

HICKMAN COUNTY ECONOMIC & COMMUNITY
DEVELOPMENT ASSOCIATION
CENTERVILLE, TENNESSEE

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2009

HICKMAN COUNTY ECONOMIC & COMMUNITY
DEVELOPMENT ASSOCIATION
CENTERVILLE, TENNESSEE
FINANCIAL STATEMENTS
JUNE 30, 2009

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HICKMAN COUNTY ECONOMIC & COMMUNITY
DEVELOPMENT ASSOCIATION
OFFICIALS
JUNE 30, 2009

Officials

Ronnie Martin, City Mayor
Steve Gregory, County Mayor
Daryl Phillips, Executive Director

Board of Directors

Troy Dugger, Chairman
Bobby McFarlin, Vice-Chairman
Jack Keller
Charley List
Jan McKeel
Jennifer Baltz
Jennifer Talley
Mickey Bunn
Wayne Richey
Charles Booker
Mark Bentley
Ruby Horner
Mary Blackburn
Ruby Horner
Frankye Ward
Robert Mitchell
Jim Griffin
Donna Bradley
Clay Harris

YORK, DILLINGHAM & COMPANY, P.L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

LARRY W. YORK

J. MICHAEL DILLINGHAM

ANGIE L. DILLINGHAM

P.O. BOX 551
1708 ALPINE DRIVE
COLUMBIA, TENNESSEE 38402-0551
TELEPHONE (931) 388-0517
FAX (931) 381-3440

BRANCH OFFICES:

LAWRENCEBURG, TN
TELEPHONE (931) 762-6877

CENTERVILLE, TN
TELEPHONE (931) 729-3229

PULASKI, TN
TELEPHONE (931) 424-9063

MEMBERS:

AMERICAN INSTITUTE OF C.P.A.'S
TENNESSEE SOCIETY OF C.P.A.'S

INDEPENDENT AUDITORS' REPORT

Board of Directors
Hickman County Economic & Community Development Association
Centerville, Tennessee

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hickman County Economic & Community Development Association (a nonprofit organization), as of and for the year ended June 30, 2009, which collectively comprise the Association's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information for Hickman County Economic & Community Development Association, as of June 30, 2009, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2009, on our consideration of Hickman County Economic & Community Development Association'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Association's basic financial statements. The budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budgetary comparison schedule has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

The Association has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.



Columbia, Tennessee
September 10, 2009

HICKMAN COUNTY ECONOMIC & COMMUNITY
DEVELOPMENT ASSOCIATION
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
JUNE 30, 2009

ASSETS

	<u>Governmental Activities</u>
Cash	\$ 49,338
Property and Equipment	
Furniture	5,887
Office equipment	<u>13,531</u>
	19,418
Less accumulated depreciation	<u>(17,012)</u>
	<u>2,406</u>
 Total Assets	 <u>\$ 51,744</u>

LIABILITIES

Payroll withholdings	\$ <u>968</u>
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NET ASSETS

Unrestricted	48,370
Investments in fixed assets	<u>2,406</u>
 Total Net Assets	 <u>\$ 50,776</u>

The accompanying notes are an integral part of these financial statements.

HICKMAN COUNTY ECONOMIC COMMUNITY
DEVELOPMENT ASSOCIATION
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

	Program Revenues		Net (Expenses) Revenue and Changes in Net Assets	
Program Activities	Expenses	Operating Grants and Contributions	Governmental Activities	Total
Governmental activities				
General government and administration	\$ 98,523	\$ 84,317	\$ (14,206)	\$ (14,206)
Total government	<u>\$ 98,523</u>	<u>\$ 84,317</u>	<u>\$ (14,206)</u>	<u>\$ (14,206)</u>
General revenues:				
Interest earnings			174	174
Miscellaneous			<u>1,120</u>	<u>1,120</u>
Total general revenues			<u>1,294</u>	<u>1,294</u>
Change in net assets			(12,912)	(12,912)
Net assets at beginning of year			<u>63,688</u>	<u>63,688</u>
Net assets at end of year			<u>\$ 50,776</u>	<u>\$ 50,776</u>

The accompanying notes are an integral part of these financial statements.

HICKMAN COUNTY ECONOMIC & COMMUNITY
DEVELOPMENT ASSOCIATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

ASSETS

Cash	\$ 49,338
Total Assets	<u>\$ 49,338</u>

LIABILITIES AND FUND BALANCE

Payroll withholdings	<u>\$ 968</u>
Fund Balance Unreserved	<u>48,370</u>
Total Liabilities and Fund Equity	<u>\$ 49,338</u>

The accompanying notes are an integral part of these financial statements.

HICKMAN COUNTY ECONOMIC & COMMUNITY
DEVELOPMENT ASSOCIATION
RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO STATEMENT OF NET ASSETS
JUNE 30, 2009

Fund Balance

Special Government Fund Balances	\$ 48,370
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Adjustments

Capital assets net of depreciation

Assets	19,418	
Accumulated depreciation	<u>(17,012)</u>	<u>2,406</u>

Net Asset Balances	<u>\$ 50,776</u>
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The accompanying notes are an integral part of these financial statements.

HICKMAN COUNTY ECONOMIC & COMMUNITY
DEVELOPMENT ASSOCIATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

Revenue:	
Business institutions	\$ 5,000
Government institutions	75,401
Other	<u>5,210</u>
 Total revenue	 <u>85,611</u>
Expenditures:	
Salaries	43,800
Advertising	1,044
Bicentennial expense	7,105
Books, subscriptions & publications	3,439
Conferences	475
Capital expenditures	216
Education	975
Fidelity bond	90
Insurance	1,070
Internet	249
Leadership Hickman	171
Legal & professional	3,840
Marketing	9,917
Meals & entertainment	471
Meetings	50
Membership dues	740
Miscellaneous	1,815
Postage & delivery	657
Prospect recruiting expenses	1,573
Rent	6,000
Secretarial services	2,527
Supplies	752
Taxes	3,511
Telephone	1,449
Three Star Program	346
Travel - business	2,703
Utilities	1,255
Walmart grant expense	<u>1,000</u>
 Total expenditures	 <u>97,240</u>
 Excess of revenues under expenditures	 (11,629)
 Fund Balance, Beginning of Year	 <u>59,999</u>
 Fund Balance, End of Year	 <u>\$ 48,370</u>

The accompanying notes are an integral part of these financial statements.

HICKMAN COUNTY ECONOMIC & COMMUNITY
DEVELOPMENT ASSOCIATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Net change in fund balance - total governmental funds	\$ (11,629)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.</p>	216
<p>Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in governmental funds.</p>	<u>(1,499)</u>
Change in net assets of governmental activities	<u>\$ (12,912)</u>

The accompanying notes are an integral part of these financial statements.

HICKMAN COUNTY ECONOMIC & COMMUNITY
DEVELOPMENT ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements are prepared in conformity with, and the accounting policies of Hickman County Economic & Development Association conform to, generally accepted accounting principles as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies.

A. Organization

Hickman County Economic & Community Development Association (Association) is incorporated as a Tennessee non-profit organization and is a joint venture of the governments of Hickman County, Tennessee and the Town of Centerville, Tennessee. In 2001, the participating governments formalized the Association with an interlocal agreement as described in Tennessee Code Annotated Section 5-1-113. The Association's purpose is to foster communication and facilitate economic and community development between governmental entities, industry, and private citizens.

Its primary focus is on:

- Job creation
- Community Development
- Education and Skills Training
- Business & Economic Development
- Leadership Programs
- Organizational Development
- Long Range Planning

Throughout the years since establishment, Hickman County Economic & Community Development Association has had several success's in all areas of their focus.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements

Basic financial statements consist of the following:

Government-wide financial statements,

Fund financial statements, and

Notes to the basic financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible with the current period or soon enough thereafter to pay liabilities of the current period.

The Association reports the following governmental fund:

Special Revenue Fund – The Special Revenue Fund is an unrestricted fund used to Account for specific revenue sources over which the Board of Directors has discretionary Control and is used to carry out the operations of the Association in accordance with its Bylaws.

C. Sources of Revenues

The major source of revenue for the Association is from the County of Hickman. Other sources of income consist of grants, donations, and funds from the City of Centerville.

D. Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and savings accounts in financial institutions and are fully protected by federal depository insurance.

E. Property and Equipment

The Association's property and equipment are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets. Maintenance and repairs are charged to expense as incurred. Major renewals, betterments, and interest incurred during construction are capitalized. Accumulated depreciation is reported on the government-wide statement of net assets.

HICKMAN COUNTY ECONOMIC & COMMUNITY
DEVELOPMENT ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgets and Budgetary Accounting

The Association's annual budget is a management tool that assists its users in analyzing financial activity for its fiscal year ending June 30. It is not a legally adopted budget. The Association's Board of Directors formally approves the annual budget at the beginning of the year and subsequently authorized budget amendments as necessary.

Budgeted revenue amounts represent the original budget modified by the Association's authorized adjustments during the year, which were contingent upon new or additional revenue sources. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year. Budgets are prepared in conformity with GAAP using the modified accrual basis of accounting.

G. Use of Estimates

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

H. Income Tax Status

The Association is a Tennessee not-for-profit corporation which is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, federal income taxes are not provided in the accompanying financial statements.

I. Advertising

The Association follows the policy of charging costs of advertising to expense as incurred. Advertising expense was \$1,044 for the year ended June 30, 2009.

NOTE 2- FIXED ASSETS

Major classifications of the Association's property and equipment and their respective depreciable lives are as follows:

	Depreciable Lives In Years
Furniture	5
Office Equipment	5

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Furniture	\$ 5,671	\$ 216	\$ -	\$ 5,887
Office equipment	<u>13,531</u>	<u>-</u>	<u>-</u>	<u>13,531</u>
Total	<u>\$ 19,202</u>	<u>\$ 216</u>	<u>\$ -</u>	<u>\$ 19,418</u>

Accumulated Depreciation

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Furniture	\$ 4,920	\$ 392	\$ -	\$ 5,312
Office equipment	<u>10,593</u>	<u>1,107</u>	<u>-</u>	<u>11,700</u>
Total	<u>\$ 15,513</u>	<u>\$ 1,499</u>	<u>\$ -</u>	<u>\$ 17,012</u>

Depreciation expense for the year ended June 30, 2009, totaled \$1,499.

NOTE 3 - ECONOMIC DEPENDENCE

The Hickman County Economic & Development Association is economically dependent on the appropriations from local governments. For the current year, these appropriations represent approximately 88% of total revenues of the government fund types.

NOTE 4 - COMPENSATED ABSENCES

The Association does not accrue a liability for compensated leave time due to the fact that reliable estimates cannot be determined and such amounts would not be considered material.

SUPPLEMENTAL INFORMATION

HICKMAN COUNTY ECONOMIC & COMMUNITY
DEVELOPMENT ASSOCIATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original	Final	Actual GAAP Basis	Adjustment Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)
Revenue:						
Financial institutions	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -	\$ (15,000)
Business institutions	11,000	11,000	5,000	-	5,000	(6,000)
Government institutions	73,695	73,695	75,401	-	75,401	1,706
Other	-	7,164	5,210	-	5,210	(1,954)
Total revenue	99,695	106,859	85,611		85,611	(21,248)
Expenditures:						
Salaries	43,800	43,800	43,800	-	43,800	-
Advertising	-	-	1,044	-	1,044	(1,044)
Bicentennial expense	-	7,122	7,105	-	7,105	17
Books, subscriptions & publications	145	3,187	3,439	-	3,439	(252)
Conferences	700	700	475	-	475	225
Capital expenditures	-	-	216	-	216	(216)
Education	1,400	1,400	975	-	975	425
Fidelity bond	90	90	90	-	90	-
Insurance	1,070	1,070	1,070	-	1,070	-
Internet	250	250	249	-	249	1
Leadership Hickman	-	-	171	-	171	(171)
Legal & professional	3,800	3,800	3,840	-	3,840	(40)
Marketing	10,500	10,500	9,917	-	9,917	583
Meals & entertainment	-	-	471	-	471	(471)
Meetings	500	500	50	-	50	450
Membership dues	1,200	1,200	740	-	740	460
Miscellaneous	1,990	1,990	1,815	-	1,815	175
Postage & delivery	650	650	657	-	657	(7)
Prospect recruiting expenses	4,000	4,000	1,573	-	1,573	2,427
Rent	6,000	6,000	6,000	-	6,000	-
Secretarial services	11,000	8,300	2,527	-	2,527	5,773
Square grant expense	800	800	-	-	-	800
Supplies	1,500	1,500	752	-	752	748
Taxes	4,250	3,950	3,511	-	3,511	439
Telephone	2,300	2,300	1,449	-	1,449	851
Three Star Program	500	500	346	-	346	154
Travel - business	2,000	2,000	2,703	-	2,703	(703)
Utilities	1,250	1,250	1,255	-	1,255	(5)
Walmart grant expense	-	-	1,000	-	1,000	(1,000)
Total expenditures	99,695	106,859	97,240		97,240	9,619
Excess of revenues over/(under) expenditures	-	-	(11,629)	-	(11,629)	(11,629)
Fund Balance, Beginning of Year	59,999	59,999	59,999		59,999	-
Fund Balance, End of Year	59,999	59,999	48,370		48,370	(11,629)

The accompanying notes are an integral part of these financial statements.

YORK, DILLINGHAM & COMPANY, P.L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

LARRY W. YORK

J. MICHAEL DILLINGHAM

ANGIE L. DILLINGHAM

MEMBERS:

AMERICAN INSTITUTE OF C.P.A.'S
TENNESSEE SOCIETY OF C.P.A.'S

P.O. BOX 551
1708 ALPINE DRIVE
COLUMBIA, TENNESSEE 38402-0551
TELEPHONE (931) 388-0517
FAX (931) 381-3440

BRANCH OFFICES:
LAWRENCEBURG, TN
TELEPHONE (931) 762-6877
CENTERVILLE, TN
TELEPHONE (931) 729-3229
PULASKI, TN
TELEPHONE (931) 424-9063

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Hickman County Economic & Community Development Association
Centerville, Tennessee

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hickman County Economic & Community Development Association as of and for the year ended June 30, 2009, which collectively comprise the Association's basic financial statements and have issued our report thereon dated September 10, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Hickman County Economic & Community Development Association's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hickman County Economic & Community Development Association's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Hickman County Economic & Community Development Association's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Hickman County Economic & Community Development Association's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Hickman County Economic & Community Development Association's financial statements that is more than inconsequential will not be prevented or detected by Hickman County Economic & Community Development Association's internal control.

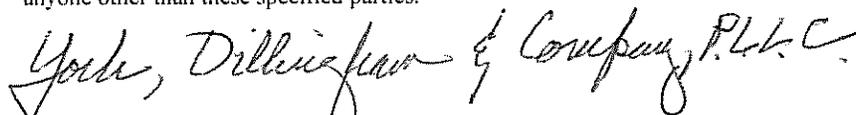
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Hickman County Economic & Community Development Association's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance

As part of obtaining reasonable assurance about whether Hickman County Economic & Community Development Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors of Hickman County Economic & Community Development Association and the Comptroller of the Treasury, State of Tennessee. However, this report is not intended to be and should not be used by anyone other than these specified parties.



York, Dillingham & Company, P.L.L.C.
Certified Public Accountants

Columbia, Tennessee
September 10, 2009