

**JOINT ECONOMIC AND COMMUNITY DEVELOPMENT
BOARD OF CHEATHAM COUNTY
JUNE 30, 2009**

**TAMARA L. BECKMAN
CERTIFIED PUBLIC ACCOUNTANT**

JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD OF CHEATHAM COUNTY

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JUNE 30, 2009

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**JOINT ECONOMIC AND COMMUNITY DEVELOPMENT
BOARD OF CHEATHAM COUNTY
ROSTER OF MANAGEMENT OFFICIALS AND THOSE CHARGED WITH
GOVERNANCE
JUNE 30, 2009**

Bill Orange, Chairman
County Mayor
100 Public Square
Ashland City, TN 37015
615-792-4316

william.orange@cheathamcountyttn.gov

Terri Ray
Mayor of Pegram
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Pegram, TN 37143
615-646-0773

terri.ray@vanderbilt.edu

Gary Norwood
Mayor of Ashland City
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Ashland City, TN 37015
615-804-3892

gary.norwood@crowncastle.com

Gene Hannah
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Pegram, TN 37143
615-646-6616

hannahme@hotmail.com

Kerry McCarver
Mayor of Pleasant View
1008 Civic Court
Pleasant View, TN 37146

mcca3544@bellsouth.net

John McLeroy
Mayor of Kingston Springs
PO Box 256
Kingston Springs, TN 37082
615-519-4183

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Laurie Cooper
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615-952-2110

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Nancy Rucker
AG Extension Office
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615-792-4420

nrucker@utk.edu

James Fenton, Director
Cheatham County Joint Economic and
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John Anthony
Pleasant View Utility Board
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President, Community Bank & Trust
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Ginger Jarrett
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Darryl Carroll
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Soil, Water and Conservation District
Board
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Joint Economic and Community Development Board of Cheatham County
Ashland City, Tennessee

I have audited the accompanying government-wide financial statements and the major governmental fund financial statements of Joint Economic and Community Development Board of Cheatham County, a joint venture of Cheatham County, Ashland City, Kingston Springs, Pegram, and Pleasant View as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of Joint Economic and Community Development Board of Cheatham County's management. My responsibility is to express opinions 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government-wide and the major governmental fund of Joint Economic and Community Development Board of Cheatham County, as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. However, management has chosen to exclude this information.

My audit was conducted for the purpose of forming opinions on the government-wide and major fund financial statements. The Schedule of Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual is presented for purposes of additional analysis and is not a required part of the basic financial statements. This schedule has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on it.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 22, 2009 on my consideration of Joint Economic and Community Development Board of Cheatham 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

December 22, 2009
Cookeville, Tennessee

Tamara L. Beckman, CPA

JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD OF CHEATHAM COUNTY
STATEMENT OF NET ASSETS
JUNE 30, 2009

Assets

Current Assets

Cash	\$ 54,001.59
Accounts Receivable	20,564.89
Due From IRS	<u>214.34</u>

Total Assets \$ 74,780.82

Liabilities

Current Liabilities

Accrued Payroll	<u>567.85</u>
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Total Current Liabilities

Total Liabilities 567.85

Net Assets

Unrestricted	<u>74,212.97</u>
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Total Net Assets \$ 74,212.97

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD OF CHEATHAM COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Expenses

Contracted Services

Directors	\$ 117,545.78	
Planning Tech II	28,694.43	
Planning Tech I	7,278.16	
Other	1,576.48	
Salaries & Wages	13,897.83	
Payroll Taxes	1,019.74	
In-Service Training	125.00	
Communications	5,075.68	
Dues & Memberships	2,206.95	
R&M-Equipment	796.89	
Printing	1,334.94	
Rent (In-Kind)	16,337.00	
Travel	9,943.86	
Professional Services	40,822.51	
Books	75.00	
Office Supplies	1,857.75	
Advertising	3,127.08	
Board Expenses	<u>677.54</u>	
Total Expenses		\$ 252,392.62

Program Revenues

Sales of GIS Maps	717.00	
Contracted Services	38,000.00	
In-Kind Contribution for Rent	16,337.00	
Grant Income	2,278.90	
Contributions from Primary Government	206,774.03	
Contributions from Other Government	<u>62,493.66</u>	
Total Program Revenues		<u>326,600.59</u>

Net (Expense) Revenue 74,207.97

General Revenue

Other Income		<u>5.00</u>
Change In Net Assets		74,212.97
Net Assets, July 1, 2008		<u>-</u>
Net Assets, June 30, 2009		<u>\$ 74,212.97</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENT

JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD OF CHEATHAM COUNTY
BALANCE SHEET
JUNE 30, 2009

Assets

Current Assets

Cash in Bank	\$ 54,001.59
Accounts Receivable	20,564.89
Due from IRS	<u>214.34</u>

Total Assets \$ 74,780.82

Liabilities & Fund Balance

Liabilities

Accrued Payroll	\$ <u>567.85</u>	
Total Liabilities		567.85

Fund Balance 74,212.97

Total Liabilities & Fund Balance \$ 74,780.82

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENT

**JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD OF CHEATHAM COUNTY
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2009**

Fund Balance-Balance Sheet		\$ 74,212.97
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Amount reported for governmental activities in the Statement of Net Assets 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	\$	-
Less: Accumulated Depreciation		-

-

Long-term liabilities not reported in the fund financial statements		-
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Net Assets of Governmental Activities		\$ 74,212.97
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**JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD OF CHEATHAM COUNTY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2009**

Revenues

Grant Income	\$ 2,278.90
In-Kind Contributions for Rent	16,337.00
Sales of GIS Maps	717.00
Contributions from Primary Govs.	206,774.03
Contributions from Other Govs.	62,493.66
Contracted Services	38,000.00
Other Income	5.00

Total Revenues \$ 326,605.59

Expenditures

Contracted Services

Director	\$ 117,545.78
Planning Tech II	28,694.43
Planning Tech I	7,278.16
Other	1,576.48
Salaries & Wages	13,897.83
Payroll Taxes	1,019.74
In-Service Training	125.00
Communications	5,075.68
Dues & Memberships	2,206.95
R&M-Equipment	796.89
Printing	1,334.94
Rent (In-Kind)	16,337.00
Travel	9,943.86
Accounting Services	2,822.51
GIS Professional Services	38,000.00
Books	75.00
Office Supplies	1,857.75
Advertising	3,127.08
Board Expenses	677.54

Total Expenditures 252,392.62

Net Change in Fund Balance	74,212.97
Fund Balances, July 1, 2008	-
Fund Balances, June 30, 2009	<u>\$ 74,212.97</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENT

**JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD OF CHEATHAM COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2009**

Net Change in Fund Balance \$ 74,212.97

Amount reported for governmental activities in the Statement of Net Assets 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	\$	-	
Less: Depreciation Expense		-	
			-

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.

Expenditures of principle payments		-	
			-

Change in Net Assets of			
Governmental Activities		\$	<u>74,212.97</u>

**JOINT ECONOMIC AND COMMUNITY DEVELOPMENT
BOARD OF CHEATHAM COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Note 1 – Organization

Joint Economic and Community Development Board of Cheatham County was formed from Statute 1101 as a joint venture between Cheatham County and the Cities of Kingston Springs, Ashland City, Pegram and Pleasant View. The purpose of the Joint Economic and Community Development Board of Cheatham County is to do business as a joint venture to recruit and stabilize businesses in Cheatham County. The members of the executive committee are appointed from each of the cities and the county as stated in the bylaws based on the population of each city involved. The other board members are appointed as per the organization's bylaws. It must file a budget with Cheatham County as well as each city each year. Upon dissolution, the title to all properties owned by Joint Economic and Community Development Board of Cheatham County at that time shall become the property of Cheatham County. All funds will be distributed based on a prorated share of the cities and county based on population.

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 Joint Economic and Community Development Board of Cheatham 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 Joint Economic and Community Development Board of Cheatham 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.

Note 4 - Capital Assets and Depreciation

Joint Economic and Community Development Board of Cheatham 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. Joint Economic and Community Development Board of Cheatham County generally capitalizes assets that have a cost of over \$1000 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. As of June 30, 2009, the Board had not yet acquired any capital assets.

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, 2009 was maintained as follows: The operating fund and the development fund were maintained in separate checking accounts.

Note 6 – Compensated Absences

The Board has only part-time 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).

At June 30, 2009, the carrying amount of Joint Economic and Community Development Board of Cheatham County's cash deposits was \$183,918.18. All cash deposits are covered by the Federal Deposit Insurance Corporation up to the limit of \$250,000.00. 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 Joint Economic and Community Development Board of Cheatham County and staff compile the budget. It is then brought before the cities and county for approval. The Budget is then legally binding to be funded by the various cities and the county. However, it is a non-appropriated budget used for guidance only and is not legally binding to the Joint Economic and Community Development Board and therefore is not presented as Required Supplementary Information.

**JOINT ECONOMIC AND COMMUNITY DEVELOPMENT
BOARD OF CHEATHAM COUNTY**

SUPPLEMENTARY INFORMATION

JUNE 30, 2009

JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD OF CHEATHAM COUNTY
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009
(unaudited)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Sales of GIS Maps	\$ 7,877.30	\$ 717.00	\$ (7,160.30)
Hotel/Motel Tax	14,000.00	-	(14,000.00)
In-Kind Contribution for Rent	16,337.00	16,337.00	-
Grant Income	2,278.90	2,278.90	-
Contributions from Primary Gov.	214,422.09	225,774.03	11,351.94
Contributions from Other Gov.	81,385.08	81,493.66	108.58
Other income	-	5.00	5.00
Total Revenue	<u>336,300.37</u>	<u>326,605.59</u>	<u>(9,694.78)</u>
<u>Expenditures</u>			
<u>Contracted Services</u>			
Director	120,410.88	117,545.78	2,865.10
Planning Tech II	28,747.50	28,694.43	53.07
Planning Tech I	9,542.14	7,278.16	2,263.98
Other	1,702.75	1,576.48	126.27
Salaries & Wages	17,000.00	13,897.83	3,102.17
Payroll Taxes	1,440.00	1,019.74	420.26
In-Service Training	125.00	125.00	-
Communications	5,318.67	5,075.68	242.99
Dues & Memberships	2,280.00	2,206.95	73.05
R&M-Equipment	819.14	796.89	22.25
Printing	1,678.94	1,334.94	344.00
Rent (In-Kind)	16,337.00	16,337.00	-
Travel	11,319.06	9,943.86	1,375.20
Accounting Services	5,000.00	2,822.51	2,177.49
GIS Professional Services	38,000.00	38,000.00	-
Books	75.00	75.00	-
Office Supplies	2,729.04	1,857.75	871.29
Advertising	4,800.00	3,127.08	1,672.92
Board Expenses	1,028.90	677.54	351.36
Total Expenditures	<u>268,354.02</u>	<u>252,392.62</u>	<u>15,961.40</u>
Net Change in Fund Balance	67,946.35	74,212.97	6,266.62
Fund Balance, July 1, 2008	-	-	-
Fund Balance, June 30, 2009	<u>\$ 67,946.35</u>	<u>\$ 74,212.97</u>	<u>\$ 6,266.62</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
Joint Economic and Community Development Board of Cheatham County
Ashland City, Tennessee

I have audited the accompanying government-wide financial statements and the major governmental fund financial statements of Joint Economic and Community Development Board of Cheatham County, a joint venture between Cheatham County and the Cities of Ashland City, Kingston Springs, Pegram and Pleasant View, as of and for the year ended June 30, 2009, and have issued my report thereon dated December 22, 2009. 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.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Joint Economic and Community Development Board's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Joint Economic and Community Development Board's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Joint Economic and Community Development Board's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Joint Economic and Community Development Board's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Joint Economic and Community Development Board's financial statements that is more than

inconsequential will not be prevented or detected by Joint Economic and Community Development Board's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Joint Economic and Community Development Board's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not be necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Joint Economic and Community Development Board'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*.

This report is intended for the information of the management and federal awarding agencies and pass-through entities and the State of Tennessee Comptroller of the Treasury and is not intended to be and should not be used by anyone other than these specified parties.

December 22, 2009
Cookeville, Tennessee

Tamara L. Beckman, CPA