

**HENRY COUNTY TOURISM DEVELOPMENT AUTHORITY
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2014**

TABLE OF CONTENTS

	PAGE
SCHEDULE OF OFFICIALS	1
INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS	2
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BALANCE SHEET / STATEMENT OF NET POSITION.....	7
STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES / STATEMENT OF ACTIVITIES	8
NOTES TO THE FINANCIAL STATEMENTS.....	9
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 <i>GOVERNMENTAL AUDITING STANDARDS</i>	14
SCHEDULE OF AUDIT FINDINGS.....	16

**Henry County Tourism Development Authorities
Schedule of Officials
June 30, 2014**

Chairman

Brent Greer

Vice Chairman

Sam Tharpe

Officers

Pete Lackey

Paul Mathenia

Carl Holder

John Etheridge

Butch Powers

David Webb

Andrea Lamb



COWART REESE SARGENT

Certified Public Accountants, P.C.

Brownsville | Jackson | Martin | Milan | Paris

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Henry County Tourism Development Authority
Paris, TN

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Henry County Tourism Development Authority, a joint venture between the City of Paris and Henry County, as of and for the year ended June 30, 2014, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and the 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 controls 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 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 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 controls 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.

Opinion

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 Henry County Tourism Development Authority as of June 30, 2014, and the changes in its financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Schedule of Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2015, on our consideration of the Authority's 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* in considering the Authority's internal control over financial reporting and compliance.



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

January 7, 2015

Henry County Tourism Development Authorities
Management's Discussion and Analysis
June 30, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Henry County Tourism Development Authorities' financial report presents a narrative overview and analysis of the Committee's performance during the fiscal year ending June 30, 2014. Please read it in conjunction with the Committee'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 auditors' report and the basic financial statements of the Committee. The financial statements also include notes that explain in more detail some of the information in the financial statements.

REQUIRED FINANCIAL STATEMENTS

Government-Wide Financial Statements. The Statement of Net Position and the Statement of Activities provide a broad overview of the Committee's overall financial status. Over time, increases or decreases in the Committee's net position is one indicator of whether its financial health is improving or deteriorating. Non-financial factors also need to be considered to assess the overall health of the Committee.

Governmental activities – The Committee's basic services are included here.

These activities are generally financed through taxes, charges for services, and Local, State and Federal grants/contributions.

All of the current year's revenues and expenses are accounted for in the Statement of Activities. This statement measures the success of the Committee's operations over the past year.

Fund Financial Statements. Fund financial statements focus on the individual parts of the Committee, reporting the Committee's operations in more detail than the government-wide statements by providing information about the Committee's most significant "major" fund. Funds are accounting devices used to keep track of specific sources of funding and spending for particular purposes.

The governmental funds statements tell how general governmental activities were financed in the short term as well as what remains for future spending.

FINANCIAL ANALYSIS OF THE COMMITTEE

One of the most important questions asked about the Committee's finances is "Is the Committee better off or worse as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Balance report information about the Committee's activities in a way that will help answer this question. These two statements report the net position of the Committee and the changes in them. One can think of the Committee's net position – the difference between assets and liabilities – as one way to measure financial health or financial position. Over time, increases or decreases in the Committee's net position is one indicator of whether its financial health is improving or deteriorating.

ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

As can be seen from the financial information on Table I, the Committee's total assets is \$ 196,442 for the year ended June 30, 2013, net position is \$136,417. This is the first year of operations.

Henry County Tourism Development Authorities
Management's Discussion and Analysis
June 30, 2014

Statement of Net Position
TABLE I

	2014	2013	Total Change	% Change
Current Assets	194,213	-	194,213	n/a
Capital & Other Assets	2,229	-	2,229	n/a
Total Assets	196,442	-	196,442	n/a
Current Liabilities	20,000	-	20,000	n/a
Noncurrent Liabilities	40,000	-	40,000	n/a
Total Liabilities	60,000	-	60,000	n/a
Invested in Capital Assets				
Net Investment	2,229	-	2,229	n/a
Unrestricted Retained Earnings	134,213	-	134,213	n/a
Total Net Position	136,442	-	136,442	n/a
Total Liabilities & Net Position	196,442	-	196,442	n/a

Statement of Activities
TABLE II

	2014	2013	Total Change	% Change
Interest Revenue	8	-	8	n/a
Contributions	198,305	-	198,305	n/a
Total Revenue	198,313	-	198,313	n/a
Contract Labor	23,956	-	23,956	n/a
Fuel	396	-	396	n/a
Office Supplies	134	-	134	n/a
Event Support	10,000	-	10,000	n/a
Miscellaneous	-	-	-	n/a
Rentals	424	-	424	n/a
Supplies & Materials	25,851	-	25,851	n/a
Travel	739	-	739	n/a
Depreciation Expense	371	-	371	n/a
Total Expenses	61,871	-	61,871	n/a
Change In Net Position	136,442	-	136,442	n/a
Beginning Net Position	-	-	-	n/a
Ending Net Position	136,442	-	136,442	n/a

Henry County Tourism Development Authorities
Management's Discussion and Analysis
June 30, 2014

CONTACTING THE COMMITTEE'S FINANCIAL MANAGEMENT

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

Henry County Tourism Development Authorities
2508 East Wood St
Paris, TN 38242

Henry County Tourism Development Authority
Governmental Funds Balance Sheet and Statement of Net Position
6/30/2014
(See Auditors' Report)

	General Fund	Government-Wide Statement of Net Position
Assets		
<i>Current Assets</i>		
Cash & Cash Equivalents	\$ 194,213	\$ 194,213
Total Current Assets	<u>194,213</u>	<u>194,213</u>
<i>Capital Assets</i>		
Furniture & Equipment		2,600
Accumulated Depreciation		<u>(371)</u>
Total Capital Assets		<u>2,229</u>
Total Assets	<u>\$ 194,213</u>	<u>\$ 196,442</u>
Liabilities and Fund Equity		
<i>Current Liabilities</i>		
Accounts Payable	\$ 10,000	\$ 10,000
Current Portion of Long-Term Debt		<u>10,000</u>
Total Current Liabilities	<u>10,000</u>	<u>20,000</u>
<i>Non-current Liabilities</i>		
Note Payable (Long-Term) (Note H)		<u>40,000</u>
Total Liabilities	10,000	60,000
Fund Balances		
Fund Balance - Unassigned	<u>184,213</u>	
Total Liabilities and Fund Balances	<u>\$ 194,213</u>	
Net Position		
Net Investment in Capital Assets		2,229
Unrestricted		<u>134,213</u>
Total Net Position		<u>136,442</u>
Total Liabilities and Net Position		<u>\$ 196,442</u>
Reconciliation of Fund Balance of Governmental Funds to Net Position of Governmental Activities:		
Fund Balance of Governmental Funds shown above		\$ 184,213
Capital assets used in governmental activities in the statement of net position are not financial resources , and therefore, not reported in the fund balance sheet		2,229
Long-term liabilities are not due and payable in current period and therefore are not reported in the funds. All liabilities, both current and long-term are reported in the statement of net position.		<u>(50,000)</u>
Net Position of Governmental Activities		<u>\$ 136,442</u>

The accompanying notes are an integral part of these financial statements

Henry County Tourism Development Authori
Statement of Revenues, Expenditures and Changes in Fund Balance (Governmental Funds)
and Statement of Activities
For The Year Ended
June 30, 2014
(See Auditors' Report)

	General Fund	Government-Wide Statement of Activities
Expenditures / Expenses		
Contract Labor	23,956	23,956
Fuel	396	396
Office Supplies	134	134
Event Support	10,000	10,000
Miscellaneous	-	-
Rentals	424	424
Supplies & Materials	25,851	25,851
Travel	739	739
Depreciation Expense	-	371
Total Expenditures / Expenses	61,500	61,871
General Revenues		
<i>Other Revenues</i>		
Interest Income	8	8
Tennessee River Resort Act	191,075	191,075
Contributions	7,230	7,230
Total Other Revenues	198,313	198,313
Total Revenue	198,313	198,313
Excess (Deficiency) of Revenues of Expenditures	136,813	136,442
Other Financing Sources (Uses)		
Proceeds from Notes Payable	50,000	-
Net Change in Fund Balance / Net Position	186,813	136,442
Fund Balance / Net Position at Beginning of Year	-	-
Fund Balance / Net Position at End of Year	\$ 186,813	\$ 136,442
Net Change in Fund Balance for the Governmental Funds shown above		\$ 186,813
Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense in the current period. The amount by which depreciation expense exceeded capital outlay is....		(371)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		(50,000)
Change in Net Position - Governmental Activities		\$ 136,442

Henry County Tourism Development Authority
Notes to the Financial Statements
June 30, 2014

Note A – Reporting Entity

The Henry County Tourism Development Authority (the Authority) is a governmental entity that is a joint venture between the City of Paris Tennessee and Henry County. The Authority applied for and was approved for tax-exempt status under section 501(c)(6) of the Internal Revenue Code.

The Authority is governed by a Board of Directors composed of the Henry County Mayor, two Henry County Authority appointed by the County Executive, the Mayor of Paris, TN, one City of Paris Authority appointed by the Mayor, the Paris City Manager and the President of the Paris/Henry County Chamber of Commerce.

The Directors all serve as non-compensated volunteers.

The purpose of the Authority is to promote and advertise Henry County, manage special events and further efforts as it may undertake from time to time for the promotion of tourism in Henry County..

The Authority is heavily dependent upon funding through the city and county governments.

Note B – Basic Financial Statements

The Authority's basic financial statements include both government-wide (reporting the Authority as a whole) and fund financial statements (reporting the Authority's major fund).

In the Statement of Net Position the General Fund of the Authority is adjusted to report the Authority's net position in three parts – investment in capital assets; restricted net position; and unrestricted net position. The primary difference between the Governmental Fund Balance Sheet for the General Fund and the Statement of Net Position is the inclusion of capital assets in the Statement of Net Position.

The primary difference in the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances is the inclusion of depreciation expense of capital assets, which is included in the Statement of Activities and proceeds from Notes Payable and the repayment of those notes.

Note C – Summary of Significant Accounting Policies

The accounting policies of the Authority conform to generally accepted accounting principles applicable to government as defined in the Statements of the Governmental Accounting Standards Board. The following is a summary of the more significant accounting policies.

1. Accounting Method

Measurement Focus

Measurement focus is a term used to describe which transactions are recorded within the various financial statements.

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the "economic resources" measurement focus. Accordingly, all of the Authority's assets and liabilities, including capital assets, are included in the accompanying statement of net position. The statement of activities reports changes in net position.

Henry County Tourism Development Authority
Notes to the Financial Statements
June 30, 2014

In the fund financial statements, the “current financial” resources measurement focus is appropriate. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available, spendable financial resources during a given period. These funds use fund balance as their measure of available resources at the end of the period.

Accrual

Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses when incurred.

Modified Accrual

The General Fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. A period of availability of 60 days has been determined as a result of the implementation of Government Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

2. Accounts receivable and accounts payable

Accounts receivable reported in the financial statements represent claims against grants and contracts for expenses incurred at June 30, 2014 but not yet reimbursed by the funding agencies. Accounts payable, similarly, are for expenses due to various vendors and others but for which disbursement was not made by June 30, 2014.

3. Capital Assets

Furnishings and equipment are stated at cost, less accumulated depreciation. Long-lived assets with an acquisition cost in excess of \$500 are capitalized. Depreciation is calculated on the straight-line method. The estimated useful life used in determining depreciation is as follows:

Buildings	20-50 years
Equipment	5-10 years

Maintenance, repairs and minor renewals are charged to operations as incurred. Improvements and major renewals of equipment are capitalized. Upon sale or disposition of properties, the asset account is relieved of the cost and the accumulated depreciation account is charged with depreciation taken prior to the sale and any resulting gain or loss is charged to earnings.

4. Cash and Cash Equivalents

Although none were held as of the date of these financial statements, the Authority considers all short-term debt securities purchased with maturities of three months or less to be cash equivalents.

5. 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.

Henry County Tourism Development Authority
Notes to the Financial Statements
June 30, 2014

6. Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as invested in capital assets (net of related debt), restricted, and unrestricted.

Net Investment in Capital Assets —is intended to reflect the portion of net position which is associated with non-liquid capital assets less outstanding capital asset related debt.

Restricted —represent net position that have third party (statutory, bond covenant or granting agency) limitations on their use. The Authority's policy is generally to use restricted net position first, as appropriate opportunities arise.

Unrestricted—represent unrestricted net position. While management may have categorized and segmented portions for various purposes, the Authority has the unrestricted authority.

7. Fund Equity

Governmental funds utilize a fund balance representation for fund equity. Fund balance is categorized as non-spendable, restricted, committed, assigned or unassigned. A description of each category is provided below:

- Nonspendable fund balance—amounts that are not in nonspendable 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 Authority itself, using its highest level of decision-making authority, the Board of Directors. To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest level action to remove or change the constraint.
- Assigned fund balance—amounts the Board intends to use for a specific purpose. Intent can be expressed by the Authority 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. Positive amounts are reported only in the general fund.

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 Board 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 or the Assignment has been changed by the Executive Director. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

Henry County Tourism Development Authority
Notes to the Financial Statements
June 30, 2014

Note D – Concentration of Credit Risk

Financial instruments that potentially expose the Organization to concentration of credit risk consist primarily of cash in bank in excess of FDIC limits at various times during the year. At year end, the cash in bank was below FDIC limits.

Note E – Cash & Cash Equivalents

The Authority's policies limit deposits and investments to those instruments allowed by applicable state laws. State statutes require 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 or the Tennessee Bank Collateral Pool, by collateral held by the Authority's agent in the Authority's name, or by the Federal Reserve Banks acting as third party agents. Statutes also require that securities underlying repurchase agreements must have a market value of at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2014, all bank deposits were fully collateralized or insured.

The Authority's cash deposits include deposits with all financial institutions. At June 30, 2014, the Authority's deposits had a bank balance of \$194,213.

The bank balances were exposed to credit risk as follows:

Insured and collateralized with securities held by the Authority's or its agent in the Authority's name	\$ 194,213
Uninsured and uncollateralized	0
Uninsured and collateral held in pledging bank	0
Uninsured and collateral held in pledging banks trust department not in the Authority's name*	0
Total	\$ 194,213

* Bank participates in the Tennessee Bank Collateral Pool

Note F – Income Taxes

The Authority qualifies for an exemption from federal income tax under Section 501(c) (6) of the Internal Revenue Code. On unrelated business income, as defined by Section 509(a)(1) of the Code is subject to income tax. The Authority currently has no unrelated business income, therefore, no provision for income taxes is presented.

Note G – Capital Assets

At June 30, 2014, the costs and related accumulate depreciation of buildings and equipment consisted of the following:

	Balance at 7/1/2013	Additons	Deletions	Balance at 6/30/2013
Building	-	-	-	-
Furniture & Equipment	-	2,600	-	2,600
Vehicles	-	-	-	-
Total	-	2,600	-	2,600
Accumulated Depreciation	-	(371)	-	(371)
Net Fixed Assets	-	2,229	-	2,229

Henry County Tourism Development Authority
Notes to the Financial Statements
June 30, 2014

Note H – Notes Payable

On January 9, 2014, the Authority entered into an promissory note agreement with the City of Paris Notes payable for \$50,000 with no interest.

Note Payable – City of Paris \$50,000

The Authority will make annual installments of \$10,000 to begin on January 9, 2015.

Notes Payable	\$	-	\$	50,000	\$	-	\$	50,000	\$	10,000
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Annual Debt Service Requirements to maturity are as follows:

Years Ending June 30	Principal	Interest
2015	\$ 10,000	\$ -
2016	10,000	-
2017	10,000	-
2018	10,000	-
2019	10,000	-
	\$ 50,000	\$ -

Note I – Budget

The Authority prepares an annual operating budget for its own use. The budget is prepared on the same basis of accounting used for the governmental fund financial statements presentation. The Authority is not required to demonstrate statutory compliance with its annual operating budget. Therefore, budgetary data is not included in the basic financial statements.

Note J – Risk Management

The Authority is exposed to risks of accidents by the general public in its office, and employee dishonesty. The Authority 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 K – Economic Dependency

The Authority receives approximately 44% of funds used for operations from the City of Paris, Tennessee and Henry County.

Note L – Subsequent Events

Management has reviewed events through January 7, 2015, the earliest date the financials were available. No subsequent events requiring disclosure were noted.

End of Notes



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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**

Board of Directors
Henry County Tourism Development Authority
Paris, TN

We have audited, in accordance with the 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, the financial statements of the governmental activities, and the general fund of Henry County Tourism Development Authority, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Henry County Tourism Development Authority's basic financial statements, and have issued our report thereon dated January 7, 2015

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Henry County Tourism Development Authority'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 on the effectiveness of Henry County Tourism Development Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Henry County Tourism Development Authority'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 Henry County Tourism Development Authority's financial statements are free from 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 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.

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, CPAs
Paris, TN

January 7, 2015

**PARIS HENRY COUNTY INDUSTRIAL AUTHORITY
AUDITOR'S FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

PRIOR YEAR'S AUDIT FINDINGS

Financial Statement Findings

None Noted

CURRENT YEAR'S AUDIT FINDINGS

Financial Statement Findings

None Noted