipment	5 yrs

**5. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Authority has one item that meet this criterion, contributions made to the pension plan in the 2023 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority has one item that meets the criterion for this category – deferrals of pension expense that result from the implementation of GASB Statement 68.



## ***Notes to the Financial Statements (continued)***

### **6. *Compensated Absences***

The vacation policy of the Authority provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the Authority's government-wide funds, an expense and liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The Authority's sick leave policies provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Authority does not have any obligation for the accumulation of sick leave until it is actually taken, no accrual for sick leave has been made.

The Authority transferred substantially all obligations for compensated absences to the SRCVB as part of the contractual agreement. One employee is still covered.

### **7. *Net Position/Fund Balance***

#### **Net Position**

Net position in government-wide financial statements are classified as invested in capital assets, net of related debt; 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 the law through state statute.

#### **Fund Balance**

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

The governmental fund types classify fund balances as follows:

**Nonspendable 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* - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

**Committed Fund Balance** – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the 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 or 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.



## ***Notes to the Financial Statements (continued)***

### ***7. Net Position/Fund Balance (continued):***

The 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: bond proceeds, federal funds, State funds, local non-Authority funds, Authority funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance 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 Authority.

### ***8. Pensions***

For purposes of measuring the net pension asset, 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.

## ***II. Stewardship, Compliance, and Accountability:***

### ***A. Material Violations of Finance-Related Legal and Contractual Provisions:***

#### ***1. Noncompliance with North Carolina General Statutes:***

There were no issues of noncompliance noted.

## ***III. Detail Notes on All Funds and Account Groups:***

### ***A. Assets:***

#### ***1. Deposits***

All 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 agents in these units' names. 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 agents in their names. 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.



**Notes to the Financial Statements (continued)**

**1. 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 amounts of collateral pledged for the Authority under the Pooling Method, the potential exists to undercollateralization, 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 formal policy regarding custodial risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Authority complies with provisions of GS 159-31 when designating official depositories and verifying the deposits are properly secured.

At June 30, 2023, the Authority's deposits had a carrying amount of \$47,121 and a bank balance of \$52,613. The bank balances of the Authority are covered by up to \$250,000 of federal depository insurance. Any excess balance of deposits is collateralized under the Pooling Method as enumerated above.

**2. Investments**

At June 30, 2023, the Authority had \$204,541 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's. The Authority has no policy regarding credit risk.

**3. Accounts Receivable**

Occupancy taxes levied at a 6% rate on overnight occupancy in Rowan County is collected and remitted to the Authority in the month following collections. At June 30, 2023, Rowan County had not remitted amounts collected for May and June in the amount of \$239,730.

**4. Capital assets**

Capital asset activity for the Authority for the year ended June 30, 2023:

<b>Capital assets not being depreciated:</b>			
Land and construction in progress	\$ 250,604	\$ -	\$ 250,604
Total capital assets not being depreciated:	250,604	-	250,604
<b>Capital assets being depreciated:</b>			
Building	2,688,400	-	2,688,400
Vehicles and motorized equipment	319,880	-	319,880
Equipment	101,032	31,172	132,204
Total capital assets being depreciated:	3,109,312	31,172	3,140,484
<b>Less, accumulated depreciation for:</b>			
Building	279,626	43,538	323,164
Vehicles and motorized equipment	246,160	29,488	275,648
Equipment	83,136	24,055	107,191
Total accumulated depreciation	608,922	97,081	706,003
Total capital assets being depreciated, net	2,500,390		2,434,481
<b>Governmental activity capital assets, net</b>	<b>\$ 2,750,994</b>		<b>\$ 2,685,085</b>

Depreciation expense was charged to the Statement of Activities in the amount of \$97,081 as of June 30, 2023.





## **Notes to the Financial Statements (continued)**

### **B. Liabilities:**

#### **1. Pension Plan Obligations:**

##### **a. Local Governmental Employees' Retirement System**

*Plan Description.* The Authority is a participating employer in the statewide Local Governmental Employee's 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. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of GS Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplemental information for LGERS. The report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, NC 27699-1410, by calling 919-981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Authority employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Authority's contractually required contribution rate for the year ended June 30, 2023, was 12.19% 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 \$11,084 for the year ended June 30, 2023.

*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 with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.



**Notes to the Financial Statements (continued)**

**a. Local Governmental Employees' Retirement System (continued)**

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

At June 30, 2023, the Authority reported a liability of \$55,286 for their proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2023 (measured as of June 30, 2022), the Authority's proportion was 0.00098%, which was an increase of .00048% from its proportional share at June 30, 2022 (measured as of June 30, 2021).

For the year ended June 30, 2023, the Authority recognized pension expense of \$12,686. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,382	\$ 234
Changes of assumptions	5,516	-
Net difference between projected and actual earnings on pension plan investments	18,273	-
Changes in proportion and differences between Authority contributions and proportionate share of contributions	5,092	326
Authority contributions subsequent to the measurement date	11,084	-
Total	\$ 42,347	\$ 560

\$11,084 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2024	\$ 10,059
2025	8,359
2026	3,580
2027	8,705
	\$ 30,703



**Notes to the Financial Statements (continued)**

**a. Local Governmental Employees' Retirement System (continued)**

*Actuarial Assumptions.* The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent
Investment rate of return	6.500 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality rates based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period December 31, 2015 through December 31, 2019.

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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	



**Notes to the Financial Statements (continued)**

**a. Local Governmental Employees' Retirement System (continued)**

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

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

*Sensitivity of the Authority's proportionate share of the net pension asset to changes in the discount rate.* The following presents the Authority's proportionate share of the net pension asset calculated using the discount rate of 6.50 percent, 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 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Town's proportionate share of the net pension liability (asset)	\$ 99,784	\$ 55,286	\$ 18,617

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

**b. Supplemental Retirement Income Plan for General Employees**

Plan description. The Authority contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to general employees employed by the Authority. Article 5 of GS Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy. Article 12E of GS Chapter 143 requires the Authority to contribute each month an amount equal to 3% of each general employee, and all amounts contributed are vested immediately. Also, general employees may make voluntary contributions to the plan. Contributions for general employees for the year ended June 30, 2023 were \$3,602 which consisted of \$1,801 from the Authority and \$1,801 from the general employees.

**2. Risk Management and related parties**

RCTDA shares a common board with Salisbury-Rowan Convention and Visitors Bureau. During the year RCTDA contracted with SR CVB for services related to tourism development in the amount of \$1,172,125





**Notes to the Financial Statements (continued)**

**2. Risk Management and related parties (continued)**

The Authority is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has property coverage up to \$3,463,600, general liability coverage up to \$2,000,000, workers' compensation at required statutory limits, employee health, and other commercial insurance coverage for various risks of loss. Claims have not exceeded coverage in the prior three years.

The Finance Officer was bonded as required by GS 159-29 for \$50,000.

**3. Commitments**

The Authority had no outstanding commitments at June 30, 2023.

**4. Long-term debt**

The Authority entered into an inter-local agreement with Rowan County for the construction of a pavilion in the Rail Walk District. The County is fronting the expense up to \$350,000. Due to Covid-19, the County had deferred the initial payment.

At June 30, 2023, the Authority had repaid the full amount of the obligation.

**Rowan County Tourism Development Authority's Outstanding Debt (Figure 5)**

	Governmental Activities			Total		
	2023	2022	2021	2023	2022	2021
Compensated absences	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Railwalk interlocal agreement	-	-	350,000	-	-	350,000
Net pension liability(LGERS)	55,286	8,588	20,011	55,286	8,588	20,011
	<u>\$ 55,286</u>	<u>\$ 8,588</u>	<u>\$ 370,011</u>	<u>\$ 55,286</u>	<u>\$ 8,588</u>	<u>\$ 370,011</u>

**Change in long-term debt**

	Governmental Activities		
	2023	2022	change
Compensated absences	\$ -	\$ -	\$ -
Railwalk interlocal agreement	-	-	-
Net pension liability(LGERS)	56,286	8,588	47,698
	<u>\$ 56,286</u>	<u>\$ 8,588</u>	<u>\$ 47,698</u>



**Notes to the Financial Statements (continued)**

**5. Net Investment in Capital Assets**

	<b>Governmental</b>
Capital Assets	\$ 2,685,085
less: long-term debt	-
add: unexpended debt proceeds	-
Net investment in capital assets	<u><u>\$ 2,685,085</u></u>

**6. Fund Balance**

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

<b><i>Total fund balance - General Fund</i></b>	<b><i>\$ 488,125</i></b>
Less:	
Stabilization by State Statute	239,730
Appropriated Fund Balance in 2024 budget	-
Prepays	-
Remaining Fund Balance	<u>\$ 248,395</u>

**IV. Significant Effects of Subsequent Events**

Subsequent events occurring after the statement of financial position date have been evaluated through October 25, 2023, which is the date the financial statements were available to be issued.



**Rowan County Tourism Development Authority**  
**Salisbury, North Carolina**  
**Rowan County Tourism Development Authority's Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Ten Fiscal Years \***

**Local Government Employees' Retirement System**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
RCTDA's proportion of the net pension liability (asset) (%)	0.00098%	0.00054%	0.00054%	0.00062%	0.00065%	0.00067%	0.00073%	0.00072%	0.00076%	0.00370%
RCTDA's proportion of the net pension liability (asset) (\$)	\$ 55,286	\$ 8,588	\$ 20,011	\$ 16,932	\$ 15,420	\$ 10,236	\$ 15,493	\$ 3,231	\$ (4,482)	\$ 43,482
RCTDA's covered-employee payroll	\$ 44,875	\$ 35,681	\$ 61,745	\$ 70,541	\$ 63,425	\$ 56,788	\$ 54,721	\$ 60,675	\$ 48,000	\$ 50,106
RCTDA's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	123.20%	24.07%	32.41%	24.00%	24.31%	18.02%	28.31%	5.33%	(9.34%)	86.78%
Plan fiduciary net position as a percentage of the total pension liability**	84.41%	95.51%	88.61%	91.63%	91.68%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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



**Rowan County Tourism Development Authority**  
**Salisbury, North Carolina**  
**Rowan County Tourism Development Authority's Contributions**  
**Required Supplementary Information**  
**Last Ten Fiscal Years**

**Local Government Employees' Retirement System**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 11,084	\$ 4,930	\$ 3,611	\$ 5,582	\$ 5,488	\$ 4,744	\$ 4,132	\$ 3,651	\$ 3,700	\$ 3,228
Contributions in relation to the contractually required contribution	11,084	4,930	3,611	5,582	5,488	4,744	4,132	3,651	3,700	3,228
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RCTDA's covered-employee payroll	\$ 90,727	\$ 44,875	\$ 35,681	\$ 61,745	\$ 70,541	\$ 63,425	\$ 56,788	\$ 54,721	\$ 60,675	\$ 48,000
Contributions as a percentage of covered-employee payroll	12.22%	10.99%	10.12%	9.04%	7.78%	7.48%	7.28%	6.67%	6.10%	6.73%

