



Jackson County, Georgia Executive Summary Budget for Fiscal Year 2010

General Information

- Tentatively, the FY 2009 tax rate is proposed to be 9.50 mills for incorporated area; 8.61 mills for unincorporated area vs. 9.49 and 8.61 for FY 2008 respectively. This represents a 0.01 mill increase in the incorporated area and no change in unincorporated area from the FY 2008 tax rate.
- FY 2010 total annual budget is \$66,359,771, a decrease of 6.36% or \$4,504,802.
- FY 2010 approved General Fund budget of \$35,144,978, a decrease of \$2,517,676 or 6.68% from FY 2009.
- In order to balance the budget for FY 2010 several major cost-reduction measures were implemented. They are as follows:
 - a. Employees will be furloughed 12 days or the equivalent of 96 hours in FY 2010 saving an estimated \$781,440 in salaries and benefits. These days will be officially declared holidays by the Board of Commissioners to comply with the Georgia Code for purposes of closing the County courthouse. These days have been strategically placed at or near other traditional holidays and major events so that the impact on the public and employees is lessened.
 - b. 401a Defined Contribution Retirement funding has been eliminated for FY 2010 saving an estimated \$690,105. This was an alternative to increasing furlough days so that the employees will not feel the impact to their paychecks and are able to sustain a viable income in the short term.
 - c. Employees' dental insurance premiums have increased by \$177.58 per year. The full cost increase has been passed along to the employees.
 - d. The Board of Commissioners voted to restructure the S2008 Economic Development Bonds by paying down \$5,000,000 in principal, taking advantage of a slightly reduced interest rate, reducing the maturity by four years, and front-loading the savings into FY 2010. The total savings for the restructuring amounts to \$1,128,712 for FY 2010.

- FY 2010 Annual budget includes \$95,000 in appropriations to supplement DOT Funds and SPLOST Funds to continue an aggressive base & pave and resurfacing program for county infrastructure.
- In FY 2010, the transfer out to the Jackson County Health Department was left at \$230,784. This is due to the high demand of services for the Health Department which has seen a dramatic increase in patient care due to loss of local jobs and benefits during this economic downturn.
- FY 2010 Annual budget includes \$757,996 in appropriations for repayment of principal and interest on the County's fleet of Caterpillar heavy equipment. The County has established a new 3-year replacement cycle for this equipment.
- A contingency fund was eliminated in the FY 2010 annual budget, a decrease of \$486,106 from FY 2009.
- In FY 2010, appropriations for Capital Outlay have been allocated to a Capital Projects fund. The total appropriation for this fund is \$1,889,038, a decrease of \$1,592,702 or 45.74% from FY 2009. These appropriations are for items that include fleet vehicle replacement (\$144,000), Sheriff's patrol car replacement (\$575,000), Mowers for the Road Department (\$83,000) and one new ambulances (\$200,000).
- Transfers out from the General Fund are \$11,223,667, a decrease of \$459,296 or 3.93%. The primary cause of this decrease in the transfers out is due to refinancing the economic development bonds and refunding \$5,000,000 of the total. This front-loaded much of the savings for FY 2010 under the new amortization schedule. While many of the departments within the Special Revenue Funds receive a transfer out from the General Fund, there were very few increases in transfers out to most departments. Some of the major increases for Transfers Out are as follows:
 - Solid Waste \$110,112
 - Fire Training Facility 268,517
 - Roads & Bridges 108,301
 - Airport Authority 160,126
- EMS revenue was increased for FY 2010 by \$157,166 or 11.81% due to increased ambulance fee collections. This along with the other cost-saving measures has decreased the transfer out from the General Fund to EMS by \$280,974 or 13.31%.

Personnel

- Salaries in the General Fund have decreased \$798,680 or 5.98% even as the full effect of the 20 positions that were phased-in during FY 2009 are now accounted. The remaining decreases are primarily the result of 12 furlough days.
 - a. There was only one position approved for FY 2010, which is a corrections officer position in the Correctional Institute needed due to the increase of inmates to be housed in the IW Davis Detention Center. The cost for this position is offset by additional revenue from the Georgia Department of Corrections.
- Benefits have decreased \$561,273 or 12.26% primarily due to the phase-in of the 12 furlough days and the elimination of the 401a defined contribution retirement funding from the County. Other increases result from changes in employee health insurance coverage as many employees have added family coverage to offset the loss of a spouse's job. However, there was no cost increase in the group health insurance premiums for FY 2010 dental insurance cost increases were passed on to the employees.

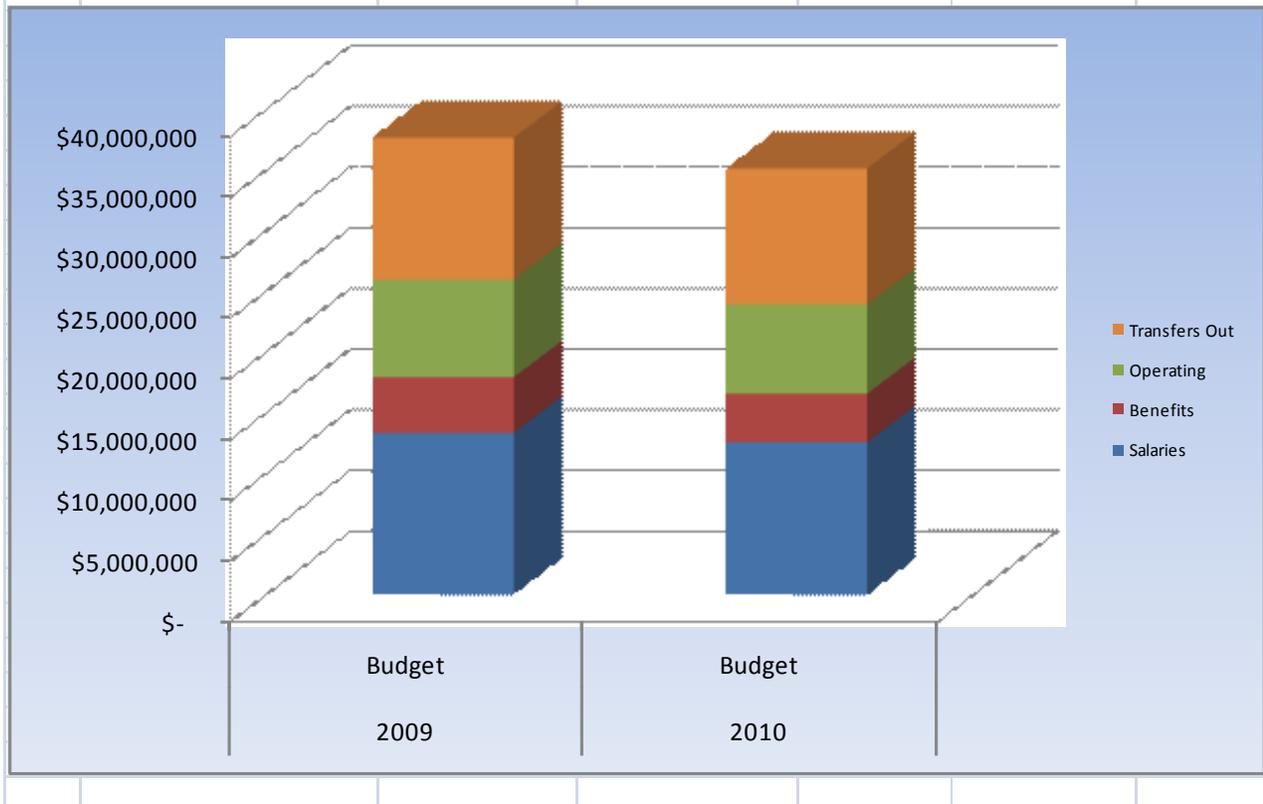
Other Information

- The FY 2009 Budget is balanced without the use of prior years' reserves. Presently, the County's reserves are \$8,878,005. Provided the County breaks even or has a surplus for the year ending December 31, 2009 then the County would expect reserves to be approximately 25.26% of the total FY 2010 budget of \$35,144,978 exclusive of other financing sources.
- Jackson County's 2009 Net Digest has increased 1.45% or \$34,932,045 over the prior year's digest.

FY 2010 BUDGET AT A GLANCE

GENERAL FUND TOTALS

| | 2009 Budget | 2010 Budget | Percent of Total | Difference 2010-2009 | Percent Change |
|---------------|----------------------|----------------------|---------------------|-------------------------|-------------------|
| Salaries | \$ 13,348,440 | \$ 12,562,460 | 35.74% | \$ (785,980) | -5.89% |
| Benefits | 4,579,121 | 4,017,848 | 11.43% | (561,273) | -12.26% |
| Operating | 8,052,130 | 7,341,003 | 20.89% | (711,127) | -8.83% |
| Transfers Out | 11,682,963 | 11,223,667 | 31.94% | (459,296) | -3.93% |
| Total | \$ 37,662,654 | \$ 35,144,978 | 100% | \$ (2,517,676) | -6.68% |

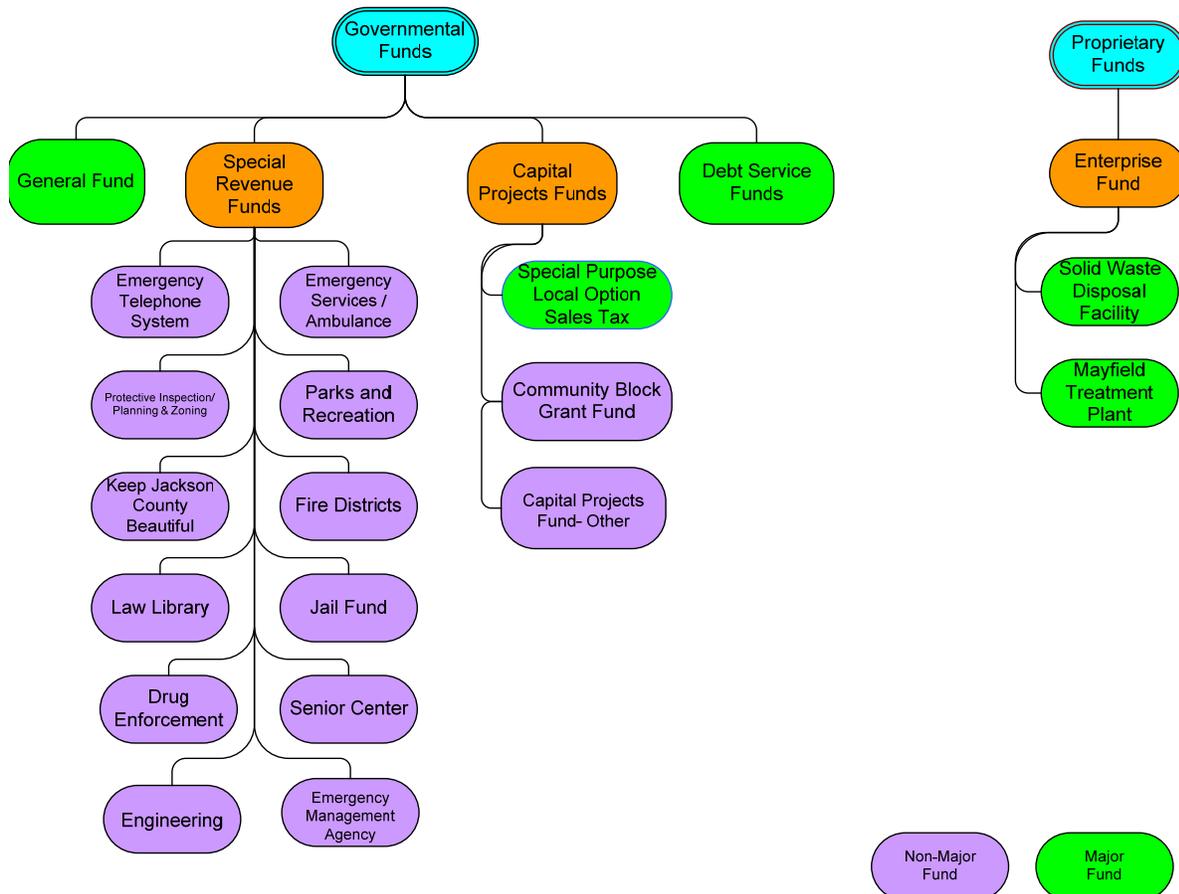




FUND SUMMARIES

The county accounts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that are comprised of the county's assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for within individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Moreover, all governmental funds and proprietary funds have an appropriated budget with the exception of the Mayfield Treatment Plant.

FY 2010 Jackson County, Georgia Fund Structure



BUDGETS BY FUND

This section provides summary budget information by fund for revenues and expenditures. A fund is an individual accounting entity that segregates expenditures, revenues, and other transactions for a specific group of activities.

The term “basis of accounting” refers to that point in time when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the particular measurement focus being applied.

The accounting policies utilized by the county are 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 county uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The basic unit of organization and operation within the county exists at the “fund” level. Consistent with this operational concept, the county’s accounting system also employs the “fund” as the basic budgetary and accounting entity.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are further classified into distinct categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate “fund types.”

Governments use the same accounting as private-sector businesses for proprietary funds and trust funds with the measurement focus of the operating statement on changes in economic resources (i.e., changes in total net assets.) Such changes are recognized as soon as the underlying event or transaction has occurred, regardless of the timing of related cash flows (i.e., the accrual basis of accounting.) Thus, proprietary and similar trust funds recognize revenues as soon as they are earned and expenses as soon as a liability is incurred, just like private-sector businesses.

However, governments account for governmental funds and expendable trust funds differently than businesses. The measurement focus is on changes in current financial or expendable resources to the extent that they normally are expected to impact near-term cash flows (i.e., the modified accrual basis of accounting.) Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available.”) “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The **General Fund** is the principal fund of the county; it supports the majority of basic governmental services. Property and sales tax revenue are the chief funding source for the General Fund. Additionally, the General Fund Budget is used to account for all financial resources, unless they are required to be accounted for within another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources, typically federal and state grants fall within this category. These funds include:

- Emergency Telephone System (E911)
- Emergency Services / Ambulance
- Protective Inspection / Planning & Zoning
- Parks & Recreation
- Keep Jackson Beautiful
- Fire Districts
- Law Library
- Jail Fund
- Senior Center
- Drug Enforcement
- Emergency Management Agency
- Engineering

The **Debt Service Fund** accounts for the financial resources and payment of General Obligation Debt. This debt relates to the contract with Banks County and the Banks-Jackson-Commerce Hospital Authority.

Capital Projects Funds are used to account for financial resources that are used during the acquisition of capital assets. They are also used to account for the construction of major capital projects that are not accounted for in the General Fund or other funds. This includes the Special Purpose Local Option Sales Tax Fund, Capital Projects – Other and the Community Development Block Grant Fund. Since a project length budget is included within the grant document, a budget is not prepared for the Community Development Block Grant Fund.

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise or where the governing body has identified a need to account for an operation in this manner. These funds include the Solid Waste Disposal Facility and the Mayfield Treatment Plant. A budget is not prepared for the Mayfield Treatment Plant due to its relatively small size.

| JACKSON COUNTY, GEORGIA | | | | | | | |
|--|-----------------------------------|--|--|---|--|---------------------------------------|--------------------------------|
| SUMMARY OF BUDGETS BY FUND TYPE | | | | | | | |
| FOR THE YEAR ENDING DECEMBER 31, 2010 | | | | | | | |
| | TOTAL GENERAL FUND | TOTAL SPECIAL REVENUE FUNDS | TOTAL DEBT SERVICE FUND | TOTAL SPLOST PROJECTS FUND | TOTAL CAPITAL PROJECTS FUND | TOTAL ENTERPRISE FUNDS | TOTAL ALL FUNDS |
| REVENUES: | | | | | | | |
| PROPERTY TAXES | \$ 22,043,048 | \$ 2,150,054 | \$ - | \$ - | \$ - | \$ - | \$ 24,193,102 |
| SALES TAX | 5,200,000 | - | - | 8,500,001 | - | - | 13,700,001 |
| OTHER TAXES | 2,036,447 | 23,000 | - | - | - | - | 2,059,447 |
| LICENSES & PERMITS | 122,500 | 266,928 | - | - | - | - | 389,428 |
| INTERGOVERNMENTAL REVENUE | 2,000,452 | 230,929 | - | - | - | - | 2,231,381 |
| CHARGES FOR SERVICES | 2,411,143 | 2,804,000 | - | - | - | 800,000 | 6,015,143 |
| FINES & FORFEITURES | 984,000 | 107,566 | - | - | - | - | 1,091,566 |
| OTHER REVENUES | 260,822 | 48,607 | - | 516,774 | - | - | 826,203 |
| TOTAL REVENUES | \$ 35,058,412 | \$ 5,631,084 | \$ - | \$ 9,016,775 | \$ - | \$ 800,000 | \$ 50,506,271 |
| OTHER FINANCING SOURCES | | | | | | | |
| OPERATING TRANSFERS IN | \$ 86,566 | \$ 3,624,837 | \$ 7,928,450 | \$ 95,000 | \$ - | \$ 529,609 | \$ 12,264,462 |
| TRANSFERS IN FROM COMPONENT UNITS | - | - | - | - | - | - | - |
| SALE OF CAPITAL ASSETS | - | - | - | - | - | - | - |
| PROCEEDS FROM CAPITAL LEASES | - | - | - | - | 1,022,000 | - | 1,022,000 |
| PRIOR YEAR FUND BALANCE | - | - | - | 1,700,000 | 867,038 | - | 2,567,038 |
| TOTAL REVENUES & OTHER SOURCES | \$ 35,144,978 | \$ 9,255,921 | \$ 7,928,450 | \$ 10,811,775 | \$ 1,889,038 | \$ 1,329,609 | \$ 66,359,771 |
| EXPENDITURES: | | | | | | | |
| TOTAL GENERAL GOVERNMENT | \$ 4,402,383 | \$ 464,963 | \$ - | \$ - | \$ - | \$ - | \$ 4,867,346 |
| TOTAL PUBLIC SAFETY | \$ 12,487,449 | \$ 6,575,189 | \$ - | \$ 2,295,177 | \$ 795,000 | \$ - | \$ 22,152,815 |
| TOTAL COURT SYSTEM | \$ 3,224,284 | \$ 11,500 | \$ - | \$ - | \$ - | \$ - | \$ 3,235,784 |
| TOTAL PUBLIC WORKS | \$ 2,133,045 | \$ 45,476 | \$ - | \$ 5,322,058 | \$ 227,000 | \$ - | \$ 7,727,579 |
| TOTAL HEALTH & WELFARE | \$ 145,446 | \$ 572,818 | \$ - | \$ 85,000 | \$ - | \$ 1,329,609 | \$ 2,132,873 |
| TOTAL PARKS & RECREATION | \$ - | \$ 1,129,031 | \$ - | \$ 850,253 | \$ - | \$ - | \$ 1,979,284 |
| SUBTOTAL EXPENDITURES | \$ 22,392,607 | \$ 8,798,977 | \$ - | \$ 8,552,488 | \$ 1,022,000 | \$ 1,329,609 | \$ 42,095,680 |
| INDEPENDENT AGENCIES | \$ 336,445 | \$ - | \$ - | \$ 42,513 | \$ - | \$ - | \$ 378,958 |
| NON-DEPARTMENTAL | \$ 1,192,259 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,192,259 |
| DEBT SERVICE | \$ - | \$ 370,378 | \$ 7,928,450 | \$ - | \$ - | \$ - | \$ 8,298,828 |
| TOTAL EXPENDITURES | \$ 23,921,311 | \$ 9,169,355 | \$ 7,928,450 | \$ 8,595,001 | \$ 1,022,000 | \$ 1,329,609 | \$ 51,965,726 |
| OTHER FINANCING USES: | | | | | | | |
| OPERATING TRANSFERS OUT ¹ | \$ 11,223,667 | \$ 86,566 | \$ - | \$ 2,216,774 | \$ 867,038 | \$ - | \$ 14,394,045 |
| TOTAL EXPENDITURES & OTHER FINANCING USES | \$ 35,144,978 | \$ 9,255,921 | \$ 7,928,450 | \$ 10,811,775 | \$ 1,889,038 | \$ 1,329,609 | \$ 66,359,771 |
| EXCESS OF REVENUES OVER EXPENDITURES | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| EXPECTED FUND BALANCE/NET ASSETS | | | | | | | |
| BEGINNING OF YEAR | \$ 8,878,005 | \$ 2,246,949 | \$ - | \$ 4,859,320 | \$ 41,466,602 | \$ - | \$ 57,450,876 |
| Use of Fund Balance in FY10 Budget: | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| EXPECTED FUND BALANCE/NET ASSETS | | | | | | | |
| END OF YEAR | \$ 8,878,005 | \$ 2,246,949 | \$ - | \$ 4,859,320 | \$ 41,466,602 | \$ - | \$ 57,450,876 |

¹The difference between operating transfers-in and operating transfer-out are the transfers to component units.
Health Department: \$230,784, Airport, \$313,201, Water Authority, \$1,585,598, TOTAL \$2,129,583

Positions added in the budget for FY 2010 include the following:

| Position: | Salaries & Benefits Total |
|----------------------|---------------------------|
| Corrections Officer: | <u>\$43,334</u> |
| TOTAL | <u>\$43,334</u> |

Unfilled positions left un-budgeted for FY 2010:

| Position: | |
|-----------------------------|------------------|
| Assistant Building Official | \$64,175 |
| Building Inspector | 49,562 |
| Zoning Coordinator | 49,920 |
| Senior Planner | 78,911 |
| Engineer | <u>67,538</u> |
| TOTAL | <u>\$310,106</u> |

Positions eliminated during FY 2009 and for FY 2010:

| Position: | |
|----------------------------|------------------|
| Development Inspectors (2) | \$102,131 |
| Permit Clerks (2) | 72,930 |
| Building Inspectors (2) | <u>92,474</u> |
| TOTAL | <u>\$267,535</u> |

October 15, 2009

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