Lake Lanier Association, Inc.

Independent Audit Report

For the Year Ending

December 31, 2023

Lake Lanier Association, Inc.

Independent Audit Report

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Lake Lanier Association, Inc.

Opinion

We have audited the accompanying financial statements of Lake Lanier Association, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year 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 Lake Lanier Association, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Lanier Association, Inc. 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lake Lanier Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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 Lake Lanier Association, Inc.'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 Lanier Association, Inc.'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.

[illegible] + Co., LLC

Cleveland, GA
May 17, 2024

Lake Lanier Association, Inc.
Statement of Financial Position
December 31, 2023

ASSETS	
Current Assets	
Cash and cash equivalents	$136,944
Right of Use Asset	88,890
Total Current Assets	225,834
Property & Equipment	
Leasehold improvements	195,331
Machinery & equipment	44,090
Office equipment	30,182
Less: Accumulated depreciation	(48,710)
Net Property & Equipment	220,893
Other Assets	
Rental deposit	1,333
Investment securities - Fidelity	8,213
Total Other Assets	9,546
TOTAL ASSETS	$456,273
LIABILITIES & NET ASSETS	
Current Liabilities	
Accounts payable	$13,424
Credit card payable	4,638
Lease liability- current portion	20,913
Total Current Liabilities	38,975
Long-Term Liabilities	
Lease liability	67,977
Total Long-Term Liabilities	67,977
Total Liabilities	106,952
Net Assets	
Net assets with donor restrictions	-
Net assets without donor restrictions	349,321
Total Net Assets	349,321
TOTAL LIABILITIES & NET ASSETS	$456,273

Lake Lanier Association, Inc.
Statement of Activities
For the year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT & REVENUE:			
Contributions	$86,803	$0	$86,803
Hall County	-	61,500	61,500
Contributed services	-	11,289	11,289
Interest & dividend income	454	-	454
Membership	171,363	-	171,363
Sponsorships	13,215	-	13,215
Unrealized loss on investments	2,054	-	2,054
Total Support and Revenue	273,889	72,789	346,678
Net assets released from Donor Restrictions	72,789	(72,789)	-
Total Support & Net assets released from Donor Restrictions	346,678	-	346,678
EXPENSES:			
Program Services	376,789	-	376,789
Support Services:			
Fundraising	25,578	-	25,578
General & Administrative	78,784	-	78,784
Total Expenses	481,151	-	481,151
Change in Net Assets	(134,473)	-	(134,473)
Net Assets, beginning of the year	483,794	-	483,794
Net Assets, end of the year	$349,321	$0	$349,321

See accompanying notes and Independent Auditor's Report

Lake Lanier Association, Inc.
Statement of Functional Expenses
December 31, 2023

	Program Expenses	General & Administrative	Fundraising	Total
Salaries	$147,555	$36,889	$0	$184,444
Payroll taxes	11,553	2,889	-	14,442
Advertising	23,595	-	-	23,595
Bank charges	303	-	-	303
Boat fuel	1,005	-	-	1,005
Depreciation & amortization	-	13,553	-	13,553
Dues & subscriptions	9,187	-	-	9,187
Insurance	5,503	1,376	-	6,879
Interest	-	68	-	68
Legal and accounting	-	10,545	-	10,545
Meetings & training	11,319	-	-	11,319
Office supplies	-	5,417	-	5,417
On Lake Initiatives	105,738	-	-	105,738
Outreach programs	10,124	-	-	10,124
Printing/postage	506	-	-	506
Professional fees	10,000	-	-	10,000
Rent - Building	17,422	4,355	-	21,777
Repairs & maintenance	2,889	-	-	2,889
Software/website fees	14,767	3,692	-	18,459
Special events	-	-	25,578	25,578
Taxes & licenses	60	-	-	60
Utilities	5,223	-	-	5,223
Volunteer appreciation	40	-	-	40
Total expenses	$376,789	$78,784	$25,578	$481,151

Lake Lanier Association, Inc.
Statement of Cash Flows
December 31, 2023

Cash flows from operating activities:		
Change in Net Assets		($134,473)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	$13,553	
Increase (Decrease) in accounts payable	8,875	
Increase (Decrease) in credit card payable	3,636	
Increase (Decrease) in payroll tax payable	(31,503)	
Rental deposit	(1,333)	
Unrealized loss on investments		
Total adjustments		(6,772)
Net cash provided (used) by operating activities		(141,245)
Cash flows from investing activities:		
Fixed asset additions	(195,331)	
Net cash provided (used) by investing activities		(195,331)
Cash flows from financing activities:		
Net cash provided (used) by financing activities		-
Net increase (decrease) in unrestricted cash and cash equivalents		(336,576)
Unrestricted cash and cash equivalents at beginning of year		473,520
Unrestricted cash and cash equivalents at end of year		$136,944
Supplemental Information: Interest Expense	$68	

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Lake Lanier Association, Inc. (LLA) seeks to protect the quality, quantity and safety of Lake Lanier through education, action and advocacy. The Lake Lanier Association is a group of 4,000 plus members, all with interests in maintaining a Clean, Full and Safe Lake Lanier.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Leases

Adoption of New Accounting Principle – The Organization has adopted ASU 2016-02, Leases (Topic 842). Topic 842 requires lessees to recognize substantially all leases on their balance sheet as a right-of-use (ROU) asset and a lease liability. The Organization elected the practical expedient package which allows the Organization to not reassess whether a contract is or contains a lease, not reassess the lease classification for any expired or existing leases nor any initial direct costs of existing leases. The Organization also made an accounting policy election for short-term leases with initial terms of 12 months or less. Short-term leases will be recoded on the income statement on a straight-line basis over the lease term. The Organization used the effective date method for transition.

The Organization entered into a lease agreement for building space. The Organization determines if an arrangement is a lease at inception and begins recording lease activity at the commencement date, which is generally the date in which we take possession of or control the physical use of the asset. ROU assets and lease liabilities are recognized based on the present value of lease payments over the lease term with lease expense recognized on a straight-line basis. We use the risk-free rate to determine the present value of future lease payments unless the implicit rate in a lease is readily determinable. The risk-free rate is based on the then treasury rate over a similar term at an amount equal to the lease payments in a similar economic environment. This rate is applied to the minimum lease payments within each lease agreement to determine the amounts of our ROU assets and lease liabilities. Any rent escalation clauses, or other incentives are recorded appropriately in the ROU asset and reduction of the liability. Any lease expense that is clearly immaterial to the financial statements are expensed as incurred.

Financial Statement Presentation

Lake Lanier Association, Inc. presents its financial statements in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606. Under ASC 606, the contributions received, including unconditional promises to give, must be recognized as revenues in the period received at their fair values. Lake Lanier Association, Inc. is required to report information regarding its financial position and activities according to classes of net revenues and net assets with Donor Restrictions, and net revenues and net assets without donor restrictions. The organization reports donor-restricted support whose restrictions are met in the same reporting period as support within net assets without donor restrictions.

Lake Lanier Association, Inc. is also required to present a statement of cash flows and reporting of expenses by nature and function.

In September of 2020, FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-financial Assets. This standard improves transparency of contributed non-financial assets for not-for-profit entities through enhancements to presentation and disclosure. The new guidance requires entities to present contributed non-financial assets as a separated line item in the statement of activities, apart from contributions of cash or other financial assets. ASU 2020-07 is applied retrospectively. Management adopted ASU 2020-07 effective January 1, 2022. There was no material impact to the financial statements as a result of adoption of these standards.

Fair Value Measurements and Disclosures

We report certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that we can access at the measurement date.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.
Level 3 – Unobservable inputs for the asset. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset.

We invest in securities traded in the financial markets. Those securities are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2. We have no Level 2 or 3 investments.

The following table presents assets measured at fair value on a recurring basis, except those measured at cost per share as a practical expedient as identified in the following, at December 31, 2023:

		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and money market (at cost)	$136,944	$0	$0	$0
Investment in securities	8,213	8,213		
Total	$145,157	$8,213		

Property and Equipment

We record property and equipment additions at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended December 31, 2023.

Income Taxes

The organization is exempt from federal and state income taxes under section 501 of the Internal Revenue Code. We are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to our exempt purposes. We have determined that we are not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Cash, Cash Equivalents, and Restricted Cash

The organization consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. The following provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position to the sum of the corresponding amounts within the statement of cash flows:

Cash and cash equivalents	$136,944

Financial Instruments and Credit Risk

The organization manages deposit concentration risk by placing cash, and money market accounts, with financial institutions believed to be creditworthy. Investment performance is monitored by the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Board of Directors believe that the investment policies and guidelines are prudent for the long-term welfare of the organizations.

Revenue recognition

The Organization evaluates whether a transfer of assets is (1) a contribution or (2) an exchange transaction. An exchange transaction is one in which the resource provider is receiving commensurate value in return for the resources transferred. If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

All contributions are considered to be available for unrestricted use, unless specifically restricted by the donor. Amounts that are designated for future periods or are restricted by the donor for specific purposes are reported in the consolidated statements of activities as contributions with donor restrictions. When a donor restriction is met (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Unconditional promises to give are reported at estimated fair market value at the date the promise is received. Conditional promises to give are recognized at estimated fair market value when the conditions, as stipulated by the donor, are substantially met.

The Organization adheres to the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("ASC 606"). In accordance with ASC 606, the Organization recognizes revenue when control of the promised goods or services are transferred to the recipient in an amount that reflects the consideration the organization expects to be entitled to in exchange for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

The Organization's activities are primarily supported through memberships, contributions from individuals, corporate and foundation donors.

Contributions – Unconditional contributions are recorded to net assets with or without donor restrictions, depending on the existence and nature of any donor restrictions. Contributions, including unconditional promises to give cash or other assets, are reported at fair value at the date there is sufficient verifiable evidence documenting that a promise was made by the donor and received by Lake Lanier Association, Inc. Conditional promises to give are recognized only when the conditions imposed by the donor are substantially met and the promises become unconditional. Assets received in connection with conditional promises are reported as refundable advances until such time the conditions are substantially met.

NOTE 2: CONCENTRATION OF CREDIT RISK

The balance of cash and cash equivalents as of December 31, 2023 was $136,944. Of the total cash and cash equivalents in the bank, $250,000 is covered by Federal Depository Insurance at each bank. Although some accounts may fluctuate above the FDIC insured amount, the board is aware of this situation and manages the funds continually to limit the credit risk.

NOTE 3: ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 4: FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	**Method of Allocation**
Payroll taxes	Time and effort
Salary	Time and effort
Insurance	Time and effort
Rent- Building	Square footage
Software/website fees	Time and effort

NOTE 5: AVAILABILITY AND LIQUIDITY

The following represents Lake Lanier Association, Inc.'s financial assets at December 31, 2023.

Financial assets at year-end:	2023
Cash and cash equivalents	$136,944
Investment securities – Fidelity	8,213

Total financial assets	$145,157

Financial assets available to meet general expenditures over the next twelve months $145,157.

Lake Lanier Association, Inc.'s goal is to maintain financial assets to meet operating expenses based on budgetary needs. Based on part of Lake Lanier Association, Inc.'s liquidity plan, excess cash is invested in short term investments including money market accounts. Decisions to invest are at the discretion of the board of directors.

NOTE 6: CONTRIBUTED NON-FINANCIAL ASSETS

The organization receives a substantial amount of goods and services donated by volunteers and the community in carrying out the entity's mission. These goods and services are recognized as donated materials and supplies since they do meet the criteria for recognition under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("ASC 606"). For the year ended December 31, 2023, $11,289 in contributed goods and services have been recognized as revenue. These contributed goods and services were used for the Shore Sweep program. The organization estimated the fair value on the basis of estimates of values that would be received for similar products in the United States.

NOTE 7: COMMITMENTS AND CONTINGENCIES

Lake Lanier Association, Inc. is dependent upon the contributions received in order to operate. The ability of organization's contributors to continue giving amounts consistent and comparable with prior years may be dependent upon current and future economic conditions and the continued deductibility for income tax purposes of contributions to Lake Lanier Association, Inc. Though the Board of Directors believes the organization has the resources to continue its programs, its ability to do so, and the extent to which it continues, may be dependent on the above factors.

NOTE 8: SUBSEQUENT EVENTS

During testing for subsequent events, procedures were implemented that provide evidence about conditions that *did not exist* at the date of the statement of financial position, but arose after that date. As of May 17, 2024, no subsequent events were discovered that would be misleading in regard to the financial statements for the year ending December 31, 2023.

NOTE 9: LEASES – OPERATING

The Organization leases office space primarily under a non-cancelable operating lease. The value of a Right-of-Use (ROU) lease liability is based on the present value of the future lease payments, utilizing the risk-free rate as the discount rate in calculating the ROU lease liability. The Organization does not include these options in an ROU lease liability valuation, as it is not reasonably certain they it will exercise such options.

Leases:

Gross lease liabilities:	$88,890
Less: rent adjustment	(0)
Present value of lease liabilities	$88,890
Less: current portion of lease liabilities	(20,913)
Total long-term lease liability	$67,977

Future minimum lease payment for operating lease at December 31, 2023 are as follows:

2024: $24,000
2025: 24,000
2026: 24,000
2027: 24,000

NOTE 10: FINANCIAL INSTRUMENTS – CREDIT LOSSES

Adoption of New Accounting Principle – In June 2016, the FASB issued ASU 2016-13, Financial Instruments—Credit Losses (Topic 326) to replace the incurred loss impairment methodology under U.S. GAAP. This ASU introduces a new accounting model, the Current Expected Credit Losses model (CECL), which could result in earlier recognition of credit losses and additional disclosures related to credit risk. The CECL model will require the organization to use a forward- looking expected credit loss impairment methodology for the recognition of credit losses for financial instruments at the time the financial asset is originated or acquired, and require a loss be incurred before it is recognized. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The new standard will apply to accounts receivable, notes, and other financial instruments. The organization adopted the new guidance as of January 1, 2023. The new standard did not have a material impact on the financial statements.