INDUSTRIAL DEVELOPMENT BOARD OF WILSON COUNTY, TENNESSEE

AUDITED FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION YEAR ENDED JUNE 30, 2008

INDUSTRIAL DEVELOPMENT BOARD OF WILSON COUNTY, TENNESSEE

Lebanon, Tennessee

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DVF Dempsey Vantrease & Follis PLLC
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

The Industrial Development Board of Wilson County, Tennessee

We have audited the accompanying financial statements of the governmental activities and major fund of the Industrial Development Board of Wilson County, Tennessee as of and for the year ended June 30, 2008, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Industrial Development Board of Wilson County, Tennessee. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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. We believe that our audit provides a reasonable basis for our 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 major fund of the Industrial Development Board of Wilson County, Tennessee, as of June 30, 2008 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 31, 2009 on our consideration of the Industrial Development Board of Wilson County, Tennessee'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of our 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 read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 2 through 4 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. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it. The accompanying information listed as "Additional Information" in the Table of Contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Industrial Development Board of Wilson County, Tennessee. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Dempsey, Vantrease & Follis, PLLC

Lebanon, Tennessee
January 31, 2009

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Management's Discussion And Analysis

This section of the Industrial Development Bond Board of Wilson County's audited financial statements presents our discussion and analysis of the Organization's financial performance during the fiscal year that ended on June 30, 2008. Please read it in conjunction with the financial statements, which follow this section.

Financial Highlights

- The Organization's net assets increased $11,800 over the course of this year's operations. The change in net assets is a 4.54% increase from the fiscal year ended June 30, 2007.
- During the year, the Organization's revenues totaling $6,750 exceeded expenses by $4,086. In the prior year, revenues exceeded expenses by $11,523.
- The total cost of the Organization's activities increased 7.55% in the fiscal year ended June 30, 2008.

Overview Of The Financial Statements

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Organization:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Organization's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Organization, reporting the Organization's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Government-wide Statements

The government wide statements report information about the Organization as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the Organization's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the Organization's net assets and how they have changed. Net assets – the difference between the Organization's assets and liabilities – is one way to measure the Organization's financial health, or position.

- Over time, increases or decreases in the Organization's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the Organization you need to consider additional non-financial factors.

Fund Financial Statements

The fund financial statements provide more detailed information about the Organization's most significant funds – not the Organization as a whole. Funds are accounting devices that the Organization uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and bond covenants.
- Other funds are established to control and manage money for particular purposes or to show that the government is properly using taxes.

The Organization has only one kind of fund:

- Governmental funds – Most basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. Because this information does not encompass the additional long-term focus of the government-wide statements, a reconciliation is presented at the bottom of the government funds statements that explains the relationships (or differences) between them.

Financial Analysis Of The Organization As A Whole

Net Assets. The Organization's net assets increased $11,800 between fiscal years 2007 and 2008. In comparison, net assets for the fiscal year ended June 30, 2007 increased $21,644 from the fiscal year ended June 30, 2006. Net income from ongoing operations increased $7,437 from fiscal year 2007 to 2008.

Net Assets

June 30, 2008 and June 30, 2007

	2008	2007	% Change
Current and Other Assets	$273,045	$261,170	4.55%
Total Assets	$273,045	$261,170	4.55%
Current and Other Liabilities	$ 1,575	$ 1,500	5.00%
Net assets, unrestricted	271,470	259,670	4.54%
Total Liabilities & Net Assets	$273,045	$261,170	4.55%

Net Assets increased $11,800 or 4.54% from fiscal year 2007 to 2008.

Changes In Net Assets. The Organization's operating revenues decreased $7,250 during the fiscal year ended June 30, 2008. The Organization's primary sources of revenue are application fees on new bond issues. The amount of the fee charged is based on the face amount of the bond issue or the value of the property involved, if it is not a bond issue. If the project is not a bond issue, the fee is reduced by 1/5. Program fees decreased $7,250 due to a non-bond project processed in fiscal year ended June 30, 2008 and a bond issue processed in the prior fiscal year. The remaining income is from interest earned on certificates of deposit. Cost of programs increased $187, or 7.55% from fiscal 2007 to 2008.

Changes In Net Assets

June 30, 2008 and June 30, 2007

	2008	2007	% Change
Operating Revenues	$ 6,750	$ 14,000	-51.79%
Operating Expenses	(2,664)	(2,477)	7.55%
Operating (Deficit)	4,086	(11,523)	-64.54%
Non operating Income	7,714	10,121	-23.78%
Increase in Net Assets	$ 11,800	$ 21,644	45.48%

Contacting The Organization's Financial Management

This financial report is designed to provide the citizens, taxpayers and clients of the Industrial Development Bond Board of Wilson County information about the Organization's finances and to demonstrate the Organization's accountability for the money it receives. If you have questions about this report or need additional information, contact the Industrial Development Bond Board of Wilson County, 115 Castle Heights Avenue North, Suite 102, Lebanon, TN 37087, Phone: 615.443.1210.

INDUSTRIAL DEVELOPMENT BOARD OF WILSON COUNTY, TENNESSEE

Statement of Net Assets

June 30, 2008

ASSETS

Cash in bank	$	51,937
Certificates of deposit		215,625
Interest receivable		5,483
Total Assets	$	273,045

LIABILITIES AND NET ASSETS

Accounts payable	$	1,575
Net assets, unrestricted		271,470
Total Liabilities and Net Assets	$	273,045

See accompanying notes to financial statements.

INDUSTRIAL DEVELOPMENT BOARD OF WILSON COUNTY, TENNESSEE

Statement of Activities

For the Year Ended June 30, 2008

FUNCTION/PROGRAM ACTIVITES	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Assets
Industrial development	$ -	$ 6,750	$ 6,750
General and administrative	2,664		(2,664)
Net Function/Program Revenue (Expense)			4,086
GENERAL REVENUES			
Interest income			7,714
Change in Net Assets			11,800
Net Assets, Beginning			259,670
Net Assets, Ending			$ 271,470

See accompanying notes to the financial statements.

INDUSTRIAL DEVELOPMENT BOARD OF WILSON COUNTY, TENNESSEE

Balance Sheet - Governmental Fund

June 30, 2008

ASSETS

Cash in bank	$	51,937
Certificates of deposit		215,625
Interest receivable		5,483
Total Assets	$	273,045

LIABILITIES AND FUND BALANCE

Accounts Payable	$	1,575
Fund balance		271,470
	$	273,045

Reconciliation to Statement of Net Assets:		
Fund balance	$	271,470
Net assets of governmental activities	$	271,470

See accompanying notes to financial statements.

INDUSTRIAL DEVELOPMENT BOARD OF WILSON COUNTY, TENNESSEE

Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2008

Revenues	
Fees	$ 6,750
Expenditures	
Audit	1,650
Insurance	178
Licenses	817
Office Expense	19
Total Expenditures	2,664
Excess of expenditures over revenues	4,086
Other income	
Interest	7,714
Excess of expenditures over revenues and other income	11,800
Fund Balance June 30,2007	259,670
Fund Balance June 30, 2008	$ 271,470

See accompanying notes to the financial statements.

Note 1– Organization and summary of significant accounting policies

General

The Industrial Development Board of Wilson County, Tennessee(the "Board) was created under the Industrial Development Corporation Act of 1955, as amended, for the purpose of financing projects with tax-exempt debt which will increase trade and commerce, contribute to the general welfare, and create employment in Wilson County, Tennessee. The Board is governed by a nine-member board of directors with staggered terms. Functions are carried out by an uncompensated volunteer board and staff, and the Board meets in borrowed public facilities.

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Board as a whole. Individual funds are not displayed in the government-wide financial statements and the Board has only governmental activities supported by fees and general revenues.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Organization's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for the governmental funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the Board are prepared in accordance with generally accepted accounting principles (GAAP).

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Board considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Note 1– Organization and summary of significant accounting policies-continued

Fund Types and Major Funds

The Board reports the following major governmental fund:

General Fund– The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund.

Income tax status
No provision has been made for income taxes in the accompanying financial statements, as the Board is exempt from income taxes.

Use of estimates
The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Concentration of risk
The Board conducts business in full in Wilson County.

Budget
The Board's by-laws do not require an annual budget. No budget was prepared for the year ending June 30, 2008 and, therefore, no budgetary comparisons are presented.

Note 2- Revenues

On August 23, 1983, as amended on January 11, 2000, the Board adopted a statement of policy regarding borrowing fees for project financing. The policy requires any project financed through the Board to be issued a minimum of $200,000 of Industrial Revenue Bonds and to employ at least ten persons, except for Pollution Control Projects, which are allowed less than ten employees. A non-refundable application fee of $250 is required for each submitted project. Upon approval of the project by the Board, the fee is applied to the borrowing fee paid by the borrower. Borrowing rates are paid by borrowers upon issuance of Industrial Revenue Bonds at the rate of .5% of the issue amount up to $1,000,000 plus .25% of the issue amount over $1,000,000. In the event that a project is approved by the Board which does not involve the issuance of bonds, the term "issue amount" shall be defined as the total value of property of which the Board agrees to accept ownership, and the charge shall be reduced to 1/5th of the allowed amount.

During the fiscal year ended June 30, 2008, a project with property in the amount of $11,500,000 was approved. The total application and borrowing fees earned in the fiscal year ended June 30, 2008 were $6,750.

Note 3- Conduit debt obligations

The Board has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities determined to be in the public interest. The bonds are secured by the property financed and are payable strictly from payments received on the applicable mortgage loans. Ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance upon bond repayment. The Board, the State, or any of its political subdivisions, are not obligated under any circumstance for the repayment of the bonds. Therefore, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2008, there were twenty-four series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable at original issuance of $169.9 million.

Note 4- Related party transactions

At June 30, 2008, the Board maintained certificates of deposit of the amount of $62,333 at a financial institution where the Board's chairman is employed and certificates of deposit in the amount of $90,874 at a financial institution where the Board's treasurer is employed.

Note 5- Risk management

The Board is exposed to various risks related to general liability and property and casualty losses. For this reason, the Board is covered under a surety commercial crime insurance policy. Risks not covered by the surety insurance are uninsured and retained by the Board. The Board had no claims during the year ended June 30, 2008. Settled claims have not exceeded coverage in any of the three preceding fiscal years.

Note 6- Deposits with financial institutions

State statutes authorize the Board to invest in obligations of the United States Government and its agencies; the Local Investment Pool of the State of Tennessee; certificates of deposit; and mutual and money market funds with state approval. Tennessee Law requires all deposits with financial institutions other than savings and loan associations to be collateralized in an amount equal to 105% of the face amount of uninsured deposits.

The Board's bank deposits, including cash and certificates of deposit, totaled $267,563 at June 30, 2008 and were insured by FDIC or collateralized under the state bank collateral pool.

ADDITIONAL INFORMATION

INDUSTRIAL DEVELOPMENT BOARD OF WILSON COUNTY, TENNESSEE

Statement of Principal Financial Officials and Directors (Unaudited)

June 30, 2008

Name	Title	Bond Amount
Phillip Smartt	Chairman	$ 25,000
Elmer Richerson	Treasurer	25,000
Sally Kimble	Assistant Secretary/Treasurer	
Don Scott	Vice-Chairman	
Edwin Brown	Director	
H. A. Mires	Director	
Al Partee, Jr	Director	
G.C.Hickson	Director	
Vondie Smith	Director	

INTERNAL CONTROL AND COMPLIANCE

DVF Dempsey Vantrease & Follis PLLC
Certified Public Accountants & Consultants

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 Comptroller of the Treasury
and the Board of Directors
Industrial Development Board of Wilson County, Tennessee
Lebanon, Tennessee

We have audited the financial statements of the governmental activities and the major fund information of the Industrial Development Board of Wilson County, Tennessee, (the "Board"), as of and for the year ended June 30, 2008, which collectively comprise the Joint Economic and Community Development Board of Wilson County, Tennessee's basic financial statements and have issued our report thereon dated January 31, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express and opinion on the effectiveness of the 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 misstatement on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the 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 the Board's financial statements that is more than inconsequential will not be prevented or detected by the 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 the Board's internal control.

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

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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, grant agreements and other matters, 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*.

We noted certain matters that we reported to management of the Industrial Development Board of Wilson County, Tennessee in a separate letter dated January 31, 2009.

This report is intended solely for the information and use of management, others within the organization, the board of directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Dempsey, Vantrease & Follis, PLLC

Lebanon, Tennessee
January 31, 2009