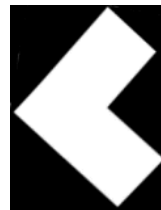


Lake Gaston Weed Control Council
Report on Audit of Financial Statements
Years Ended June 30, 2023 and 2022



Creedle, Jones
& Associates, P.C.
Certified Public Accountants

Lake Gaston Weed Control Council

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Lake Gaston Weed Control Council

Officers, Directors, and Alternates

Year Ended June 30, 2023

Officers

Dr. Elton Brown, III	President
Mr. John Zubrod	Vice President
Mr. Wally Sayko	Secretary
Mr. Jeff Zimmer	Treasurer

Directors and Alternates

Brunswick County, Virginia

Mr. Jay Warfel	Mr. John Zubrod
Mr. Walter Sayko	Mr. John Cataldo – Alt.

Halifax County, North Carolina

Mr. Lynnwood Little	Ms. Dia Denton
Mr. Chris Fitts	Ms. C. Renee Perry
Ms. Christina Wells – Alt.	

Mecklenburg County, Virginia

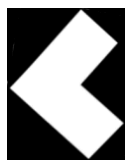
Dr. Elton Brown, III	Mr. Wayne Carter
Mr. Glenn Barbour	Mr. L. J. Dornak – Alt.

Northampton County, North Carolina

Mr. Kelvin Edwards
Mr. Grover Edwards
Mr. Larry R. Liles

Warren County, North Carolina

Mr. Jeff Zimmer	Mr. John Franz
Mr. Tare “T” Davis	Mr. Peter J. Deschenes, Sr. – Alt.



**Creedle
Jones
& Associates**

A Professional Corporation

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American Institute of Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lake Gaston Weed Control Council

Opinion

We have audited the accompanying financial statements of Lake Gaston Weed Control Council (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets - cash basis as of June 30, 2023 and 2022, and the related statements of support, revenue, and expenses - 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 assets, liabilities, and net assets - cash basis of Lake Gaston Weed Control Council as of June 30, 2023 and 2022, and its support, revenue, and expenses – cash basis for the years then ended in accordance with the cash basis of accounting as described in Note 1.

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 Lake Gaston Weed Control Council 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.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1; and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 opinion. Reasonable assurance is a high level of assurance but it no 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lake Gaston Weed Control Council'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 Lake Gaston Weed Control Council'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.

Creedle, Jones & Associates, P.C.

Creedle, Jones & Associates, P.C.
Certified Public Accountants

South Hill, Virginia
July 27, 2023

Lake Gaston Weed Control Council

Statements of Assets, Liabilities, and Net Assets - Cash Basis

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	<u>\$ 856,035</u>	<u>\$ 891,997</u>
Total Assets	<u>\$ 856,035</u>	<u>\$ 891,997</u>
Liabilities and Net Assets		
Liabilities	\$ -	\$ -
Net Assets		
With donor restrictions	-	-
Without donor restrictions	<u>856,035</u>	<u>891,997</u>
Total Liabilities and Net Assets	<u>\$ 856,035</u>	<u>\$ 891,997</u>

See independent auditor's report and accompanying notes to the financial statements.

Lake Gaston Weed Control Council

Statements of Support, Revenue, and Expenses - Cash Basis

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues, Gains and Other Support		
City of Virginia Beach, Virginia	\$ 329,417	\$ 302,052
Brunswick County, Virginia	90,000	90,000
Mecklenburg County, Virginia	116,000	116,000
Northampton County, North Carolina	116,000	116,000
Warren County, North Carolina	116,000	116,000
Halifax County, North Carolina	58,000	58,000
Commonwealth of Virginia (via Brunswick County)	400,000	400,000
O'Sail Grant	5,000	-
Interest	2,441	288
	<hr/>	<hr/>
Total Revenues, Gains and Other Support	1,232,858	1,198,340
Expenses		
Program services - Council activities	1,264,594	1,003,285
Management and general	4,226	3,405
Fundraising	-	-
	<hr/>	<hr/>
Total Expenses	1,268,820	1,006,690
Increase (Decrease) in Net Assets	(35,962)	191,650
Net Assets - Beginning of Year	<hr/> <u>891,997</u>	<hr/> <u>700,347</u>
Net Assets - End of Year	<hr/> <u>\$ 856,035</u>	<hr/> <u>\$ 891,997</u>

See independent auditor's report and accompanying notes to the financial statements.

Lake Gaston Weed Control Council

Notes to the Financial Statements

Years Ended June 30, 2023 and 2022

1 Summary of Significant Accounting Policies

Organization and Nature of Activities

The Lake Gaston Weed Control Council (the "Council") is a not-for-profit corporation formed in August 1985 for the following purposes:

- A. To promote research, control and/or eradication of undesirable aquatic weeds in Lake Gaston and to improve the quality of the water and to control pollution in and around Lake Gaston, which is located partly in North Carolina and partly in Virginia, and is bounded by the counties of Halifax, Northampton, and Warren in North Carolina and Brunswick and Mecklenburg in Virginia.
- B. To be an advisory council to the Board of County Commissioners and the Board of Supervisors of the counties surrounding said lake, both individually as to the counties and collectively as to the five counties authorizing said Lake Gaston Weed Control Council.
- C. To meet and discuss with all local, state and federal agencies concerned with quality of human life, water, pollution, recreation, wildlife, fish and fishing conditions, in and around Lake Gaston, and to pass on to all governmental agencies on the local, state or federal level any recommendations believed feasible and necessary to accomplish the purposes of this corporation.
- D. To petition for and accept any public or private funds that may be available or become available from any local, state or federal agency, or any person, firm, corporation or foundation, which funds shall be used for the control, improvement, or eradication of any weeds or damage resulting from the existence of any aquatic weeds in and around Lake Gaston.

Basis of Accounting

The Council maintains its financial records on the cash basis of accounting; consequently, contributions and revenues are recognized when received rather than when promised or earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

Income Taxes

The Council meets the requirements for a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from Federal and State income taxes.

Estimates

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

Cash and Cash Equivalents

The Council considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Revenue

The Council normally receives the majority of its revenues in the form of annual contributions from the five counties surrounding Lake Gaston as well as the City of Virginia Beach, Virginia, and the North Carolina Department of Water Resources. This revenue is generally available without donor restrictions for use in operations of the current year.

Basis of Presentation

Financial statement presentation follows the recommendations of FASB ASU 2016-14, *Not-for-Profit-Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Under ASU 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. During the years of our audit, the Council only had net assets without donor restrictions.

Net Assets with Donor Restrictions

Currently, the Organization has no donor restricted net assets.

2 Donated Services

The Council receives a significant amount of donated services from unpaid volunteers, including the officers and directors, who have been instrumental in developing the Council's programs. No amounts have been reflected in the financial statement for these donated services.

3 Concentrations of Credit Risk

For the year ended June 30, 2023, the Council received \$329,417 from the City of Virginia Beach, Virginia. This revenue represented 26.72% of the Council's total revenue received, thereby generating a concentration of credit risk.

4 Liquidity and Availability of Financial Assets

The following reflects the Council's financial assets as of the Statements of Assets, Liabilities, and Net Assets – Cash Basis date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial assets at year end	\$ 856,035
Less those unavailable for general expenditures within one year	_____ -
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 856,035</u>

5 Functional Expenses

Functional expenses for 2023 and 2022 are as follows:

	2023		Program Services		Supporting Services		Total
			Council Activities	Management and General	Fundraising	Supporting Subtotal	
Chemicals	\$	837,665	\$	-	\$	-	\$ 837,665
Tuber survey		18,000		-		-	18,000
Integrated Lyngbya Research		100,000		-		-	100,000
Additional research		11,349		-		-	11,349
Whole lake survey		25,000		-		-	25,000
Habitat enhancement		398		-		-	398
Volunteer survey		5,000		-		-	5,000
Chemical applicator		194,957		-		-	194,957
Licenses		-		160		160	160
Office		-		155		155	155
Professional fees		-		3,325		3,325	3,325
Lake Gaston - Extension Associate		72,225		-		-	72,225
Bank service fees		-		36		36	36
Website		-		550		550	550
Total Expenses	\$	<u>1,264,594</u>	\$	<u>4,226</u>	\$	<u>-</u>	\$ <u>1,268,820</u>

	2022		Program Services		Supporting Services		Total
			Council Activities	Management and General	Fundraising	Supporting Subtotal	
Chemicals	\$	655,934	\$	-	\$	-	\$ 655,934
Treatment		171,840		-		-	171,840
Aquatic weed research		100,000		-		-	100,000
Whole lake survey		25,000		-		-	25,000
Re-vegetation		871		-		-	871
Plant identification		4,640		-		-	4,640
Licenses		-		160		160	160
Office		-		64		64	64
Professional fees		-		2,665		2,665	2,665
Lake Gaston - Extension Associate		45,000		-		-	45,000
Bank service fees		-		108		108	108
Website		-		408		408	408
Total Expenses	\$	<u>1,003,285</u>	\$	<u>3,405</u>	\$	<u>-</u>	\$ <u>1,006,690</u>

6 Revenue Recognition

We have analyzed the provisions of the FASB's ASC TOPIC 606, *Revenue from Contracts with Customers*, and have concluded that no changes are necessary to conform with the new standard. The Organization recognizes contributions when cash is received.

7 Subsequent Events

The Organization has evaluated subsequent events through July 27, 2023, the date which the financial statements were available to be issued.