

HICKMAN COUNTY ECONOMIC & COMMUNITY  
DEVELOPMENT ASSOCIATION  
CENTERVILLE, TENNESSEE

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

---

HICKMAN COUNTY ECONOMIC & COMMUNITY  
DEVELOPMENT ASSOCIATION  
CENTERVILLE, TENNESSEE  
FINANCIAL STATEMENTS  
JUNE 30, 2014

TABLE OF CONTENTS

Hickman County Economic & Development Association Officials .....	1
Independent Auditors' Report .....	2
Financial Statements	
Statement of Net Position .....	3
Statement of Activities .....	4
Balance Sheet .....	5
Reconciliation of the Balance Sheet to the Statement of Net Position .....	6
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund .....	7
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Fund to the Statement of Activities .....	8
Notes to the Financial Statements .....	9 - 13
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .	14
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements performed in accordance with <i>Government Auditing Standards</i> .....	15

HICKMAN COUNTY ECONOMIC & COMMUNITY  
DEVELOPMENT ASSOCIATION

OFFICIALS  
JUNE 30, 2014

**Officials**

Bob Bohn, City Mayor  
Steve Gregory, County Mayor  
Patrick Hite, Executive Director

**Board of Directors**

Robert Mitchell, Chairman  
Mark Bentley, Vice-Chairman  
Donna Bradley, Sec./Treasurer  
Jack Keller  
Charley List  
Gary Hanes  
Kenneth Bates  
Jennifer Talley  
Billy Blackwell  
Tom Isbell  
Paul Aydelott  
Susan Sullivan  
Ruby Horner  
Mary Blackburn  
Troy Dugger  
Frankye Ward

YORK, DILLINGHAM & COMPANY, P.L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

LARRY W. YORK, RETIRED

J. MICHAEL 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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Hickman County Economic & Community Development Association (a nonprofit organization), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund of the Hickman County Economic & Community Development Association, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Supplementary Information

Our audit was conducted for the purpose of forming an opinion 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2014 on our consideration of the Hickman County Economic & 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 *Governmental Auditing Standards* in considering Hickman County Economic & Development's internal control over financial reporting and compliance.

#### Other Matters

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*York, Dillingham & Company, P.L.L.C.*  
Columbia, Tennessee  
October 14, 2014

HICKMAN COUNTY ECONOMIC & COMMUNITY  
DEVELOPMENT ASSOCIATION  
GOVERNMENT-WIDE STATEMENT OF NET POSITION  
JUNE 30, 2014

ASSETS

	<u>Governmental Activities</u>
Cash	\$ <u>39,080</u>
Property and Equipment	
Furniture	5,887
Office equipment	<u>14,812</u>
	20,699
Less accumulated depreciation	<u>(19,541)</u>
	<u>1,158</u>
Total Assets	\$ <u><u>40,238</u></u>

LIABILITIES

Payroll withholdings	\$ <u>732</u>
----------------------	---------------

NET POSITION

Unrestricted	38,348
Investment in capital assets	<u>1,158</u>
Total Net Assets	\$ <u><u>39,506</u></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, 2014

Program Activities	Program Revenues		Net (Expenses) Revenue and Changes in Net Position	
	Expenses	Operating Grants and Contributions	Governmental Activities	Total
Governmental activities				
General government and administration	\$ 25,189	\$ 40,506	\$ 15,317	\$ 15,317
Total government	<u>\$ 25,189</u>	<u>\$ 40,506</u>	<u>\$ 15,317</u>	<u>\$ 15,317</u>
General revenues:				
Interest earnings			13	13
Miscellaneous			<u>40</u>	<u>40</u>
Total general revenues			<u>53</u>	<u>53</u>
Change in net position			15,370	15,370
Net position at beginning of year			<u>24,136</u>	<u>24,136</u>
Net position at end of year			<u>\$ 39,506</u>	<u>\$ 39,506</u>

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

HICKMAN COUNTY ECONOMIC & COMMUNITY  
DEVELOPMENT ASSOCIATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014

ASSETS

Cash	<u>\$ 39,080</u>
Total Assets	<u><u>\$ 39,080</u></u>

LIABILITIES AND FUND BALANCE

Payroll withholdings	<u>\$ 732</u>
Fund Balance Unassigned	<u>38,348</u>
Total Liabilities and Fund Equity	<u><u>\$ 39,080</u></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 POSITION  
JUNE 30, 2014

Fund Balance		
General Government Fund Balances	\$	38,348
Adjustments		
Capital assets net of depreciation		
Assets	20,699	
Accumulated depreciation	<u>(19,541)</u>	<u>1,158</u>
Net Position Balances	\$	<u><u>39,506</u></u>

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, 2014

Revenue:	
Financial institutions	\$ 4,000
Business institutions	12,659
Government institutions	23,847
Other	<u>53</u>
Total revenue	<u>40,559</u>
Expenditures:	
Salaries	674
Advertising	415
Books, subscriptions & publications	96
Capital expenditures	951
Conferences	275
Fidelity bond	90
Imagination Library admin. project	1,232
Insurance	607
Internet	6,189
Legal & professional	5,182
Marketing	84
Membership dues	350
Miscellaneous	1,037
Postage & delivery	372
Rent	3,000
Supplies	430
Taxes	267
Telephone	1,512
Travel	2,619
Utilities	<u>609</u>
Total expenditures	<u>25,991</u>
Excess of revenues over expenditures	14,568
Fund Balance, Beginning of Year	<u>23,780</u>
Fund Balance, End of Year	<u>\$ 38,348</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, 2014

Net change in fund balance - total governmental funds \$ 14,568

Amounts reported for governmental activities in the statement of activities  
are different because:

Governmental funds report capital outlay as expenditures. However, in the  
government-wide statement of activities and changes in net position 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. 951

Depreciation expense on capital assets is reported in the government-wide  
statement of activities and changes in net position, but they do not require  
the use of current financial resources. Therefore, depreciation expense is  
not reported as expenditures in governmental funds. (149)

Change in net position of governmental activities \$ 15,370

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

HICKMAN COUNTY ECONOMIC & COMMUNITY  
DEVELOPMENT ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

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 success in all areas of their focus.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### B. Basic Financial Statements

In March 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54 - *Fund Balance Reporting and Government Fund Type Definitions*. This Statement establishes fund balance classifications based primarily on the extent to which the Association is bound to honor constraints on the use of the resources reported in each governmental fund as well as establishes additional note disclosures regarding fund balance classification policies and procedures.

The Association made the decision to implement this standard effective July 1, 2010.

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. Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Association board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the Association board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements (Continued)

The Association reports the following governmental fund:

General Fund – The General Fund is the primary operating 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. It is always classified as a major fund.

C. Measurement Focus

The major source of revenue for the Association is cash donations from the County of Hickman and the Town of Centerville. Other sources of income are donations from various individuals and organizations. The Association's revenues are recognized when received as the revenues are not susceptible to accrual or measurement until received in cash.

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTE 2- FIXED ASSETS

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

	<u>Depreciable Lives In Years</u>
Furniture	5
Office Equipment	5

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
Furniture	\$ 5,887	\$ -	\$ -	\$ 5,887
Office equipment	<u>13,861</u>	<u>951</u>	<u>-</u>	<u>14,812</u>
Total	<u>\$ 19,748</u>	<u>\$ 951</u>	<u>\$ -</u>	<u>\$ 20,699</u>

Accumulated Depreciation

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
Furniture	\$ 5,876	\$ 11	\$ -	\$ 5,887
Office equipment	<u>13,516</u>	<u>138</u>	<u>-</u>	<u>13,654</u>
Total	<u>\$ 19,392</u>	<u>\$ 149</u>	<u>\$ -</u>	<u>\$ 19,541</u>

Depreciation expense for the year ended June 30, 2014, totaled \$149.

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 56% of total revenues of the government fund types.

NOTE 4 - RISK MANAGEMENT-CLAIMS AND JUDGEMENTS

Significant losses are covered by the Association's commercial insurance. There were no settlements in excess of insurance coverage for the current year or the three prior years.

NOTE 5 - SUBSEQUENT EVENTS

The Association considered events and transactions that occur after the government-wide statement of net assets, but before the financial statements are issued, to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. These financial statements were issued on October 14, 2014, and subsequent events have been evaluated through that date.

NOTE 6 - IN-KIND CONTRIBUTION

County of Hickman had given an in-kind donation of Patrick Hite employee time to the Hickman County Economic and Community Development Association. Patrick Hite is the Executive Director of Hickman County Economic and Community Development Association. However, he is considered an employee of the County of Hickman. County of Hickman had given a total of \$51,389.67 in-kind donation. Patrick Hite compensations were salary of \$38,499.76, FICA \$2,898.77, Retirement \$5,107.38, and Medical of \$4,883.76. These amounts are not recognized in the financial statements.

SUPPLEMENTAL INFORMATION

---

HICKMAN COUNTY ECONOMIC & COMMUNITY  
DEVELOPMENT ASSOCIATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - UNAUDITED  
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original</u>	<u>Final</u>	<u>Actual GAAP Basis</u>	<u>Adjustment Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenue:						
Financial institutions	\$ 3,000	\$ 3,000	\$ 4,000	\$ -	\$ 4,000	\$ 1,000
Business institutions	6,000	6,000	12,659	-	12,659	6,659
Government institutions	74,898	74,898	23,847	-	23,847	(51,051)
Other	-	-	53	-	53	53
<b>Total revenue</b>	<b>83,898</b>	<b>83,898</b>	<b>40,559</b>	<b>-</b>	<b>40,559</b>	<b>(43,339)</b>
Expenditures:						
Salaries	42,800	42,800	674	-	674	42,126
Advertising	-	-	415	-	415	(415)
Books, subscriptions & publications	200	200	96	-	96	104
Conferences	600	600	275	-	275	325
Continuing education	2,000	2,000	-	-	-	2,000
Equipment & software	1,500	1,500	951	-	951	549
Existing industry program	400	400	-	-	-	400
Fidelity bond	100	100	90	-	90	10
Imagination Library admin. project	-	-	1,232	-	1,232	(1,232)
Insurance	2,638	2,638	607	-	607	2,031
Internet	500	500	6,189	-	6,189	(5,689)
Legal & professional	4,600	4,600	5,182	-	5,182	(582)
Marketing	4,000	4,000	84	-	84	3,916
Meetings	300	300	-	-	-	300
Membership dues	800	800	350	-	350	450
Miscellaneous	790	790	1,037	-	1,037	(247)
Postage & delivery	600	600	372	-	372	228
Professional development	1,000	1,000	-	-	-	1,000
Prospect recruiting expenses	3,000	3,000	-	-	-	3,000
Rent	3,000	3,000	3,000	-	3,000	-
Supplies	800	800	430	-	430	370
Taxes	6,570	6,570	267	-	267	6,303
Telephone	1,700	1,700	1,512	-	1,512	188
Travel - business	5,000	5,000	2,619	-	2,619	2,381
Utilities	1,000	1,000	609	-	609	391
<b>Total expenditures</b>	<b>83,898</b>	<b>83,898</b>	<b>25,991</b>	<b>-</b>	<b>25,991</b>	<b>57,907</b>
Excess of revenues over expenditures	-	-	14,568	-	14,568	14,568
Fund Balance, Beginning of Year	23,780	23,780	23,780	-	23,780	-
Fund Balance, End of Year	<u>\$ 23,780</u>	<u>\$ 23,780</u>	<u>\$ 38,348</u>	<u>\$ -</u>	<u>\$ 38,348</u>	<u>\$ 14,568</u>

See auditors' report.

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

LARRY W. YORK, RETIRED

CERTIFIED PUBLIC ACCOUNTANTS

J. MICHAEL 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

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, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Hickman County Economic & Community Development Association, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued our report thereon dated October 14, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*York, Dillingham & Company, P.L.L.C.*

York, Dillingham & Company, P.L.L.C.  
Certified Public Accountants  
Columbia, Tennessee  
October 14, 2014