

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FOR THE YEAR ENDED DECEMBER 31, 2008

### JACKSON COUNTY, GEORGIA



#### THE EAST JACKSON PARK GRAND OPENING

April 24, 2009

Pictured from left to right:

- Chas Hardy, Commissioner - District 2
- Ricky Sanders, Parks & Recreation Director
- Dwain Smith, Commissioner - District 4
- Thomas Crow, Commissioner - District 1
- Darrell Hampton, County Manager
- Hunter Bicknell, Commission Chairman

Prepared By:  
The Office of Financial Administration

**JACKSON COUNTY, GEORGIA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED December 31, 2008**

**TABLE OF CONTENTS**

	<b>Page</b>
<b><u>INTRODUCTORY SECTION</u></b>	
Letter of Transmittal	i-ix
Certificate of Achievement for Excellence in Financial Reporting	x
Distinguished Budget Presentation Award	xi
Organizational Chart	xii
Officials of JACKSON COUNTY, GEORGIA	xiii
<b><u>FINANCIAL SECTION</u></b>	
Independent Auditors' Report	xiv-xv
Management's Discussion and Analysis	xvi-xxvii
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
Statement of Net Assets	1
Statement of Activities	2
<b>FUND FINANCIAL STATEMENTS</b>	
Balance Sheet - Governmental Funds	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
Statement of Net Assets-Proprietary Funds	7
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	8
Statement of Cash Flows - Proprietary Funds	9
Statement of Assets and Liabilities - Fiduciary Funds	10
<b>COMPONENT UNITS</b>	
Combining Statement of Net Assets	11
Combining Statement of Activities	12
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>13 - 57</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Pension Funding Progress	58
Schedule of Other Post-Retirement Benefits Funding Progress	59
Budgetary Comparison Schedule	
-General Fund	60 - 61
<b>NONMAJOR GOVERNMENTAL FUNDS</b>	
Combining Balance Sheet	62 - 63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	64 - 65
Fire District Special Revenue Fund - Supplemental Schedules	
-Balance Sheet - Fire District	66
-Schedules of Revenues, Expenditures, and Changes in Fund Balances - Fire District	67
Supplemental Budgetary Comparison Schedule	
-Debt Service Fund	68
-Fire District Special Revenue Fund	69 - 72
-Emergency E911 Telephone System Special Revenue Fund	73
-Emergency Management/Rescue Services Special Revenue Fund	74
-Emergency Services/Ambulance Special Revenue Fund	75
-Jail Special Revenue Fund	76
-Law Library Special Revenue Fund	77

-Keep Jackson Beautiful Special Revenue Fund	78
-Protective Inspection/Planning and Zoning Special Revenue Fund	79
-Parks and Recreation Special Revenue Fund	80
-Senior Center Special Revenue Fund	81
-Drug Enforcement Special Revenue Fund	82

**FIDUCIARY FUNDS**

Combining Statement of Assets and Liabilities - All Agency Funds	83
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	84

**COMPONENT UNIT**

Airport Authority	
-Statement of Net Assets	85
-Statement of Activities	86
-Statement of Cash Flows	87 - 88

**SUPPLEMENTAL INFORMATION**

Schedule of Projects Constructed with Special Purpose Local Option Sales Tax	89-90
--	-------

**STATISTICAL SECTION**

**TABLE**

**FINANCIAL TRENDS**

Net Assets by Component	1	91
Changes in Net Assets	2	92-93
Fund Balances of Governmental Funds	3	94
Changes in Fund Balances of Governmental Funds	4	95
Five Year General Fund History	4A	96
General Fund Budget - 2009	4B	97
General Governmental Tax Revenues By Source	5	98

**REVENUE CAPACITY**

Assessed Value and Estimated Actual Value of Taxable Property	6	99
Assessed Valuation by Property Type	6A	100
Property Tax Rates (Direct and Overlapping Governments)	7	101
Principal Property Taxpayers	8	102
Property Tax Levies and Collections	9	103
Local Option Sales Tax Collections	9A	104
Special Purpose Local Option Sales Tax Collections	9B	105

**DEBT CAPACITY**

Ratios of Outstanding Debt by Type	10	106
Other Long-term Liabilities	10A	107
Direct and Overlapping Governmental Activities Debt	12	108-109
Legal Debt Margin Information	13	110

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

Demographic and Economic Statistics	15	111
Principal Employers	16	112

**OPERATING INFORMATION**

Full-Time Equivalent County Government Employees by Function	17	113
Operating Indicators by Function	18	114
Capital Asset Statistics by Function	19	115

**COMPLIANCE AND INTERNAL CONTROL REPORTS**

Schedule Expenditures of Federal Awards	116
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements performed in accordance with <i>Government Auditing Standards</i>	117-119
Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance in accordance with OMB Circular A-133	120-121
Auditor's Schedule of Findings and Questioned Costs	122-128



# JACKSON COUNTY BOARD OF COMMISSIONERS

67 ATHENS STREET • JEFFERSON, GEORGIA 30549 • 706-367-6312

Hunter Bicknell  
Chairman

Tom Crow  
District 1

Chas Hardy  
District 2

Bruce Yates  
District 3

Dwain Smith  
District 4

May 14, 2009

The Honorable Hunter Bicknell, Chairman,  
Members of the Board of Commissioners, and  
The Citizens of Jackson County Georgia

The Official Code of Georgia as Amended (OCGA) requires that county governments publish, within six months of the end of each of their fiscal years, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of Jackson County, Georgia (the "County") for the fiscal year ended December 31, 2008.

This report consists of management's representation concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and responsibility of all the information presented in this CAFR. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the costs of internal controls should *not* outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this CAFR is complete and reliable in all material respects.

The County's financial statements have been audited by Bates Carter & Co., LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2008, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2008, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this CAFR.

As a recipient of federal and state financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to assure compliance with applicable laws and regulations related to those programs. Thus internal controls are subject to periodic evaluation by management.

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. In 2003, the County adopted the new reporting model required by GASB Statement No. 34 (GASB # 34). As part of the requirements contained in GASB # 34, management is to present a narrative introduction, overview and analysis to accompany the basic financial statements in the form of *Management’s Discussion and Analysis* (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County’s MD&A is found directly following the independent auditor’s opinion in the financial section of this CAFR.

### **Geographical and Economic Profile of the County**

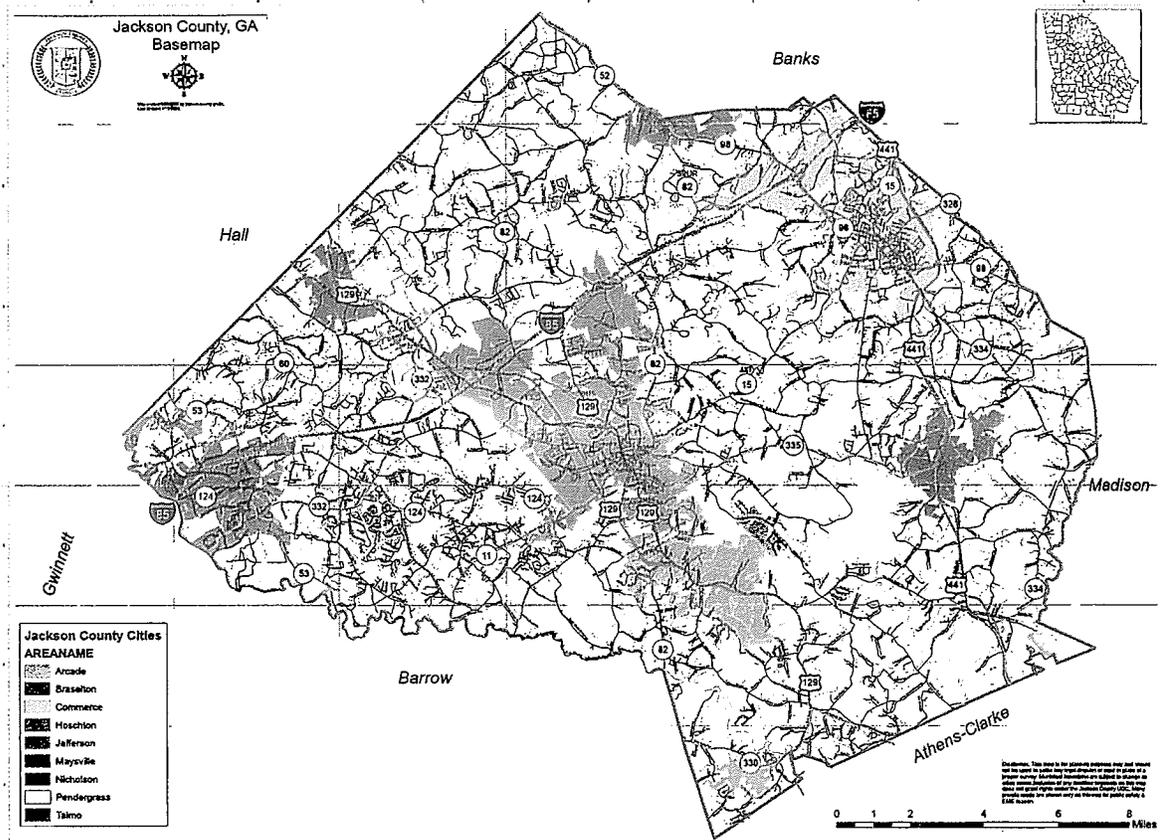
Jackson County is located on the upper fringes of the Piedmont Plateau in northeastern Georgia. The City of Jefferson serves as the County Seat, and is located approximately five miles off of U.S. Interstate Highway 85 (I-85). I-85 runs from southwest to northeast from Montgomery, Alabama to its confluence with I-95 in Richmond, Virginia. The City of Atlanta is less than one hour’s travel time along I-85 from most sections of the County. Jefferson is about 20 miles from Athens, which is the home of the state’s flagship institution of higher learning, the University of Georgia.

With the close proximity of I-85, and other major highways and railways, the County has become home to several large warehousing and manufacturing facilities and continues to attract quality economic development because of the location and available workforce. Among these businesses are Haverty’s Furniture near Braselton, Toyota Industries of North America and Denso Corporation facilities near Pendergrass, and The Kubota Corporation near Jefferson. The City of Commerce has several major retail outlet malls along the I-85 corridor which provide employment and sales tax revenues to the County. U.S. Highway 441, which runs north and south from Knoxville, Tennessee to the state of Florida, also runs through Commerce, giving it ready access from virtually any point within the four-state area of Tennessee, North Carolina, South Carolina and Georgia. Commerce is served by the Norfolk Southern and CSX rail lines.

Despite the downturn in the economy, Jackson County is well positioned for economic growth. Recently there have been several new construction and expansion industrial projects in the county. The Aldi Corporation recently announced a \$40 million investment in a new distribution center. The Roper Pump Company announced an expansion worth \$3 million. The Louisiana-Pacific building that closed last year now has a contract to sell the facility for unknown millions and the company will invest an additional \$23 million in the facility. There are signs that the economic outlook for 2009 for industrial development is good. During the month of April 2009 the county responded to more economic development projects than it did the last quarter of 2008 and the first quarter of 2009. Retail growth has been slow for Jackson County but the county did see some new retail establishments open last year. Most of them were small businesses not associated with major chains. Jackson County also saw a number of restaurants to open during the past year to include a new Burger King, Dairy Queen Grill and Chill, Kentucky Fried Chicken/Taco Bell, Ali V’s, Fusion on the Square, Wing Slingers, and Mama’s Country Buffet. Although there were a number of closings and layoffs in the past year, Jackson County still saw positive growth in terms of population and business. This trend is expected to continue in 2009.

Due to the overall prosperity of business and industry the County was listed by the U.S. Census Bureau in 2009 as the 25<sup>th</sup> fastest growing county in the United States for the period of July 1, 2007 – July 1, 2008 with a total population of 61,620 and the 3<sup>rd</sup> fastest growing county in Georgia. Jackson County also ranks as the 23<sup>rd</sup> fastest growing county in the nation with a 48.2% increase in population for the current decade. Despite this growth, the County has managed to balance a rural atmosphere with the suburban character of business and residential developments. Land use studies show the County's area is about 40% commercial, 40% residential and 20% agricultural. The County has been able to avoid some of the pitfalls of rapid growth through wise planning and management of its resources. However, there continues to be constant and growing demands for additional County services, the County school system, as well as the City school systems of Commerce and Jefferson, which are acutely feeling the pains of growth.

The Jackson County Airport is in the process of being upgraded to a Category Two Airport Facility to accommodate corporate and general aviation traffic. Construction has begun on the main runway extension to 5,000 feet, which will enable most corporate and private aircraft to use the facility. The runway extension project is scheduled to be completed in June, 2009. The Airport is less than five miles off of I-85 and is located near Jefferson. In addition, Atlanta's Hartsfield-Jackson International Airport, which serves virtually all major U.S. and international airlines, is within 1½ hours of the County.



*Jackson County, Georgia*

**Municipalities of the County**

The County has nine incorporated municipalities, which compose approximately 41% of the County’s population according to 2007 U.S Census estimates. The municipalities are Commerce (6,323), Jefferson (7,513), Arcade (1,941), Nicholson (1,913), Hoschton (1,563), Braselton (part) (3,072), Maysville (part) (1,633), Talmo (603) and Pendergrass (565). Parts of the Town of Braselton are located in four different counties, while parts of the City of Maysville are located in both Jackson and Banks Counties. The City of Commerce provides full municipal services including electricity, gas, fire, water and sewerage.

**School Systems**

The County has a county-wide school system as well as two city school systems. The Jackson County School System operates elementary and middle schools in various parts of the County, and two high schools, the Jackson County Comprehensive High School and the East Jackson High School. The Commerce City School System and the Jefferson City School System are operated as component units of their respective municipalities. The Jackson County School System is fiscally independent of the County BOC and, consequently, its financial statements are separately issued and are not included within the County’s financial statements.

## **Form of Government**

The County operates under the commission/manager form of government. Four members of the Board of Commissioners (BOC) are elected from geographically distinct, single-member districts, while the chairman is elected at-large county-wide. The members serve four-year staggered terms. The BOC hires a county manager to serve as the administrative head of the county government. The manager in turn hires department heads and managers to implement BOC policies and to operate the various functions of county government.

Every four years citizens of the County elect persons to serve the constitutional offices of sheriff, clerk of superior court, tax commissioner, and probate court judge. Other elected officials include the magistrate court judge, solicitor general, district attorney, superior court judges and the state court judge.

## **County Services**

The County provides a full range of services including law enforcement; construction and maintenance of highways, streets, bridges and other infrastructure; emergency services; recreational and cultural activities, limited transportation, and solid waste disposal. Fire protection (outside the municipalities which have full-time fire departments) is provided by nine volunteer fire departments which levy property taxes within their districts to fund their operations. Water and sewer services outside of the municipalities (which offer such services) are provided by a legally separate Water and Sewer Authority which has been included as a component unit in the County's financial statements. The County is also financially accountable for a legally separate Health Department and a legally separate Airport Authority, both of which are reported as component units of the County. Additional information on these component units may be found in Note 1 in the notes to the financial statements.

## **Financial and Budgetary Matters**

The County maintains budgetary controls to ensure compliance with state law. The level of budgetary control is at the department/fund level, i.e., expenditures may not exceed the total for any department within a fund. Transfers of appropriations within a department shall require only approval of the Finance Director. Transfers between or among departments or funds or an increase in the overall appropriation for a department or fund shall require the approval of the BOC in accordance with the enabling legislation. Department heads and management personnel are directed to operate within budgetary limits to avoid "emergency" situations which would require supplementary appropriations.

Annual budgets are adopted on a basis consistent with GAAP for the general, special revenue funds, and debt service fund, and are integrated into the general ledgers of such funds. Project length budgets are adopted for Capital Projects Funds. The County's proprietary fund, the Solid Waste Fund, is budgeted for management and control purposes. No budget is prepared for the Mayfield Treatment Plant Proprietary Fund. Departments prepare, in conjunction with the Finance Department, revenue and expenditure estimates, as well as capital needs. These budget requests are then reviewed by the BOC and the proposed budgets are presented at a public hearing as required by state law.

## **Capital Projects for the Future**

On March 15, 2005, the voters of Jackson County approved the continuation of a six-year Special Purpose Local Option Sales Tax (SPLOST). The special purpose tax was imposed July 1, 2005 and will expire June 30, 2011. It is anticipated that the tax will yield approximately \$51,000,000 over the six-year period. The Special Purpose Local Option Sales Tax (SPLOST) was passed, in part, to pay for the construction of a new County Jail and to complete the construction of new Health Department Facilities in the City of Commerce.

### **Jail Project**

Groundbreaking of the new Jail and Sheriff's Office Project began in September, 2007 for Jackson County to address current inmate overcrowding conditions, the inability to properly classify and segregate inmates, and inadequate facilities for jail support and operations at the existing Jackson County Jail. This estimated cost to complete this project is \$33,000,000 and will be advanced funded through the issuance of 2007 Series A Revenue Bonds. The repayment of principal and interest on the bonds will be funded through SPLOST receipts.

The existing jail, built in the 1940's with an addition in the 1970's, does not comply with current accepted standards for jail facilities. A Needs Assessment report completed in June 2006 recommended a new expandable facility on a 20-25 acre site to accommodate inmate housing growth projections for a minimum of ten years and support and administrative space to accommodate facility needs for fifteen to twenty years.

The facility as designed includes a combination of direct and indirect supervision housing units in a podular design to accommodate up to 424 general population inmates, with capability to segregate the following classifications: Maximum Security Male, Medium Security Male, Minimum Security Male, Female (all classifications), Administrative and Disciplinary Segregation.

Construction continued through 2008 as the opening of the new jail facility is scheduled to be in the fall of 2009.

### **Renovation of Historic Courthouse**

The Board of Commissioners has appropriated \$2,000,000 for the restoration and renovation of the Historic Jackson County Courthouse that was constructed in 1879. Primary funding for this project comes from the issuance of 2007 Series "A" Revenue Bonds. Repayment of principle and interest on these bonds is to be paid through the Debt Service Fund.

A committee of Jackson County citizens has been appointed by the Board to assist with the restoration effort. So far, the Hazardous Material Survey has been completed and the Asbestos/Hazardous Material Abatement Plan was delivered to the committee for action. Bids for the abatement and selected demolition have been approved by the Board and the abatement process should begin in April, 2009. Barker, Cunningham, Barrington, PC Architects has been hired to prepare the restoration/renovation plans for the exterior of the Historic Courthouse. The physical work associated with the restoration effort will commence shortly after the abatement has been completed and the building is free of hazardous material. By the end of calendar year 2009, the external restoration should be nearing completion and work on the interior will begin.

### **Public Safety Training Facility**

Construction of a multi-phase, eight-acre public safety training center has begun. An appropriation of \$6,556,662 has been authorized by the Board of Commissioners to fund completion of this project. This project is to be financed with Special Purpose Local Option Sales Tax (SPLOST) funds and local funds.

This project will include a Burn Building, a pumper test station and various training facilities to support other emergency services operations, including the Sheriff's Office, EMA, E-911 and Rescue. Additionally, this project will support all 12 Fire Units in the county.

### **Transfer Station Facility**

The Board of Commissioners authorized \$1.1 million for design and construction of a new solid waste facility. The new facility will replace the existing one. A master plan has been created for the site to allow future expansion for a recycling center. The most immediate plans are to construct a new scale house and transfer station to replace the existing structure which is in a state disrepair. Work will begin on this facility complex in the summer of 2009.

### **Other Projects**

Additionally, Special Purpose Local Option Sales Tax (SPLOST) funds have been allocated in the areas of parks and recreation, public safety facilities, roads and bridges, libraries, and water and sewer improvements. At present, construction is almost complete on the East Jackson Sports Complex which will have four baseball fields, a refreshment center and spectator seating. The East Jackson Sports Complex opened in April, 2009.

### **Cash Management**

Temporarily idle cash earns interest through certificates of deposit or through the Georgia Fund One, a state operated local investment pool. The Georgia Fund One is a short-term investment vehicle which offers variable interest rates. During 2008 the average interest earnings in the fund were 2.5%. At present the county is earning 0.85% due to the declining economy and sharp cuts to interest rates by the Federal Reserve. Currently the county is earning 3.1% to 4.25% on certificates of deposit.

### **Debt Management**

On August 1, 2007, Jackson County entered into a contract with the City of Jefferson Public Building Authority to fund repayment of an issue of \$40,595,000 of Series 2007A bonds with a discount and issuance cost of \$645,564 which mature March 1, 2037, and bear interest at rates from 3.875% to 5%. These bonds were issued using the City of Jefferson's Public Building Authority as a financing vehicle to fund construction of a \$33,000,000 jail, a \$4,000,000 public safety training facility, a \$2,000,000 historic courthouse renovation, and placement of \$1,000,000 in debt service reserves. A portion of the debt service related to these projects will be funded through the Special Purpose Local Option Sales Tax (SPLOST).

During 2008, the County entered into a contract with the Jackson County Industrial Development Authority to fund repayment of an issue of \$45,000,000 in economic development bonds with an interest rate of 4.435%. These bonds were issued to further the joint economic development

initiative of the Jackson County Industrial Development Authority and Board of Commissioners that was begun in 2004. The County expects to receive a dividend by continuing to invest in infrastructure that will attract quality commercial/industrial development. Thus, maintaining a balanced tax base that is not too top heavy with residential development. This dividend will result in continuing to provide quality government services with sustainable millage rates.

Lastly, Standard & Poor's reviewed the Issuer Credit Rating for Jackson County, Georgia and reaffirmed "A+" rating and stable outlook for the County.

### **Risk Management**

Through the ACCG group self-insurance plans, the County purchases full coverage comprehensive insurance policies at group rates covering the risk exposures for general and automobile liability, property and casualty coverage, and workers compensation insurance. Group insurance for County employees is provided through Blue Cross/Blue Shield of Georgia. The County pays a portion of the group insurance coverage for employees. Refer to the notes of the financial statements for more details.

### **Pension and Post-Employment Benefits**

The County has a defined benefit plan open only to persons employed prior to January 1, 1998 and certain public safety employees. The plan is administered through ACCG as an agent-multiple employer retirement plan. For those employed after that date, the County, through ACCG offers a Section 401(a) Plan. Employees may also participate in a voluntary Section 457 Deferred Compensation Plan. Details of these various plans may be found in note 12 of the financial statements.

During 2008, the county amended its benefit plan to provide for retiree health insurance. Additional information can be found in the notes to the financial statements.

### **Awards, Accomplishments and Acknowledgments**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its CAFR for the fiscal year ended December 31, 2007. This was the sixth consecutive year that the County has received this prestigious award. In order to be awarded the Certificate of Achievement, the County must publish an easily readable and efficiently organized CAFR which satisfies both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that this CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another Certificate of Achievement for the fiscal year ended December 31, 2008.

In addition, the County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning January 1, 2008. In order to qualify for the Distinguished Budget Presentation Award, the County must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. The County has received the Distinguished Budget Presentation Award for the budget years beginning January 1, 2002 through January 1, 2008.

The preparation, design and publication of this CAFR represents a significant cooperative effort between the County's Finance Department and its independent auditor, Bates Carter and Co., LLP, CPA's. A special thanks goes to the various County departments and their directors for their assistance and their cooperation in contributing to the preparation of this CAFR. We would be remiss in our duty if we did not recognize the professional efforts of the Finance Department staff, without their dedication and untiring efforts, the compilation of the CAFR would not have been possible.

Finally, and certainly not least, we wish to thank the members of the Board of Commissioners for their unfailing support for maintaining the highest professional expectations for the reports we produce, and for their continued support and direction in conducting the fiscal affairs of the County in a progressive and responsible manner.

Respectfully submitted,



Darrell Hampton  
County Manager



John G. Hulsey  
Director of Finance

This page intentionally left blank.

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Jackson County  
Georgia

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Jackson County  
Georgia**

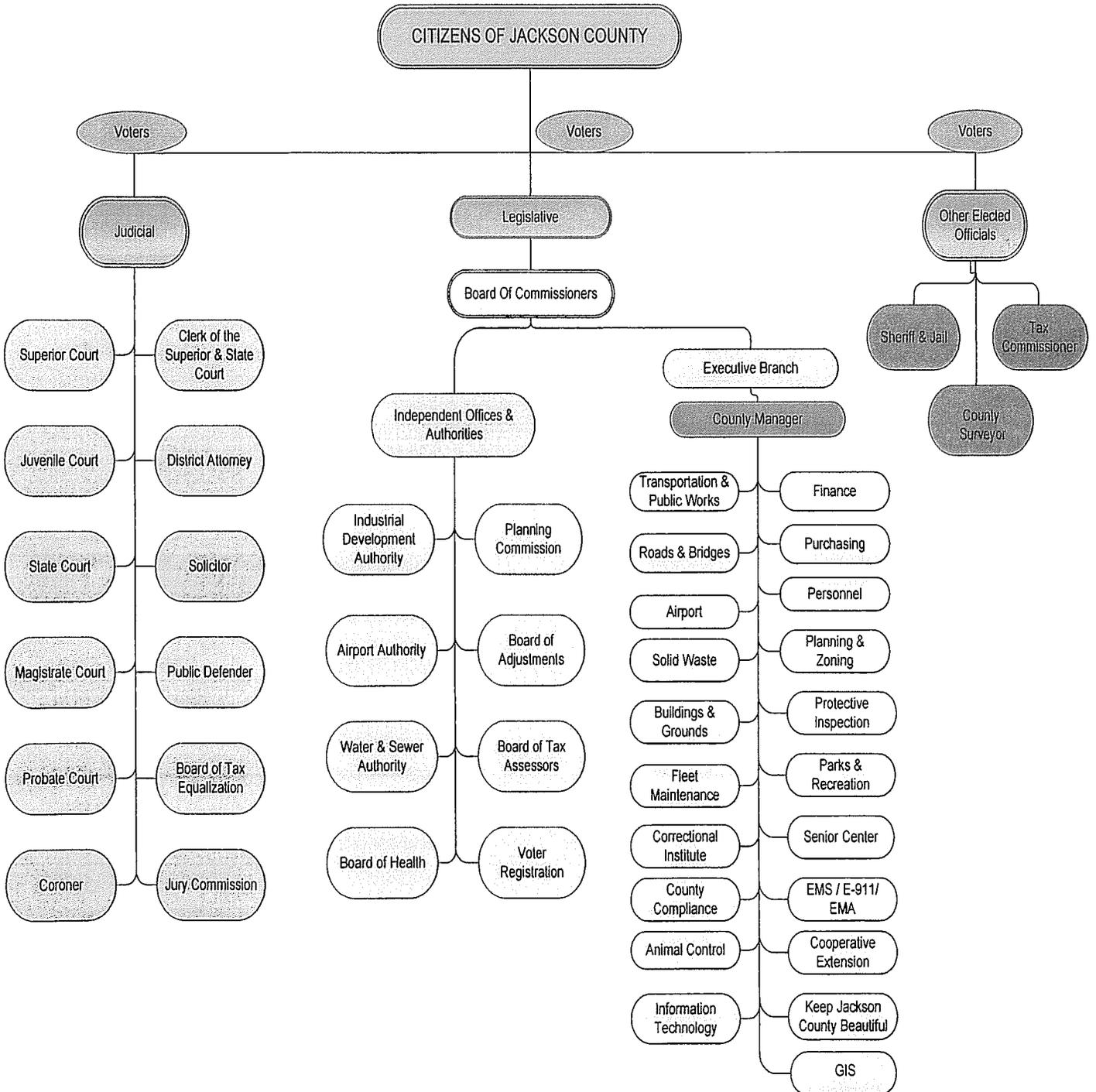
For the Fiscal Year Beginning

**January 1, 2008**

President

Executive Director

# *Jackson County Organizational Chart*



**JACKSON  
County**

# Officials of Jackson County

## **BOARD OF COMMISSIONERS**

<b>COMMISSIONER</b>	<b>TERM</b>
Hunter Bicknell – Chairperson	January 2009 – December 2012
Thomas Crow – District 1	January 2009 – December 2012
Chas Hardy – District 2	January 2009 – December 2012
Bruce Yates – District 3	January 2007 – December 2010
Dwain Smith – District 4	January 2007 – December 2010

## **ADMINISTRATION**

Darrell Hampton – County Manager

## **DÉPARTMENT DIRECTORS**

John Hulsey	<b>Finance</b>
Melanie Thomas	<b>Human Resources</b>
Len Bernat	<b>Purchasing</b>
Justin King	<b>Information Technology</b>
Ricky Sanders	<b>Parks &amp; Recreation</b>
Vacant	<b>Public Development</b>
Joel Logan	<b>GIS</b>
Steve Nichols	<b>Public Safety</b>
Cathy Johnson	<b>Chief Tax Assessor</b>
Tom Page	<b>Solid Waste</b>
Larry Guthrie	<b>Road Superintendent</b>
Johnny Weaver	<b>Correctional Institute</b>
Eugene Brogan	<b>Code Compliance</b>
Marty Rubio	<b>Maintenance Superintendent</b>
Donna Seagraves	<b>Public Defender</b>
Shirley Smith	<b>Senior Center</b>

## **JUDICIAL & OTHER ELECTED OFFICIALS**

Camie Thomas	<b>Clerk of Court</b>
Brad Smith	<b>District Attorney</b>
Billy Chandler	<b>Magistrate Court Judge</b>
Margaret Deadwyler	<b>Probate Court Judge</b>
Stan Evans	<b>Sheriff</b>
Donald Moore	<b>Solicitor General</b>
Jerry Gray	<b>State Court Judge</b>
David Motes	<b>Superior Court Judge</b>
Penn McWhorter	<i>Superior Court Judge Emeritus</i>
Bob Adamson	<b>Superior Court Judge</b>
Joseph Booth	<b>Superior Court Judge</b>
Don Elrod	<b>Tax Commissioner</b>
Keith Whitfield	<b>Coroner</b>

## INDEPENDENT AUDITORS' REPORT

May 14, 2009

Board of Commissioners  
JACKSON COUNTY, GEORGIA  
Jefferson, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of JACKSON COUNTY, GEORGIA, as of, and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Commissioners of JACKSON COUNTY, GEORGIA. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Jackson County Health Department, a component unit of the County, as of and for the year then ended December 31, 2008, which statements reflect total assets of \$526,010 as of December 31, 2008, and total revenues of \$984,686, for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Jackson County Health Department, is based on the report of the other auditors.

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 and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of JACKSON COUNTY, GEORGIA, as of December 31, 2008, and the respective changes in financial position, and where applicable, cash flows, 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 a report dated May 14, 2009, on our consideration of JACKSON COUNTY, GEORGIA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulation, contracts, grants, 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, Schedule of Pension Funding Progress, Schedule of Other Post-Retirement Benefits Funding Progress, and the Budgetary Comparison Schedule-General Fund 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 opinions on the financial statements that collectively comprise JACKSON COUNTY, GEORGIA's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, supplemental budgetary comparison schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of JACKSON COUNTY, GEORGIA. The combining and individual nonmajor fund financial statements, supplemental budgetary comparison schedules, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical sections 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 accompanying schedule of projects constructed with Special Sales Tax Proceeds is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Bates, Carter & Co, LLP*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Jackson County's Comprehensive Annual Financial Report provides readers with a narrative overview and analysis of the financial activities of Jackson County Government for the fiscal year that ended on December 31, 2008. We encourage readers to consider the information presented here in conjunction with the letter of transmittal at the front of this report, and the County's basic financial statements and notes to the financial statements, to enhance their understanding of the activities and financial health of Jackson County.

Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts. It should be read in conjunction with the Letter of Transmittal and the Basic Financial Statements.

### FINANCIAL HIGHLIGHTS

The assets of Jackson County Government's Governmental Activities and Business-Type Activities exceeded its liabilities at the close of the most recent fiscal year by \$148.60 million. Of this amount, \$7.91 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

The primary government's total net assets increased by \$4.74 million during 2008. Governmental activities' net assets increased \$4.74 million during 2008. This is, in part, attributable to donated assets for subdivision infrastructure of \$1.74 million. Other increases are attributable to the fact that property tax revenues of \$22.29 million were raised to purchase capital assets of \$37.86 million which is in excess of depreciation of \$5.03 million by \$32.83 million and to pay principal on debt of \$2.99 million which does not reduce net assets. There was no change in net assets for Business-Type Activities.

As of the close of the current fiscal year, the primary government's governmental funds reported combined ending fund balances of \$77.04 million, an increase of \$20.37 million in comparison with the prior year. This increase is the result of the issuance of additional debt to fund various capital projects. Approximately 12.59% of the combined funds balances, \$9.7 million, is considered unreserved and is available for spending at the government's discretion (unreserved fund balance).

At the end of the current fiscal year, unreserved fund balance for the general fund was \$6.20 million or 16.99% of total general fund expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four components: 1) management's discussion and analysis (this section), 2) basic financial statements, 3) required supplementary information, and 4) an optional section that presents combining statements for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of Jackson County Government:

**Government-wide Financial Statements:** The government-wide financial statements provide a broad overview of both long-term and short-term information about Jackson County Government's overall financial status in a manner similar to private-sector businesses. The statements include:

- A statement of net assets presents the County's total assets and total liabilities, with the difference between the two reported as net assets. Over time, the change in net assets is an indicator of the improvement (an increase) or deterioration (a decrease) in the County's financial condition. Additionally, when assessing the overall health of the County, consideration should be given to additional non-financial factors such as changes in the County's property tax base and the condition of the County's roads.
- A statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the aforementioned government-wide financial statements identify the various functions of Jackson County Government's operations that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Jackson County, Georgia include general government, public safety, judicial system, public works, health and welfare, recreation and culture, and housing and development, and interest. The business-type activities of Jackson County, Georgia include the Solid Waste Disposal Facility and the Mayfield Treatment Plant.

The government-wide financial statements include not only Jackson County itself (known as the *primary government*), but also a legally separate health department, a legally separate airport authority, and a legally separate water and sewerage authority for which Jackson County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 1 and 2 of this report.

**Fund Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and

governmental activities.

Jackson County Government maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special purpose local option sales tax fund (SPLOST), debt service fund, and capital projects fund, all of which are considered to be major funds. Data from the other thirteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Jackson County Government adopts an annual appropriated budget for its general fund, special revenue funds, and debt service fund. Project length budgets are adopted for the capital projects funds. A budgetary comparison schedule has been provided for the general fund, debt service fund and special revenue funds to demonstrate compliance with the annual appropriated budget.

The basic governmental fund financial statements can be found on pages 3- 6 of this report.

**Proprietary Fund:** Proprietary Fund statements offer short-term and long-term financial information about the two activities the County government operates similar to a private business, such as the Jackson County Solid Waste Disposal Facility and Mayfield Treatment Plant and internal services funds which provide services to other departments of governmental units within the County on a cost-reimbursement basis. Because the services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the solid waste disposal facility and for the Mayfield treatment plant operation, both of which are considered to be major funds of Jackson County. Conversely, the internal service fund is a single presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 7-10 of this report.

**Fiduciary Funds:** Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. Agency funds, a type of Fiduciary Fund, are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds. The County maintains the following Agency funds: Tax Commissioner, Clerk of Superior Court, Probate Court, Magistrate Court, and Sheriff.

The basic fiduciary fund financial statement can be found on page 11 of this report.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 13-57 of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Jackson County Government's progress in funding its obligations to provide pension benefits to its employees and the budgetary

comparison schedule for the General Fund.

Required supplementary information can be found on page 58 - 61 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 62-88 of this report.

**Figure A-1** summarizes the major features of the Jackson County Government’s financial statements, including the portion of the Government they cover and the types of information they contain.

Figure A-1  
Major Features of Jackson County Government's Government-wide and Fund Financial Statements

	Fund Statements			
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds) and the County's component units.	The activities of the county that are not proprietary or fiduciary in nature	Activities the County operates similar to private businesses: Solid Waste and Mayfield Treatment Plant	Where the County is the trustee or agent for someone else's resources, such as the retirement plan for County employees
Required financial statements	Statements of Net Assets; Statements of Activities	Balance Sheet; Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Assets; Statement of Net Revenues, Expenses, and Changes in Net Assets; Statement of Net Cash Flow	Statement of Fiduciary Net Assets; Statement of Changes in Fiduciary Net Assets
Accounting basis and measurement focus	Accrual accounting and economic resource focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

## GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

The government-wide statements report information about Jackson County Government as a whole using accounting methods similar to those used by private sector companies.

Jackson County, on an entity-wide basis, had an increase in net assets during 2008 of \$4.74 million, of which \$4.74 million was from governmental activities and \$- from business-type activities. At December 31, 2008, the County had \$125.91 million invested in capital assets, net of related debt and accumulated depreciation and \$14.79 million in restricted net assets. Unrestricted net assets as of December 31, 2008 equaled \$7.91 million. The table below depicts the split of net assets between governmental and business-type activities.

### JACKSON COUNTY, GEORGIA'S NET ASSETS DECEMBER 31, 2008 (\$ In thousands)

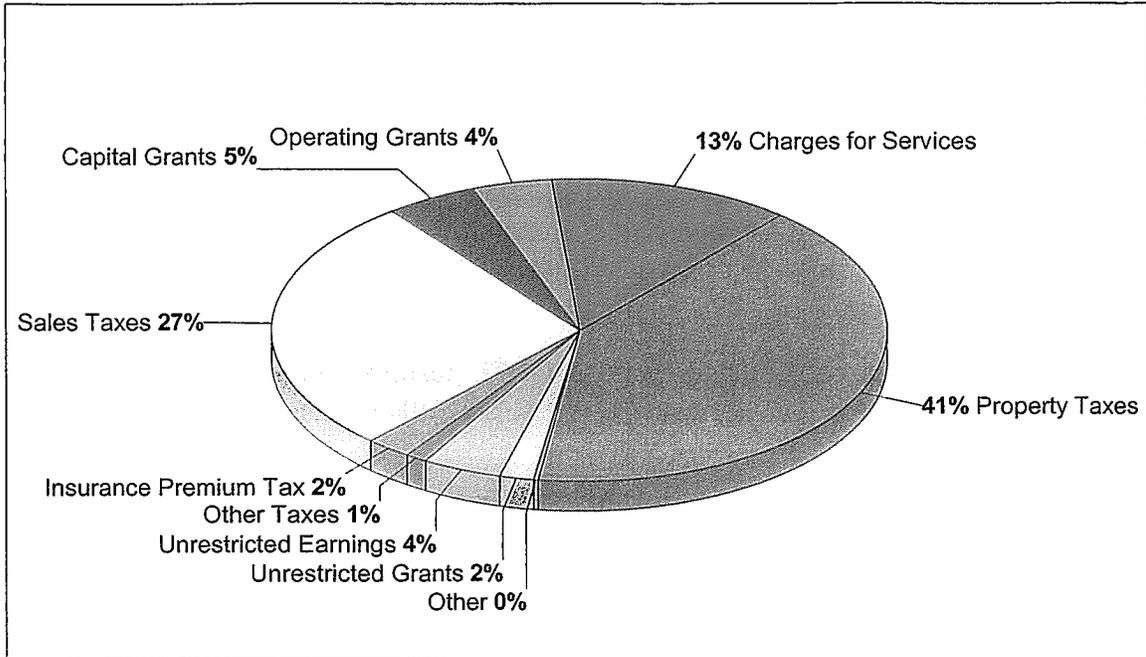
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2008	2007	2008	2007	2008	2007
<b>Assets</b>						
Current and other assets	\$ 123,684	\$ 100,084	\$ 591	\$ 797	\$ 124,275	\$ 100,881
Capital assets (net of depreciation)	<u>200,079</u>	<u>171,137</u>	<u>786</u>	<u>603</u>	<u>200,865</u>	<u>171,740</u>
<b>TOTAL ASSETS</b>	<b><u>323,763</u></b>	<b><u>271,221</u></b>	<b><u>1,377</u></b>	<b><u>1,400</u></b>	<b><u>325,140</u></b>	<b><u>272,621</u></b>
<b>Liabilities:</b>						
Long-term liabilities outstanding	138,905	93,637	1,251	1,318	140,156	94,955
Other liabilities	<u>36,261</u>	<u>33,731</u>	<u>121</u>	<u>77</u>	<u>36,382</u>	<u>33,808</u>
<b>TOTAL LIABILITIES</b>	<b><u>175,166</u></b>	<b><u>127,368</u></b>	<b><u>1,372</u></b>	<b><u>1,395</u></b>	<b><u>176,538</u></b>	<b><u>128,763</u></b>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	125,119	130,572	786	603	125,905	131,175
Restricted	14,791	10,243	-	-	14,791	10,243
Unrestricted	<u>8,687</u>	<u>3,038</u>	<u>(781)</u>	<u>(598)</u>	<u>7,906</u>	<u>2,440</u>
<b>TOTAL NET ASSETS</b>	<b><u>\$ 148,597</u></b>	<b><u>\$ 143,853</u></b>	<b><u>\$ 5</u></b>	<b><u>\$ 5</u></b>	<b><u>\$ 148,602</u></b>	<b><u>\$ 143,858</u></b>

**JACKSON COUNTY, GEORGIA'S CHANGES IN NET ASSETS**  
**DECEMBER 31, 2008**  
(\$ In thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
<b>REVENUES</b>						
Program revenues:	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Charges for services	\$ 6,920	\$ 6,914	\$ 851	\$ 947	\$ 7,771	\$ 7,861
Operating grants and contributions	2,337	1,915	-	-	2,337	1,915
Capital grants and contributions	2,661	3,364	-	280	2,661	3,644
General Revenues:						
Property taxes	22,287	18,071	-	-	22,287	18,071
Sales taxes	14,941	16,513	-	-	14,941	16,513
Insurance premium tax	1,309	1,278	-	-	1,309	1,278
Other taxes	628	813	-	-	628	813
Unrestricted investment earnings	2,299	1,850	-	-	2,299	1,850
Grants and contributions not restricted for a specific programs	1,001	934	-	-	1,001	934
Other	<u>130</u>	<u>116</u>	<u>-</u>	<u>-</u>	<u>130</u>	<u>116</u>
<b>TOTAL REVENUES</b>	<u><b>54,513</b></u>	<u><b>51,768</b></u>	<u><b>851</b></u>	<u><b>1,227</b></u>	<u><b>55,364</b></u>	<u><b>52,995</b></u>
<b>EXPENSES</b>						
General Government	5,517	5,446	-	-	5,517	5,446
Judicial	3,895	3,468	-	-	3,895	3,468
Public safety	18,609	17,328	-	-	18,609	17,328
Public works	12,354	9,263	-	-	12,354	9,263
Health and welfare	962	926	-	-	962	926
Recreation and culture	1,530	1,339	-	-	1,530	1,339
Housing and development	1,475	1,512	-	-	1,475	1,512
Interest	5,060	2,921	-	-	5,060	2,921
Solid Waste Disposal Facility	-	-	1,201	1,485	1,201	1,485
Mayfield Treatment Plant	-	-	<u>18</u>	<u>21</u>	<u>18</u>	<u>21</u>
<b>TOTAL EXPENSES</b>	<u><b>49,402</b></u>	<u><b>42,203</b></u>	<u><b>1,219</b></u>	<u><b>1,506</b></u>	<u><b>50,621</b></u>	<u><b>43,709</b></u>
Increases in net assets before transfers	5,111	9,565	(368)	(279)	4,743	9,286
Transfers	<u>(367)</u>	<u>(279)</u>	<u>367</u>	<u>279</u>	<u>-</u>	<u>-</u>
Increase in net assets	4,744	9,286	(1)	-	4,743	9,286
Net assets, beginning of year	<u>143,853</u>	<u>134,567</u>	<u>5</u>	<u>5</u>	<u>143,858</u>	<u>134,572</u>
Net assets, end of year	<u><b>\$ 148,597</b></u>	<u><b>\$ 143,853</b></u>	<u><b>\$ 4</b></u>	<u><b>\$ 5</b></u>	<u><b>\$ 148,601</b></u>	<u><b>\$ 143,858</b></u>

Total government-wide revenues for 2008 were \$55.36 million. These revenues consisted of \$39.17 million in taxes, \$6.00 million in grants and contributions, \$2.30 million in investment earnings and \$7.77 million in charges for services, and \$0.13 million in other revenues. Of this amount, \$54.51 million was in governmental activities and \$0.85 million in business-type activities.

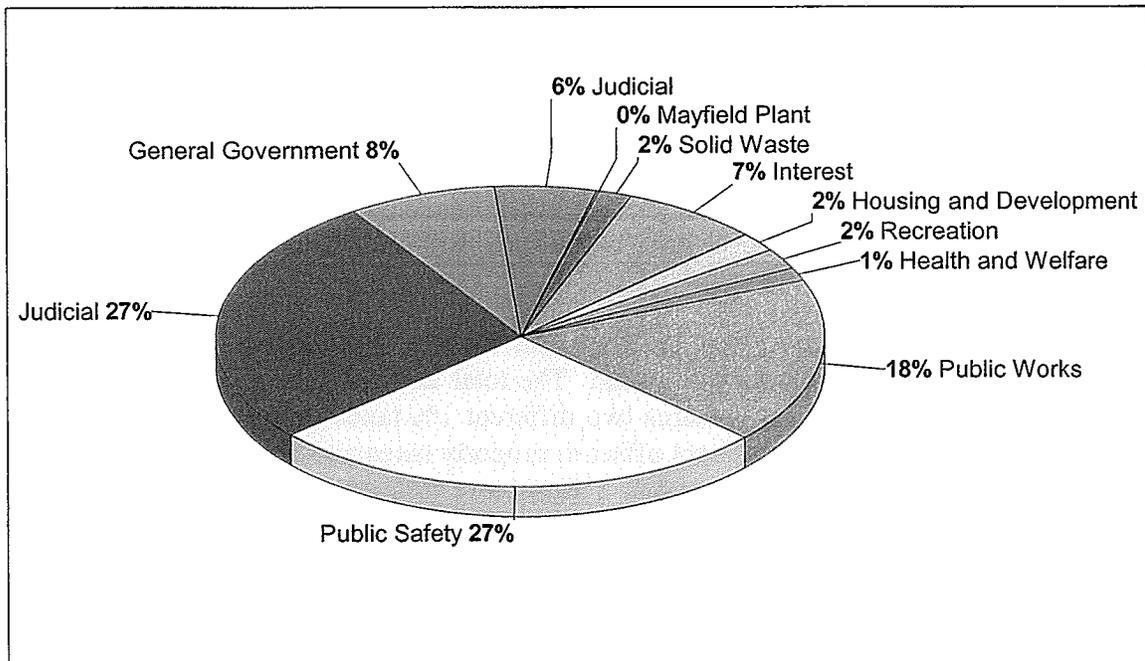
## REVENUES BY SOURCE-GOVERNMENT-WIDE ACTIVITY



Note: Graph may not equal 100% due to rounding.

Government-wide expenses were \$50.62 million for 2008, of which \$49.40 million were for governmental activities and \$1.22 million for business-type activities. The chart below depicts further detail of government-wide expenses.

## EXPENSES BY FUNCTION-GOVERNMENT-WIDE ACTIVITY



Note: Graph may not equal 100% due to rounding.

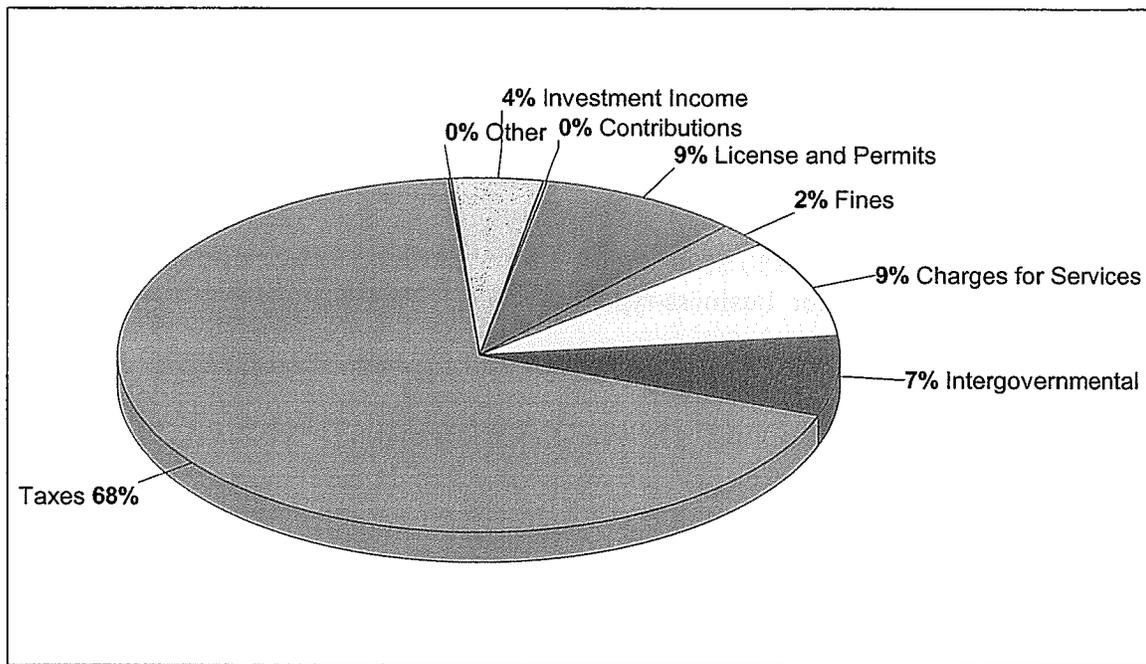
## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, Jackson County Government uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds:** The focus of Jackson County Government's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in evaluating a government's near-term financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

Governmental revenues were up \$2.81 million from 2007. General Fund property taxes increased \$3.43 million due to an increase in the tax digest. However, the millage rate was virtually unchanged from the prior year.

### REVENUES BY SOURCE-GOVERNMENTAL FUNDS



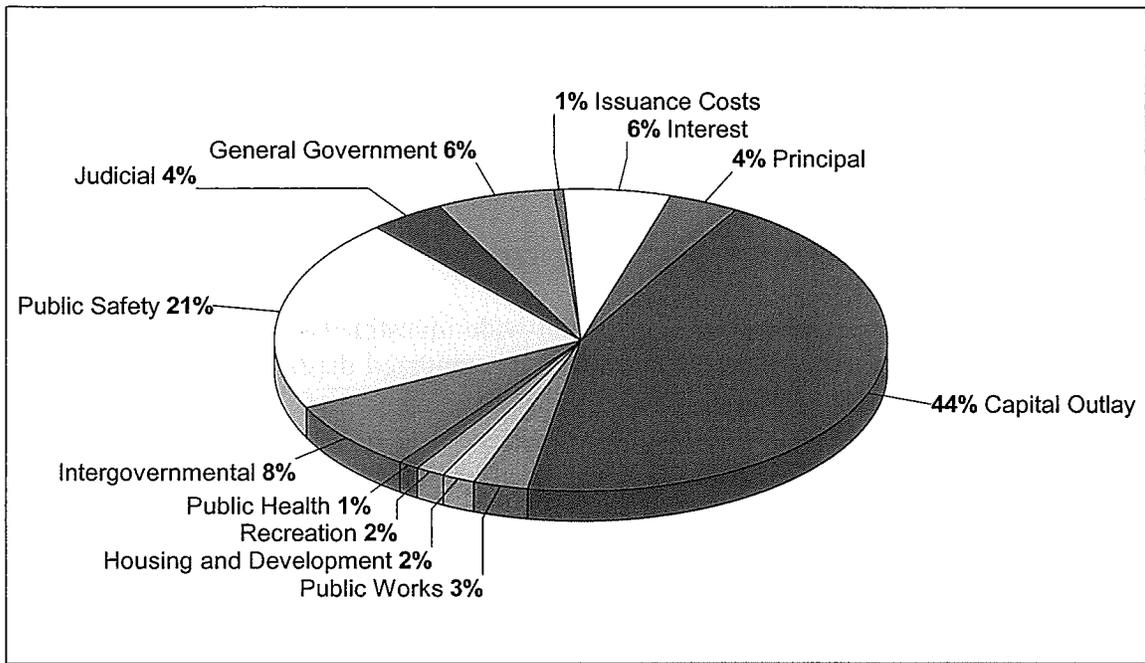
Note: Graph may not equal 100% due to rounding.

The County's Local Option Sales Tax, the General Fund's second most significant revenue source, yielded \$0.59 million less than in the prior year. The total amount of local option sales tax revenue was \$5.76 million. The County currently shares two different 1% taxes on all sales within the County. The Local Option Sales Tax (LOST) is a direct offset to property taxes and is renewed every ten years with the municipalities of Arcade, Braselton, Commerce, Hoschton, Jefferson, Maysville, Nicholson, Pendergrass, and Talmo. The SPLOST Capital Projects fund accounts for the other sales tax which is a Special Purpose Local Option Sales Tax (SPLOST) authorized by voter referendum. The current SPLOST number four, effective for six years, was approved by the voters on March 15, 2005 with collections starting July 1, 2005. The SPLOST tax is for specific capital projects and constitutes a significant portion of Jackson County Government's ability to fund capital projects in the areas of water & sewerage, road & bridges, recreation, and fire training. A total of \$6.25 million was expended during 2008 in the

unincorporated areas for these capital projects; and \$2.87 million was expended for projects in the incorporated areas at the direction of other governments.

Expenditures in the governmental funds were \$81.55 million, up \$21.22 million from 2007. This increase is primarily attributable to an increase in capital expenditures of \$24.3 million. During the year, the county issued \$45 million in Economic Development Bonds to continue infrastructure projects that would promote commercial and industrial development within the county. The increase in capital expenditures is a result of this initiative. Additionally, the county continued construction on a number of Special Purpose Local Option Sales Tax Projects that include, but are not limited to, the jail, public safety fire training facility, and renovations to the county's historic courthouse.

### EXPENDITURES BY FUNCTION-GOVERNMENTAL FUNDS



Note: Graph may not equal 100% due to rounding.

After transfers, fund balances in the governmental funds increased by \$20 million. This is primarily attributable to activities of the SPLOST, Capital Projects Fund, and non-major governmental funds. SPLOST and Capital projects funds have project length budgets and therefore have revenues and expenditures that fluctuate over the life of the project. In 2008, Jackson County had SPLOST collections and capital project fund proceeds from issuing debt which will be spent in future years. This timing difference affects the fund balances shown in those funds.

The Capital Projects Fund had an increase in fund balance of \$17.80 million. This increase is attributable to issuing \$45 million in Economic Development Bonds through the Jackson County Industrial Development Authority for the purpose of furthering commercial and industrial growth in the county's tax digest.

**PROPRIETARY FUNDS:** Jackson County Government's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The business-type activities of the Solid Waste Disposal Facility had revenues that decreased by \$93 thousand from the prior

year, while expenses decreased by \$233 thousand from 2007. This is primarily attributable to a decrease in landfill closure/postclosure costs from the prior fiscal year. There was little change from 2007 for the Mayfield Wastewater Treatment Plant fund.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget, the final budget and actual results are shown on pages 60-61. Over the course of the year, the Board of Commissioners revised the County's budget several times. The three primary reasons for amending the budget are:

- Carry-forwards from prior years unreserved fund balance to fund capital projects.
- Supplemental appropriations to increase revenue and expenditure accounts due to the receipt of unanticipated grant revenue.
- Increases in appropriations to prevent budget overruns and a violation of the state budget law.

Even with these adjustments, actual expenditures were \$537,217 below final budget amounts. Resources available for appropriation at year end were \$121,685 above final budget amounts.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

**CAPITAL ASSETS:** Jackson County's Government-wide investments in capital assets at December 31, 2008, were \$200.87 million, net of \$32.45 million in accumulated depreciation. This investment, which includes land, buildings, roads, bridges, machinery and equipment, park facilities and vehicles, is further explained in Note 5 which begins on page 26. Government-wide additions in 2008 were over \$38.11 million with \$37.86 million in government-type activities and the residual in business-type activities.

Major capital asset activities in governmental type activities in 2008 were:

- Additions to land and buildings of \$0.25 million.
- Procurement of various vehicles and equipment in the amount of \$5.91 million.
- Continued construction on a series of roads to further the County's economic development initiatives. Additions in the amount of \$7.58 million were made in 2008 to roads, bridges, and other infrastructure including related land.
- Additions to construction in progress other than infrastructure in the amount of \$24.13 million. These projects include the new jail, fire training facility design, preservation plan for the historic courthouse, East Jackson Park, and other small projects.

**Long-term debt:** Long-term debt increased as the result of additions by \$48.17 million in 2008. However, the county retired \$3.64 million in long-term debt. The new debt is primarily the result of \$45.00 million in contracts payable issued for the construction of various projects for economic development purposes. The majority of these projects consist of economic development roads that will attract commercial and industrial prospects to Jackson County. Additional information on the county's debt is contained in Note 6 beginning on page 31.

In 2007, Jackson County in partnership with the City of Jefferson's Public Building Authority issued \$40.5 million in Series 2007A Revenue Bonds. Based on Jackson County's strong management and sound fiscal policies, the issued bonds received stand alone ratings of "A1" and "A+" by Moody's and Standard & Poor's respectively. To further broaden the investor market, municipal bond insurance was purchased, thus raising the bonds' rating to "Aaa" and "AAA" respectively. The bond issue was marketed in August 2007, during an extremely volatile period in the marketplace, just prior to the downfall in the "sub-prime" mortgage sector. Despite the instability in the marketplace, the bonds were successfully sold at a net interest cost of 4.71%.

In 2008, Standard and Poor's reviewed the Issuer Credit Rating for Jackson County, Georgia and reaffirmed the "A+" rating and a stable outlook for the county.

The aforementioned ratings reflect the county's favorable underlying credit characteristics, including a rapidly-growing local economy that benefits from its proximity to the Atlanta metropolitan area, an improved financial position characterized by healthy reserve levels, a healthy and expanding tax base, a stable employment base with access to additional employment opportunities in the surrounding communities, and an above average debt burden.

## **ECONOMIC FACTORS AND THE 2009 BUDGET**

The County's General Fund receives approximately \$5.76 million or 16.66% of its revenues from the 1% local option sales and use tax; therefore, economic indicators are very important in forming the General Fund budget estimates. Given a suspect economy and declining disposable income as a result of increase petroleum prices, sales tax projections for 2009 remained rather conservative at \$5.8 million.

Despite the downturn in the economy, Jackson County is well positioned for economic growth. Recently there have been several new construction and expansion industrial projects in the county. The Aldi Corporation recently announced a \$40 million investment in a new distribution center. The Roper Pump Company announced an expansion worth \$3 million. The Louisiana-Pacific building that closed last year now has a contract to sell the facility for unknown millions and the company will invest an additional \$23 million in the facility.

There are signs that the economic outlook for 2009 for industrial development is good. During the month of April 2009 the county responded to more economic development projects than it did the last quarter of 2008 and the first quarter of 2009.

For 2009, the Jackson County Government has budgeted a 8.32% increase in general fund revenues over the original budget for 2008.

The County's total number of employees for 2008 was 513, up 50 from 2007. The 2009 Budget increased to 584 employees, an increase of 71 employees. Most of the increase in employees was in the area of public safety.

## **REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of Jackson County Government's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the County's Finance Director at 67 Athens Street, Jefferson, GA 30549.

This page intentionally left blank.

**JACKSON COUNTY, GEORGIA**  
**STATEMENT OF NET ASSETS**  
**December 31, 2008**

ASSETS	<b>PRIMARY GOVERNMENT</b>			<b>COMPONENT UNITS</b>
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>	
Cash	\$ 29,673,629	\$ -	\$ 29,673,629	\$ 2,393,539
Investments	4,497,649	-	4,497,649	-
Capital lease receivable	-	61,859	61,859	-
Receivables (net of allowance for uncollectibles)	10,842,514	135,765	10,978,279	789,635
Internal balances	(167,604)	167,604	-	-
Due from component units	584,240	-	584,240	-
Inventories	224,599	-	224,599	67,983
Prepaid items	1,311,586	-	1,311,586	96,568
Restricted assets:				
Cash	59,575,664	-	59,575,664	3,758,099
Investments	6,718,952	-	6,718,952	-
Receivables-sales tax	-	-	-	221,791
Non-current assets:				
Capital lease receivable	-	225,717	225,717	-
Receivables	7,985,000	-	7,985,000	-
Deferred charges	2,192,346	-	2,192,346	559,320
Net pension obligation	245,322	-	245,322	-
Capital assets:				
Capital assets not being depreciated	119,993,333	544,690	120,538,023	15,139,235
Capital assets being depreciated	112,234,635	538,108	112,772,743	111,793,612
Less: accumulated depreciation	(32,148,729)	(296,918)	(32,445,647)	(14,403,029)
Capital assets, net of depreciation	200,079,239	785,880	200,865,119	112,529,818
<b>TOTAL ASSETS</b>	323,763,136	1,376,825	325,139,961	120,416,753
<b>LIABILITIES</b>				
Accounts payable	4,857,750	121,162	4,978,912	826,449
Accrued interest payable	1,533,273	-	1,533,273	367,030
Other accrued items	1,078,402	-	1,078,402	16,988
Due to primary government	-	-	-	584,240
Unearned revenue	22,063,928	-	22,063,928	9,077,390
Amounts held in trust	6,726,550	-	6,726,550	98,106
Noncurrent liabilities:				
Due within one year				
Compensated absences payable	469,848	3,719	473,567	42,204
Accrued landfill closure / postclosure	-	49,800	49,800	-
Notes payable	22,202	61,859	84,061	298,850
Capital leases payable	2,243,259	-	2,243,259	-
Revenue bonds payable	-	-	-	1,953,132
Contracts payable	842,989	-	842,989	775,795
Due in more than one year				
Compensated absences payable	160,139	13,603	173,742	99,532
Accrued landfill closure / postclosure	-	896,400	896,400	-
Notes payable	192,916	225,717	418,633	4,904,774
Capital leases payable	24,507,215	-	24,507,215	-
Revenue bonds payable	-	-	-	17,955,419
Contracts payable	109,794,885	-	109,794,885	19,401,457
Net OPEB obligation	672,341	-	672,341	-
<b>TOTAL LIABILITIES</b>	175,165,697	1,372,260	176,537,957	56,401,366
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	125,119,165	785,880	125,905,045	68,899,793
Restricted for:				
Debt service	2,706,085	-	2,706,085	716,998
Capital outlay projects	8,760,913	-	8,760,913	1,543,989
Public safety programs	3,324,751	-	3,324,751	-
Public health and welfare	-	-	-	345,578
Unrestricted	8,686,525	(781,315)	7,905,210	(7,490,971)
<b>TOTAL NET ASSETS</b>	\$ 148,597,439	\$ 4,565	\$ 148,602,004	\$ 64,015,387

The accompanying notes are an integral part of this statement.

**JACKSON COUNTY, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2008**

FUNCTIONS/PROGRAMS	EXPENSES	.....PROGRAM REVENUES.....			.....NET (EXPENSE) AND CHANGES IN NET ASSETS....			COMPONENT UNITS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES								
General government	\$ 5,516,832	\$ 1,453,509	\$ 43,505	\$ -	\$ (4,019,818)	\$ -	\$ (4,019,818)	\$ -
Judicial	3,895,447	1,800,622	265,384	-	(1,829,441)	-	(1,829,441)	-
Public safety	18,608,911	2,889,880	1,732,268	20,790	(13,965,973)	-	(13,965,973)	-
Public works	12,354,178	-	-	2,629,315	(9,724,863)	-	(9,724,863)	-
Public health and welfare	962,381	30,439	291,529	-	(640,413)	-	(640,413)	-
Recreation and culture	1,529,930	314,187	-	11,225	(1,204,518)	-	(1,204,518)	-
Housing and development	1,475,158	431,305	4,272	-	(1,039,581)	-	(1,039,581)	-
Interest	5,059,960	-	-	-	(5,059,960)	-	(5,059,960)	-
Total Governmental Activities	<u>49,402,797</u>	<u>6,919,942</u>	<u>2,336,958</u>	<u>2,661,330</u>	<u>(37,484,567)</u>	<u>-</u>	<u>(37,484,567)</u>	<u>-</u>
BUSINESS-TYPE ACTIVITIES								
Solid waste/recycling	1,200,546	833,267	-	-	-	(367,279)	(367,279)	-
Mayfield Treatment Plant	17,618	17,618	-	-	-	-	-	-
Total Business-Type Activities	<u>1,218,164</u>	<u>850,885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(367,279)</u>	<u>(367,279)</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 50,620,961</u>	<u>\$ 7,770,827</u>	<u>\$ 2,336,958</u>	<u>\$ 2,661,330</u>	<u>(37,484,567)</u>	<u>(367,279)</u>	<u>(37,851,846)</u>	<u>-</u>
COMPONENT UNITS								
Health Department	\$ 1,128,763	\$ 328,844	\$ 639,107	\$ -	-	-	-	(160,812)
Water and Sewerage Authority	7,980,306	5,205,281	1,836,972	3,583,903	-	-	-	2,645,850
Airport Authority	829,904	594,623	15,000	1,276,991	-	-	-	1,056,710
TOTAL COMPONENT UNITS	<u>\$ 9,938,973</u>	<u>\$ 6,128,748</u>	<u>\$ 2,491,079</u>	<u>\$ 4,860,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,541,748</u>
GENERAL REVENUES								
Property taxes					22,287,055	-	22,287,055	-
Sales taxes					14,941,069	-	14,941,069	-
Insurance premium taxes					1,309,090	-	1,309,090	-
Real estate recording taxes					385,483	-	385,483	-
Other taxes					242,823	-	242,823	-
Total taxes					<u>39,165,520</u>	<u>-</u>	<u>39,165,520</u>	<u>-</u>
Unrestricted investment earnings					2,299,254	-	2,299,254	166,379
Grants and contributions not restricted to a specific program					1,001,322	-	1,001,322	-
Gain on sale of capital assets					130,157	-	130,157	-
TRANSFERS					(367,279)	367,279	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					<u>42,228,974</u>	<u>367,279</u>	<u>42,596,253</u>	<u>166,379</u>
CHANGES IN NET ASSETS					4,744,407	-	4,744,407	3,708,127
NET ASSETS, Beginning					143,853,032	4,565	143,857,597	60,307,260
NET ASSETS, Ending					<u>\$ 148,597,439</u>	<u>\$ 4,565</u>	<u>\$ 148,602,004</u>	<u>\$ 64,015,387</u>

The accompanying notes are an integral part of this statement

**JACKSON COUNTY, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2008**

	GENERAL	SPLOST	CAPITAL PROJECTS	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash	\$ 16,227,546	\$ 8,603,987	\$ -	\$ 4,842,093	\$ 29,673,626
Investments	4,497,649	-	-	-	4,497,649
Receivables (net of allowance for uncollectibles)	8,290,230	1,380,245	271,161	1,034,840	10,976,476
Due from other funds	854,340	-	710,955	243,411	1,808,706
Due from component units	584,240	-	-	-	584,240
Prepaid items	1,064,253	17,400	-	229,932	1,311,585
Inventories	181,544	-	-	26,939	208,483
Restricted assets:					
Cash	1,617,364	-	57,958,300	-	59,575,664
Investments	-	-	6,718,952	-	6,718,952
<b>TOTAL ASSETS</b>	<b>\$ 33,317,166</b>	<b>\$ 10,001,632</b>	<b>\$ 65,659,368</b>	<b>\$ 6,377,215</b>	<b>\$ 115,355,381</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 489,027	\$ 1,077,858	\$ 3,139,743	\$ 142,304	\$ 4,848,932
Other accrued items	1,071,324	-	-	7,079	1,078,403
Due to other funds	1,131,971	135,461	148,373	550,805	1,966,610
Deferred revenue	21,739,273	10,000	-	1,948,168	23,697,441
Amounts held in trust	7,566	-	6,718,984	-	6,726,550
<b>TOTAL LIABILITIES</b>	<b>24,439,161</b>	<b>1,223,319</b>	<b>10,007,100</b>	<b>2,648,356</b>	<b>38,317,936</b>
<b>FUND BALANCES</b>					
Reserved:					
Prepaid expenditure	1,064,253	17,400	-	229,932	1,311,585
Debt service	1,059,427	-	-	-	1,059,427
Capital outlay projects	557,936	8,778,313	55,652,268	-	64,988,517
Unreserved, undesignated:					
General Fund	6,196,389	(17,400)	-	3,498,927	9,677,916
<b>TOTAL FUND BALANCES</b>	<b>8,878,005</b>	<b>8,778,313</b>	<b>55,652,268</b>	<b>3,728,859</b>	<b>77,037,445</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 33,317,166</b>	<b>\$ 10,001,632</b>	<b>\$ 65,659,368</b>	<b>\$ 6,377,215</b>	<b>\$ 115,355,381</b>

The accompanying notes are an integral part of this statement

**JACKSON COUNTY, GEORGIA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF**  
**NET ASSETS**  
**For the Year Ended December 31, 2008**

<b>Total Fund Balances for Governmental Funds (page 3)</b>		<b>\$ 77,037,445</b>
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.		200,079,239
Some assets are not available in the current period, and therefore, are not reported in the funds:		
Net pension obligation	245,322	
Deferred charge for issuance cost	<u>2,192,346</u>	
		2,437,668
Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenues in the funds.		
Property Taxes	1,282,827	
Fines	350,689	
Contracts receivable City of Jefferson 2007B bonds	<u>7,985,000</u>	
		9,618,516
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest	(1,533,273)	
Compensated absences	(629,987)	
Capital leases	(26,750,474)	
Notes payable	(215,118)	
Contracts payable	(110,637,874)	
Agreement for sale	(672,341)	
Internal loan	<u>(136,363)</u>	
		(140,575,430)
Rounding		<u>1</u>
<b>Total net assets of governmental activities (page 1)</b>		<b>\$ <u><u>148,597,439</u></u></b>

The accompanying notes are an integral part of this statement.

**JACKSON COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2008**

	GENERAL	DEBT SERVICE	SPLOST	CAPITAL PROJECTS	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Taxes	\$ 27,611,602	\$ -	\$ 9,183,845	\$ -	\$ 1,750,133	\$ 38,545,580
Licenses and permits	31,714	-	-	54	373,502	405,270
Intergovernmental	2,891,932	-	763,181	76,059	411,569	4,142,741
Fines and forfeitures	1,054,044	-	-	-	233,722	1,287,766
Charges for services	2,449,468	-	-	-	2,627,973	5,077,441
Contributions and donations	-	-	62,404	-	44,071	106,475
Investment income	460,270	-	104,561	1,665,827	68,596	2,299,254
Miscellaneous	85,259	-	-	-	9,954	95,213
<b>TOTAL REVENUES</b>	<b>34,584,289</b>	<b>-</b>	<b>10,113,991</b>	<b>1,741,940</b>	<b>5,519,520</b>	<b>51,959,740</b>
EXPENDITURES						
Current Expenditures						
General government	5,092,003	-	-	2,500	-	5,094,503
Judicial	3,230,681	-	-	-	22,177	3,252,858
Public safety	11,376,969	-	-	-	5,545,940	16,922,909
Public works	2,147,621	-	18,669	-	188,736	2,355,026
Public health and welfare	406,030	-	-	-	495,582	901,612
Recreation and culture	78,139	-	4,324	-	1,171,869	1,254,332
Housing and development	579,876	-	-	73,868	776,907	1,430,651
Intergovernmental	1,747,334	-	4,414,734	-	4,981	6,167,049
Capital outlay	5,518,452	-	3,764,360	26,528,969	309,931	36,121,712
Debt service						
Principal	2,504,478	101,250	-	-	387,693	2,993,421
Interest	3,809,579	54,583	-	715,144	61,294	4,640,600
Issuance costs	-	-	-	412,374	-	412,374
<b>TOTAL EXPENDITURES</b>	<b>36,491,162</b>	<b>155,833</b>	<b>8,202,087</b>	<b>27,732,855</b>	<b>8,965,110</b>	<b>81,547,047</b>
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(1,906,873)	(155,833)	1,911,904	(25,990,915)	(3,445,590)	(29,587,307)
OTHER FINANCING SOURCES (USES)						
Sale of county property	2,758,620	-	-	61,144	883	2,820,647
Contract payable issued	-	-	-	45,000,000	-	45,000,000
Capital leases	2,418,021	-	-	-	85,185	2,503,206
Transfers in	2,226,452	155,833	95,000	-	4,387,050	6,864,335
Transfers out	(5,005,162)	-	(915,134)	(1,270,367)	(40,952)	(7,231,615)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,397,931</b>	<b>155,833</b>	<b>(820,134)</b>	<b>43,790,777</b>	<b>4,432,166</b>	<b>49,956,573</b>
NET CHANGE IN FUND BALANCES	491,058	-	1,091,770	17,799,862	986,576	20,369,266
FUND BALANCES, Beginning of year	8,386,947	-	7,686,543	37,852,406	2,742,283	56,668,179
FUND BALANCES, End of year	<u>\$ 8,878,005</u>	<u>\$ -</u>	<u>\$ 8,778,313</u>	<u>\$ 55,652,268</u>	<u>\$ 3,728,859</u>	<u>\$ 77,037,445</u>

The accompanying notes are an integral part of this statement

**JACKSON COUNTY, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2008**

Net change in fund balances (page 5)		\$ 20,369,266
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays	36,121,712	
Depreciation expense	<u>(5,023,912)</u>	31,097,800
In the statement of activities, only the gain/loss on the sale of various capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets sold.		
Net book value of capital assets sold	<u>(3,905,250)</u>	(3,905,250)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	1,282,827	
Donated assets	1,750,395	
Fines	<u>350,689</u>	3,383,911
Revenues reported in the funds that relate to prior years are not reported as revenue in the statement of activities		
Property taxes	(662,887)	
Fines	<u>(296,434)</u>	(959,321)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, where as these amounts are deferred and amortized in the statement of activities. This adjustment combines the net change of two balances.		
Proceeds from borrowing including premiums and discounts	(47,503,206)	
Principal payments on long-term debt	2,993,421	
Bond issuance costs	412,374	
Amortization of bond premium, discounts and issuance cost	(58,282)	
Accrued interest on bonds, current year	(1,533,273)	
Accrued interest on bonds, prior year	<u>1,170,801</u>	(44,518,165)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences, current year	(629,987)	
Compensated absences, prior year	535,035	
Net OPEB obligation, current year	(672,341)	
Net OPEB obligation, prior year	<u>-</u>	(767,293)
Net pension obligation is not available during the current period and therefore is not reported in the funds.		
Beginning of year	(203,255)	
End of year	<u>245,322</u>	42,067
Interest on Internal Loan reported in the funds and eliminated for governmental activities		
		1,394
Rounding		
		<u>(2)</u>
<b>Changes in net assets of governmental activities (page 2)</b>		<b>\$ <u>4,744,407</u></b>

The accompanying notes are an integral part of this statement.

**JACKSON COUNTY, GEORGIA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
December 31, 2008**

**BUSINESS-TYPE ACTIVITIES-  
ENTERPRISE FUNDS**

	<b>SOLID WASTE DISPOSAL FACILITY</b>	<b>MAYFIELD TREATMENT PLANT</b>	<b>TOTAL</b>	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND FUEL DEPOT</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Receivables (net of allowance for uncollectibles)	\$ 135,765	\$ -	\$ 135,765	\$ 2,401
Capital lease receivable	-	61,859	61,859	-
Due from other funds	269,429	23,622	293,051	-
Inventories	-	-	-	16,118
<b>TOTAL CURRENT ASSETS</b>	<u>405,194</u>	<u>85,481</u>	<u>490,675</u>	<u>18,519</u>
<b>Noncurrent Assets</b>				
Capital lease receivables	-	225,717	225,717	-
Capital assets				
Capital assets not being depreciated	544,690	-	544,690	-
Capital assets being depreciated	538,108	-	538,108	-
Less: accumulated depreciation	<u>(296,918)</u>	<u>-</u>	<u>(296,918)</u>	<u>-</u>
<b>TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)</b>	<u>785,880</u>	<u>-</u>	<u>785,880</u>	<u>-</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>785,880</u>	<u>225,717</u>	<u>1,011,597</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>1,191,074</u>	<u>311,198</u>	<u>1,502,272</u>	<u>18,519</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	102,105	19,057	121,162	8,818
Due to other funds	125,447	-	125,447	9,701
Compensated absences payable	3,719	-	3,719	-
Accrued landfill closure/postclosure	49,800	-	49,800	-
Notes payable	-	61,859	61,859	-
<b>TOTAL CURRENT LIABILITIES</b>	<u>281,071</u>	<u>80,916</u>	<u>361,987</u>	<u>18,519</u>
<b>Noncurrent Liabilities</b>				
Compensated absences payable	13,603	-	13,603	-
Accrued landfill closure/postclosure	896,400	-	896,400	-
Notes payable	-	225,717	225,717	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>910,003</u>	<u>225,717</u>	<u>1,135,720</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>1,191,074</u>	<u>306,633</u>	<u>1,497,707</u>	<u>18,519</u>
<b>NET ASSETS</b>				
Invested in capital assets	785,880	-	785,880	-
Unrestricted	<u>(785,880)</u>	<u>4,565</u>	<u>(781,315)</u>	<u>-</u>
<b>TOTAL NET ASSETS</b>	<u>\$ -</u>	<u>\$ 4,565</u>	<u>\$ 4,565</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**JACKSON COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2008**

	<b>BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS</b>			<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND FUEL DEPOT</b>
	<b>SOLID WASTE DISPOSAL FACILITY</b>	<b>MAYFIELD TREATMENT PLANT</b>	<b>TOTAL</b>	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 833,267	\$ 17,618	\$ 850,885	\$ 33,250
Charges to other funds	-	-	-	894,789
Total Operating Revenues	<u>833,267</u>	<u>17,618</u>	<u>850,885</u>	<u>928,039</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	292,332	-	292,332	-
Supplies	32,978	-	32,978	-
Other services and charges	19,095	-	19,095	9,089
Landfill closure/postclosure costs	70,259	-	70,259	-
Depreciation	42,901	-	42,901	-
Waste disposal fees	745,679	-	745,679	-
Professional fees	57	-	57	-
Repairs and maintenance	8,096	-	8,096	-
Utilities	7,176	-	7,176	-
Cost of goods sold	-	-	-	918,950
Total Operating Expenses	<u>1,218,573</u>	<u>-</u>	<u>1,218,573</u>	<u>928,039</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(385,306)</u>	<u>17,618</u>	<u>(367,688)</u>	<u>-</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest expense	-	(17,618)	(17,618)	-
Gain (loss) on sale of capital assets	18,027	-	18,027	-
Total Nonoperating Revenues (Expenses)	<u>18,027</u>	<u>(17,618)</u>	<u>409</u>	<u>-</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>(367,279)</u>	<u>-</u>	<u>(367,279)</u>	<u>-</u>
Transfer in	367,279	-	367,279	-
<b>CHANGE IN NET ASSETS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL NET ASSETS, Beginning of year</b>	<u>-</u>	<u>4,565</u>	<u>4,565</u>	<u>-</u>
<b>TOTAL NET ASSETS, End of year</b>	<u>\$ -</u>	<u>\$ 4,565</u>	<u>\$ 4,565</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**JACKSON COUNTY, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2008**

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	SOLID WASTE DISPOSAL FACILITY	MAYFIELD TREATMENT PLANT	TOTAL	INTERNAL SERVICE FUND FUEL DEPOT
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customer	\$ 1,041,945	\$ 17,618	\$ 1,059,563	\$ 30,893
Payments to suppliers	(918,720)	-	(918,720)	(925,682)
Payments to employees	(290,326)	-	(290,326)	-
Internal activity-payments from (to) other funds	-	-	-	894,789
Net cash provided by (used in) operating activities	<u>(167,101)</u>	<u>17,618</u>	<u>(149,483)</u>	<u>-</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers in (out)	367,279	-	367,279	-
Principal payments on noncapital related debt	-	(58,611)	(58,611)	-
Interest expense on noncapital related debt	-	(17,618)	(17,618)	-
Net Cash provided (used) by non-capital financing activities	<u>367,279</u>	<u>(76,229)</u>	<u>291,050</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(235,206)	-	(235,206)	-
Proceeds from sale of capital assets	27,000	-	27,000	-
Net cash provided (used) by capital and related financing activities	<u>(208,206)</u>	<u>-</u>	<u>(208,206)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Principal payments received on lease receivable	-	58,611	58,611	-
Net cash provided (used) by investing activities	<u>-</u>	<u>58,611</u>	<u>58,611</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(8,028)	-	(8,028)	-
CASH, Beginning of year	8,028	-	8,028	-
CASH, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (385,306)	\$ 17,618	\$ (367,688)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	42,901	-	42,901	-
(Increase) decrease in:				
Due from other governments	208,678	-	208,678	(2,357)
Other receivables	-	-	-	6,564
Increase (decrease) in:				
Compensated absences	43,553	-	43,553	(12,396)
Amounts held in trust	2,006	-	2,006	-
Other accrued items	(9,800)	-	(9,800)	-
Due to other funds	(69,133)	-	(69,133)	8,189
Net cash provided by (used in) operating activities	<u>\$ (167,101)</u>	<u>\$ 17,618</u>	<u>\$ (149,483)</u>	<u>\$ -</u>
Net book value of deletions from capital assets	<u>\$ (8,973)</u>	<u>\$ -</u>	<u>\$ (8,973)</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**JACKSON COUNTY, GEORGIA**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**December 31, 2008**

ASSETS	<b>AGENCY FUNDS</b>
Cash	\$ <u>13,367,673</u>
TOTAL ASSETS	\$ <u><u>13,367,673</u></u>
LIABILITIES	
Amount held in trust	\$ <u>13,367,673</u>
TOTAL LIABILITIES	\$ <u><u>13,367,673</u></u>

The accompanying notes are an integral part of this statement.

**JACKSON COUNTY, GEORGIA  
 COMPONENT UNITS  
 COMBINING STATEMENT OF NET ASSETS  
 December 31, 2008**

	HEALTH DEPARTMENT	WATER AND SEWERAGE AUTHORITY	AIRPORT AUTHORITY	TOTAL
<b>ASSETS</b>				
Cash	\$ 451,284	\$ 1,864,500	\$ 77,755	\$ 2,393,539
Receivables (net of allowance for uncollectibles)	71,028	698,129	20,478	789,635
Inventories	-	48,115	19,868	67,983
Prepaid items	-	94,620	1,948	96,568
Restricted assets:				
Cash	-	3,575,050	183,049	3,758,099
Receivables-sales tax	-	221,791	-	221,791
Non-current assets:				
Deferred charges	-	522,242	37,078	559,320
Capital assets:				
Capital assets not being depreciated	-	9,625,498	5,513,737	15,139,235
Capital assets being depreciated	98,616	109,133,224	2,561,772	111,793,612
Less: accumulated depreciation	(94,918)	(13,453,040)	(855,071)	(14,403,029)
Capital assets, net of depreciation	<u>3,698</u>	<u>105,305,682</u>	<u>7,220,438</u>	<u>112,529,818</u>
<b>TOTAL ASSETS</b>	<u>526,010</u>	<u>112,330,129</u>	<u>7,560,614</u>	<u>120,416,753</u>
<b>LIABILITIES</b>				
Accounts payable	27,358	670,104	128,987	826,449
Accrued interest payable	-	350,374	16,656	367,030
Other accrued items	-	16,988	-	16,988
Due to primary government	-	-	584,240	584,240
Unearned revenue	3,982	9,070,908	2,500	9,077,390
Amounts held in trust	-	98,106	-	98,106
Noncurrent liabilities:				
Due within one year				
Compensated absences payable	17,257	24,947	-	42,204
Notes payable	-	133,850	165,000	298,850
Revenue bonds payable	-	1,953,132	-	1,953,132
Contracts payable	-	775,795	-	775,795
Due in more than one year				
Compensated absences payable	57,277	42,255	-	99,532
Notes payable	-	2,924,774	1,980,000	4,904,774
Revenue bonds payable	-	17,955,419	-	17,955,419
Contracts payable	-	19,401,457	-	19,401,457
<b>TOTAL LIABILITIES</b>	<u>105,874</u>	<u>53,418,109</u>	<u>2,877,383</u>	<u>56,401,366</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	3,698	63,762,575	5,133,520	68,899,793
Restricted for:				
Debt service	-	716,998	-	716,998
Capital outlay projects	-	1,543,989	-	1,543,989
Public health and welfare	345,578	-	-	345,578
Unrestricted	70,860	(7,111,542)	(450,289)	(7,490,971)
<b>TOTAL NET ASSETS</b>	<u>\$ 420,136</u>	<u>\$ 58,912,020</u>	<u>\$ 4,683,231</u>	<u>\$ 64,015,387</u>

The accompanying notes are an integral part of this statement.

**JACKSON COUNTY, GEORGIA  
 COMPONENT UNITS  
 COMBINING STATEMENT OF ACTIVITIES  
 For the Year Ended December 31, 2008**

	.....PROGRAM REVENUES.....				....NET (EXPENSE) AND CHANGES IN NET ASSETS....			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	HEALTH DEPARTMENT	WATER AND SEWERAGE AUTHORITY	AIRPORT AUTHORITY	TOTAL
<b>FUNCTIONS/PROGRAMS</b>								
<b>COMPONENT UNITS</b>								
<b>GOVERNMENTAL ACTIVITIES</b>								
Health Department	\$ 1,128,763	\$ 328,844	\$ 639,107	\$ -	\$ (160,812)	\$ -	\$ -	\$ (160,812)
Water and Sewerage Authority	7,980,306	5,205,281	1,836,972	3,583,903	-	2,645,850	-	2,645,850
Airport Authority	829,904	594,623	15,000	1,276,991	-	-	1,056,710	1,056,710
<b>TOTAL COMPONENT UNITS</b>	<u><u>\$ 9,938,973</u></u>	<u><u>\$ 6,128,748</u></u>	<u><u>\$ 2,491,079</u></u>	<u><u>\$ 4,860,894</u></u>	<u><u>(160,812)</u></u>	<u><u>2,645,850</u></u>	<u><u>1,056,710</u></u>	<u><u>3,541,748</u></u>
 <b>GENERAL REVENUES</b>								
Unrestricted investment earnings					16,735	138,600	11,044	166,379
<b>TOTAL GENERAL REVENUES</b>					<u>16,735</u>	<u>138,600</u>	<u>11,044</u>	<u>166,379</u>
<b>CHANGES IN NET ASSETS</b>								
NET ASSETS, Beginning					(144,077)	2,784,450	1,067,754	3,708,127
NET ASSETS, Ending					<u>\$ 420,136</u>	<u>\$ 58,912,020</u>	<u>\$ 4,683,231</u>	<u>\$ 64,015,387</u>

The accompanying notes are an integral part of this statement

This page intentionally left blank.

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of JACKSON COUNTY, GEORGIA have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

(A) REPORTING ENTITY

The government is a political subdivision of the State of Georgia governed by a commission-manager form of government under which a five member Board of County Commissioners is elected to serve as the legislative body for the county. The commission chairman is elected at-large, while the remaining four commissioners are elected by geographical districts in which they reside. Elections for the district seats are staggered four year terms, so as to provide some continuity on the Board of Commissioners. In addition, there are four Constitutional Officers; the Clerk of Superior Court, Probate Court Judge, Sheriff, and Tax Commissioner. The Constitutional Officers are elected countywide. The Board of Commissioners approves all annual appropriations used by the respective Constitutional Officers. As required by generally accepted accounting principles, these financial statements present the government and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

The component unit columns in the combined financial statements include the financial data of the county's component units, which meet the criteria established by Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. They are reported in separate columns to emphasize that they are legally separate from the county.

Brief descriptions of discretely presented component units follow:

JACKSON COUNTY AIRPORT AUTHORITY (airport authority): The airport authority operates the county's noncommercial airport facility. A five-member board governs the airport authority. The county appoints three members of the board, which represents a voting majority. The county also has the ability to impose its will on the authority as all amendments to the rules and regulations of the authority must be approved by the County Board of Commissioners. During fiscal year 2008, the airport authority received \$15,000 from the County Board of Commissioners to subsidize annual operations.

JACKSON COUNTY HEALTH DEPARTMENT (health department): The health department is charged with determining the health needs and resources of its jurisdiction, developing programs, activities, and facilities responsive to those needs, and enforcing all laws related to health matters unless they fall under the jurisdiction of other agencies. The Jackson County Board of Health (board) governs the health department. The board includes seven members representing government, health professions, and the needy. The county appoints the voting

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

majority of the board. Additionally, the health department is fiscally dependent on the county since it must have its budget approved by the county. During fiscal year 2008, the health department received \$150,785 from the County Board of Commissioners to subsidize annual operations. The health department has a June 30 fiscal year end.

JACKSON COUNTY WATER AND SEWERAGE AUTHORITY (water authority): The water authority has five members appointed by the Board of Commissioners of Jackson County. A portion of special purpose sales tax funds is passed through to the water authority. The water authority was created for the purpose of acquiring, constructing, equipping, maintaining and operating adequate water supply, treatment and distribution facilities and sewerage collection, treatment and distribution facilities making such facilities and the services thereof available to public and private consumers and users located in the City of Jefferson, Jackson County and their environs, including municipalities within and without the County and to adjoining counties; extending and improving such facilities. During fiscal year 2008, the water authority received \$3,293,082 from the County Board of Commissioners to subsidize annual operations and to make debt payments.

Complete financial statements may be obtained from the administrative offices at the following locations:

JACKSON COUNTY HEALTH DEPARTMENT	JACKSON COUNTY WATER &
P O Box 260	SEWERAGE AUTHORITY
Jefferson, Georgia 30549	P O Box 869
	Jefferson, Georgia 30549

The JACKSON COUNTY AIRPORT AUTHORITY does not prepare separate financial statements.

**(B) GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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 clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**(C) MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Neither fiduciary funds nor component units that are fiduciary in nature are included in the government-wide financial statements. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are 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 property taxes as available if they are collected within 60 days of the end of the current fiscal year for which they are levied. Fines are considered available if they are collected within 60 days of the end of the current fiscal period. Other revenues susceptible to accrual are considered available if they are collected within 90 days of the end of the current fiscal period for which they are imposed. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales tax, franchise taxes, fines, charges for services, 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *SPLOST Capital Projects Fund* accounts for funds received from the imposition of a local 1% voter approved sales tax reserved for construction of capital projects in the areas of water and sewerage improvements; roads, streets, bridges and sidewalks; parks and recreation; and public safety facilities.

The *Debt Service Fund* accounts for the servicing of general long-term debt associated with revenue bonds issued by the Banks-Jackson-Commerce Hospital Authority.

The *Capital Projects Fund* accounts for acquisition and construction of the County's capital assets.

The government reports the following major proprietary funds:

The *Solid Waste Disposal Facility Enterprise Fund* accounts for the activities of the County's solid waste transfer station.

The *Mayfield Treatment Plant Enterprise Fund* accounts for the operations of the Mayfield Wastewater Treatment Plant. However, the operation of this plant was transferred to the Jackson County Water and Sewerage Authority in the year 2000.

Additionally, the government reports the following fund types:

The *Fuel Depot Internal Service Fund* accounts for charges to other departments or agencies of the government for the purchase of fuel.

The *Agency Funds* are custodial in nature and do not represent results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the Solid Waste Disposal Facility enterprise fund and the Mayfield Treatment Plant enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**(D) ASSETS, LIABILITIES AND NET ASSETS OR EQUITY**

***1. Deposits and Investments***

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are recorded as fair value based on quoted market prices as of the balance sheet date. Increases or decreases in fair value during the year are recognized as part of investment income.

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

**2.     *Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance of uncollectibles.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are normally levied by October 20th of each year. The 2008 property taxes were levied October 20, 2008 and were due December 20, 2008. The taxes are subject to lien after March 20, 2009. Interest and penalties are assessed on taxes not paid by this date.

The County’s property taxes were levied on the assessed values of all real and personal property including mobile homes and motor vehicles located in the County.

The County bills and collects its own property taxes and also those for the School Board and the fire districts. Only the County's tax levy is recognized as revenue when levied and uncollected taxes are recorded as deferred revenue in the general fund and fire districts special revenue funds.

**3.     *Inventories and Prepaid Items***

Inventories, consisting of expendable supplies, not held for resale are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**4.     *Restricted Assets***

Certain proceeds of the County’s capital leases are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable lease agreements.

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

**5. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, culverts, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Roads, bridges and culverts acquired prior to January 1, 2003 have been reported.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the assets constructed. No interest was capitalized during 2008.

Property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Computers and peripherals	3
Infrastructure	20
Machinery and equipment	10
Nonstructural improvements	10
Vehicles	3-5
Water and Sewer lines	50
Sewer treatment plant	50
Water treatment plant	20

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

**6.     *Compensated Absences***

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, "Accounting for Compensated Absences," no liability is reported for unpaid accumulated sick leave because the benefits are paid only upon illness of an employee, and the amount of such payments cannot be reasonably estimated. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**7.     *Long-term Obligations***

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type statement of net assets.

**8.     *Fund Equity/Net Assets***

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The government-wide statement of net assets reports \$14,791,749 of restricted net assets, of which \$2,030,834 is restricted by enabling legislation.

**9.     *Management Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**(A) BUDGETARY INFORMATION**

Annual appropriated budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, all Special Revenue Funds, and Debt Service Fund. Project length budgets are adopted for the Capital Projects Funds. Annual operating budgets are prepared for each Enterprise and Internal Service Fund for planning, control, cost allocation and evaluation purposes. All annual appropriations lapse at fiscal year end.

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

The County follows these procedures in establishing the budgetary data reflected in the financial statements.

In the summer of each year, all agencies of the government submit requests for appropriation to the Finance Director so that a budget may be prepared. The budget is prepared by fund, function and department, and line item, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Before September 1, the proposed budget is presented to the government's Board of Commissioners for review. The government's Board of Commissioners holds public hearings and may add to, subtract from, or change appropriations.

The Office of Financial Administration may amend the line item budget within a department's appropriation as long as the total appropriation for that department is not changed. However, expenditures may not legally exceed budgeted appropriations at the department level without a resolution of the Board of Commissioners. The legal level of budgetary control is at the department level within individual funds.

During the year, the Board of Commissioners authorized amendments to include appropriations and revenues that were not originally budgeted and to reclassify certain expenditures.

The County finance director may amend the line item budget within a department's appropriation. Expenditures may not legally exceed budgeted appropriations at the department level.

During the year, the Commissioners authorized amendments to include appropriations for some activities that were not originally budgeted and to reclassify certain character and functional expenditures.

**(B) EXCESS OF REVENUES AND EXPENDITURES OVER APPROPRIATIONS**

There are no excesses of expenditures over appropriations at the department level (the legal level of control).

**(C) DEFICIT FUND EQUITY**

At December 31, 2008, no funds had deficit fund equity.

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

**NOTE 3 - DEPOSITS AND INVESTMENTS**

As of December 31, 2008, Jackson County had the following investments, some of which are cash equivalents:

Investment Type	Fair Value	INVESTMENT MATURITIES (in Years)		Rating (1)
		Less Than 1	1-5	
General and Capital Project Funds				
Georgia Fund I	\$ 7,728,488	\$ 7,728,488	\$ -	AAAm
Fidelity Treasury Port	257	257	-	AAAm
Goldman Sachs Treasury Obligations	1,382,533	1,382,533	-	AAAm
1st American Treasury Obligations (Class D shares)	24,753,235	24,753,235	-	AAAm
U.S. Government Agencies	<u>\$ 33,864,513</u>	<u>\$ 33,864,513</u>	<u>\$ -</u>	
Maximum Investment		100.00 %	0.00 %	

*1. Standard & Poor's*

Cash per financial statements	
Cash	\$ 29,673,629
Restricted cash	59,575,664
less cash equivalents that are investments	<u>(22,647,912)</u>
Deposits	<u>\$ 66,601,381</u>
Investments per financial statements	
Investments	\$ 4,497,649
Restricted Investments	6,718,952
Investments included in cash equivalents	<u>22,647,912</u>
Investments as listed above	<u>\$ 33,864,513</u>

The Jackson County investment program shall be operated for all investments to comply with federal, state, and local laws. The investment program should use a competitive selection process for investments in excess of 30 days. All investments shall be made with consideration for environmental and human rights impact.

The Local Government Investment Pool, "Georgia Fund 1", created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAM rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is managed by the Office of Treasury and Fiscal Services. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share.

*Interest rate risk.* Interest rate risk is the risk that changes in interest rates may adversely affect an

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of a bond held in a portfolio will decline if market interest rates rise. Jackson County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* State statutes authorize the government to invest in obligations of the U.S. Treasury and of its agencies and instrumentalities; bonds or certificates of indebtedness of this state and of its agencies and instrumentalities; certificates of deposits of banks insured by FDIC; the State of Georgia Local Government Investment Pool; repurchase agreements; bonds, debentures, notes or other evidence of indebtedness of any solvent corporation subject to certain conditions. Jackson County has no investment policy that would further limit its investment choices. At December 31, 2008, the ratings of its investments are shown above.

*Concentration of credit risk.* Jackson County places no limit on the amount it may invest in any one issuer.

*Custodial credit risk - investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Jackson County has a policy of placing investments with qualified financial institutions. As of December 31, 2008, all deposits of the County were adequately insured or collateralized.

*Custodial credit risk - deposits.* In case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Jackson County may exceed the FDIC insured limit in making deposits in commercial banks and savings and loans institutions, if the funds are otherwise adequately secured. As of December 31, 2008, \$22,380 deposits of the County were not adequately insured or collateralized.

State statutes require collateral pledged in the amount of 110% of deposits. Depositories may secure deposits of public funds using the dedicated method or the pooled method as described below.

- Under the dedicated method, a depository shall secure the deposits of each of its public depositors separately.
- Under the pooled method, a depository shall secure deposits of public bodies which have deposits with it through a pool of collateral established by the depository with a custodian for the benefit of public bodies having deposits with such depository as set forth in code Section 45-8-13.1.

The County utilized both methods to secure deposits of public funds.

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

**NOTE 4 - RECEIVABLES**

Receivables as of year-end for the County's individual major funds and nonmajor governmental and Internal Service Funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>SPLOST</u>	<u>Capital Projects Fund</u>	<u>NonMajor Governmental Funds</u>	<u>Solid Waste Disposal Facility</u>	<u>Fuel Depot Internal Service Funds</u>
Receivables:						
Property Taxes	\$ 5,645,985	\$ -	\$ -	\$ 528,289	\$ -	\$ -
Fines	11,680,272	-	-	-	-	-
Accounts	316,895	2,085	235,210	465,492	110,605	-
Intergovernmental	<u>1,787,519</u>	<u>1,378,160</u>	<u>35,951</u>	<u>41,059</u>	<u>42,874</u>	<u>2,401</u>
Total Gross Receivables	19,430,671	1,380,245	271,161	1,034,840	153,479	2,401
Less: Allowance for Uncollectibles	<u>(11,140,441)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,714)</u>	<u>-</u>
Total Net Receivables	<u>\$ 8,290,230</u>	<u>\$ 1,380,245</u>	<u>\$ 271,161</u>	<u>\$ 1,034,840</u>	<u>\$ 135,765</u>	<u>\$ 2,401</u>

Property taxes receivable at December 31, 2008, consist of the following:

<u>DIGEST YEAR</u>	<u>GENERAL FUND</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>
2008	\$ 3,352,034	\$ 341,107
2008-HTRG	950,407	99,538
2007	971,767	69,477
2006	130,479	6,155
2005	90,080	3,461
2004	49,547	1,985
2003	56,511	2,060
2002	17,799	1,534
2001	5,098	661
2000	6,212	697
1999	4,555	437
1998 and prior	<u>11,496</u>	<u>1,177</u>
Total	<u>\$ 5,645,985</u>	<u>\$ 528,289</u>

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>UNAVAILABLE</u>	<u>UNEARNED</u>
Property taxes (General Fund)	\$ 1,206,677	\$ 19,180,267
Property taxes (Fire District Fund)	76,150	1,764,622
Homeowners Tax Relief Grant prior to meeting eligibility requirements (General Fund)	-	950,407
Homeowners Tax Relief Grant prior to meeting eligibility requirements (Fire District Fund)	-	99,538
Probation fines (General Fund)	350,689	-
Grant drawdowns prior to meeting all eligibility requirements (General Fund)	-	51,233
Grant drawdowns prior to meeting all eligibility requirements (Ambulance Fund)	-	3,592
Grant drawdowns prior to meeting all eligibility requirements (SPLOST Fund)	-	10,000
Other	-	4,266
Total deferred/ unearned revenue for governmental funds	<u>\$ 1,633,516</u>	<u>\$ 22,063,925</u>

**COMPONENT UNITS**

	<u>Health Department</u>	<u>Water and Sewerage Authority</u>	<u>Airport Authority</u>
Receivables:			
Accounts	\$ -	\$ 835,952	\$ 20,478
Intergovernmental	71,028	52,929	-
Other	-	7,257	-
	<hr/>	<hr/>	<hr/>
Total Gross Receivables	71,028	896,138	20,478
Less: Allowance for Uncollectibles	-	(198,009)	-
	<hr/>	<hr/>	<hr/>
Total Net Receivables	<u>\$ 71,028</u>	<u>\$ 698,129</u>	<u>\$ 20,478</u>

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2008 was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<b>Governmental Activities:</b>					
<b>Non-Depreciable Assets:</b>					
Land and land improvements	\$ 4,426,466	\$ -	\$ -	\$ -	\$ 4,426,466
Infrastructure land and land improvements	79,026,922	1,094,179	(28,700)	5,095,395	85,187,796
Construction in progress	3,934,834	24,130,205	-	(309,050)	27,755,989
Construction in progress - infrastructure	<u>8,482,484</u>	<u>4,619,367</u>	<u>(1,182,389)</u>	<u>(9,296,380)</u>	<u>2,623,082</u>
Total non-depreciable capital assets	<u>95,870,706</u>	<u>29,843,751</u>	<u>(1,211,089)</u>	<u>(4,510,035)</u>	<u>119,993,333</u>
<b>Depreciable Assets:</b>					
Land Improvements	373,615	21,498	-	160,551	555,664
Buildings and improvements	37,266,367	232,981	-	-	37,499,348
Machinery and equipment	10,148,531	5,053,864	(3,978,591)	-	11,223,804
Vehicles	10,803,121	852,634	(159,986)	148,500	11,644,269
Infrastructure	<u>45,243,187</u>	<u>1,867,379</u>	<u>-</u>	<u>4,200,984</u>	<u>51,311,550</u>
Total depreciable capital assets	<u>103,834,821</u>	<u>8,028,356</u>	<u>(4,138,577)</u>	<u>4,510,035</u>	<u>112,234,635</u>
<b>Less Accumulated Depreciation for:</b>					
Land Improvements	(97,499)	(19,769)	-	-	(117,268)
Buildings and improvements	(5,380,028)	(801,660)	-	-	(6,181,688)
Machinery and equipment	(4,277,335)	(1,099,467)	1,315,519	-	(4,061,283)
Vehicles	(7,489,416)	(1,003,372)	128,897	-	(8,363,891)
Infrastructure	<u>(11,324,955)</u>	<u>(2,099,644)</u>	<u>-</u>	<u>-</u>	<u>(13,424,599)</u>
Total accumulated depreciation	<u>(28,569,233)</u>	<u>(5,023,912)</u>	<u>1,444,416</u>	<u>-</u>	<u>(32,148,729)</u>
Total depreciable capital assets, net	<u>75,265,588</u>	<u>3,004,444</u>	<u>(2,694,161)</u>	<u>4,510,035</u>	<u>80,085,906</u>
Governmental activities capital assets, net	<u>\$ 171,136,294</u>	<u>\$ 32,848,195</u>	<u>\$ (3,905,250)</u>	<u>\$ -</u>	<u>\$ 200,079,239</u>

Additions to governmental activities capital assets for fiscal year ending December 31, 2008 consist of the following:

Capital Outlay	\$ 36,121,712
Donated assets	<u>1,750,395</u>
Total Additions	<u>\$ 37,872,107</u>
Non-depreciable capital assets additions	\$ 29,843,751
Depreciable capital assets additions	<u>8,028,356</u>
Total	<u>\$ 37,872,107</u>

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type Activities:</b>					
<b>Non-Depreciable Assets:</b>					
Land and land improvements	\$ 365,666	\$ -	\$ -	\$ -	\$ 365,666
Construction in progress	<u>-</u>	<u>179,024</u>	<u>-</u>	<u>-</u>	<u>179,024</u>
Total non-depreciable capital assets	<u>365,666</u>	<u>179,024</u>	<u>-</u>	<u>-</u>	<u>544,690</u>
<b>Depreciable Assets:</b>					
Land improvements	69,089	-	-	-	69,089
Buildings and improvements	219,377	-	-	-	219,377
Machinery and equipment	139,158	-	(53,838)	-	85,320
Vehicles	<u>108,140</u>	<u>56,182</u>	<u>-</u>	<u>-</u>	<u>164,322</u>
Total depreciable capital assets	<u>535,764</u>	<u>56,182</u>	<u>(53,838)</u>	<u>-</u>	<u>538,108</u>
<b>Less Accumulated Depreciation for:</b>					
Land improvements	(15,966)	(1,442)	-	-	(17,408)
Buildings and improvements	(58,254)	(4,388)	-	-	(62,641)
Machinery and equipment	(116,523)	(37,071)	44,865	-	(108,729)
Vehicles	<u>(108,140)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(108,140)</u>
Total accumulated depreciation	<u>(298,883)</u>	<u>(42,901)</u>	<u>44,865</u>	<u>-</u>	<u>(296,918)</u>
Total depreciable capital assets, net	<u>236,881</u>	<u>13,281</u>	<u>(8,973)</u>	<u>-</u>	<u>241,190</u>
Business-type activities capital assets, net	<u>\$ 602,547</u>	<u>\$ 192,305</u>	<u>\$ (8,973)</u>	<u>\$ -</u>	<u>\$ 785,880</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental Activities:</b>	
General Government	\$ 301,502
Judicial	555,465
Public Safety	1,272,784
Public Works	2,752,609
Public Health and Welfare	46,111
Recreation and Culture	78,660
Housing and Development	<u>16,781</u>
Total depreciation expense-governmental activities	<u>\$ 5,023,912</u>
<b>Business-type Activities:</b>	
Solid Waste	<u>42,901</u>
Total depreciation expense-business-type activities	<u>\$ 42,901</u>

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

The County has authorized construction projects. The remaining costs are split between the portion of the contracts that have been entered into for which the work had not been done prior to December 31, 2008 and the remainder of the authorized project expenditure for which contracts have not been entered into as of year end. The source of financing for the remaining project cost is noted below:

	<u>Project Authorization</u>	<u>Expended To Date</u>	<u>Contracts in Progress</u>	<u>Authorized Not Obligated</u>	<u>Source</u>
<b>Governmental Activities:</b>					
East Jackson Park at Nicholson	\$ 2,023,676	\$ 1,997,800	\$ -	\$ 25,876	SPLOST
Jackson County Jail Project	33,000,000	24,554,288	8,027,296	418,416	SPLOST, Series 2007 Revenue Bonds
Historic Courthouse Renovation	2,000,000	39,494	146	1,960,360	Series 2007 Revenue Bonds; Local funds
Fire Training Facility	6,556,662	1,023,212	5,277,809	255,641	SPLOST; Series 2007 Revenue Bonds
Various non-Infrastructure SPLOST Projects	51,170	51,170	-	-	SPLOST
Hoods Mill/Water Works Rd. Intersection Improvement	125,000	98,933	21,600	4,467	SPLOST
Libscomb Bridge	291,318	19,492	-	271,826	
J. Trail - Inter. Improvements	1,045	1,045	-	-	
Gum Springs Sidewalk & Enhancements	10,135	10,135	-	-	
Tom Finch Road	24,044	24,044	-	-	
Galilee Church Road	250,000	42,034	100,882	107,084	SPLOST; GA DOT
Thompson Mill	110,286	45,235	64,950	101	SPLOST; Developer Contribution
Senior Center	702,683	32,501	43,878	626,304	
Police Interceptor Hardware	47,182	47,182	-	-	
Economic Development Road & Sewer Projects	54,504,191	2,392,506	754,040	51,357,645	Series 2004 & 2008 Revenue Bonds; GADOT; Developer Contributions
Bear Creek Reservoir recreation area	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>75,000</u>	SPLOST
<b>Total Governmental Activities</b>	<b><u>\$ 99,772,392</u></b>	<b><u>\$ 30,379,071</u></b>	<b><u>\$ 14,290,601</u></b>	<b><u>\$ 55,102,720</u></b>	
<b>Business-type Activities</b>					
New Transfer Station	<u>\$ 1,100,000</u>	<u>\$ 179,024</u>	<u>\$ -</u>	<u>\$ 920,976</u>	
<b>Total Business-type Activities</b>	<b><u>\$ 1,100,000</u></b>	<b><u>\$ 179,024</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 920,976</u></b>	

**Discretely Presented Component Units**

Activity for the Health Department for the year ended December 31, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Depreciable Assets:				
Machinery and equipment	\$ 98,616	\$ -	\$ -	\$ 98,616
Less Accumulated Depreciation	<u>(91,113)</u>	<u>(3,805)</u>	<u>-</u>	<u>(94,918)</u>
Capital Assets, net	<u>\$ 7,503</u>	<u>\$ (3,805)</u>	<u>\$ -</u>	<u>\$ 3,698</u>

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

Activity for Jackson County Water and Sewerage Authority for the year ended December 31, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>					
Non-depreciable Assets:					
Land	\$ 2,529,333	\$ 163,089	\$ -	\$ 28,402	\$ 2,720,824
Land - Water Plant Capacity	2,380,799	-	-	-	2,380,799
Construction in progress	<u>5,118,112</u>	<u>3,431,983</u>	<u>-</u>	<u>(4,026,220)</u>	<u>4,523,875</u>
Total non-depreciable capital assets	<u>10,028,244</u>	<u>3,595,072</u>	<u>-</u>	<u>(3,997,818)</u>	<u>9,625,498</u>
Depreciable assets:					
Buildings	552,022	21,226	-	6,642	579,890
Water tanks	4,276,361	-	(296,839)	10,367	3,989,889
Booster pumps	1,175,665	-	-	-	1,175,665
Water lines	57,302,848	1,393,752	-	3,709,126	62,405,726
Meters	1,595,106	-	-	88,792	1,683,898
Vehicles	236,707	23,345	(36,878)	-	223,174
Sewer system	14,765,860	593,092	-	-	15,358,952
Machinery and equipment	796,723	141,737	(6,676)	182,891	1,114,675
Water Plant Capacity	<u>22,601,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,601,355</u>
Total depreciable capital assets	<u>103,302,647</u>	<u>2,173,152</u>	<u>(340,393)</u>	<u>3,997,818</u>	<u>109,133,224</u>
Less Accumulated Depreciation for:					
Buildings	(90,029)	(17,488)	-	-	(107,517)
Water tanks	(816,943)	(87,133)	103,894	-	(800,182)
Booster pumps	(524,484)	(58,783)	-	-	(583,267)
Water lines	(6,464,296)	(1,196,227)	-	-	(7,660,523)
Meters	(304,306)	(160,249)	-	-	(464,555)
Vehicles	(80,934)	(43,174)	17,280	-	(106,828)
Sewer system	(718,689)	(302,764)	-	-	(1,021,453)
Machinery and equipment	(352,998)	(74,749)	5,174	-	(422,573)
Water Plant Capacity	<u>(1,959,550)</u>	<u>(326,592)</u>	<u>-</u>	<u>-</u>	<u>(2,286,142)</u>
Total accumulated depreciation	<u>(11,312,229)</u>	<u>(2,267,159)</u>	<u>126,348</u>	<u>-</u>	<u>(13,453,040)</u>
Total depreciable capital assets, net	<u>91,990,418</u>	<u>(94,007)</u>	<u>(214,045)</u>	<u>3,997,818</u>	<u>95,680,184</u>
Business-type activities capital assets, net	<u>\$ 102,018,662</u>	<u>\$ 3,501,065</u>	<u>\$ (214,045)</u>	<u>\$ -</u>	<u>\$ 105,305,682</u>

The beginning balances have been updated as required by GASB 34 to reflect the addition of all costs and the associated depreciation related to water plant capacity previously shown as an intangible asset.

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

The Jackson County Water and Sewer Authority has authorized construction projects. The remaining costs are split between the portion of the contracts that have been entered into for which the work had not been done prior to December 31, 2008 for the remainder of the authorized project expenditure for which contracts have not been entered into as of year end. The source of financing for the remaining project cost is noted below:

Project	Project Authorization	Expended To Date	Contracts in Progress	Authorized Not Obligated	Source
Middle Oconee Water Reclamation	\$ 2,523,895	\$ 2,150,456	\$ 360,939	\$ 12,500	Sewer Capital Reserve
SPLOST Priority 2E-2006B	1,752,239	1,501,536	250,703	-	SPLOST
SPLOST Priority 3-2006B	706,434	706,434	-	-	SPLOST
Emergency Water system Rechlorination	19,600	17,839	-	1,761	SPLOST
Emergency Gainesville Connection	139,303	135,557	-	3,746	SPLOST
Brooke Road Widening	50,000	12,053	-	37,947	Water Capital Reserves
	<u>\$ 5,191,471</u>	<u>\$ 4,523,875</u>	<u>\$ 611,642</u>	<u>\$ 55,954</u>	

Activity for the Jackson County Airport Authority for the year ended December 31, 2008 was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<b>Business-type activities:</b>					
Non-depreciable Assets:					
Land	\$ 3,061,698	\$ 6,250	\$ -	\$ -	\$ 3,067,948
Construction in progress	<u>1,005,873</u>	<u>1,447,848</u>	<u>(7,932)</u>	<u>(1)</u>	<u>2,445,789</u>
Total non-depreciable capital assets	<u>4,067,571</u>	<u>1,454,098</u>	<u>(7,932)</u>	<u>(1)</u>	<u>5,513,737</u>
Depreciable assets:					
Land and improvements	1,264,719	-	-	-	1,264,719
Buildings and improvements	982,443	49,132	-	-	1,031,575
Machinery and equipment	<u>96,470</u>	<u>169,007</u>	<u>-</u>	<u>(1)</u>	<u>265,478</u>
Total depreciable capital assets	<u>2,343,632</u>	<u>218,139</u>	<u>-</u>	<u>(1)</u>	<u>2,561,772</u>
Less Accumulated Depreciation for:					
Land and improvements	(457,072)	(69,268)	-	-	(526,340)
Buildings and improvements	(243,853)	(35,784)	-	-	(279,637)
Machinery and equipment	<u>(28,230)</u>	<u>(20,863)</u>	<u>-</u>	<u>1</u>	<u>(49,094)</u>
Total accumulated depreciation	<u>(729,155)</u>	<u>(125,915)</u>	<u>-</u>	<u>1</u>	<u>(855,071)</u>
Total depreciable capital assets, net	<u>1,614,477</u>	<u>92,224</u>	<u>-</u>	<u>-</u>	<u>1,706,701</u>
Business-type activities capital assets, net	<u>\$ 5,682,048</u>	<u>\$ 1,546,322</u>	<u>\$ (7,932)</u>	<u>\$ (1)</u>	<u>\$ 7,220,438</u>

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

The Jackson County Airport Authority has authorized construction projects. The remaining costs are split between the portion of the contracts that have been entered into for which the work had not been done prior to December 31, 2008 and the remainder of the authorized project expenditure for which contracts have not been entered into as of year end. The source of financing for the remaining project cost is noted below:

Project	Project Authorization	Expended To Date	Contracts in Progress	Authorized Not Obligated	Source
Phase I Grading/Runway	\$ 4,129,628	\$ 2,311,731	\$ 1,817,897	\$ -	Series 2004 Revenue Notes; local funds, GADOT, FAA
Phase II Terminal Area Paving & Other Projects	134,058	134,058	-	-	
	<u>\$ 4,263,686</u>	<u>\$ 2,445,789</u>	<u>\$ 1,817,897</u>	<u>\$ -</u>	

**NOTE 6 - LONG-TERM DEBT**

Long-term liability activity for the year ended December 31, 2008 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
<b>Governmental Activities:</b>						
<b>Contracts Payable:</b>						
IDA 2004 Economic Development Bonds	\$ 16,145,000	\$ -	\$ (690,000)	\$ 15,455,000	\$ 715,000	\$ 14,740,000
Add: Original issue Premiums	464,240	-	(28,569)	435,671	28,569	407,102
Subtotal IDA bonds contracts payable	<u>16,609,240</u>	<u>-</u>	<u>(718,569)</u>	<u>15,890,671</u>	<u>743,569</u>	<u>15,147,102</u>
Contracts payable - hospital	<u>1,320,000</u>	<u>-</u>	<u>(101,250)</u>	<u>1,218,750</u>	<u>101,250</u>	<u>1,117,500</u>
Subtotal contracts payable - hospital	<u>1,320,000</u>	<u>-</u>	<u>(101,250)</u>	<u>1,218,750</u>	<u>101,250</u>	<u>1,117,500</u>
City of Jefferson - Series A 2007 Bonds	40,595,000	-	-	40,595,000	-	40,595,000
Less: Original issue discounts	(53,377)	-	1,830	(51,547)	(1,830)	(49,717)
Subtotal Series A 2007 bonds	<u>40,541,623</u>	<u>-</u>	<u>1,830</u>	<u>40,543,453</u>	<u>(1,830)</u>	<u>40,545,283</u>
City of Jefferson - Series B 2007 Bonds	<u>7,985,000</u>	<u>-</u>	<u>-</u>	<u>7,985,000</u>	<u>-</u>	<u>7,985,000</u>
Subtotal Series B 2007 bonds	<u>7,985,000</u>	<u>-</u>	<u>-</u>	<u>7,985,000</u>	<u>-</u>	<u>7,985,000</u>
IDA 2008 Economic Development Bonds	<u>-</u>	<u>45,000,000</u>	<u>-</u>	<u>45,000,000</u>	<u>-</u>	<u>45,000,000</u>
Subtotal 2008 IDA bonds	<u>-</u>	<u>45,000,000</u>	<u>-</u>	<u>45,000,000</u>	<u>-</u>	<u>45,000,000</u>
Total Contracts Payable	<u>66,455,863</u>	<u>45,000,000</u>	<u>(817,989)</u>	<u>110,637,874</u>	<u>842,989</u>	<u>109,794,885</u>
Capital leases	26,244,866	2,503,205	(2,160,391)	26,587,680	2,236,405	24,351,275
Add: Original issue Premiums	169,647	-	(6,853)	162,794	6,854	155,940
Total Capital Leases	<u>26,414,513</u>	<u>2,503,205</u>	<u>(2,167,244)</u>	<u>26,750,474</u>	<u>2,243,259</u>	<u>24,507,215</u>
Notes Payable	<u>231,020</u>	<u>-</u>	<u>(15,902)</u>	<u>215,118</u>	<u>22,202</u>	<u>192,916</u>
Compensated absences	<u>535,035</u>	<u>564,800</u>	<u>(469,848)</u>	<u>629,987</u>	<u>469,848</u>	<u>160,139</u>
Governmental activities long-term liabilities	<u>\$ 93,636,431</u>	<u>\$ 48,068,005</u>	<u>\$ (3,470,983)</u>	<u>\$ 138,233,453</u>	<u>\$ 3,578,298</u>	<u>\$ 134,655,155</u>
<b>Business-type Activities:</b>						
Notes payable	\$ 346,187	\$ -	\$ (58,611)	\$ 287,576	\$ 61,859	\$ 225,717
Landfill closure/postclosure	956,000	101,113	(110,913)	946,200	49,800	896,400
Compensated absences	15,316	5,725	(3,719)	17,322	3,719	13,603
Business-type activities long-term liabilities	<u>\$ 1,317,503</u>	<u>\$ 106,838</u>	<u>\$ (173,243)</u>	<u>\$ 1,251,098</u>	<u>\$ 115,378</u>	<u>\$ 1,135,720</u>

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

Compensated absences are generally liquidated by the general fund.

*SUMMARY OF ALL DEBT - GOVERNMENTAL ACTIVITIES*

<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 3,074,857	\$ 6,164,619	\$ 9,239,476
2010	3,454,208	6,030,213	9,484,421
2011	4,808,935	5,863,578	10,672,513
2012	4,475,749	5,672,905	10,148,654
2013	4,665,706	5,479,073	10,144,779
2014-2018	26,392,093	24,102,679	50,494,772
2019-2023	31,900,000	17,543,792	49,443,792
2024-2028	33,450,000	9,841,960	43,291,960
2029-2033	15,430,000	4,033,213	19,463,213
2034-2038	<u>9,405,000</u>	<u>919,243</u>	<u>10,324,243</u>
	<u>\$ 137,056,548</u>	<u>\$ 85,651,275</u>	<u>\$ 222,707,823</u>

**CAPITAL LEASES**

Heavy equipment for road construction and various other equipment items and the new courthouse are acquired under capital lease agreements. The County, in conjunction with the Association County Commissioners of Georgia Lease Purchase Program, issued \$25,000,000 in aggregate principal of Certificates of Participation (COPS) during October 2003 to finance the construction of a new courthouse facility. Minimum future lease obligations for these leases, as of December 31, 2008, are as follows:

<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 2,236,405	\$ 1,235,630	\$ 3,472,035
2010	1,525,805	1,150,421	2,676,226
2011	1,125,517	1,096,487	2,222,004
2012	642,247	1,063,090	1,705,337
2013	668,299	1,034,912	1,703,211
2014-2018	3,709,407	4,709,352	8,418,759
2019-2023	4,710,000	3,649,576	8,359,576
2024-2028	6,060,000	2,266,369	8,326,369
2029-2032	<u>5,910,000</u>	<u>600,000</u>	<u>6,510,000</u>
	<u>\$ 26,587,680</u>	<u>\$ 16,805,837</u>	<u>\$ 43,393,517</u>

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

As of December 31, 2008, the capital assets purchased under these capital lease agreements are as follows:

	<u>Governmental</u>
	<u>Activities</u>
Buildings and improvements	\$25,916,829
Machinery and equipment	6,399,562
Vehicles	3,837,226
Less accumulated depreciation	<u>(5,207,351)</u>
	<u>\$30,946,266</u>

CONTRACTS PAYABLE

HOSPITAL

On July 1, 1978, Jackson County entered into a contract with Banks County and Banks-Jackson-Commerce Hospital Authority to fund repayment of an issue of \$2,580,000 of Series 1978 Banks-Jackson-Commerce Hospital Authority Revenue Anticipation Certificates, which mature April 1, 2008, bear interest at rates from 6.2% to 6.75%.

These Certificates were refunded in October of 2003, along with the Series 1988 Banks-Jackson-Commerce Hospital Authority Revenue Anticipation Certificates, with the issuance of Series 2003A and 2003B Banks-Jackson-Commerce Hospital Authority Revenue Anticipation Certificates (the "2003" Certificates) in the amount of \$2,250,000. The contract related to the 2003 Certificates states that Jackson County is to make payments to the Banks-Jackson-Commerce Hospital Authority Sinking Fund in amounts equal to 75% of the principal and interest. The balance outstanding on the 2003 Certificates at December 31, 2008, is \$1,625,000. Jackson County's portion of these certificates is \$1,218,750.

The annual requirements to amortize this contract payable as of December 31, 2008 are as follows:

<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 101,250	\$ 50,229	\$ 151,479
2010	105,000	45,795	150,795
2011	108,750	41,199	149,949
2012	112,500	36,443	148,943
2013	120,000	31,444	151,444
2014-2018	<u>671,250</u>	<u>74,578</u>	<u>745,828</u>
Total	<u>\$ 1,218,750</u>	<u>\$ 279,688</u>	<u>\$ 1,498,438</u>

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

**IDA 2004 ECONOMIC DEVELOPMENT BONDS PAYABLE**

On November 1, 2004, Jackson County entered into a contract with the Jackson County Industrial Development Authority to fund repayment of an issue of \$16,815,000 of Series 2004 bonds with a premium and issuance cost of \$552,327 which mature March 30, 2024, and bear interest at rates from 3.00% to 5.00%. These bonds were for economic development projects including road projects.

The annual requirements to amortize this debt as of December 31, 2008 are as follows:

<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 715,000	\$ 643,000	\$ 1,358,000
2010	740,000	620,250	1,360,250
2011	765,000	594,838	1,359,838
2012	790,000	567,625	1,357,625
2013	815,000	537,500	1,352,500
2014-2018	4,605,000	2,163,725	6,768,725
2019-2023	5,705,000	1,003,275	6,708,275
2024	<u>1,320,000</u>	<u>28,050</u>	<u>1,348,050</u>
Total	<u>\$ 15,455,000</u>	<u>\$ 6,158,263</u>	<u>\$ 21,613,263</u>

**CITY OF JEFFERSON SERIES 2007A BOND**

On August 1, 2007, Jackson County entered into a contract with the the City of Jefferson Public Building Authority to fund repayment of an issue of \$40,595,000 of Series 2007A bonds with a discount and issuance cost of \$645,564 which mature March 1, 2037, and bear interest at rates from 3.875% to 5%. These bonds were issued to fund the County's capital projects including the jail project, public safety training facility, and historic courthouse renovation.

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

The annual requirements to amortize the Series 2007A bond payable as of December 31, 2008 are as follows:

<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ -	\$ 1,884,681	\$ 1,884,681
2010	750,000	1,869,681	2,619,681
2011	780,000	1,837,831	2,617,831
2012	815,000	1,803,663	2,618,663
2013	850,000	1,768,281	2,618,281
2014-2018	4,875,000	8,194,840	13,069,840
2019-2023	6,060,000	6,988,603	13,048,603
2024-2028	7,540,000	5,470,898	13,010,898
2029-2033	9,520,000	3,433,213	12,953,213
2034-2037	<u>9,405,000</u>	<u>919,243</u>	<u>10,324,243</u>
Total	<u>\$ 40,595,000</u>	<u>\$ 34,170,934</u>	<u>\$ 74,765,934</u>

**CITY OF JEFFERSON SERIES 2007B BOND**

On August 1, 2007, Jackson County entered into a contract with the the City of Jefferson Public Building Authority to fund repayment of an issue of \$7,985,000 of Series 2007 bonds which mature March 1, 2027, and bear interest at rates from 4.435% to 4.75%. These bonds were issued to fund the City of Jefferson's projects including road projects. Per the intergovernmental agreement with the City of Jefferson, the City of Jefferson has agreed to pay all principal and interest payments as well as all issuance costs. In the event of default by the City of Jefferson, Jackson County will be obligated to repay the debt. Therefore, due to legal requirements, there is still a legal liability to Jackson County.

The annual requirements to amortize the Series 2007B bond payable as of December 31, 2008 are as follows:

<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ -	\$ 344,364	\$ 344,364
2010	310,000	338,551	648,551
2011	320,000	326,339	646,339
2012	330,000	312,926	642,926
2013	345,000	299,014	644,014
2014-2018	1,950,000	1,268,039	3,218,039
2019-2023	2,395,000	816,059	3,211,059
2024-2027	<u>2,335,000</u>	<u>218,933</u>	<u>2,553,933</u>
Total	<u>\$ 7,985,000</u>	<u>\$ 3,924,225</u>	<u>\$ 11,909,225</u>

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

**IDA 2008 ECONOMIC DEVELOPMENT BONDS**

On October 1, 2008, Jackson County entered into a contract with the the Jackson County Industrial Development Authority to fund repayment of an issue of \$45,000,000 of economic development bonds with a issuance cost of \$412,374 which mature March 31, 2028, and bear interest at rates from 4.435%. These bonds were issued to fund the County's 2008 project including road and sanitary sewer system projects.

The annual requirements to amortize this debt as of December 31, 2008 are as follows:

<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ -	\$ 1,995,750	\$ 1,995,750
2010	-	1,995,750	1,995,750
2011	1,685,000	1,958,385	3,643,385
2012	1,760,000	1,881,992	3,641,992
2013	1,840,000	1,802,162	3,642,162
2014-2018	10,490,000	7,684,081	18,174,081
2019-2023	13,030,000	5,086,279	18,116,279
2024-2028	<u>16,195,000</u>	<u>1,857,710</u>	<u>18,052,710</u>
Total	<u>\$ 45,000,000</u>	<u>\$ 24,262,109</u>	<u>\$ 69,262,109</u>

**GEFA NOTES PAYABLE**

Governmental activities:

On March 6, 1996, the County entered into a \$911,436 loan agreement with the Georgia Environmental Facilities Authority (GEFA). These funds were to be drawn down as needed to finance Jackson County's share of the City of Commerce sewerage expansion for the Tanger Outlet Mall. Only \$394,350 was drawn on the loan before completion of the project, which was completed on October 31, 1998. Repayment of the proceeds began on November 1, 1998. This loan, which bears interest at 5.3%, matures October 1, 2016.

<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 22,202	\$ 10,965	\$ 33,167
2010	23,403	9,765	33,168
2011	24,668	8,499	33,167
2012	26,002	7,166	33,168
2013	27,407	5,760	33,167
2014-2016	<u>91,436</u>	<u>8,064</u>	<u>99,500</u>
Total	<u>\$ 215,118</u>	<u>\$ 50,219</u>	<u>\$ 265,337</u>

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

Business-type activities:

On June 20, 1997, the County entered into a \$757,100 loan agreement with the Georgia Environmental Facilities Authority (GEFA) for the construction of the Mayfield Wastewater Treatment Plant. This agreement was later revised to \$776,799. This loan, which bears interest at 5.43%, matures April 1, 2013.

The annual requirements to amortize this debt as of December 31, 2008 are as follows:

<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 61,859	\$ 14,370	\$ 76,229
2010	65,287	10,942	76,229
2011	68,905	7,324	76,229
2012	72,723	3,506	76,229
2013	<u>18,802</u>	<u>255</u>	<u>19,057</u>
Total	<u>\$ 287,576</u>	<u>\$ 36,397</u>	<u>\$ 323,973</u>

**COMPONENT UNITS**

Long-term liability activity for the Airport Authority for the year ended December 31, 2008 was as follows:

<b>Business-type activities:</b>	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>	<u>Due After</u> <u>One Year</u>
Series 2004 Revenue Notes	\$ <u>2,300,000</u>	\$ <u>-</u>	\$ <u>(155,000)</u>	\$ <u>2,145,000</u>	\$ <u>165,000</u>	\$ <u>1,980,000</u>

On November 12, 2004, Jackson County entered into a contract with the Airport Authority to fund repayment of an issue of \$2,600,000 Series 2004 revenue notes which mature on April 19, 2019 and bear interest at a variable rate of LIBOR + .75 basis points (5.595% as of 12/31/2008). These bonds were issued to fund construction of the Emory hanger, additional T hangers, and runway expansion. Repayment of the proceeds began on April 1, 2007.

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

The annual requirements to amortize this debt using the variable interest rate of effective at December 31, 2008 are as follows:

<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 165,000	\$ 24,482	\$ 189,482
2010	170,000	22,438	192,438
2011	180,000	20,288	200,288
2012	185,000	18,063	203,063
2013	195,000	15,731	210,731
2014-2018	1,135,000	39,290	1,174,290
2019	<u>115,000</u>	<u>348</u>	<u>115,348</u>
Total	<u>\$ 2,145,000</u>	<u>\$ 140,640</u>	<u>\$ 2,285,640</u>

Long-term liability activity for the Health Department for the year ended December 31, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
<b>Governmental activities</b>						
Compensated absences	\$ <u>71,311</u>	\$ <u>53,972</u>	\$ <u>50,749</u>	\$ <u>74,534</u>	\$ <u>17,257</u>	\$ <u>57,277</u>

Long-term liability activity for the Jackson County Water and Sewerage Authority for the year ended December 31, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
<b>Business-type Activities:</b>						
Revenue bonds	\$ 21,250,000	\$ -	\$ (1,195,000)	\$ 20,055,000	\$ 1,950,000	\$ 18,105,000
Less: Deferred amounts of refunding	(1,120,413)	-	109,891	(1,010,522)	(109,891)	(900,631)
For issuance premiums and discounts	<u>985,019</u>	<u>-</u>	<u>(120,946)</u>	<u>864,073</u>	<u>113,023</u>	<u>751,050</u>
Total Revenue Bonds	<u>21,114,606</u>	<u>-</u>	<u>(1,206,055)</u>	<u>19,908,551</u>	<u>1,953,132</u>	<u>17,955,419</u>
Contracts Payable	19,966,462	-	(694,490)	19,271,972	697,553	18,574,419
Less: Deferred amounts of refunding	<u>985,926</u>	<u>-</u>	<u>(80,646)</u>	<u>905,280</u>	<u>78,242</u>	<u>827,038</u>
Total Contracts Payable	<u>20,952,388</u>	<u>-</u>	<u>(775,136)</u>	<u>20,177,252</u>	<u>775,795</u>	<u>19,401,457</u>
Notes Payable	<u>3,188,164</u>	<u>-</u>	<u>(129,540)</u>	<u>3,058,624</u>	<u>133,850</u>	<u>2,924,774</u>
Compensated absences	<u>57,772</u>	<u>26,542</u>	<u>(17,112)</u>	<u>67,202</u>	<u>24,947</u>	<u>42,255</u>
Business-type activities long-term liabilities	<u>\$ 45,312,930</u>	<u>\$ 26,542</u>	<u>\$ (2,127,843)</u>	<u>\$ 43,211,629</u>	<u>\$ 2,887,724</u>	<u>\$ 40,323,905</u>

**JACKSON COUNTY, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2008**

All principal and interest payments on long-term debt are presented below. See additional details on debt following this table.

<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 2,781,403	\$ 1,967,420	\$ 4,748,823
2010	2,890,608	1,845,968	4,736,576
2011	2,851,224	1,716,930	4,568,154
2012	1,894,104	1,601,751	3,495,855
2013	2,072,179	1,527,242	3,599,421
2014-2018	11,752,522	6,230,361	17,982,883
2019-2023	12,384,008	3,061,417	15,445,425
2024-2027	<u>5,759,548</u>	<u>613,756</u>	<u>6,373,304</u>
Total	<u>\$ 42,385,596</u>	<u>\$ 18,564,845</u>	<u>\$ 60,950,441</u>

Short term debt activity for temporary borrowing for cash flow purposes was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Line of credit	\$ <u>106,048</u>	\$ <u>-</u>	\$ <u>(106,048)</u>	\$ <u>-</u>

**REVENUE BONDS**

The Authority issues bonds where the Authority pledges income derived from the acquired or constructed assets to pay debt service.

During 1999, the Authority issued \$3,525,000 of Series 1999A Bonds and \$4,055,000 Series 1999B Bonds for construction of water lines. The bonds carry a rate of interest ranging from 4.45%-5.75% per annum and are payable on March 1 and September 1 of each year. Monthly the Authority is required to deposit the principal and interest payments of the bonds in a sinking fund bank account. Final maturity date of these bonds is September 1, 2021. The 1999B Series bonds were partially refunded in December 2006. See note about the 2006A series bonds. The outstanding balance at December 31, 2008 of the refunded portion of the bonds is \$3,185,000.

The Authority constructed, using the proceeds from Series 1999A Bonds, new infrastructure to provide a significant number of gallons of potable water needed at the Georgia Power electric-generator plant each day. The maximum water required to be provided is 500,000 gallons per day. Georgia Power has the option to increase their maximum volume to 1,300,000 gallons per day. It is expected that the revenues from the sale of this water would be sufficient to cover the costs of providing it.

The Authority has constructed water lines from the Bear Creek Water Treatment Plant to Jackson County Water and Sewerage Authority line for a new source of water purchases. The Authority financed these lines by Series 1999B Bond Issue.

**JACKSON COUNTY, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2008**

During 2000, the Authority issued \$12,780,000 of Series 2000A Bonds. The 2000A bonds are to acquire and upgrade a wastewater treatment plant. The bonds carry a rate of interest ranging from 4.30%-5.75% per annum and are payable on March 1 and September 1 of each year. The Authority is providing for the principal and interest payments of the bonds in a sinking fund bank account. Final maturity date of the 2000A series of bonds is September 1, 2022. The 2000A Series bonds were partially refunded in December 2006. See note about the 2006A series bonds. The outstanding balance at December 31, 2008 of the refunded portion of the bonds is \$10,385,000.

During 2006, the Authority issued \$12,090,000 of Series 2006A revenue bonds to provide funds to partially advance refund the Authority's 1999B and 2000A series bonds. These bonds which bear interest rates from 3.50% to 5.25% mature September 1, 2022. The Authority placed \$14,277,228 in an escrow account to be used for satisfying scheduled payments of interest, principal, and redemption premiums on the 1999B and 2000A maturing 2007 through 2012. The refunding reduced the aggregate debt services payments by almost \$690,107 and resulted in an economic gain (the difference between the present value of old and new debt service payments) of about \$563,007. The accounting loss on the refunding was approximately \$1,233,357. This loss was deferred and is being amortized over the remaining life of the new debt in accordance with GASB No. 23 using the effective interest rate method.

During 2006, the Authority issued \$5,530,000 of Series 2006B revenue bonds to provide funds for improvements to the system. The bonds, which bear interest rates ranging from 3.5% to 5%, mature September 1, 2011. The County has entered into a contract with the Authority to provide funds to repay those bonds. The County has allocated 16.25% of the Special Purpose Local Option Sales tax which commenced July 1, 2005 toward this obligation. See further discussion under pledged revenues.

<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 1,950,000	\$ 967,502	\$ 2,917,502
2010	2,035,000	872,278	2,907,278
2011	1,965,000	773,294	2,738,294
2012	975,000	690,148	1,665,148
2013	1,120,000	648,772	1,768,772
2014-2018	6,350,000	2,479,620	8,829,620
2019-2022	<u>5,660,000</u>	<u>716,520</u>	<u>6,376,520</u>
Total	<u>\$ 20,055,000</u>	<u>\$ 7,148,134</u>	<u>\$ 27,203,134</u>

**UPPER OCONEE BASIN WATER AUTHORITY CONTRACT**

On November 1, 1997, the Upper Oconee Basin Water Authority (the Issuer) issued \$60,770,000 of Revenue Bonds, Series 1997 (UOBWA) in order to finance the acquisition, construction and installation of a water supply reservoir and a water treatment plant (collectively the Project). These Bonds, which mature July 1, 2027, bear interest at rates from 4.25% to 5.25%. The Issuer

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

is governed by a board composed of ten members, four of whom are the chief elected officials of the member counties: Athens Clarke, Barrow, Jackson, and Oconee Counties, whose regular terms shall be concurrent with their terms of office; four of whom are appointed by the governing authority of each Member County, whose terms shall be for one year; one who is appointed by the by the Upper Oconee Resource Management Commission, whose term shall be for a period of two years; and one who is appointed by the previously identified nine members of the board, whose term shall be for a period of two years.

Jackson County has entered into an Intergovernmental Agreement dated July 22, 1996, with UOBWA, Barrow County, and Oconee County that requires each county to pay its proportional share of the principal and interest payments on this debt. Those shares are Barrow County 37.520%, Jackson County 41.521%, and Oconee County 20.959%. While Jackson County has the legal obligation to make these payments, it is anticipated that the payments will be financed by the sale of water by the Jackson County Water and Sewerage Authority. In the event that the funds from such sales are not sufficient to pay the principal and interest, Jackson County has the obligation to levy property taxes sufficient to make them.

In order to present the impact of this project fairly, the debt and related intangible asset, “Water Plant Capacity”, are recorded as part of the Jackson County Water & Sewerage enterprise fund even though the legal obligation belongs to Jackson County. The Water Plant Capacity intangible asset is being amortized on a straight line basis over the life of the underlying assets of the UOBWA, 100 years for the dam/reservoir and 50 years for the water treatment facility.

During 2005, the Upper Oconee Basin Water Authority issued \$48,155,000 of revenue bonds (Series 2005) for a partial refunding of \$51,105,000 of the Authority’s Series 1997 revenue bonds. The refunding was undertaken to reduce total future debt service payments. The accounting gain for the County on the refunding was approximately \$1,224,870. This gain was deferred and is being amortized over the remaining life of the new debt in accordance with GASB No. 23 using the effective interest method.

The scheduled payments of principal and interest are as follows:

<u>December 31</u>	<u>UOBWA</u> <u>Principal</u>	<u>UOBWA</u> <u>Interest</u>	<u>UOBWA</u> <u>Total</u>
2009	\$ 697,553	\$ 890,068	\$ 1,587,621
2010	717,275	868,323	1,585,598
2011	743,226	842,933	1,586,159
2012	771,253	815,753	1,587,006
2013	799,279	787,669	1,586,948
2014-2018	4,554,854	3,379,905	7,934,759
2019-2023	5,801,522	2,134,647	7,936,169
2024-2027	<u>5,187,010</u>	<u>579,011</u>	<u>5,766,021</u>
Total	<u>\$ 19,271,972</u>	<u>\$ 10,298,309</u>	<u>\$ 29,570,281</u>

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

**GEFA LOANS**

The Authority entered into a loan with the Georgia Environmental Facilities Authority (GEFA) during 1999 to provide water service to the Hidden Oaks Subdivision. The loan had a draw capacity of \$449,422. Only \$173,100 of this loan is required to be repaid at zero interest, with the balance being a subsidy. The loan is payable quarterly beginning June 1, 2000 and matures June 1, 2020.

During 2003, the Authority obtained an additional loan from GEFA for \$2,882,291 at 3.98%. This loan along with a \$1,500,000 grant from the U.S Department of Commerce Economic Development Administration and a \$300,000 grant from the Appalachian Regional Commission was used to pay for sewer additions to serve new and existing industrial customers in the Allen Creek and Possum Creek area of the county including Toyota Industries North American, Inc.

As of December 31, 2008, the Authority had drawn down \$3,035,543 including \$153,252 of accrued interest added to the loan balance. The loan is to be repaid in 80 equal installments. These repayments began October 1, 2006 and are due the first of each quarter.

<u>December 31</u>	<u>GEFA Principal</u>	<u>GEFA Principal</u>	<u>GEFA Total Principal</u>	<u>GEFA Subsidy</u>	<u>GEFA Subtotal</u>	<u>GEFA Interest</u>	<u>GEFA Total</u>
2009	\$ 8,877	\$ 110,980	\$ 119,857	\$ 13,993	\$ 133,850	\$ 109,850	\$ 243,700
2010	8,877	115,463	124,340	13,993	138,333	105,367	243,700
2011	8,877	120,128	129,005	13,993	142,998	100,703	243,701
2012	8,877	124,981	133,858	13,993	147,851	95,850	243,701
2013	8,877	130,030	138,907	13,993	152,900	90,801	243,701
2014-2018	44,385	733,318	777,703	69,965	847,668	370,836	1,218,504
2019-2023	11,097	893,901	904,998	17,488	922,486	210,250	1,132,736
2024-2026	-	572,538	572,538	-	572,538	34,745	607,283
Total	<u>\$ 99,867</u>	<u>\$ 2,801,339</u>	<u>\$ 2,901,206</u>	<u>\$ 157,418</u>	<u>\$ 3,058,624</u>	<u>\$ 1,118,402</u>	<u>\$ 4,177,026</u>

**PLEDGED REVENUE**

Jackson County has pledged SPLOST revenues to repay its contract payable related to the Jackson County Industrial Development Authority 2004 Economic Development Bonds with an original debt of \$16.8 million. In the event that the County's SPLOST revenues are insufficient to cover the principal and interest payments, the County has agreed to pledge its property tax revenue. The contract payable is payable through 2024. The total principal and interest remaining to be paid is \$21.6 million. For the current year, the principal and interest paid and SPLOST revenues recognized by the County were \$1.4 million and \$5.0 million, respectively. Current year principal and interest payments are approximately 28% of net revenues.

Jackson County Water & Sewer Authority has pledged future water and sewer revenues, net of specified operating expenses, to repay an original debt of \$57.9 million. This debt is payable solely from water and sewer net revenues and is payable through 2027. The total principal and interest remaining to be paid is \$57.5 million. Principal and interest paid for the current year was \$2.8 million which was approximately 80% of net revenues.

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

Jackson County Water & Sewer Authority has also pledged future sales tax proceeds from the county to repay the 2006B revenue bonds. The total principal and interest remaining to be paid is \$3.5 million and is payable through 2011. Principal and interest payments for the current year was \$1.2 million.

The County has pledged, as security for bonds issued by Jackson County Water & Sewer Authority, a portion of the County's Special Purpose Local Option Sales Tax (SPLOST) revenue. The bonds issued by the Authority in 2006 in the amount \$5,530,000 to provide funds for improvements to the system are payable through 2022. The County has committed to appropriate each year, from SPLOST revenues, amounts sufficient to cover principal and interest requirements on the Authority's debt. The Authority has also pledged future sales tax proceeds from the county to repay the 2006B revenue bonds. The total principal and interest remaining to be paid is \$3.5 million and is payable through 2011 with annual requirements ranging from \$1.3 million in 2009 to \$1.0 million in the final year. For the current year, principal and interest payments paid by the Authority and the total sales tax revenues recognized by the County were \$1.2 million and \$5.0 million, respectively. Current year principal and interest payments are approximately 24% of net revenues.

**OPERATING LEASES**

The County is obligated under various operating leases for equipment purchases that have an initial term in excess of 1 year. Total cost for such leases were \$208,031 for the year ended December 31, 2008. Future minimum rental payments are as follows:

<u>December 31</u>	Minimum Payment
2009	\$ 113,670
2010	65,177
2011	26,074
2012	<u>4,072</u>
Total	<u>\$ 208,993</u>

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

NOTE 7 – INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2008 , consist of the following:

Due to other funds from the General Fund		
Nonmajor funds for annual appropriation amount not reimbursed:		
Fire District Fund	\$	217,259
Protective Inspection/Planning & Zoning Fund		8,524
Parks and Recreation Fund		9,657
Senior Center Fund		7,455
CDBG Fund		321
Solid Waste Disposal Facility Enterprise Fund for revenues deposited into the General Fund		269,429
Mayfield Treatment Plant Enterprise Fund for debt service payments		23,622
Capital projects Fund for project costs		595,703
<i>Subtotal - due to other funds from the General Fund</i>		<u>1,131,970</u>
Due to other funds from the SPLOST fund		
General Fund for project costs		<u>135,461</u>
<i>Subtotal - due to other funds from the SPLOST Fund</i>		<u>135,461</u>
Due to other funds from the Capital Projects Fund		
General Fund for project costs		<u>148,373</u>
<i>Subtotal - due to other funds from the Capital Projects Fund</i>		<u>148,373</u>
Due to other funds from Other Nonmajor Governmental Funds		
General Fund for accounts payable paid		
Fire District Fund - and for capital lease payment on fire truck paid by the General fund		137,218
Emergency 911		30,000
Emergency Management/Rescue Fund		22,076
Emergency Services/Ambulance Fund		307,223
Jail Fund		43,267
Law Library Fund		10,943
Greenspace Fund		78
<i>Subtotal - due to other funds from Other Nonmajor Governmental Funds</i>		<u>550,805</u>
Due to other funds from Enterprise Funds		
to General Fund from Solid Waste Disposal Facility Fund for accounts payable paid		10,000
to Capital Projects Fund from Solid Waste Disposal Facility Fund for costs of construction of transfer station		115,252
to Keep Jackson Beautiful from Solid Waste Disposal Facility Fund for fees collected		195
<i>Subtotal - due to other funds from Solid Waste Disposal Facility Fund</i>		<u>125,447</u>
Due to other funds from Internal Service Funds		
To General Fund form Fuel Depot Fund for accounts payable paid		<u>9,701</u>
Total due to other funds	\$	<u><u>2,101,757</u></u>
Summary of balances due from other funds reported in fund financial statements:		
Due from other funds, Balance Sheet - Governmental Funds	\$	1,808,706
Due from other funds, Statement of Net Assets - Proprietary Funds, Business-Type Activities - Enterprise Funds		<u>293,051</u>
Total	\$	<u><u>2,101,757</u></u>

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

Transfers to/from other funds for the year ending December 31, 2008 consist of the following:

Transfers from the General Fund to:	
Debt Service Fund representing debt service payments	\$ 155,833
SPLOST Fund representing road construction	95,000
Solid Waste Enterprise Fund representing property taxes and other revenues to fund annual operations	367,279
Nonmajor funds representing property taxes and other revenues to fund annual operations:	
Special Revenue Funds	
Emergency 911 Fund	603,597
Emergency Management/Rescue Fund	31,291
Emergency Services/Ambulance Fund	2,030,683
Keep Jackson Beautiful Fund	51,354
Protective Inspection/Planning & Zoning Fund	461,341
Parks and Recreation Fund	878,685
Senior Center Fund	<u>297,598</u>
<i>Subtotal transfers to nonmajor Special Revenue Funds</i>	<u>4,354,549</u>
Capital Projects funds:	
CDBG Fund for construction of new senior center	<u>32,501</u>
<i>Total transferred from the General Fund to Nonmajor Funds</i>	<u>4,387,050</u>
<i>Total transferred from the General Fund</i>	<u>5,005,162</u>
Transfers from the SPLOST Fund to:	
General Fund for construction of the jail	823,534
General Fund for construction of the fire training facility	<u>91,600</u>
<i>Total transferred from the SPLOST Fund</i>	<u>915,134</u>
Transfers from the Capital Projects Fund to:	
General Fund for renovation of the historic courthouse	69,039
General Fund for construction of the fire training facility	117,864
General Fund for water resources study	111,536
General Fund for construction of the jail	<u>971,928</u>
<i>Total transferred from the Capital Projects Fund</i>	<u>1,270,367</u>
Transfers from Other Nonmajor Governmental Funds	
From the Jail Special Revenue Fund to the General Fund representing surcharges on fines for the operation of the victims' assistance programs	<u>40,952</u>
<i>Total transferred from Other Nonmajor Governmental Funds</i>	<u>40,952</u>
Total	<u>\$ 7,231,615</u>
Summary of transfers out to other funds reported in the fund financial statements:	
Transfers Out, Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds	<u>\$ 7,231,615</u>
Total	<u>\$ 7,231,615</u>

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

NOTE 8 - RETIREMENT PLANS

DEFINED BENEFIT PENSION PLAN

(A) PLAN DESCRIPTION

The County contributes to the Association of County Commissioners of Georgia (ACCG) Defined Benefit Plan (Plan), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time-to-time, the contribution rates for the County and its plan participants. The Plan issues a stand-alone report. This report may be obtained from: Pension Service Company, 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia 30339.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of an adoption agreement adopted by resolution of the County Board of Commissioners, is affiliated with the Association County Commissioners of Georgia Second Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by the Government Employee's Benefit Corporation (GEBCorp). The ACCG, in its role as Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of The ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document.

The County's covered payroll for employees participating in the Plan as of January 1, 2008, (the most recent actuarial valuation date) was \$4,852,396 (based on covered earnings of preceding year).

Before January 1, 1998, all full-time County employees were eligible to participate in the Plan after completing three years of service. No employees can become participants after January 1, 1998. Benefits are fully vested after five years of service. Participants become eligible to retire at age 65 with 3 years of participation in the Plan, but not beyond age 70. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.00% of average compensation up to \$6,600 plus 1.50% of average compensation in excess of \$6,600 plus \$36.00 for each year of credited service payable as a life annuity. Service is limited to 35 years.

Effective January 1, 2004, the plan was changed to allow certain Department of Public Safety employees to enter the plan and purchase prior service with their 401(a) account balance as of December 31, 2003. This plan change resulted in an increase in plan cost by approximately 2.3% of payroll.

Compensation is averaged over a five-year period prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

All benefit accruals are frozen as of November 30, 1997, except employees electing to remain in the Plan with unfrozen benefits or any employee who retires prior to November 30, 2007. Any employee who retires prior to November 30, 2007 has the option to accrue benefits until their actual date of retirement and forfeit their right to their account balance in their supplemental 401(a) plan.

The Plan's financial statements are prepared on a cash basis, modified to include unrealized gains or losses on marketable securities owned by the Plan and increments in the cash value of death benefits.

Plan assets do not include any loans, notes, bonds, or other instruments or securities of the County or related parties.

**(B) FUNDING POLICY**

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code set forth minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement. County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report.

Contributions totaling \$564,459 (\$564,459 employer and \$0 employee) were made in accordance with actuarially determined contribution requirements determined by an actuarial valuation performed as of January 1, 2008. Employer contributions attributable to the 2008 Plan Year were made in early 2008. The employer contribution represents 11.6% of covered payroll (using the prior year's earnings as a base).

**(C) ANNUAL PENSION COST**

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time-to-time contribution rates for the County and the Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time-to-time contribution rates for the County and its plan participants.

The County's contributions to the Plan for the years ended December 31, 2008, 2007, and 2006 were \$564,459, \$560,352, and \$520,846, respectively, and were equal to the required contribution for each year.

Schedule I included in the required supplementary information presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. The data for the most current year are as follows:

<u>Actuarial Date of January 1</u>	<u>Actuarial Value of Assets</u> (a)	<u>Actuarial Accrued Liability (AAL) - Projected Unit Credit</u> (b)	<u>Unfunded AAL (UAAL)</u> (b-a)	<u>Funded Ratio</u> (a/b)	<u>Covered Payroll</u> (c)	<u>UAAL as a Percent of Covered Payroll</u> [(b-a)/c]
2008	\$ 5,541,565	\$7,459,332	\$ 1,917,767	74.3%	\$ 4,981,645	38.5 %

The annual required contribution and percentage contributed for the current year and prior years are as follows:

<u>Fiscal Year December 31</u>	<u>Annual Pension Cost</u>	<u>Actual County Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2008	\$ 522,392	\$ 564,459	108.6 %	\$ (245,322)
2007	515,995	560,352	108.6 %	(203,255)
2006	\$ 469,948	\$ 520,846	110.8 %	\$ (158,898)

The information was determined as part of the actuarial valuation as of January 1, 2008. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2008
Actuarial Cost method	Projected Unit Credit
Amortization method	Level Percent of Pay (Closed)
Remaining amortization period	10 years
(The estimated amortization period for all unfunded liabilities combined into one amount.)	
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate return*	8.0%
Projected salary increases*	6.0%
*Includes inflation at	3.0%
Cost-of-living adjustments	N/A
Post-retirement benefit increases	N/A

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

The County's annual pension cost and net pension obligation for the pension plan for the current year were determined as follows:

Derivation of annual pension cost:	<u>2008</u>	<u>2007</u>
Annual required contribution	\$ 521,496	\$ 515,295
Interest on net pension obligation	(16,260)	(12,712)
Amortization of net pension obligation	<u>17,156</u>	<u>13,412</u>
Annual pension cost	522,392	515,995
Contributions made with interest	<u>(564,459)</u>	<u>(560,352)</u>
Increase (decrease) in net pension obligation	(42,067)	(44,357)
Net pension obligation, beginning of year	<u>(203,255)</u>	<u>(158,898)</u>
Net pension obligation, end of year	<u><u>\$ (245,322)</u></u>	<u><u>\$ (203,255)</u></u>

**DEFINED CONTRIBUTION PLAN**

Effective January 1, 1998, the County, by resolution, adopted the ACCG Defined Contribution Money Purchase Plan, which operates in conjunction with the Deferred Compensation Plan. In August 2008, the County switched companies from ACCG to ICMA Retirement Corporation. There is no waiting period for employees to participate. In August 2008, the County adopted a graduated vesting system, as follows: after 2 years of service, employees are 25% vested; after 3 years of service, employees are 50% vested; after 4 years of service, employees are 75% vested; and after 5 years of service, employees are 100% vested. The department heads are 50% vested after 1 year of service and 100% vested after 2 years of service. The County contributes 4% of salary as a base contribution for employees with 0-9 years of service, 5% for employees with 10-14 years of service, 6% for employees with 15-19 years of service, and 7% for employees with 20 or more years of service. In addition, the County will match 50% of employee voluntary contributions up to 6% of salary. The County may change the contribution requirements by resolution.

The employee contributions for 2008 were \$435,845 and the County matching contribution was \$426,247.

**DEFERRED COMPENSATION PLAN**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Because the assets are held in trust for the employees, they are not assets of the County and are not reported in these financial statements.

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

**OTHER POST-RETIREMENT BENEFITS**

**(A) PLAN DESCRIPTION**

The County administers a single-employer defined benefit healthcare plan, the Jackson County Retirement Medical Plan established by resolution. The plan may be amended by resolution as well. The plan provides healthcare coverage including medical, dental, and vision, for eligible retirees, their spouses, and dependent children through the county's health insurance plan, which covers both active and retired members. The plan does not issue a stand-alone report.

Any employee with 20 or more years of service who retires between 60 and 65 years of age may continue on the County's health insurance plan at the same cost as an active employee. This includes coverage for their spouse. At age 65 or normal Medicare retirement age, if earlier, the County provides a Medicare supplemental insurance policy for the retiree only and regular medical coverage terminates. The spouse may continue on the County's health plan at the employee's cost until he spouse reaches age 65. Employees may choose the greater of this benefit or the benefit described below.

**Public Safety Employees**

Eligible employees are those age 55 with a minimum of 20 years of full-time, certified public safety service. Employees earn 3% per year towards their coverage for the first 20 years of service and 4% per year for years 21-30. They also earn 2.5% per year towards coverage for their spouse and dependent children. Coverage for the spouse ends when they reach normal Medicare retirement age. Coverage for dependent children ends when they no longer qualify as a dependent. Once the employee reaches normal Medicare retirement age, the County provides a Medicare supplemental insurance policy for the retiree only and regular medical coverage terminates.

**Non Public Safety Employees**

Eligible employees are those age 60 with a minimum of 20 years of full-time service. Employees earn 3% per year towards their coverage for the first 20 years of service and 4% per year for years 21-30. They also earn 2.5% per year towards coverage for their spouse and dependent children. Coverage for the spouse ends when they reach normal Medicare retirement age. Coverage for dependent children ends when they no longer qualify as a dependent. Once the employee reaches normal Medicare retirement age, the County provides a Medicare supplemental insurance policy for the retiree only and regular medical coverage terminates.

The plan was established by resolution of the Board of Commissioners. It may also be amended by resolution of same.

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

**(B) FUNDING POLICY**

For fiscal year 2008, the County contributed \$8,987 to the plan. These benefits are funded on a "pay as you go" method. In fiscal year 2008, total member contributions were \$0.

**(C) ANNUAL OPEB COST AND NET OPEB OBLIGATION**

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution by the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

	<u>2008</u>
Annual required contribution	\$ 681,328
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>681,328</u>
Employer contributions made with interest	<u>(8,987)</u>
Increase (decrease) in net OPEB obligation	672,341
Net OPEB obligation, Beginning of year	-
Net OPEB obligation, End of year	<u><u>\$ 672,341</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 is as follows:

Actuarial Valuation Date	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
January 1, 2008	\$ 681,328	\$ 8,987	1.3 %	\$ 672,341

**(D) FUNDED STATUS AND FUNDING PROGRESS**

As of January 1, 2008, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$4,757,902, and the actuarial value of assets was

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

\$ 0 , resulting in an unfunded actuarial accrued liability (UAAL) of \$4,757,902. The covered payroll (annual payroll of active employees covered by the benefits) was \$13,331,911, and the ratio of the UAAL to the covered payroll was 35.69 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with 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 multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Since this is the first year these requirements are in effect, only one year's data is presented. Additional years will be added over time.

**(E) ACTUARIAL METHODS AND ASSUMPTIONS**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The information was determined as part of the actuarial valuation as of January 1, 2008. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2008
Actuarial cost method	Projected Unit Credit
Amortization method	30-year open period; level percentage of pay payment
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate return	4.00%
Post-retirement benefit increases	0%
Projected salary increases	0%
Includes inflation at	3.00%
Healthcare cost trend rate(s):	
Select rates	11.00% for 2008 graded to 5.00% for 2016
Ultimate rate	5.00%

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

**OTHER PLANS**

In addition to the above pension plans, the following pension plans cover County employees but the county is not legally responsible for contributions to the pension plans. Other governmental entities are legally responsible for these contributions as well as required disclosures.

- (A) **PROBATE JUDGES' RETIREMENT FUND OF GEORGIA**  
The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.
  
- (B) **CLERK OF SUPERIOR COURT RETIREMENT FUND**  
The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.
  
- (C) **SHERIFF'S RETIREMENT FUND/PEACE OFFICER'S ANNUITY AND BENEFIT FUND**  
The Sheriff and Sheriff's Deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plans before the payment of any costs or other claims.
  
- (D) **GEORGIA STATE EMPLOYEES' RETIREMENT SYSTEM**  
The Health Department's eligible employees participate in the Georgia State Employees' Retirement System (ERS), a statewide multiple-employer public employee retirement system covering employees of local boards of health and various agencies and departments of the State of Georgia. ERS is funded through employer and employee contributions and the Health Department has no legal obligation for paying benefits.

**NOTE 9 – RISK MANAGEMENT**

The County is exposed to various risks in terms of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The County has not decreased any of its insurance coverage from the prior year, and there have been no claims in excess of insurance coverage over the past three years.

**GROUP HEALTH INSURANCE**

The government carries commercial insurance for its employees through a fully-insured plan with Association County Commissioners of Georgia/Blue Cross Blue Shield of Georgia (ACCG/BCBS).

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

**WORKERS' COMPENSATION**

The County participates in the Association County Commissioners of Georgia (ACCG) Group Self-Insurance Workers' Compensation Fund (GSIWCF) (FUND), a self-insured pool cooperative arrangement among its members to finance workers' compensation coverage. The fund is owned by its members and is managed by a seven member Board of Trustees made up of representatives from participating counties. Losses up to \$450,000 per individual claim are paid by the Fund.

However, excess losses, if any, are covered by reinsurance and would be paid by the reinsurer. The members of the Fund are assessable if the losses that the Fund must pay exceed the assets of the pool. At December 31, 2008, there was no need for such an assessment. Therefore, no liability has been included in these financial statements.

As part of these risk pools, (IRMA & GSIWCF), the County is obligated to pay all contributions and assessments to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents that could require the funds to pay any type of loss. The County is also to allow all the pools' agents and attorneys to represent the county in investigations, settlement discussions, and all levels of litigation arising out of any claim made against the county.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all costs assessed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded the coverage.

**OTHER**

Jackson County is a member of the Association of County Commissioners of Georgia Interlocal Risk Management Agency (IRMA). IRMA is a group self-insurance fund covering general liability, automobile damage and theft, fire damage, and employee dishonesty for Georgia County governments. IRMA pays losses up to \$100,000 per individual claim or \$1,000,000 for all claims. However, excess losses, if any, are covered by reinsurance and would be paid by the reinsurer.

The members of IRMA are assessable if the losses that IRMA must pay exceed the assets of the pool. At December 31, 2008, there was no need for such an assessment.

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

NOTE 10 - RELATED PARTY TRANSACTIONS

Jackson County is one of four member counties of the Upper Oconee Basin Water Authority, a public body corporate and politic created in 1994 by an act of the General Assembly of the State of Georgia (the "Act"). Pursuant to the Act, the Authority is authorized to acquire and develop adequate sources of water supply, including but not limited to the construction of reservoirs; the treatment of such water, and thereafter the transmission of such water within the Upper Oconee Basin area, and to the various counties, municipalities, and public authorities within the Upper Oconee Basin area; to conserve water; to fulfill its purposes and perform its projects in an environmentally sensitive manner; and to strictly limit interbasin transfers of water. The County has entered into the Intergovernmental Reservoir and Raw Water Supply Agreement with the Authority as well as the Intergovernmental Water Treatment and Transmission Agreement as well as certain supplemental contracts whereby the County agrees to provide funds for the operation and maintenance of the Project and to the extent another Member County fails to fulfill its obligation to pay costs of operating the Project, including payment of debts service, to provide additional funds for such costs, irrespective of the demand for or the Project's output of water. Complete financial statements for the Upper Oconee Basin Water Authority may be obtained from: Northeast Georgia Regional Development Center, 305 Research Drive, Athens, Georgia 30605.

NOTE 11 - CONTINGENT LIABILITIES

The County is a party to several legal proceedings that normally occur in governmental operations. As of the date of this financial statement, no awards in these cases have been made against the County. The results of any litigation, however, contain elements of uncertainty, and liability, if any, which might result from these proceedings, would not, in the opinion of management, have a material adverse effect on the ability of the County to meet its financial obligations.

In May of 1999, the County accepted a Community Development Block Grant from the Department of Community Affairs in the amount of \$500,000 for the construction of a new Mental Health Center. As a condition of the grant, the County must agree to use the facility for the approved purpose throughout the life of the facility. Should the facility be converted to an ineligible use, the Department of Community Affairs will require repayment of the grant. The repayment will be based on 20-year straight-line depreciation, except 100% repayment of the grant funds will be required to be repaid if the facility is converted during the first five years after the grant closeout date. The period for calculating the repayment amount began upon closeout of the grant in December 2000 and continue until approximately December 2020.

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

During 2002, Michigan Automotive Compressors, Inc. (MACI), a joint venture between Toyota Industries Corporation and DENSO, contracted to establish a new manufacturing facility in Jackson County. As part of this, Jackson County committed to provide substantial infrastructure improvements, including various road improvements. Most of those improvements have been made. The cost to extend Concord Road to Dry Pond Road by December 31, 2010 has not yet been determined.

**NOTE 12 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST**

State and federal laws and regulations require the County to place a final cover on a landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for up to thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports an estimated portion of these closure and postclosure care costs as a current operating expenditure in each period based on landfill capacity used as of each balance sheet date. The estimated costs are subject to adjustment due to changes in inflation or deflation, technology, or applicable laws or regulations. The current year amortization with respect to the postclosure costs is \$80,059. The amount of postclosure care costs remaining as of December 31, 2008 is \$946,200. The landfill was officially closed August 20, 1997. The County is also required to demonstrate financial assurance that the closure and postclosure care cost can be paid in the future. The County is in compliance at December 31, 2008 based on requirements issued by the EPA.

**NOTE 13 - CERTAIN SIGNIFICANT ESTIMATES**

As discussed in NOTE 1, estimates are used in the preparation of these financial statements. Several of the estimates qualified as a significant estimate, in that it is reasonably possible that the estimate will change in the near term due to one or more future confirming events and this change will have a material effect on the financial statements.

The estimate for the postclosure cost of the County's landfill, which was closed in 1994 qualifies as a significant estimate. Jackson County has estimated the remaining closure and the thirty-year post closure monitoring cost to be \$946,200. The ultimate cost, however will depend on the extent of contamination found as the project progresses.

The estimate for allowance for doubtful accounts related to fines receivable and ambulance charges receivables qualifies as a significant estimate. The estimate is calculated based on prior years' collection experience.

The estimate for accumulated depreciation on capital assets qualifies as a significant estimate. This estimate is based on the original or estimated cost of the assets, depreciated over the estimated useful lives using the straight line method.

**JACKSON COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008**

NOTE 14 – GEORGIA MOUNTAIN REGIONAL DEVELOPMENT CENTER

Jackson County, in conjunction with cities and counties in the ten (10) county Piedmont, Georgia area are members of the Northeast Georgia Regional Development Center (RDC). Membership in the RDC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RDCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RDC. The county paid annual dues in the amount of \$42,162 to the RDC for the year ended December 31, 2008. The RDC Board membership includes the chief elected official of each county and the chief elected official of each municipality. The County board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the nonpublic Board member from a County.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RDC's as public agencies and instrumentalities of their members. Georgia laws also provide that the member governments are liable for any debts or obligations of an RDC beyond its resources. (O.C.G.A. 50-8-39.1)

Separate financial statements for the RDC may be obtained from: Northeast Georgia Regional Development Center, 305 Research Drive, Athens, Georgia 30605.

This page intentionally left blank.

**JACKSON COUNTY, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PENSION FUNDING PROGRESS  
For the Year Ended December 31, 2008  
"Unaudited"**

Actuarial Valuation Date (1/)	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ration (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Annual Covered Payroll (prior year)	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2001	\$ 3,037,562	\$ 3,141,020	96.7 %	\$ 103,458	\$ 2,531,805	4.1 %
2002	\$ 2,844,238	\$ 3,146,485	90.4 %	\$ 302,247	\$ 2,575,551	11.7 %
2003	\$ 2,672,335	\$ 3,224,315	82.9 %	\$ 551,980	\$ 2,435,073	22.7 %
2004	\$ 3,507,246	\$ 5,108,892	68.6 %	\$ 1,601,646	\$ 3,675,473	43.6 %
2005	\$ 3,816,037	\$ 5,810,274	65.7 %	\$ 1,994,237	\$ 4,057,384	49.2 %
2006	\$ 4,261,059	\$ 6,304,779	67.6 %	\$ 2,043,720	\$ 4,246,716	48.1 %
2007	\$ 4,927,763	\$ 6,981,901	70.6 %	\$ 2,054,138	\$ 4,981,645	41.2 %
2008	\$ 5,541,565	\$ 7,459,332	74.3 %	\$ 1,917,767	\$ 4,981,645	38.5 %

See Note 8 for the actuarial methods and significant assumptions used to determine the Actuarial Required Contribution for the current year and the funded status of the plan.

Effective January 1, 2004, the plan was changed to allow certain Department of Public Safety employees to enter the plan and purchase prior service with their 401A account balance as of December 31, 2003. This plan change resulted in an increase in plan cost of approximately 2.3% of payroll.

Analysis of the dollar amounts of actuarial value of assets available for benefits, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets available for benefits as a percentage of the actuarial accrued liability provides one indication of funding status on a going concern basis. Analysis of this percentage over time indicates whether the system is becoming financial stronger or weaker. Generally, the greater this percentage, the stronger the Plan.

Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Plan's progress in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan.

**JACKSON COUNTY, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF OTHER POST-RETIREMENT BENEFITS FUNDING PROGRESS**  
**For the Year Ended December 31, 2008**  
**"Unaudited"**

Actuarial Valuation Date (1/1)	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ration (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Annual Covered Payroll (prior year)	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2008	\$ -	\$ 4,757,902	- %	\$ 4,757,902	\$ 13,331,911	35.69 %

2008 was the first year that this plan was effective.

**JACKSON COUNTY, GEORGIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the Year Ended December 31, 2008**  
**(Required Supplementary Information)**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 8,386,947	\$ 8,386,947	\$ 8,386,947	\$ -
<b>RESOURCES (INFLOWS)</b>				
Taxes	28,583,781	27,319,062	27,611,602	292,540
Licenses and permits	11,000	11,000	31,714	20,714
Intergovernmental	1,743,224	2,819,661	2,891,932	72,271
Fines and forfeitures	1,108,000	1,043,984	1,054,044	10,060
Charges for services	2,174,630	2,469,922	2,449,468	(20,454)
Investment income	430,000	512,749	460,270	(52,479)
Miscellaneous	-	311	85,259	84,948
Sale of county property	-	2,744,032	2,758,620	14,588
Capital lease issued	575,000	2,418,021	2,418,021	-
Transfers in	142,640	2,526,955	2,226,452	(300,503)
Total Resources (Inflows)	<u>34,768,275</u>	<u>41,865,697</u>	<u>41,987,382</u>	<u>121,685</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>43,155,222</u>	<u>50,252,644</u>	<u>50,374,329</u>	<u>121,685</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
<b>Current Expenditures</b>				
<b>General Government</b>				
Legislative	425,473	320,610	317,863	2,747
Chief executive	196,718	287,142	287,142	-
Elections	176,780	128,298	128,298	-
Voter registration	230,067	173,686	173,686	-
Financial administration	594,692	636,684	636,243	441
Purchasing	108,481	118,303	118,303	-
Data processing/MIS	710,169	693,340	693,340	-
Human resources	209,512	217,358	217,359	(1)
Tax commissioner	613,653	591,106	591,106	-
Tax assessor	611,109	670,454	670,454	-
Courthouse	2,100,511	2,168,726	2,168,725	1
District courthouse	-	(12)	(12)	-
Maintenance superintendent	508,838	538,480	538,480	-
Administration building	521,436	759,455	759,455	-
Board of Equalization	4,820	12,791	12,791	-
Commerce Service Center	34,123	16,822	16,822	-
Contingency	106,083	-	-	-
Total General Government	<u>7,152,465</u>	<u>7,333,243</u>	<u>7,330,055</u>	<u>3,188</u>
<b>Judicial</b>				
Superior court	268,292	227,575	227,575	-
Clerk of superior court	719,093	729,566	729,566	-
District attorney	506,796	437,951	437,951	-
State court	222,583	217,467	217,467	-
Magistrate court	250,151	250,190	250,190	-
Probate court	240,566	246,396	246,396	-
Juvenile court	371,731	375,649	375,649	-
Public defender	320,968	321,102	321,102	-
Solicitor-victims assistance	99,666	112,591	112,591	-
Solicitor-state court	330,388	315,392	315,392	-
Total Judicial	<u>3,330,234</u>	<u>3,233,879</u>	<u>3,233,879</u>	<u>-</u>
<b>Public Safety</b>				
Sheriff	5,890,680	5,977,076	5,976,477	599
Detention center	3,790,640	5,270,363	5,034,740	235,623
Correctional institute	2,542,799	2,348,411	2,348,412	(1)
Correctional institute fire brigade	21,750	11,279	11,279	-
Firemen's association	25,412	230,494	230,494	-
Coroner	45,173	52,873	52,873	-
Animal shelter	83,350	53,975	53,975	-
D.A.R.E.	89,259	143,775	143,775	-
County Marshal	180,832	224,092	224,092	-
Animal control	117,344	130,858	130,851	7
Total Public Safety	<u>12,787,239</u>	<u>14,443,196</u>	<u>14,206,968</u>	<u>236,228</u>

**JACKSON COUNTY, GEORGIA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2008  
(Required Supplementary Information)**

CONTINUED.....	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET POSITIVE (NEGATIVE)
Public Works				
Roadways and walkways	2,445,909	2,071,177	2,071,174	3
Other maintenance	582,138	5,230,245	5,230,245	-
Street lighting	93,830	155,557	155,557	-
Engineering	66,311	66,530	42,918	23,612
Commerce sewer expansion	33,168	24,875	24,875	-
Water administration	1,618,176	1,928,118	1,747,334	180,784
Total Public Works	<u>4,839,532</u>	<u>9,476,502</u>	<u>9,272,103</u>	<u>204,399</u>
Public Health and Welfare				
Health department	150,785	150,785	150,785	-
Transportation services	130,995	140,420	140,420	-
Mental health	13,315	14,014	14,014	-
Boys and Girls Club	10,000	10,000	10,000	-
Certified Literate Program	10,280	10,280	10,280	-
Family and children services	42,134	42,134	42,134	-
Peace Place subsidy	10,000	10,000	10,000	-
Other public health and welfare	18,000	17,995	17,995	-
SolarTech	10,652	10,402	10,402	-
Total Public Health and Welfare	<u>396,161</u>	<u>406,030</u>	<u>406,030</u>	<u>-</u>
Recreation and Culture				
Parks	-	639	639	-
Library	77,500	77,500	77,500	-
Total Recreation and Culture	<u>77,500</u>	<u>78,139</u>	<u>78,139</u>	<u>-</u>
Housing and development				
Forestry	4,764	4,764	4,764	-
Economic development	1,456,663	1,473,153	1,473,153	-
Agencies	48,162	46,771	46,771	-
County agent	115,861	109,714	109,714	-
Other housing and development	53,000	64,060	64,059	1
Airport	89,835	96,577	96,577	-
GIS mapping	132,373	168,950	168,950	-
Total Housing and Development	<u>1,900,658</u>	<u>1,963,989</u>	<u>1,963,988</u>	<u>1</u>
Transfers out	4,284,486	5,098,563	5,005,162	93,401
TOTAL CHARGES TO APPROPRIATIONS	<u>34,768,275</u>	<u>42,033,541</u>	<u>41,496,324</u>	<u>537,217</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>(167,844)</u>	<u>491,058</u>	<u>658,902</u>
FUND BALANCE, End of year	<u>\$ 8,386,947</u>	<u>\$ 8,219,103</u>	<u>\$ 8,878,005</u>	<u>\$ 658,902</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

# NONMAJOR GOVERNMENTAL FUNDS

---

## SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Fire District** - to account for funds collected from taxes charged on property that are used to provide fire protection and control services.

**Emergency 911 Telephone Service** - to account for the cost of providing service to the County as provided in title 46, Chapter 5 of the Official Code of Georgia Annotated.

**Emergency Management/Rescue** – to account for funds received from grants and contributions for the emergency management agency/rescue programs.

**Emergency Services/Ambulance** - to account for the fees charged to users of the county ambulance service. The funds are used to operate the ambulance service.

**Jail Fund** - to account for funds collected from fines and forfeitures and other revenues to be used for the operation of the County jail.

**Law Library** - to account for funds collected from fines and forfeitures to be used to maintain the Law Library as provided in title 36, Chapter 15 of the Official Code of Georgia Annotated.

**Keep Jackson Beautiful** - to account for various grants and donations as well as subsidies from the General Fund to support various activities and projects that reduce littering and other practices that diminish the beauty of the County.

**Protective Inspection/Planning and Zoning** - to account for license and permit fees that are collected on new developments that are used for the planning of new developments in the County.

**Parks and Recreation** - to account for funds received from fees charged for the use of services with the parks and recreation facilities.

**Senior Center** - to account for grants and other funds received for the operation of the county Senior Center.

**Drug Enforcement** - to account for funds collected from fines and forfeitures to be used for drug abuse, treatment and education programs.

## **CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds.

**Greenspace** - to account for financial resources to be used for the purchase of greenspace land in the county.

**CDBG** - to account for Community Development Block Grant received to be used for the acquisition or construction of major capital facilities.

This page intentionally left blank.