

**THE INDUSTRIAL DEVELOPMENT BOARD
OF JACKSON COUNTY, TENNESSEE
JUNE 30, 2014**

**TAMARA L. BECKMAN
CERTIFIED PUBLIC ACCOUNTANT**

**THE INDUSTRIAL DEVELOPMENT BOARD OF
JACKSON COUNTY, TENNESSEE
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JUNE 30, 2014

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**THE INDUSTRIAL DEVELOPMENT BOARD OF
JACKSON COUNTY, TENNESSEE
ROSTER OF MANAGEMENT OFFICIALS AND
THOSE CHARGED WITH GOVERNANCE
JUNE 30, 2014**

Troy York, President
PO Box 51
Gainesboro, TN 38562

Jim Birdwell, Chairman
260 Hall Farm Lane
Whitleyville, TN 38588

Gary Gill, Secretary/Treasurer
PO Box 323
Gainesboro, TN 38562

Larry Stafford
167 Stafford Drive
Gainesboro, TN 38562

Gilbert Berry
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Joe Barlow
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
The Industrial Development Board of Jackson County
Gainesboro, Tennessee

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and the major fund of The Industrial Development Board of Jackson County, a component unit of Jackson County, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise The Industrial Development Board of Jackson County'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 the 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my 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 Industrial Development Board of Jackson County, a component unit of Jackson County, 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.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America 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 historic context. The auditor's opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise The Industrial Development Board of Jackson County's basic financial statements. The Schedule of Changes in Fund Balance - Budget and Actual on page 15 and the Roster of Management Officials and Those Charged with Governance on page 1 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Changes in Fund Balance - Budget and Actual and the Roster of Management Officials and Those Charged with Governance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements

and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Changes in Fund Balance - Budget and Actual and the Roster of Management Officials and Those Charged with Governance are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated February 4, 2015 on my consideration of The Industrial Development Board of Jackson County's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Industrial Development Board of Jackson County's internal control over financial reporting and compliance.

February 4, 2015
Cookeville, Tennessee

Tamara L. Beckman, CPA

**THE INDUSTRIAL DEVELOPMENT BOARD OF
JACKSON COUNTY, TENNESSEE
STATEMENT OF NET POSITION
JUNE 30, 2014**

Assets

Current Assets

Cash	\$ 286,557.33	
CD's	232,073.59	
Interest Receivable	<u>397.99</u>	
Total Current Assets		\$ 519,028.91

Capital Assets

Buildings	3,840,676.83	
Building Improvements	49,712.00	
Less: Accumulated Depreciation	<u>(1,819,260.88)</u>	
Total Capital Assets		<u>2,071,127.95</u>

Total Assets \$ 2,590,156.86

Liabilities

Current Liabilities

Rental Deposit Liability	10,926.67	
Notes Payable - Current Portion	<u>3,440.63</u>	
Total Current Liabilities		14,367.30

Long-Term Debt 95,601.89

Total Liabilities 109,969.19

Net Position

Net Investment in Capital Assets	1,972,085.43	
Unrestricted	<u>508,102.24</u>	

Total Net Position \$ 2,480,187.67

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**THE INDUSTRIAL DEVELOPMENT BOARD OF
JACKSON COUNTY, TENNESSEE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Expenses</u>		
Dues & Fees	\$ 20.00	
Legal Notices	21.00	
Accounting	2,385.00	
Legal Fees	1,280.70	
Contracted Services	34,500.00	
Postage & Mailing	32.00	
Interest Expense	3,722.47	
Depreciation Expense	<u>169,538.67</u>	
Total Expenses		\$ 211,499.84
 <u>Program Revenues</u>		
Grant Income	34,000.00	
Rental Income	<u>295,229.04</u>	
Total Program Revenues		<u>329,229.04</u>
Net (Expense) Revenue		117,729.20
 <u>General Revenue</u>		
Interest Income	<u>1,125.40</u>	
Total General Revenue		<u>1,125.40</u>
Change In Net Position		118,854.60
Net Position, July 1, 2013		<u>2,361,333.07</u>
Net Position, June 30, 2014		<u>\$ 2,480,187.67</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENT

**THE INDUSTRIAL DEVELOPMENT BOARD OF
JACKSON COUNTY, TENNESSEE
BALANCE SHEET
JUNE 30, 2014**

Assets

Current Assets

Cash in Bank	\$ 286,557.33
CD's	232,073.59
Interest Receivable	<u>397.99</u>

Total Assets \$ 519,028.91

Liabilities & Fund Balance

Liabilities

Rental Deposit Liability	\$ 10,926.67
Unearned Grant Revenue	<u>-</u>

Total Liabilities \$ 10,926.67

Fund Balance - Unassigned 508,102.24

Total Liabilities & Fund Balance \$ 519,028.91

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENT

**THE INDUSTRIAL DEVELOPMENT BOARD OF
JACKSON COUNTY, TENNESSEE
RECONCILIATION OF THE BALANCE SHEET
JUNE 30, 2014**

Fund Balance-Balance Sheet		\$ 508,102.24
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Amount reported for governmental activities in the Statement of Net Position are different because Capital Assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental Capital Assets & CIP	\$ 3,890,388.83	
Less: Accumulated Depreciation	<u>(1,819,260.88)</u>	
		2,071,127.95
Long-term liabilities not reported in the fund financial statements		<u>(99,042.52)</u>
Net Position of Governmental Activities		<u>\$ 2,480,187.67</u>

**THE INDUSTRIAL DEVELOPMENT BOARD OF
JACKSON COUNTY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2014**

Revenues

Rental Income	\$ 295,229.04
Grant Income	34,000.00
Proceeds from New Loan	100,000.00
Interest Income	<u>1,125.40</u>

Total Revenues \$ 430,354.44

Expenditures

Operating Expenses

Dues & Fees	\$ 20.00
Legal Notices	21.00
Accounting	2,385.00
Legal Fees	1,280.70
Contracted Services	34,500.00
Postage & Mailing	32.00
Building	<u>211,307.00</u>

Total Operating Expenditures 249,545.70

Debt Services

Principal	116,520.20
Interest	<u>3,722.47</u>

Total Debt Services 120,242.67

Total Expenditures 369,788.37

Net Change in Fund Balance 60,566.07

Fund Balance, July 1, 2013 447,536.17

Fund Balance, June 30, 2014 \$ 508,102.24

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENT

**THE INDUSTRIAL DEVELOPMENT BOARD OF
JACKSON COUNTY, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2014**

Net Change in Fund Balance	\$	60,566.07
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Amount reported for governmental activities in the Statement of Net Position are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for Capital Assets and CIP	\$	211,307.00	
Less: Depreciation Expense		<u>(169,538.67)</u>	
			41,768.33

Governmental funds report payment of principle on Notes Payable as expenditures and proceeds of new loans as revenue. However, payments of principal and new loans generated are not presented in the Statement of Activities.

Proceeds of New Loans		(100,000.00)
Expenditures of Principle Payments		<u>116,520.20</u>

Change in Net Position of Governmental Activities	\$	<u>118,854.60</u>
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENT

**THE INDUSTRIAL DEVELOPMENT BOARD OF
JACKSON COUNTY, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Note 1 – Organization

The Industrial Development Board of Jackson County was incorporated February 21, 1978. The purpose of The Industrial Development Board of Jackson County is to do business as an industrial development corporation as prescribed by Chapter 210 of the Public Act of 1955, as codified in 6-2801, et seq. Tennessee Code Annotated, and as amended by Chapter 222, Public Act of 1959. It is a related organization of Jackson County, Tennessee. The directors are elected by the governing body of Jackson County. It must file a budget with Jackson County each year. Upon dissolution, the title to all funds and properties owned by The Industrial Development Board of Jackson County at that time shall become the property of Jackson County.

Note 2 – Government – Wide Financial Statements

The Government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These statements report the governmental activities of the Industrial Development Board of Jackson County. The governmental activities are reported on the economic resources measurement focus on the accrual basis of accounting.

Note 3- Fund Financial Statements

To ensure observance of limitations and restrictions placed on the use of resources available to the Industrial Development Board of Jackson County, the accounts of the Board are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group. The fund financial statements report using current financial resources measurement focus and the modified accrual basis of accounting. The measurement focus of governmental fund accounting is on expenditures rather than expenses. Most expenditures are measurable and are recorded when the related liability is incurred. 30 days is used to define available for purposes of revenue recognition in the fund financial statements.

Note 4 - Capital Assets and Depreciation

The Industrial Development Board of Jackson County's property, plant and equipment with useful lives of more than one year are stated at historical cost. The capital assets purchased in the current year are reported in the fund financial statements as expenditures in the current year. Donated assets are stated at fair value on the date donated. The Industrial Development Board of Jackson County generally capitalizes assets that have a cost of over \$5,000 and have a useful life of more than one year.

The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. All capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations.

Note 5 – Cash and Cash Equivalents:

Cash and cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions. The organization’s cash at June 30, 2014 was maintained as follows: The rental fund and the money market account were maintained in separate checking accounts.

Note 6 – Compensated Absences

The Board has no employees; therefore compensated absences are not accrued in the financial statements.

Note 7 – Cash in Bank

The Tennessee Government Code requires Tennessee banks and savings and loan associations to secure a governmental entity’s deposits by pledging government securities as collateral. The market value of pledged securities must equal 105% of the entity’s deposits. The entity may waive collateral requirements for deposits that are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) or Savings Association Insurance Fund (SAIF).

Checking – FSG Bank	\$284,011.05
CDs – FSG Bank	<u>205,999.23</u>
Subtotal	490,010.28
Money Market – Bank East	2,546.28
CD - Citizens Bank	<u>26,074.36</u>
TOTAL	<u>\$518,630.92</u>

At June 30, 2014, the carrying amount of The Industrial Development Board of Jackson County’s cash deposits was \$518,630.92. All cash deposits are covered by the Federal Deposit Insurance Corporation up to the limit of \$250,000.00. Any amounts in excess of this limit are covered by the Tennessee Collateralization Pool. The Board is authorized to deposit and invest funds according to the provisions of Section 5-8-301 of the Tennessee Code Annotated. [Acts 1992, ch. 891, section 10].

Note 8 – Budget

The director of the Industrial Development Board of Jackson County and staff compile the budget. This is a non-appropriated budget used for guidance only and is not legally binding.

Note 9 - Risk

The Industrial Development Board of Jackson County maintains general liability and property insurance on Buildings; however the county covers all of these risks and no expense for insurance has been recorded in these financial statements.

Notes to Financial Statements

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June 30, 2014

Note 10 – Capital Assets

Capital assets are categorized as follows:

<u>Depreciable Assets</u>	<u>Cost</u>	<u>Estimated Useful Life</u>
Building	\$ 3,840,676.83	20-25 Years
Building Improvements	<u>49,712.00</u>	15 Years
	<u>\$ 3,890,388.83</u>	

Depreciation expense totaled \$169,538.67 for year ended June 30, 2014.

Changes to Capital Assets as of June 30, 2014 are summarized as follows:

	<u>Balance</u> <u>6/30/2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>6/30/2014</u>
Building	\$ 3,629,369.83	\$ 211,307.00	\$ -	\$ 3,840,676.83
Building Improvements	<u>49,712.00</u>	<u>-</u>	<u>-</u>	<u>49,712.00</u>
	<u>\$ 3,679,081.83</u>	<u>\$ 211,307.00</u>	<u>\$ -</u>	<u>\$ 3,890,388.83</u>

Changes to Accumulated Depreciation as of June 30, 2014 are summarized as follows:

	<u>Balance</u> <u>6/30/2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>6/30/2014</u>
Building	1,627,766.05	166,224.53	-	1,793,990.58
Building Improvements	<u>21,956.16</u>	<u>3,314.14</u>	<u>-</u>	<u>25,270.30</u>
	<u>\$ 1,649,722.21</u>	<u>\$ 169,538.67</u>	<u>\$ -</u>	<u>\$ 1,819,260.88</u>

Notes to Financial Statements

Page 4

June 30, 2014

Note 11 – Long-Term Debt

The Board had two loans outstanding to Jackson Bank & Trust at June 30, 2013. Both loans are due and paid April 1, 2014. The balances of the loans at June 30, 2014 were \$0. On 1/15/14, the Board borrowed \$100,000 from FSG bank to purchase a building. They will pay \$632.65 monthly for 20 years at 4.5% interest.

Principal and interest requirements to maturity are as follows:

	<u>JB&T Loan #1 @ 4.50% interest</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
Totals	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

	<u>JB&T Loan #2 @ 3.00% interest</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
Totals	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

	<u>FSG Loan @ 4.50% interest</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2015	\$ 3,440.63	\$ 4,783.82	\$ 8,224.45
2016	3,358.42	4,233.38	7,591.80
2017	3,512.71	4,079.09	7,591.80
2018	3,674.08	3,917.72	7,591.80
2019	3,842.87	3,748.93	7,591.80
2020-2024	22,030.34	15,928.66	37,959.00
2025-2029	27,577.48	10,381.52	37,959.00
2030-2034	<u>31,606.01</u>	<u>3,457.39</u>	<u>35,063.40</u>
Totals	\$ <u>99,042.54</u>	\$ <u>50,530.51</u>	\$ <u>149,573.05</u>

Changes to Long-Term Debt during the year is summarized as follows:

	<u>Balance</u> <u>6/30/2013</u>	<u>New Loans</u>	<u>Payments</u>	<u>Balance</u> <u>6/30/2014</u>
JB & T #1	67,999.22	-	(67,999.22)	-
JB & T #2	47,563.50	-	(47,563.50)	-
FSG Bank	-	100,000.00	(957.48)	99,042.52
	\$ <u>115,562.72</u>	\$ <u>100,000.00</u>	\$ <u>(116,520.20)</u>	\$ <u>99,042.52</u>

Interest expense totaled \$3,722.47 for the year ended June 30, 2014.

**THE INDUSTRIAL DEVELOPMENT BOARD
OF JACKSON COUNTY, TENNESSEE**

SUPPLEMENTARY INFORMATION

JUNE 30, 2014

**THE INDUSTRIAL DEVELOPMENT BOARD OF
JACKSON COUNTY, TENNESSEE
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014
(unaudited)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Rental Income	\$ 285,000.00	\$ 295,229.04	\$ 10,229.04
Grant Income - Operating	34,000.00	34,000.00	-
Proceeds from Loans	100,000.00	100,000.00	-
Interest Income	<u>1,000.00</u>	<u>1,125.40</u>	<u>125.40</u>
Total Revenue	<u>420,000.00</u>	<u>430,354.44</u>	<u>10,354.44</u>
<u>Expenditures</u>			
Operating			
Dues & Fees	500.00	20.00	480.00
Legal Notices	250.00	21.00	229.00
Accounting	3,000.00	2,385.00	615.00
Legal Fees	2,000.00	1,280.70	719.30
Contracted Services	35,000.00	34,500.00	500.00
Postage & Mailing	2,000.00	32.00	1,968.00
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenditures	<u>42,750.00</u>	<u>38,238.70</u>	<u>4,511.30</u>
Capital Outlay	200,000.00	211,307.00	(11,307.00)
Debt Services			
Principal	120,000.00	116,520.20	3,479.80
Interest	<u>4,000.00</u>	<u>3,722.47</u>	<u>277.53</u>
Total Debt Services	<u>124,000.00</u>	<u>120,242.67</u>	<u>3,757.33</u>
Total Expenditures	<u>366,750.00</u>	<u>369,788.37</u>	<u>(3,038.37)</u>
Net Change in Fund Balance	53,250.00	60,566.07	7,316.07
Fund Balance, July 1, 2013	<u>447,536.17</u>	<u>447,536.17</u>	<u>-</u>
Fund Balance, June 30, 2014	<u>\$ 500,786.17</u>	<u>\$ 508,102.24</u>	<u>\$ 7,316.07</u>

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**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***

To the Board of Directors of the
The Industrial Development Board of Jackson County
Gainesboro, Tennessee

I have audited, in accordance with the auditing standards generally accepted in the United State of America and the 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 The Industrial Development Board of Jackson County, a component unit of Jackson County, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise The Industrial Development Board of Jackson County's basic financial statements, and have issued my report thereon dated February 4, 2015.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered The Industrial Development Board of Jackson County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Industrial Development Board of Jackson County's internal control. Accordingly, I do not express an opinion on the effectiveness of The Industrial Development Board of Jackson County'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.

My 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 my audit I did not identify any deficiencies in internal control that I 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 The Industrial Development Board of Jackson County's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 4, 2015
Cookeville, Tennessee

Tamara L. Beckman, CPA