

Clarksville-Johnson County Chamber of Commerce

Financial Statements

December 31, 2009

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A PROFESSIONAL ASSOCIATION

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Clarksville-Johnson County Chamber of Commerce  
Clarksville, AR 72830

We have audited the accompanying statement of financial position of Clarksville-Johnson County Chamber of Commerce (a nonprofit organization) as of December 31, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the organization'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 Clarksville-Johnson County Chamber of Commerce as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles in the United States of America.

Mabry Accounting Firm, PA  
Certified Public Accountants  
January 26, 2010

Clarksville-Johnson County Chamber of Commerce  
Statement of Financial Position  
December 31, 2009

<b>ASSETS</b>		
<u>Current Assets</u>		
Cash & Cash Equivalents	\$ 24,052	
Accounts Receivable	3,292	
Prepaid Insurance	1,183	
Total Current Assets	28,527	
<u>Other Assets</u>		
CD's	92,017	
Restricted Funds	7,010	
Total Other Assets	99,027	
<u>Fixed Assets</u>		
Property & Plant	50,078	
Improvements	762	
Furniture & Equipment	27,333	
Land	1,000	
Less: Accumulated Depreciation	(55,986)	
Total Fixed Assets	23,187	
Total Assets	\$ 150,741	
<b>LIABILITIES AND NET ASSETS</b>		
<u>Current Liabilities</u>		
Accounts Payable	486	
FICA Payable	1,397	
Federal Withholding Payable	580	
State Withholding Payable	436	
Unemployment Tax Payable	175	
Retirement Payable	499	
Insurance Withholding Payable	220	
Current Portion - Long-Term Note	1,416	
Deferred Revenue	14,666	
Total Current Liabilities	19,875	
<u>Long-Term Liabilities</u>		
Note Payable	3,021	
Total Long-Term Liabilities	3,021	
Total Liabilities	22,896	
<u>Net Assets</u>		
Unrestricted	120,835	
Restricted	7,010	
Total Net Assets	127,845	
Total Liabilities and Equity	\$ 150,741	

See Accompanying Notes and Accountant's Report

Clarksville-Johnson County Chamber of Commerce  
Statement of Activities  
For the Year Ended December 31, 2009

	<u>Current Funds</u>			<u>Total</u>
	<u>Unrestricted</u>	<u>Special Events</u>	<u>Restricted</u>	
<b>PUBLIC SUPPORT</b>				
Member Dues	\$ 67,616	\$ -	\$ -	\$ 67,616
City/County Contracts	57,000			57,000
Event Income		27,829		27,829
Administrative Income	16,389			16,389
<b>REVENUES</b>				
Interest	4,580		232	4,812
Total Public Support & Revenues	<u>145,585</u>	<u>27,829</u>	<u>232</u>	<u>173,646</u>
<b>EXPENSES</b>				
Supporting Services	166,253	10,232	-	176,485
Total Expenses	<u>166,253</u>	<u>10,232</u>	<u>-</u>	<u>176,485</u>
<b>EXCESS REVENUES OVER EXPENSES</b>	(20,668)	17,597	232	(2,839)
<b>NET ASSETS, DECEMBER 31, 2008</b>	<u>\$ 118,574</u>	<u>\$ 5,332</u>	<u>\$ 6,778</u>	<u>\$ 130,684</u>
<b>NET ASSETS, DECEMBER 31, 2009</b>	<u>\$ 97,906</u>	<u>\$ 22,929</u>	<u>\$ 7,010</u>	<u>\$ 127,845</u>

Clarksville-Johnson County Chamber of Commerce  
Statement of Functional Expenses  
For the Year Ended December 31, 2009

	Management & General	Special Events	Total
Accounting	2,285		\$ 2,285
Advertising	4,112		4,112
Audit	3,500		3,500
Banquet Expense		3,486	3,486
Depreciation	4,543		4,543
Directory Expense		501	501
Dues & Subscriptions	610		610
Entertainment	689		689
Insurance	4,288		4,288
Meetings & Seminars	1,775		1,775
Miscellaneous	977		977
Office Supplies	4,667		4,667
Payroll Taxes	8,943		8,943
Postage	1,538		1,538
Program Expense		6,028	6,028
Rent	454		454
Repairs & Maintenance	2,182		2,182
Retirement	3,318		3,318
Telephone	2,190		2,190
Travel	3,030		3,030
Utilities	4,320		4,320
Wages	112,513		112,513
Website	319		319
Workforce Education		217	217
	<u>166,253</u>	<u>10,232</u>	<u>176,485</u>
Total Expenses	<u>\$ 166,253</u>	<u>\$ 10,232</u>	<u>\$ 176,485</u>

Clarksville-Johnson County Chamber of Commerce  
Statement of Cash Flows  
For the Year Ended December 31, 2009

Cash Flows from Operating Activities:

Expenses Over Revenues	\$ (2,839)
Adjustments to reconcile change in net assets to net cash used for operating activities:	
Depreciation Expense	4,543
Decrease in Accounts Receivable	2,385
Increase in Prepaid Insurance	(1,183)
Decrease in Accounts Payable	(8,481)
Decrease in Prepaid Dues	(677)
Increase in Deferred Revenue	14,666
Increase in FICA Payable	39
Decrease in Federal Withholding Payable	(134)
Increase in State Withholding Payable	20
Increase in Unemployment Taxes Payable	3
Decrease in Employee Retirement Payable	(33)
Increase in Insurance Withholding Payable	220
Net cash used for operating activities	8,529

Cash Flows from Investing Activities:

Payment of Notes Payable	(1,416)
Conversion of Interest Income to Long Term C.D.'s	(2,729)
Net cash used for investing activities	(4,145)

Net Increase in Cash & Cash Equivalents	4,384
Cash & Cash Equivalents, December 31, 2008	19,668
Cash & Cash Equivalents, December 31, 2009	\$ 24,052

Clarksville-Johnson County Chamber of Commerce  
Notes to Financial Statements  
December 31, 2009

Note 1: Summary of significant accounting policies

Nature of Activities

Clarksville-Johnson County Chamber of Commerce is a not-for-profit organization and is exempt from federal income taxes under Section 501c (6) of the Internal Revenue Code. The organization's principle function is to work toward the advancement of the commercial, industrial, civic and general interests of Johnson County.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the organization is required to report information regarding its financial position and activities according to three classes of net assets: Unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Equipment

Equipment purchases are stated at cost and fair market value for donated equipment. Repairs are expensed as incurred. Depreciation is provided on the straight-line method over the useful life of the assets. A summary of equipment is as follows:

Property & Plant	\$ 50,078
Improvements	762
Furniture & Equipment	27,333
Land	1,000
Less: Accumulated Depreciation	<u>(55,986)</u>
	\$ 23,187

Depreciation expense for the year ending December 31, 2009 was \$4,543.

Cash Equivalents

For purposes of the Statement of Cash Flows, the organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Revenue Recognition

The Clarksville-Johnson County Chamber of Commerce recognizes revenues and expenses on the accrual basis of accounting. The Chamber's support is from area businesses and individuals in the form of dues and services offered.

Clarksville-Johnson County Chamber of Commerce  
Notes to Financial Statements  
December 31, 2009

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributions and Donations

The contributions and donations reflected in these statements are all monetary. The value of contributed time or materials is not reflected in these statements since it is not susceptible to objective measurement or valuation.

Functional Expenses

Functional expenses are not required by SFAS No. 117 for this organization. This statement is for presenting information about the natural expense classification.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Note 2: Concentration of Credit Risk

The Clarksville-Johnson County Chamber of Commerce maintains cash deposits at several financial institutions located in the United States. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. The FDIC limit that was raised will remain at this amount until December 31, 2013. As of December 31, 2009, no bank accounts belonging to Clarksville-Johnson County Chamber of Commerce exceed the Federal Deposit Insurance Corporation limit.

Note 3: Compensated Absences

Employees of the Clarksville-Johnson County Chamber of Commerce are entitled to paid vacations and other time off depending on their job classification, length of service and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. Their policy is to recognize the costs of compensated absences when paid to employees.

Clarksville-Johnson County Chamber of Commerce  
Notes to Financial Statements, Continued  
December 31, 2009

Note 4: Special Events Income

The special events income consists of receipts from the annual banquet, sale of the directory and maps, and income from programs such as workforce education. The total of this income is \$27,829

Note 5: C.D.'s

C.D.'s that will not mature in three months or less are not considered to be cash equivalents. These C.D.'s are as follows:

<u>Bank</u>	<u>Balance</u> <u>December 31, 2009</u>
First Security Bank	24,535
First Security Bank	67,482
Total	<u>\$ 92,017</u>

Note 6: Restricted Funds

Clarksville-Johnson County Chamber of Commerce has funds that are designated for specific purposes. Money was donated and designated for any capital improvements of repair needed to the building. This money is in a CD at First Security Bank in the amount of \$7,010.

Note 7: Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable consist of administrative and program services billed but not received. No allowance for doubtful accounts has been recorded. Management estimates there are no uncollectible accounts undisclosed that would be material. When necessary, the corporation writes off 2 - 3 % as allowance for doubtful accounts.

Note 8: Notes Payable

Notes Payable consists of a capital lease for a copier. The current balance of the note is \$4,437.

A schedule of maturity of the note payable is as follows:

<u>Year</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Maturity	\$1,416	\$1,416	\$1,416	\$189

Note 9: Advertising

All advertising costs are expensed as they are incurred. Advertising costs for the year ended December 31, 2009 are \$4,112.