

WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD

FINANCIAL STATEMENTS

June 30, 2015

WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD
June 30, 2015

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**WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD
ROSTER OF BOARD MEMBERS AND MANAGEMENT OFFICIALS
June 30, 2015**

EXECUTIVE COMMITTEE

Jerry Brigance	Sharon Member
Andy Page	Chairman-County Member
John Bucy	Secretary/Treasurer-County Member
Jake Bynum	Mayor, Weakley County
Jeff Washburn	Mayor, City of Dresden
Diane Pool	Mayor, City of Gleason
Cindy McAdams	Mayor, City of Greenfield
Randy Brundige	Mayor, City of Martin
Monroe Ary	Mayor, City of Sharon
John Clark	County Member
Tom Rakes	Chancellor – UT Martin
Junior Moore	Chair-Industrial Board
Nick Dunagan	County Member
Tony Winstead	Dresden Member
Darrell Blaylock	County Member
Alex Bynum	Dresden Member
Larry Alexander	Vice-Chairman-Martin Member
Carmen Chandler	Chair-HEED
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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Brownsville | Jackson | Martin | Milan | Paris

John R. (Jack) Reese, CPA
David R. Horner, CPA

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Martin, TN 38237
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Weakley County Economic Development Board

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Weakley County Economic Development Board, a joint venture of Weakley County, Tennessee, and the cities of Martin, Tennessee, Dresden, Tennessee, Greenfield, Tennessee, Gleason, Tennessee, and Sharon, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board'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 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.

Auditors' Responsibility

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 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, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our 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 Weakley County Economic Development Board as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance 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 on pages 4 through 6 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 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2015, on our consideration of Weakley County Economic Development Board's internal control over financial reporting and on our test 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 Weakley County Economic Development Board's internal control over financial reporting and compliance.

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

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

December 15, 2015

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, 2015. 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 Position presents information on all of the Board's assets, liabilities, with the difference reported as net position. Over time, increases or decreases in net position 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 Position changed during the most recent fiscal year. All changes in Net Position 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 of 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 6, the Board's current assets have decreased \$4,545 during the year ended June 30, 2015 and net capital assets have decreased \$1,741. 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 position decreased by \$6,399. Total expenditures decreased \$28,399.

Although current year Net Position 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

SUMMARIZED FINANCIAL INFORMATION

	Net Position		Dollar Change	Percentage Change
	2015	2014		
Current Assets	\$ 29,374	\$ 33,919	\$ (4,545)	-13.4%
Capital Assets	-	1,741	(1,741)	-100.0%
Total Assets	<u>29,374</u>	<u>35,660</u>	<u>(6,286)</u>	-17.6%
Current Liabilities	<u>716</u>	<u>603</u>	<u>113</u>	18.7%
Total Liabilities	<u>716</u>	<u>603</u>	<u>113</u>	18.7%
Net Position	<u>\$ 28,658</u>	<u>\$ 35,057</u>	<u>\$ (6,399)</u>	-18.3%
Summary of Net Position				
Investment in Capital Assets	-	1,741	(1,741)	-100.0%
Unrestricted Net Position	<u>28,658</u>	<u>33,316</u>	<u>(4,658)</u>	-14.0%
	<u>\$ 28,658</u>	<u>\$ 35,057</u>	<u>\$ (6,399)</u>	-18.3%
Changes in Net Position				
Revenues	\$ 244,490	\$ 244,490	\$ -	0.0%
Operating Expenses	<u>251,174</u>	<u>279,573</u>	<u>(28,399)</u>	-10.2%
Operating Income (Loss)	(6,684)	(35,083)	28,399	-80.9%
Nonoperating Revenues (Expenses)	<u>285</u>	<u>301</u>	<u>(16)</u>	-5.3%
Changes in Net Position	(6,399)	(34,782)	28,383	-81.6%
Net Position				
Beginning	<u>35,057</u>	<u>\$ 69,839</u>	<u>(34,782)</u>	
Ending	<u>\$ 28,658</u>	<u>\$ 35,057</u>	<u>\$ (6,399)</u>	-18.3%

WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
JUNE 30, 2015

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<u>ASSETS</u>			
Cash - Checking	\$ 28,519	-	\$ 28,519
Capital Assets, Net of Depreciation	-	-	-
Prepaid Expenses	855	-	855
Total Assets	<u>29,374</u>	<u>-</u>	<u>29,374</u>
<u>LIABILITIES</u>			
Accounts Payable	716	-	716
Total Liabilities	<u>716</u>	<u>-</u>	<u>716</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund Balance - Unassigned	27,803	-	
- Non-spendable	855	-	
Total Fund Balance	<u>28,658</u>		
Total Liabilities and Fund Balance	<u>\$ 29,374</u>		
Investment in Capital Assets		-	-
Unrestricted		-	<u>28,658</u>
Total Net Position		<u>\$ -</u>	<u>\$ 28,658</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 POSITION
 JUNE 30, 2015

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

Fund balance - governmental fund	\$	27,803
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds.		-
Net position of governmental activities	\$	27,803

See accompanying notes to the financial statements.

WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD
STATEMENT OF ACTIVITIES AND STATEMENT OF GOVERNMENTAL FUND
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2015

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<u>Revenues</u>			
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
Total Revenues	<u>244,490</u>	<u>-</u>	<u>244,490</u>
<u>Expenses</u>			
Audit Services	1,500	-	1,500
Automobile Expense	3,058	-	3,058
Communications	-	-	-
Contracted Services	-	-	-
Depreciation	-	1,741	1,741
Dues & Memberships	1,800	-	1,800
Entertainment	1,080	-	1,080
Health Insurance	4,851	-	4,851
Industrial Development Expense	128,000	-	128,000
Insurance	950	-	950
Marketing Expense	6,152	-	6,152
Motor Vehicles - Capital Outlay	-	-	-
Office Equipment	563	-	563
Office Supplies & Printing	568	-	568
Other Expense	649	-	649
Payroll Taxes	5,954	-	5,954
Postage & Box Rent	589	-	589
Professional Services	1,800	-	1,800
Promotion and Prospective	760	-	760
Registration & Meeting Expense	2,304	-	2,304
Retirement	2,200	-	2,200
Salary - CEO	76,500	-	76,500
Salary - Secretary/Assistant	1,334	-	1,334
Telephone	2,907	-	2,907
Travel	5,914	-	5,914
Total Expenditures	<u>249,433</u>	<u>1,741</u>	<u>251,174</u>
Excess of Revenues over Expenditures	<u>(4,943)</u>	<u>(1,741)</u>	<u>(6,684)</u>
Other Financing Sources (Uses)			
Interest Income	285	-	285
Gain (Loss) on Disposal of Assets	-	-	-
Total Other Financing Sources (Uses)	<u>285</u>	<u>-</u>	<u>285</u>
Net Change in Fund Balance/Net Position	<u>(4,658)</u>	<u>(1,741)</u>	<u>(6,399)</u>
Fund Balance/Net Position:			
Beginning of the Year	33,316	-	35,057
End of the Year	<u>\$ 28,658</u>	<u>\$ (1,741)</u>	<u>\$ 28,658</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, 2015

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

Net change in fund balance - governmental fund	\$	(4,658)
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		(1,741)
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Position.		-
Change in net position of governmental activities	<u>\$</u>	<u>(6,399)</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, 2015

	<u>Budget</u>		<u>Actual</u>	<u>Variance to Original Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
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	44,490	-
Total Revenues	<u>244,490</u>	<u>244,490</u>	<u>244,490</u>	<u>-</u>
Expenditures				
Audit Services	1,500	1,500	1,500	-
Automobile Expense	4,100	4,100	3,058	1,042
Communications	-	-	-	-
Contracted Services	300	300	-	300
Dues & Memberships	1,800	1,800	1,800	-
Entertainment	2,000	2,000	1,080	920
Health Insurance	6,540	6,540	4,851	1,689
Industrial Development Expense	128,000	128,000	128,000	-
Insurance	1,000	1,000	950	50
Marketing Expense	6,500	6,500	6,152	348
Motor Vehicles	-	-	-	-
Office Equipment	2,000	2,000	563	1,437
Office Supplies & Printing	700	700	568	132
Other Expense	1,000	1,000	649	351
Payroll Taxes	7,000	7,000	5,954	1,046
Postage & Box Rent	850	850	589	261
Professional Services	1,800	1,800	1,800	-
Promotion & Prospective	800	800	760	40
Registration & Meeting Expense	4,000	4,000	2,304	1,696
Rent	-	-	-	-
Retirement/Deferred Compensation	2,600	2,600	2,200	400
Salary - CEO	76,500	76,500	76,500	-
Salary - Secretary/Assistant	7,000	7,000	1,334	5,666
Telephone	3,450	3,450	2,907	543
Travel	6,000	6,000	5,914	86
Utilities	100	100	-	100
Total Expenditures	<u>265,540</u>	<u>265,540</u>	<u>249,433</u>	<u>16,107</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(21,050)</u>	<u>(21,050)</u>	<u>(4,943)</u>	<u>16,107</u>
Other Financing Sources (Uses)				
Interest Income	-	-	285	285
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>285</u>	<u>285</u>
Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(21,050)</u>	<u>(21,050)</u>	<u>(4,658)</u>	<u>16,392</u>
Fund Balance, Beginning	33,316	33,316	33,316	-
Fund Balance, Ending	<u>12,266</u>	<u>12,266</u>	<u>28,658</u>	<u>16,392</u>

See accompanying notes to the financial statements.

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

June 30, 2015

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.

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 position into three components – investment in capital assets, net of related debt; restricted; and unrestricted. Those classifications are defined as follows:

- Net investment in capital assets – This component of net position 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 position 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 position – This component of net position consists of net position 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, 2015

FUND BALANCES

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:

- Non-spendable 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 Board takes the same highest level action to remove or change the constraint. Commitments may be established, modified, or rescinded only through 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. 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, 2015

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, 2015

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 CASH & DEPOSITS

Investments that have maturities of three months or less at the date of purchase are classified as cash equivalents. Cash represents money on deposit in various banks. Cash and investments are stated at cost, which approximates market value. A summary of cash balances is as follows:

Unrestricted	\$	31,978
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All deposits with financial institutions in excess of Federal Deposit Insurance Corporation (FDIC) limits are required to be secured by one of two methods. Excess funds can be deposited with financial institution that participates in the State of Tennessee Bank Collateral Pool. For deposits with financial institutions that do not participate in the State of Tennessee Bank Collateral Pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits.

WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2015

NOTE 3-CASH & DEPOSITS (Cont.)

All cash balance at June 30, 2015, were entirely insured through the Federal Deposit Insurance Corporation or the State of Tennessee Bank Collateral Pool.

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, 2015, 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, 2015 is as follows:

Governmental Activities:

	Beginning Balance	Additions	Retirements	Ending Balance
Non-Depreciable Assets:				
Land	\$ -	\$ -	\$ -	\$ -
Depreciable Assets:				
Furniture and Equipment	7,945	-	-	7,945
Vehicles	12,787	-	-	12,787
Total Depreciable Assets	20,732	-	-	20,732
Less Accum. Depreciation for:				
Furniture and Equipment	7,945		-	7,945
Vehicles	11,045	1,742	-	12,787
Total Accum. Depreciation	18,990	1,742	-	20,732
Depreciable Assets, net	1,742	1,742	-	-
Governmental Activities Capital Assets, net	\$ 1,742	\$ 1,742	\$ -	\$ -

WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD**NOTES TO FINANCIAL STATEMENTS (Cont.)****June 30, 2015****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. The plan is administered by Fidelity Investments. Actual retirement cost for the Board for the year ending June 30, 2015 was \$2,200, and employee contributions for the year were \$2,200.

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 December 15, 2015, the date for which the financial statements were available to be issued.

- END OF NOTES -

John R. (Jack) Reese, CPA
David R. Horner, CPA

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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, 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 major fund of the Weakley County Economic Development Board (the Board) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Weakley County Economic Development Board's basic financial statements, and have issued our report thereon dated December 15, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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 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 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*.

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 that reads "Cowart Reese Sargent". The signature is written in a cursive style with a long, sweeping horizontal line extending to the right.

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

December 15, 2015

WEAKLEY COUNTY ECONOMIC DEVELOPMENT BOARD
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2015

Prior Year's Audit Findings

None

Current Year Findings

None