

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

**JOINT ECONOMIC AND COMMUNITY
DEVELOPMENT BOARD
OF WILSON COUNTY, TENNESSEE**

YEAR ENDED JUNE 30, 2009

JOINT ECONOMIC AND COMMUNITY
DEVELOPMENT BOARD
OF WILSON COUNTY, TENNESSEE

JUNE 30, 2009

TABLE OF CONTENTS

Independent Auditors' Report	3 – 4
Management's Discussion and Analysis.....	5 - 8
GOVERNMENT-WIDE STATEMENTS.....	9
Statement of Net Assets.....	10
Statement of Activities.....	11
FUND STATEMENTS	12
Balance Sheet – Governmental Funds.....	13
Statement of Revenues, Expenditures, and Changes In Fund Balance – Government Funds and Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities.....	14
Notes to Financial Statements.....	15 – 22
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Funding Progress For Other Postemployment Benefits.....	23
INTERNAL CONTROL AND COMPLIANCE SECTION.....	24
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	25 – 26
SUPPLEMENTARY SCHEDULES.....	27
Comparison of Budget to Actual – Major Fund.....	28
Schedule of Principal Officials (Unaudited).....	29
Schedule of Insurance Coverage (Unaudited).....	30

INDEPENDENT AUDITORS' REPORT

The Comptroller of the Treasury
and the Board of Directors
Joint Economic and Community Development
Board of Wilson County, Tennessee
Lebanon, Tennessee

We have audited the accompanying financial statements of the governmental activities and the major fund information of the Joint Economic and Community Development Board of Wilson County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise the Joint Economic and Community Development Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Joint Economic and Community Development Board of Wilson County's management. 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 the major fund of the Joint Economic and Community Development Board of Wilson 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.

In accordance with Government Auditing Standards, we have also issued our report dated December 15, 2009 on our consideration of the Joint Economic and Community Development Board of Wilson County'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 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 our audit.

The management's discussion and analysis on pages 5 – 8 and the schedule of funding progress for other postemployment benefits on page 23 are not a required part of the basic financial statements but are 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 required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of principal officials and schedule of insurance coverage on pages 29 – 30 and the schedule of revenues and expenditures comparison of budget to actual on page 28 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of principal officials and insurance have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them. The schedule of revenues and expenditures comparison of budget to actual has been subjected to the auditing procedures applied in the audit and is fairly stated, in all material respects, to the financial statements taken as whole.

Dempsey Vantrease & Tollis PLLC
Lebanon, Tennessee
December 15, 2009

Management's Discussion And Analysis

This section of the Joint Economic & Community Development 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, 2009. Please read it in conjunction with the financial statements, which follow this section.

Financial Highlights

- The Organization's net assets increased \$2,699 (2.12%) over the course of this year's operations. For the fiscal year ended June 30, 2008, net assets decreased \$815.
- During the year, the Organization's revenues generated in grants, local government allocations and charges for services, totaling \$348,549, were \$1,836 more than expenses. In the prior year, expenses exceeded operating revenues by \$4,009.
- The total cost of the Organization's activities rose 4.06% in the fiscal year ended June 30, 2009. The increase was mainly due to the prospective application of GASB 45, *Accounting & Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.
- Balances of cash increased \$12,135 (10.75%) during the fiscal year ended June 30, 2009.

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, or on the subsequent page, that explains the relationships (or differences) between them.

Financial Analysis Of The Organization As A Whole

Net Assets. The Organization's net assets increased \$2,699 between fiscal years 2008 and 2009. In comparison, net assets for the fiscal year ended June 30, 2008 decreased \$815 from the fiscal year ended June 30, 2007. Net income from ongoing operations increased \$5,845.

Net Assets			
June 30, 2009 and June 30, 2008			
	2009	2008	% Change
<u>Assets</u>			
Current & Other Assets	\$125,056	\$112,921	10.75%
Capital Assets	<u>\$ 30,884</u>	<u>\$ 28,986</u>	6.55%
Total Assets	<u>\$155,940</u>	<u>\$ 141,907</u>	9.89%
<u>Liabilities</u>			
Current & Other Liabilities	\$ 25,935	\$ 14,601	77.62%
<u>Net Assets</u>			
Invested in Capital Assets	\$ 30,884	\$ 28,986	6.55%
Unrestricted Net Assets	<u>\$ 99,121</u>	<u>\$ 98,320</u>	.81%
Total Net Assets	\$ 130,005	\$127,306	2.12%
Total Liabilities & Net Assets	<u>\$ 155,940</u>	<u>\$141,907</u>	9.89%

Changes In Net Assets. The Organization's operating revenues were virtually unchanged. The Organization's primary sources of revenue are grants, local government allocations and program fees.

Changes In Net Assets
June 30, 2009 and June 30, 2008

	2009	2008	% Change
Operating Revenues	\$348,549	\$329,168	5.89%
Operating Expenses	<u>\$346,713</u>	<u>\$333,177</u>	4.06%
Net Income from Operations	\$ 1,836	\$ (4,009)	145.82%
Non-operating Income	<u>\$ 863</u>	<u>\$ 3,194</u>	-72.98%
Increase/(Decrease) in Net Assets	<u>\$ 2,699</u>	<u>\$ (815)</u>	431.17%

Capital Assets. As of June 30, 2009 the Organization had invested \$77,148 in capital assets including improvements to the space they have leased for offices and various items of office equipment and furnishings. This amount represents a net increase (including additions and deductions) of \$8,069, or 11.68%, over the prior year. More detail about the Organization's capital assets is available in Note 6 to the financial statements.

The Organization's fiscal year 2010 capital budget does not project any additions to capital assets.

Contacting The Organization's Financial Management

This financial report is designed to provide the citizens, taxpayers and clients of the Joint Economic & Community Development Board of Wilson County with a general overview of 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 Joint Economic & Community Development Board of Wilson County, 115 Castle Heights Ave. N., Suite 102, Lebanon, TN 37087, Phone: 615/443-1210.

GOVERNMENT-WIDE STATEMENTS

JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD
OF WILSON COUNTY, TENNESSEE
STATEMENT OF NET ASSETS
June 30, 2009

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 125,056
Property & Equipment (Net of Accumulated Depreciation)	30,884
Total Assets	\$ 155,940
LIABILITIES AND NET ASSETS	
Accrued Compensated Absences	\$ 14,601
Total Current Liabilities	14,601
Other Liabilities	
OPEB Obligation	11,334
Net Assets	
Invested In Capital Assets	30,884
Unrestricted	99,121
Total Net Assets	130,005
Total Liabilities and Net Assets	\$ 155,940

See accompanying notes to financial statements.

JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD
 OF WILSON COUNTY, TENNESSEE
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
Governmental Activities	Charges For Services	Grants and Contributions		
Industrial Development Promotion	\$ (161,996)	\$ -		\$ (161,996)
General & Administrative	(184,717)	-		(184,717)
	(346,713)	-	-	(346,713)
General Revenues				
Appropriation From Wilson County				242,590
Appropriation From City of Lebanon				59,602
Appropriation From City of Mt. Juliet				42,523
Appropriation From City of Watertown				3,834
Interest Income				863
Total General Revenues				349,412
Change In Net Assets				2,699
Net Assets, Beginning of Year				127,306
Net Assets, End of Year				130,005

See accompanying notes to financial statements

FUND STATEMENTS

JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD
 OF WILSON COUNTY, TENNESSEE
 BALANCE SHEET
 GOVERNMENTAL FUND
 JUNE 30, 2009

	GENERAL
ASSETS	
Cash in bank	\$ 125,056
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Compensated Absences Payable	\$ 1,663
FUND BALANCE	
Unrestricted	123,393
TOTAL LIABILITIES AND FUND BALANCE	\$ 125,056
Reconciliation to the Statement of Net Assets:	
Total fund balance - governmental fund	\$ 123,393
Fixed assets are not included in the fund financial statements prepared on the modified accrual basis of accounting.	30,884
OPEB Obligation is not included in the fund financial statements.	(11,334)
Accrued compensated absences - long-term portion	(12,938)
Net assets	\$ 130,005

See accompanying notes to financial statements

JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD
OF WILSON COUNTY, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
YEAR ENDED JUNE 30, 2009

REVENUES	
Appropriation from Wilson County, Tennessee	\$ 242,590
Appropriation from Mt. Juliet, Tennessee	42,523
Appropriation from Watertown, Tennessee	3,834
Appropriation from Lebanon, Tennessee	59,602
Interest	863
	<hr/>
TOTAL REVENUES	349,412
EXPENDITURES	
Director's salary	70,967
Assistant director's salary	45,997
Staff salary	33,475
Salary related expenses	51,015
Rent	29,517
Office supplies	3,982
Office equipment rental and maintenance	6,244
Telephone	5,717
Professional fees	2,500
Insurance	2,007
Marketing	57,964
Postage	1,629
Meetings	2,647
Travel	6,062
Dues and subscriptions	2,670
Vehicle expense	6,816
Compensated Absence Expense	1,663
Capital expenditures	8,069
	<hr/>
TOTAL EXPENDITURES	338,941
EXCESS OF REVENUES OVER EXPENDITURES	10,471
FUND BALANCE, JULY 1, 2008	<hr/> 112,922
FUND BALANCE, JUNE 30, 2009	<hr/> <u>\$ 123,393</u>
Reconciliation to the Statement of Activities:	
Net Change In Fund Balances - Total Governmental Funds	\$ 10,471
Amounts reported for governmental activities in the statement of activities are different because:	
Purchases of fixed assets is an expenditure in the governmental funds, but as increases in property and equipment on the statement of net assets in the government-wide statements.	8,069
Current accrued compensated absences were required to be reflected in the fund financial statements in the current year when no adjustment was required in the government-wide financial statements.	1,663
OPEB obligations are not recorded in the govertnal funds but are included in the government-wide statements.	(11,334)
Depreciation is not recorded in the governmental funds but is included in the government-wide statements.	<hr/> (6,170)
Change in Net Assets in Government Wide Financial Statements	<hr/> <u>\$ 2,699</u>

See accompanying notes to financial statements

JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD

OF WILSON COUNTY, TENNESSEE

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements present the accounts and operations of the Joint Economic and Community Development Board of Wilson County, Tennessee (the "Board"). The Joint Economic and Community Development Board of Wilson County, Tennessee was created by an inter-local agreement among the participating governments of the County of Wilson, Tennessee, the City of Lebanon, Tennessee, the City of Mt. Juliet, Tennessee, and the City of Watertown, Tennessee, for the purpose of financing projects which will increase trade and commerce, contribute to the general welfare, and create employment in Wilson County, Tennessee. The inter-local agreement is authorized by Tennessee Code Annotated Section 5-1-113.

The Board is governed by a 17 member board of directors serving staggered terms.

The Board is funded primarily by grants from the principal governing bodies in Wilson County based on mutually agreed revenue requirements allocated according to census data.

B. 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 Joint Economic and Community Development Board as a whole. Individual funds are not displayed in the government-wide financial statements and the Organization has only governmental activities supported by government allocations.

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 Board'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. Other revenue sources not properly included with program revenues are reported as general revenues.

JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD

OF WILSON COUNTY, TENNESSEE

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

B. Government-Wide and Fund Financial Statements - Continued

Fund Financial Statements

Fund financial statements are provided for the governmental fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the Joint Economic and Community Development 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 Joint Economic and Community Development 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.

D. Fund Types and Major Funds

The Joint Economic and Community Development Board reports the following major governmental fund:

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

JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD

OF WILSON COUNTY, TENNESSEE

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

E. Other Significant Policies

Compensated Absences - Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Board. Employees are entitled to their accrued vacation leave upon termination. The estimated current portion of the liability for vested vacation benefits is recorded as a liability in the General Fund, if applicable. The non-current and current portion is recorded as a liability in the government-wide financial statements on the statement of net assets. Sick leave accrues to full-time, permanent employees to specified maximums and is paid only when incapacitated by illness or under certain other conditions. On termination, unpaid sick leave will be credited toward years of service. A retiring employee has the option to use unpaid sick leave credit to effect an earlier retirement date, for credit toward years of service on retirement. No liability for unused sick leave is recorded in the financial statements.

NOTE 2 – 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 the uninsured deposits.

At June 30, 2009 the bank balance of cash and certificates of deposit is \$140,488. The deposits are insured by FDIC or collateralized under the state bank collateral pool.

JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD

OF WILSON COUNTY, TENNESSEE

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 3 – RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has secured commercial insurance policies to minimize the risk of these various losses. Any risks not covered, as shown in the schedule of insurance or by health and accident insurance, are uninsured and that risk of loss is retained by the Board. Also, some risk is retained because of deductibles and co-insurance. Settlements have not exceeded insurance coverage in any of the prior three fiscal years.

NOTE 4 – LEASES

The Board leases office space under a three-year lease agreement expired March 31, 2009. Rent has continued at the current rates on a month to month basis. Rent expense for the year ended June 30, 2009 is \$29,517. Anticipated future lease payments are as follows:

<u>June 30,</u>	<u>Amount</u>
2010	29,517

NOTE 5 – PENSION EXPENSE

The retirement plan for the Joint Economic and Community Development Board of Wilson County, Tennessee, has been pooled with the retirement plan of Wilson County through the Tennessee Consolidated Retirement System. Parties interested in the plan's actuarial and other information are referred to the footnotes of the audited financial statements of Wilson County, Tennessee.

The Director of the Organization has elected not to participate in TCRS and has set up an independent retirement account. The employee's contributions are deducted from his paycheck and the Organization matches a percent of his salary equal to the percent contributed for other employees to the TCRS.

For the year ended June 30, 2009, the Board's required and actual contributions to TCRS and to the Director's retirement plan were equal to its annual pension cost of \$18,805.

**JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD
OF WILSON COUNTY, TENNESSEE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 6 – FIXED ASSETS

In the government wide financial statements, fixed assets are recorded at cost and depreciated over their estimated useful lives. Office equipment is generally depreciated over 5 years, furniture and fixtures over 7 years, and leasehold improvements over 30 years using the straight line method. A summary of fixed assets for the fiscal year ended June 30, 2009 is presented below:

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Reduction</u>	<u>Balance</u> <u>June 30, 2009</u>
Office Equipment, Furniture & Leasehold Improvements	\$69,079	\$ 8,069	\$ -	\$ 77,148
Less Accumulated Depreciation				<u>(46,264)</u>
Property & Equipment Net of Accumulated Depreciation				<u>\$ 30,884</u>

Depreciation expense for the fiscal year ended June 30, 2009 was \$6,170.

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS(OPEB)

The Joint Economic and Community Development Board’s full-time employees are included in Wilson County’s plan for health, dental and prescription coverage. The Wilson County plan is a single employer plan that offers pre-65 retirees and dependents one of two plans depending on when the participant is hired (before or after March 1, 2000). Once a participant turns age 65, the health plan provision provides medical benefits through a Medicare Supplement Plan and prescription drug benefit through the county’s self-insured plan. Upon death, retirees receive a \$2,000 life insurance benefit.

JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD

OF WILSON COUNTY, TENNESSEE

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

An employee who retires or becomes disabled from the Board is eligible for retiree health coverage upon meeting one of the following requirements: (1) hired prior to July 1, 1992; ten years of service with the last eight consecutive, (2) hired between July 1, 1992 and August 31, 1998; age 45 with ten years of service with the last eight consecutive, or (3) hired on or after September 1, 2008; the earlier of age 55 with ten years of service with the last eight consecutive; age 60 with ten years of service with the last year under the plan; or at any age with 30 years of service.

If a retiree is eligible for health insurance coverage and spouse coverage has been in effect for a minimum of one year prior to the employee's retirement, the plan will also provide health coverage for the retiree's spouse. This coverage will continue for as long as the spouse lives, even if the retiree dies before the spouse.

Eligible retirees are not required to share the cost of health insurance. Eligible dependents and disabled former employees who do not meet retirement eligibility requirements are required to share the cost of health insurance.

Annual OPEB Cost and Net OPEB Obligation

The OPEB cost and net OPEB obligation were estimated based on the January 1, 2007 actuarial valuation for Wilson County's plan as a whole, which includes the Board's employees. The Joint Economic and Community Development Board's portion of the OPEB cost and obligation were not separately determined in that report. Therefore, an estimated cost per participant was determined based on the total cost divided by the number of participants as reported in the valuation report. This average cost per participant was then multiplied by the number of the Board's active and retired participants at June 30, 2009 to arrive at the OPEB cost and liability of \$11,334. The OPEB cost is included in industrial development promotion expenses on the statement of activities.

JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD

OF WILSON COUNTY, TENNESSEE

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

ARC	\$ 11,334
Interest on the NPO	-
Adjustment to the ARC	-
Annual OPEB Cost	<u>11,334</u>
Amount of Contribution	<u>-</u>
Increase/(Decrease) In NPO	11,334
Net OPEB Obligation, 7/1/2008	<u>-</u>
Net OPEB Obligation, 6/30/09	<u>\$ 11,334</u>

Year End	Plan	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation a Year End
6/30/2008	Postemployment Benefits Plan	\$ 11,134	0%	\$ 11,134

*Data not available for two preceding years

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009 is as follows:

Actuarial Valuation Date	1/1/2007
Actuarial Accrued Liability (AAL)	\$ 103,018
Actuarial Value of Plan Assets	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 103,018
Actuarial Value of Plan Assets As A % Of The AAL	0%
Covered Payroll (Active Plan Members)	\$ 79,473
UAAL As A % Of Covered Payroll	130%

**JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD
OF WILSON COUNTY, TENNESSEE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used to include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the January 1, 2007 actuarial valuation, the projected unit credit actuarial cost method was used.

The actuarial assumptions included a 5.5 percent discount rate, an annual healthcare cost trend rate of nine percent initially, reduced by decrements to an ultimate rate of 5.5 percent after seven years, and an annual dental cost trend rate of five percent. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30 year period beginning with June 30, 2008.

JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD
 SCHEDULE OF FUNDING PROGRESS FOR OTHER
 POSTEMPLOYMENT BENEFITS
 JUNE 30, 2009

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2007	\$ -	\$ 103,018	\$ 103,018	0%	\$ 79,473	130%

* Data not available for two preceding years.

INTERNAL CONTROL AND COMPLIANCE

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 Joint Economic and Community Development Board
Lebanon, Tennessee

We have audited the financial statements of the governmental activities and the major fund of the Joint Economic and Community Development Board , as of and for the year ended June 30, 2009, which collectively comprise the Joint Economic and Community Development Board's basic financial statements and have issued our report thereon dated December 15, 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 Joint Economic and Community Development Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Joint Economic and Community Development Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 the 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 the Joint Economic and Community Development Board 's financial statements that is more than inconsequential will not be prevented or detected by the 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 the Joint Economic and Community Development 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.

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, 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*.

We noted certain matters that we reported to management of Joint Economic and Community Development Board , in a separate letter dated December 15, 2009.

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

Dempsey Vanheuse & Hollis PLLC

Lebanon, Tennessee
December 15, 2009

SUPPLEMENTARY SCHEDULES

JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD
OF WILSON COUNTY, TENNESSEE
REVENUES AND EXPENDITURES COMPARISON OF BUDGET TO ACTUAL -
YEAR ENDED JUNE 30, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Appropriation from Wilson County, Tennessee	\$ 242,590	\$ 242,590	\$ 242,590	\$ -
Appropriation from Mt. Juliet, Tennessee	42,523	42,523	42,523	-
Appropriation from Watertown, Tennessee	3,834	3,834	3,834	-
Appropriation from Lebanon, Tennessee	59,602	59,602	59,602	-
Interest	-	-	863	863
TOTAL REVENUES	348,549	348,549	349,412	863
EXPENDITURES				
Director's salary	70,967	70,967	70,967	-
Assistant director's salary	45,997	45,997	45,997	-
Staff salary	33,475	33,475	33,475	-
Salary related expenses	48,241	48,241	51,015	(2,774)
Rent	29,738	29,738	29,517	221
Office supplies	4,200	4,200	3,982	218
Office equipment rental and maintenance	8,846	8,846	6,244	2,602
Telephone	5,845	5,845	5,717	128
Professional fees	2,500	2,500	2,500	-
Insurance	2,590	2,590	2,007	583
Marketing	74,339	74,339	57,964	16,375
Postage	2,000	2,000	1,629	371
Meetings	4,200	4,200	2,647	1,553
Travel	5,750	5,750	6,062	(312)
Dues and subscriptions	3,045	3,045	2,670	375
Vehicle expense	6,816	6,816	6,816	-
Compensated Absence Expense	-	-	1,663	(1,663)
Capital expenditures	-	-	8,069	(8,069)
TOTAL EXPENDITURES	348,549	348,549	338,941	9,608
EXCESS OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	\$ 10,471	\$ 10,471
FUND BALANCE, JULY 1, 2008			112,922	
FUND BALANCE, JUNE 30, 2009			<u>\$ 123,393</u>	

NOTE 1 - Formal budgetary accounting is employed as a management control of the Board's fund. An annual operating budget is adopted each year by approval of the Board of Directors. The same basis of accounting is used to reflect actual and budgeted expenditures. Management can make line item transfers but cannot increase the overall budget without Board approval. All unencumbered appropriations lapse at the end of each fiscal year. This is not a legally adopted budget and, accordingly, this is not a required financial statement.

JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD
OF WILSON COUNTY, TENNESSEE

SCHEDULE OF PRINCIPAL OFFICIALS (UNAUDITED)

JUNE 30, 2009

<u>Name</u>	<u>Title</u>	<u>Bond Amount</u>
<u>Board Officers</u>		
Nelson Steed	Chairman	\$ 100,000
Don Chambers	Vice-Chairman	
Phillip Smartt	Treasurer-ex-officio	100,000
Stratton Bone	Secretary	100,000
Robert Rochelle	Attorney	
<u>Executive Committee Officers</u>		
Don Fox	Chairman	
Dianne Fletcher	Secretary	
Phil Smartt	Treasurer	
Robert Rochelle	Attorney	
<u>Staff</u>		
Dianne Fletcher	Assistant Director	100,000
Tammy Stokes	MIS Specialist	100,000
G C Hixson	Executive Director	100,000
<u>Directors</u>		
Gilbert Graves		Kevin Huddleston
Don Fox*		Jim Hunter
Sheila Lockett*		Paul Abercrombie
Robert Dedman*		Don Chambers
Mike Jennings *		Nelson Steed*
Haywood Barry		George Briscoe
Bill Patton		Robin Vance
Brandon Howard		Linda Elam
Paul Stumb		

* - Executive Committee Member

JOINT ECONOMIC AND COMMUNITY DEVELOPMENT BOARD
OF WILSON COUNTY, TENNESSEE

SCHEDULE OF INSURANCE COVERAGE (UNAUDITED)

June 30, 2009

Business Property	
Contents	\$ 75,000
Deductible - \$500.00	
80% - Co-insurance	
Public Official Bond	
Chairman	100,000
Treasurer	100,000
Director	100,000
Assistant Director	100,000
Secretary	100,000
Administrative Assistant	100,000
Deductible - \$1000.00	
Workers Compensation	
Employers Liability	100,000/500,000/100,000