

Savannah Housing Authority  
Audited Financial Statements  
For The Year Ended  
June 30, 2010



**WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD**  
**June 30, 2012**

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**WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD  
 ROSTER OF BOARD MEMBERS AND MANAGEMENT OFFICIALS  
 June 30, 2012**

EXECUTIVE COMMITTEE

Nick Dunagan	Chairman – County Member
Jerry Brigance	Vice-Chairman – Sharon Member
Hollie Holt	Secretary/Treasurer – Martin Member
Houston Patrick	Mayor, Weakley County
Danny Forrester	Mayor, City of Dresden
Jack Dunning	Mayor, City of Gleason
Eddie Joe McKelvy	Mayor, City of Greenfield
Randy Brundige	Mayor, City of Martin
Monroe Ary	Mayor, City of Sharon
Andy Page	County Member
John Clark	County Member
Tom Rakes	Chancellor – UT Martin
Junior Moore	Chairman – Industrial Board
John Bucy	County Member
Tony Winstead	Dresden Member
Wendell Alexander	County Member
James H. Westbrook	Chairman - HEED
Larry Alexander	Martin Member
Tom Payne	Martin Member
Monte Bowers	Gleason Member
Faron Collins	Ex-Officio
Randy Frazier	Ex-Officio
Randy Huffstetler	Greenfield Member
Barbara Virgin	Ex-Officio

MANAGEMENT OFFICIALS

Ronnie Price	President/CEO
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Weakley County Economic Development Board

We have audited the accompanying financial statements of the governmental activities of the Weakley County Economic Development Board, as of and for the year ended June 30, 2012 as listed in the table of contents. These financial statements are the responsibility of the Board's management. 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 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the general fund of the Weakley County Economic Development Board as of June 30, 2012, and the changes in its financial position, and, where applicable, the respective budgetary comparison for the general fund, thereof, 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 November 13, 2012 on our consideration of the Board'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.

The management's discussion and analysis as listed in the table of contents is not a required part of the basic financial statement but is required supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully Submitted,

A handwritten signature in black ink that reads 'Cowart Reese Sargent'. The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Cowart Reese Sargent,  
Certified Public Accountants, P.C.  
Martin, TN

November 13 , 2012

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

This section of the Weakley County Economic Development Board’s financial report presents a narrative overview and analysis of the Board’s performance during the fiscal year ending June 30, 2012. Please read it in conjunction with the Board’s financial statements, which follow this section.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report includes the management’s discussion and analysis report, the independent auditor’s report and the basic financial statements of the Board. The financial statements also include notes that explain in more detail some of the information in the financial statements.

### **REQUIRED FINANCIAL STATEMENTS**

Management’s Discussion and Analysis ( MD & A) serves as an introduction to, and should be read in conjunction with, the financial statements and other supplementary information. Summary financial data, key financial and operational indicators are made up of four sections:

1. Introductory Section includes the Board’s directory
2. Financial Section includes the MD & A , the independent auditors’ report, financial statements and accompanying notes to the financial statements.
3. Internal Control and Compliance Section includes the report on internal control and compliance.
4. Required Supplementary Information.

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Board’s finance, in a manner similar to a public-sector business.

- The Statement of Net Assets presents information on all of the Board’s assets, liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets serves as a useful indicator of whether the financial position of the Board is improving or deteriorating.
- The Statement of Activities presents information showing how the Board’s net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

### **Fund Financial Statements**

A fund is a group or related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board uses fund accounting to ensure and demonstrate compliance with related financial requirements.

**Government Fund (General Fund)** - Government funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the focus is on near-term inflows and outflows of spendable resources at the end of the fiscal year.



## **ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS**

As can be seen from the summarized financial information on page 5, the Board's current assets have decreased \$59,870 during the year ended June 30, 2012 and net capital assets have decreased \$2,632. The decrease in net capital assets was due to depreciation expense, the cost of which exceeded the cost of any new assets purchased. No new assets were purchased during the fiscal year. Net assets decreased by \$62,502. Total expenditures increased \$18,529 due mostly to payments to the Industrial Development Board of Weakley County for payment on the Spec Building.

Although current year net assets decreased, management believes the overall financial condition of the Board remains strong.

## **CONTACTING THE BOARD'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the readers with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have any questions about this report or need additional information, contact:

Weakley County Economic Development Board  
P.O. Box 106  
Martin, Tennessee 38238  
(731)-587-2992

WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD  
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET  
June 30, 2012

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
<b><u>ASSETS</u></b>			
Cash - Checking	\$ 86,034	\$ -	\$ 86,034
Capital Assets, Net of Depreciation	-	6,405	6,405
Accounts Receivable	27,350	-	27,350
 Total Assets	 <u>113,384</u>	 <u>6,405</u>	 <u>119,789</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable	232	-	232
Payroll Liability	-	-	-
 Total Liabilities	 <u>232</u>	 <u>-</u>	 <u>232</u>
<b><u>FUND BALANCE/NET ASSETS</u></b>			
Fund Balance - Unassigned	<u>113,152</u>	<u>-</u>	
 Total Liabilities and Fund Balance	 <u>\$ 113,384</u>		
Invested in Capital Assets		6,405	6,405
Unrestricted		-	113,152
Total Net Assets		<u>\$ -</u>	<u>\$ 119,557</u>

See accompanying notes to the financial statements.

WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD  
 RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 June 30, 2012

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Differences in amounts reported for governmental activities in the statement of net assets on Page 7:

Fund balance - governmental fund	\$	113,152
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds.		6,405
Net assets of governmental activities	\$	119,557

See accompanying notes to the financial statements.

WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE  
For the Year Ended June 30, 2012

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Revenues</b>			
County and Municipal Dues			
City of Dresden	\$ 16,400	\$ -	\$ 16,400
City of Gleason	8,400	-	8,400
City of Greenfield	12,600	-	12,600
City of Martin	60,200	-	60,200
City of Sharon	5,600	-	5,600
Weakley County	96,800	-	96,800
WCMES	44,490	-	44,490
<b>Total Revenues</b>	<u>244,490</u>	<u>-</u>	<u>244,490</u>
<b>Expenses</b>			
Audit Services	1,250	-	1,250
Automobile Expense	4,089	-	4,089
Depreciation	-	2,632	2,632
Dues & Memberships	1,652	-	1,652
Entertainment	2,460	-	2,460
Health Insurance	5,429	-	5,429
Industrial Development Expense	168,500	-	168,500
Insurance	950	-	950
Marketing Expense	7,949	-	7,949
Office Supplies & Printing	432	-	432
Other Expense	1,271	-	1,271
Payroll Taxes	6,645	-	6,645
Postage & Box Rent	553	-	553
Professional Services	1,200	-	1,200
Promotion and Prospective	721	-	721
Registration & Meeting Expense	3,216	-	3,216
Retirement/Deferred Compensation	2,380	-	2,380
Salary - CEO	76,500	-	76,500
Salary - Secretary/Assistant	10,368	-	10,368
Telephone	2,863	-	2,863
Travel	5,244	-	5,244
<b>Total Expenditures</b>	<u>303,672</u>	<u>2,632</u>	<u>306,304</u>
<b>Excess of Revenues over Expenditures</b>	<u>(59,182)</u>	<u>(2,632)</u>	<u>(61,814)</u>
<b>Other Financing Sources (Uses)</b>			
Interest Income	1,103	-	1,103
Gain (Loss) on Disposal of Assets	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>1,103</u>	<u>-</u>	<u>1,103</u>
<b>Net Change in Fund Balance/Net Assets</b>	<u>(58,079)</u>	<u>(2,632)</u>	<u>(60,711)</u>
<b>Fund Balance/Net Assets:</b>			
Beginning of the Year	171,231		180,268
End of the Year	<u>\$ 113,152</u>	<u>\$ (2,632)</u>	<u>\$ 119,557</u>

See accompanying notes to the financial statements.

WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD  
 RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCE  
 TO THE STATEMENT OF ACTIVITIES  
 For the Year Ended June 30, 2012

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Differences in amounts reported for governmental activities in the statement of activities on page 9:

Net change in fund balance - governmental fund	\$ (58,079)
Amounts reported for governmental activities in that statement of activities are different because:	
Depreciation expense on governmental capital assets are included in the governmental activities in the Statement of Activities	(2,632)
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Assets.	<u>-</u>
Change in net assets of governmental activities	<u><u>\$ (60,711)</u></u>

See accompanying notes to the financial statements.

WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2012

	<u>Budget</u>		<u>Actual</u>	<u>Variance to Original Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
County and Municipal Dues				
City of Dresden	\$ 16,400	\$ 16,400	\$ 16,400	\$ -
City of Gleason	8,400	8,400	8,400	-
City of Greenfield	12,600	12,600	12,600	-
City of Martin	60,200	60,200	60,200	-
City of Sharon	5,600	5,600	5,600	-
Weakley County	96,800	96,800	96,800	-
WCMES	-	-	44,490	44,490
<b>Total Revenues</b>	<u>200,000</u>	<u>200,000</u>	<u>244,490</u>	<u>44,490</u>
<b>Expenditures</b>				
Audit Services	1,100	1,200	1,250	(50)
Automobile Expense	4,100	4,100	4,089	11
Contracted Services	300	300	-	300
Dues & Memberships	1,800	2,000	1,652	348
Entertainment	3,000	3,000	2,460	540
Health Insurance	6,540	6,540	5,429	1,111
Industrial Development Expense	60,000	150,000	168,500	(18,500)
Insurance	1,000	1,000	950	50
Marketing Expense	8,500	8,500	7,949	551
Office Equipment	1,000	1,000	-	1,000
Office Supplies & Printing	1,000	1,000	432	568
Other Expense	1,800	1,300	1,271	29
Payroll Taxes	7,000	7,000	6,645	355
Postage & Box Rent	850	850	553	297
Professional Services	1,000	1,200	1,200	-
Promotion & Prospective	800	800	721	79
Registration & Meeting Expense	4,000	4,000	3,216	784
Retirement/Deferred Compensation	2,600	2,600	2,380	220
Salary - CEO	76,500	76,500	76,500	-
Salary - Secretary/Assistant	10,500	10,500	10,368	132
Telephone	3,450	3,450	2,863	587
Travel	8,000	8,000	5,244	2,756
Utilities	100	100	-	100
<b>Total Expenditures</b>	<u>204,940</u>	<u>294,940</u>	<u>303,672</u>	<u>(8,732)</u>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<u>(4,940)</u>	<u>(94,940)</u>	<u>(59,182)</u>	<u>(53,222)</u>
<b>Other Financing Sources (Uses)</b>				
Interest Income	1,500	1,500	1,103	(397)
Total Other Financing Sources (Uses)	<u>1,500</u>	<u>1,500</u>	<u>1,103</u>	<u>(397)</u>
<b>Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<u>(3,440)</u>	<u>(93,440)</u>	<u>(58,079)</u>	<u>(53,619)</u>
<b>Fund Balance, Beginning</b>	171,231	171,231	171,231	-
<b>Fund Balance, Ending</b>	<u>\$ 167,791</u>	<u>\$ 77,791</u>	<u>\$ 113,152</u>	<u>\$ (53,619)</u>

See accompanying notes to the financial statements.

**WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD  
NOTES TO FINANCIAL STATEMENTS**

June 30, 2012

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Weakley County Economic Development Board have been prepared in conformity with the standards of the Governmental Accounting Standards Board. The Board follows only GASB guidance issued after November 30, 1989.

***BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION***

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The accounts of the Weakley County Economic Development Board are organized as a governmental fund. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. 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. For this purpose, the Board considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

*Government-Wide Financial Statements*

GASB Statement No. 34 requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. Those classifications are defined as follows:

- Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions on enabling legislation.
- Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

**WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD**  
**NOTES TO FINANCIAL STATEMENTS (Cont.)**  
**June 30, 2012**

***FUND EQUITY***

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Board is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable fund balance- amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance- amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance- amounts constrained to specific purposes by the Board itself, using its highest level of decision-making authority, Board of Directors. To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Directors.
- Assigned fund balance—amounts the Board intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official or body to which the Board delegates the authority.
- Unassigned fund balance—amounts that are available for any purpose.

The Board of Directors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Directors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

The details of the fund balances are included in the Governmental Funds Balance Sheet as listed in the table of contents. Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the Board of Directors or the Assignment has been changed. Decreases to fund balance first reduce restricted funds; then committed funds; then assigned funds and finally unassigned funds.

**WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD**  
**NOTES TO FINANCIAL STATEMENTS (Cont.)**  
**June 30, 2012**

**NOTE 1 (CONTINUED)**

***USE OF ESTIMATES***

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 revenues and expenditures during the reporting period. Actual results could differ from those estimates.

***REPORTING ENTITY – JOINT VENTURE***

In evaluating how to define the Weakley County Economic Development Board, for financial reporting purposes, management has considered the criteria set forth in the Government Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" and has determined the relationship to be a joint venture. Joint ventures are legal entities or other organizations resulting from an agreement between two or more participants to jointly own, operate, and govern the entity as a separate activity. To qualify as a joint venture, GASB Statement No. 14 requires the participants to have either an ongoing financial interest or an ongoing financial responsibility.

The parties to the joint venture are as follows:

The County of Weakley, Tennessee  
 City of Martin, Tennessee  
 City of Dresden, Tennessee  
 City of Greenfield, Tennessee  
 City of Gleason, Tennessee  
 City of Sharon, Tennessee

According to the agreement adopted by the parties to the joint venture, the share of the annual budget paid by each party is allocated based on the respective populations of each party as of each decennial census and will remain in effect until the next census results are available. It is projected that most of each year's budget will be spent prior to the end of the corresponding fiscal year.

***CAPITAL ASSETS***

Capital assets are stated at cost less accumulated depreciation computed on the straight-line method. The assets are depreciated over their useful lives, which range from 5 to 7 years.

**WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD**  
**NOTES TO FINANCIAL STATEMENTS (Cont.)**  
**June 30, 2012**

**NOTE 1 (CONTINUED)**

***BUDGETARY BASIS OF ACCOUNTING***

The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America and are used as a management control device. Annual budgets are adopted for the General fund. The Board maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the Board. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) for the operating budget is within a fund. Budgeted amounts presented are as originally adopted and as further amended by the Board. The Board adopts their budget prior to June 30 or the preceding fiscal year in compliance with Tennessee law.

**NOTE 2 FORMATION OF BOARD**

As required by statute of the State of Tennessee, the Weakley County Board of Commissioners and the governing boards of the cities of Martin, Dresden, Greenfield, Gleason, and Sharon created the Weakley County Joint Economic and Community Development Board. During the fiscal year ending June 30, 2005, the organization's name was changed to the Weakley County Economic Development Board. Its operations commenced officially on July 1, 2001. Its objectives are to:

1. Encourage an entrepreneurial spirit among businesses and citizens.
2. Expand existing industry and business.
3. Attract new business and industry appropriate for the county.
4. Foster open communications among all groups in the county concerned with economic development.

**NOTE 3 DEPOSITS AND INVESTMENTS**

The Board has implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures* for financial reporting of deposit risk.

Custodial Credit Risk – State statute requires that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance of the Tennessee Bank Collateral Pool, by collateral held by the Board's agent in the Board's name, or by the Federal Reserve Banks acting as third party agents. As of June 30, 2012, all bank deposits were fully collateralized or insured.

The Board is authorized to hold funds in the form of checking and/or savings accounts and investments in the form of Certificates of Deposit.

**WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD**  
**NOTES TO FINANCIAL STATEMENTS (Cont.)**  
**June 30, 2012**

**NOTE 4 COMPENSATED ABSENCES**

Employees earn vacation leave at the rate of one working day per month. Such leave may be accumulated, except that the amount of leave which is carried over as a balance at the end of any year shall be no more than twelve days or it will be lost. Employees are entitled to paid sick leave of one day per month, with a maximum accrual of thirty days. An accrued liability for vacation leave has not been recorded at June 30, 2012, because there was no unpaid vacation due to employees. No accrual is set up for accrued sick leave, because this is lost upon termination of employment.

**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2012 is as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Non-Depreciable Assets:				
Land	\$ -	\$ -	\$ -	\$ -
Depreciable Assets:				
Furniture and Equipment	7,945	-	-	7,945
Vehicles	12,787	-	-	12,787
Total Depreciable Assets	<u>20,732</u>	<u>-</u>	<u>-</u>	<u>20,732</u>
Less Accum. Depreciation for:				
Furniture and Equipment	6,821	418	-	7,239
Vehicles	4,874	2,214	-	7,088
Total Accum. Depreciation	<u>11,695</u>	<u>2,632</u>	<u>-</u>	<u>14,327</u>
Depreciable Assets, net	9,037	(2,632)	-	6,405
Governmental Activities Capital Assets, net	<u>\$ 9,037</u>	<u>\$ (2,632)</u>	<u>\$ -</u>	<u>\$ 6,405</u>

**WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD  
NOTES TO FINANCIAL STATEMENTS (Cont.)**

**June 30, 2012**

**NOTE 6 SIMPLE IRA**

The Board has a SIMPLE IRA retirement plan in effect. Contributions are based on matching, with the Board matching up to 3% of employee contributions.

**NOTE 7 RISK MANAGEMENT**

The Board is exposed to risks of accidents by the general public in its office, and employee dishonesty. The Board insures against all such exposures with commercial insurance. Settled claims, if any, have not exceeded this commercial coverage in any of the past three years and there has been no significant reduction in the amount of coverage provided.

**NOTE 8 SUBSEQUENT EVENTS**

The Board has evaluated subsequent events through November 13, 2012, the date which the financial statements were available to be issued.

**- END OF NOTES -**



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**INDEPENDENT AUDITORS' 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  
Weakley County Development Board

We have audited the accompanying combining and individual fund financial statements of Weakley County Development Board (the Board) as of and for the year ended June 30, 2012 and have issued our report thereon dated November 13, 2012. 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

Management of the Board is responsible for establishing and maintain internal control over financial reporting. In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 and Other Matters

As part of obtaining reasonable assurance about whether the Board'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 of the Board of Directors, management and the Comptroller of the Treasury of the State of Tennessee and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Cowart Reese Sargent". The signature is written in a cursive style with a long, sweeping flourish extending to the right.

Cowart Reese Sargent,  
Certified Public Accountants, P.C.  
Martin, TN

November 13, 2012

**WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
June 30, 2012

**Prior Year's Audit Findings**

None

**Current Year Findings**

None