

# Vance CPA LLC

*Certified Public Accountants*

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Yadkin Valley Economic Development District, Inc.  
Boonville, North Carolina

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Yadkin Valley Economic Development District, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Yadkin Valley Economic Development District, Inc. as of June 30, 2022, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Yadkin Valley Economic Development District, 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 opinions.

#### *Responsibilities of Management for the Financial Statement*

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 Yadkin Valley Economic Development District, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### *Auditors' 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 and *Government 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 and *Government 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 Yadkin Valley Economic Development District, 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 Yadkin Valley Economic Development District, 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2023, on our consideration of Yadkin Valley Economic Development District, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Yadkin Valley Economic Development District, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Yadkin Valley Economic Development District, Inc.'s internal control over financial reporting and compliance.

Knoxville, TN  
May 20, 2023

*Vance CPA LLC*

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## YADKIN VALLEY ECONOMIC DEVELOPMENT DISTRICT, INC.

### Statement Of Financial Position As of June 30, 2022

#### ASSETS

Current Assets	
Cash and cash equivalents	\$ 2,204,422
Accounts receivable, net of allowance for doubtful Accounts of \$183,363 as of June 30, 2022	183,363
Grants receivable	990,229
Other current assets	<u>198,766</u>
Total current assets	<u>3,576,780</u>
Property, plant and equipment, net	<u>2,183,472</u>
Total Assets	<u><b>5,760,252</b></u>

#### LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	890,708
Accrued liabilities	192,268
Deferred revenue	10,921
Current maturities of capital lease obligations	42,833
Current maturities of note payable	<u>35,384</u>
Total current liabilities	<u>1,172,114</u>
Long-term liabilities:	
Capital lease obligations, net of current maturities	135,865
Note payable, net of current maturities	<u>110,594</u>
Total long-term liabilities	<u>246,459</u>
Total Liabilities	<u>1,418,573</u>
NET ASSETS	
Without donor restrictions	2,207,470
Without donor restrictions	<u>2,134,209</u>
Total net assets	<u>4,341,679</u>
Total Liabilities and Net Assets	<u><b>\$ 5,760,252</b></u>

See accompanying notes to the basic financial statements.