
SECTION H

REPORTING AND AUDITING REQUIREMENTS TNInvestco Organizations

TNInvestco Organizations

Background

In July 2009, the legislature passed the Tennessee Small Business Investment Company Credit Act (the Act). This act provided for the certification of partnerships, corporations, trusts or limited liability companies, whether organized on a for-profit or not-for-profit basis, by the Tennessee Department of Economic and Community Development (ECD), which are known as TNInvestco organizations. These organizations were awarded a share of a \$200,000,000 original investment tax credit pool, based on the overall strength of an application submitted to ECD. Each TNInvestco is responsible for managing their share of the investment tax credit pool. Prior to making a proposed qualified investment in a specific business, each TNInvestco must request from ECD a written determination that the proposed investment will qualify as a qualified investment in a qualified business or, if applicable, a seed or early stage investment. An annual audit of each TNInvestco is required by the Act. In addition, to promote openness and transparency, a copy of each annual report received shall be posted on the Tennessee TNInvestco web site that is maintained by ECD.

Financial Reporting

General

As of the date this *Audit Manual* update was released, no final determination on the reporting method had been made. Please refer to the Division of Municipal Audit's web page for updates on the reporting requirements for TNInvestcos.

Additional Requirements of the Comptroller's Office

Division of Municipal Audit

1. The audit must be conducted in accordance with the provisions of *Government Auditing Standards*.

Reporting and Auditing Requirements – TNInvestco Organizations - Section H

2. An opinion on whether any accompanying information is fairly stated in all material respects in relation to the basic financial statements taken as a whole is preferred for ALL supplementary information.