

JACKSON COUNTY, GEORGIA

TAX ABATEMENTS

AGREED UPON PROCEDURES

July 29, 2010

REPORT OF AGREED UPON PROCEDURES

July 29, 2010

Board of Commissioners
Jackson County, Georgia
Jefferson, Georgia

We have performed the procedures enumerated below with respect to payment in lieu of taxes agreements for the Jackson County, Georgia government for the year ended December 31, 2009.

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 2009 resulting in under billed property taxes of \$45.49.*
 - b. *Personal property parcel 41338 was billed using a rounded percentage for taxable portion resulting in over billed property taxes of \$207.26.*

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 TAX ABAT7 consists of property belonging to Spectrum Brands and is being taxed properly however title to the property needs to be transferred back to the company and placed on parcel 092 022.*

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 \$824,890.63. 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 PILOT AGREEMENTS
DECEMBER 31, 2009

R Real
P Personal

Company Name	Map Parcel #	Agreement Expired	Name on Property Card	Per agreement	2009 amount unbilled	Dollar amount of unbilled taxes	
North American Stainless	R 091-007D	N	Jackson Co Ind Dev Au	2007 = 0%	county taxes = 33 1/3%	\$ 6,637.42 R	
	R 091-007H	N	Jackson Co Ind Dev Au	2008 = 33 1/3%		6.90 R	
	P 41338	N	North American Stainless	2009 = 66 2/3%		school taxes all years = 100%	20,724.90 P
TD Automotive (Toyota)	R 091-007B	N	Jackson Co Ind Dev Au	2006 = 0%	county taxes = 40%	38,715.77 R	
	P 40648	N	Toyota Industries (TD Auto)	2007 = 20%			school taxes = 0%
				2008 = 40%			
R 092-022	Y	Jackson County Industrial	2009 = 60%	county taxes = 0%	-		
P 41471	Y	Spectrum Brands	2010 = 80%			school taxes = 0%	
Kubota	R 065-002F	N	Development Authority of Jefferson	2006 = 25%	county taxes = 20%	29,093.35 R	
	P 40474	N	Kubota	2007 = 50%			school taxes = 0%
				2008 = 75%			
R 092-005R	N	Jackson Co Ind Dev Au	2009 = 100%	county taxes = 0%	17,653.74 R		
R 092-005L	N	Nicolon Corporation	school taxes all years = 100%				
P 021-001C	N	Nicolon Corporation	land exempt			land only	n/a
P 13735	N	Nicolon Miraf Group	1994-2014			n/a	
Caterpillar	R 092-005Q	Y	Jackson Co Ind Dev Au	taxes up to	taxes up to	n/a	
	R 092-005Q1	Y	Caterpillar	\$650,000	\$650,000	n/a	
	P 13615	Y	Caterpillar	n/a	n/a		
Commerce Ind Park	R 033-004A	N	Jackson Co Ind Dev Au	all years = 0%	county taxes = 100%	393,330.13	
Kubota #2	R 065-002I	N	Development Authority of Jefferson	until sold/leased to 3rd prty	county taxes = 100%	87,540.63 R	
	R 065-002J	N		2009 = 0%			
	P 42952	N	Kubota	2010 = 20%			school taxes = 0%
Aldi	R 065-002C2	N	Aldi	2011 = 40%	county taxes = 0%	n/a R	
	R 065-002C3	N	Aldi	2012 = 60%			
				2013 = 80%			
				2014 = 80%			
				2015 = 100%			
				school taxes all years = 100%			school taxes = 0%
Total Unbilled Amount						\$ 824,890.63	

