

JACKSON COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2005

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JACKSON COUNTY BOARD OF COMMISSIONERS

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

PAT BELL
CHAIRMAN

June 13, 2006

MEMBERS

TOM CROW
DISTRICT 1

JODY THOMPSON
DISTRICT 2

EMIL BESHARA
DISTRICT 3

TONY BEATTY
DISTRICT 4

The Honorable Pat Bell, 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, 2005.

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., P.C., 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, 2005, 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, 2005, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this CAFR.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit", designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited

government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are contained in the *Single Audit 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

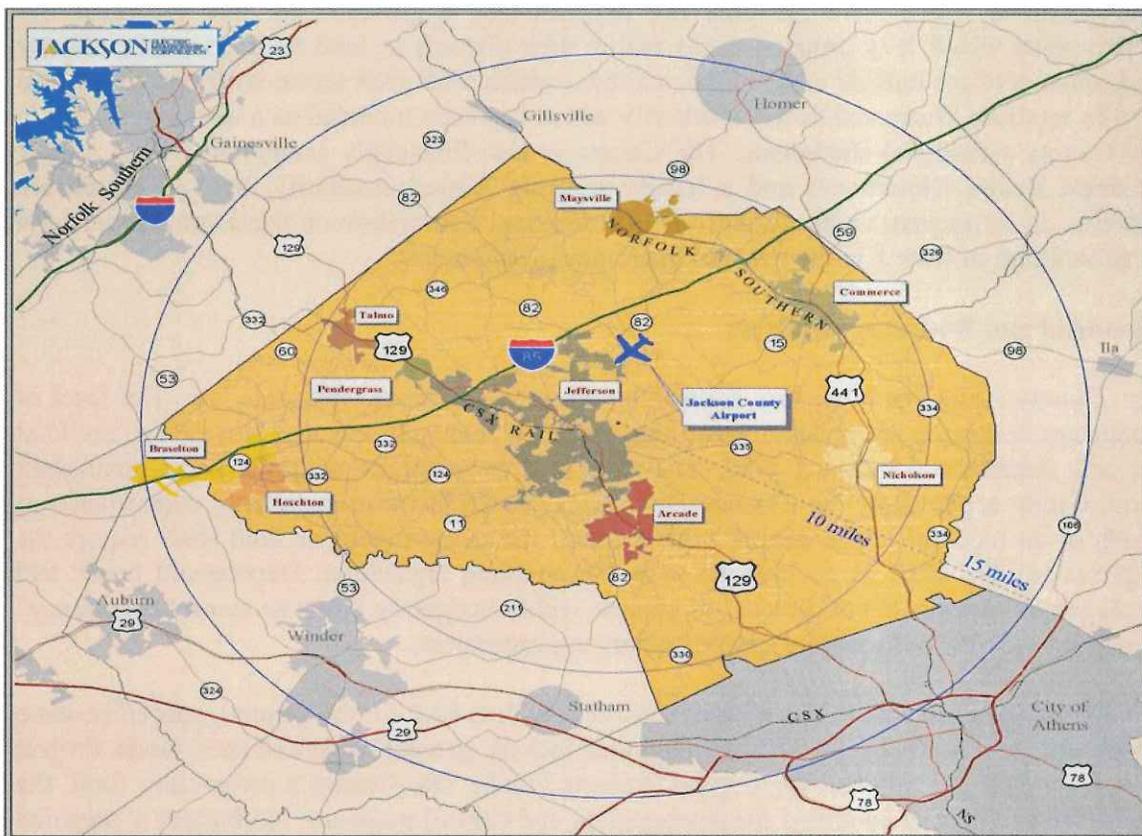
Jackson County is located on the upper fringes of the Piedmont Plateau in northeastern Georgia. The City of Jefferson serves as the County Seat, and is located approximately five miles off of U.S. Interstate Highway 85 (I-85). I-85 runs from southwest to northeast from Montgomery, Alabama to its confluence 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. Recently Haverty's Furniture has built a large warehouse off I-85 near Braselton. Toyota Industries North America and Denso Corporation have completed construction on a \$110 million automobile air conditioner assembly facility off I-85 near Pendergrass, which will employ 120 people by 2006. Additionally, Toyota has decided to locate a distribution center on an adjacent 50 acre site. The Kubota Corporation has also expanded its operations by opening a new 400,000 square foot facility in Jackson County which will initially employ 500 people and will produce 70,000 tractor implements annually. 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.

The County was listed by the U.S. Census Bureau in 2000 as the fifty-third fastest growing county in the United States. According to 2005 population estimates, Jackson County is now listed as the twenty-sixth fastest growing county in the United States. Despite a growth of almost 40% in population from 1990 to 2000, the county has retained its largely rural atmosphere. 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, and the County school system, as well as the City school systems of Commerce and Jefferson, are acutely feeling the pains of growth.

The Jackson County Airport is in the process of being upgraded to a Category Three Airport Facility to accommodate corporate and general aviation traffic. Shortly, the main runway is to be extended to 5,000 feet, which will be able to handle most corporate and private aircraft. 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

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, with the chairman and two members being elected in 2004, and the remaining two commissioners being elected in 2006. 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.

Citizens of the County also elect every four years 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, 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.

Municipalities of the County

The County has nine incorporated municipalities, which compose approximately 37% of the County's population in the Census of 2000. The municipalities and their 2000 populations are Commerce (5,292), Jefferson (3,825), Arcade (1,643), Nicholson (1,247), Hoschton (1,071), Braselton (701), Maysville (575), Talmo (477) and Pendergrass (431). The Town of Braselton gained some notoriety when actress Kim Basinger and some of her associates

essentially purchased most of the community several years ago. 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, 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 one high school, the Jackson County Comprehensive High School. The Commerce City School System and the Jefferson City School System are fiscally independent of the 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.

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 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.

In addition, \$25,507,599 has been allocated in the areas of parks and recreation, public safety facilities, roads and bridges, libraries, and water and sewer improvements. At present, construction has begun on the East Jackson Sports Complex which will have four baseball fields, a refreshment center and spectator seating. Also, phase I of the development of a new jail facility is underway. The Board of Commissioners appointed a Jail Advisory Committee; which has completed the review of Requests for Qualifications (RFQ's) and selected a design firm (Precision Planning) for recommendation to the Board.

Cash Management

Temporarily idle cash earns interest either through the NOW checking accounts which are part of the County's fiscal agency agreement or through the Georgia One Fund, a state operated local investment pool. The NOW account agreement was negotiated several years ago and provides for a fixed rate of 2.00% interest. The Georgia One Fund is a short-term investment vehicle which offers variable interest rates generally in the 3.21% per annum range.

Debt Management

During 2005, the County entered into a blended lease purchase arrangement with the Association County Commissioners of Georgia Lease Purchase Program. The lease purchase arrangement totaling \$2,166,760 was to finance the acquisition of heavy equipment for the Road Department. This equipment is instrumental in constructing new roads that parallel Interstate I-85 in hopes of spurring economic development. Additional information may be found in Note 6 in the notes to the financial statements.

In addition, on November 1, 2004, the County, in partnership with the Jackson County Industrial Development Authority, issued revenue bonds in the amount of \$16,815,000 to finance the construction of several economic development projects in the County. The components of the project include (i) financing the acquisition and renovation of a dormant shopping center on the east side of Jackson County, in the present day City of Commerce, Georgia, to be used for a Lanier Tech satellite campus; and (ii) financing the construction of several major economic/industrial development roads. While some portions of the project have been completed, which include roads that serve the Toyota plant, other roads to enhance economic development opportunities are in the construction phase. Moreover, the Lanier Tech satellite campus, which offers technical training to Jackson County residents, was completed in 2005. Current enrollment at this campus is 88 regular students and 125 GED students. Additional information may be found in Note 6 in the notes to the financial statements.

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 note 10 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 11 of the financial statements.

The County has minimal post-employment obligations to former or retired employees.

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, 2004. This was the fourth 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.

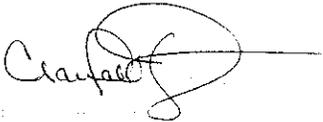
A Certificate of Achievement is valid for a period of one year only. We believe that this CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another Certificate of Achievement for the fiscal year ended December 31, 2005.

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, 2006. 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, 2006.

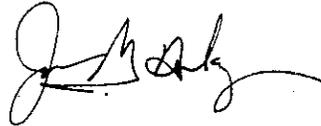
The preparation, design and publication of this CAFR represents a significant cooperative effort between the County's Finance Department and its independent auditor, Bates Carter and Co., P.C., CPA's. Special thanks go to the various County departments and their directors for their assistance and their cooperation in contributing to the preparation of this CAFR. We would be remiss in our duty if we would not recognize the professional efforts of the Finance Department staff, without whose 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 BOC 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,



Crandall O. Jones
County Manager



John G. Hulsey
Director of Finance

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Jackson,
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

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.



Carla E. Perry

President

Jeffrey R. Enow

Executive Director



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Jackson County
Georgia**

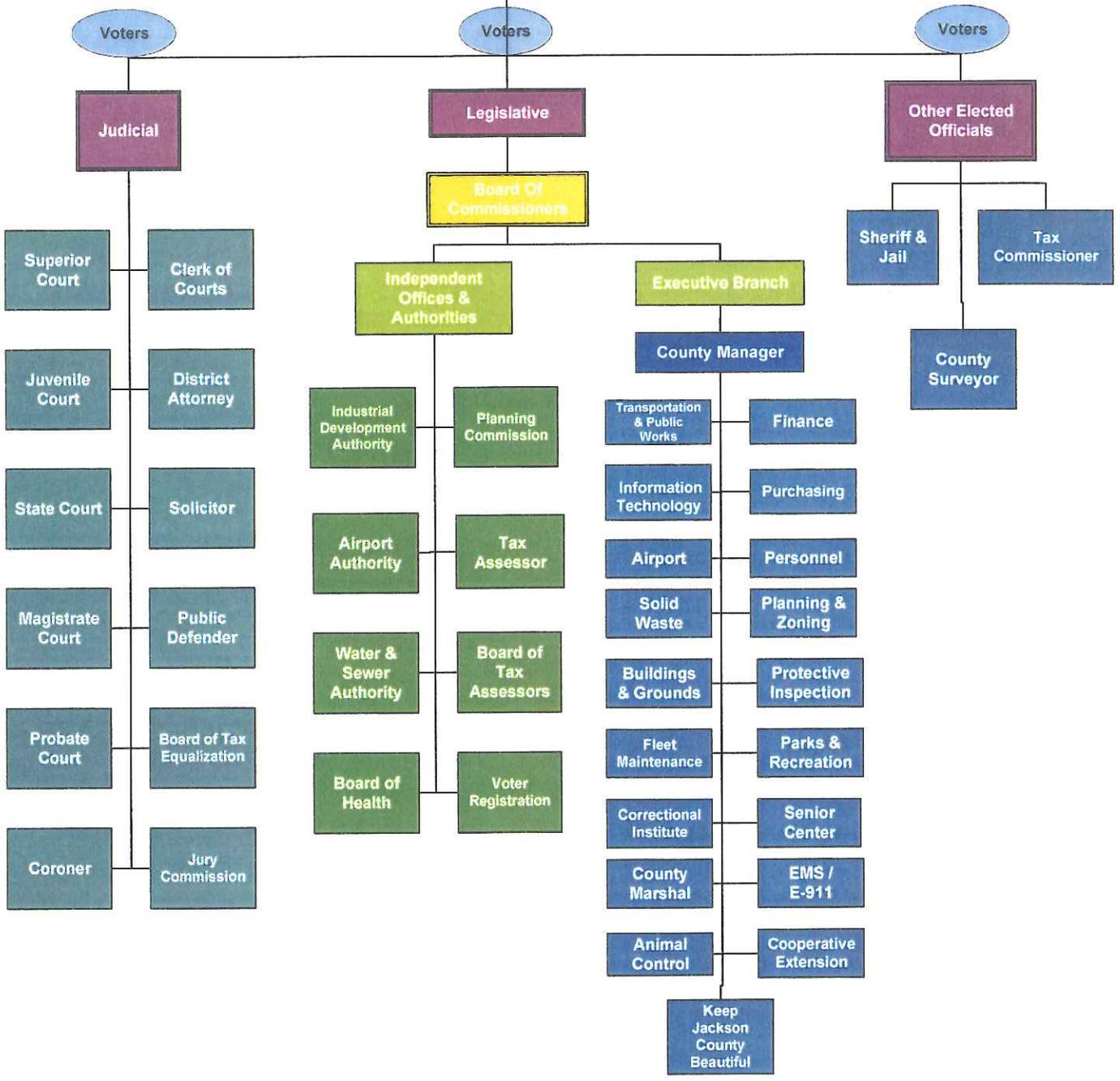
For the Fiscal Year Beginning

January 1, 2006

President

Executive Director

CITIZENS OF JACKSON COUNTY



Officials of Jackson County

JACKSON

County

BOARD OF COMMISSIONERS

COMMISSIONER	TERM
Pat Bell – Chairperson	January 2005 – December 2009
Thomas Crow – District 1	January 2005 – December 2009
Jody Thompson – District 2	January 2005 – December 2009
Emil Beshara – District 3	January 2001 – December 2006
Tony Beatty – District 4	January 2001 – December 2006

ADMINISTRATION

Crandall Jones – County Manager

DEPARTMENT DIRECTORS

John Hulsey	Finance
Melanie Thomas	Human Resources
Linda Kay Daniel	Purchasing
Justin Linebaugh	Information & Tech.
Ricky Sanders	Parks & Recreation
Don Clerici	Development Division
-----	Engineer/Proj. Management
Blanton Dove	Public Safety
Cathy Johnson	Chief Tax Assessor
Tom Page	Solid Waste
Larry Guthrie	Road Superintendent
Vickie Underwood	Correctional Institute
Eugene Brogan	Marshal
Marty Rubio	Maintenance Superintendent
Donna Seagraves	Public Defender
Shirley Smith	Senior Center

JUDICIAL & OTHER ELECTED OFFICIALS

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

INDEPENDENT AUDITORS' REPORT

May 22, 2006

Board of Commissioners
Jackson County, Georgia
Jefferson, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2005, 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, as of, and for the year then ended June 30, 2005, a component unit of the County, which statements reflect total assets of \$800,217 as of June 30, 2005, and total revenues of \$1,103,036 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 component unit named above, is based solely on the reports 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 discretely presented component units, each

major fund, and the aggregate remaining fund information of JACKSON COUNTY, GEORGIA, as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, 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 22, 2006, 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 and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis, Schedule of Pension Funding Progress, Schedule of Employer Retirement Contributions, and 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 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 tables 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 basic financial statements taken as a whole.

Bates, Carter & Co., P.C.

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, 2005. 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 \$121.8 million. Of this amount, \$3.3 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 \$6.6 million during 2005. Governmental activities' net assets increased \$6.8 million during 2005. This is primarily attributable to donated assets in terms of subdivision infrastructure (\$2.8 million). However, business-type activities' net assets decreased by \$.189 million during 2005. This is attributable to an increase in long term liabilities as a result of accounting for landfill closure/post-closure costs.
- As of the close of the current fiscal year, the primary government's governmental funds reported combined ending fund balances of \$17.6 million, a decrease of \$3.3 million in comparison with the prior year. Approximately 45.2% of the combined funds balances, \$7.9 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 \$4.5 million or 17.63% 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 and 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, court system, public works, health and welfare, recreation and culture, housing and development, and intergovernmental. 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 sixteen 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 twelve 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 through 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 through 9 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 10 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 11 through 46 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.

Required supplementary information can be found on page 47-51 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 52-59 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 2005 of \$88 million, of which \$88.2 million was from governmental activities and a deficit of \$.2 million from business-type activities. At December 31, 2005, the County had \$114.553 million invested in capital assets, net of related debt and accumulated depreciation, \$3.9 million in restricted net assets of which \$.5 million is restricted for debt service and \$1.276 million of which is restricted for capital outlay, the remaining \$2.1 million is restricted for the various other funds. Unrestricted net assets as of December 31, 2005 equaled \$3.3 million. The table below shows the split of net assets between governmental and business-type activities.

JACKSON COUNTY, GEORGIA'S NET ASSETS DECEMBER 31, 2005

(\$ in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2005	2004	2005	2004	2005	2004
Assets:						
Current and other assets	\$ 42,382	\$ 44,186	\$ 387	\$ 372	\$ 42,769	\$ 44,558
Capital assets (net of depreciation)	150,777	59,271	638	680	151,415	59,951
Total Assets	193,159	103,457	1,025	1,052	194,184	104,509
Liabilities:						
Long-term liabilities outstanding	49,167	48,829	1,298	1,128	50,465	49,957
Other liabilities	21,831	20,667	88	95	21,919	20,762
Total Liabilities	70,998	69,496	1,386	1,223	72,384	70,719
Net assets:						
Invested in capital assets, net of related debt	113,915	30,819	638	680	114,553	31,499
Restricted	3,946	3,740	-	-	3,946	3,740
Unrestricted	4,300	(598)	(998)	(852)	3,302	(1,450)
Total Net Assets	\$ 122,161	\$ 33,961	\$ (360)	\$ (172)	\$ 121,801	\$ 33,789

The large amount of capital assets is primarily attributable to the county recording retroactive infrastructure. As of December 31, 2005, the County implemented GASB 34 retroactive infrastructure reporting. As a result, the County's beginning net capital assets increased \$81,367,766 from what was previously reported in the December 31, 2004 financial statements. Moreover, the County has experienced rapid growth over the last five years. In fact, it is listed as the 26th fastest growing county in the U.S. per the United States Census Bureau. During FY 05, \$2.8 million dollars in infrastructure was donated to the county from various developers.

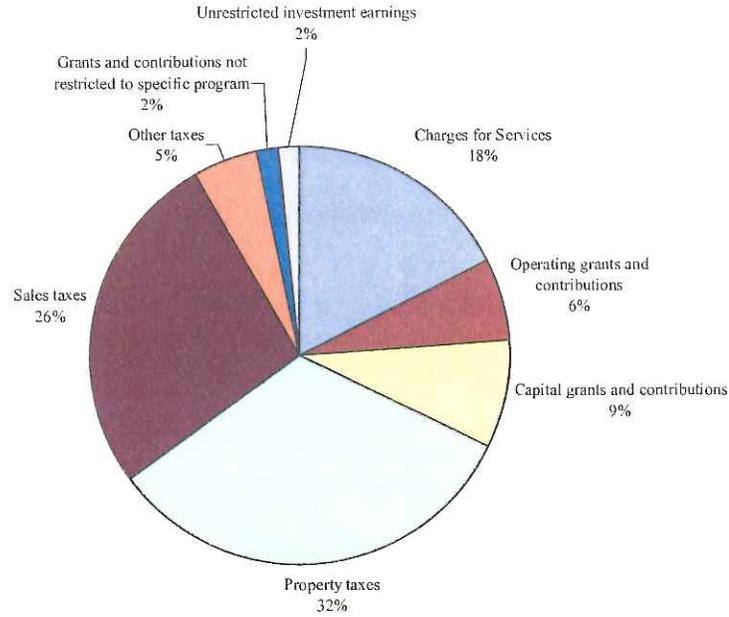
JACKSON COUNTY GEORGIA'S CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2005

(\$ in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$ 6,596	\$ 5,848	\$ 972	\$ 735	\$ 7,568	\$ 6,583
Operating grants and contributions	2,708	1,825	-	-	2,708	1,825
Capital grants and contributions	3,713	4,337	-	-	3,713	4,337
General revenues:						
Property taxes	14,103	13,196	-	-	14,103	13,196
Sales taxes	11,589	11,603	-	-	11,589	11,603
Insurance premium taxes	1,160	1,086	-	-	1,160	1,086
Other taxes	908	854	-	-	908	854
Grants and contributions not restricted to a specific program	823	775	-	-	823	775
Unrestricted investment earnings	668	334	-	-	668	334
Other	378	79	-	-	378	79
Total Revenues	<u>42,646</u>	<u>39,937</u>	<u>972</u>	<u>735</u>	<u>43,618</u>	<u>40,672</u>
Expenses:						
General government	3,699	4,773	-	-	3,699	4,773
Public safety	14,825	14,132	-	-	14,825	14,132
Court system	2,998	2,340	-	-	2,998	2,340
Public works	4,246	2,622	-	-	4,246	2,622
Health and welfare	875	866	-	-	875	866
Recreation and culture	1,195	1,060	-	-	1,195	1,060
Housing and development	1,705	1,337	-	-	1,705	1,337
Intergovernmental	3,826	6,034	-	-	3,826	6,034
Interest	2,072	1,371	-	-	2,072	1,371
Solid waste	-	-	1,507	1,942	1,507	1,942
Mayfield treatment plant	-	-	26	29	26	29
Total Expenses	<u>35,441</u>	<u>34,535</u>	<u>1,533</u>	<u>1,971</u>	<u>36,974</u>	<u>36,506</u>
Increase in net assets before transfers	7,205	5,402	(561)	(1,236)	6,644	4,166
Transfers	(373)	(88)	373	88	-	-
Increase in net assets	<u>6,832</u>	<u>5,314</u>	<u>(188)</u>	<u>(1,148)</u>	<u>6,644</u>	<u>4,166</u>
Net assets, beginning of year	115,329	28,647	(171)	356	115,158	29,003
Net assets, end of year	<u>\$ 122,161</u>	<u>\$ 33,961</u>	<u>\$ (359)</u>	<u>\$ (792)</u>	<u>\$ 121,802</u>	<u>\$ 33,169</u>

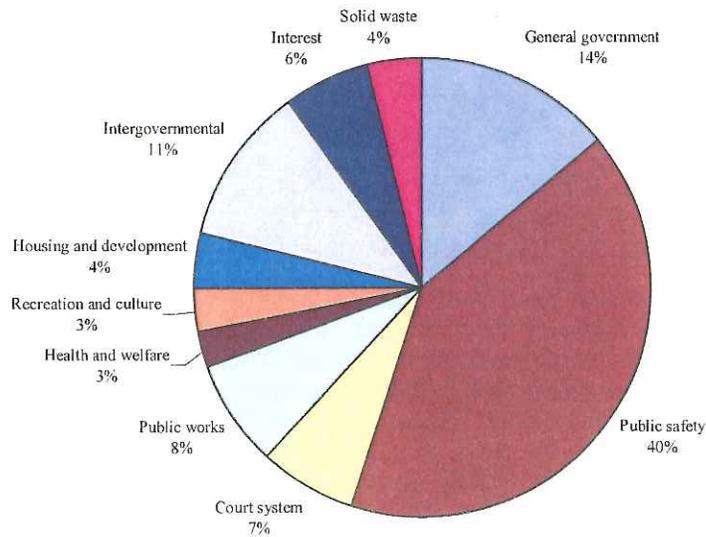
Total government-wide revenues for 2005 were \$43.6 million. These revenues consisted of \$27.8 million in taxes, \$7.2 million in grants and contributions, \$.7 million in investment earnings and \$7.6 million in charges for services. Of this amount, \$42.6 million was in governmental activities and \$1 million in business-type activities.

REVENUES BY SOURCE-GOVERNMENT-WIDE ACTIVITIES



Government-wide expenses were \$36.9 million for 2005, of which \$35.4 million were for governmental activities and \$ 1.5 million for business-type activities. The chart below shows further detail of government-wide expenses.

EXPENSES BY FUNCTION-GOVERNMENT-WIDE ACTIVITIES

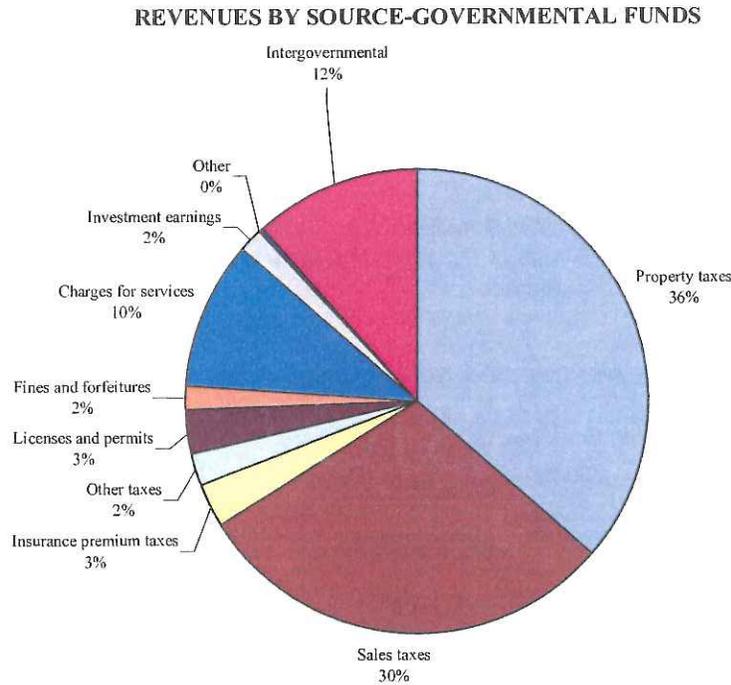


FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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 \$3.1 million from 2004. General Fund property taxes increased \$1.2 million due to an increase in the tax digest. The millage rate was increased approximately .5 mills from the prior year to 10.28 mills for the incorporated area and 9.19 mills for the unincorporated areas.

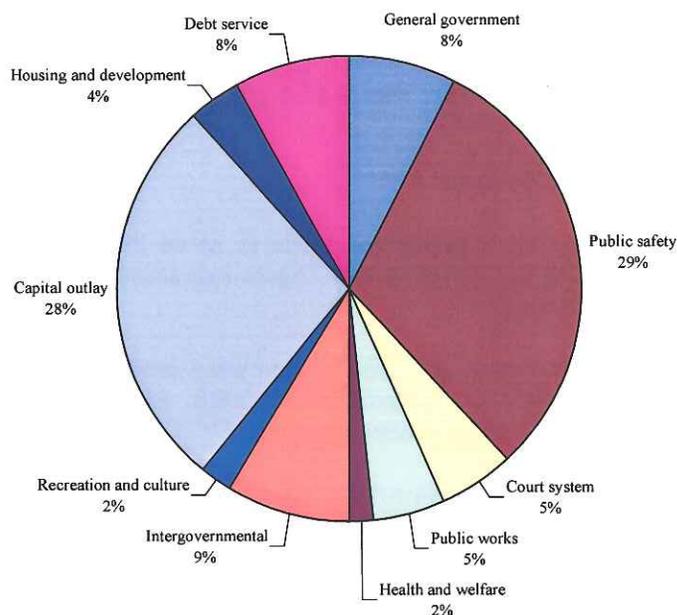


The County's Local Option Sales Tax, the General Fund's second most significant revenue source, yielded \$.7 million more than in the prior year. The total amount of local option sales tax revenue was \$5.2 million. The County currently shares two different 1% taxes on all sales within the County. The 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, SPLOST number four, was approved by the voters on March 15, 2005. The new SPLOST, effective for six years, commenced 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 \$1.6 million was expended during 2005 in

the unincorporated areas for these capital projects; and \$3.8 million was expended for projects in the incorporated areas at the direction of other governments.

Expenditures in the governmental funds were \$ 46 million, down by \$13 million from 2004. Capital outlay expenditures decreased \$12.3 million from 2004. While the County had capital outlay expenditures of \$12.7 million during 2005, capital outlay expenditures were significantly lower than the previous fiscal year due to completion of the County's new Judicial Facility in 2004.

EXPENDITURES BY FUNCTION-GOVERNMENTAL FUNDS



Other decreases are attributable to a reduction in debt issuance costs \$.4 million. After transfers, fund balances in the governmental funds decreased by \$3.3 million. This is primarily attributable to activities of the Capital Projects Fund. Capital projects funds have project length budgets and therefore have revenues and expenditures that fluctuate over the life of the project. In 2005, Jackson County had capital project fund activities that included but were not limited to construction of various roads to serve economic development projects.

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 increased by \$.203 million from the prior year, while expenses increased \$.165 million from 2004. This is attributable to accounting for landfill closure/post-closure costs related to incorporating additional acreage into the existing county landfill. There was little change from 2004 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 49-51. 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 \$1.5 million below final budget amounts. Resources available for appropriation at year end were \$1.2 million above final budget amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS: Jackson County's Government-wide investments in capital assets at December 31, 2005, were \$ 151.4 million, net of \$21.4 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 22. Government-wide additions in 2005 were over \$ 15.5 million with \$ 15.5 million in government-type activities and none in business-type activities.

Major capital asset activities in 2005 were:

- Continuing construction on a system of roads to serve the new Michigan Automotive Compressor Plant which is a subsidiary of Toyota Industries of North America and other economic development roads.
- Roads and bridges in the amount of \$3.9 million were capitalized in 2005. This amount represents only those road projects completed in 2005. An additional \$7.1 million of road and bridge projects were in construction at year-end.
- The county implemented GASB 34 retroactive infrastructure reporting. As a result, the County's beginning net capital assets increased \$81,367,766 from what was previously reported in the December 31, 2004 financial statements.
- Completion of the renovation of the Commerce Service Center that serves higher education purposes and serves as a satellite location for the Jackson County Health Department.
- Completion of a Local Area Network that integrates all county facilities.
- Acquisition of a new fleet of Caterpillar Heavy Road Equipment to facilitate construction of roads that will serve both existing and potential economic development opportunities.

Long-term debt: Long-term debt increased by \$2.96 million in 2005. While the county retired \$2.5 million in long-term debt. However, it also added \$2.5 million in new debt. The new debt is a result of capital lease activity and landfill closure/post-closure activity. The County entered into a lease purchase arrangement with the Association County Commissioners of Georgia to finance acquisition of a new fleet of Caterpillar Heavy Road Equipment. This equipment is instrumental in continuing the activities of road construction in the capital projects fund. The principal value of this lease was \$2.2 million. Additional information on the County's debt is contained in Note 6 beginning on page 26.

In 2004, Jackson County in partnership with the Jackson County Industrial Development Authority issued \$16.8 million in aggregate principal of revenue bonds during December 2004. Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Group, a division of The McGraw Hill Companies ("S&P") assigned the bonds an underlying rating of "A1" and "A+" respectively. However, prior to the delivery of the Bonds, the Bonds were insured through MBIA Insurance Corporation giving the Bonds a rating of "Aaa," and "AAA" respectively.

The aforementioned ratings reflect the county's general credit characteristics. These characteristics include having a strong tax base growth and stable local employment base, a strong financial position, and moderate debt levels.

ECONOMIC FACTORS AND THE 2006 BUDGET

The County's General Fund receives approximately 18% 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 2006 remained rather conservative at \$4,800,000.

In 2005, Toyota Industries North America and Denso Corporation completed construction on a \$110 million facility that currently employs approximately 120 persons. The Kubota Corporation has also expanded its operations by opening a new 400,000 square foot facility in Jackson County which initially employed 500 people.

For 2006, the Jackson County Government has budgeted a 9.57% increase in revenues over 2005.

The County's total number of employees for 2005 was 454, up 65 from 2004. The 2006 Budget increased to 461 employees, an increase of 7 employees. Most of the increase in employees was in the areas of general government and court systems.

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.

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JACKSON COUNTY, GEORGIA
STATEMENT OF NET ASSETS
December 31, 2005

	-----PRIMARY GOVERNMENT-----			-----COMPONENT UNITS-----		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	HEALTH DEPARTMENT	WATER AND SEWERAGE AUTHORITY	AIRPORT AUTHORITY
ASSETS						
Cash	\$ 17,016,201	\$ -	\$ 17,016,201	\$ 739,470	\$ 249,739	\$ 276,807
Investments	1,137,608	-	1,137,608	-	-	-
Receivables (net of allowance for uncollectibles)	11,068,255	553,049	11,621,304	40,859	618,392	13,158
Due from component unit	999,086	-	999,086	-	-	-
Due from primary government	-	-	-	-	-	101,988
Inventories	221,161	-	221,161	-	236,892	20,012
Internal balances	166,216	(166,216)	-	-	-	-
Prepaid items	942,095	-	942,095	-	158,312	4,021
Restricted assets:						
Restricted cash	9,363,475	-	9,363,475	-	4,544,196	1,296,703
Restricted receivables	-	-	-	-	553,831	-
Restricted investments	9,420	-	9,420	-	-	-
Noncurrent assets:						
Deferred charges	1,350,145	-	1,350,145	-	24,257,469	47,930
Long-term receivable	-	-	-	-	24,808	-
Net pension obligation	108,000	-	108,000	-	-	-
Capital assets:						
Capital assets not being depreciated	84,501,024	365,666	84,866,690	-	3,604,439	3,790,633
Capital assets being depreciated	87,420,569	529,076	87,949,645	107,314	69,091,955	2,148,244
Less: accumulated depreciation	(21,144,547)	(256,506)	(21,401,053)	(87,426)	(6,314,380)	(517,885)
Capital assets, net of depreciation	150,777,046	638,236	151,415,282	19,888	66,382,014	5,420,992
TOTAL ASSETS	193,158,708	1,025,069	194,183,777	800,217	97,023,653	7,181,611
LIABILITIES						
Accounts payable	1,844,538	87,866	1,932,404	64,543	509,633	328,997
Accrued liabilities	1,015,842	-	1,015,842	-	530,773	-
Accrued interest payable	518,952	-	518,952	-	-	32,234
Due to other governments	3,318,500	-	3,318,500	-	217,936	-
Due to primary government	-	-	-	-	435,239	665,834
Unearned revenue	15,118,365	-	15,118,365	2,403	5,451,045	-
Funds held in trust	14,629	-	14,629	-	32,253	-
Noncurrent liabilities:						
Due within one year						
Notes payable	19,210	52,618	71,828	-	26,220	-
Revenue bonds payable	-	-	-	-	755,000	-
Capital leases payable	2,328,089	-	2,328,089	-	14,945	-
Contracts payable	93,750	-	93,750	-	625,059	-
Landfill closure and postclosure	-	148,019	148,019	-	-	-
Compensated absences	465,777	12,744	478,521	10,373	-	-
Due in more than one year						
Notes payable	251,268	401,720	652,988	-	2,981,965	-
Revenue bonds payable	-	-	-	-	18,301,788	-
Capital leases payable	27,255,113	-	27,255,113	-	-	-
Contracts payable	18,753,878	-	18,753,878	-	22,318,906	2,600,000
Landfill closure and postclosure	-	682,500	682,500	-	-	-
Compensated absences	-	-	-	68,352	-	-
TOTAL LIABILITIES	70,997,911	1,385,467	72,383,378	145,671	52,200,762	3,627,065
NET ASSETS						
Invested in capital assets, net of related debt	113,914,510	638,236	114,552,746	19,888	45,023,393	4,591,367
Restricted for:						
Capital outlay	1,275,991	-	1,275,991	-	-	-
Debt service	491,378	-	491,378	-	596,392	54,316
Drug enforcement	122,220	-	122,220	-	-	-
Emergency services	380,776	-	380,776	-	-	-
Fire districts	676,681	-	676,681	-	-	-
Health services	-	-	-	537,827	-	-
Jail	466,383	-	466,383	-	-	-
Planning and zoning	276,678	-	276,678	-	-	-
Senior Center	255,957	-	255,957	-	-	-
Unrestricted	4,300,223	(998,634)	3,301,589	96,831	(796,894)	(1,091,137)
TOTAL NET ASSETS	\$ 122,160,797	\$ (360,398)	\$ 121,800,399	\$ 654,546	\$ 44,822,891	\$ 3,554,546

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
Year Ended December 31, 2005

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT:	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS				COMPONENT UNITS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	HEALTH DEPARTMENT	WATER AND SEWERAGE AUTHORITY	AIRPORT AUTHORITY	
GOVERNMENTAL ACTIVITIES:											
General government	\$ 3,698,883	\$ 759,213	\$ 31,713	\$ -	\$ (2,907,967)	\$ -	\$ (2,907,967)	\$ -	\$ -	\$ -	
Public safety	14,825,165	2,372,764	1,453,855	36,949	(10,961,597)	-	(10,961,597)	-	-	-	
Court system	2,897,552	2,007,825	235,968	-	(753,759)	-	(753,759)	-	-	-	
Public works	4,245,524	31,674	494,740	3,659,524	(59,586)	-	(59,586)	-	-	-	
Health and welfare	875,199	25,380	251,576	-	(598,243)	-	(598,243)	-	-	-	
Recreation and culture	1,194,820	259,715	-	5,065	(930,040)	-	(930,040)	-	-	-	
Housing and development	1,705,021	1,139,079	238,989	11,550	(314,403)	-	(314,403)	-	-	-	
Intergovernmental	3,826,405	-	-	-	(3,826,405)	-	(3,826,405)	-	-	-	
Interest	2,072,056	-	-	-	(2,072,056)	-	(2,072,056)	-	-	-	
Total Governmental Activities	35,440,635	6,595,650	2,707,841	3,713,088	(22,424,056)	-	(22,424,056)	-	-	-	
BUSINESS-TYPE ACTIVITIES:											
Solid Waste Disposal Facility	1,506,883	945,378	-	-	-	(561,505)	(561,505)	-	-	-	
Mayfield Treatment Plant	26,374	26,374	-	-	-	-	-	-	-	-	
Total Business-Type Activities	1,533,257	971,752	-	-	-	(561,505)	(561,505)	-	-	-	
TOTAL PRIMARY GOVERNMENT	\$ 36,973,892	\$ 7,567,402	\$ 2,707,841	\$ 3,713,088	\$ (22,424,056)	\$ (561,505)	\$ (22,985,561)	\$ -	\$ -	\$ -	
COMPONENT UNITS											
Health Department	\$ 1,042,013	\$ 508,185	\$ 565,209	\$ -	\$ -	\$ -	\$ -	\$ 31,381	\$ -	\$ -	
Water and Sewerage Authority	6,833,193	4,093,305	-	5,342,261	-	-	-	-	2,602,373	(125,411)	
Airport Authority	551,234	399,436	-	26,387	-	-	-	-	-	-	
TOTAL COMPONENT UNITS	\$ 8,426,440	\$ 5,000,926	\$ 565,209	\$ 5,368,648	\$ -	\$ -	\$ 27,759,320	\$ 31,381	\$ 2,602,373	\$ (125,411)	
GENERAL REVENUES											
Property tax					14,103,453	-	14,103,453	-	-	-	
Sales tax					11,588,533	-	11,588,533	-	1,793,649	-	
Insurance premium tax					1,159,704	-	1,159,704	-	-	-	
Real estate and recording taxes					687,697	-	687,697	-	-	-	
Other taxes					219,933	-	219,933	-	-	-	
Subtotal all taxes					27,759,320	-	27,759,320	-	1,793,649	-	
Unrestricted investment earnings					667,521	-	667,521	29,642	75,820	48,530	
Grants and contributions not restricted to a specific program					823,073	-	823,073	-	-	-	
Gain on sale of capital assets					378,344	-	378,344	-	-	-	
TRANSFERS					(372,561)	372,561	-	-	-	-	
Total General Revenues and Transfers					29,255,697	372,561	29,628,258	29,642	1,869,469	48,530	
CHANGE IN NET ASSETS					6,831,641	(188,944)	6,642,697	61,023	4,471,842	(78,881)	
NET ASSETS, Beginning					115,329,156	(171,454)	115,157,702	74,333	40,351,049	3,633,427	
Prior period adjustment					-	-	-	519,190	-	-	
NET ASSETS, Beginning as restated					115,329,156	(171,454)	115,157,702	593,523	40,351,049	3,633,427	
NET ASSETS, Ending					\$ 122,160,797	\$ (360,398)	\$ 121,800,399	\$ 654,546	\$ 44,822,891	\$ 3,554,546	

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
 December 31, 2005

	GENERAL FUND	SPLOST	CAPITAL PROJECTS	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash	\$ 10,143,893	\$ 4,136,747	-	\$ 2,735,561	\$ 17,016,201
Investments	1,137,608	-	-	-	1,137,608
Accounts receivable, net	8,952,001	1,407,780	-	835,559	11,195,340
Inventories	177,766	-	-	26,939	204,705
Due from other funds	1,257,569	-	161,776	386,110	1,805,455
Due from component unit	999,086	-	-	-	999,086
Prepaid items	806,106	-	-	135,989	942,095
Restricted cash	436,861	-	8,926,614	-	9,363,475
Restricted investments	-	-	9,420	-	9,420
TOTAL ASSETS	\$ 23,910,890	\$ 5,544,527	\$ 9,097,810	\$ 4,120,158	\$ 42,673,385
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts payable	\$ 769,810	\$ 67,172	\$ 838,230	\$ 123,235	\$ 1,798,447
Accrued liabilities	1,010,827	-	-	5,015	1,015,842
Due to other funds	411,471	872,864	-	384,997	1,669,332
Due to other governments	-	3,318,500	-	-	3,318,500
Unearned revenue	15,953,890	10,000	-	1,313,013	17,276,903
Funds held in trust	14,629	-	-	-	14,629
TOTAL LIABILITIES	18,160,627	4,268,536	838,230	1,826,260	25,093,653
FUND BALANCES					
Reserved for					
Prepaid items	806,106	-	-	135,989	942,095
Capital asset purchases	436,861	-	7,593,277	-	8,030,138
Debt service	-	-	666,303	-	666,303
Unreserved, undesignated, reported in					
General Fund	4,507,296	-	-	-	4,507,296
Special Revenue Funds	-	-	-	2,157,909	2,157,909
Capital Projects Funds	-	1,275,991	-	-	1,275,991
TOTAL FUND BALANCE	5,750,263	1,275,991	8,259,580	2,293,898	17,579,732
TOTAL LIABILITIES AND FUND BALANCES	\$ 23,910,890	\$ 5,544,527	\$ 9,097,810	\$ 4,120,158	\$ 42,673,385

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
December 31, 2005

Total Fund Balances for Governmental Funds (page 3)	\$	17,579,732
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.		150,777,046
Internal service funds are used by the County to charge the cost of fuel used to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. Internal service fund net assets are:		645
Internal Loan reported in the funds and eliminated for governmental activities		(127,272)
Issuance costs related to debt used in governmental activities are not financial resources and therefore are not reported in the funds.		1,350,145
Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenues in the funds.		
Property taxes	634,790	
Fines	1,523,748	
		2,158,538
Some liabilities, including capital leases and contracts payable, are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest on long-term debt	(518,952)	
Note payable	(270,478)	
Capital leases payable	(29,583,202)	
Contracts payable	(18,847,628)	
Compensated absences	(465,777)	
		(49,686,037)
Net pension obligation is not available during the current period and therefore is not reported in the funds.		108,000
Rounding		.
Total net assets of governmental activities (page 1)	\$	<u>122,160,797</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
Year Ended December 31, 2005

	GENERAL FUND	SPLST	DEBT SERVICE	CAPITAL PROJECTS	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Taxes	\$ 20,282,026	\$ 6,411,601	\$ -	\$ -	\$ 1,163,998	\$ 27,857,625
Licenses and permits	54,094	-	-	-	1,070,092	1,124,186
Fines and forfeitures	480,873	-	-	-	184,669	665,542
Charges for services	1,916,917	-	-	-	2,044,291	3,961,208
Interest income	196,769	108,801	-	314,475	47,478	667,523
Intergovernmental	2,793,492	248,211	-	634,091	881,939	4,557,733
Other	178	-	-	38,000	80,557	118,735
TOTAL REVENUES	25,724,349	6,768,613	-	986,566	5,473,024	38,952,552
EXPENDITURES						
Current						
General government	3,468,243	-	-	5,777	4,044,822	3,474,020
Public safety	9,948,178	-	-	-	-	13,993,000
Court system	2,415,415	-	-	-	21,019	2,436,434
Public works	1,814,432	2,488	-	-	464,987	2,281,907
Health and welfare	343,902	-	-	-	453,832	797,734
Recreation and culture	75,000	121	-	-	927,552	1,002,673
Housing and development	664,657	-	-	-	1,040,380	1,705,037
Intergovernmental	4,096,453	3,826,405	1,062	-	96,929	3,924,396
Capital outlay	1,441,643	1,609,279	-	5,996,496	985,233	12,687,461
Debt service	1,292,058	-	90,000	-	196,346	1,727,989
Principal	-	-	66,919	528,662	41,939	1,929,578
Interest	-	-	-	-	-	-
TOTAL EXPENDITURES	25,559,981	5,438,293	157,981	6,530,935	8,273,039	45,960,229
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	164,368	1,330,320	(157,981)	(5,544,369)	(2,800,015)	(7,007,677)
OTHER FINANCING SOURCES (USES)						
Issuance of debt	2,166,760	-	-	-	-	2,166,760
Proceeds from sale of capital assets	1,869,342	-	-	-	21,873	1,891,215
Transfers in	19,984	95,000	156,919	-	2,485,608	2,757,511
Transfers out	(3,110,088)	-	-	-	(19,984)	(3,130,072)
TOTAL OTHER FINANCING SOURCES (USES)	945,998	95,000	156,919	-	2,487,497	3,685,414
NET CHANGE IN FUND BALANCE	1,110,366	1,425,320	(1,062)	(5,544,369)	(312,518)	(3,322,263)
FUND BALANCE, Beginning of year	4,639,897	(149,329)	1,062	13,803,949	2,606,416	20,901,995
FUND BALANCE, End of year	\$ 5,750,263	\$ 1,275,991	\$ -	\$ 8,259,580	\$ 2,293,898	\$ 17,579,732

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
Year Ended December 31, 2005

Net change in fund balances (page 5)	\$	(3,322,263)
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 outlay	12,687,461	
Depreciation	<u>(3,766,606)</u>	8,920,855
In the statement of activities, only the gain/loss on the sale of various equipment 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 equipment sold.		
		(1,557,145)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	634,790	
Fines	1,523,748	
Donated assets	<u>2,774,570</u>	4,933,108
Revenues reported in the funds that relate to prior years are not reported as revenue in the statement of activities		
Property taxes	(733,095)	
Fines	<u>(886,071)</u>	(1,619,166)
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 those balances.		
Proceeds from long-term borrowing including premium	(2,166,760)	
Payments on long-term debt	1,727,989	
Amortization of issuance costs and premium	35,116	
Compensated absences	3,438	
Accrued interest on long-term obligations	<u>(177,594)</u>	(577,811)
Internal service funds are used by management to charge the costs of fuel used to individual funds. The net revenue (expenses) of the internal service funds is reported with governmental activities.		
		(3,251)
Net pension obligation is not available during the current period and therefore is not reported in the funds.		
Beginning of year	(50,690)	
End of year	<u>108,000</u>	57,310
Rounding		4
Change in net assets of governmental activities (page 2)	\$	<u>6,831,641</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2005

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
	SOLID WASTE DISPOSAL FACILITY	MAYFIELD TREATMENT PLANT	TOTAL	ACTIVITIES INTERNAL SERVICE FUND FUEL DEPOT
ASSETS				
Current Assets:				
Accounts receivable, net	\$ 92,084	\$ -	\$ 92,084	\$ 187
Inventories	-	-	-	16,456
Due from other funds	-	16,996	16,996	30,093
Current portion of long-term receivable	-	460,965	460,965	-
TOTAL CURRENT ASSETS	92,084	477,961	570,045	46,736
CAPITAL ASSETS, NET	638,236	-	638,236	-
TOTAL ASSETS	730,320	477,961	1,208,281	46,736
LIABILITIES				
Current Liabilities:				
Accounts payable	68,808	19,058	87,866	46,091
Due to other funds	183,212	-	183,212	-
Compensated absences	12,744	-	12,744	-
Notes payable	-	52,618	52,618	-
Landfill closure/postclosure	148,019	-	148,019	-
TOTAL CURRENT LIABILITIES	412,783	71,676	484,459	46,091
Noncurrent Liabilities:				
Notes payable	-	401,720	401,720	-
Landfill closure and postclosure care	682,500	-	682,500	-
TOTAL NONCURRENT LIABILITIES	682,500	401,720	1,084,220	-
TOTAL LIABILITIES	1,095,283	473,396	1,568,679	46,091
NET ASSETS				
Invested in capital assets	638,236	-	638,236	-
Unrestricted	(1,003,199)	4,565	(998,634)	645
TOTAL NET ASSETS	\$ (364,963)	\$ 4,565	\$ (360,398)	\$ 645

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
Year Ended December 31, 2005

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
	SOLID WASTE DISPOSAL FACILITY	MAYFIELD TREATMENT PLANT	TOTAL	ACTIVITIES INTERNAL SERVICE FUND FUEL DEPOT
OPERATING REVENUES				
Charges for services	\$ 940,202	\$ 26,374	\$ 966,576	\$ 612,240
OPERATING EXPENSES				
Cost of goods sold	-	-	-	614,044
Professional fees	137	-	137	-
Repairs and maintenance	15,228	-	15,228	1,425
Salaries and benefits	229,337	-	229,337	-
Supplies	26,432	-	26,432	22
Utilities	7,872	-	7,872	-
Waste management and operating charges	833,725	-	833,725	-
Other services and charges	16,723	-	16,723	-
Depreciation expense	41,715	-	41,715	-
Landfill closure/postclosure costs	330,538	-	330,538	-
TOTAL OPERATING EXPENSES	1,501,707	-	1,501,707	615,491
OPERATING INCOME (LOSS)	(561,505)	26,374	(535,131)	(3,251)
NONOPERATING REVENUES (EXPENSES)				
Interest expense	-	(26,374)	(26,374)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	-	(26,374)	(26,374)	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(561,505)	-	(561,505)	(3,251)
Transfer in	372,561	-	372,561	-
CHANGE IN NET ASSETS	(188,944)	-	(188,944)	(3,251)
TOTAL NET ASSETS, beginning of year	(176,019)	4,565	(171,454)	3,896
TOTAL NET ASSETS, end of year	\$ (364,963)	\$ 4,565	\$ (360,398)	\$ 645

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2005

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			GOVERNMENTAL
	SOLID WASTE DISPOSAL FACILITY	MAYFIELD TREATMENT PLANT	TOTAL	ACTIVITIES INTERNAL SERVICE FUND FUEL DEPOT
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 901,052	\$ 26,374	\$ 927,426	\$ 601,467
Payments to suppliers	(229,616)	-	(229,616)	(601,467)
Payments to employees	(1,043,997)	-	(1,043,997)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(372,561)	26,374	(346,187)	-
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers in	372,561	-	372,561	-
Principal payments	-	(49,855)	(49,855)	-
Interest expense	-	(26,374)	(26,374)	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	(76,229)	(76,229)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Principal payments received	-	49,855	49,855	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	49,855	49,855	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-	-	-
CASH, BEGINNING OF YEAR	-	-	-	-
CASH, END OF YEAR	\$ -	\$ -	\$ -	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (561,505)	\$ 26,374	\$ (535,131)	\$ (3,251)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation expense	41,715	-	41,715	-
Change in assets and liabilities:				
Accounts receivable	(39,150)	-	(39,150)	(187)
Due from other funds	-	-	-	(12,265)
Due from component units	-	-	-	1,679
Inventory	-	-	-	(1,063)
Accounts payable	(7,980)	-	(7,980)	15,087
Due to other funds	(25,312)	-	(25,312)	-
Accrued expenses	(279)	-	(279)	-
Landfill closure and postclosure care	219,950	-	219,950	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (372,561)	\$ 26,374	\$ (346,187)	\$ -

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
December 31, 2005

	AGENCY FUNDS
ASSETS	
Cash	\$ 11,450,078
TOTAL ASSETS	<u>11,450,078</u>
LIABILITIES	
Amounts held in trust	11,450,078
TOTAL LIABILITIES	<u>11,450,078</u>
NET ASSETS	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

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JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

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 2005, the airport authority received no money from the County Board of Commissioners to subsidize annual operations.

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 2005, the health department received \$145,281 from the County Board of Commissioners to subsidize annual operations.

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 is 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.

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

JACKSON COUNTY HEALTH DEPARTMENT
P O Box 260
Jefferson, Georgia 30549
(June 30 year end)

JACKSON COUNTY WATER &
SEWERAGE AUTHORITY
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

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 is 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 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. 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. The County's 2005 levy is to fund 2005 expenditures. 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.

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

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 for fire departments.

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 new courthouse facility.

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, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 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 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.

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.

Investments are recorded at 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 interest income.

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 for uncollectibles.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are normally levied by December 20 of each year. The 2005 property taxes were levied October 20, 2005 and were due December 20, 2005. The taxes are subject to lien after March 20, 2006. Interest and penalties may be 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 fund.

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, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2005.

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

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.

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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*

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.

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.

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.

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

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.

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, 2005, the Solid Waste Disposal Facility Fund had a fund balance deficit of \$364,963, which resulted from accounting for an increase in accrued landfill closure/postclosure costs. An application for reimbursement from the State hazardous waste trust fund in the amount of \$235,050 has been made. Due to uncertainty about whether State funds will be sufficient to reimburse all of the local governments who have requested such reimbursements, no asset has been recognized in the current financial statements. Transfers will be made from the general fund to eliminate the deficit fund balance as cash flows are needed.

NOTE 3 - DEPOSITS AND INVESTMENTS

As of December 31, 2005, Jackson County had the following investments:

Investment Type	Fair Value	Rating	Agency	Percent of Total Debt Investments	Weighted Average Maturity (Days)
Fidelity Money Market	3	AAA	1	0.00%	30.00
Goldman Sachs - Treasury Obligations	8,982,340	AAA	1	88.68%	12.00
Georgia Fund 1	1,147,028	AAA	1	11.32%	23.00
Subtotal Debt Securities	<u>\$ 10,129,371</u>			<u>100.00%</u>	<u>21.67</u>

1. Standard & Poors

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.

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk. 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 law allows investments in bonds, debentures, notes or other evidences 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, 2005, 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 - 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.

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.

NOTE 4 - RECEIVABLES

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

	General <u>Fund</u>	SPLOST <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Solid Waste Disposal <u>Facility</u>
Receivables:				
Property Taxes	\$ 4,684,084	\$ -	\$ 419,894	\$ -
Accounts	183,148	-	713,354	92,117
Intergovernmental	2,360,949	1,407,780	56,845	
Fines	10,045,538	-	-	-
Total gross receivables	<u>17,273,719</u>	<u>1,407,780</u>	<u>1,190,093</u>	<u>92,117</u>
Less: Allowance for Uncollectible	<u>(8,321,718)</u>	<u>-</u>	<u>(354,534)</u>	<u>(33)</u>
Total Net Receivables	<u>\$ 8,952,001</u>	<u>\$ 1,407,780</u>	<u>\$ 835,559</u>	<u>\$ 92,084</u>

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

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 4 – RECEIVABLES (CONTINUED)

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>
Delinquent property taxes receivable (General Fund)	\$ 592,696	\$ 13,013,550
Delinquent property taxes receivable (Fire Districts Fund)	42,094	1,174,902
Homeowners Tax Relief Grant prior to meeting eligibility requirements (General Fund)		823,896
Homeowners tax relief grant prior to meeting eligibility requirements (Fire District Fund)		91,517
Probation Fines (General Fund)	1,523,748	-
Grant drawdowns prior to meeting all eligibility requirements (Fire District Fund)	-	4,500
Grant drawdowns prior to meeting all eligibility requirements (SPLOST Fund)	-	10,000
	<u>\$ 2,158,538</u>	<u>\$ 15,118,365</u>

Property taxes receivable at December 31, 2005 consist of the following:

	<u>Digest</u>	<u>General</u>	<u>Fire</u>
<u>Year</u>	<u>Fund</u>	<u>Districts</u>	
2005	\$ 4,038,145	\$ 374,492	
2004	403,734	27,963	
2003	109,391	7,230	
2002	66,111	4,453	
2001	31,301	2,069	
2000	15,617	1,578	
1999	8,113	836	
1998	4,159	335	
1997	1,374	153	
1996 & prior	6,139	785	
Total	<u>\$ 4,684,084</u>	<u>\$ 419,894</u>	

COMPONENT UNITS

	<u>Health</u>	<u>Water and</u>	<u>Airport</u>
	<u>Department</u>	<u>Sewerage</u>	<u>Authority</u>
		<u>Authority</u>	
Receivables:			
Accounts	\$ 40,859	\$ 715,047	\$ 10,949
Intergovernmental	-		2,209
Total gross receivables	40,859	715,047	13,158
Less: Allowance for Uncollectible	-	(98,655)	-
Total Net Receivables	<u>\$ 40,859</u>	<u>\$ 616,392</u>	<u>\$ 13,158</u>

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2005 was as follows:

Governmental activities:	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Non-Depreciable Assets:					
Land and improvements	\$ 4,401,117	\$ 25,349	\$ -	\$ -	\$ 4,426,466
Infrastructure land	71,464,406	1,089,826	-	-	72,554,232
Construction in progress	795,496	787,864	-	(1,169,612)	413,748
Infrastructure construction in progress	1,836,318	5,934,315	-	(664,055)	7,106,578
Total non-depreciable capital assets	<u>78,497,337</u>	<u>7,837,354</u>	<u>-</u>	<u>(1,833,667)</u>	<u>84,501,024</u>
Depreciable Assets:					
Land improvements	356,507	11,630	-	-	368,137
Buildings and improvements	35,600,731	9,059	-	912,144	36,521,934
Furniture, fixtures, and equipment	6,921,237	4,110,449	(3,074,788)	257,468	8,214,366
Vehicles	9,193,647	725,446	(253,885)	-	9,665,208
Infrastructure	29,218,783	2,768,093	-	664,048	32,650,924
Total depreciable capital assets	<u>81,290,905</u>	<u>7,624,677</u>	<u>(3,328,673)</u>	<u>1,833,660</u>	<u>87,420,569</u>
Less Accumulated Depreciation for:					
Land improvements	(43,799)	(17,493)	-	-	(61,292)
Buildings and improvements	(3,030,620)	(775,123)	-	-	(3,805,743)
Furniture, fixtures, and equipment	(3,572,023)	(735,497)	1,707,527	-	(2,599,993)
Vehicles	(6,224,990)	(859,709)	64,008	-	(7,020,691)
Infrastructure	(6,278,044)	(1,378,784)	-	-	(7,656,828)
Total accumulated depreciation	<u>(19,149,476)</u>	<u>(3,766,606)</u>	<u>1,771,535</u>	<u>-</u>	<u>(21,144,547)</u>
Total depreciable capital assets, net	<u>62,141,429</u>	<u>3,858,071</u>	<u>(1,557,138)</u>	<u>1,833,660</u>	<u>66,276,022</u>
Governmental activities capital assets, net	<u>\$ 140,638,766</u>	<u>\$ 11,695,425</u>	<u>\$ (1,557,138)</u>	<u>\$ (7)</u>	<u>\$ 150,777,046</u>

As of December 31, 2005, the County implemented GASB 34 retroactive infrastructure reporting. As a result, the County's beginning net capital assets increased \$81,367,766 from what was previously reported in the December 31, 2004 financial statements.

Additions to governmental activities capital assets for the year ending December 31, 2005 consist of the following:

Capital outlay	\$ 12,687,461
Donated assets	2,774,570
Total Additions	<u>\$ 15,462,031</u>
Non-depreciable capital asset additions	\$ 7,837,354
Depreciable capital asset additions	7,624,677
	<u>\$ 15,462,031</u>

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	Ending <u>Balance</u>
Business-type activities:					
Non-Depreciable Assets:					
Land and improvements	\$ 365,666	\$ -	\$ -	\$ -	\$ 365,666
Total non-depreciable capital assets	<u>365,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>365,666</u>
Depreciable Assets:					
Buildings and improvements	288,466	-	-	-	288,466
Furniture, fixtures, and equipment	40,390	-	-	92,080	132,470
Vehicles	200,220	-	-	(92,080)	108,140
Total depreciable capital assets	<u>529,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>529,076</u>
Less Accumulated Depreciation for:					
Buildings and improvements	(55,827)	(6,205)		-	(62,032)
Furniture, fixtures, and equipment	(38,725)	(33,148)		(14,461)	(86,334)
Vehicles	(120,239)	(2,362)	-	14,461	(108,140)
Total accumulated depreciation	<u>(214,791)</u>	<u>(41,715)</u>	<u>-</u>	<u>-</u>	<u>(256,506)</u>
Total depreciable capital assets, net	<u>314,285</u>	<u>(41,715)</u>	<u>-</u>	<u>-</u>	<u>272,570</u>
Business-type activities capital assets, net	<u>\$ 679,951</u>	<u>\$ (41,715)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 638,236</u>

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

Governmental Activities:

General Government	\$ 261,937
Court System	553,834
Housing and Development	4,924
Public Health and Welfare	80,053
Public Safety	831,453
Public Works	1,964,159
Recreation and Culture	70,246
Total depreciation expense - Governmental Activities	<u>\$ 3,766,606</u>

Business-type activities:

Solid Waste	<u>\$ 41,715</u>
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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, 2005 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:

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Project Authorization	Expended to Date	Contracts in Progress	Authorized Not Obligated	Source
East Jackson Park at Nicholson	\$ 1,205,000	\$ 46,364	\$ -	\$ 1,158,636	Splst
Hurricane Shoals Park Renovations	125,000	11,203	-	113,797	Splst
Hoods Mill/Water Works Rd. Intersection Improvement	125,000	35,452	89,548	-	Splst
Animal Control	6,200	6,200	-	-	Splst
Fire Training Facility	1,675,000	103,394	-	1,571,606	Splst; Local Funds
Jackson County Jail Project	10,200,000	45,852	-	10,154,149	Splst
Road Projects	13,241,185	7,443,608	-	5,797,577	Series 2004 Revenue Notes
Total	\$ 26,577,385	\$ 7,692,073	\$ 89,548	\$ 18,795,764	

COMPONENT UNITS

Activity for the Health Department for the year ended June 30, 2005 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities:				
Depreciable Assets:				
Furniture and Equipment	\$ 98,342	\$ 8,972	\$ -	\$ 107,314
Less Accumulated Depreciation	(80,641)	(6,785)	-	(87,426)
Capital Assets, net	<u>\$ 17,701</u>	<u>\$ 2,187</u>	<u>\$ -</u>	<u>\$ 19,888</u>

Activity for the Jackson County Water and Sewerage Authority for the year ended December 31, 2005 was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Business-type activities:					
Non-depreciable assets:					
Land	\$ 2,485,742				\$ 2,485,742
Construction in progress	5,016,241	3,880,889		(7,778,433)	1,118,697
Total non-depreciable capital assets	<u>7,501,983</u>	<u>3,880,889</u>	<u>-</u>	<u>(7,778,433)</u>	<u>3,604,439</u>
Depreciable assets:					
Buildings	290,566				290,566
Water tanks	4,225,725				4,225,725
Booster pumps	1,156,965				1,156,965
Water lines	46,226,871	3,522,514	(78,541)	548,053	50,218,897
Meters	799,908				799,908
Vehicles	183,484	30,300			213,784
Sewer System	4,263,906			7,230,380	11,494,286
Machinery and equipment	687,564	4,260			691,824
Total depreciable capital assets	<u>57,834,989</u>	<u>3,557,074</u>	<u>(78,541)</u>	<u>7,778,433</u>	<u>69,091,955</u>
Less accumulated depreciation for:					
Buildings	(66,870)	(8,296)	-	-	(75,166)
Water tanks	(561,610)	(84,511)	-	-	(646,121)
Booster pumps	(349,069)	(57,852)	-	-	(406,921)
Water lines	(3,464,452)	(932,578)	-	-	(4,397,030)
Meters	(42,280)	(18,390)	-	-	(60,670)
Vehicles	(104,460)	(27,151)	-	-	(131,611)
Sewer System	(92,346)	(97,329)	-	-	(189,675)
Machinery and equipment	(355,470)	(51,716)	-	-	(407,186)
Total accumulated depreciation	<u>(5,036,557)</u>	<u>(1,277,823)</u>	<u>-</u>	<u>-</u>	<u>(6,314,380)</u>
Total depreciable capital assets, net	<u>52,798,432</u>	<u>2,279,251</u>	<u>(78,541)</u>	<u>7,778,433</u>	<u>62,777,575</u>
Business-type capital assets, net	<u>\$ 60,300,415</u>	<u>\$ 6,160,140</u>	<u>\$ (78,541)</u>	<u>\$ -</u>	<u>\$ 66,382,014</u>

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 5 - CAPITAL ASSETS (CONTINUED)

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, 2005 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	Funding Source
PROJECT 6-DIST 1&3-HWY 11	\$ 313,038	\$ 313,038	\$ -	\$ -	SPLOST
PROJECT 7-DIST 3-HWY 332	133,434	133,434	-	-	SPLOST
PROJECT 8-DIST 4-HWY 129	232,360	232,360	-	-	SPLOST
PROJECT 9-DIST 2&4-HWY 334	359,750	359,750	-	-	SPLOST
HWY 129 WATERLINE RELOCATION	685,270	80,115	605,155	-	SPLOST & DOT
Total all projects	<u>\$ 1,723,852</u>	<u>\$ 1,118,697</u>	<u>\$ 605,155</u>	<u>\$ -</u>	

Activity for the Jackson County Airport Authority for the year ended December 31, 2005 was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Business-type activities:					
Non-Depreciable Assets:					
Land and improvements	\$ 2,726,535	\$ 305,551	\$ -	\$ -	\$ 3,032,086
Construction in progress	936,198	439,441	-	(617,092)	758,547
Total non-depreciable capital assets	<u>3,662,733</u>	<u>744,992</u>	<u>-</u>	<u>(617,092)</u>	<u>3,790,633</u>
Depreciable Assets:					
Land improvements	1,091,068	57,033	-	-	1,148,101
Buildings and improvements	365,351	-	-	617,092	982,443
Machinery and equipment	17,700	-	-	-	17,700
Total depreciable capital assets	<u>1,474,119</u>	<u>57,033</u>	<u>-</u>	<u>617,092</u>	<u>2,148,244</u>
Less Accumulated Depreciation for:					
Land improvements	(267,393)	(57,232)	-	-	(324,625)
Buildings and improvements	(152,727)	(22,833)	-	-	(175,560)
Machinery and equipment	(17,700)	-	-	-	(17,700)
Total accumulated depreciation	<u>(437,820)</u>	<u>(80,065)</u>	<u>-</u>	<u>-</u>	<u>(517,885)</u>
Total depreciable capital assets, net	<u>1,036,299</u>	<u>(23,032)</u>	<u>-</u>	<u>617,092</u>	<u>1,630,359</u>
Business-type activities capital assets, net	<u>\$ 4,699,032</u>	<u>\$ 721,960</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,420,992</u>

The Jackson County 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, 2005 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:

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Project Authorization	Expended to Date	Contracts in Progress	Authorized Not Obligated	Source
T-Hangers	\$ 675,000	\$ -	\$ -	\$ 675,000	Local Funds; New Debt
Phase I Grading/Runway	899,500	735,315		164,185	Series 2004 Revenue Notes
AWOS APO-3-9200-14(157)	71,435	1,050		70,385	State Grant; Local Funds
Security Fence & Crack Seal Itinerant Apron	102,300	14,250		88,050	State Grant; Local Funds
Total	<u>\$ 1,748,235</u>	<u>750,615</u>	<u>\$ -</u>	<u>\$ 997,620</u>	

NOTE 6 - LONG-TERM DEBT

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2005 was as follows:

	Beginning Balance	Additions	Reductions	Adjustments	Ending Balance	Due Within One Year
Governmental activities:						
Capital leases	\$ 28,914,180	\$ 2,166,760	\$ (1,681,093)	\$ -	\$ 29,399,847	\$ 2,328,089
Plus:						
Original issue premiums	190,209	-	(6,854)	-	183,355	-
GEFA Note payable	288,702	-	(18,224)	-	270,478	19,210
Contract payable - Hospital	1,601,250	-	(90,000)	-	1,511,250	93,750
IDA 2004 Economic Development Bonds	16,815,000	-	-	-	16,815,000	-
Plus:						
Original issue premiums	549,946	-	(28,568)	-	521,378	-
Compensated absences	469,215	457,974	(461,412)	-	465,777	465,777
Governmental activities long-term liabilities	<u>\$ 48,828,502</u>	<u>\$ 2,624,734</u>	<u>\$ (2,286,151)</u>	<u>\$ -</u>	<u>\$ 49,167,085</u>	<u>\$ 2,906,826</u>
Business-type activities:						
GEFA Note payable	\$ 504,193	\$ -	\$ (49,855)	\$ -	\$ 454,338	\$ 52,618
Landfill closure/postclosure	610,569	330,538	(110,588)	-	830,519	148,019
Compensated absences	13,023	4,668	(4,947)	-	12,744	12,744
Business-type activities long-term liabilities	<u>\$ 1,127,785</u>	<u>\$ 335,206</u>	<u>\$ (165,390)</u>	<u>\$ -</u>	<u>\$ 1,297,601</u>	<u>\$ 213,381</u>

Compensated absences are generally liquidated by the general fund.

CAPITAL LEASES

Governmental activities:

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, 2005, are as follows:

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Year	Principal	Interest	Total
2006	\$ 2,321,235	\$ 1,296,212	\$ 3,617,446
2007	2,075,798	1,227,569	3,303,367
2008	1,356,558	1,167,241	2,523,799
2009	645,518	1,136,607	1,782,125
2110	664,876	1,113,271	1,778,147
2011-2015	3,350,863	5,168,322	8,519,185
2016-2020	4,045,000	4,333,781	8,378,781
2021-2025	5,215,000	3,130,344	8,345,344
2026-2030	6,685,000	1,628,125	8,313,125
2031-2032	3,040,000	150,750	3,190,750
	<u>\$ 29,399,847</u>	<u>\$ 20,352,222</u>	<u>\$ 49,752,069</u>

As of December 31, 2005, the capital assets purchased under these capital lease agreements are as follows:

	Governmental Activities
Buildings and improvements	\$ 25,836,625
Machinery and equipment	5,115,865
Vehicles	2,956,009
Less accumulated depreciation	(2,815,467)
	<u>\$ 31,093,032</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%. The contract 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 of the Series 1978 Certificates. Jackson County's portion of the principal payments amounted to \$90,000 during 2005. In addition, Jackson County made payments amounting to \$66,919 to the Hospital for interest on the bonds.

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 6 - LONG-TERM DEBT (CONTINUED)

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 2005A and 2005B Banks-Jackson-Commerce Hospital Authority Revenue Anticipation Certificates (the "2003" Certificates) in the amount of \$2,250,000. The contract related to the 2005 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, 2005, is \$2,015,000. Jackson County's portion of these certificates is \$1,511,250.

The annual requirements to amortize this contract payable as of December 31, 2005 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 93,750	\$ 62,968	\$ 156,718
2007	97,500	58,856	156,356
2008	101,250	54,583	155,833
2009	101,250	50,229	151,479
2010	105,000	45,795	150,795
2011-2015	592,500	156,090	748,590
2016	420,000	27,574	447,574
Total	<u>\$ 1,511,250</u>	<u>\$ 456,096</u>	<u>\$ 1,967,346</u>

IDA 2004 ECONOMIC DEVELOPMENT BONDS PAYABLE

On November 1, 2004, Jackson County entered into a contract with 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%.

The annual requirements to amortize this debt as of December 31, 2005 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ -	\$ 699,700	\$ 699,700
2007	670,000	689,650	1,359,650
2008	690,000	666,663	1,356,663
2009	715,000	643,000	1,358,000
2010	740,000	620,250	1,360,250
2011-2015	4,105,000	2,673,662	6,778,662
2016-2020	5,000,000	1,751,125	6,751,125
2021-2024	4,895,000	470,225	5,365,225
Total	<u>\$ 16,815,000</u>	<u>\$ 8,214,275</u>	<u>\$ 25,029,275</u>

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 6 - LONG-TERM DEBT (CONTINUED)

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.

The annual requirements to amortize this debt as of December 31, 2005 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 19,210	\$ 13,958	\$ 33,168
2007	20,248	12,919	33,167
2008	21,343	11,825	33,168
2009	22,496	10,671	33,167
2010	23,713	9,454	33,167
2011-2015	139,237	26,599	165,836
2016	24,231	645	24,876
Total	<u>\$ 270,478</u>	<u>\$ 86,071</u>	<u>\$ 356,549</u>

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, 2005 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 52,618	\$ 23,611	\$ 76,229
2007	55,534	20,695	76,229
2008	58,611	17,618	76,229
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	18,802	255	19,057
	<u>\$ 454,338</u>	<u>\$ 98,321</u>	<u>\$ 552,659</u>

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 6 - LONG-TERM DEBT (CONTINUED)

COMPONENT UNITS

Long-term liability activity for the Airport Authority for the year ended December 31, 2005 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Series 2004 Revenue Notes	\$ 2,600,000	\$ -	\$ -	2,600,000	\$ -
	<u>\$ 2,600,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,600,000</u>	<u>\$ -</u>

On November 12, 2004, Jackson County entered into a contract with the Airport Development Authority to fund repayment of an issue of \$2,600,000 Series 2005 revenue notes which mature on April 19, 2019 and bear interest at a variable rate of LIBOR + .75 (5.355% as of 12/31/05). These bonds were issued to fund construction of the Emory hanger, tie hangers, and runway expansion. Repayment of the proceeds begins on April 1, 2007.

The annual requirements to amortize this debt using the variable interest rate of 5.355% effective at December 31, 2005 are as follows:

Year	Principal	Interest	Total
2006	\$ -	\$ 139,230	\$ 139,230
2007	150,000	132,299	282,299
2008	155,000	124,997	279,997
2009	165,000	117,304	282,304
2010	170,000	109,199	279,199
2011-2015	980,000	408,390	1,388,390
2016-2019	980,000	129,787	1,109,787
Total	<u>\$ 2,600,000</u>	<u>\$ 1,161,206</u>	<u>\$ 3,761,206</u>

Long-term liability activity for the Health Department for the year ended June 30, 2005 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 66,333	\$ 26,513	\$ (14,121)	\$ 78,725	\$ 10,373
	<u>\$ 66,333</u>	<u>\$ 26,513</u>	<u>\$ (14,121)</u>	<u>\$ 78,725</u>	<u>\$ 10,373</u>

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Long-term liability activity for the Jackson County Water and Sewerage Authority for the year ended December 31, 2005 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 22,325,000	\$ -	\$ (3,240,000)	\$ 19,085,000	\$ 755,000
Less deferred amounts:					
For issuance discounts	(22,923)		(5,289)	(28,212)	-
Total bonds payable	22,302,077	-	(3,245,289)	19,056,788	755,000
UOBWA Contract	23,669,762		(725,797)	22,943,965	625,059
GEFA loans	1,007,737	2,023,318	(22,870)	3,008,185	26,220
Capital lease	77,667	-	(62,722)	14,945	14,945
Business-type activity					
Long-term liabilities	<u>\$ 47,057,243</u>	<u>\$ 2,023,318</u>	<u>\$ (4,056,678)</u>	<u>\$ 45,023,883</u>	<u>\$ 1,421,224</u>

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

	Beginning Balance	Additions	Reductions	Ending Balance
Line of credit	<u>\$ -</u>	<u>\$ 588,000</u>	<u>\$ (588,000)</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 \$3,500,000 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. At December 31, 2005, the Authority had expended all proceeds.

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.

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 6 - LONG-TERM DEBT (CONTINUED)

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.

During 2000, the Authority issued \$12,780,000 of Series 2000A Bonds and \$3,000,000 Series 2000B Bonds. The 2000A bonds are to acquire and upgrade a wastewater treatment plant. The 2000B bonds are for construction of water lines. 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. The 2000B bonds matured on September 1, 2005. Final maturity date of the 2000A series of bonds is September 1, 2022. At December 31, 2005, the Authority had expended all of these proceeds.

During 2002, the Authority issued \$5,000,000 of Series 2002 bonds. The 2002 bonds are for construction of additions to the water system. The bonds carry a rate of interest ranging from 2.30%-3.48% per annum and are payable on March 1 and September 1 of each year. The 2002 bonds are to be repaid from proceeds of a Special Purpose Sales Tax (SPLOST). This series of bonds matured on September 1, 2005. At December 31, 2005, the Authority had expended all proceeds.

CONTRACTS PAYABLE

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 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 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, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 6 - LONG-TERM DEBT (CONTINUED)

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.

The scheduled payments of principal and interest are as follows:

Period Ending December 31	UOBWA Principal	UOBWA Interest	UOBWA Total
2006	\$ 625,059	\$ 1,076,347	\$ 1,701,406
2007	655,405	1,046,001	1,701,406
2008	687,223	1,014,183	1,701,406
2009	720,586	980,820	1,701,406
2010	755,569	945,837	1,701,406
2011	792,251	909,156	1,701,407
2012	830,713	870,693	1,701,406
2013	871,042	830,364	1,701,406
2014	913,329	788,077	1,701,406
2015	957,669	743,737	1,701,406
2016	1,004,162	697,244	1,701,406
2017	1,052,912	648,494	1,701,406
2018	1,104,029	597,377	1,701,406
2019	1,157,627	543,779	1,701,406
2020	1,213,828	487,579	1,701,407
2021	1,272,756	428,650	1,701,406
2022	1,334,546	366,860	1,701,406
2023	1,399,335	302,071	1,701,406
2024	1,467,270	234,136	1,701,406
2025	1,538,503	162,903	1,701,406
2026	1,613,194	88,212	1,701,406
2027	976,957	15,530	992,487
Net Debt Shown	<u>\$22,943,965</u>	<u>\$13,778,050</u>	<u>\$ 36,722,015</u>

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 6 - LONG-TERM DEBT (CONTINUED)

GEFA LOAN

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. During 1999, the Authority drew \$449,422 on the loan. 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 will be 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, 2005, the Authority had drawn down \$2,682,290 from the GEFA loan leaving \$200,000 to be drawn down in future years. The loan is to be repaid in 79 equal installments. These repayments will begin on the first day of the third month after the date of construction completion and shall continue on the first day of each third month thereafter. All accrued interest on the construction loan is due on the date of construction completion.

Period Ending December 31	GEFA Principal	GEFA Principal	GEFA Principal	GEFA Subsidy	GEFA Subtotal	GEFA Interest	GEFA Total
2006	\$ 8,877	\$ 3,350	\$ 12,227	\$ 13,993	\$ 26,220	\$ 151,536	\$ 177,756
2007	8,877	36,717	45,594	13,993	59,587	107,982	167,569
2008	8,877	102,526	111,403	13,993	125,396	103,988	229,384
2009	8,877	106,682	115,559	13,993	129,552	99,833	229,385
2010	8,877	111,006	119,883	13,993	133,876	95,508	229,384
2011	8,877	115,506	124,383	13,993	138,376	91,009	229,385
2012	8,877	120,188	129,065	13,993	143,058	86,327	229,385
2013	8,877	125,059	133,936	13,993	147,929	81,455	229,384
2014	8,877	130,128	139,005	13,993	152,998	76,386	229,384
2015	8,877	135,403	144,280	13,993	158,273	71,111	229,384
2016	8,877	140,892	149,769	13,993	163,762	65,623	229,385
2017	8,877	146,602	155,479	13,993	169,472	59,912	229,384
2018	8,877	152,545	161,422	13,993	175,415	53,970	229,385
2019	8,877	158,728	167,605	13,993	181,598	47,786	229,384
2020	2,220	165,162	167,382	3,495	170,877	41,352	212,229
2021		171,857	171,857		171,857	34,658	206,515
2022		178,823	178,823		178,823	27,692	206,515
2023		186,071	186,071		186,071	20,443	206,514
2024		193,613	193,613		193,613	12,901	206,514
2025		201,432	201,432		201,432	5,053	206,485
Net Debt Shown	<u>\$126,498</u>	<u>\$2,682,290</u>	<u>\$2,808,788</u>	<u>\$199,397</u>	<u>\$3,008,185</u>	<u>\$1,334,525</u>	<u>\$4,342,710</u>

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 6 - LONG-TERM DEBT (CONTINUED)

CAPITAL LEASE

In May of 2003, the Authority entered into a three-year lease purchase agreement for the purchase and installment of a McNeill 1.5-meter sludge belt press. The total cost of the purchase and installation of the sludge press was \$168,000 plus interest at 4.82%. The total cost including interest and all incidental expenses incurred by the Authority will be paid by Mayfield Dairy Farms, Inc. to the Authority in equal installments over the term of 36 months. At the end of the three-year lease purchase agreement, the Authority will purchase the sludge press for a nominal fee. After Mayfield has paid in full, it has the option to purchase the sludge press from the Authority for the same nominal fee.

Period Ending	Capital Lease	Capital Lease	Capital Lease
<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 14,945	\$ 200	\$ 15,145

NOTE 7 – 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 \$71,192 for the year ended December 31, 2005. Future minimum rental payments are as follows:

2006	\$	90,867
2007		37,678
2008		20,393
2009		8,843
Total	\$	<u>157,781</u>

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 8 – INTERFUND BALANCE AND ACTIVITY

Balance due to/from other funds at December 31, 2005 consists of the following:

Due to the Mayfield Treatment Plant Fund from the General Fund representing debt service payments.	16,996
Due to the Fuel Depot from the General Fund representing fuel purchases.	30,093
Due to the Capital Projects Fund from the General Fund representing anticipated capital expenditures in excess of appropriations.	26,326
Due to Fire Districts from General Fund for annual appropriation amount not reimbursed.	44,954
Due to Parks and Recreation from General Fund for annual appropriation amount not reimbursed.	9,463
Due to Protective Inspection/Planning and Zoning Fund from General Fund for revenues deposited into the general fund bank account.	283,639
Subtotal Due to other funds - General Fund	411,471

Due to the General Fund from the SPLOST Fund representing capital expenditures paid on behalf of the SPLOST Fund by the General Fund.	737,414
Due to the Capital Projects Fund from the SPLOST Fund representing capital expenditures paid on behalf of the SPLOST Fund by the Capital Projects Fund.	135,450
Subtotal Due to other funds - SPLOST Fund	872,864

Due to the General Fund from nonmajor funds:	
Emergency 911 for accounts payable paid by the general fund.	85,686
fund.	159,852
Emergency Services/Ambulance for accounts payable paid by the general fund.	139,154
Senior Center for accounts payable paid by the general fund.	127
CDBG for seed money for the bank account	100
Greenspace for accounts payable paid by the general fund	78
Subtotal	384,997

Due to the Keep Jackson Beautiful fund from the Solid Waste Fund for fees collected.	48,054
Due to the General Fund from the Solid Waste Enterprise Fund for fees collected.	135,158
Subtotal Due to other funds - Solid Waste Fund	183,212

Total	\$ 1,852,544
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Summary of interfund receivables and payables reported in fund financial statements:

Due from other funds, Balance Sheet-Governmental Funds.	\$ 1,805,455
Due from other funds, Statement of Net Assets - Proprietary Funds, Business-Type Activities - Enterprise Funds	16,996
Due from other funds, Statement of Net Assets - Proprietary Funds, Governmental Activities - Internal Service Fund	30,093
Total	\$ 1,852,544

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 8 – INTERFUND BALANCE AND ACTIVITY (CONTINUED)

Transfers to/from other funds for the year ending December 31, 2005 consist of the following:

Transfer to the General Fund from nonmajor funds:	
Jail Fund representing surcharges on fines for the District Attorney's Office.	\$ 2,998
Jail Fund representing surcharges on fines collected for the Victims Assistance Program.	16,986
Subtotal	19,984
Transfers to SPLOST Fund from the General Fund for capital outlay for roads and bridges	95,000
Transfers to the Debt Service Fund from the General Fund representing debt service payments.	156,919
Transfer to nonmajor funds from the General Fund:	
Emergency 911 Fund representing property taxes and other revenues to fund annual operations	308,071
Parks and Recreation Fund representing property taxes & other revenues to fund annual operations	671,379
EMS/Ambulance Fund representing property taxes and other revenues to fund annual operations	1,250,730
Senior Center Fund representing property taxes levied to fund annual operations	227,773
Keep Jackson Beautiful Fund representing property taxes levied to fund annual operations	27,655
Subtotal	2,485,608
Transfers to the Solid Waste Enterprise Fund from the General Fund representing property taxes and other revenues to fund annual operations.	372,561
Total	\$ 3,130,072
Summary of transfers out to other funds reported in fund financial statements:	
Transfers Out, Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Fund	\$ 3,130,072
Total	\$ 3,130,072

NOTE 9 – COMMITMENTS AND CONTINGENCIES

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

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 9 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

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 has committed to provide substantial infrastructure improvements, including various road improvements (estimated at \$4,000,000)

NOTE 10 – 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.

HEALTH

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).

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, 2005, there was no need for such an assessment.

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 10 – RISK MANAGEMENT (CONTINUED)

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, 2005, there was no need for such an assessment. Therefore, no liability for this 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.

NOTE 11 - RETIREMENT PLANS

DEFINED BENEFIT PENSION PLAN

A. PLAN DESCRIPTION

The County contributes to the Association of County Commissioners of Georgia Restated Pension Plan for Jackson County Employees (The Plan), a defined benefit pension plan, an agent multiple-employer public employee retirement system. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Jackson County Board of Commissioners, 67 Athens Street, Jefferson, Georgia 30549.

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 11 - RETIREMENT PLANS (CONTINUED)

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of an adoption agreement, 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 is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the funding standards for state and local governmental pension plans.

Administrative expenses are based on total covered payroll of plan members and are added to the annual funding requirement.

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 employer and its plan members.

The County's covered payroll for employees participating in the Plan as of January 1, 2005 (the most recent actuarial valuation date) was \$4,057,384 (based on W-2 earnings for the 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(k) 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.

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. The plan was adopted by resolution of the County Board of Commissioners.

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 11 - RETIREMENT PLANS (CONTINUED)

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

Contributions totaling \$483,602 (\$483,602 employer and \$0 employee) were made in accordance with actuarially determined contribution requirements determined by an actuarial valuation performed as of January 1, 2005. Employer contributions attributable to the 2005 Plan Year were made in early 2005. The employer contribution represents 11.9% of covered payroll (using the prior year's earnings as a base).

C. ANNUAL PENSION COST

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.

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, 2005, 2004, and 2003 were \$483,602, \$416,858, and \$157,521, respectively, and were equal to the required contribution for each year.

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 11 - RETIREMENT PLANS (CONTINUED)

Participants as of January 1, 2005 (the most recent actuarial valuation date) are shown below:

Active Participants	98
Disabled Participants	1
Inactive Participants	
Retirees, Beneficiaries and Disabled receiving benefits	45
Terminated plan participants entitled to but not yet receiving benefits	<u>74</u>
Total number of plan participants	<u>218</u>

The information was determined as part of the actuarial valuation as of January 1, 2005. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2005
Actuarial cost method	Projected Unit Credit
Amortization method	Level Percent of Pay (closed)
Remaining amortization period	10 years
Asset valuation method	Market Value
Actuarial assumptions:	
Assumed Rate of Return on Assets	8.0 %
Expected Future Salary Increases	6.0 %
Expected Inflation	3.0 %

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:	2005	2004	2003
Annual required contribution	\$ 426,068	\$ 366,168	\$ 157,521
Interest on net pension obligation	(4,055)	-	-
Amortization of net pension obligation	4,279	-	-
Annual pension cost	426,292	366,168	157,521
Contributions made with interest	(483,602)	(416,858)	(157,521)
Increase (decrease) in net pension obligation	(57,310)	(50,690)	-
Net pension obligation, Beginning of year	(50,690)	-	-
Net pension obligation, End of year	\$ (108,000)	\$ (50,690)	\$ -

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 discussed in NOTE 14. Current employees, who are not participating in the defined benefit plan

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 11 - RETIREMENT PLANS (CONTINUED)

described above, will be allowed to begin immediate participation. Employees hired after January 1, 1998, must complete one year of service to be eligible. The County contributes 4% of salary as a base contribution. In addition, the County will match 50% of employee voluntary contributions up to 6% of salary.

The employee contributions for 2005 were \$327,956 and the County matching contribution was \$300,635.

OTHER POST-RETIREMENT BENEFITS

In addition to pension benefits described above, the County provides post-employment benefit options for healthcare, and dental insurance to eligible retirees and their dependents as per requirements of a local ordinance. No new employees can become participants after January 1, 1998. These benefits are funded on a "pay as you go" method. During 2005, \$21,630 was paid for these post-employment benefits. There are currently 11 retirees covered by the plan.

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 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.

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 11 - RETIREMENT PLANS (CONTINUED)

(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 12 - 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.

NOTE 13 - NORTHEAST GEORGIA 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 \$29,356 to the RDC for the year ended December 31, 2005. 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.

NOTE 14 - 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

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 14 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST (CONTINUED)

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 \$110,587. The amount of postclosure care costs remaining as of December 31, 2005 is \$830,519. The landfill was officially closed August 20, 1997. An additional \$330,538 in postclosure liability was added during 2005 due to the purchase of contaminated old landfill property.

NOTE 15 – RELATED PARTY – UPPER OCONEE BASIN WATER AUTHORITY

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 16 – 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 is for the postclosure cost of the County’s landfill, which was closed in 1994. Jackson County has estimated the remaining closure and the thirty-year post closure monitoring cost to be \$830,519. The ultimate cost, however will depend on the extent of contamination found as the project progresses.

JACKSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 16 – CERTAIN SIGNIFICANT ESTIMATES (CONTINUED)

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.

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JACKSON COUNTY, GA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION FUNDING PROGRESS
December 31, 2005
UNAUDITED

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Percentage Funded (1)/(2)	(4) Unfunded AAL (UAAAL) (2)-(1)	(5) Annual Covered Payroll (prior year)	(6) UAAAL as a Percentage of Covered Payroll (4)/(5)
01/01						
1999	\$2,734,200	\$2,732,289	100.1%	(\$ 1,911)	\$3,223,749	(0.1%)
2000	\$2,918,516	\$2,946,234	99.1%	\$ 27,718	\$2,618,616	1.1%
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%

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 net assets available for benefits as a percentage of the actuarial accrued liability provides on indication of funding status on a going concern basis. Analysis of this percentage over time indicates whether the system is becoming financially 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.

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(k) account balance as of December 31, 2003. This plan change resulted in an increase in plan cost by approximately 2.3% of payroll.

**JACKSON COUNTY, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER RETIREMENT CONTRIBUTIONS
 Year Ended December 31, 2005**

<u>Plan Year Beginning January 1,</u>	<u>Annual Required Contributions</u>	<u>Contribution Made</u>	<u>Percentage Contributed</u>
1998	\$109,225	\$109,225	100%
1999	\$108,988	\$108,988	100%
2000	\$108,913	\$108,913	100%
2001	\$96,163	\$96,163	100%
2002	\$131,361	\$131,361	100%
2003	\$157,521	\$157,521	100%
2004	\$366,168	\$416,858	113.8%
2005	\$426,068	\$483,602	113.5%

**JACKSON COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2005**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 4,639,897	\$ 4,639,897	\$ 4,639,897	\$.
RESOURCES (INFLOWS)				
Taxes	19,206,400	19,426,596	20,282,026	\$ 855,430
Licenses and permits	9,100	29,184	54,094	24,910
Fines and forfeitures	664,000	664,000	480,873	(183,127)
Charges for services	1,384,600	1,399,130	1,916,917	517,787
Interest Income	180,000	180,000	196,769	16,769
Intergovernmental	1,650,492	2,777,326	2,793,492	16,166
Other	-	8	178	170
Proceeds from borrowing	3,270	2,169,160	2,166,760	(2,400)
Proceeds from sale of capital assets	-	1,840,855	1,869,342	28,487
Transfers in	105,096	108,366	19,984	(88,382)
TOTAL RESOURCES (INFLOWS)	23,202,958	28,594,625	29,780,435	1,185,810
AMOUNTS AVAILABLE FOR APPROPRIATION	27,842,855	33,234,522	34,420,332	1,185,810
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
General government				
County Manager	174,259	170,849	170,818	31
Finance	485,717	431,936	431,924	12
Human resources	148,468	137,159	137,157	2
Commissioners	480,808	426,119	402,885	23,234
Board of tax equalizers and appraisers	429,074	440,066	423,918	16,148
Tax commissioner	462,141	465,172	454,723	10,449
Information technology	144,956	222,735	222,146	589
Board of registrars	118,442	117,494	110,903	6,591
Board of equalizers	6,870	6,870	3,604	3,266
Courthouse	1,540,991	1,582,609	1,581,937	672
District courthouse	1,500	1,724	1,723	1
Purchasing agent	158,222	135,210	127,950	7,260
Maintenance superintendent	380,240	411,437	312,589	98,848
Administration building	224,501	1,401,043	1,401,038	5
Commerce Service Center	-	26,823	26,822	1
Elections	-	13,112	13,108	4
Total General Government	4,756,189	5,990,358	5,823,245	167,113
Public safety				
County Marshall	209,771	171,134	171,132	2
Sheriff	4,268,288	4,739,052	4,485,337	253,715
Jail and building	2,377,058	2,623,870	2,623,869	1
Coroner	33,842	33,939	30,268	3,671
Emergency services/ambulance	-	-	-	-
Correctional institute	2,623,171	2,663,231	2,561,255	101,976
Correctional institute fire brigade	20,000	19,904	15,499	4,405

Continued...

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

**JACKSON COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2005**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
D.A.R.E.	57,565	57,565	28,681	28,884
Firemen's association	25,998	26,094	20,154	5,940
Animal control	59,026	107,913	105,740	2,173
Animal shelter services	60,000	96,840	96,839	1
Total Public Safety	9,734,719	10,539,542	10,138,774	400,768
Court system				
Clerk of Superior Court	413,220	518,485	518,445	40
State Court	151,472	154,924	154,924	-
Probate Court	176,179	194,473	185,051	9,422
Superior Court	246,363	246,860	178,969	67,891
Juvenile Court	259,026	263,572	263,572	-
District Attorney	329,370	484,295	484,295	-
Victims assistance-solicitor	51,415	50,318	36,129	14,189
Solicitor- State Court	161,038	164,917	164,916	1
Magistrate Court	181,153	204,327	201,882	2,445
Public Defender	278,995	240,833	240,832	1
Total Court System	2,248,231	2,523,004	2,429,015	93,989
Public works				
Roads and bridges	2,143,063	6,084,585	5,539,132	545,453
Engineering/Project Management	183,158	121,889	121,888	1
Fleet Maintenance	360,755	364,565	364,468	97
Commerce Sewer Expansion	33,168	33,168	33,167	1
Jackson County Water Authority	1,155,888	-	-	-
Street Lighting	-	16,833	16,833	-
Landfill closure/postclosure costs	50,000	50,000	-	50,000
Composting	-	-	-	-
Total Public Works	3,926,032	6,671,040	6,075,488	595,552
Health and welfare				
Boys and Girls Club	10,000	10,000	10,000	-
Certified literate program	10,280	10,280	10,280	-
Family and children services	37,134	37,134	37,134	-
Food Stamps	10,500	10,500	-	10,500
General Welfare	17,500	18,200	18,200	-
Health department	141,284	145,284	145,281	3
Hospital	-	-	-	-
Jackson County Transport	87,663	106,556	99,232	7,324
Mental Health	12,045	13,274	13,273	1
Peace Place Subsidy	10,000	10,000	10,000	-
Senior Center	-	-	-	-
SolarTech	10,402	10,402	10,402	-
Total Health and Welfare	346,808	371,630	353,802	17,828

Continued...

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

**JACKSON COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2005**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Recreation and culture				
Hurricane Shoals				
Regional library	75,000	75,000	75,000	-
Recreation department				
Total Recreation and Culture	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Housing and Development				
Airport	25,689	27,075	27,013	62
Community promotion	15,000	16,217	16,216	1
County agent	82,170	83,377	75,086	8,291
Economic development	53,943	501,698	501,697	1
Georgia forestry commission	5,032	5,032	5,032	-
Keep Jackson Beautiful				
Oconee River Soil Conservation Service	4,000	4,000	4,000	-
Planning commission		2,067	2,067	-
RDC, ACCG, Comprehensive plan	31,016	33,546	33,546	-
Total Housing and Development	<u>216,850</u>	<u>673,012</u>	<u>664,657</u>	<u>8,355</u>
Contingency		228,111		228,111
Total Expenditures	<u>21,303,829</u>	<u>27,071,697</u>	<u>25,559,981</u>	<u>1,511,716</u>
OTHER FINANCING USES				
Transfers out	<u>3,068,417</u>	<u>3,110,088</u>	<u>3,110,088</u>	<u>-</u>
TOTAL CHARGES TO APPROPRIATIONS (OUTFLOWS)	<u>24,372,246</u>	<u>30,181,785</u>	<u>28,670,069</u>	<u>1,511,716</u>
CHANGE IN FUND BALANCE	<u>(1,169,288)</u>	<u>(1,587,160)</u>	<u>1,110,366</u>	<u>2,697,526</u>
FUND BALANCES, End of year	<u>\$ 3,470,609</u>	<u>\$ 3,052,737</u>	<u>\$ 5,750,263</u>	<u>\$ 2,697,526</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.

Emergency 911 - 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.

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

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.

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.

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.

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.

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

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.

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

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

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JACKSON COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2005

		SPECIAL REVENUE FUNDS										SPECIAL REVENUE FUNDS TOTAL
		PROTECTIVE INSPECTION/ PLANNING AND ZONING	FIRE DISTRICTS	PARKS AND RECREATION	EMERGENCY SERVICES/ AMBULANCE	KEEP JACKSON BEAUTIFUL	LAW LIBRARY	JAIL FUND	SENIOR CENTER	DRUG ENFORCEMENT		
ASSETS												
Cash	\$ 271,622	\$ -	\$ 1,571,003	\$ -	\$ -	\$ -	\$ 81,464	\$ 466,593	\$ 222,479	\$ 122,220	\$ 2,735,381	
Accounts receivable, net	86,246	-	465,446	-	248,919	-	-	-	34,948	-	835,559	
Inventories	-	-	-	-	26,939	-	-	-	-	-	26,939	
Due from other funds	-	-	44,954	9,463	-	48,054	-	-	-	-	388,110	
Prepaid items	7,272	-	127,215	-	1,502	-	-	-	-	-	135,989	
TOTAL ASSETS	\$ 365,140	\$ 283,639	\$ 2,208,618	\$ 9,463	\$ 277,360	\$ 48,054	\$ 81,464	\$ 466,593	\$ 257,427	\$ 122,220	\$ 4,119,978	
LIABILITIES AND FUND BALANCE												
Accounts payable	\$ 24,107	\$ 6,961	\$ 54,057	\$ 9,463	\$ 12,777	\$ 14,317	\$ -	\$ 210	\$ 1,343	\$ -	\$ 123,235	
Accrued liabilities	-	-	5,015	-	-	-	-	-	-	-	5,015	
Due to other funds	85,686	-	159,852	-	139,154	-	-	-	127	-	384,819	
Unearned revenue	-	-	1,313,013	-	-	-	-	-	-	-	1,313,013	
TOTAL LIABILITIES	109,793	6,961	1,531,937	9,463	151,931	14,317	-	210	1,470	-	1,826,082	
FUND BALANCE												
Fund balance:												
Reserved for prepaid items	7,272	-	127,215	-	1,502	-	-	-	-	-	135,989	
Unreserved, undesignated	248,075	276,678	549,466	-	123,927	33,737	81,464	466,383	255,957	122,220	2,157,907	
TOTAL FUND BALANCE	255,347	276,678	676,681	-	125,429	33,737	81,464	466,383	255,957	122,220	2,293,896	
TOTAL LIABILITIES AND FUND EQUITY	\$ 365,140	\$ 283,639	\$ 2,208,618	\$ 9,463	\$ 277,360	\$ 48,054	\$ 81,464	\$ 466,593	\$ 257,427	\$ 122,220	\$ 4,119,978	

JACKSON COUNTY, GEORGIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2005

..CAPITAL PROJECTS FUNDS..

	CDBG	GREENSPACE	TOTAL	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash	\$ 100	\$ 80	\$ 180	\$ 2,735,561
Accounts receivable, net	-	-	-	835,559
Inventories	-	-	-	26,939
Due from other funds	-	-	-	386,110
Prepaid items	-	-	-	135,989
TOTAL ASSETS	\$ 100	\$ 80	\$ 180	\$ 4,120,158
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	-	-	-	\$ 123,235
Accrued liabilities	-	-	-	5,015
Due to other funds	100	78	178	384,997
Unearned revenue	-	-	-	1,313,013
TOTAL LIABILITIES	100	78	178	1,826,260
FUND BALANCE				
Fund balance:				
Reserved for prepaid items	-	-	-	135,989
Unreserved, undesignated	-	2	2	2,157,909
TOTAL FUND BALANCE	-	2	2	2,293,898
TOTAL LIABILITIES AND FUND EQUITY	\$ 100	\$ 80	\$ 180	\$ 4,120,158

JACKSON COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2005

	----SPECIAL REVENUE FUNDS----										SPECIAL REVENUE FUNDS TOTAL
	EMERGENCY 911	FIRE DISTRICTS	PROTECTIVE INSPECTION/ PLANNING AND ZONING	PARKS AND RECREATION	EMERGENCY SERVICES/ AMBULANCE	KEEP JACKSON BEAUTIFUL	LAW LIBRARY	JAIL FUND	SENIOR CENTER	DRUG ENFORCEMENT	
REVENUE	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Taxes	-	1,163,998	1,070,092	-	-	-	-	-	-	-	1,163,998
Licenses and permits	-	-	-	-	-	-	-	-	-	-	1,070,092
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	184,669
Charges for services	899,670	4,200	42,097	259,715	799,704	26,890	13,409	130,472	-	40,788	2,044,291
Interest income	5,819	26,812	-	5,065	22,056	-	256	9,739	12,015	1,396	47,554
Intergovernmental	90,757	108,425	-	-	-	-	-	-	3,532	-	417,114
Other	-	66,517	11,550	-	-	2,489	-	-	190,811	-	80,557
TOTAL REVENUE	996,246	1,369,952	1,123,739	264,780	821,760	29,379	13,665	140,211	206,359	42,184	5,008,275
EXPENDITURES											
Current expenditures											
Public safety	1,049,528	802,992	-	-	2,131,217	-	-	36,275	-	24,810	4,044,822
Court system	-	-	-	-	-	-	19,359	1,660	-	-	21,019
Public works	-	-	162	-	-	-	-	-	-	-	162
Health and welfare	-	-	-	-	-	-	-	-	453,832	-	453,832
Recreation and culture	-	-	-	927,552	-	-	-	-	-	-	927,552
Housing and development	-	-	1,006,228	-	-	34,152	-	-	-	-	1,040,380
Intergovernmental	-	-	-	5,401	-	-	-	-	-	-	5,401
Capital outlay	-	951,653	21,296	6,835	-	-	-	-	5,449	-	985,233
Debt Service	-	196,346	-	-	-	-	-	-	-	-	196,346
Principal	-	41,939	-	-	-	-	-	-	-	-	41,939
Interest	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	1,049,528	1,992,930	1,027,686	939,788	2,131,217	34,152	19,359	37,935	459,281	24,810	7,716,686
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(53,282)	(622,978)	96,053	(675,008)	(1,309,457)	(4,773)	(5,694)	102,276	(252,922)	17,374	(2,708,411)
OTHER FINANCING SOURCES (USES)											
Proceeds from sale of capital assets	558	17,686	-	3,629	-	-	-	-	-	-	21,873
Transfers in	308,071	671,379	-	671,379	1,250,730	27,655	-	-	227,773	-	2,485,608
Transfers out	-	-	-	-	-	-	-	(19,984)	-	-	(19,984)
TOTAL OTHER FINANCING SOURCES (USES)	308,629	17,686		675,008	1,250,730	27,655		(19,984)	227,773		2,487,497
NET CHANGE IN FUND BALANCE	255,347	(605,292)	96,053		(58,727)	22,882	(5,694)	82,292	(25,149)	17,374	(220,914)
FUND BALANCES, Beginning of year	-	1,281,973	180,625	-	184,156	10,855	87,158	384,091	281,106	104,846	2,514,810
FUND BALANCES, End of year	\$ 255,347	\$ 676,681	\$ 276,678	\$ -	\$ 125,429	\$ 33,737	\$ 81,464	\$ 466,383	\$ 255,957	\$ 122,220	\$ 2,293,896

JACKSON COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2005

	CAPITAL PROJECTS FUNDS.....		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	CDBG	GREENSPACE	TOTAL	
REVENUE				
Taxes	\$	\$	\$	1,163,998
Licenses and permits	-	-	-	1,070,092
Fines and forfeitures	-	-	-	184,669
Charges for services	-	-	-	2,044,291
Interest income	-	(76)	(76)	47,478
Intergovernmental	464,825	-	464,825	881,939
Other	-	-	-	80,557
TOTAL REVENUE	464,825	(76)	464,749	5,473,024
EXPENDITURES				
Current expenditures				
Public safety	-	-	-	4,044,822
Court system	-	-	-	21,019
Public works	464,825	-	464,825	464,987
Health and welfare	-	-	-	453,832
Recreation and culture	-	-	-	927,552
Housing and development	-	-	-	1,040,380
Intergovernmental	91,528	-	91,528	96,929
Capital outlay	-	-	-	985,233
Debt service	-	-	-	
Principal	-	-	-	196,346
Interest	-	-	-	41,939
TOTAL EXPENDITURES	556,353	-	556,353	8,273,039
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(91,528)	(76)	(91,604)	(2,800,015)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	-	21,873
Transfers in	-	-	-	2,485,608
Transfers out	-	-	-	(19,984)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	2,487,497
NET CHANGE IN FUND BALANCE	(91,528)	(76)	(91,604)	(312,518)
FUND BALANCES, Beginning of year	91,528	78	91,606	2,608,416
FUND BALANCES, End of year	\$ -	\$ 2	\$ 2	\$ 2,293,898

**JACKSON COUNTY, GEORGIA
FIRE DISTRICTS SPECIAL REVENUE FUND
SUPPLEMENTAL SCHEDULE
BALANCE SHEET - BY DISTRICT
December 31, 2005**

	ARCADE	EAST JACKSON	HARRISBURG	JACKSON TRAIL	MAYSVILLE	NICHOLSON	NORTH JACKSON
ASSETS							
Cash	\$ 50,124	\$ -	\$ 165,568	\$ 441,512	\$ 240,001	\$ 263,762	\$ 126,334
Accounts receivable, net	24,540	48,252	43,092	45,241	20,406	31,331	28,480
Due from other funds	-	44,954	-	-	-	-	-
Prepaid items	3,287	81,903	4,024	2,939	6,531	4,853	5,002
Rounding	3	(8)	2	(2)	-	-	1
TOTAL ASSETS	\$ 77,954	\$ 175,101	\$ 212,686	\$ 489,690	\$ 266,938	\$ 299,946	\$ 159,817
LIABILITIES							
Accounts payable	\$ 1,010	\$ 44,954	\$ 751	\$ 61	\$ 2,589	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-
Due to other funds	302	-	222	152	158,988	-	-
Unearned revenue	65,388	128,825	120,854	141,903	63,045	139,317	104,966
Total Liabilities	66,700	173,779	121,827	142,116	224,622	139,317	104,966
FUND EQUITY							
Fund balance:							
Reserved for prepaid items	3,860	81,903	4,024	2,939	6,531	5,134	5,002
Unreserved, designated for:							
Unreserved	7,394	(80,581)	86,835	344,635	35,785	155,495	49,849
Total Fund Equity	11,254	1,322	90,859	347,574	42,316	160,629	54,851
TOTAL LIABILITIES AND FUND EQUITY	\$ 77,954	\$ 175,101	\$ 212,686	\$ 489,690	\$ 266,938	\$ 299,946	\$ 159,817

JACKSON COUNTY, GEORGIA
FIRE DISTRICTS SPECIAL REVENUE FUND
SUPPLEMENTAL SCHEDULE
BALANCE SHEET - BY DISTRICT
December 31, 2005

	PLAINVIEW	SOUTH JACKSON	WEST JACKSON	TOTAL
ASSETS				
Cash	38,810	86,532	158,360	1,571,003
Accounts receivable, net	26,386	38,231	159,487	465,446
Due from other funds	-	-	-	44,954
Prepaid items	2,927	4,606	11,143	127,215
Rounding	2	1	1	-
TOTAL ASSETS	68,125	129,370	328,991	2,208,618
LIABILITIES				
Accounts payable	25	4,667	-	54,057
Accrued liabilities	-	-	5,015	5,015
Due to other funds	-	188	-	159,852
Unearned revenue	76,308	102,716	369,691	1,313,013
Total Liabilities	76,333	107,571	374,706	1,531,937
FUND EQUITY				
Fund balance:				
Reserved for prepaid items	2,927	4,606	11,143	128,069
Unreserved, designated for:				
Unreserved	(11,135)	17,193	(56,858)	548,612
Total Fund Equity	(8,208)	21,799	(45,715)	676,681
TOTAL LIABILITIES AND FUND EQUITY	68,125	129,370	328,991	2,208,618

JACKSON COUNTY, GEORGIA
FIRE DISTRICTS SPECIAL REVENUE FUND
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BY DISTRICT
For the Year Ended December 31, 2005

	ARCADE	EAST JACKSON	HARRISBURG	JACKSON TRAIL	MAYSVILLE	NICHOLSON	NORTH JACKSON	PLAINVIEW
REVENUES								
Taxes	\$ 59,487	\$ 134,797	\$ 105,124	\$ 113,235	\$ 54,247	\$ 138,844	\$ 96,636	\$ 68,553
Charges for services					4,587			
Interest Income	1,118			7,528		4,741	1,860	1,338
Intergovernmental	7,171	7,402	12,708	9,120	17,546	7,001	11,465	7,344
Other	342			50,000	1,181		11	3,101
TOTAL REVENUE	68,118	142,199	117,832	179,883	77,561	150,586	109,972	80,336
EXPENDITURES								
Public safety	38,691	140,707	38,568	24,768	32,300	56,494	58,393	41,800
Capital outlay	10,000		19,602		169,169			31,138
Principal	18,121		27,805			48,103	25,139	32,576
Interest	7,555		7,765			9,782	367	4,189
TOTAL EXPENDITURES	74,367	140,707	93,740	24,768	201,469	114,379	83,899	109,703
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,249)	1,492	24,092	155,115	(123,908)	36,207	26,073	(29,367)
OTHER FINANCING SOURCES (USES)								
Proceeds from sale of capital assets			2,000			12,976		
TOTAL OTHER FINANCING SOURCES (USES)			2,000			12,976		
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(6,249)	1,492	26,092	155,115	(123,908)	49,183	26,073	(29,367)
FUND BALANCE, Beginning of Year	17,503	(170)	64,767	192,459	166,224	111,446	28,778	21,159
FUND BALANCE, End of Year	\$ 11,254	\$ 1,322	\$ 90,859	\$ 347,574	\$ 42,316	\$ 160,629	\$ 54,851	\$ (8,208)

JACKSON COUNTY, GEORGIA
FIRE DISTRICTS SPECIAL REVENUE FUND
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BY DISTRICT
 For the Year Ended December 31, 2005

	SOUTH JACKSON	WEST JACKSON	TOTAL
REVENUES			
Taxes	\$ 95,327	\$ 297,748	\$ 1,163,998
Charges for services		4,200	4,200
Interest Income	2,385	3,255	26,812
Intergovernmental	9,215	19,453	108,425
Other	11,397	485	66,517
TOTAL REVENUE	118,324	325,141	1,369,952
EXPENDITURES			
Public safety	50,843	320,428	802,992
Capital outlay	172,221	549,523	951,653
Principal	44,602	-	196,346
Interest	12,281	-	41,939
TOTAL EXPENDITURES	279,947	869,951	1,992,930
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(161,623)	(544,810)	(622,978)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	2,710	17,686
TOTAL OTHER FINANCING SOURCES (USES)	-	2,710	17,686
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(161,623)	(542,100)	(605,292)
FUND BALANCE, Beginning of Year	183,422	496,385	1,281,973
FUND BALANCE, End of Year	\$ 21,799	\$ (45,715)	\$ 676,681

**JACKSON COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
Year Ended December 31, 2005**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 1,062	\$ 1,062	\$ 1,062	\$ -
RESOURCES (INFLOWS)				
Transfers in	156,919	156,919	156,919	-
TOTAL RESOURCES (INFLOWS)	156,919	156,919	156,919	-
AMOUNTS AVAILABLE FOR APPROPRIATION	157,981	157,981	157,981	-
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Intergovernmental	-	1,062	1,062	-
Principal	90,000	90,000	90,000	-
Interest	66,919	66,919	66,919	-
Total Expenditures	156,919	157,981	157,981	-
TOTAL CHARGES TO APPROPRIATIONS (OUTFLOWS)	156,919	157,981	157,981	-
CHANGE IN FUND BALANCE	-	(1,062)	(1,062)	-
FUND BALANCES, End of year	\$ 1,062	\$ -	\$ -	\$ -

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

JACKSON COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2005

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS)				
Charges for services	581,534	650,707	899,670	248,963
Interest Income	-	-	5,819	5,819
Intergovernmental	-	90,757	90,757	-
Transfers in	317,542	308,071	308,071	-
Proceeds from sale of capital assets	-	-	558	558
TOTAL RESOURCES (INFLOWS)	899,076	1,049,535	1,304,875	255,340
AMOUNTS AVAILABLE FOR APPROPRIATION	899,076	1,049,535	1,304,875	255,340
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Emergency 911	899,076	1,049,535	1,049,528	7
TOTAL CHARGES TO APPROPRIATIONS (OUTFLOWS)	899,076	1,049,535	1,049,528	7
CHANGE IN FUND BALANCE	-	-	255,347	255,347
FUND BALANCE, End of year	\$ -	\$ -	\$ 255,347	\$ 255,347

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

JACKSON COUNTY, GEORGIA
FIRE DISTRICTS SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2005

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Arcade				
FUND BALANCE, Beginning of year	\$ 17,502	\$ 17,502	\$ 17,502	\$.
RESOURCES (INFLOWS)				
Taxes	63,000	63,000	59,487	(3,513)
Interest Income	-	410	1,118	708
State and local governments	-	-	7,171	7,171
Other Income	-	-	342	342
Total Resources (Inflows)	<u>63,000</u>	<u>63,410</u>	<u>68,118</u>	<u>4,708</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>80,502</u>	<u>80,912</u>	<u>85,620</u>	<u>4,708</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Public Safety	<u>73,969</u>	<u>74,376</u>	<u>74,376</u>	<u>.</u>
CHANGE IN FUND BALANCE	(10,969)	(10,966)	(6,258)	4,708
FUND BALANCE, End of year	<u>\$ 6,533</u>	<u>\$ 6,536</u>	<u>\$ 11,244</u>	<u>\$ 4,708</u>
East Jackson				
FUND BALANCE, Beginning of year	\$ (173)	\$ (173)	\$ (173)	\$.
RESOURCES (INFLOWS)				
Taxes	139,000	140,699	134,797	(5,902)
State and local governments	-	-	7,402	7,402
Total Resources (Inflows)	<u>139,000</u>	<u>140,699</u>	<u>142,199</u>	<u>1,500</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>138,827</u>	<u>140,526</u>	<u>142,026</u>	<u>1,500</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Public Safety	<u>139,000</u>	<u>140,704</u>	<u>140,704</u>	<u>.</u>
CHANGE IN FUND BALANCE	.	(5)	1,495	1,500
FUND BALANCE, End of year	<u>\$ (173)</u>	<u>\$ (178)</u>	<u>\$ 1,322</u>	<u>\$ 1,500</u>
Harrisburg				
FUND BALANCE, Beginning of year	\$ 64,769	\$ 64,769	\$ 64,769	\$.
RESOURCES (INFLOWS)				
Taxes	102,000	102,000	105,124	3,124
State and local governments	-	-	12,708	12,708
Sale of surplus property	-	-	2,000	2,000
Total Resources (Inflows)	<u>102,000</u>	<u>102,000</u>	<u>119,832</u>	<u>17,832</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>166,769</u>	<u>166,769</u>	<u>184,601</u>	<u>17,832</u>

Continued.....

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP. 62

JACKSON COUNTY, GEORGIA
FIRE DISTRICTS SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2005

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
Continued.....				
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Public Safety	122,599	122,598	93,742	28,856
CHANGE IN FUND BALANCE	(20,599)	(20,598)	26,090	46,688
FUND BALANCE, End of year	<u>\$ 44,170</u>	<u>\$ 44,171</u>	<u>\$ 90,859</u>	<u>\$ 46,688</u>
Jackson Trail				
FUND BALANCE, Beginning of year	\$ 192,460	\$ 192,460	\$ 192,460	\$ -
RESOURCES (INFLOWS)				
Taxes	95,916	95,916	113,235	17,319
Interest Income	-	-	7,528	7,528
State and local governments	-	-	9,120	9,120
Other	-	-	50,000	50,000
Total Resources (Inflows)	<u>95,916</u>	<u>95,916</u>	<u>179,883</u>	<u>83,967</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>288,376</u>	<u>288,376</u>	<u>372,343</u>	<u>83,967</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Public Safety	95,916	95,916	24,769	71,147
CHANGE IN FUND BALANCE	-	-	155,114	155,114
FUND BALANCE, End of year	<u>\$ 192,460</u>	<u>\$ 192,460</u>	<u>\$ 347,574</u>	<u>\$ 155,114</u>
Maysville				
FUND BALANCE, Beginning of year	\$ 166,224	\$ 166,224	\$ 166,224	\$ -
RESOURCES (INFLOWS)				
Taxes	60,093	60,093	54,247	(5,846)
Interest Income	14,500	14,500	4,587	(9,913)
State and local governments	-	-	17,546	17,546
Other	-	-	1,181	1,181
Total Resources (Inflows)	<u>74,593</u>	<u>74,593</u>	<u>77,561</u>	<u>2,968</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>240,817</u>	<u>240,817</u>	<u>243,785</u>	<u>2,968</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Public Safety	74,593	221,939	201,469	20,470
CHANGE IN FUND BALANCE	-	(147,346)	(123,908)	23,438
FUND BALANCE, End of year	<u>\$ 166,224</u>	<u>\$ 18,878</u>	<u>\$ 42,316</u>	<u>\$ 23,438</u>

Continued.....

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP. 63

JACKSON COUNTY, GEORGIA
FIRE DISTRICTS SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2005

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Continued.....				
Nicholson				
FUND BALANCE, Beginning of year	\$ 111,446	\$ 111,446	\$ 111,446	\$ -
RESOURCES (INFLOWS)				
Taxes	145,500	145,500	138,844	(6,656)
Interest Income	-	-	4,741	4,741
State and local governments	-	-	7,001	7,001
Sale of surplus property	-	-	12,976	12,976
Total Resources (Inflows)	<u>145,500</u>	<u>145,500</u>	<u>163,562</u>	<u>18,062</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>256,946</u>	<u>256,946</u>	<u>275,008</u>	<u>18,062</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Public Safety	<u>145,500</u>	<u>145,500</u>	<u>114,379</u>	<u>31,121</u>
CHANGE IN FUND BALANCE	-	-	49,183	49,183
FUND BALANCE, End of year	<u>\$ 111,446</u>	<u>\$ 111,446</u>	<u>\$ 160,629</u>	<u>\$ 49,183</u>
North Jackson				
FUND BALANCE, Beginning of year	\$ 28,778	\$ 28,778	\$ 28,778	\$ -
RESOURCES (INFLOWS)				
Taxes	110,340	110,340	96,636	(13,704)
Interest Income	-	-	1,860	1,860
State and local governments	-	-	11,465	11,465
Other	-	-	11	11
Total Resources (Inflows)	<u>110,340</u>	<u>110,340</u>	<u>109,972</u>	<u>(368)</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>139,118</u>	<u>139,118</u>	<u>138,750</u>	<u>(368)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Public Safety	<u>110,340</u>	<u>110,339</u>	<u>83,899</u>	<u>26,440</u>
CHANGE IN FUND BALANCE	-	1	26,073	26,072
FUND BALANCE, End of year	<u>\$ 28,778</u>	<u>\$ 28,779</u>	<u>\$ 54,851</u>	<u>\$ 26,072</u>
Plainview				
FUND BALANCE, Beginning of year	\$ 21,159	\$ 21,159	\$ 21,159	\$ -
RESOURCES (INFLOWS)				
Taxes	70,000	70,000	68,553	(1,447)
Interest Income	-	1,338	1,338	-
State and local governments	-	30,500	7,344	(23,156)
Other	-	3,101	3,101	-
Total Resources (Inflows)	<u>70,000</u>	<u>104,939</u>	<u>80,336</u>	<u>(24,603)</u>

Continued...
NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP. 64

JACKSON COUNTY, GEORGIA
FIRE DISTRICTS SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2005

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Continued....				
AMOUNTS AVAILABLE FOR APPROPRIATION	91,159	126,098	101,495	(24,603)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Public Safety	70,000	109,704	109,703	1
CHANGE IN FUND BALANCE	-	(4,765)	(29,367)	(24,602)
FUND BALANCE, End of year	<u>\$ 21,159</u>	<u>\$ 16,394</u>	<u>\$ (8,208)</u>	<u>\$ (24,602)</u>
South Jackson				
FUND BALANCE, Beginning of year	\$ 183,422	\$ 183,422	\$ 183,422	\$ -
RESOURCES (INFLOWS)				
Taxes	90,511	91,090	95,327	4,237
Interest Income	-	-	2,385	2,385
State and local governments	9,215	9,215	9,215	-
Other	-	2,899	11,397	8,498
Total Resources (Inflows)	<u>99,726</u>	<u>103,204</u>	<u>118,324</u>	<u>15,120</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	283,148	286,626	301,746	15,120
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Public Safety	99,726	280,048	279,947	101
CHANGE IN FUND BALANCE	-	(176,844)	(161,623)	15,221
FUND BALANCE, End of year	<u>\$ 183,422</u>	<u>\$ 6,578</u>	<u>\$ 21,799</u>	<u>\$ 15,221</u>
West Jackson				
FUND BALANCE, Beginning of year	\$ 496,385	\$ 496,385	\$ 496,385	\$ -
RESOURCES (INFLOWS)				
Taxes	290,000	297,748	297,748	-
Charges for services	-	4,200	4,200	-
Interest Income	-	3,255	3,255	-
State and local governments	-	19,454	19,453	(1)
Other	-	485	485	-
Sale of surplus property	-	2,710	2,710	-
Total Resources (Inflows)	<u>290,000</u>	<u>327,852</u>	<u>327,851</u>	<u>(1)</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	786,385	824,237	824,236	(1)
Continued.....				

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP. 65

JACKSON COUNTY, GEORGIA
FIRE DISTRICTS SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2005

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Continued.....				
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Public Safety	290,000	869,959	869,951	8
CHANGE IN FUND BALANCE		(542,107)	(542,100)	7
FUND BALANCE, End of year	\$ 496,385	\$ (45,722)	\$ (45,715)	\$ 7
All Districts Combined				
FUND BALANCE, Beginning of year	\$ 1,281,972	\$ 1,281,972	\$ 1,281,972	\$
RESOURCES (INFLOWS)				
Taxes	1,166,360	1,176,386	1,163,998	(12,388)
Charges for services		4,200	4,200	
Interest Income	14,500	19,503	26,812	7,309
State and local governments	9,215	59,169	108,425	49,256
Other		6,485	66,517	60,032
Sale of surplus property		2,710	17,686	14,976
Total Resources (Inflows)	1,190,075	1,268,453	1,387,638	119,185
AMOUNTS AVAILABLE FOR APPROPRIATION	2,472,047	2,550,425	2,669,610	119,185
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Public Safety	1,221,643	2,171,083	1,992,939	178,144
CHANGE IN FUND BALANCE	(31,568)	(902,630)	(605,301)	297,329
FUND BALANCE, End of year	\$ 1,250,404	\$ 379,342	\$ 676,671	\$ 297,329

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP. 66

JACKSON COUNTY, GEORGIA
PROTECTIVE INSPECTION/PLANNING AND ZONING SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2005

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 180,625	\$ 180,625	\$ 180,625	\$
RESOURCES (INFLOWS)				
Licenses and permits	818,947	957,318	1,070,092	112,774
Charges for services	51,924	51,924	42,097	(9,827)
Other	-	-	11,550	11,550
Transfers in	-	625	-	(625)
Total Resources (Inflows)	870,871	1,009,867	1,123,739	113,872
AMOUNTS AVAILABLE FOR APPROPRIATION	1,051,496	1,190,492	1,304,364	113,872
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Public works	-	163	162	1
Protective Inspection	481,713	481,714	478,392	3,322
Planning and Zoning	389,158	549,286	549,132	154
TOTAL CHARGES TO APPROPRIATIONS (OUTFLOWS)	870,871	1,031,163	1,027,686	3,477
CHANGE IN FUND BALANCE	-	(21,296)	96,053	117,349
FUND BALANCE, End of year	\$ 180,625	\$ 159,329	\$ 276,678	\$ 117,349

NOTES TO BUDGETARY COMPARISON SCHEDULE

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

**JACKSON COUNTY, GEORGIA
PARKS AND RECREATION SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2005**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS)				
Charges for services	147,000	260,494	259,715	(779)
Intergovernmental	-	5,065	5,065	-
Proceeds from sale of capital assets	-	3,629	3,629	-
Transfers in	658,177	671,379	671,379	-
Total Resources (Inflows)	805,177	940,567	939,788	(779)
AMOUNTS AVAILABLE FOR APPROPRIATION	805,177	940,567	939,788	(779)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Hurricane Shoals	110,706	106,674	105,903	771
Parks and Recreation	694,471	828,491	828,484	7
Intergovernmental	-	5,402	5,401	1
Total Expenditures	805,177	940,567	939,788	779
TOTAL CHARGES TO APPROPRIATIONS (OUTFLOWS)	805,177	940,567	939,788	779
CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, End of year	\$ -	\$ -	\$ -	\$ -

NOTES TO BUDGETARY COMPARISON SCHEDULE

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

JACKSON COUNTY, GEORGIA
EMERGENCY SERVICES/AMBULANCE SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2005

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 184,156	\$ 184,156	\$ 184,156	\$ -
RESOURCES (INFLOWS)				
Charges for services	600,000	858,440	799,704	(58,736)
Intergovernmental	16,667	22,057	22,056	1
Transfers in	1,260,107	1,250,730	1,250,730	-
Total Resources (Inflows)	1,876,774	2,131,227	2,072,490	(58,737)
AMOUNTS AVAILABLE FOR APPROPRIATION	2,060,930	2,315,383	2,256,646	(58,737)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Emergency Services/Ambulance	1,876,774	2,131,227	2,131,217	10
TOTAL CHARGES TO APPROPRIATIONS (OUTFLOWS)	1,876,774	2,131,227	2,131,217	10
CHANGE IN FUND BALANCE	-	-	(58,727)	(58,727)
FUND BALANCE, End of year	\$ 184,156	\$ 184,156	\$ 125,429	\$ (58,727)

NOTES TO BUDGETARY COMPARISON SCHEDULE

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

**JACKSON COUNTY, GEORGIA
KEEP JACKSON BEAUTIFUL SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2005**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 10,855	\$ 10,855	\$ 10,855	\$ -
RESOURCES (INFLOWS)				
Charges for services	-	3,895	26,890	22,995
Other	-	-	2,489	2,489
Transfers in	66,825	30,257	27,655	(2,602)
Total Resources (Inflows)	66,825	34,152	57,034	22,882
AMOUNTS AVAILABLE FOR APPROPRIATION	77,680	45,007	67,889	22,882
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Keep Jackson Beautiful	66,825	34,152	34,152	-
TOTAL CHARGES TO APPROPRIATIONS (OUTFLOWS)	66,825	34,152	34,152	-
CHANGE IN FUND BALANCE	-	-	22,882	22,882
FUND BALANCE, End of year	\$ 10,855	\$ 10,855	\$ 33,737	\$ 22,882

NOTES TO BUDGETARY COMPARISON SCHEDULE

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

**JACKSON COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2005**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 87,158	\$ 87,158	\$ 87,158	\$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	10,000	17,859	13,409	(4,450)
Interest Income	1,500	1,500	256	(1,244)
Total Resources (Inflows)	11,500	19,359	13,665	(5,694)
AMOUNTS AVAILABLE FOR APPROPRIATION	98,658	106,517	100,823	(5,694)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Law Library	11,500	19,359	19,359	-
TOTAL CHARGES TO APPROPRIATIONS (OUTFLOWS)	11,500	19,359	19,359	-
CHANGE IN FUND BALANCE	-	-	(5,694)	(5,694)
FUND BALANCE, End of year	\$ 87,158	\$ 87,158	\$ 81,464	\$ (5,694)

NOTES TO BUDGETARY COMPARISON SCHEDULE

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

**JACKSON COUNTY, GEORGIA
JAIL SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2005**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 384,091	\$ 384,091	\$ 384,091	\$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	108,366	136,562	130,472	(6,090)
Interest Income	-	9,739	9,739	-
Total Resources (Inflows)	108,366	146,301	140,211	(6,090)
AMOUNTS AVAILABLE FOR APPROPRIATION	492,457	530,392	524,302	(6,090)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Jail	-	36,275	36,275	-
Juvenile Court	-	1,660	1,660	-
Total Expenditures	-	37,935	37,935	-
Other financing sources (uses)				
Transfers out	108,366	108,366	19,984	88,382
TOTAL CHARGES TO APPROPRIATIONS (OUTFLOWS)	108,366	146,301	57,919	88,382
CHANGE IN FUND BALANCE	-	-	82,292	82,292
FUND BALANCE, End of year	\$ 384,091	\$ 384,091	\$ 466,383	\$ 82,292

NOTES TO BUDGETARY COMPARISON SCHEDULE

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

**JACKSON COUNTY, GEORGIA
SENIOR CENTER SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2005**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 281,106	\$ 281,106	\$ 281,106	\$ -
RESOURCES (INFLOWS)				
Charges for services	13,000	13,000	12,015	(985)
Interest income	-	-	3,532	3,532
Intergovernmental	188,006	201,077	190,811	(10,266)
Other	-	-	1	1
Transfers in	225,061	252,614	227,773	(24,841)
Total Resources (Inflows)	426,067	466,691	434,132	(32,559)
AMOUNTS AVAILABLE FOR APPROPRIATION	707,173	747,797	715,238	(32,559)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Senior Center	426,067	466,691	459,281	7,410
TOTAL CHARGES TO APPROPRIATIONS (OUTFLOWS)	426,067	466,691	459,281	7,410
CHANGE IN FUND BALANCE	-	-	(25,149)	(25,149)
FUND BALANCE, End of year	\$ 281,106	\$ 281,106	\$ 255,957	\$ (25,149)

NOTES TO BUDGETARY COMPARISON SCHEDULE

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

**JACKSON COUNTY, GEORGIA
 DRUG ENFORCEMENT SPECIAL REVENUE FUND
 SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2005**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
FUND BALANCES, Beginning of year	\$ 104,846	\$ 104,846	\$ 104,846	\$
RESOURCES (INFLOWS)				
Fines and forfeitures	11,000	24,311	40,788	16,477
Interest Income	500	500	1,396	896
Total Resources (Inflows)	<u>11,500</u>	<u>24,811</u>	<u>42,184</u>	<u>17,373</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>116,346</u>	<u>129,657</u>	<u>147,030</u>	<u>17,373</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Expenditures				
Drug Enforcement	11,500	24,811	24,810	1
TOTAL CHARGES TO APPROPRIATIONS (OUTFLOWS)	<u>11,500</u>	<u>24,811</u>	<u>24,810</u>	<u>1</u>
CHANGE IN FUND BALANCE			17,374	17,374
FUND BALANCE, End of year	<u>\$ 104,846</u>	<u>\$ 104,846</u>	<u>\$ 122,220</u>	<u>\$ 17,374</u>

NOTES TO BUDGETARY COMPARISON SCHEDULE

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

FIDUCIARY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Tax Commissioner - to account for the collection of property taxes, motor vehicle tag and title fees and mobile home fees, etc. which are disbursed to various taxing units.

Clerk of Courts - to account for the collection of various fines, forfeitures, jury fund receipts, real estate transfer taxes, recording of intangibles, fees, civil awards, etc. which are disbursed to various taxing units and other parties.

Probate Court - to account for the collection of fees for firearms, licenses, certificates, marriage licenses, etc. which are disbursed to various taxing units and other parties.

Magistrate Court - to account for the collection of fees for garnishments and small claims, etc. which are disbursed to various taxing units and other parties.

Sheriff - to account for the collection of cash bonds, fines, forfeitures, fifas, etc. which are disbursed to various taxing units and other parties.

JACKSON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING BALANCE SHEET
 December 31, 2005

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF	TOTAL
ASSETS						
Cash	\$ 9,277,686	\$ 1,803,505	\$ 2,758	\$ 5,314	\$ 360,815	\$ 11,450,078
TOTAL ASSETS	\$ 9,277,686	\$ 1,803,505	\$ 2,758	\$ 5,314	\$ 360,815	\$ 11,450,078
LIABILITIES						
Funds held in trust	\$ 9,277,686	\$ 1,803,505	\$ 2,758	\$ 5,314	\$ 360,815	\$ 11,450,078
TOTAL LIABILITIES	\$ 9,277,686	\$ 1,803,505	\$ 2,758	\$ 5,314	\$ 360,815	\$ 11,450,078

JACKSON COUNTY, GEORGIA
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended December 31, 2005

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF	TOTAL
ASSETS						
Balance, Beginning of Year	\$ 2,690,161	\$ 1,231,092	\$ 3,179	\$ 8,411	\$ 200,051	\$ 4,132,894
Additions	36,520,538	7,491,579	104,582	317,738	1,335,595	45,770,032
Deductions	(29,933,013)	(6,919,166)	(105,003)	(320,835)	(1,174,831)	(38,452,848)
Cash Balance, End of Year	9,277,686	1,803,505	2,758	5,314	360,815	11,450,078
TOTAL ASSETS	\$ 9,277,686	\$ 1,803,505	\$ 2,758	\$ 5,314	\$ 360,815	\$ 11,450,078
LIABILITIES						
Due to Jackson County						
Balance, Beginning of Year	\$ 11,186,148	\$ 571,245	\$ 82,398	\$ 130,444	\$ 244,508	\$ 12,214,743
Additions	(11,186,148)	(571,245)	(82,398)	(130,444)	(244,508)	(12,214,743)
Deductions	-	-	-	-	-	-
Balance, End of Year	-	-	-	-	-	-
Due to others						
Balance, Beginning of Year	2,690,161	1,231,092	3,179	8,411	200,051	4,132,894
Additions	25,334,390	6,920,334	22,184	187,294	1,091,087	33,555,289
Deductions	(18,746,865)	(6,347,921)	(22,605)	(190,391)	(930,323)	(26,238,105)
Balance, End of Year	9,277,686	1,803,505	2,758	5,314	360,815	11,450,078
TOTAL LIABILITIES	\$ 9,277,686	\$ 1,803,505	\$ 2,758	\$ 5,314	\$ 360,815	\$ 11,450,078
Balance, Beginning of Year	2,690,161	1,231,092	3,179	8,411	200,051	4,132,894
Additions	36,520,538	7,491,579	104,582	317,738	1,335,595	45,770,032
Deductions	(29,933,013)	(6,919,166)	(105,003)	(320,835)	(1,174,831)	(38,452,848)
Balance, End of year	9,277,686	1,803,505	2,758	5,314	360,815	11,450,078

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COMPONENT UNIT

Component Units are legally separate organizations for which the elected officials of the primary government are financially accountable.

Airport Authority – to account for the operation the county's noncommercial airport facility. All activities necessary to provide airport services are accounted for in the component unit, including, but not limited to operations, maintenance, financing and related debt service.

JACKSON COUNTY AIRPORT AUTHORITY
(A COMPONENT UNIT OF JACKSON COUNTY, GEORGIA)
STATEMENT OF NET ASSETS
December 31, 2005

	OPERATIONS	CAPITAL	TOTAL
ASSETS			
Current Assets			
Cash	\$ 276,807	\$ -	\$ 276,807
Accounts receivable, net	13,158	-	13,158
Due from primary government	101,988	-	101,988
Inventories	20,012	-	20,012
Prepaid items	4,021	-	4,021
Restricted cash	86,550	1,210,153	1,296,703
Total Current Assets	502,536	1,210,153	1,712,689
Noncurrent assets			
Capital assets			
Land and nondepreciable improvements	3,032,086	-	3,032,086
Land improvements - depreciable	1,148,101	-	1,148,101
Buildings and improvements	982,443	-	982,443
Furniture and equipment	17,700	-	17,700
Construction in progress	-	758,547	758,547
Less: accumulated depreciation	(517,885)	-	(517,885)
Capital assets, net of depreciation	4,662,445	758,547	5,420,992
Other Assets			
Deferred charges	47,930	-	47,930
Total Other Assets	47,930	-	47,930
Total Noncurrent Assets	4,710,375	758,547	5,468,922
TOTAL ASSETS	5,212,911	1,968,700	7,181,611
LIABILITIES			
Current Liabilities			
Accounts payable	271,114	57,883	328,997
Accrued interest payable	32,234	-	32,234
Due to primary government	-	665,834	665,834
Total Current Liabilities	303,348	723,717	1,027,065
Noncurrent Liabilities			
Revenue notes payable	2,600,000	-	2,600,000
Total Long-term Liabilities	2,600,000	-	2,600,000
TOTAL LIABILITIES	2,903,348	723,717	3,627,065
NET ASSETS			
Invested in capital assets, net of related debt	3,346,384	1,244,983	4,591,367
Restricted for debt service	54,316	-	54,316
Unrestricted	(1,091,137)	-	(1,091,137)
TOTAL NET ASSETS	\$ 2,309,563	\$ 1,244,983	\$ 3,554,546

JACKSON COUNTY AIRPORT AUTHORITY
(A COMPONENT UNIT OF JACKSON COUNTY, GEORGIA)
STATEMENT OF ACTIVITIES
Year Ended December 31, 2005

	OPERATIONS	CAPITAL	TOTAL
OPERATING REVENUES			
Charges for services	\$ 399,436	\$ -	\$ 399,436
TOTAL OPERATING REVENUES	399,436	-	399,436
OPERATING EXPENSES			
Cost of goods sold	296,165	-	296,165
Credit card fees	8,666	-	8,666
Professional fees	15,449	-	15,449
Repairs and maintenance	8,208	-	8,208
Supplies	4,815	-	4,815
Utilities	6,375	-	6,375
Other services and charges	8,648	-	8,648
Depreciation expense	80,066	-	80,066
TOTAL OPERATING EXPENSES	428,392	-	428,392
OPERATING INCOME (LOSS)	(28,956)	-	(28,956)
NONOPERATING REVENUES (EXPENSES)			
Interest income	11,242	35,288	46,530
Interest expense	(122,842)	-	(122,842)
TOTAL NONOPERATING REVENUES (EXPENSES)	(111,600)	35,288	(76,312)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(140,556)	35,288	(105,268)
Transfer in	1,020,162	-	1,020,162
Transfer out	-	(1,020,162)	(1,020,162)
Capital contributions	-	26,387	26,387
CHANGE IN NET ASSETS	879,606	(958,487)	(78,881)
TOTAL NET ASSETS, beginning of year	1,429,956	2,203,471	3,633,427
TOTAL NET ASSETS, end of year	\$ 2,309,562	\$ 1,244,984	\$ 3,554,546

JACKSON COUNTY AIRPORT AUTHORITY
(A COMPONENT UNIT OF JACKSON COUNTY, GEORGIA)
STATEMENT OF CASH FLOWS
Year Ended December 31, 2005

	OPERATIONS	CAPITAL	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 403,601	\$ -	\$ 403,601
Payments to suppliers	(77,730)	-	(77,730)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>325,871</u>	<u>-</u>	<u>325,871</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest Expense	(86,991)	-	(86,991)
Acquisition of capital assets	(169,735)	(547,581)	(717,316)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(256,726)</u>	<u>(547,581)</u>	<u>(804,307)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	11,240	35,288	46,528
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>11,240</u>	<u>35,288</u>	<u>46,528</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>80,385</u>	<u>(512,293)</u>	<u>(431,908)</u>
CASH, BEGINNING OF YEAR	<u>282,972</u>	<u>1,722,446</u>	<u>2,005,418</u>
CASH, END OF YEAR	<u>\$ 363,357</u>	<u>\$ 1,210,153</u>	<u>\$ 1,573,510</u>
DISPLAYED AS:			
Cash	\$ 276,807	\$ -	\$ 276,807
Restricted cash	86,550	1,210,153	1,296,703
TOTAL CASH	<u>\$ 363,357</u>	<u>\$ 1,210,153</u>	<u>\$ 1,573,510</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (28,956)	\$ -	\$ (28,956)
Adjustments to reconcile operating (loss) income to net cash provided (used) by operating activities:			
Depreciation expense	80,066	-	80,066
Change in assets and liabilities:			
Accounts receivable, net	4,165	-	4,165
Inventory	(5,881)	-	(5,881)
Prepaid expense	(2,831)	-	(2,831)
Accounts payable	279,308	-	279,308
Net cash provided (used) by operating activities	<u>\$ 325,871</u>	<u>\$ -</u>	<u>\$ 325,871</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES			
Capital asset contributed	\$ -	\$ 26,387	\$ 26,387

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JACKSON COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended December 31, 2005

SPLOST #3 - Commenced April 1, 2000 Project	Original Estimated Cost	Current Estimated Cost	Amount Expended	
			Prior Years	Current Year
Water and Sewerage improvements - Jackson County	\$ 21,879,900	\$ 14,847,260	\$ 12,791,071	\$ 2,520,928
Water and Sewerage improvements - Municipalities	9,620,100	6,528,007	3,845,186	1,900,172
Roads, streets, bridges and sidewalks - Jackson County	6,555,690	4,448,560	4,542,220	740,627
Roads, streets, bridges and sidewalks - Municipalities	3,794,310	2,574,743	1,162,787	699,681
Parks and recreation - Jackson County	1,567,665	1,063,786	963,754	69,471
Parks and recreation - Municipalities	907,335	615,699	372,038	220,954
Public safety facilities for Fire Departments	675,000	458,041	26,792	76,603
Totals	<u>\$ 45,000,000</u>	<u>\$ 30,536,096</u>	<u>\$ 23,703,848</u>	<u>\$ 6,228,434</u>

In November 1999 the voters of Jackson County passed the SPLOST 2000 referendum. The SPLOST 2000 commenced in April 2000 and receipts are distributed from the State of Georgia Department of Revenue to the County approximately 2 months from the time of collection. Receipts will continue for a period of time not to exceed 5 years and for raising not more than \$45,000,000 for the purpose of funding the following: Water and Sewer Projects - \$31,500,000; Roads, streets, bridges and sidewalks - \$10,350,000; Parks and Recreation - \$2,475,000; Public safety for Fire Departments - \$675,000.

JACKSON COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended December 31, 2005

SPLOST #4 - Commenced July 1, 2005 Project	Original Estimated Cost	Current Estimated Cost	Amount Expended Year 1 2005	Total
LEVEL 1 COUNTY PROJECTS				
County Jail	\$ 10,200,000	\$ 10,200,000	\$ -	\$ -
County Health Clinic Facilities	510,000	510,000	394,066	394,066
LEVEL 2 COUNTY PROJECTS				
Water and Sewer Facilities	8,289,970	8,289,970	-	-
Roads, Streets, and Bridges	8,289,970	8,289,970	-	-
Recreational Facilities	5,101,520	5,101,520	-	-
Public Safety Facilities	3,571,064	3,571,064	6,200	6,200
Library Facilities	255,075	255,075	-	-
Subtotal All County Projects	<u>36,217,599</u>	<u>36,217,599</u>	<u>400,266</u>	<u>400,266</u>
MUNICIPAL PROJECTS				
City of Arcade				
Public Safety Facilities and Equipment	413,937	413,937	21,770	21,770
Administrative Facilities and Equipment	1,034,842	1,034,842	54,424	54,424
Roads, Streets, and Bridges	143,286	143,286	7,536	7,536
Subtotal	<u>1,592,065</u>	<u>1,592,065</u>	<u>83,729</u>	<u>83,729</u>
City of Braselton				
Roads, Streets, and Bridges	678,512	678,512	35,684	35,684
City of Commerce				
Water and Sewer Facilities	3,588,576	3,588,576	188,729	188,729
Roads, Streets, and Bridges	1,127,838	1,127,838	59,315	59,315
Recreational Facilities	205,061	205,061	10,784	10,784
Library Facilities	205,061	205,061	10,784	10,784
Subtotal	<u>5,126,536</u>	<u>5,126,536</u>	<u>269,612</u>	<u>269,612</u>
City of Hoshton				
Water and Sewer Facilities	777,185	777,185	40,873	40,873
Roads, Streets, and Bridges	207,249	207,249	10,900	10,900
Recreational Facilities	51,812	51,812	2,725	2,725
Subtotal	<u>1,036,246</u>	<u>1,036,246</u>	<u>54,498</u>	<u>54,498</u>
City of Jefferson				
Roads, Streets, Bridges, and Storm Water Management Facilities	1,426,221	1,426,221	75,007	75,007
Cultural, Historical, and Recreation Facilities	740,894	740,894	38,965	38,965
Public Safety Facilities	55,567	55,567	2,922	2,922
Water and Sewer Facilities	1,481,788	1,481,788	77,929	77,929
Subtotal	<u>3,704,470</u>	<u>3,704,470</u>	<u>194,824</u>	<u>194,824</u>
City of Maysville				
Water and Sewer Facilities	445,838	445,838	23,447	23,447
Roads, Streets, and Bridges	83,595	83,595	4,396	4,396
Recreational Facilities	27,864	27,864	1,465	1,465
Subtotal	<u>557,297</u>	<u>557,297</u>	<u>29,309</u>	<u>29,309</u>
City of Nicholson				
Roads, Streets, and Bridges	543,475	543,475	28,582	28,582
Recreational Facilities	483,089	483,089	25,406	25,406
Water Facilities	181,158	181,158	9,527	9,527
Subtotal	<u>1,207,722</u>	<u>1,207,722</u>	<u>63,516</u>	<u>63,516</u>
City of Pendergrass				
Recreational Facilities	333,490	333,490	17,539	17,539
Roads, Streets, and Bridges	83,374	83,374	4,385	4,385
Subtotal	<u>416,864</u>	<u>416,864</u>	<u>21,923</u>	<u>21,923</u>
City of Talmo				
Administrative and Library Facilities	208,210	208,210	10,950	10,950
Roads, Streets, and Bridges	138,807	138,807	7,300	7,300
Recreational Facilities	69,403	69,403	3,650	3,650
Public Safety Facilities	46,269	46,269	2,433	2,433
Subtotal	<u>462,689</u>	<u>462,689</u>	<u>24,334</u>	<u>24,334</u>
Total All City Projects (1)	<u>14,782,401</u>	<u>14,782,401</u>	<u>777,429</u>	<u>777,429</u>
Total All Projects	<u>\$ 51,000,000</u>	<u>\$ 51,000,000</u>	<u>\$ 1,177,695</u>	<u>\$ 1,177,695</u>

1. The County remits the tax collected to the Municipalities who are responsible for reporting on the expenditures in accordance with OCGA 48-8-121.

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STATISTICAL SECTION

The Statistical Section includes financial and general information presented on a multi-year comparative basis. The statistics are used to provide detailed data on the physical, economic, social and political characteristics of the county government.

JACKSON COUNTY, GEORGIA
GOVERNMENT-WIDE EXPENSES BY FUNCTION
 (Amounts expressed in thousands)

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Court System</u>	<u>Public Works</u>	<u>Health & Welfare</u>	<u>Recreation & Culture</u>	<u>Housing & Development</u>	<u>Intergovernmental</u>	<u>Interest</u>	<u>Solid Waste</u>	<u>Mayfield Treatment</u>	<u>Total</u>
2003 \$	3,427	12,103	1,949	2,749	817	709	1,011	6,418	547	956	31	30,717
2004 \$	4,773	14,132	2,340	2,622	866	1,060	1,337	6,034	1,371	1,321	29	35,885
2005 \$	3,699	14,825	2,998	4,246	875	1,195	1,705	3,826	2,072	1,507	26	36,974

The County adopted GASB 34 in 2003. Data for years prior to this are not available.

JACKSON COUNTY, GEORGIA
GOVERNMENT-WIDE REVENUES
(Amounts expressed in thousands)

<i>Fiscal Year</i>	<i>Charges for Services</i>	PROGRAM REVENUES			GENERAL REVENUES				<i>Total</i>
		<i>Operating Grants & Contributions</i>	<i>Capital Grants & Contributions</i>	<i>Taxes</i>	<i>Grants & Contributions Not Restricted</i>	<i>Unrestricted Investment Income</i>	<i>Other</i>		
2003	\$ 6,419	\$ 2,737	\$ 4,226	\$ 23,865	\$ 738	\$ 429	\$ 160	\$ 32,155	
2004	\$ 6,582	\$ 1,825	\$ 4,336	\$ 26,739	\$ 775	\$ 334	\$ 79	\$ 34,088	
2005	\$ 7,568	\$ 2,708	\$ 3,713	\$ 27,759	\$ 823	\$ 668	\$ 378	\$ 43,617	

The County adopted GASB 34 in 2003. Data for years prior to this are not available.

JACKSON COUNTY, GEORGIA
General Fund Revenues by Source

Last Ten Fiscal Years

(Amounts expressed in thousands)

<i>Fiscal Year</i>	<i>Taxes</i>	<i>Licenses and Permits</i>	<i>Fines and Forfeitures</i>	<i>Charges for Services</i>	<i>Interest Income</i>	<i>Intergovernmental</i>	<i>Miscellaneous</i>	<i>Total</i>
1995	\$ 7,142	\$ 237	\$ 956	\$ 674	\$ 97	\$ 846	\$ 5	\$ 9,957
1996	8,335	287	523	808	76	1,316	33	11,378
1997	8,792	373	553	1,109	114	842	49	11,832
1998	9,798	360	530	1,143	188	976	152	13,147
1999	11,331	472	574	1,339	307	2,067	27	16,117
2000	12,509	588	522	1,300	290	2,347	39	17,595
2001	9,244	494	741	1,379	271	2,409	62	14,600
2002	16,200	810	583	1,675	442	1,816	1,251	22,777
2003	16,992	31	581	2,074	263	2,885	21	22,847
2004	18,276	27	810	1,899	141	2,560	10	23,723
2005	\$ 20,282	\$ 54	\$ 481	\$ 1,917	\$ 197	\$ 2,793	\$ -	\$ 25,724
	1		3			2		

General Fund Tax Revenues by Source

Last Two Fiscal Years

(Amounts expressed in thousands)

<i>Fiscal Year</i>	<i>Property Tax</i>	<i>Interest, Cost, Penalties on Delinquent</i>	<i>Sales Tax</i>	<i>Intangible Recording</i>	<i>Insurance Premium</i>	<i>Real Estate Transfer</i>	<i>Other</i>	<i>Total</i>
2004	\$ 11,478	\$ 363	\$ 4,495	\$ 415	\$ 1,086	\$ 187	\$ 252	\$ 18,276
2005	\$ 12,628	\$ 409	\$ 5,177	\$ 464	\$ 1,160	\$ 224	\$ 220	\$ 20,282

Source: County Records

1. Planning and inspection fees, included in General Fund revenues in prior years, are now included in the Protective Inspection and Planning Special Revenue Fund
2. Federal grant of \$600,000 received in 2003 to reimburse for previous expenditures made by General Fund at Jackson County Airport, and new state HTRG Grant (Homestead Tax Reimbursement Grant) of \$655,000 included in 2003 revenues
3. Commissions on taxes were reclassified from taxes to charges for services category. Due to creation of Parks and Recreation and Ambulance Special Revenue Funds in 2003, charges for those services are no longer included in the General Fund.

JACKSON COUNTY, GEORGIA
General Fund Expenditures by Function
Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	General Government	Public Safety	Court System	Public Works	Health and Welfare	Recreation and Culture	Housing and Development	Intergovernmental	Capital Outlay	Debt Service	Total
1996	\$ 2,019	\$ 4,594	\$ 957	\$ 1,753	\$ 66	\$ 297	\$ -	\$ 492	\$ 3,204	\$ 1,535	\$ 14,917
1997	1,926	4,553	971	1,726	66	301	-	22	376	674	10,615
1998	2,093	4,860	1,077	1,640	76	334	-	149	3,304	1,009	14,542
1999	2,170	5,247	1,168	2,393	72	400	-	26	846	675	12,997
2000	2,588	5,922	1,405	1,903	80	523	-	-	5,133	900	18,454
2001	2,766	6,660	1,495	2,445	90	1,297	-	-	1,101	1,717	17,571
2002	3,573	8,058	1,677	2,161	71	773	-	-	3,360	846	20,519
2003	3,070	7,505	1,841	1,762	252	75	501	-	2,073	4,313	21,392
2004	3,636	9,097	2,118	1,770	352	75	327	20	1,564	2,025	20,984
2005	\$ 3,468	\$ 9,948	2,415	\$ 1,814	\$ 344	\$ 75	\$ 665	\$ -	\$ 4,097	\$ 2,734	\$ 25,560

Source: County Records

¹ Certain non-departmental expenditures related to health and welfare were reclassified from *General Government* to *Public Health and Welfare*.

² Recreation expenditures after 2002 are reported in the Recreation Special Revenue Fund.

³ Certain expenditures were reclassified from *General Government* to *Housing and Development*.

JACKSON COUNTY, GEORGIA
Property Tax Levies And Collections

Last Ten Fiscal Years
(Amounts expressed in thousands)

<u>Tax Year</u>	<u>Tax Due Date</u>	<u>Total Tax Levy(3)(4)</u>	<u>Current Tax Collections(1)</u>	<u>Percent of Current Tax Collected</u>	<u>Delinquent Tax Collections(2)</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Tax Levy</u>
1996	12/20/96	\$ 4,830	\$ 4,358	90.2%	\$ 543	\$ 4,901	101.5%	\$ 661	13.7%
1997	12/30/97	5,481	4,989	91.0%	534	5,523	100.8%	694	12.7%
1998	1/15/99	6,040	5,609	92.9%	599	6,208	102.8%	731	12.1%
1999	2/15/00	6,515	6,002	92.1%	802	6,804	104.4%	780	12.0%
2000	3/15/01	3,951	3,619	91.6%	625	4,244	107.4%	597	15.1%
2001	12/20/01	9,878	8,944	90.5%	588	9,532	96.5%	1,131	11.4%
2002	1/20/03	11,862	10,319	87.0%	1,182	11,501	97.0%	1,319	11.1%
2003	12/30/03	13,166	11,716	89.0%	1,774	13,490	102.5%	1,161	8.8%
2004	12/20/04	14,112	12,575	89.1%	959	13,534	95.9%	1,255	8.9%
2005	12/31/05	\$ 16,339	\$ 14,669	89.8%	\$ 1,103	\$ 15,772	96.5%	\$ 1,281	7.8%

(1) Up to 90 days after the legal due date.
(2) Includes interest and penalties on all prior year's levies. Excludes amounts included in current tax collections of prior year (from 12/31 to 90 days after legal due date).
(3) The millage rate for tax year 2000 was significantly reduced. See table 6.
(4) The levy includes the County portion of property taxes, related State Homestead Credit, motor vehicle taxes, mobile home taxes, and related penalties, interest, and adjustments.

JACKSON COUNTY, GEORGIA
Assessed and Estimated Actual Value of Taxable Property (1)
Last Ten Fiscal Years
 (Amounts expressed in thousands)

Tax Year	Real Property			Personal Property (2)			Total			Ratio of Total Assessed Value Before Exemptions To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Exemptions	Assessed Value	Estimated Actual Value	Exemptions	Assessed Value	Estimated Actual Value	(4)	
1996	\$ 459,539	\$ 1,148,848	\$ 56,197	\$ 223,455	\$ 558,638	\$ 53,592	\$ 573,205	\$ 1,707,485	40.0%	
1997	524,662	1,311,655	63,733	249,205	623,013	54,944	655,190	1,934,668	40.0%	
1998	617,152	1,542,880	86,454	287,271	718,178	70,896	747,073	2,261,058	40.0%	
1999	656,145	1,640,363	93,379	293,295	733,238	63,798	792,263	2,373,600	40.0%	
2000	948,226	2,370,565	128,252	312,079	780,198	55,468	1,076,585	3,150,763	40.0%	
2001	1,013,205	2,533,013	132,389	350,993	877,483	82,553	1,149,256	3,410,495	40.0%	
2002	1,033,461	2,583,653	130,742	431,610	1,079,025	59,455	1,274,874	3,662,678	40.0%	
2003	1,142,979	2,857,448	131,614	440,915	1,102,288	60,594	1,391,686	3,959,735	40.0%	
2004	1,192,327	2,980,818	136,108	301,855	754,638	61,986	1,296,088	3,735,455	40.0%	
2005	\$ 1,329,594	\$ 3,323,985	\$ 139,007	\$ 323,871	\$ 809,678	78,847	\$ 1,435,611	\$ 4,133,663	40.0%	

(1) All property is assessed as of January 1st of each year.

Total assessed value is based on 40% of estimated actual value.

(2) Personal property include business inventories, machinery, equipment, furniture and fixtures used in business, farm equipment, aircraft, boats, mobile homes, heavy equipment, and timber.

(3) Excluding real and personal property exemptions

(4) Before exemptions are applied.

**JACKSON COUNTY, GEORGIA
HISTORICAL PROPERTY TAX DATA**

Last Ten Fiscal Years

(Amounts expressed in thousands)

<u>Tax Year</u>	<u>Real and Personal Property</u>	<u>Motor Vehicles</u>	<u>Mobile Homes</u>	<u>(3) Utilities</u>	<u>Timber (1)</u>	<u>Heavy Equipment</u>	<u>Gross Tax Digest</u>	<u>Maintenance & Operations Exemptions</u>	<u>Maintenance & Operations Tax Digest (2)</u>	<u>Total Estimated Actual Value</u>
1996	\$ 572,087	\$ 68,762	\$ 8,480	\$ 32,711	\$ 954	\$ -	\$ 682,994	\$ 109,789	\$ 573,205	\$ 1,707,485
1997	645,281	78,181	10,107	39,740	558	-	773,867	118,677	655,190	1,934,668
1998	766,558	87,634	10,039	39,473	719	-	904,423	157,350	747,073	2,261,058
1999	808,786	92,899	10,136	37,331	288	-	949,440	157,177	792,263	2,373,600
2000	1,079,989	95,966	13,203	70,603	50	494	1,260,305	183,720	1,076,585	3,150,763
2001	1,149,552	105,701	13,897	92,732	1,054	1,262	1,364,198	214,942	1,149,256	3,410,495
2002	1,286,024	111,673	18,079	46,728	271	2,296	1,465,071	190,197	1,274,874	3,662,678
2003	1,348,854	116,425	19,724	94,467	1,636	2,788	1,583,894	192,208	1,391,686	3,959,735
2004	1,443,399	138,646	18,520	50,783	805	1,673	1,653,826	198,094	1,455,732	4,134,565
2005	\$ 1,603,298	\$ 129,596	\$ 22,025	\$ 50,167	\$ 266	\$ 386	\$ 1,805,738	\$ 217,854	\$ 1,587,884	\$ 4,514,345

(1) Timber is assessed at 100% of fair market value.

(2) Total assessed value, after deducting exemptions, for purposes of levying tax for the support and maintenance of the County.

Source: Georgia Department of Revenue, Property Tax Division - County Digest Section.

(3) One public utility was assessed twice for 2003. The value of \$1,376 needs to be deducted from this amount.

(4) This schedule does not include adjustments to the assessed value for errors discovered after the digest was billed.

These amounts are normally less than 2% of the assessed value.

JACKSON COUNTY, GEORGIA
Property Tax Rate - Mills
Last Ten Fiscal Years
(Mills)

<i>Tax Year</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>
<i>Fiscal Year</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>
County - Incorporated	9.26	9.11	8.98	9.00	3.64	9.78	9.76	9.74	9.77	10.28
County - Unincorporated	7.58	7.58	7.58	7.58	2.57	8.72	8.75	8.73	8.69	9.19
School Operations	15.85	18.38	18.38	18.38	14.89	15.50	17.50	18.50	18.50	18.40
School Debt Service	4.53	1.00	1.00	1.00	0.78	0.78	1.00	1.00	1.00	3.70
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Total Incorporated	9.51	9.36	9.23	9.25	3.89	10.03	10.01	9.99	10.02	10.53
Total Unincorporated	28.21	27.21	27.21	27.21	18.49	25.25	27.50	28.48	28.44	31.54
<i>Fire Districts</i>										
Arcade	2.00	2.00	1.75	1.75	1.39	1.38	1.38	1.38	1.38	1.38
East Jackson	1.20	1.60	1.60	1.90	1.55	1.55	1.55	1.51	1.51	1.51
Harrisburg	1.00	1.00	1.00	1.00	0.74	1.48	1.49	1.76	1.76	1.76
Jackson Trail	1.00	1.50	1.50	1.50	1.37	1.37	1.21	1.14	1.14	1.09
Maysville	1.33	1.33	1.33	1.33	1.07	1.07	1.10	1.10	1.10	1.10
Nicholson	1.00	1.00	1.25	1.00	0.77	0.77	0.77	0.78	0.78	0.77
North Jackson	1.00	0.75	0.75	0.75	0.64	0.64	1.00	0.85	0.85	0.85
Plainview	1.00	1.00	1.00	1.00	0.84	1.70	1.70	1.70	1.70	1.70
South Jackson	1.40	1.30	1.30	1.50	1.13	1.13	1.43	1.42	1.75	1.73
West Jackson	1.25	1.25	1.25	1.75	1.61	1.60	1.57	1.57	1.57	1.72
<i>Municipalities(* including school)</i>										
Commerce *	18.94	19.88	17.08	17.65	15.66	16.30	17.41	18.04	17.74	19.41
Jefferson *	19.72	21.00	19.85	21.25	18.76	17.94	20.52	20.74	22.54	23.79
Maysville	1.50	1.50	1.50	1.50	1.30	3.00	4.51	n/a	4.85	4.22

JACKSON COUNTY, GEORGIA
Principal Taxpayers
Tax Year 2005

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation at 40%</u>	<u>Percentage of Assessed Valuation</u>	<u>Taxes Levied</u>
Southern Power Company	1 Generate Electricity	\$ 88,150,305	6.14%	\$ 810,101
J.M. Huber Corporation	Building Materials	13,741,606	0.96%	126,285
Gruma Corp. (Mission Foods)	Food Products	11,827,602	0.82%	121,588
Stone Mountain Industrial Park	Commercial/Industrial Developer	9,076,684	0.63%	93,080
2255 Delk Road Partnership	Land Developer	8,968,899	0.62%	92,200
Haverty's Furniture	Furniture Distributor	8,392,952	0.58%	86,279
Wayne Farms	Poultry Production	7,526,271	0.52%	69,166
Mayfield Dairy Farms Inc.	Milk Processing Plant	7,415,351	0.52%	76,230
Caterpillar, Inc.	Manufacturing	7,413,863	0.52%	76,214
Louisiana Pacific	Building Materials	7,012,448	0.49%	64,444
All Other Taxpayers		<u>1,266,084,706</u>	<u>88.19%</u>	<u>12,164,428</u>
TOTAL		<u>\$ 1,435,610,687</u>	<u>100.00%</u>	<u>\$ 13,780,015</u>

(1) Assessed by State of Georgia

Note: Assessed valuation for principal taxpayers includes real property, personal property and utilities taxes and does not include intangible, timber, mobile home or motor vehicle taxes.
Selection is based on the taxpayers with the largest tax levied.
Tax levy includes amount levied for just the County maintenance and operations, not for all taxing authorities.
Tax levy is after the State Homeowner's Tax Relief Grant.

JACKSON COUNTY, GEORGIA
Computation of Legal Debt Margin
December 31, 2005

<i>Assessed Valuation:</i>	
<i>Assessed Value</i>	1 \$ <u>1,805,738</u>
<i>Total assessed value</i>	<u>1,805,738</u>
 <i>Legal debt margin:</i>	
<i>Debt limitation - 10 percent of total assessed value</i>	180,574
<i>Total debt applicable to limitation</i>	<u>-</u>
<i>Legal debt margin</i>	\$ <u>180,574</u>
 <i>Percent of Debt Limit Used</i>	 <u>0.00%</u>

1. The legal debt margin should be based upon the Net General Obligation Bond Digest, not the Gross Tax Digest. Because the County has no general obligation debt, the Net General Obligation Bond Digest is not available. The Net General Obligation Bond Digest is less than the Gross Tax Digest. Therefore, if the Net General Obligation Bond Digest were available, the legal debt margin would be slightly smaller.

JACKSON COUNTY, GEORGIA
Computation of Direct and Overlapping Bonded Debt
General Obligation and Revenue Bonds
December 31, 2005

<i>Jurisdiction</i>	<i>Debt Outstanding</i>	<i>Percentage Applicable to Government</i>	<i>Amount Applicable to Government</i>
Direct Debt			
General Obligation Debt	\$ -	100.00%	\$ -
Capital Lease - Courthouse	25,000,000	100.00%	25,000,000
Capital Leases - Other	4,854,185	100.00%	4,854,185
GEFA Loans	270,478	100.00%	270,478
Total Direct	<u>30,124,663</u>		<u>30,124,663</u>
Overlapping General Obligation Debt:			
Jackson County School System	82,630,000	100.00%	82,630,000
City of Commerce Board of Education	2,655,936	100.00%	2,655,936
City of Arcade	4,979	100.00%	4,979
City of Braselton	25,992,970	16.95%	4,405,808
City of Commerce	16,748,481	100.00%	16,748,481
City of Hoschton	3,136,000	100.00%	3,136,000
City of Jefferson	26,004,261	100.00%	26,004,261
City of Maysville	860,313	52.38%	450,632
City of Nicholson	245,187	100.00%	245,187
Total Overlapping General Obligation Debt	<u>158,278,127</u>		<u>136,281,284</u>
Guaranteed Revenue Debt			
Upper Oconee Basin Water Authority	55,258,706	41.52%	22,943,967
Jackson County Water and Sewer Authority	22,108,129	100.00%	22,108,129
Total Guaranteed Revenue Debt	<u>77,366,835</u>		<u>45,052,096</u>
Intergovernmental Contracts Obligation			
Banks-Jackson-Commerce Hospital Authority	2,015,000	75.00%	1,511,250
Jackson County Economic Development Authority	16,815,000	100.00%	16,815,000
Jackson County Airport Authority	2,600,000	100.00%	2,600,000
Total Intergovernmental Contracts Obligation	<u>21,430,000</u>		<u>20,926,250</u>
Total	<u>\$ 287,199,625</u>		<u>\$ 232,384,293</u>

JACKSON COUNTY, GEORGIA
Computation of Direct and Overlapping Bonded Debt
General Obligation and Revenue Bonds
December 31, 2005

	<u>Direct Tax</u> <u>Supported Debt</u>	<u>Overlapping Tax</u> <u>Supported Debt</u>	
Per Capita Debt	\$576.09	\$2,606.16	
Percentage of Gross tax Digest	1668.27%	7547.12%	
Percentage of Fair Market Value	667.31%	3018.85%	
Per Capita Debt as Percentage of Per Capita Income	2.10%	9.50%	
	<u>Guaranteed</u> <u>Revenue Debt</u>	<u>Intergovernmental</u> <u>Contracts payable</u>	<u>Overall Tax</u> <u>Supported Debt</u>
Per Capita Debt	\$861.55	\$400.18	\$4,443.97
Percentage of Gross tax Digest	2494.94%	1158.88%	12869.21%
Percentage of Fair Market Value	997.98%	463.55%	5147.69%
Per Capita Debt as Percentage of Per Capita Income	3.14%	1.46%	16.21%
2005 Population	52,292		
2005 Gross Tax Digest	1,805,738		
2005 Estimated actual value	4,514,345		
2005 per capita income	27,421		

Jackson County, Georgia
Demographic Statistics
1990 and the Last Ten Fiscal Years

<i>Fiscal Year</i>	<i>(1) Population</i>	<i>(2) Per Capita Income</i>	<i>(1) (3) Median Age</i>	<i>(4) Unemployment Rate</i>
1990	30,005	\$ 14,476	33.0	5.6%
1996	35,185	20,292	n/a	4.1
1997	36,431	21,584	n/a	3.8
1998	37,711	22,404	n/a	3.9
1999	39,057	22,780	n/a	3.6
2000	41,589	23,421	n/a	2.7%
2001	44,010	24,562	n/a	3.9%
2002	46,651	23,806	n/a	4.8%
2003	46,998	24,445	n/a	3.8%
2004	49,035	25,853	n/a	3.1%
2005	52,292	\$ 27,421	n/a	4.1%

Sources:

- (1) US Census Bureau
- estimated at December 31, 2004
- (2) Federal Bureau of Economic Analysis
- (3) Available only for one year of the census
- (4) Department of Labor

n/a = Not Available

JACKSON COUNTY, GEORGIA
Property Values, Construction And Bank Deposits
Last Ten Calendar Years

<i>Calendar Year</i>	<i>Real Property Value (1) *</i>	<i>Number of Residential Permits (2)</i>	<i>Estimated Construction Costs (2)*</i>	<i>Bank Deposits (3)*</i>
1996	1,148,848	383	53,557	239,579
1997	1,311,655	586	95,287	261,878
1998	1,542,880	491	99,741	287,208
1999	1,640,363	608	89,226	320,398
2000	2,370,565	820	103,956	434,681
2001	2,533,013	793	86,403	469,391
2002	2,583,653	739	97,948	445,566
2003	2,857,448	598	90,183	531,463
2004	2,980,818	834	144,194	606,501
2005	\$ 3,323,985	811	\$ 153,031,604	\$ 706,401

*Amounts expressed in thousands

(1) Estimated assessed value from Table 6

(2) Source: Jackson County Building Inspection Department

(3) Source: State of Georgia Department of Banking and Finance

JACKSON COUNTY, GEORGIA
Principal Private Employers
Tax Year 2005

Employer	Type of Business	Approximate Number of Employees
Wayne Farms	Processed Poultry	1,350
Chateau Elan Winery	Winery, Resort, Golf	500
Baker & Taylor Books	Book Distributor	500
Havertys	Furniture Distributor	450
Mission Foods	Food Service	385
Kubota Industrial Equipment	Mfg Equipment	251
Braselton Poultry	Poultry	235
Jackson Electric Membership Co.	Electric Utility	231
Roper Pump	Pump Manufacturing	180
Southeast Toyota	Inland processing for Toyota	165
TD Automotive Compressor GA	Automotive Compressors	152
Caterpillar, Inc	Fuel Systems	150
Home Depot	Distribution Center	150
Ten Cate Nicolon Corp.	Geosynthetics Co	150
M M Systems	Architectural Steel Products	150
Year One	Mail order automobile parts	150
Huber Engineered Woods, LLC	Hardwood, veneer, & plywood	150
Louisiana-Pacific Corporation	Hardwood, veneer, & plywood	145
Buhler Yarns	Yarn	139
Mayfield Dairy	Milk Production	100
Atlas Cold Storage	Refrigerated Storage Facility	100
Satellite Manufacturing	Mfg, Metal Hardware Products	100

Source: Jackson County Area Chamber of Commerce; Georgia Department of Labor; All figures are as of March 1, 2006.

Note: The largest public employers in the County are (figures are approximate) :

- Jackson County Board of Education - 825 employees
- Banks/Jackson/Commerce Hospital - 411 employees
- Jackson County Board of Commissioners - 400 employees
- Jefferson City Board of Education - 285 employees
- Commerce City Board of Education - 207 employees

JACKSON COUNTY, GEORGIA
Industry Classifications
October 31, 2004 *

Industry	Number of Firms	Avg. Monthly Employment	Avg. Weekly Wages
Agriculture, forestry and fishing	16	133	\$557
Construction	217	1,089	628
Manufacturing	73	4,213	670
Wholesale trade	72	1,303	693
Retail trade	215	2,665	405
Transportation	52	863	622
Information	10	101	643
Finance and insurance	51	273	628
Real estate	39	172	496
Professional, scientific	66	198	635
Administrative and waste services	57	414	438
Educational services	25	1,522	597 ***
Health care and social services	65	935	497
Arts, entertainment and recreation	7	149	992 ***
Accommodation and food services	64	1,776	309
Other services	66	215	427
Unclassified	11	11	**
Government - all levels	50	2,749	530 ***
ALL INDUSTRIES	<u>1,156</u>	<u>18,781</u>	<u>\$502</u>

Source: Georgia Department of Labor

* - Last quarter for which data is available

** - Industry group does not meet criteria for disclosure per DOL.

*** - Information is from PY

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JACKSON COUNTY GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2005

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT/ CONTRACT NUMBER	PROGRAM OR AWARD AMOUNT	EXPENDITURES
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Local Law Enforcement Block Grant	16.607	2005-BUBX05028947	\$ 34,969	\$ 8,911
Local Law Enforcement Block Grant				
Passed through the Council of Juvenile Court Judges				
Purchase of Service - Juvenile Offenders Program	16.523	03B-ST-0003 & 04B-ST-0001	8,000	5,055
Total U.S. Department of Justice			42,969	13,966
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Passed-through Northeast Georgia Regional Development Center				
Nutrition Services Incentive	10.570	FY 05 Aging Services Contract	13,812	13,812
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed-through Northeast Georgia Regional Development Center				
Special Programs for the Aging Title III, Part B	93.044	FY 05 Aging Services Contract	9,408	9,408
Special Programs for the Aging Title III, Part C	93.045	FY 05 Aging Services Contract	67,097	67,097
			76,505	76,505
Passed-through the Georgia Department of Human Resources				
Unified Transportation Grant	20.513	No grant number issued	58,206	48,462
Total U.S. Department of Health and Human Services			134,711	124,967
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Passed-through Georgia Department of Transportation				
Federal Transit Formula Grant	20.509	MTG00-0123-00-033	29,497	29,497
Passed through Governor's Office of Highway Safety				
State and Community Highway Safety Grant	20.600	GA-2006-78-00528	23,400	13,135
Total U.S. Department of Transportation			52,897	42,632
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Passed-through Georgia Department of Community Affairs				
Passed-through to Jackson County Water & Sewerage Authority				
Community Development Block Grant	14.228	03q-y-078-1-2887	500,000	500,000
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Passed-through Georgia Emergency Management Agency				
ODP FY 04 State Homeland Security Grant Program	97.004	2004-GA-T4-0012	82,600	79,157
ODP FY 03 PII State Homeland Security Grant Program	97.004	2003-MU-T3-0010	66,431	11,600
Total U.S. Department of Homeland Security			149,031	90,757
TOTAL FEDERAL EXPENDITURES			\$ 893,419	\$ 786,134

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
1: This schedule is prepared on the modified accrual basis of accounting.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS*

May 22, 2006

Board of Commissioners
Jackson County, Georgia
Jefferson, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the 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, 2005, which collectively comprise JACKSON COUNTY, GEORGIA's basic financial statements and have issued our report thereon dated May 22, 2006.

We did not audit the financial statements of the JACKSON COUNTY HEALTH DEPARTMENT, which statements reflect total assets of \$800,217 as of June 30, 2005 and total revenues of \$1,103,036 for the year then ended. Those financial statements were audited by another auditor whose report has been furnished to us and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for the JACKSON COUNTY HEALTH DEPARTMENT component unit, is based solely on the reports of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered JACKSON COUNTY, GEORGIA's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal

control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect JACKSON COUNTY, Georgia's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 05-02 through 05-18.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether JACKSON COUNTY GEORGIA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 05-01.

This report is intended solely for the information of the audit committee, management, Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bates, Carter & Co, P.C.

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

May 22, 2006

Board of Commissioners
Jackson County, Georgia
Jefferson, Georgia

Compliance

We have audited the compliance of JACKSON COUNTY, GEORGIA with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2005. JACKSON COUNTY, GEORGIA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of JACKSON COUNTY, GEORGIA's management. Our responsibility is to express an opinion on JACKSON COUNTY, GEORGIA's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about JACKSON COUNTY, GEORGIA's compliance with those requirements and performing such other procedures, as we considered necessary in the

circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on JACKSON COUNTY, GEORGIA's compliance with those requirements.

In our opinion, JACKSON COUNTY, GEORGIA, complied in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005.

Internal Control Over Compliance

The management of JACKSON COUNTY, GEORGIA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered JACKSON COUNTY, GEORGIA's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bates, Carter & Co, P.C.

**JACKSON COUNTY, GEORGIA
AUDITORS' SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2005**

I SUMMARY OF AUDITORS' RESULTS:

1. Report issued on Financial Statements – Unqualified opinion
2. Compliance (financial statements) – One instance of noncompliance
3. Internal Control (financial statements) – Seventeen reportable conditions, no material weakness
4. Compliance (major programs) - Unqualified opinion, no instances of noncompliance
5. Internal control (major programs) - Unqualified opinion
6. Audit findings required to be reported under A133 Section 510(a)
 - i) Reportable conditions in internal controls over major programs – None
 - ii) Material noncompliance related to major programs – None
 - iii) Known questioned costs greater than \$10,000 for major programs – None reported
 - iv) Known questioned costs greater than \$10,000 for a program not audited as major – None reported
 - v) Circumstances if report on compliance is other than unqualified - N/A
 - vi) Known fraud - N/A
 - vii) Misrepresentation in schedule of prior audit findings – None reported
7. Major program for the year – U.S. Department of Housing and Urban Development – Community Development Block Grant CFDA 14.228.
8. Dollar threshold used to distinguish between Type A and Type B programs - \$300,000.
9. Does the auditee qualify as a low risk auditee under A133 Section 530 - no.

JACKSON COUNTY, GEORGIA
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Year Ended December 31, 2005

**II AUDIT FINDINGS - GENERALLY ACCEPTED GOVERNMENTAL AUDITING
STANDARDS**

COMPLIANCE
SHERIFF DEPARTMENT

05-01 Statement of Condition: Quarterly sales tax payments are submitted based on purchase price from vendor invoices rather than total sales from commissary.

Criteria: The amount remitted shall be the total amount of tax that was collected or should have been collected, less any amount due to the vendor as vendor's compensation.

Effect of Condition: There is an underpayment of sales tax to the Department of Revenue.

Cause of Condition: Calculations are based on total purchases rather than total sales.

Recommendation: We recommend the amount of quarterly tax payment to the Department of Revenue is calculated based on total sales price less 3% allowance for vendor compensation.

Response: We concur.

INTERNAL CONTROL
EMERGENCY SERVICES

05-02 Statement of Condition: The ambulance paramedics did not prepare a Patient Care Report or obtain a Patient Care Refusal Form every time they were dispatched and had contact with the patient.

Criteria: To insure proper internal controls and to insure that the County can bill for services given, the ambulance paramedics must obtain a Patient Care Refusal Form or prepare a Patient Care Report.

Effect of Condition: The County may be unable to bill for all services provided. In addition, it is possible that the County could be held liable for medical costs incurred by a person if there was no documentation to prove that the potential patient had refused care but did not sign a properly completed Patient Care Refusal Form.

Cause of Condition: Cause unknown.

JACKSON COUNTY, GEORGIA
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Recommendation:

We recommend that, every day, Emergency Services staff compare the dispatch log to the Patient Care Reports and Patient Care Refusal Forms received. If a report is missing, follow-up action should be taken.

Response:

Emergency Services has implemented a corrective action in which E-911 provides the Emergency Services Secretary a daily dispatch log. The Secretary cross-references this dispatch log to paperwork from the ambulances. This procedure ensures that Emergency Services has a Patient Care Report for every transport. In addition, the County has authorized the purchase of computers in 2006 to allow paramedics to submit a report for every trip electronically, whether or not the ambulance treated or transported a patient. This electronic system will be operative by June 15, 2006, and will allow the Emergency Services staff to access Patient Care Reports and related records immediately.

PARK AND RECREATION

05-03 Statement of Condition:

The Park and Recreation is not always able to make timely deposits.

Criteria:

The office should deposit funds within a week of receipting them.

Effect of Condition:

The risk of theft increases proportionately with the amount of funds on hand.

Cause of Condition:

The Park and Recreation office operates on a manual accounting process. This manual process requires a significant amount of time. The amount of telephone calls and visits the office receives daily slows the process even more, making it difficult for staff to process and deposit funds on a weekly basis. In addition, the office staff sometimes delays depositing revenue so that they will have enough start-up cash for the concession stands during sporting events.

Recommendation:

We recommend that the County consider purchasing a simple, low cost automated system by which the Park and Recreation office can process registrations, receipt funds promptly, and maintain rosters. If this is not a viable option, we recommend the County consider hiring additional staff for the Park and Recreation office so that the staff that prepare reports and make deposits can do so in a timely manner.

JACKSON COUNTY, GEORGIA
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In addition, we recommend that the County allow the Park and Recreation office to retain funds to serve as start-up cash for the concession stands. The Park and Recreation Director will need to assess the needs of the office in determining the amount of the change fund. The start-up funds should always remain the same, and should not be included in deposits. This policy will provide the office a controlled amount of cash and allow staff to make timely deposits of Park and Recreation receipts.

Response:

On May 30, 2006 Jackson County entered into an agreement with Active Network who will host an interactive website to facilitate the registration of program participants. This will revolutionize the antiquated and manual process currently in place. It is anticipated that the online registration process, over time, will reduce the flow of traffic in the office, allow for better scheduling, and tracking of funds.

Moreover, the Parks and Recreation Director will make a recommendation on an amount of start-up cash to be used for the concession stands.

PLANNING & DEVELOPMENT

05-04 Statement of Condition:

The Business License office cannot print a report from the system that gives a detailed list of all the licenses issued that day, the amount paid for each license, and a total of the day's receipts. Nor does the office issue prenumbered handwritten receipts on a consistent basis. In addition, staff sometimes process license applications before receiving payment, and then hold the license for the applicant until receiving payment.

Criteria:

In order to insure proper controls, the Business License Office either needs the capability to print a Daily Transaction Summary report from the system that details the sequentially numbered licenses, or the office needs to issue prenumbered handwritten receipts for every transaction. In addition, staff should only process applications after payment receiving payment.

Effect of Condition:

The Business License Office has no mechanism to prevent loss of funds. The staff has to depend on the checks and money orders that are on hand to evaluate the day's revenue.

Cause of Condition:

Cause unknown.

JACKSON COUNTY, GEORGIA
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Year Ended December 31, 2005

Recommendation:

We recommend that the software system be modified in order to provide an adequate daily transaction summary. Until this is feasible, we recommend that the Business License staff issue a handwritten receipt for every transaction so that the day's funds can be balanced to the prenumbered receipts issued that day. The receipt should reference the license number and all license numbers referenced should be in sequential order. This will ensure that no license is processed without payment.

Response:

The County is in the process of implementing a new software program that will allow the Business License Office to issue computer-generated receipts for every transaction and print daily transaction reports. The system will not allow business license issuance without receipt of payment. In addition, the software program will track each type of revenue and enable the Finance Department to import the daily revenue totals from the Business License Office into the County's general ledger system electronically.

PROBATE COURT

05-05 Statement of Condition:

The Probate Court does not match the handwritten receipts to the transactions entered into the computer each day.

Criteria:

Court staff should match the total revenue for the day per the prenumbered handwritten receipts to the computer-generated report to verify all transactions were entered properly. In order to ensure proper controls, the staff performing this duty should not be the same staff that enters the transactions into the computer.

Effect of Condition:

The Court has no control to prevent someone from entering the transaction improperly and misappropriating funds.

Cause of Condition:

Cause unknown.

Recommendation:

We recommend that, as part of the daily balancing process, the Judge run a tape of the handwritten receipts for each day, verify that the total on the tape agrees to that day's computer-generated Daily Receipts Journal, and attach the tape to the Daily Receipts Journal.

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Response:

Since the Probate Court has only two staff members in addition to the Judge, the Probate Court staff will alternate running the adding machine tape of the handwritten receipts each day, making sure that the person who enters the receipts is not the person who runs the adding machine tape.

SHERIFF DEPARTMENT

05-06 **Statement of Condition:**

There is a lack of segregation of duties at the Detention Center. The same individual prepares the bank deposits, delivers the deposits, reconciles inmate store accounts, has custody of inmate funds, and signs checks on inmate trust bank account.

Criteria:

To ensure proper controls over cash, no one individual should be able to receive and deposit funds, maintain the related accounting records, and maintain custody of the cash.

Effect of Condition:

The lack of segregation of duties creates opportunities for undetected errors and fraud.

Cause of Condition:

Accounting assignments were not redistributed as accounting procedures evolved.

Recommendation:

We recommend that the inmate funds be counted and agreed to the attached receipts in the presence of two people prior to being placed in the safe. The deposit should be prepared by the bookkeeper and then delivered to the bank by another individual. This person should return the deposit receipt to the bookkeeper, who should then attach the receipts to that days deposit sheet.

Response:

We concur

05-07 **Statement of Condition:**

The balance in the Jail and Store Account is not reconciled to the inmate resident balance report.

Criteria:

The balance in the account should be reconciled to the detailed list at the end of each month to ensure that all inmate funds are accounted for.

Effect of Condition:

Errors or fraud could go undetected.

Cause of Condition:

The condition is a result of incomplete reconciliations. The book is reconciled to the bank, but an additional step is needed to reconcile to the detailed list.

JACKSON COUNTY, GEORGIA
AUDITORS' SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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Recommendation: We recommend that the reconciliation also include this final step.

Response: Normally the deposits are made weekly however, due to work load and holidays, time did not permit us to follow normal procedures. As you know, the inmate account increased considerably. In the future deposits will be made twice per week. A computer print out along with the actual receipt will be attached.

LAW LIBRARY

05-08 **Statement of Condition:** The Law Library bank accounts were not reconciled for the entire year of 2005.

Criteria: Cash accounts should be reconciled to the bank statements on a monthly basis as soon as the statements are available.

Effect of Condition: Failure to reconcile bank statements is a serious flaw in internal controls. The responsible individual will not be held accountable and theft, bank error, or lost funds may go undetected.

Cause of Condition: Cause of condition is unknown.

Recommendation: We recommend the bank accounts be reconciled as soon as the statements are received from the bank.

Response: As of October 2005, bank statements were systematically reviewed each month and included digital images of all checks issued by the Jackson County Law Library. The amount of fees and withdrawals were consistent. Approximately 3-4 checks are written from the account each month and the account is charged approximately \$14.00 in fees per month. As of 2 months ago, an Excel Spreadsheet was developed to track law library accounts to provide an accurate record keeping mechanism for the law library.

05-09 **Statement of Condition:** The Law Library does not have complete records of receipts and disbursements.

Criteria: State law requires that operating expenditures not exceed legally adopted budgets.

JACKSON COUNTY, GEORGIA
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Effect of Condition: The County is unable to ensure that the Law Library is within the budget without the proper documentation of receipts and disbursements.

Cause of Condition: Cause of condition is unknown.

Recommendation: We recommend that the Law Library prepare a monthly report of receipts and disbursements and submit this to the County Finance Department.

Response: For the year 2005, there was no law library budget setup by the Board of Trustees. All bills, receipts and disbursements were contained in a date ordered file that was available to the auditor. Companies such as LexisNexis, Matthew Bender and Westlaw, which provide us with monthly resources do not send "receipts." In regard to a budget, the library only buys two items books and LexisNexis. As of 2 months ago, an Excel Spreadsheet was developed to track law library accounts to provide an accurate record keeping mechanism for the law library.

05-10 **Statement of Condition:** Cash receipts are not being deposited in a timely manner. Several months of remittances are in a drawer waiting to be deposited.

Criteria: The office should deposit funds within a week of receipt.

Effect of Condition: The risk of theft increases proportionately with the amount of funds on hand.

Cause of Condition: Cause of condition is unknown.

Recommendation: We recommend deposits be made on a weekly basis.

Response: The phrase "several months" is inaccurate. The law library does not receive checks on a weekly basis. Checks are typically received during the 2nd and 3rd weeks of the month. Checks will be deposited on the 2nd and 4th Thursday of the month. If 3 or more checks accrue, a deposit will be made immediately on a non-scheduled date.

05-11 **Statement of Condition:** Checks remitted from courts are kept in an unlocked drawer in an unlocked office.

Criteria: Cash and checks should be stored in a locked receptacle in a secured area.

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Effect of Condition: Keeping checks in an area that is not secured creates opportunity for money to be misplaced or stolen.

Cause of Condition: Cause of condition is unknown.

Recommendation: We recommend that all cash receipts be kept in a secure area.

Response: The area is secured by locked doors and cameras. The checks remitted are stored in a lockable credenza in my personal office with a lockable door within the secured Superior Court Judge's Chambers. Within 5 feet of my personal office sits Judge Joe Booth's secretary, Margaret Underwood McIntyre, who maintains the Jackson County Superior Court Chambers during the hours the courthouse is open to the public. Approximately 2 feet from my door, situated on the ceiling, encased in a small glass bubble is a security camera that monitors the reception area and everyone who enters my personal office 24 hours a day. Both Mrs. McIntyre and I have panic buttons under our desk, which when pushed silently alert security and provide us with Sheriff's deputies within approximately 30 seconds. The credenza with the law library checks will remain locked at all times during the future. My office door will remain unlocked during the business hours, if Mrs. McIntyre is present during my absence. Additionally, the Superior Court Judges at any time may request that security unlock my office for file retrieval and research purposes. However, I will be the only person with access to the credenza.

05-12 **Statement of Condition:** Blank checks are kept in an unlocked drawer in an unlocked office.

Criteria: To insure proper internal controls, blank checks should be filed in a secure location with access limited to authorized personnel only.

Effect of Condition: This creates the opportunity for unauthorized checks to be written from the account.

Cause of Condition: Cause of condition is unknown.

Recommendation: We recommend that all blank checks are kept in a secured location so that access is limited to authorized personnel only.

Response: The area is secured by locked doors and cameras. The check book is stored in a lockable credenza in my personal office with a lockable door within the secured Superior Court Judge's

JACKSON COUNTY, GEORGIA
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Chambers. Within 5 feet of my personal office sits Judge Joe Booth's secretary, Margaret Underwood McIntyre, who maintains the Jackson County Superior Court Chambers during the hours the courthouse is open to the public. Approximately 2 feet from my door, situated on the ceiling, encased in a small glass bubble is a security camera that monitors the reception area and everyone who enters my personal office 24 hours a day. Both Mrs. McIntyre and I have panic buttons under our desk, which when pushed silently alert security and provide us with Sheriff's deputies within approximately 30 seconds. The credenza with the law library checks will remain locked at all times during the future. My office door will remain unlocked during the business hours, if Mrs. McIntyre is present during my absence. Additionally, the Superior Court Judges at any time may request that security unlock my office for file retrieval and research purposes. However, I will be the only person with access to the credenza.

HARRISBURG FIRE DISTRICT

05-13	<u>Statement of Condition:</u>	Invoices do not have proper authorization for payment or evidence that goods were ever received.
	<u>Criteria:</u>	The Fire District should not pay for goods and services until staff has obtained sufficient documentation that the goods and services were received in conformity with the Fire District's specifications. Documentation should include a signature from appropriate personnel and a packing slip, if applicable.
	<u>Effect of Condition:</u>	The Fire District may pay for goods and service that were not received or that did not conform to the agreed-upon specifications.
	<u>Cause of Condition:</u>	Cause of condition is unknown.
	<u>Recommendation:</u>	We recommend that the Fire District require authorization for payment from appropriate personnel and, if applicable, a packing slip, before paying invoices.
	<u>Response:</u>	In the future, all invoices will be approved for payment before they are submitted to the clerk/treasurer for payment. Moreover, when applicable all packing slips, bills of lading, etc., will be obtained as verification of the receipt of and delivery of goods.

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NICHOLSON FIRE DISTRICT

- 05-14** **Statement of Condition:** During our audit it was noted that a check in the amount of five thousand dollars dated February 5, 2005, had been received for the sale of a truck but was not deposited until May 13, 2005.
- Criteria:** The Fire District should deposit funds within a week of receipt.
- Effect of Condition:** The risk of theft increases proportionately with the amount of funds on hand.
- Cause of Condition:** Cause of condition is unknown.
- Recommendation:** We recommend deposits be made on a weekly basis.
- Response:** In the future, a conscientious effort will be made to ensure the timely deposit of all funds.

CLERK OF SUPERIOR COURT

- 05-15** **Statement of Condition:** **This was a prior year finding.** The Clerk's office does not have a detailed listing of custodial funds including restitution partial payments of fines, and other items that agrees to the balance in the bank accounts
- Criteria:** Since the Clerk's funds are all held in trust for some entity, the amounts of money due to each entity should be identifiable at the end of each month.
- Effect of Condition:** The absence of detailed listings lends itself to errors and a failure to disburse money to the appropriate parties. At the end of 2005, the liabilities due to various agencies and victims exceeded the amount of money in the bank by \$3,509 in the civil account.
- Cause of Condition:** In previous years, the Clerk's office has had problems in this area. The problem has been compounded in year 2001, when the Clerk's office began accepting partial payments that at the time were not paid out in the subsequent month.
- Recommendation:** We recommend utilizing the interface to Quick Books that is in the existing computer system in order to track the restitution and partial payments not yet disbursed. Furthermore, a detailed listing of the makeup of the balance in the accounts should be prepared on a monthly basis.

JACKSON COUNTY, GEORGIA
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Response:

Significant progress in 2005; However, deficiencies in the reports for partial payments provided by probation offices will affect the accuracy in 2006. The clerk's office will open dialogue with the probation offices to get the necessary detail from the probation offices. Most of the unidentified funds are from cases that are pre-2002. We would welcome any suggestion that allows us to segregate unidentified funds from more current funds so that there is no co-mingling and accountability for current transactions is possible.

05-16 Statement of Condition:

The actual deposits made to bank accounts are not balanced to the computer system "Monthly Summary" report nor are they balanced to the disbursements being made.

Criteria:

The reports used to summarize information for disbursing funds should be agreed to the bank deposits before checks are issued.

Effect of Condition:

Minor errors in the disbursements have been made. In addition, some funds received were not disbursed. See Finding 04-xx for further details.

Cause of Condition:

A great deal of this is caused by the excessive workload on the Clerk's bookkeeper due to the increased volume of transactions handled by the office. It is further caused by not utilizing the automatic features built into the existing software. There has been a lack of training related to those features. It is also caused by the fact that some parts of the disbursements, for example, Transfer tax and Intangible tax are disbursed before the recording fees and criminal fees are ready to be disbursed.

Recommendation:

We recommend that this balancing be done. We have prepared an Excel work sheet to assist in this process. We recommend that a list of overpayments and refunds due should be attached to the State, Superior, and Juvenile Court "audit" sheets just like the sheet of miscellaneous items is attached to the Civil "audit" report. On both of these lists, we suggest that the check number and date disbursed be noted to provide a record of which items have been disbursed. We suggest writing these checks on a monthly basis. If funds received for condemnations get deposited into another account, that fact and the date of the deposit should be noted on these lists.

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Response: We have requested additional assistance from the auditors in 2006 for the implementation of the spreadsheets that help reconcile the monthly reports to the bank deposits.

05-17 *Statement of Condition:* **This was a prior year finding.** The summary of receipts and disbursements generated from the computer system did not agree to the total deposits and withdrawals in the bank accounts.

Criteria: Since all transactions are recorded in the computer system used by the Clerk's office, this system should be able to generate these reports that agree to the total deposits and withdrawals in the bank accounts.

Effect of Condition: There is no accurate year-to-date summary of receipts and disbursements in the Clerk's bank accounts. This, therefore, leads to uncertainty as to the total amount of funds received and disbursed for the year as well as the character of the receipts and disbursements.

Cause of Condition: The "Monthly Summary" report in the existing software which provides a summary of receipts and disbursements is missing a few items such as child support.

Recommendation: We recommend having the software vendor modify the report to include all items received and disbursed. The "Monthly Summary" reports should be printed on a monthly basis and agreed to the deposits in the bank accounts. It should also be agreed to the individual reports used to disburse funds. If the system reports do not agree to the deposits, the difference should be determined on a monthly basis so that funds can be disbursed as required. At year end, the "Monthly Summary" report should be printed for the whole year to provide an annual summary of activity.

Response: The Clerk has requested the recommended modifications from Icon Software and has been postponed by Icon for 18 months.

05-18 *Statement of Condition:* **This was a prior year finding.** During 2001, the Clerk's office began handling partial payments for Superior Court Fines. Occasionally, fines are expunged by a court order. These balances are still reflected as if were still due from parolee.

Criteria: Proper controls should be established to remove remaining partial payment amounts due from the system that will never be paid.

Effect of Condition: Amount due from parolees will be overstated.

JACKSON COUNTY, GEORGIA
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- Cause of Condition:*** The Clerk's office is still in the process of developing proper procedures and controls.
- Recommendation:*** We recommend establishing a procedure to remove expunged balances. It will be necessary to discuss this issue with the software vendor to ensure the proper process and documentation of removing these balances.
- Response:*** Not addressed in 2005, very few expunged fines. In most cases the court postpones the due date on the fines until time served is complete even though it is unlikely that the defendant will ever pay the fine.

III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

There were no findings or questioned cost relating to Federal awards reported for the year ended December 31, 2005.