

JACKSON COUNTY, GEORGIA

TAX ABATEMENTS

AGREED UPON PROCEDURES

June 25, 2008

REPORT OF AGREED UPON PROCEDURES

June 25, 2008

Board of Commissioners
Jackson County, Georgia
Jefferson, Georgia

We have performed the procedures enumerated below with respect to tax abatement agreements for the Jackson County, Georgia government for the year ended December 31, 2007.

Procedures and Findings

1. Obtain from the tax assessors office a list of properties in the name of Jackson County Industrial Development Authority. When requesting the list, be sure that variations in the name such as Jackson IDA, Jackson Co Development Authority, etc are considered. *No exceptions noted.*
2. Ask that the list identify the properties and their valuations that the tax assessors are billing under various tax abatement agreements or as payments in lieu of taxes. *No exceptions noted.*
3. Obtain a listing from the tax commissioner's office of the actual tax bills issued for the year on those properties. *No exceptions noted.*
4. Compare the listing in 1 to the list of Industrial Revenue Bonds outstanding at year end (Conduit Debt) obtained as part of the audit of the Industrial Development Authority. *No exceptions noted.*
5. Obtain copies of the tax abatement agreements if not already received as part of IDA audit.
 - a. *The abatement agreement for Nicolon Corporation could not be provided.*
6. If there is a private revenue bond outstanding but no tax abatement agreement, determine that 100% of the taxes due have been billed to the private entity for the year. *No exceptions noted.*
7. Determine that the amount of property taxes billed to the private entities with a current tax abatement agreement is correct according to that agreement.



- a. *One abatement bill was not generated for real property resulting in real property taxes in the amount of \$446.48 that have not been billed.*
8. Review properties that were on the list at the end of the prior year to see if any of the abatement agreements and/or industrial revenue bonds has expired. If so, determine that the property is no longer in the name of the IDA but has been transferred back to the private entity and has been included in the current year digest valuation so that the proper billing of property taxes is made.
 - a. *One property related to an expired tax abatement agreement has not generated a bill because it was coded as exempt property. As a result real property taxes in the amount of \$566.90 have not been billed.*
9. Calculate the dollar amount of property taxes not billed (Abatement Amount) for the current year because of valid abatement agreements. *The total abatement amount is \$1,316,536.95. Please refer to Exhibit 1.*

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards or *Government Auditing Standards*, we do not express an opinion on any of the accounts or items referred to above. This report relates only to the accounts and matters specified on this page and does not extend to any financial statements of JACKSON COUNTY, GEORGIA taken as a whole.

B. B. Carter & Co., LLC

JACKSON COUNTY, GEORGIA
EXHIBIT 1 - SUMMARY OF TAX ABATEMENTS
DECEMBER 31, 2007

R Real
P Personal

Company Name	Map Parcel #	Agreement Expired	Name on Property Card	Per agreement	2007 amount abated	Dollar amount of abatement
North American Stainless	R 091-007D	N	North American Stainless	2007 = 0% 2008 = 33 1/3% 2009 = 66 2/3% 2010 = 100% all years = 100% same as real	county taxes = 100% school taxes = 0% same as real	17,621.23 R
	P 41338	N	North American Stainless	same as real	same as real	101,549.99 P
TD Automotive (Toyota)	R 091-007B	N	Jackson Co Ind Dev Au	2006 = 0% 2007 = 20% 2008 = 40% 2009 = 60% 2010 = 80% 2011 = 100% all years = 100% same as real	county taxes = 80%	130,688.39 R
	P 40648	N	Toyota Industries (TD Auto)	same as real	school taxes = 0% same as real	293,561.91 P
Spectrum Brands	R 092-022 R 092-022F	N N	Jackson County Industrial Jackson County Industrial	2006 = 25% 2007 = 50% 2008 = 75% 2009 = 100% all years = 100% same as real	county taxes = 50%	52,407.86 R 68.36 R
	P 41471	N	Spectrum Brands	all years = 100% same as real	school taxes = 0% same as real	91,274.00 P
Kubota	R 065-002F	N	Development Authority	2005 = 0% 2006 = 20% 2007 = 40% 2008 = 60% 2009 = 80% 2010 = 100% all years = 100% same as real	county taxes = 60%	74,650.89 R
	P 40474	N	Kubota	same as real	school taxes = 0% same as real	96,364.85 P
Roper Pump Company	R 034-032 R 034-032H R 034-032F P 1805	Y Y Y Y	Roper Industries Roper Industries deleted Roper Industries	n/a n/a n/a n/a	expired expired expired expired	n/a n/a n/a n/a
Nicolon	R 092-005R R 092-005L P 021-001C P 13735	N N N N	Jackson Co Ind Dev Au Nicolon Corporation Nicolon Corporation Nicolon Miraf Group	land exempt 1994-2014	county taxes = 0% land only	17,792.30 n/a n/a n/a
Haverlys	R 119-002C P 37170	Y Y	Jackson Co Ind Dev Au Haverlys	n/a n/a	expires in 2007, 0%	n/a n/a
Caterpillar	R 092-005Q R 092-005Q1 P 13315	N N N	Jackson Co Ind Dev Au Caterpillar Caterpillar	taxes up to \$650,000	taxes up to \$650,000	9,828.07 47,266.40 234,674.55
Commerce Ind Park	R 033-004A R 033-004A1	N N	Jackson Co Ind Dev Au added to 033-004A	all years = 0% until sold/released to 3rd party	county taxes = 100%	148,658.06
Total Abatement						1,316,406.86

