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

BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

TDA Board Members

Anna Rooney

Stephanie Williams

Katie Geoffrin

Teena Koury

Kavita Patel

Grace VandeVisser, Executive Director

Jamie Merchel, Department Head

Susan Evans, Ex-Officio Finance Director

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

BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

Exhibit		Page
	Independent Auditor's Report	1-3
	Management's Discussion and Analysis	4-9
	Basic Financial Statements:	
	Government-Wide Financial Statements:	
A	Statement of Net Position	10
B	Statement of Activities	11
	Fund Financial Statements:	
C	Balance Sheet – Governmental Fund	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
F	General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	15
	Notes to the Financial Statements	16-24
Schedule		
1	General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	25

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"A Professional Association of Certified Public Accountants and Management Consultants"

Independent Auditor's Report

To the Board of Directors
Alamance County Tourism Development Authority
Graham, 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 Alamance County Tourism Development Authority (a component unit of Alamance County, North Carolina) (the "Authority"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Alamance County Tourism Development Authority as of June 30, 2025, 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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The budget and actual schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budget and actual schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 23, 2025

Alamance County Tourism Development Authority

Management's Discussion and Analysis
June 30, 2025

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

Financial Highlights

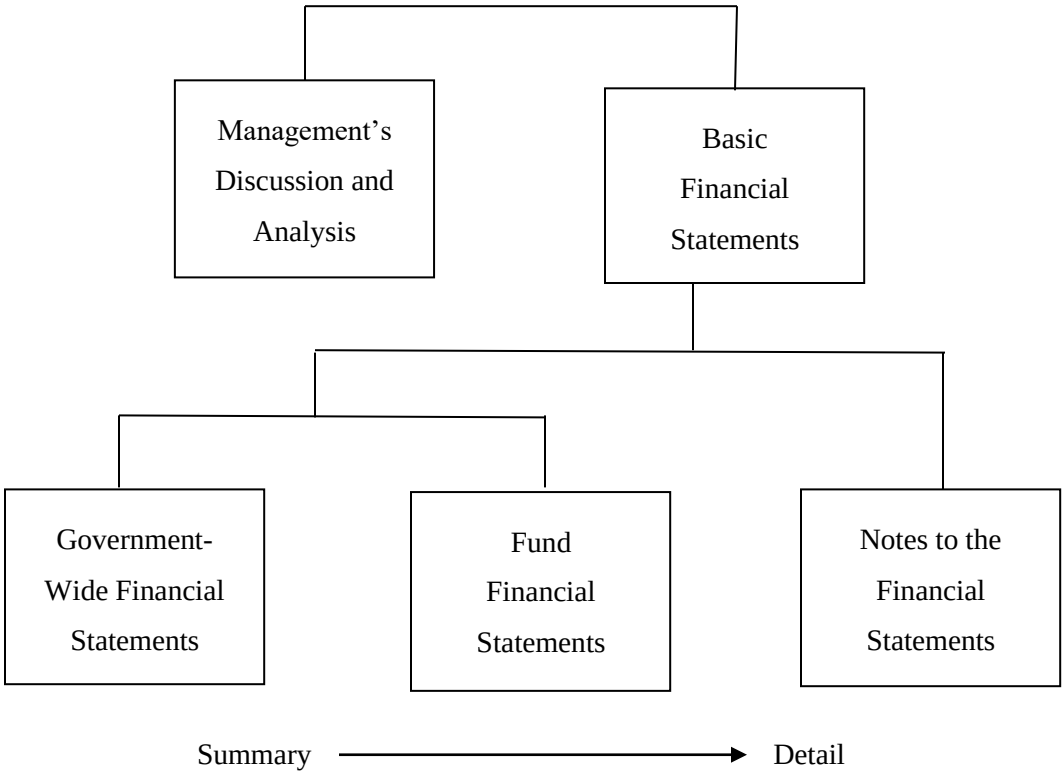
- The assets of the Authority exceeded its liabilities at the close of the fiscal year by $2,447,604 (net position)
- The Authority's total net position increased by $213,580 (or 9.6%) as compared to the previous year's end.
- The Authority's General Fund restricted fund balance for tourism promotion at the end of the year was $2,363,225 which represented 289% of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Authority through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Alamance County Tourism Development Authority.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits A and B) in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short and long-term information about the Authority's financial status.

The next statements (Exhibits C through F) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Authority's government. These statements provide more detail than the government-wide statements. There are two parts to the fund financial statements: 1) the governmental funds statements and 2) the budgetary comparison statement.

The next section of the basic financial statements is the **Notes to the Financial Statements**. The notes explain in detail some of the data contained in those statements. After the notes, **Supplemental Information** is provided to show details about the Authority's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

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

The two government-wide statements report the Authority's net position and how it has 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 government-wide financial statements are on Exhibits A and B of this report.

Fund Financial Statements

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

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

The Authority adopts an annual budget for its General Fund. 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 Alamance County Tourism Development Authority Board members about which services to provide and how to pay for them. It also authorizes the Authority to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Authority complied with the budget ordinance and whether or not the Authority succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements directly follow the basic financial statements of this report.

Government-Wide Financial Analysis

Authority's Net Position

Figure 2

	Governmental Activities	
	2025	**2024**
Assets:		
Current and other assets	$ 2,475,499	$ 2,246,943
Capital assets	4,171	5,786
Total assets	2,479,670	2,252,729
Liabilities:		
Current and other liabilities	32,066	18,705
Net Position:		
Net investment in capital assets	4,171	5,786
Restricted for:		
Stabilization by state statute	80,208	84,860
Tourism promotion	2,363,225	2,143,378
Total net position	$ 2,447,604	$ 2,234,024

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Authority exceeded liabilities by $2,447,604 as of June 30, 2025. The Authority's net position increased by $213,580 for the fiscal year ended June 30, 2025. $4,171 reflects the Authority's net investment in capital assets. The Authority uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. All of the Authority's net position represents resources that are restricted in how they may be used for tourism promotion and related activities.

The restriction for stabilization by state statute is $80,208. The remaining balance of $2,363,225 is restricted for tourism promotion and related activities.

Authority's Changes in Net Position

Figure 3

	Governmental Activities	
	2025	**2024**
Revenues:		
General revenues:		
Occupancy tax	$ 969,722	$ 953,005
Interest	54,644	50,973
Miscellaneous income	3,472	7,517
Total revenues	1,027,838	1,011,495
Expenses:		
General government	814,258	880,751
Interest on long-term debt	-	259
Total expenditures	814,258	881,010
Change in net position	213,580	130,485
Net Position:		
Beginning of year - July 1	2,234,024	2,103,539
End of year - June 30	$ 2,447,604	$ 2,234,024

Revenues from occupancy tax collections were higher than budget due to increase in travel. Revenues received were in excess of expenses and the Authority's total net position increased by $213,580.

Financial Analysis of the Authority's Funds

The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Authority's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financial requirements. In particular, fund balance available for appropriation may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Authority. At the end of the current fiscal year, the Authority reported an ending fund balance of $2,443,433; of this amount, $2,363,225 was available for spending on tourism promotion. The Authority currently has an available fund balance of 289% of General Fund expenditures.

General Fund Budgetary Highlights. During the fiscal year, the Authority did revise their 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.

Economic Factors

The following key economic indicators reflect the prospect for the coming year for the Authority.

- The Authority experienced a 1.7% increase from FY 24-25 actuals. In FY 25-26, occupancy tax revenues are projected to remain strong.

Budget Highlights for the Fiscal Year Ending June 30, 2026

Governmental Activities:

- The County expects growth in revenue from occupancy tax collections during the 2025-2026 fiscal year.

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 Susan Evans, Finance Officer, Alamance County Tourism Development Authority, 124 West Elm Street, Graham, North Carolina 27253. You can also call 336-570-4026, visit our website www.visitalamance.com, or send an email to susan.evans@alamance-nc.com for more information

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

STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities 2025
Assets:	
Current assets:	
Cash and investments	$ 2,395,291
Due from primary government	80,208
Total current assets	2,475,499
Non-current assets:	
Capital assets	16,149
Less accumulated depreciation and amortization	(11,978)
Total non-current assets	4,171
Total assets	2,479,670
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	32,066
Net Position:	
Net investment in capital assets	4,171
Restricted for:	
Stabilization by state statute	80,208
Tourism promotion	2,363,225
Total net position	$ 2,447,604

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

ALAMANCE COUNTY TOURISM DEVELOPMENT AUTHORITY

(A COMPONENT UNIT OF ALAMANCE COUNTY, NORTH CAROLINA)

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

		Net (Expense) Revenue and Changes In Net Position	
	Expenses	Governmental Activities	Total
Functions/Programs:			
Governmental Activities:			
General government	$ 814,258	$ (814,258)	$ (814,258)
General Revenues:			
Taxes:			
Room occupancy tax		969,722	969,722
Interest		54,644	54,644
Miscellaneous income		3,472	3,472
Total general revenues		1,027,838	1,027,838
Change in net position		213,580	213,580
Net Position:			
Beginning of year – July 1		2,234,024	2,234,024
End of year – June 30		$ 2,447,604	$ 2,447,604

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

ALAMANCE COUNTY TOURISM DEVELOPMENT AUTHORITY

(A COMPONENT UNIT OF ALAMANCE COUNTY, NORTH CAROLINA)

BALANCE SHEET – GOVERNMENTAL FUND
JUNE 30, 2025

	General Fund	Total Governmental Fund
Assets:		
Cash and cash equivalents	$ 2,395,291	$ 2,395,291
Due from primary government	80,208	80,208
Total assets	$ 2,475,499	$ 2,475,499
Liabilities and Fund Balance:		
Liabilities:		
Accounts payable and accrued liabilities	$ 32,066	$ 32,066
Fund Balance:		
Restricted:		
Stabilization by state statute	80,208	80,208
Tourism promotion	2,363,225	2,363,225
Total fund balance	2,443,433	2,443,433
Total liabilities and fund balance	$ 2,475,499	$ 2,475,499
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total governmental fund balance		$ 2,443,433
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		4,171
Net position of governmental activities		$ 2,447,604

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

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Total Governmental Fund
Revenues:		
Occupancy tax	$ 969,722	$ 969,722
Interest	54,644	54,644
Miscellaneous income	3,472	3,472
Total revenues	1,027,838	1,027,838
Expenditures:		
General government	816,730	816,730
Net change in fund balance	211,108	211,108
Fund Balance:		
Beginning of year – July 1	2,232,325	2,232,325
End of year – June 30	$ 2,443,433	$ 2,443,433

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

ALAMANCE COUNTY TOURISM DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF ALAMANCE 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, 2025

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

Net change in fund balance – governmental funds	$	211,108
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds statement.		
Compensated absences change in liability		4,087
Depreciation and amortization expense		(1,615)
Change in net position in governmental activities	$	213,580

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

ALAMANCE COUNTY TOURISM DEVELOPMENT AUTHORITY

(A COMPONENT UNIT OF ALAMANCE COUNTY, NORTH CAROLINA)

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance Final Budget
	Original	Final	Actual	Over/Under
Revenues:				
Occupancy tax	$ 905,852	$ 905,852	$ 969,722	$ 63,870
Interest	1,802	1,802	54,644	52,842
Miscellaneous income	-	-	3,472	3,472
Total revenues	907,654	907,654	1,027,838	120,184
Expenditures:				
General government	907,654	917,248	816,730	100,518
Revenues over (under) expenditures	-	(9,594)	211,108	220,702
Other Financing Sources (Uses):				
Appropriated fund balance	-	9,594	-	(9,594)
Net change in fund balance	$ -	$ -	211,108	$ 211,108
Fund Balance:				
Beginning of year – July 1			2,232,325	
End of year – June 30			$ 2,443,433	

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1. Summary of Significant Accounting Policies

The accounting policies of the Alamance 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 Alamance County Tourism Development Authority (a Component Unit of Alamance County, North Carolina) was created by a General Assembly Ratified Bill in 1987, Chapter 950, House Bill 2207 to collect the local tax (via Alamance County Finance Office). The Authority was organized to develop and coordinate visitor related activities and services in Alamance County to implement marketing programs that will enhance the travel and tourism activity in Alamance County. The Authority is funded by occupancy taxes received from Alamance County.

Alamance County is financially accountable for the Authority. The County levies the occupancy tax, which is the major source of Authority revenues. Therefore, the Authority is considered a discretely presented component unit of the County and is presented in the County's government-wide financial statements in a separate column.

B. Basis of Presentation

Government-Wide Statements. The Statement of Net Position and the Statement of Activities display information about the Authority. These statements include the financial activities of the government. No eliminations are needed to minimize the double counting of internal activities. Governmental activities generally are financed through occupancy taxes, intergovernmental revenues, and other non-exchange transactions. The Authority has no business-type activities.

The Statement of Activities presents a comparison between direct expenses and program revenues of the Authority and 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.

Fund Financial Statements. The fund financial statements provide information about the Authority's funds. The emphasis of fund financial statements is on major governmental funds. The General Fund is the only fund of the Authority.

The Authority reports the following major governmental fund:

General Fund

The General Fund is the general operating fund of the Authority. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue source is occupancy tax. The primary expenditures are for tourism development. The budgetary comparison for the General Fund has been included in the supplemental information.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, the fund of the Authority is maintained during the year using the current financial resources measurement focus and the modified accrual 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 are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include taxes, grants, and donations. On an accrual basis, revenue from 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 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. General capital asset acquisitions are reported as expenditures in governmental funds.

Room occupancy taxes collected and held by Alamance County and taxes receivable by Alamance 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. Budgetary Data

The Authority's budget is adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund. All annual appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the department level for the annually budgeted funds and at the project level for the multi-year funds. All budget amendments must be 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.

E. Assets, Liabilities, and Fund Equity

Deposits and Investments

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

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, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high-quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT), a SEC-registered (2a-7) government money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than six months.

Cash and Cash Equivalents

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

Accounts Receivable

Accounts receivable come from occupancy taxes, which are centrally collected by Alamance County and disbursed to the Authority the following month. All receivables of the Authority are deemed collectable, thus no allowance for doubtful accounts has been recorded.

Capital Assets

Capital assets are defined by the Authority as assets with an initial individual cost of more than a certain cost and an estimated useful life in excess of one or more years. Minimum capitalization cost is $5,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015, are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Asset Class	Estimated Useful Life
Vehicles	10 years

Net Position/Fund Balances

Net Position

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

Fund Balances

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

The government 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".

Restricted for Tourism Promotion – portion of fund balance that is restricted by revenue source for tourism activities.

Committed Fund Balance. This classification represents the portion of fund balance that can only be used for specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council 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.

Assigned Fund Balance. This classification represents the portion of fund balance that the Authority intends to use for specific purposes. The Authority's governing body has the authority to assign fund balance. The Finance Director, if authorized in the officially adopted budget ordinance, can be granted limited authority to assign fund balance.

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

The Authority does not have a formal revenue spending policy that provides guidance for programs with multiple revenue sources. However, the Finance Officer will use resources in the following order: bond proceeds, 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 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 or when required by grant or other contractual agreements.

The Authority has not adopted a minimum fund balance policy.

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.

2. Detail Notes On All Funds

A. Assets

Deposits

All the deposits of the Authority are either insured or collateralized by using one of the 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 this unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the state Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Authority, these deposits are considered to be held by the Authority's agent in its 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 amounts 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 but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Authority complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2025, the Authority's deposits had a carrying amount of $1,457,794 and a bank balance of $1,459,135. Of the bank balance, $476,213 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method.

Investments

At June 30, 2025, the Authority had $937,497 invested with North Carolina Capital Management Trust's Government Portfolio, which carried a credit rating of AAAm by Standard and Poor's and AAA-mf by Moody's Investor Service. The Authority has no policy regarding credit risk.

Receivables

Receivables at Exhibit A at June 30, 2025, were as follows:

Type of Receivable	Governmental Activities
Due from Other Governments:	
Occupancy tax	$ 80,208

Capital Assets

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

	Beginning Balance July 1, 2024	Increases	Decreases	Ending Balance June 30, 2025
Governmental Activities:				
Capital Assets Being Depreciated:				
Vehicles	$ 16,149	$ -	$ -	$ 16,149
Less Accumulated Depreciation/Amortization:				
Vehicles	10,363	1,615	-	11,978
Governmental activities capital assets, net	$ 5,786			$ 4,171

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

General government	$ 1,615

B. Liabilities

Accounts Payable

Accounts payable is composed of the following amounts at June 30, 2025:

	Vendors
Governmental Activities:	
Accounts payable	$ 32,066

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 obtains general liability coverage of $2 million per occurrence, property coverage up to the total insurance values of the property policy, and directors' and officers' coverage of $1 million. Worker's Compensation is covered through the County's self-insured fund. Under this program, the Workers' Compensation Fund provides coverage for up to a maximum of $600,000. The County purchases commercial insurance for losses in excess of coverage provided by the fund. Settlement claims have not exceeded this commercial coverage during the past year since the fund's inception.

The Authority carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year.

The Authority does not carry flood insurance, as the Authority is not in an area of the state designated as a floodplain.

In accordance with G.S. 159-29, the County's Finance Officer serves on the Board of Directors and is individually bonded for $90,800, separate from the bonding as the County's Finance Officer.

Long-Term Obligations

Changes in Long-Term Liabilities

	Beginning Balance July 1, 2024	Increases	Decreases	Ending Balance June 30, 2025	Current
Governmental Activities:					
Compensated absences	$ 4,087	$ -	$ 4,087	$ -	$ -

C. Revenue

Occupancy Taxes

In accordance with state law, a room occupancy tax of 3% 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 Alamance County and remitted to the Authority net of the cost to the County of administrations and collecting the tax not to exceed 3% of the gross proceeds.

D. Fund Balance

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

Total fund balance – General Fund	$2,443,433
Less:	
Stabilization by state statute	80,208
Available fund balance	$2,363,225

E. Related Party Transactions

The Authority and its primary government engaged in the following transactions during the year ended June 30, 2025:

Alamance County	
Due from primary government	$ 80,208
Revenues - occupancy tax	969,722

ALAMANCE COUNTY TOURISM DEVELOPMENT AUTHORITY

(A COMPONENT UNIT OF ALAMANCE COUNTY, NORTH CAROLINA)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025			2024
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Occupancy tax	$ 905,852	$ 969,722	$ 63,870	$ 953,005
Interest	1,802	54,644	52,842	50,973
Miscellaneous income	-	3,472	3,472	7,517
Total revenues	907,654	1,027,838	120,184	1,011,495
Expenditures:				
General government:				
Contracted services	175,910	171,696	4,214	161,029
Marketing and promotions	399,164	343,524	55,640	379,677
Other operating expenditures	342,174	301,510	40,664	308,711
Debt service:				
Principal retirement	-	-	-	25,541
Interest and other charges	-	-	-	259
Total expenditures	917,248	816,730	100,518	875,217
Revenues over (under) expenditures	(9,594)	211,108	220,702	136,278
Other Financing Sources (Uses):				
Appropriated fund balance	9,594	-	(9,594)	-
Net change in fund balance	$ -	211,108	$ 211,108	136,278
Fund Balance:				
Beginning of year – July 1		2,232,325		2,096,047
End of year – June 30		$ 2,443,433		$ 2,232,325