

Wilson County/Mt. Juliet Development Board

Annual Financial Report
For the Year Ended June 30, 2024

Wilson County/Mt. Juliet Development Board
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For the Year Ended June 30, 2024

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Wilson County/Mt. Juliet Development Board

Directory of Officials (Unaudited)

As of June 30, 2024

Name	Title
James Maness	Board Chairman
Shawn Glover	City Representative
Michael Robinson	City Representative
Randall Hutto	County Mayor
John Gentry	County Representative
Tyler Chandler	County Representative



Independent Auditor's Report

Board of Directors
Wilson County/Mt. Juliet Development Board

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of Wilson County/Mt. Juliet Development Board (the Development Board) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Development Board's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Development Board, as of June 30, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Development Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Development Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Development Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Development Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 and 5 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists; we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2025, on our consideration of the Development Board's internal 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 solely 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 effectiveness of the Development Board's 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 Development Board's internal control over financial reporting and compliance.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Mt. Juliet, Tennessee
February 17, 2025

Wilson County/Mt. Juliet Development Board
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

The following Management Discussion and Analysis (MD&A) of the Wilson County/Mt. Juliet Development Board (the Development Board) activities and financial performance provides the reader with an introduction and overview to the financial statements of the Development Board for the year ended June 30, 2024. This information should be considered within the context of the accompanying financial statements and note disclosures.

Overview of Financial Statements

The MD&A introduces the Development Board's basic financial statements. The basic financial statements include the statement of net position and governmental fund balance sheet, statement of activities and governmental fund revenues, expenditures and changes in fund balance.

The statement of net position and governmental fund balance sheet report is all the Development Board's assets and liabilities, with the difference being reported as net position. Over time increases or decreases in net position typically give some indication of whether the financial position of the Development Board is improving or deteriorating. The Development Board's net position gives a good indication of the earnings, exclusive of depreciation, that have been accumulated since inception.

The statement of activities and governmental fund revenues, expenditures and changes in fund balance reports all revenues and expenses for the year, regardless of whether cash has been received or paid. An important purpose of the statement is to show whether the Development Board's revenues and operations are sufficient to support continued operations. The Development Board showed a positive change in net position for the year ended June 30, 2024.

Financial Operations Highlights

Governmental Activities:

Condensed Financial Information

A condensed summary of the Development Board's financial position follows (amounts expressed in thousands):

	2024	2023
Current and other assets	\$ 1,105	\$ 1,047
Capital assets	12	12
Total assets	<u>1,117</u>	<u>1,059</u>
Current liabilities	<u>-</u>	<u>-</u>
Deferred inflows of resources	<u>184</u>	<u>210</u>
Net position		
Net investment in capital assets	12	12
Restricted	<u>921</u>	<u>837</u>
Total net position	<u>\$ 933</u>	<u>\$ 849</u>

Wilson County/Mt. Juliet Development Board
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

A summary of the Development Board's operations follows:

Total program revenues	\$ 30	\$ 30
Total program expenses	(6)	(2)
Net program revenues	24	28
General revenues/(expenses)	60	25
Change in net position	84	53
Net position, beginning of year	849	796
Net position, end of year	\$ 933	\$ 849

Financial Operations Highlights

Net position increased by approximately \$84 thousand in 2024 as compared to an increase of approximately \$53 thousand in 2023.

The Governmental Fund information provides much the same type of information as found in the Governmental Activities information shown above except that it accounts for the purchase of land and buildings as a capital outlay expenditure rather than as an asset.

Current Development Board Activities

In 2024, the Development Board continued to promote economic development within the Mt. Juliet area of Wilson County.

Capital Asset Activity

At the end of the fiscal year, the Development Board had approximately \$12 thousand invested in capital assets.

Capital and Intangible Assets (amounts expressed in thousands)

	2024	2023	Dollar Change
Non-depreciable capital assets			
Land and improvements	\$ 12	\$ 12	\$ -

Debt Administration

At June 30, 2024, the Development Board had no long-term debt outstanding.

Requests for Information

This financial report is designed to provide interested parties with a general overview of the Development Board's finances and to demonstrate the Development Board's accountability for the funds it receives. If you have questions about this report or require additional or clarifying information, contact the Treasurer at 2425 North Mt. Juliet Road Mt. Juliet, Tennessee.

Wilson County/Mt. Juliet Development Board
Statement of Net Position - Governmental Activities
June 30, 2024

Assets

Current assets

Cash and cash equivalents	\$ 98,058
Certificates of deposit	790,000
Accounts receivable	20,653
Leases receivable, current portion	<u>25,734</u>
Total current assets	934,445

Noncurrent assets

Leases receivable, net of current portion	171,142
Land, non-depreciable capital assets	<u>11,634</u>
Total noncurrent assets	182,776

Total assets	1,117,221
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Deferred Inflows of Resources

Leases	184,074
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Net Position

Investment in capital assets	11,634
Restricted for development	<u>921,513</u>
Total net position	\$ 933,147

Wilson County/Mt. Juliet Development Board
Statement of Activities - Governmental Activities
For the Year Ended June 30, 2024

Program Expenses

General government	
Professional services	\$ 5,650

Program Revenues

General government	
Lease income	29,569
Net program revenues (expenses)	23,919

General Revenues

Interlocal revenues	18,512
Interest income	41,930
Total general revenues	60,442

Change in net position	84,361
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Net position, beginning of year	848,786
Net position, end of year	\$ 933,147

Wilson County/Mt. Juliet Development Board
Balance Sheet - Governmental Fund
June 30, 2024

Assets

Cash and cash equivalents	\$ 98,058
Certificate of deposits	790,000
Accounts receivable	20,653
Leases receivable	196,876
Total assets	\$ 1,105,587

Deferred Inflows of Resources and Fund Balance

Deferred inflows of resources	
Leases	\$ 184,074
Fund balance	
Restricted for development	921,513
Total liabilities and fund balance	\$ 1,105,587

**Reconciliation of Balance Sheet to Statement of
Net Position - Governmental Activities**

Fund balance	\$ 921,513
Capital assets not considered financial resources and not included in the fund	11,634
Net position, governmental activities	\$ 933,147

Wilson County/Mt. Juliet Development Board
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2024

Revenues

Interlocal revenues	\$ 18,512
Lease income	29,569
Interest income	<u>41,930</u>
Total revenues	90,011

Expenditures

Professional services	5,650
Change in fund balance	84,361
Fund balance, beginning of year	<u>837,152</u>
Fund balance, end of year	\$ 921,513

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund to Statement of Activities

Change in fund balance	\$ 84,361
Reconciliation	<u>-</u>
Change in net position, governmental activities	\$ 84,361

Wilson County/Mt. Juliet Development Board
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 1. Summary of Significant Accounting Policies

The Wilson County/Mt. Juliet Development Board (the Development Board) was created on January 13, 1995, pursuant to *Tennessee Code Annotated*, Sections 5-1-113 and 12-9-101, and pursuant to an Interlocal Agreement between Wilson County and the cities of Lebanon, Watertown, and Mt. Juliet. Wilson County and the City of Mt. Juliet each contributed \$400,000 to the Development Board. The Development Board has no obligation to repay such contributions. The purpose of the Development Board is to add to the tax base by developing industrial land to attract new business into the Wilson County/City of Mt. Juliet area. Once a developed property is sold by the Development Board and placed on the tax rolls of Wilson County, the County is obligated by the Interlocal Agreement to pay 25% of the tax revenues derived from the property to the Development Board for as long as the Development Board remains in existence.

Basis of Presentation

The accounting and reporting policies of the Wilson County/Mt. Juliet Development Board conform to accounting principles generally accepted in the United States applicable to governmental units (GAAP). Generally accepted accounting principles are defined as those principles prescribed by the Government Accounting Standards Board (GASB). GAAP requires that government-wide financial statements of net position and activities be presented on 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. Also, certain capital assets are required to be recorded at cost, less accumulated depreciation. The Development Board has no depreciable assets at June 30, 2024.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are identifiable with a specific function or segment. Program revenues include lease income from rental of tower space. General revenues include amounts from the County related to sharing of property taxes, as well as interest income.

GAAP also requires that governmental fund financial statements be 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 government 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.

Rents and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, applying the criteria specified in the paragraph above. All other revenue items are considered to be measurable and available only when cash is received by the Development Board.

Wilson County/Mt. Juliet Development Board
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The accounts of the Development Board are organized on the basis of funds. The operations of the Development Board are accounted for in one fund, which provides for a set of self-balancing accounts, which are comprised of its assets, liabilities, fund balance, revenues, and expenditures. The fund in the financial statements is as follows:

General – The general fund is the operating fund of the Development Board and is classified as a governmental fund type. It uses the modified accrual basis of accounting, whereby revenues are recognized when measurable and available and expenditures are recognized when liabilities are incurred.

Fund Balance Policy

Fund balance is reported in the financial statements as restricted for development purposes, as specified by applicable enabling legislation.

Net Position Classification

In the government-wide financial statements, net position is classified into two components:

Investment in capital assets – Capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The Board has no debt related to capital asset acquisition.

Restricted net position – Net position with constraints placed on its use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law, through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the Development Board's practice to use restricted resources first and then unrestricted resources as they are needed.

Cash and Cash Equivalents

The Development Board considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Income Tax Status

The Development Board is a public corporation and a political subdivision of the State of Tennessee, therefore, is not a tax-paying entity for US federal or state income tax purposes.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of support and expenses during the reporting year. Actual results could differ from those estimates.

Investment in Land

The Development Board obtained 68.25 acres of land by transfer from Mt. Juliet Development Corporation. All of the land has been sold except for approximately 0.287 acres, valued at an original cost of \$11,634, which remains at June 30, 2024.

Wilson County/Mt. Juliet Development Board
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 1. Summary of Significant Accounting Policies

Leases

The Development Board determines if an arrangement is or contains a lease at contract inception and recognizes an intangible right of use asset and a lease liability at the lease commencement date. Subsequently, the intangible right of use asset is amortized on a straight-line basis over its useful life. The Development Board also enters into agreements, as lessor, to lease property, recognizing a lease receivable and a deferred inflow of resources. The lease term includes the noncancelable period of the lease plus an additional period covered by either an option to extend or not to terminate the lease that the lessee is reasonably certain to exercise, or an option to extend or not to terminate the lease controlled by the lessor. The Development Board uses its estimated incremental borrowing rate as the discount rate for leases.

At the commencement of a lease, the Development Board initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The Development Board monitors for events or changes in circumstances that require a reassessment of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the intangible right of use asset.

Budget

The Development Board is not required to adopt a budget.

Note 2. Deposits

Deposits in financial institutions are required by State statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum market value of 105% of the value of the deposits placed in the institutions, less the amount protected by Federal Deposit Insurance Corporation insurance. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool.

As of June 30, 2024, all of the Development Board's deposits and investments were held by financial institutions which participate in the bank collateral pool administered by the Treasurer of the State of Tennessee or in the State of Tennessee Local Government Investment Pool. Participating banks in the bank collateral pool determine the aggregate balance of their public fund accounts. The amount of collateral required to secure these public deposits must be at least 105% of the average daily balance of public deposits held. Collected securities required to be pledged by the participant banks to protect their public fund accounts are pledged to the State Treasurer on behalf of the bank collateral pool.

The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under the additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of custodial credit risk disclosure.

Wilson County/Mt. Juliet Development Board
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 3. Concentrations

The Development Board is geographically concentrated in Wilson County, Tennessee. During the year ended June 30, 2024, the operating revenues consist of rents from land leases, interlocal revenues, and bank interest.

Interlocal revenues consist of amounts from the county related to the sharing of property taxes as explained in note 1.

Note 4. Lease

Lessor

The Development Board, as lessor, leases cell towers under a non-cancelable lease arrangement. The lease term is for 5 years and contains fixed payment terms can be renewed in terms of 5 years through August 2046. The lease contains an option to renew that has been considered in the lease receivable when the lessee is reasonably certain to exercise the renewal options through August 2031. The Development Board recognized lease revenues, which are included in other operating revenues, of \$29,569 in 2024. Total lease receivables were \$196,876 (\$25,734 current) as of June 30, 2024, and are included in assets on the statement of net position and balance sheet.

Note 5. Risk Management

The Development Board is exposed to various risks related to general liability and property and casualty losses. For this reason, the Development Board is covered under the general liability insurance policy carried by the County. The policy covers premise liability and officers and elected officials liability.

The Development Board is also covered under the City of Mt. Juliet's insurance policy for general liability and elected officials liability.

The Development Board had no claims during the year ended June 30, 2024. Furthermore, the likelihood of experiencing a loss is remote, due to very limited operations and assets owned by the Development Board. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Internal Control and Compliance Section



BLANKENSHIP

Independent Auditor's 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
Wilson County/Mt. Juliet 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 (Government Auditing Standards), the financial statements of the governmental activities and the major fund of Wilson County/Mt. Juliet Development Board (the Development Board) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Development Board's basic financial statements as listed in the table of contents, and have issued our report thereon dated February 17, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Development Board's internal control over financial reporting (internal control) as a basis for designing 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 Development Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Development 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Development Board'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 financial statements. 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*.

Wilson County/Mt. Juliet Development Board's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the Development Board's response to the findings identified in our audit and described in the accompanying schedule of findings and questions costs. The Development Board's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Mt. Juliet, Tennessee
February 17, 2025

Wilson County/Mt. Juliet Development Board
Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2024

Financial Statement Findings

Finding Number	Finding Title	Status
2023-001	Segregation of Duties (Original Finding 2002-001)	Partially corrected 2024-001

Federal Awards Findings and Questioned Costs

Finding Number	Finding Title	Status
N/A	There were no prior findings reported	N/A

Wilson County/Mt. Juliet Development Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Current Year Findings

2024-001 – Segregation of Duties (Significant Deficiency)

Criteria/Condition/Cause

Effective controls include the proper segregation of duties. Due to staff limitations, there is a lack of segregation of duties to achieve the desired level of internal control over receipts and disbursements.

Effect

Although the Development Board has taken such action as requiring a Development Board member's signature on the checks as well as a Development Board member's review of bank statements, effective internal controls are not in effect at the time transactions are initiated.

Recommendation

Even with Development Board oversight and participation in accounting activities, management should continue to explore controls to improve the lack of segregation of duties.