



**MONROE TOURISM DEVELOPMENT AUTHORITY  
REGULAR MEETING**

City Hall Conference Room  
300 W. Crowell Street  
Monroe, NC 28112  
Thursday, March 12, 2026 - 8:30 AM

**AGENDA**

1. Approval of Minutes of Monroe Tourism Development Authority Meeting of January 8, 2026
2. Finance/Occupancy Report
3. Fiscal Year 2026 Audit Contract for the Monroe Tourism Development Authority
4. Budget Presentation and Call for Public Hearing
5. Dowd Center Theatre Update
6. Monroe Science Center Update

**MONROE TOURISM DEVELOPMENT AUTHORITY  
REGULAR MEETING  
CONFERENCE ROOM  
300 W. CROWELL STREET, MONROE, NC 28112  
JANUARY 8, 2026 – 8:30 A.M.  
MINUTES**

**Present:** Chairman Robert Burns (arr. 8:31 a.m.), MaryAnn Rasberry, Sheila Crunkleton, Joyce Rentschler, Ron Hinson, Gina Day, Jennifer Moore, Bill Heisner, and Arpan Bhakta (arr. 8:35 a.m.)

**Absent:**

**Staff Present:** Parks & Recreation and Tourism Director Pete Hovanec, Finance Director Lisa Strickland, Tourism Administrative Assistant Kristen Hensley, Assistant City Manager Jeff Wells, Science Center Supervisor Lauren Fike, Dowd Center Theatre Operations Supervisor Tim Pappas, Senior Staff Attorney Terry Sholar.

**Staff Absent:**

**Visitors:**

Chairman Burns called the Monroe Tourism Development Authority Regular Meeting of January 8, 2026 to order at 8:32 a.m.

**Item No. 1 Approval of Minutes of Monroe Tourism Development Authority Regular Meeting of October 9, 2025.** Ron Hinson made a motion to approve the Minutes of Monroe Tourism Development Authority Regular Meeting of October 9, 2025. Sheila Crunkleton seconded the motion, which passed unanimously with the following votes:

AYES: Hinson, Day, Moore, Heisner, Crunkleton, Rasberry, Rentschler

NAYS: None

**Item No. 2 Finance/Occupancy Report:** Lisa Strickland presented the Finance/Occupancy Report. She stated that the occupancy tax collections for the fiscal year to date are down approximately 4% compared to last year.

Lisa Strickland stated the Capital Fund does not have anything in it at this time due to all projects having been closed out. She gave a recap of the Science Center Operating Fund.

Gina Day stated business looks strong for the 1<sup>st</sup> quarter of this year. She stated there was some slow down with the government shutdown last quarter.

**Item No. 3 Dowd Center Theatre Update:** Pete Hovanec discussed the busy line-up at the Theatre and events scheduled for the first half of the year. He stated they are looking at scheduling for the second half of the year.

Tim Pappas stated the Dowd Center Theatre had a successful season, with ticket revenues up 19.8% from last year and movie revenue up 5.8% from last year.

Tim Pappas discussed some upcoming events at the Dowd Center Theatre, including an Elvis tribute, a Taylor Swift tribute, and magic show. He stated that the Dowd would be showing twelve patriotic movies consistent with the America 250 Committee. In June, July, and August the Dowd will feature family films.

Pete Hovanec discussed some possible acts that they are looking into for the Fall.

Tim Pappas discussed how the Dowd hosted a free Santa photo experience, with over 1,000 attendees (approximately 300 families). The Theatre showed classic cartoons during this time and concessions were available for purchase as well.

Joyce Rentschler recommended beach music as a potential addition to the Fall line-up, as she has had multiple requests for this type of performance.

**Item No. 4 Science Center Update** Pete Hovanec noted that the Science Center may shift hours for the upcoming summer months.

Lauren Fike further elaborated that they are looking at adding Tuesday operating hours for June and July (the Science Center is currently open to the public Wednesday through Saturday).

Lauren Fike discussed the upcoming "Free Day" event at the museum on January 17<sup>th</sup>. She stated they are considering having four free admission days per year.

Lauren Fike noted how the Explorer Pass, which is available for free at the Union County Public Library, is quite popular and is utilized for approximately sixteen free admissions per day. The public may reserve these passes digitally, and use the pass for up to four persons' free admission to the museum.

Lauren Fike also stated that the Science Center would be hosting a Blood Drive in February.

Lauren Fike explained that there is not a travelling exhibit booked for this summer at this point. She is researching options to curate an exhibit rather than renting an exhibit.

Pete Hovanec elaborated that they are weighing the options of spending the money to rent an exhibit versus spending the same amount of money to purchase something which would then belong to the Science Center.

Pete Hovanec also stated that he is still researching the feasibility to proceed with a mini-golf course at the Science Center. He has received a rough quote of approximately \$200,000 to build, including improvements to the land and drainage. He will continue to investigate the feasibility of this project as he wants to be careful not to deplete the Capital Fund. He described some additional considerations such as hiring additional staff for a mini-golf course, and will update the Board as his research continues.

Pete Hovanec stated that visitors to the Science Center are consistent with last year, and adding Tuesdays would add more opportunity for the public to access the Science Center. He also described

the picnic shelter provided by the Rotary and noted how often it is utilized by families, and how it is a great addition for the area.

Bill Heisner inquired whether Lauren Fike had a breakdown of the revenue generated from school trips versus the general public, and whether most revenue comes from one or the other. Lauren Fike said that she thought it was fairly evenly divided, but that she would be happy to compile the financial analysis.

Pete Hovanec explained how the museum offers all day admission, and how families frequently come to the museum in the morning, leave for lunch or coffee, then return to the museum for the afternoon. He stated that he would like to work with local businesses so that perhaps the businesses could offer some type of discount to the museum guests who present their wristbands as an additional incentive to draw people to the downtown area.

**Item No. 5 Air Show Update** Pete Hovanec stated the 2025 Air Show was very well attended and the weather was great that weekend. He noted that over eighteen years of the City of Monroe hosting the Air Show, it has a safety record of zero accidents.

Pete Hovanec explained how the airport will likely undergo a lot of construction in 2026, including construction of a new hangar and runway reinforcements. Due to this construction, at this point, the City of Monroe is not planning to have a fully-fledged Air Show for 2026. There may be another event or smaller scale air performance instead, but nothing is planned at this time.

Joyce Rentschler inquired if the Air Show would resume in subsequent years when the construction is completed. Pete Hovanec responded that it may resume on a smaller scale, but that possibility will have to be examined once construction is complete.

Pete Hovanec explained how the Air Show costs have increased in recent years, and how the Air Show has never been a revenue generator.

Sheila Crunkleton inquired whether it would be possible to provide some other event to celebrate Veteran's Day and honor our Veterans. She noted that the Red Cross would like to participate in such a celebration. Pete Hovanec explained that discussions for a Veteran's Day event have already been initiated.

Mayor Burns stated that he had seen billboards advertising the Air Show as far away as South Carolina, and emphasized the positive economic impact it has on the community.

Pete Hovanec explained how the improvements at the airport would generate revenue such as leasing the hangars, collecting tax revenue from planes, and fuel sales.

Jeff Wells further elaborated that strengthening the runways will attract more corporate business thus generating more revenue.

MaryAnn Rasberry inquired about customs at this airport and Pete Hovanec confirmed it is present at the airport. Terry Sholar explained how having customs at the airport is a real benefit for corporate flights.

Pete Hovanec gave a brief update on the golf simulator installation at the Golf Course, which may have a March opening.

Sheila Crunkleton made a motion to adjourn. MaryAnn Rasberry seconded the motion, which passed unanimously with the following votes:

AYES: Rasberry, Hinson, Day, Moore, Heisner, Bhakta, Crunkleton, Rentschler

NAYS: None

The meeting adjourned at 9:13 a.m.

ATTEST:

\_\_\_\_\_  
Robert Burns, Chairman

\_\_\_\_\_  
Kristen Hensley

MTDA/1-8-2026

**CITY OF MONROE, NORTH CAROLINA  
HOTEL OCCUPANCY TAX COLLECTIONS HISTORY**

Month	Collections										Inception	
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Total from FY2024	Total from FY2025		FY2026
July	\$50,935.50	\$57,757.87	\$49,237.75	\$52,555.67	\$50,502.69	36,361.82	\$58,632.48	\$77,203.59	\$71,311.91	\$70,875.15	\$77,308.09	
August	48,845.23	56,430.47	53,328.43	53,326.15	56,119.30	33,717.52	\$57,897.52	\$72,112.89	\$70,250.44	\$76,578.66	75,481.12	
September	43,971.63	52,501.28	49,280.40	57,322.54	54,601.79	36,333.99	\$57,646.95	\$67,860.45	\$70,961.74	\$80,412.65	73,710.88	
October	50,450.31	62,852.14	54,883.77	61,478.56	58,576.63	47,918.88	\$60,324.82	\$72,465.20	\$78,388.15	\$90,971.64	83,244.67	
November	44,935.28	53,718.49	52,159.03	52,344.58	44,677.93	33,689.77	\$62,776.88	\$69,846.82	\$66,133.93	\$78,695.22	70,001.39	
December	37,857.15	42,905.99	43,020.41	41,248.49	35,855.88	30,608.58	\$55,627.44	\$58,041.30	\$61,688.92	\$62,565.29	62,864.60	
January	47,446.36	49,314.76	44,917.89	45,790.70	37,998.34	34,555.26	\$47,425.62	\$57,371.07	\$66,446.68	\$68,625.18	68,838.50	
February	49,690.07	50,786.19	49,090.46	50,174.09	41,074.64	35,790.58	\$55,074.93	\$64,640.72	\$62,730.49	\$53,143.41	-	
March	54,238.06	58,370.59	58,151.91	55,628.08	44,213.52	49,982.86	\$68,473.24	\$77,373.44	\$73,443.47	\$99,912.45	-	
April	56,185.32	54,463.65	55,541.22	52,298.83	24,603.84	54,315.36	\$72,023.49	\$69,155.17	\$68,463.29	\$77,453.41	-	
May	55,415.35	59,183.07	56,465.45	58,606.08	30,748.09	57,003.16	\$72,299.75	\$76,655.92	\$77,856.16	\$86,423.02	-	
June	56,036.83	53,968.10	56,273.88	54,481.57	36,285.75	57,435.41	\$72,729.08	\$74,197.82	\$80,517.94	\$82,066.87	-	
Penalties/Interest	40.29											
<b>Total Collections</b>	<b>\$596,047.38</b>	<b>\$652,252.60</b>	<b>\$622,350.60</b>	<b>\$635,255.34</b>	<b>\$515,258.40</b>	<b>\$507,713.19</b>	<b>\$740,932.20</b>	<b>\$836,924.39</b>	<b>\$848,193.12</b>	<b>\$927,722.95</b>	<b>\$511,449.25</b>	
<b>Distribution of Collections</b>												
Administrative Fee	\$17,881.42	\$16,522.53	\$16,415.73	\$16,352.55	\$15,152.58	\$15,077.13	\$17,409.32	\$17,296.09	\$18,481.93	\$19,277.23	\$15,114.49	\$485,980.82
Operating (2/3)	\$385,443.97	\$423,820.05	\$403,956.58	\$412,601.86	\$333,403.88	\$328,424.04	\$482,348.59	\$546,418.86	\$553,140.79	\$605,630.48	\$330,889.84	\$6,150,752.99
Capital (1/3)	\$192,721.99	\$211,910.02	\$201,978.29	\$206,300.93	\$166,701.94	\$164,212.02	\$241,174.29	\$273,209.43	\$276,570.40	\$302,815.24	\$165,444.92	\$4,738,291.45
	<b>\$596,047.38</b>	<b>\$652,252.60</b>	<b>\$622,350.60</b>	<b>\$635,255.34</b>	<b>\$515,258.40</b>	<b>\$507,713.19</b>	<b>\$740,932.20</b>	<b>\$836,924.39</b>	<b>\$848,193.12</b>	<b>\$927,722.95</b>	<b>\$511,449.25</b>	<b>\$11,375,025.26</b>

**Operating Fund Activity:**

Fiscal Year	Total Revenue*	Operating Expense	Capital Fund Transfer Out	increase/(Decrease in Net Assets	Fund Balance
2004	\$ 172,430	\$ 249	\$ 114,830	\$ 57,351	\$ 57,351
2005	245,420	49,354	163,613	32,453	89,804
2006	268,539	70,628	176,514	21,397	111,201
2007	292,730	69,590	191,873	31,267	142,468
2008	319,940	79,519	210,593	29,828	172,296
2009	327,232	85,108	217,376	24,748	197,044
2010	286,292	105,147	190,079	(8,934)	188,110
2011	306,323	141,300	199,809	(34,786)	153,324
2012	338,380	218,328	214,473	(94,421)	58,903
2013	366,349	157,025	223,162	(13,839)	45,064
2014	389,562	132,144	239,765	17,653	62,717
2015	505,323	229,769	193,164	82,390	145,107
2016	603,262	324,214	192,722	86,326	231,433
2017	677,786	243,750	211,910	222,126	453,559
2018	634,804	270,913	201,978	161,913	615,472
2019	643,745	257,345	206,301	180,099	795,571
2020	599,412	270,236	166,702	162,473	958,044
2021	501,615	385,603	164,212	(48,200)	909,844
2022	732,524	459,705	241,174	31,645	941,489
2023	973,580	720,369	273,209	(19,999)	921,490
2024	1,068,593	788,070	276,570	3,953	925,443
2025	1,189,749	930,860	302,815	(43,927)	881,516

**Fund Balance as of June 30, 2025**

**\$881,516**

**Capital Expense History:**

Professional Fees for Civic Center	86,838
Monroe Park Master Plan and Site Assessment	23,058
Air Museum Advance Planning	19,240
Purchase of "The Tinker Belle"/Capital Upgrades	255,177
Storage Building	8,175
Tourism Study	7,500
Snow Machine	6,129
Center Theatre Property/Adjacent Property Purchase	508,770
Purchase of 318 E. Franklin Street Property for Science Center & Capital Improvements/Consulting/Fun	5,038,358
Capitalized Equipment/Exhibits - Science Center	786,625
Center Theatre Expansion	332,497
Branding Initiative/Website Design	33,830
NC DNCR Grant Capital Equipment Expenses - Science Center Exhibits	100,000

**Cash Balance of the Capital Project Fund  
as of February 25, 2026**

Projects:	
Monroe Science Center Building	0.00
Science Center Exhibits	-
Rotary Picnic Shelter Project	10,400.24
	<u>10,400.24</u>
	<u>\$ 10,400.24</u>

**Occupancy Tax Special Revenue Fund Operating Activity FY 2026**

		<u>Budget</u>	<u>FYTD Actual</u>
Revenue:	Occupancy Tax	288,413	\$ 102,458
	Sales of TinkerBelle	-	-
	Investment Earnings	17,481	8,696
	Appropriation of Fund Balance	-	-
	<b>Total</b>	<b>305,894</b>	<b>111,154</b>
Expenses:	Debt Service - Principal & Interest	256,848	27,326
	Debt Service - Bond Admin Fees	1,056	1,144
	<b>Total</b>	<b>257,904</b>	<b>28,470</b>
<b>Net Income (Loss)</b>		<b>47,990</b>	<b>82,684</b>

**Fund Balance History of the Occupancy Tax Special Revenue Fund**

Fiscal Year	Total Revenue*	Debt Service Expense	Capital Fund Transfer In/(Out)	Increase/(Decrease in Net Assets)	Fund Balance
2022	\$ 241,649	\$ 254,351	\$ 260,565	\$ 247,863	\$ 247,863
2023	278,051	258,403	-	19,648	267,511
2024	406,745	256,665	(70,000)	80,080	347,591
2025	306,639	251,116	(3,194)	52,328	399,920

**Monroe Science Center Operating Activity FY 2026**

	<u>Budget</u>	<u>Current Year Actuals</u>	<u>Prior Year Actuals</u>
Revenue:	251,000	\$ 108,563	\$ 177,617
	60,000	21,765	34,358
	12,375	6,458	4,687
	0	-	-
	6,000	-	-
	<b>329,375</b>	<b>136,786</b>	<b>216,663</b>
Expenses:	439,604	256,130	391,410
	7,100	4,704	7,397
	10,000	1,746	12,207
	9,000	2,528	6,617
	20,200	20,396	1,444
	750	307	285
	4,711	4,711	3,871
	15,000	6,695	19,318
	2,000	-	1,751
	3,000	2,395	6,977
	500	893	1,794
	1,367	1,253	6,139
	26,920	21,355	24,416
	20,000	3,883	18,119
	750	660	650
	861	896	879
	2,500	1,253	6,023
	11,391	10,758	7,406
	<b>575,654</b>	<b>340,565</b>	<b>516,702</b>
<b>Net Income (Loss)</b>	<b>(246,279)</b>	<b>(203,779)</b>	<b>(300,039)</b>



**STAFF REPORT**

**TO:** Monroe Tourism Development Authority Board  
**VIA:** Mark Watson, City Manager  
**DATE:** March 12, 2026  
**FROM:** Lisa Strickland, Finance Director  
**PREPARED BY:** Ashley Ivey, Assistant Finance Director  
**SUBJECT:** Fiscal Year 2026 Audit Contract for the Monroe Tourism Development Authority

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**SUMMARY STATEMENT**

The purpose of this report is to provide information regarding the contract for audit services for the Monroe Tourism Development Authority to Martin Starnes & Associates, CPA’s, P.A. for the year ending June 30, 2026.

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**REVIEW**

A Request for Proposals was done in February 2014 and Martin Starnes & Associates, CPA’s P.A. was the firm selected by the Finance Committee’s audit selection team. The Tourism Development Authority first contracted with Martin Starnes & Associates, CPA’s P.A. for the fiscal year 2014 audit. A five-year service agreement was approved in fiscal year 2018 that lasted through fiscal year 2023. A new five-year service agreement was approved in fiscal year 2024 that lasts through fiscal year 2028. If approved, this will be the thirteenth year with this audit firm. The cost estimates given by the firm for the next three years are as follows:

\$8,500	Fiscal Year 2026
\$9,000	Fiscal Year 2027
\$9,500	Fiscal Year 2028

\*The audit firm will enter into an annual contract with the Tourism Development Authority only if also engaged to perform the City of Monroe’s audit for the same fiscal year. The City of Monroe is set to approve the fiscal year 2026 audit contract with Martin Starnes & Associates, CPA’s. P.A. at the City Council meeting of March 10, 2026.

There were no disputes or conflicts with the audit firm in the prior year and the Tourism Development Authority received the audit report and financial statements in a timely manner in order to meet the Local Government Commission's submission deadline of December 31<sup>st</sup>.

The proposed contract for audit services for the Tourism Development Authority for the fiscal year ending June 30, 2026 is \$8,500. This fee reflects maintaining the current level of audit services. This includes testing of internal controls to ensure that the Authority's financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and preparation of the annual financial statements.

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### **RECOMMENDATION**

Staff asks that the Monroe Tourism Development Authority Board approve the audit contract with Martin Starnes & Associates, CPA's, P.A. for \$8,500.

Attachment:  
Audit Contract

The of and	Governing Board Board of Directors
	Primary Government Unit City of Monroe Tourism Development Authority
	Discretely Presented Component Unit (DPCU) (if applicable) N/A

*Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)*

and	Auditor Name Martin Starnes & Associates, CPAs. P.A.
	Auditor Address 730 13th Avenue Drive SE, Hickory NC 28602

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending 06/30/26	Date Audit Will Be Submitted to LGC 12/31/26
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*Must be within six months of FYE*

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by “U.S. Auditing Standards – AICPA (Clarified),” referred to as generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). Budgetary comparison information shall be prepared in accordance with applicable GASB standards. Budget-to-actual comparisons at the level of the legally adopted budget ordinance shall be presented as required supplementary information and shall not be included in the basic financial statements. Any other budgetary comparison information shall be presented only as supplementary information for funds required to be budgeted under NCGS Chapter 159, Article 3.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. If the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period, the Auditor shall perform the audit in accordance with *Generally Accepted Government Auditing Standards* (GAGAS). The Governmental Unit is subject to federal single audit requirements in accordance with Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F (*Uniform Guidance*) and the State Single Audit Implementation Act. Currently the threshold is \$1,000,000 for federal and state single audits, or such other threshold as applicable for the fiscal year under audit. This audit and all associated audit documentation may be subject to review by federal and State agencies in accordance with federal and State laws, including the staff of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501) the Auditor and Governmental Unit(s) should discuss, in advance of the execution of this contract, the responsibility for submission of the audit and the accompanying data collection form (form SF-FAC) to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512) to ensure proper submission.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards* (2018 revision or subsequent revisions, as applicable) issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he or she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and to the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon the Auditor's receipt of an updated peer review report. If the audit firm receives a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed, and the report of audit submitted to LGC Staff, within six months of fiscal year end. At the time of the execution of this contract, if the parties know that the anticipated submission date of the audit exceeds six months after fiscal year end, a written explanation shall be provided to the Secretary of the LGC on this contract form (see the space provided on Page 7). If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as they relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth the Auditor's findings, together with his or her recommendations for improvement. That written report shall include all matters determined to be "significant deficiencies and material weaknesses" in accordance with AU-C §265 "Communicating Internal Control Related Matters Identified in an Audit" of GAAS. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an Auditor issues an AU-C §260 report, "Auditor's Communication With Those Charged With Governance," commonly referred to as a "Governance Letter," LGC staff does not require the report to be submitted unless the Auditor cites significant findings or issues from the audit, as defined in AU-C §260 paragraphs 12 - 14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious for which the Auditor consulted outside the engagement team and, in the Auditor's judgment, are significant and relevant to those charged with governance, and other findings or issues that the Auditor believes are significant and relevant. If matters identified during the audit were required to be reported as described in AU-C §260 paragraphs 12 - 14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.
10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal Single Audit Act and the State Single Audit Act. This does not include fees for any pre-issuance reviews that may be required by the North Carolina Association of Certified Public Accountants (NCACPA) Peer Review Committee or North Carolina State Board of CPA Examiners (see Paragraph 13).
11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.
12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.
13. If the audit firm is required by the Secretary of the Local Government Commission to obtain a pre-issuance review or take corrective action as a result of peer review findings or quality control deficiencies, such corrective action shall be consistent with the authority and requirements of the North Carolina State Board of Certified Public Accountant Examiners, the AICPA Peer Review Program, and established Local Government Commission practice, including the use of report addenda or other remedial measures, as appropriate.

14. In accordance with G.S. 159-34, the Finance Officer of the Unit is responsible for filing the audited financial statements with the Secretary of the Local Government Commission.

The Auditor may upload the audit report and related documents through the LGC's electronic submission system; however, submission shall not be deemed complete until the Finance Officer has reviewed and certified the submission.

The Auditor, Finance Officer, other Unit staff member designated by the Finance Officer, or a third party approved by the Unit may enter all Data Input Report information except the information on the "transmittal doc info" tab. The "transmittal doc info" tab must be completed by the Auditor.

The Finance Officer shall review, approve, and certify the accuracy and completeness of the Data Input Report (DIR) in the LGC's LOGOS system prior to LGC review, regardless of whether the DIR is prepared by the Auditor or the Unit.

Finance Officer certification is required for any corrected or revised submissions.

Finance Officer certification of the DIR shall be completed in a timely manner following notification that the DIR is ready for review and within time frames prescribed by the LGC. Failure to complete certification in a timely manner may result in the audit being considered late due to unit action rather than auditor performance.

The Auditor shall conduct the audit in accordance with generally accepted auditing standards and shall ensure that the financial statements are prepared in accordance with generally accepted accounting principles as of the fiscal year end. Budget-to-actual comparisons at the level of the legally adopted budget ordinance shall be presented in required supplementary information, separate from the basic financial statements, and shall not be included in the audit opinion. The Auditor shall confirm that such information reconciles to the financial statements and is consistent with applicable accounting guidance and any LGC reporting requirements.

The Finance Officer shall certify in a timely manner that all data inputted in LOGOS used for preparation of the financial statements and required supplementary information is complete and accurate.

For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.
16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and preaudited if the change includes a change in audit fee (preaudit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.
17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Paragraph 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.
18. Special provisions should be limited. Please list any special provisions in an attachment.
19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in The Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and Finance Officer also shall be included on this contract.
20. The contract shall be executed, preaudited (preaudit requirement does not apply to hospitals) and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.
21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.
22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.
24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.
25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
26. E-Verify. The Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if the Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 or 2024 Revision* (as applicable). Preparing financial statements in their entirety shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, the Auditor must document and include in the audit workpapers how the Auditor reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The Auditor shall present the audited financial statements including any compliance reports to the Government Unit's Governing Board or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary of the LGC. The Auditor's presentation to the Governing Board or audit committee shall include:
- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the Auditor, and any other issues related to the internal controls or fiscal health of the Government Unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the Auditor regarding internal controls as required by current auditing standards;
  - b) the status of the prior year audit findings;
  - c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
  - d) notification to the Governing Board that the Governing Board shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under Rule 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary of the LGC through the LGC's LOGOS system, including completion of the Data Input Report (DIR). Submission is not complete and shall not be accepted by the LGC until the Finance Officer has reviewed and certified the DIR in accordance with Paragraph 14 of this contract.

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Paragraph 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and Units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>.

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. **Applicable to audits with fiscal year ends of June 30, 2025, and later.** The Unit authorizes the LGC to grant access to the LGC's LOGOS system, including the Data Input Report (DIR), to employees of the contracted audit firm who are associated with and acting on behalf of the firm for purposes of performing audit and reporting services under this contract. Such access shall be limited to the scope necessary to perform contracted services and shall not relieve the Auditor or the Unit of their respective responsibilities under this contract.

34. Changes or edits to the text of this contract form are not permitted, except for the Secretary's authority to revise or update this contract form pursuant to LGC Rule 20 NCAC 03. 0502.

**For contracts with an anticipated audit submission date exceeding six months after fiscal year end, please use this space to explain the reason for the late submission, as required by Paragraph 6 of this contract form:**

**FEEES FOR AUDIT SERVICES**

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards, 2018 Revision*. Refer to Paragraph 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by:  Auditor  Governmental Unit  Third Party

If applicable: The individual at the Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

<b>Name:</b>	<b>Title and Unit / Company:</b>	<b>Email Address:</b>
<input type="text"/>	<input type="text"/>	<input type="text"/>

**OR Not Applicable**  (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Paragraphs 8 and 13 for details on other allowable and excluded fees.

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit firm for correction.

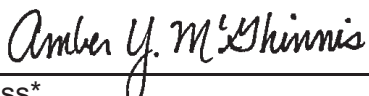
4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the Unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in Rule 20 NCAC .0503 shall be submitted to the Secretary of the LGC for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

<b>Primary Government Unit</b>	City of Monroe Tourism Development Authority
Audit Fee (financial and compliance if applicable)	\$ \$7,410
Fee per Major Program (if not included above)	\$
<b>Additional Fees Not Included Above (if applicable):</b>	
Financial Statement Preparation (incl. notes and RSI)	\$ 1,090
All Other Non-Attest Services	\$
<b>TOTAL AMOUNT NOT TO EXCEED</b>	<b>\$ 8,500</b>

<b>Discretely Presented Component Unit</b>	N/A
Audit Fee (financial and compliance if applicable)	\$
Fee per Major Program (if not included above)	\$
<b>Additional Fees Not Included Above (if applicable):</b>	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
<b>TOTAL AMOUNT NOT TO EXCEED</b>	<b>\$</b>

**SIGNATURE PAGE**

**AUDIT FIRM**

Audit Firm* Martin Starnes & Associates, CPAs. P.A.	
Authorized Firm Representative (typed or printed)* Amber Y. McGhinnis	Signature* 
Date* 03/02/26	Email Address* amcghinnis@msa.cpa

**GOVERNMENTAL UNIT**

Governmental Unit* City of Monroe Tourism Development Authority	
Date Governing Board Approved Audit Contract* <b>(Enter date in box to right)</b>	
Mayor/Chairperson (typed or printed)* Robert Burns, Mayor/Chair	Signature*
Date	Email Address* rburns@monroenc.org

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address

**GOVERNMENTAL UNIT – PREAUDIT CERTIFICATE**

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

*This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act or by The School Budget and Fiscal Control Act.*

Sum Obligated by This Transaction:	\$ 8,500
Primary Governmental Unit Finance Officer* (typed or printed) Lisa Strickland, Finance Director	Signature*
Date of Preaudit Certificate*	Email Address* lstrickland@monroenc.org

**SIGNATURE PAGE – DPCU  
(complete only if applicable)**

**DISCRETELY PRESENTED COMPONENT UNIT**

DPCU*	
N/A	
Date DPCU Governing Board Approved Audit Contract* (Enter date in box to right)	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
N/A	
Date	Email Address

**DPCU – PREAUDIT CERTIFICATE**

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

*This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act or by The School Budget and Fiscal Control Act.*

Sum Obligated by this Transaction:	\$
DPCU Finance Officer (typed or printed)*	Signature*
N/A	
Date of Preaudit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.

**PRINT**

## Report on the Firm's System of Quality Control

To the Shareholders of Martin Starnes & Associates, CPAs, P.A. and the Peer Review Committee, Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. (the firm) in effect for the year ended December 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. in effect for the year ended December 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Martin Starnes & Associates, CPAs, P.A. has received a peer review rating of *pass*.

*Dean Dorton Allen Ford, PLLC*

Dean Dorton Allen Ford, PLLC

May 10, 2024



**STAFF REPORT**

**TO:** Monroe Tourism Development Authority  
**VIA:** Mark Watson, City Manager  
**DATE:** March 12, 2026  
**FROM:** Peter Hovanec, Parks & Recreation and Tourism Director  
**SUBJECT:** Call for Public Hearing to be held April 9, 2026 for FY 2026-2027 Budget

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**SUMMARY STATEMENT**

The consideration of calling for a Public Hearing on the Fiscal Year 2026-2027 Budget to be held on April 9, 2026 at 8:30 a.m.

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**REVIEW**

North Carolina General Statute 159-12 stipulates that a public hearing be held to receive public comment on the proposed Annual Budget prior to adoption of such Budget.

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**RECOMMENDATION**

Staff recommends that the TDA board call for a public hearing to be held on April 9, 2026 at 8:30 a.m. to receive public input.



**STAFF REPORT**

**TO:** Tourism Development Authority  
**VIA:** Mark Watson, City Manager  
**DATE:** March 12, 2026  
**FROM:** Pete Hovanec, Parks & Recreation and Tourism Director  
**PREPARED BY:** Tim Pappas, Operations Supervisor, Dowd Center Theatre  
**SUBJECT:** Dowd Center Theatre Update

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**SUMMARY STATEMENT**

The TDA will be presented an update on events for the Dowd Center Theatre.

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**REVIEW**

The Dowd hosted a combination of film screenings, municipal events, and live performances in January and February, welcoming more than 1,300 visitors in 2026 to date.

Three films were presented in honor of Black History Month, supported by custom-designed flyers and preshow slides recognizing influential films and artists. In alignment with America 250, a yearlong patriotic film series launched with monthly screenings branded to Monroe’s America 250 campaign.

The gallery completed its quarterly changeover, and now features local artists Bill Colt and Kathy Rorie through June. A “History of the Center Theatre” exhibit is planned to follow this summer.

The original 1940 Center Theatre projector was restored by Technical Specialist Paul Ryznik and is now permanently displayed in the lobby.

Programming continues to expand for the current season, while 2026-27 planning is underway. Musical, family, and variety acts have been secured with season announcements anticipated this summer, alongside the rollout of new ticket models.

Four part-time Customer Service Representatives were onboarded, increasing the total to six strengthening event staffing and patron experience.

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**RECOMMENDATION**

No action is needed at this time.



**STAFF REPORT**

**TO:** Tourism Development Authority  
**VIA:** Mark Watson, City Manager  
**DATE:** March 12, 2026  
**FROM:** Pete Hovanec, Parks & Recreation and Tourism Director  
**PREPARED BY:** Lauren Fike, Monroe Science Center Supervisor  
**SUBJECT:** Monroe Science Center Update

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**SUMMARY STATEMENT**

The TDA will be presented an update on events and operations for Monroe Science Center.

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**REVIEW**

The science center had its biggest admission day for our free community day in January, seeing 980 people. We are also ramping up our school trip visits and filling up our Tuesdays with 100+ size groups. TDA will also be presented ratios of general admission, school field trips and regular groups as requested from January's meeting.

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**RECOMMENDATION**

No action is needed at this time.