IREDELL COUNTY ECONOMIC DEVELOPMENT CORPORATION

Audited Financial Statements
June 30, 2025 and 2024

IREDELL COUNTY ECONOMIC DEVELPMENT CORPORATION

Mooresville, North Carolina

Audited

Financial Statements

At

June 30, 2025 and 2024

And For The Years Then Ended

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Iredell County Economic Development Corporation.
Mooresville, North Carolina

Opinion

We have audited the accompanying financial statements of the Iredell County Economic Development Corporation (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets- modified cash basis as of June 30, 2025 and 2024, and the related statements of revenue, expenses and changes in net assets- modified cash basis, and functional expenses-modified cash basis, for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Iredell County Economic Development Corporation as of June 30, 2025 and 2024, and the changes in its net assets for the year then ended in accordance with the modified cash basis of accounting.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Iredell County Economic Development Corporation 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 opinion.

Prior Period Financial Statements

The financial statements as of June 30, 2024, were audited by Potter & Company, PA., who merged with DMJPS PLLC as of July 1, 2025, and whose report dated January 2, 2025, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting, 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 Iredell County Economic Development Corporation**'s** ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibility 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 opinion. Reasonable assurance is a high level of assurance, but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Iredell County Economic Development Corporation'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 Iredell County Economic Development Corporation'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.

DMJPS PLLC

January 20, 2026
Mooresville, North Carolina

IREDELL COUNTY ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS-MODIFIED CASH BASIS
JUNE 30, 2025 and 2024

ASSETS	2025	2024
CURRENT ASSETS		
Cash	$ 876,942	$ 742,215
Total Current Assets	876,942	742,215
PROPERTY AND EQUIPMENT		
Furniture and equipment	65,927	67,427
Leasehold improvements	19,415	19,415
	85,342	86,842
Less: Accumulated depreciation	(50,544)	(45,804)
Total Property and Equipment, net	34,798	41,038
LONG-TERM ASSETS		
Operating lease right of use assets	253,838	300,552
Total Long-Term Asset	253,838	300,552
OTHER ASSETS		
Rent security deposit	3,939	3,939
Prepaid rent	2,802	-
Total Other Assets	6,741	3,939
TOTAL ASSETS	$ 1,172,319	$ 1,087,744
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of operating lease liabilites	$ 59,187	$ 57,934
Deferred rent revenue	-	1,315
Retirement liability	8,433	-
Total Current Liabilities	67,620	59,249
LONG-TERM LIABILITIES		
Operating lease liabilites	213,279	260,058
Rent security deposit	1,250	1,250
Total Long-Term Liabilities	214,529	261,308
Total Liabilities	282,149	320,557
Net Assets Without Donor Restrictions	890,170	767,187
TOTAL LIABILITIES AND NET ASSETS	$ 1,172,319	$ 1,087,744

IREDELL COUNTY ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS-MODIFIED CASH BASIS
For The Years Ended June 30, 2025 and 2024

	2025	2024
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUES AND OTHER SUPPORT		
Iredell County	$ 392,120	$ 350,373
City of Statesville	139,768	139,768
Town of Troutman	27,656	28,800
Town of Mooresville	167,536	167,536
County positioning funding	30,000	30,000
Private contributions	196,525	134,135
Donated Services	23,962	24,056
Administrative contract reimbursement	60,000	60,000
Iredell Alliance	60,000	65,000
Iredell Ready	35,000	60,000
Statesville Chamber rent	17,144	15,775
Gain/(loss) on disposal of fixed assets	133	(2,733)
Interest income	21,863	25,748
Other Income	24,141	23,107
TOTAL REVENUES AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	1,195,848	1,121,564
EXPENSES		
Program services	968,118	917,505
Supporting services	104,747	97,862
TOTAL EXPENSES	1,072,865	1,015,367
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	122,983	106,197
Net Assets Without Donor Restrictions, Beginning, as restated	767,187	660,990
Net Assets Without Donor Restrictions, Ending	$ 890,170	$ 767,187

IREDELL COUNTY ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES-MODIFIED CASH BASIS
For The Year Ended June 30, 2025

	Program Services	Supporting Services	2025 Totals
EXPENSES			
Officer compensation	$ 162,965	$ 18,107	$ 181,072
Program salaries	333,787	37,087	370,874
Board expense	5,003	-	5,003
Retirement plan contributions	63,159	11,146	74,305
Other employee benefits	62,702	10,207	72,909
Payroll taxes	32,685	8,689	41,374
Insurance	3,755	611	4,366
Legal and accounting	16,010	4,516	20,526
Supplies	3,752	-	3,752
Telephone	8,980	998	9,978
Occupancy	8,737	971	9,708
Travel and meals	18,794	-	18,794
Meetings and conferences	5,073	564	5,637
Depreciation and amortization	62,707	6,967	69,675
Marketing	97,578	-	97,578
Computer	16,312	-	16,312
Dues and subscriptions	7,438	-	7,438
Interest expense	93	-	93
Licenses	-	4,410	4,410
Equipment lease	1,482	-	1,482
Postage	830	-	830
Workforce development	35,926	-	35,926
Miscellaneous	17,675	-	17,675
Payroll adminstrative fees	2,675	474	3,148
Total expenses	$ 968,118	$ 104,747	$ 1,072,865

IREDELL COUNTY ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES-MODIFIED CASH BASIS
For The Year Ended June 30, 2024

	Program Services	Supporting Services	2024 Totals
EXPENSES			
Officer compensation	$ 149,317	$ 16,591	$ 165,908
Program salaries	306,453	34,050	340,504
Board expense	5,831	-	5,831
Retirement plan contributions	55,244	9,749	64,993
Other employee benefits	56,441	9,188	65,629
Payroll taxes	30,196	8,027	38,223
Insurance	3,391	552	3,943
Legal and accounting	16,789	4,735	21,524
Supplies	2,779	-	2,779
Telephone	7,895	877	8,773
Occupancy	4,723	525	5,248
Travel and meals	14,368	-	14,368
Meetings and conferences	3,247	361	3,608
Depreciation and amortization	60,466	6,718	67,184
Marketing	74,903	-	74,903
Computer	19,885	-	19,885
Dues and subscriptions	4,975	-	4,975
Interest expense	4,742	-	4,742
Licenses	-	5,744	5,744
Equipment lease	5,403	-	5,403
Postage	541	-	541
Workforce development	66,041	-	66,041
Miscellaneous	19,655	-	19,655
Payroll adminstrative fees	4,220	745	4,964
Total expenses	$ 917,505	$ 97,862	$ 1,015,367

NOTE 1 **NATURE OF ACTIVITIES**

In 2017, a strategic decision was made by community leaders to combine Mooresville-South Iredell Economic Development and Statesville Regional Development to serve all of Iredell County and its municipalities operating under the name Iredell County Economic Development Corporation (The Organization). As a result, the community has benefited from shared resources and collaboration through enhanced marketing, workforce development, and expanded program offering to small businesses. The Organization supports specific economic development initiatives that create jobs, investments, and resources to minimize the tax burden to the local community. The Organization supports community initiatives by leveraging and securing federal grants for transportation and infrastructure projects. The Organization is funded primarily by revenues from commitments with Iredell County and various local Municipalities.

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The financial statements of Iredell County Economic Development Corporation have been prepared on the modified cash basis of accounting; consequently, revenues and related assets are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred. Exceptions to the modified cash basis of accounting are the recording of property and equipment and the related accumulated depreciation as long-term assets, and payroll liabilities at year-end and pass-through grant funds the Organization is holding for specific purposes which are recorded as current liabilities. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Restricted and Unrestricted Support

Contributions received are recorded as with or without donor restrictions depending on the existence or nature of any donor-imposed restraint.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions and thus increases that net asset class. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as support without donor restrictions.

Property and Equipment

Property and equipment purchased by the Organization are stated at cost at date of acquisition, or fair value at date of donation in the case of gifts. It is the Organization’s policy to capitalize expenditures for these items in excess of $500. Amounts below this threshold are expensed. Depreciation is being provided on straight line and accelerated methods over the estimated useful lives of the respective assets, which is five years for all assets. Any repairs and maintenance associated with the assets is charged to expense when paid. Depreciation expense was $6,910 and $7,386 for the years ended June 30, 2025 and 2024, respectively.

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – Continued

Income Tax Status
The Organization is exempt from Federal income taxes under Section 501(c)(6) of the Internal Revenue code and is exempt from federal and state income taxes on all income related to its exempt function.

The Organization follows ASC 740-10 as it relates to uncertain tax positions for the years ended June 30, 2025 and 2024 and has evaluated its tax positions for all open tax years. However, the Organization is not currently under audit nor has the Organization been contacted by the Internal Revenue Service.

Based on the evaluation of the Organization's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended June 30, 2025 and 2024.

Cash, Cash Equivalents and Restricted Cash
The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash, cash equivalents and restricted cash.

Expense Allocation
The cost of providing the Organization's various programs and activities have been summarized on a functional basis in the statement of activities. Expenses incurred to support the overall operations of the Organization have been allocated to programs and supporting services – general management based on management's estimates of time and effort devoted to each component.

Donated Materials and Services

Donated Materials – Donated property, marketable securities and other noncash donations are recorded as contributions at their estimated fair market value at the date of donation. During the years ended June 30, 2025 and 2024 there were no such materials donated.

Donated Services – Donated services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. During the year ended June 30, 2025, the value of contributed services was $23,962. During the year ended June 30, 2024, the value of contributed services was $24,056.

Estimates
The preparation of financial statements under the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates. Management believes its estimates are reasonable.

Revenue and Revenue Recognition
Contribution and Grant Revenue
The Corporation recognizes revenue from investors when the funds are received. Contributions received are recorded as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions.

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – Continued

All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires; that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

Contracts with local governments: The Corporation contracts with local county and city governments to provide economic development services for their jurisdictions. Contracts are for a set annual fee with services performed over the fiscal year. Revenue under these contracts is recognized over the term of the contract and all revenue is recognized in full when the annual contract expires which is June 30th of each year.

Subsequent Events
Management has evaluated subsequent events through January 20, 2026, the date the financial statements were available to be issued.

NOTE 3 **LEASING ACTIVITIES**

Lessor Accounting
An agreement was executed on June 6, 2022, effective July 1, 2022, to lease office space to a tenant under an operating lease agreement with a three-year term. In 2025, the lease term was extended by two years. The lease agreement does not transfer ownership of the leased asset and does not provide an option for the lessee to purchase the asset.

Lease income is included in operating income in the statement of revenues, expenses and changes in net assets. Total lease income related to this operating lease amounted to $15,914 and $15,450 for the years ended June 30, 2025 and 2024, respectively.

The following is an analysis of the maturity of the undiscounted operating lease payments at June 30, 2025:

2026	$17,171
2027	$17,663

For leased under which the Corporation is the lessor, the Corporation has elected short-term lease recognition exemption for all applicable classes of underlying assets. Leases with an initial term of 12 months or less, that do not include an option to purchase the underlying asset that is reasonably certain to be exercised, are not recorded on the balance sheet. Lease expense is recognized on these leases on a straight-line basis over the lease term.

Lessee Accounting
The Corporation leases certain office space and equipment. The Corporation assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less, that do not include an option to purchase the underlying asset that is reasonably certain to be exercised, are not recorded on the balance sheet. Lease expense is recognized on these leases on a straight-line basis over the lease term.

NOTE 3 **LEASING ACTIVITIES** – Continued

All of the Corporation's leases are classified as operating leases. Most leases include renewal options which can extend the lease terms up to 5 years. The exercise of these renewal options is at the sole discretion of the Corporation, and only lease options that the Corporation believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities.

Operating lease right-of-use assets amounting to $253,838 and $300,552 are included on the balance sheet at June 30, 2025 and 2024, respectively. Operating lease liabilities amounting to $272,466 and $317,992 are included on the balance sheet at June 30, 2025 and 2024, respectively. The operating lease right-of-use assets and operating lease liabilities were calculated utilizing a risk free discount rate based on the information available at the commencement date in determining the present value of lease payments.

The weighted average remaining lease term and the weighted average discount rate for operating leases as of June 30, 2025 are 1.56% and 1.38%, respectively.

Maturities of operating lease liabilities are as follows:

Year Ending June 30,		
2026	$	62,928
2027		64,359
2028		33,093
2029		30,966
2030		31,780
Thereafter		61,535
Total lease payments		284,661
Less: present value discount		(12,194)
Total lease liabilities	$	272,466

The following table presents supplemental cash flow information and non-cash activity related to operating leases:

		2025	2024
Operating lease expense	$	59,392	59,799
Operating cash flow information:			
Cash paid for amounts included in the measurement of lease liabilities	$	57,693	55,729
Non-cash activity:			
ROU assets obtained in exchange for lease	$	17,892	-

NOTE 4 **RETIREMENT PLAN**

The Corporation participates in the North Carolina Local Government Employees Retirement System. Employees who participate contribute 6% of their salaries to the plan. The Corporation provides a mandatory contribution at 12.85% as set by the state of the North Carolina retirement plan. The Corporation began participating in the plan effective April 1, 1994. Effective July 1, 2016, the Plan required all employees to participate. The Corporation's required contribution was $74,305 and $64,993 for the years ended June 30, 2025 and 2024.

NOTE 5 **RELATED PARTY TRANSACTIONS**

South Iredell Community Development Corporation (SICDC) is a non-profit organization dedicated to attracting quality industry and jobs to the Mooresville-South Iredell area. There are various Board members of the South Iredell Community Development Corporation that are also Board members of the Corporation.

The Corporation is party to an agreement to provide various administrative services on behalf of the South Iredell Community Development Corporation for a reimbursement of $5,000 per month beginning August 2016. Payments received during the fiscal year were $60,000.

Members of the Corporation's Board of Directors include representatives from various governmental units. Each unit contracts with the Organization for services. The following details the contract amounts paid by the governmental units for the year ended June 30:

	2025	2024
Iredell County	$ 517,120	$ 505,373
Town of Mooresville	167,536	167,536
City of Statesville	139,768	139,768
Town of Troutman	27,656	28,800

The Corporation also entered into a $10,000 service agreement with LKNInMotion to provide videography services for the Corporation and its industrial sites. The owner of LKNInMotion is the spouse of the Corporation's President & CEO.

NOTE 6 **CONCENTRATIONS**

Revenue Sources

The Corporation is a community service organization which generates substantially all of its revenues from the Piedmont region of North Carolina and is therefore dependent upon the economy in that area. Revenues from a fee-for-service contract with Iredell County, a North Carolina government, represented the Corporation's largest source of revenue for fiscal years ended June 30, 2025 and 2024 and accounted for approximately 43% and 45%, respectively, of total revenues. Under this contract, the Corporation provides "core economic development services" to Iredell County to secure quality economic growth in the private sector. The Corporation is largely dependent upon the renewal of this contract with Iredell County to continue its operations.

NOTE 6 **CONCENTRATIONS** – Continued

Credit Risk
The Organization places its cash, cash equivalents, and restricted cash on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation (FDIC) covers $250,000 for substantially all depository accounts. The Organization from time to time may have amounts on deposit in excess of the insured limit. At the year ended June 30, 2025, the Organization had $377,765 which exceeded these insured limits. At the year ended June 30, 2024, the Organization had $319,423 which exceeded these insured limits.

NOTE 7 **LIQUIDITY AND AVAILABILITY**

	2025	2024
Total financial assets	$ 918,481	$ 787,192
Donor imposed restrictions: None	-	-
Financial assets available to meet cash needs for general expenditures within one year	$ 918,481	$ 787,192

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The Organization receives the majority of its funding from Iredell County (See NOTE 7), so income is consistent and reliable. This ensures that necessary funds, such as payroll and other monthly obligations, will be available when due. The Organization manages its liquidity and reserves following these guiding principles: operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs. The Organization forecasts its future cash flows and monitors its liquidity on an ongoing basis.