

JACKSON COUNTY, GEORGIA

TAX ABATEMENTS

AGREED UPON PROCEDURES

June 15, 2009

REPORT OF AGREED UPON PROCEDURES

June 15, 2009

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, 2008.

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. *No exceptions noted.*

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. *Parcel 091-007H was not billed for 2008 resulting in under billed property taxes of \$22.74.*
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. *Parcel TAXABAT2 consists of property belonging to Sumitomo and is begin taxed properly however title to the property needs to be transferred back to the company and property placed on parcel 092-037.*
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 \$1,147,284.22. 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.

Bates, Carter & Co, LLP

JACKSON COUNTY, GEORGIA
EXHIBIT 1 - SUMMARY OF TAX ABATEMENTS
DECEMBER 31, 2008

R Real
P Personal

Company Name	Map Parcel #	Agreement Expired	Name on Property Card	Per agreement	2008 amount abated	Dollar amount of abatement
North American Stainless	R 091-007D	N	Jackson Co Ind Dev Au	2007 = 0%	county taxes = 66 2/3%	13,274.84 R
	R 091-007H	N	Jackson Co Ind Dev Au	2008 = 33 1/3%		13.81 R
				2009 = 66 2/3%		
				2010 = 100%	school taxes = 0%	
				school taxes all years = 100%	same as real	66,649.36 P
TD Automotive (Toyota)	P 41338	N	North American Stainless	same as real	same as real	58,073.66 R
	R 091-007B	N	Jackson Co Ind Dev Au	2006 = 0%	county taxes = 60%	
				2007 = 20%		
				2008 = 40%		
				2009 = 60%		
			2010 = 80%			
			2011 = 100%	school taxes all years = 100%	school taxes = 0%	322,765.40 P
Spectrum Brands	P 40648	N	Toyota Industries (TD Auto)	same as real	same as real	19,337.59 R
	R 092-022	N	Jackson County Industrial	2006 = 25%	county taxes = 25%	
				2007 = 50%		
				2008 = 75%		
			2009 = 100%			
			school taxes all years = 100%	school taxes = 0%	same as real	3,413.10 P
Kubota	P 41471	N	Spectrum Brands	same as real	same as real	117,757.07 R
	R 065-002F	N	Development Authority of Jefferson	2005 = 0%	county taxes = 40%	
				2006 = 20%		
				2007 = 40%		
				2008 = 60%		
				2009 = 80%		
			2010 = 100%	school taxes all years = 100%		
Nicolon	P 40474	N	Kubota	same as real	same as real	17,607.19 R
	R 092-005R	N	Jackson Co Ind Dev Au	land exempt 1994-2014	county taxes = 0%	n/a
	R 092-005L	N	Nicolon Corporation		land only	n/a
	P 021-001C	N	Nicolon Corporation		n/a	n/a
P 13735	N	Nicolon Miraf Group	n/a		n/a	
Caterpillar	R 092-005Q	Y	Jackson Co Ind Dev Au	taxes up to \$650,000	taxes up to \$650,000	n/a
	R 092-005Q1	Y	Caterpillar Caterpillar			n/a
	P 13515	Y	Caterpillar			n/a
Commerce Ind Park	R 033-004A	N	Jackson Co Ind Dev Au	all years = 0% until sold/leased to 3rd party	county taxes = 100%	394,966.73

Total Abatement 1,147,284.22

