

Underwood Dills & Associates PC
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Waynesville, NC 28786
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ACCOUNTANT'S COMPILATION REPORT

Haywood County TDA
44 North Main Street
Waynesville, NC 28786

To the Board of Directors

We have compiled the accompanying statement of assets, liabilities, and equity-income tax basis of Haywood County TDA (an S corporation) as of February 28, 2014, and the related statements of revenue and expenses-income tax basis for the one month and eight months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the income tax basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the income tax basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements. During our compilation, we did become aware of a departure from the income tax basis of accounting that is described in the following paragraph.

The company has not adjusted inventory currently, in accordance with the income tax basis of accounting. The effect of this departure from the income tax basis of accounting on the accompanying financial statements has not been determined.

Management has elected to omit substantially all of the disclosures ordinarily included in the financial statements prepared in accordance with the income tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's assets, liabilities, equity, revenue, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The company, with the consent of its shareholders, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes, the shareholders of an S corporation are taxed on their proportionate share of the company's taxable income. Therefore, no provision or liability for federal income taxes has been included in these financial statements.

We are not independent with respect to Haywood County TDA.

Underwood, Dills & Associates, P.C.
Underwood Dills & Associates PC

**Haywood County TDA
Statement of Financial Position
As of February 28, 2014**

Assets

CURRENT ASSETS

| | |
|-------------------------------|---------------|
| 3% Cash in Bank- 1st Citizens | \$ 174,593.31 |
| Cash in Bank-United Community | 60,322.85 |
| 1% Cash in Bank-1st Citizens | 133,428.36 |
| Petty Cash | 150.00 |
| Petty Cash-Maggie Valley | 50.00 |
| Petty Cash-Canton | <u>50.00</u> |

Total Current Assets 368,594.52

TOTAL ASSETS \$ 368,594.52

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**Haywood County TDA
Statement of Financial Position
As of February 28, 2014**

Liabilities and Net Assets

CURRENT LIABILITIES

A/P - Payroll Taxes \$ 3,921.00

Total Current Liabilities 3,921.00

Total Liabilities 3,921.00

NET ASSETS

Net Assets as July 1 340,948.15

Revenues Over(Under) Expenses 23,725.37

Total Net Assets 364,673.52

**TOTAL LIABILITIES AND
NET ASSETS** \$ 368,594.52

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**Haywood County TDA
Statement of Activities
Actual vs. Budget**

| | 1 Month Ended February 28, 2014 Actual | 8 Months Ended February 28, 2014 Actual | Annual Budget | YTD Percentage |
|---------------------------------------|--|---|---------------------|-------------------|
| Public Support and Revenues | | | | |
| 3% Net from Haywood County | \$ 43,184.23 | \$ 441,808.10 | \$ 681,255.00 | 64.85% |
| 1% Net From 28716 | 960.99 | 10,487.38 | 15,853.00 | 66.15% |
| 1% Net From 28721 | 151.60 | 1,798.65 | 613.00 | 293.42% |
| 1% Net From 28745 | 533.91 | 7,058.81 | 11,324.00 | 62.33% |
| 1% Net from 28751 | 9,419.13 | 84,074.31 | 129,866.00 | 64.74% |
| 1% net From 28785/28786 | 3,387.60 | 45,281.34 | 70,071.00 | 64.62% |
| Quilt Trail | 52.98 | 6,238.44 | 7,000.00 | 89.12% |
| Prod-Sales Bals/Canton | 120.51 | 7,491.35 | 20,000.00 | 37.46% |
| Visitor Guide Ad Sales | 7,606.50 | 20,361.50 | 42,500.00 | 47.91% |
| Miscellaneous Income | 0.00 | 0.00 | 500.00 | 0.00% |
| Sponsorships | 0.00 | 0.00 | 500.00 | 0.00% |
| Investment Earnings | 4.63 | 40.58 | 100.00 | 40.58% |
| Net Occupancy Tax Penalties | 175.47 | 4,293.30 | 6,000.00 | 71.56% |
| Appropriated Fund Balance (1%) | 0.00 | 0.00 | 25,823.00 | 0.00% |
| Total Revenues | <u>65,597.55</u> | <u>628,933.76</u> | <u>1,011,405.00</u> | 62.18% |
| Operating Expenses | | | | |
| Salaries-Office-Promo | 12,184.30 | 91,092.07 | 140,136.00 | 65.00% |
| Salaries-Visitor Center | 2,803.50 | 32,381.08 | 53,638.00 | 60.37% |
| Fica and Unemployment-Visitors Cent | 220.23 | 2,521.17 | 4,550.00 | 55.41% |
| Board Members-Promo | 146.15 | 1,268.07 | 2,000.00 | 63.40% |
| FICA and Unemployment Taxes-Office | 932.11 | 7,468.60 | 11,472.00 | 65.10% |
| Group Health Insurance-Pro | 1,938.38 | 14,827.04 | 21,077.00 | 70.35% |
| Worker's Comp-Promotional-Promo | 0.00 | 750.00 | 924.00 | 81.17% |
| Accounting Services-Promo | 600.00 | 8,936.00 | 13,500.00 | 66.19% |
| Legal Fees-Promo | 0.00 | 1,104.00 | 4,000.00 | 27.60% |
| Quilt Trail Expense | 0.00 | 6,275.93 | 7,000.00 | 89.66% |
| Office Supplies-Promo | 126.32 | 1,364.58 | 2,000.00 | 68.23% |
| Visitor Center Supplies-Promo | 176.98 | 942.80 | 2,200.00 | 42.85% |
| Purchase/Resale-Promo | 102.50 | 3,554.34 | 10,000.00 | 35.54% |
| Non Expendable Office Supplies-T R | 745.15 | 2,850.11 | 3,200.00 | 89.07% |
| Travel-Local-Prom | 0.00 | 203.40 | 500.00 | 40.68% |
| Travel-Non Local-Prom | 867.65 | 2,049.25 | 4,000.00 | 51.23% |
| Fuel-T Related | 49.48 | 990.29 | 2,000.00 | 49.51% |
| Telephone-Promo | 807.94 | 7,590.85 | 10,116.00 | 75.04% |
| Postage-Promo | 1,256.04 | 6,661.48 | 10,000.00 | 66.61% |
| Print & Bind-Promo | 0.00 | 3,339.34 | 3,400.00 | 98.22% |
| Repair & Maintenance-Pro | 250.00 | 3,585.51 | 4,650.00 | 77.11% |
| Marketing-Promo | 176.54 | 5,416.30 | 10,546.00 | 51.36% |
| Advertising-PR/Internet/Billboards/Br | 9,925.48 | 186,689.50 | 300,000.00 | 62.23% |
| Visitor Guide Ads-Promo | 0.00 | 34,250.00 | 41,000.00 | 83.54% |
| Education-Promo | 2,557.00 | 3,167.00 | 3,400.00 | 93.15% |
| Rent-Promo | 3,148.42 | 28,035.78 | 37,331.00 | 75.10% |
| Equipment Lease-Promo | 1,020.88 | 11,189.08 | 18,383.00 | 60.87% |

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**Haywood County TDA
Statement of Activities
Actual vs. Budget**

| | 1 Month Ended February 28, 2014 Actual | 8 Months Ended February 28, 2014 Actual | Annual Budget | YTD Percentage |
|--------------------------------------|--|---|---------------------|-------------------|
| Liability Insurance-Promo | 0.00 | 5,132.00 | 5,132.00 | 100.00% |
| Dues and Subscriptions-Promo | 0.00 | 3,483.99 | 4,500.00 | 77.42% |
| NC Sales and Use Tax-Promo | 0.00 | 492.40 | 650.00 | 75.75% |
| Bank Charges-Promo | 0.00 | 101.06 | 250.00 | 40.42% |
| Property Tax | 0.00 | 248.70 | 250.00 | 99.48% |
| Capital Outlay-T Related | 0.00 | 1,434.20 | 3,400.00 | 42.18% |
| Utilities Main Street | 658.43 | 3,638.02 | 6,294.00 | 57.80% |
| Contingency | 0.00 | 0.00 | 4,106.00 | 0.00% |
| Events Festivals Special Prom-Prom | 0.00 | 3,704.00 | 12,250.00 | 30.24% |
| 28716 (Canton) | 0.00 | 12,318.67 | 21,900.00 | 56.25% |
| 28721 (Clyde) | 0.00 | 917.00 | 1,141.00 | 80.37% |
| 28745 (LJ) | 0.00 | 2,871.00 | 28,363.00 | 10.12% |
| 28751 (MV) | 11,337.81 | 56,077.74 | 129,866.00 | 43.18% |
| 28785/28786 (Wyl) | 402.50 | 46,286.04 | 72,280.00 | 64.04% |
| Total Operating Expenses | <u>52,433.79</u> | <u>605,208.39</u> | <u>1,011,405.00</u> | 59.84% |
| Revenue Over (Under) Expenses | <u>13,163.76</u> | <u>23,725.37</u> | <u>0.00</u> | 0.00% |
| Change in Net Assets | <u>\$ 13,163.76</u> | <u>\$ 23,725.37</u> | <u>\$ 0.00</u> | 0.00% |

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