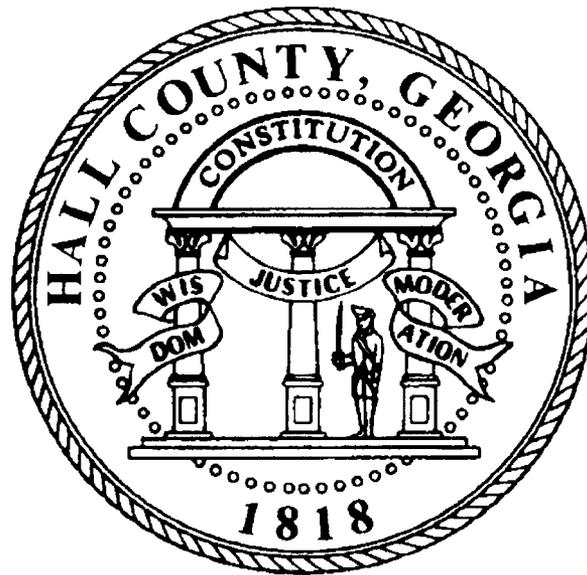


# Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014



Hall County, Georgia

Prepared By:  
The Office of Financial Management and Budget

**HALL COUNTY, GEORGIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED June 30, 2014**

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# Hall County Government

## BOARD OF COMMISSIONERS

POST OFFICE DRAWER 1435  
GAINESVILLE, GEORGIA 30503

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December 30, 2014

CHAIRMAN  
Richard V. Mecum

Craig Lutz, District 1  
Billy Powell, District 2  
Scott Gibbs, District 3  
Jeff Stowe, District 4

COUNTY ADMINISTRATOR  
Randy D. Knighton

ASSISTANT COUNTY  
ADMINISTRATOR  
Marty Nix

COMMISSION CLERK  
Lisa A. Ritchie

Citizens,  
Stakeholders,  
Chairman,  
And Board of Commissioners  
**Hall County, Georgia:**

We are pleased to present the Fiscal Year 2013 Comprehensive Annual Financial Report for Hall County, GA, which details our sound fiscal position which provides Hall County's Citizens necessary and quality of life services. The County's strength is due in part to our long standing tradition of conservative fiscal management. Hall County Government continued in Fiscal Year 2014 to provide excellent services to its citizens while maintaining conservative spending practices.

The Comprehensive Annual Financial Report (CAFR) of Hall County, Georgia for the fiscal year ended June 30, 2014 was prepared as required by both local ordinances and state statutes. It provides detailed information on how the County receives, spends and accounts for its revenues along with key financial indicators. The County is responsible for the accuracy of the data and for the fairness and completeness of the presentation. The County believes this document contains all information necessary to gain an understanding of Hall County's financial activities in fiscal year 2014 and that the information presented is fair and accurate. We encourage readers to consider this transmittal letter in conjunction with the annotated financial statements and management's discussion and analysis which can be found immediately following the report of the Independent Auditor.

The County's financial statements have been audited by Bates, Carter, & Co., LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; internal controls; 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 Hall County, Georgia's financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Hall County receives financial assistance through various federal grant programs. As required by the Single Audit Act of 1984, P.L.98-502 and the amendments of 1996 and the Office of Management and Budget (OMB) Circular A-133, audits of programs receiving federal grants have been performed for the fiscal year ending June 30, 2014. The required reports on supplemental information, compliance, internal controls and various supplementary schedules are included under the Compliance Section.

## **Profile of the Government**

Hall County was created on December 15, 1818. It was named for Dr. Lyman Hall, a signer of the Declaration of Independence and later governor of Georgia. Hall County rests on the shores of the Chattahoochee River and Lake Sidney Lanier in northeast Georgia. The County encompasses 392 square miles. Gainesville, the county seat, is situated 50 miles northeast of Atlanta and 40 miles northwest of Athens. Hall County lies at the southern edge of the Chattahoochee National Forest and the foothills of the Blue Ridge Mountains.

Hall County's population of 179,684 (U.S. Census Bureau 2010) has grown steadily in the last 10 years. Between 2000 and 2010, the population changed by 29 % compared with a state change in population of 18.3%. The 2014 estimated population of Hall County is 193,654. Gainesville-Hall County Metropolitan Statistical Area (MSA) is one of the top 50 fastest growing metropolitan areas in the United States. The County's largest incorporated municipality is Gainesville, with a population of 33,804 (U.S. Census Bureau 2010) representing 18.8% of the entire County population. Other municipalities include Oakwood, Flowery Branch, Clermont, Lula and Gillsville as well as a part of Buford and Braselton.

Hall County operates under the commission form of government as set forth in its charter. The Board of Commissioners is comprised of five members -- one Chairman is elected at-large and the other four are elected by their respective geographical districts. Elections for the district seats are staggered to provide some continuity on the Board of Commissioners. A County Administrator, appointed by the Board of Commissioners, serves as the administrative director of Hall County Government. The administrator provides direction to department heads and managers to implement policies set forth by the Board of Commissioners.

The citizens of Hall County also elect a number of other officials including Sheriff, Clerk of Court, Tax Commissioner, Magistrate Court Judge, Probate Court Judge, Solicitor General, District Attorney, Superior Court Judges and State Court Judges.

The County government provides services, which include road construction and maintenance, judicial and court related functions, in addition to fire, emergency medical services (EMS), 911 Communications, animal control, sheriff, detention center, parks/recreation, community services, community development and other general governmental services. The County also provides sewer in the South Hall County area. Work is in progress to provide sewer in North Hall as well.

The financial statements contained herein include all activities and functions of Hall County that are under the jurisdiction of the Board of Commissioners, as set forth in state and local law. Additionally, two component units are included in these financial statements because of their operational and financial relationships to the County. Those are District 2 Public Health Department, which provides a variety of health related services in the County, as well as the Hall County Library System.

## **Economic Conditions and Outlook**

### **Local Economy**

In FY 2014, Hall County continued to see signs of an improved economy. Local Option Sales Tax collection was slightly (1.1%) higher in 2014 than in 2013. However, the Title Ad Valorem Tax has provided significant revenue to the General Fund for FY 2014. This change in the motor vehicle tax that was enacted by State legislation (House Bill 386) in FY 13 provided \$5.2 million in revenue to the General Fund in FY 14. The Tax Digest was only slightly lower (-1.51%) than in the prior year. It is anticipated that the tax digest will see an increase in fiscal year 2015. Building permits and business licenses continue to see increases from the past few years. These increases provide the optimism for continued economic recovery. Thanks in large part to the foresight and stewardship of County leadership, Hall County faced the economic challenges of the "Great Recession" by streamlining the organization to address these economic conditions. The goal was to continue to deliver sustainable quality services in a consistent, predictable and reliable manner. The strategy was to limit disruption and potential negative impacts; maintain productivity and commitment of employees. Hall County was one of the first jurisdictions to implement mandatory furloughs to reduce operating costs in October 2008. Because of careful budgeting and revenue improvements those

furloughs were eliminated during fiscal year 2013. In FY 14, the County was financially stable enough to reintroduce retirement contributions for employees.

- In spite of the nationwide lagging economic conditions of the last few years, the County does continue to grow. And in 2014, the County continued to see improvement in the local economy. The employment rate is 6.4% compared to last year of 7.6%. However, this rate is lower than the State (7.8%) but higher than the United States (6.1%). In 2014, 33 new and expanded industries are adding 950 new jobs, and generating \$180 million in new capital investment. The Georgia Poultry Laboratory Network is constructing a new science facility and headquarters in the new Gateway Industrial Centre to fulfill an important food safety role for Georgia's poultry industry. It is expected to open in early 2015.
- Hall County continues to be a most desired retirement community for people from all over the United States. Its mild climate along with great recreation areas to include Lake Lanier and a moderate cost of living makes it one of the nation's top places to retire.
- The SPLOST VI referendum was the most significant capital improvement initiative that began in fiscal year 2010. At the time of its inception, SPLOST VI was projected to earn \$240 million over six years, contributing to road improvements, water and sewer expansion, recreational facilities, administrative office relocation, fire and EMS support, a new library and other projects that would not otherwise be possible. In fiscal year 2011, a 25% reduction in this SPLOST budget was projected due to a decline in actual collections versus the projection, but it remained a foundation for capital improvements in the County's infrastructure for 2014. Projections were reduced again in 2013. Current projections for the total SPLOST VI are at \$152 million. Collections will continue through June 2015.
- The general fund millage rate remained stable for FY 2014 at 6.25 mills.

#### Tourism

- Lake Lanier Islands Resort, a world class 1,500 acre property in South Hall County, completed Lanier World and Phase II of its investment in the Legacy Lodge Hotel and Conference Center, golf course improvements, harbor development, and outdoor concert venue and health spa. The resort employees over 400 people.
- The Lake Lanier Olympic Center, home to the 1996 Atlanta Centennial Olympic Games, continues to host many international rowing and canoe/kayak events in North Hall County, including the 2013 NCAA Division I-III Championships. Plans are underway for improvement and new marketing strategies for this important and historical venue.
- The Atlanta Falcons, a National Football League team headquartered in Flowery Branch,
- Road Atlanta, a 2.54-mile International Grand Prix course, attracts 320,000 visitors annually.
- Elachee Nature Science Center, located in the Chicopee Woods Park, consists of a 1,500 acre forest nature preserve with 13 miles of hiking trails. An interactive outdoor classroom was recently opened.
- Don Carter State Park opened July 2013 in North Hall County. The first state park in Hall County features a visitor's center, cabins, RV and camp sites, boat ramps, a beach area, trails and amenities on more than 1,500 acres on the shores of Lake Sidney Lanier.
- Smithgall Woodland Garden, a 190-acre preserve in the City of Gainesville and part of the Atlanta Botanical Garden, has completed its \$20 million campaign to develop the garden with a visitor center, children's garden, amphitheater and pavilions. It is scheduled to open in 2014.
- Construction continues on a new park, Cherokee Bluffs Park, in South Hall. The park is scheduled to be opened in 2015.
- Construction will begin in 2014 for the Central Hall Trail, a multi-purpose trail for biking, walking and running. It will connect Gainesville's Midtown Gateway to the University of North Georgia-Gainesville campus and the Chicopee Woods Agriculture Center,

#### Housing

- Housing developments such as Sterling on the Lake, Marina Bay on Lake Lanier, Reunion and Mundy Mill offer master planned communities with amenities.
- High quality, gated retirement developments are located in Hall County. Dogwood Forest offers 146 units. Lanier Village Estates has 340 residences with extended care. Crosswinds on Lanier is a 214 acre age-restricted development and will have more than 700 homes when completed. The Village at Deaton Creek, an age-

restricted community in South Hall, is consistently ranked in the top two fastest growing residential developments in Metro Atlanta and Georgia with 987 homes developed since 2008.

#### Healthcare

- In 2014, Hall County continued to be the premier health care provider in north Georgia.
- Northeast Georgia Medical Center (NGMC) has been named one of America's 50 Best Hospitals for 2014 and is the only hospital in Georgia named to the list, according to HealthGrades®. NEGA Medical Center was also named one of Metro Atlanta's 100 Best Places to Work in Georgia by *The Atlanta Journal-Constitution*.
- Northeast Georgia Health System acquired a 119-acre site in 2009-2010 for a new \$200 million South Hall hospital and healthcare village. NGHS is moving forward with planning and development of a new 100-bed inpatient hospital with a planned opening of early 2015. Adjacent to this new facility is the new Medical Plaza 1, a 100,000-square-foot medical office building which houses an urgent care center, imaging center, physical and occupational therapy center and 27 physician offices with 22 medical specialties. Both the hospital site and the medical office building are scheduled to open in 2015.
- In late 2013, a new VA Clinic was opened in South Hall.

#### MAJOR INITIATIVES & ACCOMPLISHMENTS

Fiscal year 2014 found Hall County Government looking for more ways to maximize available revenues to continue to provide necessary services to its citizens. Even with some limitations, Hall County was able to provide major infrastructure improvements, enhance public services, and initiate new programs to benefit residents, including the following:

##### Finance

Since 2008, the County has endured the downturn of the economy along with the rest of the nation. In an effort to make the most of available financial resources, the County implemented several austerity measures. These included monthly furlough days for all employees, elimination of County retirement contributions, freeze on hiring, no merit or cost of living increases, limiting capital expenses to only necessary items. In 2013, the County was able to lift some of those restrictions. In FY 2014, the Commission made the decision to provide a one-time bonus to all full time employees as a way of saying thank you for all the sacrifices they had made during the downturn of the economy. At the end of Fiscal Year 2014, the Commission provided a 3% Cost of Living increase to all full time employees which went into effect July 1, 2014.

##### Public Works

###### Water

Hall County continued pursuit of the Glades Reservoir 404 permit from the US Army Corps of Engineers (USACOE) for future water supply for Hall County in 2014. The proposed reservoir is an 850-acre, 11 billion gallon storage capacity reservoir. The County continues the commitment to provide sufficient drinking water for current use and future growth in order to secure the County's economic future. In FY 2014, Hall County was approved as a recipient to GEFA for State Direct Investment of the Governor's Water Supply Funding opportunity. Funding amounts have not been determined to date. USACOE's consultant continued the process of the Environmental Impact Statement (EIS) that is funded through Hall County by means of SPLOST VI. For more information on the permitting of Glades Reservoir see [www.gladesreservoir.com](http://www.gladesreservoir.com).

###### Sewer

In FY 2014, Hall County completed the upgrades to the South Hall Spout Springs Water Reclamation Facility for direct creek discharge in lieu of spray field discharge. These upgrades will allow the County to parcel off some of the 300 acre tract for sale and to use the proceeds to pay down debt on the County sewer system.

The County designed and commenced installation of sewer along the SR corridor and in the Gateway Industrial Centre in North Hall County. Gateway Industrial Centre is the driver of this, but there are over 7,000 acres in this basin that provide growth opportunity for the County. An agreement has been reached with the City of Gainesville

to provide treatment of this sewer. The County is installing a pipeline to connect to the Gainesville system with an expected completion date of March 2015.

Feasibility review and preliminary design of sewer along Spout Springs Road from east of Hog Mountain Road to Capitola Farm Road has also been completed during FY 2014.

## **Engineering and Traffic Engineering**

### **Road Program**

Hall County Engineering & Traffic Engineering plays a major role in the Hall County road program. Every year we inspect, rate, and index over 1100 miles of roads. These roads are then ranked for inclusion into the resurfacing program. We try to resurface approximately 20 miles of roads per year. We bid out and oversee this contract.

Hall County Engineering also oversees the gravel road base and paving program. We meet with landowners, obtain the necessary right of way and easements to include the roads in the paving program, and again handle the bidding and construction oversight.

Also, our Traffic Engineering Division installed 1,179 traffic signs, addressed 84 traffic signal malfunctions, completed 70 miles of road striping, and completed 350 feet of guardrail installation.

### **Stormwater program**

We have an extensive storm water management program. We map and inspect thousands of storm water pipes and ponds annually. These features are field located using a handheld GPS and mapped into our GIS system.

### **Development Review**

Hall County Engineering serves as the issuing authority for the County. What this means is that every single development - commercial, subdivisions, grocery stores, gas stations – must first come through our office for a development permit. We review the plans for proper engineering design, soil erosion and hydrology. Once permitted, our inspectors look at every single site at least twice monthly, some daily, to make sure the project is constructed properly and is in compliance with soil erosion and storm water regulations.

### **Project Management**

We manage major projects throughout the County such as parks and County buildings. We manage all aspects of these from budgeting, the bidding process, the design, and the construction. Some of the recently completed as well as ongoing projects we manage include: The North Hall Park and Technology Center, numerous culvert projects, intersection improvements, sidewalk installation projects, the 500 acre Gateway Industrial Centre park, a new bridge on Bryant Quarter Road, the construction of two new fire stations, the Spout Springs Road widening project, the design and construction of the Central Hall Multi Use Trail, the design and construction of Phase I Redevelopment of the Candler Road Landfill, and the installation of a double box culvert on Old Dählonega Highway.

### **Road Maintenance**

In Hall County there are 1,100 miles of roadway that we maintain. However, when put into perspective, our Patching Crew is the only crew that has 1100 miles of road to cover. Our Mowing Crew has 2,200 miles of roadway because they do both sides of the road, and our Drainage Crews has 3,300 miles because they not only do both sides of the road but also the interior and cross drains. Our Storm water and Sewer Crews maintain 60 miles of sewer line and approximately 170 retention ponds as well as all of the culverts within the County maintenance system.

- We have a crew that responds to all after hour emergencies (such as fallen trees, drainage issues etc.).
- We maintain 160 gravel roads throughout the County.
- For the year, we have taken 2,354 work requests from the citizens of Hall County.
- Our employees work 24 hour shifts in the event of snow and ice.
- We help other departments with any work needed beyond their realm. Some examples are :

1. Hauling dirt from the CI project
2. Hauling rock to the CI project
3. Repairing water line at landfill
4. Drainage work at the new Hall County Clinic
5. New south precinct parking lot
6. Cleared for archery range at Cherokee Bluffs Park
7. Poured concrete pad for Animal Shelter

### **Solid Waste**

Solid Waste and the Landfill divisions continue to develop their operations by upgrading and replacing their crucial equipment. The Landfill completed installation of replacement to their water treatment plant, which processes the leachate water. The Landfill continues to recover revenue from extracting metals, car batteries, and tires from the waste stream and selling them to recycling centers.

Design commenced on the redevelopment of Phase I, Cells 1-4 that should provide more landfill space and increase the life of the landfill 3 ½ years.

The Candler Road Landfill continues to receive scores of 90 or above on its compliance inspection.

### **Resource Recovery**

Resource Recovery continued improvements in the year 2014. Our partnership with Pratt Industries continues to improve paper and cardboard recycling. Our single stream adopt- a-can program has been working well with last year's upgrade to two compartments by allowing organizations to paint the cans a brighter color and paint logos and messages about their organization on the can, which turns into a traveling billboard throughout the County. By doing this, the cans instantly increased their volume by another 20 tons a month. With volume increasing, we upgraded our existing baler to a two ram baler that should run at three times the current capacity. A new skid steer loader was purchased to move recyclables around in the facility.

### **Fleet Maintenance**

In 2014, Hall County reduced our fleet by 5%, while continuing to implement new software for improved tracking, reporting and better efficiency in maintenance procedures. Our Fleet division also completed another year (6 consecutive years) with zero lost time injuries.

This division coordinated the sale of rolling stock that were deemed surplus and returned approximately \$200k to general fund of County treasury. They were also instrumental in leveraging vehicle purchases for the good of the County by purchasing government surplus vehicles from auction and changing motors and transmissions in some Sheriff and Public Works Department vehicles.

### **Planning and Development**

#### **Gainesville-Hall MPO**

- An update to the Bicycle and Pedestrian Plan was completed identifying a network of trails for construction in Hall County.
- The federally required Title VI Program and Environmental Justice (EJ) Analysis, as well as, Limited English Proficiency Plan were developed and adopted.
- The MPO initiated the update of the regional long-range transportation plan and revised the region's population and employment projections.
- The MPO reviewed the functional classifications of roadways and submitted recommended changes to such designations to GDOT based upon how these roads operate at present. Most of the recommendations have been approved by GDOT and were forwarded to FHWA for implementation.

## **Gainesville-Hall County GIS**

- GHCGIS upgraded the GIS Interactive Map Viewer to the latest OnPoint software version. The new mapping application offers a more user-friendly interface that takes advantage of ArcGIS Server map services now available as the result of the ArcGIS Server installation in FY 13.
- GHCGIS contracted with qPublic to provide a new web mapping service giving citizens an additional option for accessing online property & assessment data in Hall County. The new mapping service features a fast, easy to use interface. The primary focus of this site is providing access to parcel and property assessment information commonly used by citizens as well as those in the real estate industry. The site features a number of frequently used GIS layers including parcels, zoning, flood zones, contours, and city limits as well as assessment data not provided on our existing GIS web site. Additionally, the site can be easily used with iPads, iPhones, Droids, and other handheld devices.

GHCGIS entered into an agreement with Georgia Mountains Regional Commission to participate in a regional project to acquire new aerial photography. The project includes 22 counties & 3 cities in northern Georgia. Photography will be captured between January & early March 2015 with the delivery of digital orthophotography to be completed by October 2015. The county's cost is \$33,050. By approaching this project regionally, the county is realizing a significant savings over acquiring aerial photography individually

## **Public Information**

Hall County's Public Information Office has made great strides in 2014, particularly as it undertook a countywide rebranding effort.

To begin the rebranding effort, a new Hall County logo and slogan, created with the help of citizen input, were unveiled this year and implemented across all County departments. Hall County began the process of creating a new logo in 2013 with a countywide survey available on their website, hallcounty.org. The survey asked for feedback from Hall County Government employees and Hall County residents about what images, colors, fonts and more should be incorporated in the new design. The survey also asked whether or not the respondent would be interested in participating in a focus group dedicated to expounding on the survey responses. Two focus groups, one involving citizens and one involving Hall County Government employees, were held to garner more input on the logo design and slogan. Following the collection and analysis of citizen and employee input, Forum Communications was hired as a consultant for the actual design of the logo. Using input generated from citizen surveys and focus groups, several logo options were developed. Those options were revised and narrowed down by elected officials and Hall County staff until the final logo design was complete.

In addition, a promotional video, highlighting Hall County's natural landscape, rich agricultural and business community, educational opportunities, healthcare system and more, was released to the public in 2014 and is prominently featured on the County's website and TV 18. The video was created after Hall County officials were notified by ICMA, the International City/County Management Association, that they were one of a few select cities and counties chosen to be highlighted via video during the organization's 2013 annual conference in Boston, Mass. Following careful planning by Hall County's Public Information Office, ICMA production crews arrived in the area to film interviews with various representatives from Hall County's business, agricultural and political communities. Featured in the video are Georgia Poultry Federation President Emeritus Abit Massey, Northeast Georgia Medical Center CEO Carol Burrell, Lake Lanier Islands Chief Operating Officer Grier Todd, Hall County Administrator Randy Knighton, members of the Hall County Board of Commissioners and Georgia Gov. Nathan Deal.

Finally, the Public Information Office has spent much of 2014 spearheading a complete overhaul of the county website. The Hall County Board of Commissioners voted in the spring to award a bid to Civic Plus to create a new website for Hall County, providing citizens with more online access to services and information. The new website will be more user-friendly and will provide Hall County with an updated web presence. With the new redesign, Hall County Government will be able to increase its community engagement and enhance their communication between residents and local government officials.

## **Recreational Facilities**

Construction began at Cherokee Bluffs Park, Hall County's newest facility! Amenities at this new 160 acre park will consist of multi-use biking and hiking trails, pavilions, a community and concession building, Disc Golf, Static Archery Range, Kids Fishing Pond and much, much more. The estimated completion date is summer of 2015.

In fiscal year 2014, the Parks & Leisure Services Department continued to maintain and operate one of the largest and most diverse park systems in the state. Consisting of over 1,750 acres, our parks offer something for everyone. Community centers, athletic complexes, green-space, trails, campgrounds, beaches and a reservoir all offer something unique and make Hall County a great place to work and play.

Parks and Leisure Services continued to identify cost-saving measures by reclassifying and restructuring staffing. Over 60% of the current total Parks staff is comprised of part-time employees. Our Maintenance Department has three inmate guards that can supervise over 20 inmates combined, providing cost-free labor in our parks. Community service workers performed over 6440 labor hours at a cost savings of \$64,405 for fiscal year 2014. Community center and facility staff continues efforts to reduce operating costs on a daily basis.

## **Public Safety**

### **Law Enforcement**

FY 2014 saw major changes in the organization of the Sheriff's Office. Starting with the purchase of many new patrol vehicles that were much needed to upgrade the fleet and replace many that had exceeded their useful life. Next, the Patrol and Jail shifts were reorganized to provide better coverage throughout the County especially during peak hours, The opening of the North Hall Precinct in May brought about a much-needed presence in that part of the County. The new South Hall Precinct is scheduled to open November 2014. This will be a full service facility including Criminal Investigations, Patrol and a full time Community Officer. Finally, the Office of the Sheriff is in the final planning stages of a new headquarters building. This facility will be built on the ground of the Hall County Government Center (HCGC), with groundbreaking expected in early 2015.

### **Fire Services**

Fire Services completed measures to continue to provide excellent service to the Citizens of Hall County. Cardiac Monitors and a new Aerial Truck were purchased. Relocation of Station 3 was completed along with a new Station 16. Various pieces of new equipment were purchased to include 4 LUCAS devices, fit test machine, Forcible Entry Prop and Smartboards. A rescue Company was added to response abilities. Fire Services has increased training capabilities for Hall County Fire Services as well as external agencies utilizing our training facility.

### **Capital Improvement Program**

Maintaining and expanding the County's infrastructure – including sewer, recreation, transportation, criminal justice and public safety – remains a high priority for the County. The Capital Improvement Program (CIP) captures and coordinates the needs and plans of all County departments. A five-year plan provides for current development, financing and maintenance needs. The county also maintains a longer-term Comprehensive Plan in accordance with state requirements.

Most capital projects are budgeted and paid for by SPLOST funding. The majority of projects initiated or completed in 2014 were funded through SPLOST. The exception was the North Hall Sheriff's Precinct which was funded by Impact fees.

### **Financial Information**

The recent recession continued to have an influence on the County's financial position as it has across the State, but the County has continued initiatives with all departments and elected officials to review all areas of service and their costs in order to continue to improve the financial position. This involves the ongoing evaluation of departmental budgets and operations, along with review of the efficiencies and strategic direction of each area.

**Internal Controls**

County management maintains internal accounting controls to ensure that the County's assets are protected from loss, theft or misuse and that adequate accounting data allows financial statements to conform to generally accepted accounting principles. These controls provide reasonable, but not absolute, assurance of meeting our objectives, recognizing that 1) the cost of an accounting control should not exceed the likely benefit and 2) evaluating costs and benefits requires management estimates and judgments.

**Budgetary Controls**

Sound financial management and legal compliance require good budget controls. State statutes require the County to operate under an annual balanced budget adopted by local resolution. Within each fund, expenditures may not legally exceed appropriations at the department level. An online funds availability process provides operational control of departmental budgets, along with an encumbrance accounting system.

The Finance Department is responsible for compiling an annual budget for all County funds. No later than June 30th of each year, the County Administrator submits a proposed budget for the ensuing fiscal year for each County fund. The Board reviews the budget, meets legal requirements for advertising the budget and for holding public hearings and then adopts the annual budget prior to the first regularly scheduled Commission meeting of the year.

**Independent Audit**

The financial statements are prepared in compliance with governmental reporting standards issued by the Governmental Accounting Standards Board; guidelines issued by the Government Finance Officers Association of the United States and Canada and generally accepted accounting principles applicable to government entities. Georgia requires an annual audit by an independent Certified Public Accountant. The preparation, design and publication of this Comprehensive Annual Financial Report represent collaboration by the Department of Financial Services in conjunction with the accounting firm of Bates, Carter & Co., LLP, CPAs.

**Awards**

In 2014, for the 22nd consecutive year, Hall County received a Certificate of Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for Fiscal Year 2013. The award honors easily readable, efficiently organized, comprehensive annual financial reporting that conforms to program standards. The certificate recognizes the use of generally accepted accounting principles and meeting applicable legal requirements. The county intends to maintain and surpass this standard and to submit this and future reports to GFOA for consideration.

The Financial Services Department appreciates the guidance and support of Administration and the Board of Commissioners during Fiscal Year 2014.

Respectfully submitted,



Randy D. Knighton  
County Administrator



Vickie L. Neikirk  
Director of Financial Services



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

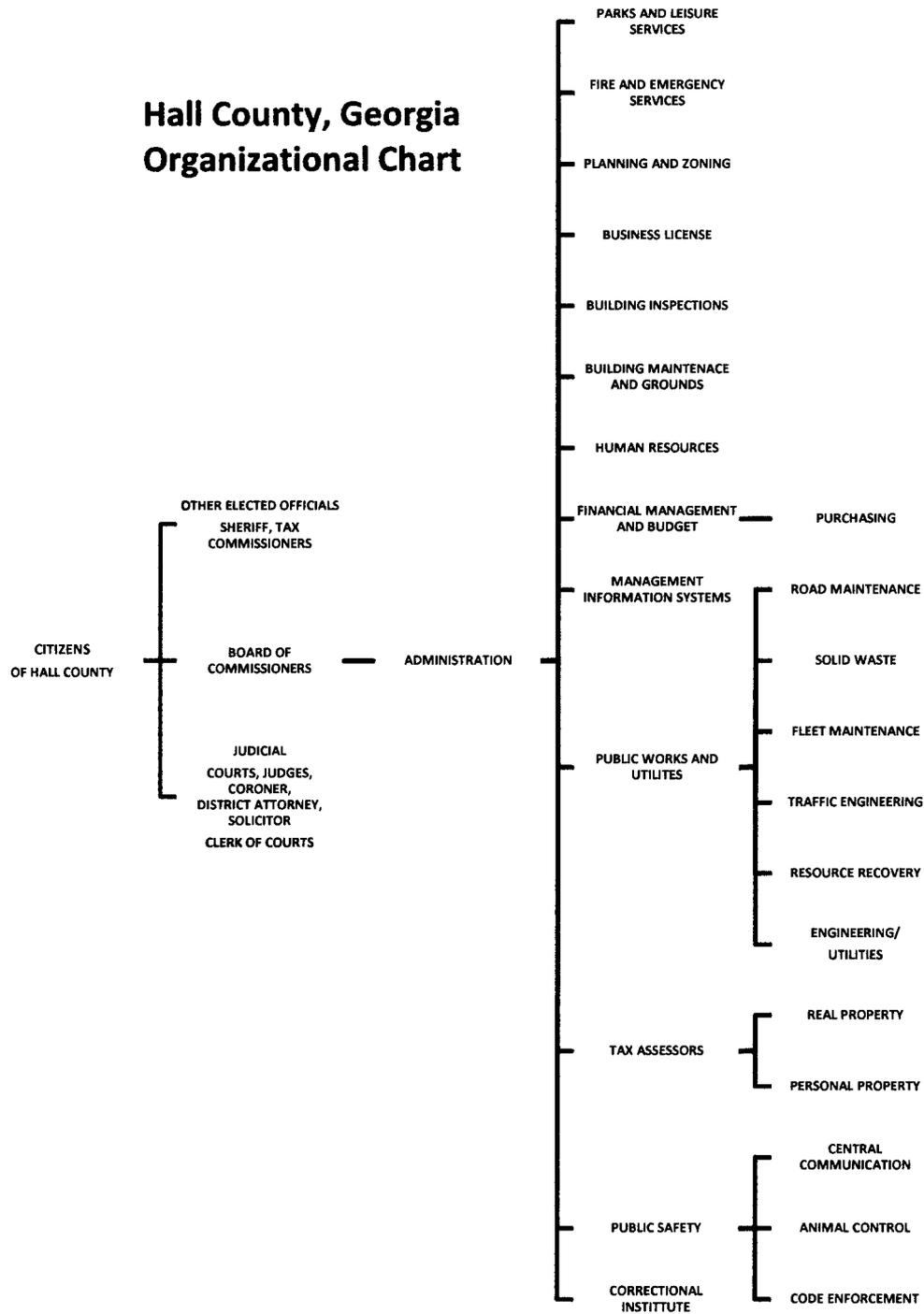
**Hall County  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

# Hall County, Georgia Organizational Chart



# Hall County, Georgia Officials



## Hall County Board of Commissioners

- **Richard Mecum** - Chairman
- **Craig Lutz** - Commissioner  
District 1
- **Billy Powell** - Commissioner  
District 2
- **Scott Gibbs** - Commissioner  
District 3
- **Jeff Stowe** - Commissioner  
District 4



## Administration and Department Directors

- County Administrator - **Randy D. Knighton**
- Asst. County Administrator - **Marty Nix**
- County Clerk - **Lisa Ritchie**
- Public Relations Officer - **Katie Crumley**
- County Attorney - **William Blalock**
- Human Resources - **Bill Moats**
- Director Financial Services - **Vickie L. Neikirk**
- Public Works & Utilities - **Kenneth M. Rearden**
- Fire & EMS - **David Kimbrell**
- Planning & Zoning - **Srikanth Yamala**
- Parks & Leisure - **Mike Little**
- Management Information Services - **James Thomas**
- Correctional Institute - **Walt Davis**
- Business License - **Susan Rector**
- Buildings Maintenance & Grounds - **Brett Jockell**
- Tax Assessors - **Steve Watson**



## Elected Officials

- Superior Court Judges -
  - **C. Andrew Fuller**, Chief Judge
  - **Kathlene F. Gosselin**
  - **Jason J. Deal**
  - **Bonnie Chessher Oliver**
- State Court Judges -
  - **Charles S. Wynne**, Chief Judge
  - **B.E. Roberts, III**
  - **Larry A. Baldwin, II**
- Sheriff - **Gerald Couch**
- Chief Magistrate Court Judge - **Margaret S. Gregory**
- Probate Court Judge - **Patty Walters Laine**
- District Attorney - **Lee Darragh**
- Solicitor General- **Stephanie Woodard**
- State and Superior Clerk of Court - **Charles Baker**
- Tax Commissioner - **Darla Eden**
- Coroner - **Marion Merck**



## Judicially Appointed Officials

- Juvenile Court Judges -
  - **Clifford L. Joliff**
  - **Mary R. Carden**
- Magistrate Court Judges
  - **David Burroughs**
  - **Tracy Loggins**
  - **Elizabeth Reisman**
- Court Administrator - **Reggie Forrester**
- Public Defender - **Brad Morris**
- Elections - **Charlotte Sosbee**



## INDEPENDENT AUDITORS' REPORT

January 29, 2015

Board of Commissioners  
HALL COUNTY, GEORGIA  
Gainesville, Georgia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of HALL COUNTY, GEORGIA, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Hall County Health Department, component unit of the County, as of and for the year then ended June 30, 2014, which statements reflect total assets of \$4,403,454 as of June 30, 2014, and total revenues of \$15,732,123 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 Hall County Health Department is based on the report 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of HALL COUNTY, GEORGIA, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Funding Progress - Pension & Other Post Employment Benefits, Budgetary Comparison Schedule - General Fund, and Budgetary Comparison Schedule - Fire District Fund listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the HALL COUNTY, GEORGIA's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, Schedule of Projects Constructed with Special Sales Tax Proceeds, and statistical section, are presented for

purposes of additional analysis and are not a required part of the basic financial statements. The supplemental budgetary comparison schedules and the Schedule of Expenditures of Federal Awards are presented for purposes of additional analysis as required by U.S. Office of Management 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.

The combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information identified above is fairly stated in all material respects, in relation to the basic financial statements as a whole.

The other information identified above has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2015, on our consideration of the HALL COUNTY, GEORGIA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering HALL COUNTY, GEORGIA's internal control over financial reporting and compliance.

*Bates, Carter : Co, LLP*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Hall County, Georgia, we offer the readers of Hall County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2014. This discussion's intent is to: (1) assist the reader in understanding significant financial issues; (2) provide an overview of the County's financial activities; (3) identify changes in the County's financial position; (4) identify material deviations from the original budget; and (5) identify individual fund issues or concerns. We encourage readers to consider the material presented here in conjunction with additional information furnished in the financial statements and the notes to financial statements.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The County's basic audited financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information, in addition to, the basic financial statements themselves.

**Government-wide Financial Statements.** The government-wide financial statements, presented on pages 1 and 2, are designed to provide readers with a broad overview of Hall County's finances in a manner similar to that of private-sector business reporting. All governmental and business type activities are combined to arrive at a total for Primary Government. There are two government wide statements, the statement of net position and the statement of activities which are described below:

- Statement of Net Position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position serve as a useful indicator of whether the financial position of the County is improving or deteriorating. It is important to note that this statement combines the governmental fund's current financial resources (short term) with capital assets and long term liabilities.
- Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. The statement format is different from a traditional "income statement". The format is intended to portray the extent to which governmental activities are funded by taxes and the extent to which business-type activities are supported by the revenues they generate. The statement presents all underlying events that effect the changes in net position, regardless of the timing of related cash flows. Therefore revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Each of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, judicial, public health and welfare, public safety, public works, recreation and culture, housing and development, and intergovernmental. The business-type activities of the County include solid waste, water utility, and sewer/wastewater utility operations.

The government-wide financial statements include not only Hall County, Georgia, itself (known as the primary government), but also a legally separate Health Department and Library for which Hall County, Georgia, is financially accountable. These legally separate entities are designated as component units of the County due to the significance of their operational or financial relationships with the County. Financial information for these component units is reported separately from financial information presented for the primary government itself.

**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. Hall 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 the government-wide financial statements, it is useful to compare the 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 balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities (in the government-wide financial statements).

The County maintains separate governmental funds to account for the following activities: General; Special Revenue (Fire District, Emergency Telephone System, Parks, Grants, Special Assessments, Restricted Programs, Law Library, Allen Creek Soccer Complex, and Hotel Motel Tax); and Capital Projects (SPLOST, Capital Projects, Impact Fees, and State Roads). 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, Fire District, SPLOST, Capital Projects, and Impact Fees, all of which are considered to be major funds. Data from the other (non-major) governmental funds are combined into a single aggregated column. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Hall County adopts an annual appropriated budget for its general fund, special revenue and capital projects funds. The annual budget for capital project funds is to facilitate fiscal control and accounting of activities. However, capital projects may expand over multiple years requiring project length budgets, which are adopted for the duration of the project. A budgetary comparison schedule has been provided for the general fund and special revenue funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 3-6 of this report.

**Proprietary funds.** The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its solid waste, water, and sewer/wastewater operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for risk management and group insurance. The County adopts an annual budget for management purposes of these funds to facilitate fiscal control and accounting of activities in these funds. Because these 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 information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the solid waste, water, and sewer/wastewater operations of the County, each of which are considered to be major funds of the County.

Conversely, all internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 7-10 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. The accounting used for fiduciary funds is much like that used for proprietary funds. Hall County maintains seven fiduciary called agency funds for Tax Commissioner, Clerk of Superior Court, Probate Court, Magistrate Court, Juvenile Court, Sheriff, and Inmate Fund.

The basic fiduciary fund financial statements can be found on page 11 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 14-53 of this report.

**Other financial information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's schedule of budgetary comparisons, progress in funding its obligation to provide pension benefits to its employees, and employer pension contributions. Combining and individual fund statements and schedules can be found on pages 55-73 of this report.

- Hall County's net position at June 30, 2014 was \$458,147,255. Of this amount, \$439,652,852 represents capital assets (i.e. land, buildings and improvements, infrastructure, machinery & equipment) net of accumulated depreciation and related debt. The government's ongoing obligations to the citizens of Hall County and creditors will be met with the remainder of \$18,494,403.
- As of June 30, 2014, the County's governmental funds reported combined ending fund balance of \$57,979,210, a change of \$(3,052,963) in comparison with the prior year. The decrease in fund balance was primarily due to the use of SPLOST funds to move Fire Station Number 3 to a new location and to build a new Station 16. The SPLOST funds saw a decrease in their fund balances of \$(3,706,639). The current SPLOST will end June 2015, as projects are being completed, the funds are being expended thus decreasing the fund balance.
- As of June 30, 2014, the County's General Fund reported a fund balance of \$22,438,337; a decrease of \$(305,355) in comparison with the prior year. This decrease was mainly because the Commission elected to use fund balance to provide a one-time bonus to full time employees. It was their strong believe that part of the reason the County weathered the economic downturn and came out of it stronger and on a better financial foundation was due to the employees' sacrifices. This was a way to express their appreciation to the employees.
- Hall County's total long-term debt changed by \$(3,819,248). The County reduced its principal balances of debt by over \$6 million dollars. The County elected to re-finance the \$14.5 million of debt for the Spout Springs Sewer Plant. The County's OPEB obligation increased by \$2.1 million. See note 10 for more details related to the County's total long term obligations.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position serves as a useful indicator of a government's financial position. In the case of Hall County, on an entity-wide basis, assets exceeded liabilities by \$458,147,255 at the close of the fiscal year. This represents a change in net position from fiscal year 2013 of \$4,424,235.

**Comparative Schedule of Net Position**  
**June 30**  
*(\$ in thousands)*

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 78,735	\$ 79,221	\$ 24,413	\$ 24,058	\$ 103,148	\$ 103,279
Capital assets (net of depreciation)	<u>380,723</u>	<u>384,189</u>	<u>113,474</u>	<u>107,786</u>	<u>494,197</u>	<u>491,975</u>
Total assets	<u>459,458</u>	<u>463,410</u>	<u>137,887</u>	<u>131,844</u>	<u>597,345</u>	<u>595,254</u>
Total deferred outflows of resources	-	-	-	112	-	112
Long-term liabilities outstanding	69,096	71,210	59,748	61,410	128,844	132,620
Other liabilities	<u>8,923</u>	<u>8,334</u>	<u>1,431</u>	<u>689</u>	<u>10,354</u>	<u>9,023</u>
Total liabilities	<u>78,019</u>	<u>79,544</u>	<u>61,179</u>	<u>62,099</u>	<u>139,198</u>	<u>141,643</u>
Total deferred inflows of resources	-	-	-	-	139,198	141,643
Net position						
Net investment in capital assets	374,649	371,931	65,004	57,143	439,653	429,074
Restricted	32,908	35,341	-	-	32,908	35,341
Unrestricted	<u>(26,118)</u>	<u>(23,406)</u>	<u>11,704</u>	<u>12,714</u>	<u>(14,414)</u>	<u>(10,692)</u>
Total net position	<u>\$ 381,439</u>	<u>\$ 383,866</u>	<u>\$ 76,708</u>	<u>\$ 69,857</u>	<u>\$ 458,147</u>	<u>\$ 453,723</u>

Table may not add due to rounding

By far the largest portion of the County's net position (96.0%) at June 30, 2014, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), net of any related outstanding debt used to acquire those assets and accumulated depreciation. The County uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves are not used to liquidate these liabilities. An additional portion of the County's net position (7.2%) represents resources that are subject to external restrictions on how they may be used.

The change in net position is an indication the County's financial position. This increase in net position is viewed as a positive indicator of financial health. At the end of the current fiscal year, the County is able to report positive net position as a whole.

**Comparative Schedule of Changes in Net Position**

**June 30**

(\$ in thousands)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total Primary</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Government</u>	
	2014	2013	2014	2013	2014	2013
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 28,071	\$ 28,537	\$ 8,240	\$ 7,851	\$ 36,311	\$ 36,388
Operating grants and contributions	5,339	4,615	-	-	5,339	4,615
Capital grants and contributions	1,647	3,639	61	68	1,708	3,707
General revenue						
Property taxes	54,676	48,405	-	-	54,676	48,405
Sales taxes	47,499	46,720	-	-	47,499	46,720
Other taxes	9,659	9,224	-	-	9,659	9,224
Gain on sale of assets	1,899	3,228	11	5	1,910	3,233
Grants and contributions not restricted to a specific program	11	-	-	-	11	-
<b>Total revenue</b>	<b>148,801</b>	<b>144,368</b>	<b>8,312</b>	<b>7,924</b>	<b>157,113</b>	<b>152,292</b>
<b>Expenses:</b>						
General government	19,784	17,530	-	-	19,784	17,530
Judicial	17,333	16,877	-	-	17,333	16,877
Public safety	67,570	64,887	-	-	67,570	64,887
Public works	24,162	23,382	-	-	24,162	23,382
Public health and welfare	2,558	2,727	-	-	2,558	2,727
Recreation and culture	6,718	5,934	-	-	6,718	5,934
Housing and development	4,388	4,800	-	-	4,388	4,800
Interest and paying fees	197	320	-	-	197	320
Solid waste	-	-	6,146	6,030	6,146	6,030
Water and sewer utilities	-	-	3,833	2,858	3,833	2,858
<b>Total expenses</b>	<b>142,710</b>	<b>136,457</b>	<b>9,979</b>	<b>8,888</b>	<b>152,689</b>	<b>145,345</b>
Increase in net position before transfers	6,091	7,911	(1,667)	(964)	4,424	6,947
Transfers	(8,518)	(6,922)	8,518	6,922	-	-
Increase (Decrease) in net position	(2,427)	989	6,851	5,958	4,424	6,947
Change in accounting principle	-	(624)	-	(818)	-	(1,442)
Net position, beginning of year	383,866	383,501	69,857	64,717	453,723	448,218
Net position, end of year	<u>\$ 381,439</u>	<u>\$ 383,866</u>	<u>\$ 76,708</u>	<u>\$ 69,857</u>	<u>\$ 458,147</u>	<u>\$ 453,723</u>

The comparative schedule of changes in net position denotes a change of \$4 million in net position.

Revenue increased \$4,821 thousand in fiscal year 2014. This increase is attributable to an increase in property tax revenues, sales tax revenues and the TAVT. Expenses increased by \$7,344 thousand (5.1%) from the previous year. The primary reasons for this increase are the employee bonus costs, increased capital expenditures from SPLOST and the reinstatement of the County's 4% contribution to employees' retirement for a full fiscal year.

**Governmental Activities:**

Governmental activities net position overall had a (0.6)% increase from fiscal year 2013 to fiscal year 2014. This change is the result some increased revenues as mentioned above as well as continued close monitoring of operating expenditures. The County continued its practice of using available funds as cost effectively as possible.

- Revenues saw an overall increase during 2014. This was attributable to the increase in property tax, sales tax, and TAVT revenues.

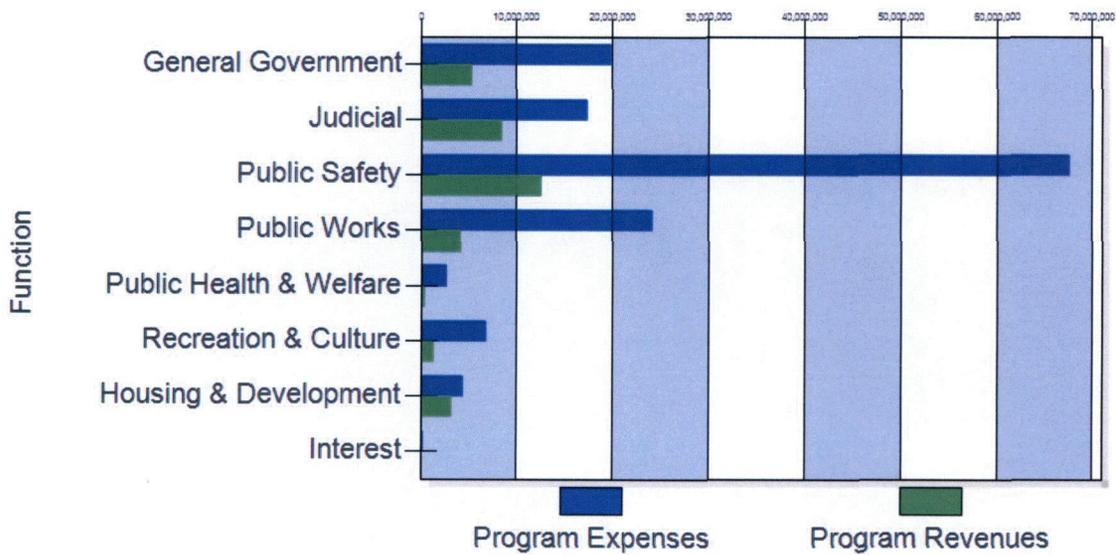
- Expenses increased \$6,253 thousand from fiscal year 2013. This primarily is due to increased personnel costs in General and Fire funds, and from capital outlays funded from SPLOST funds. The following charts show activities by function:

The following charts show activities by function:

## Expense and Program Revenues

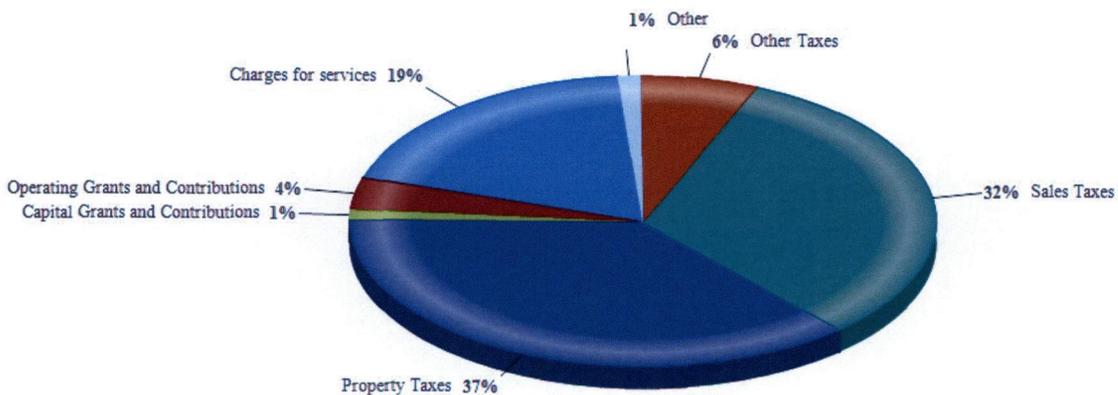
Governmental Activities

FY 2014



## Revenues by Source - Governmental Activities

FY 2014



\* Zero Data, Investment Earnings

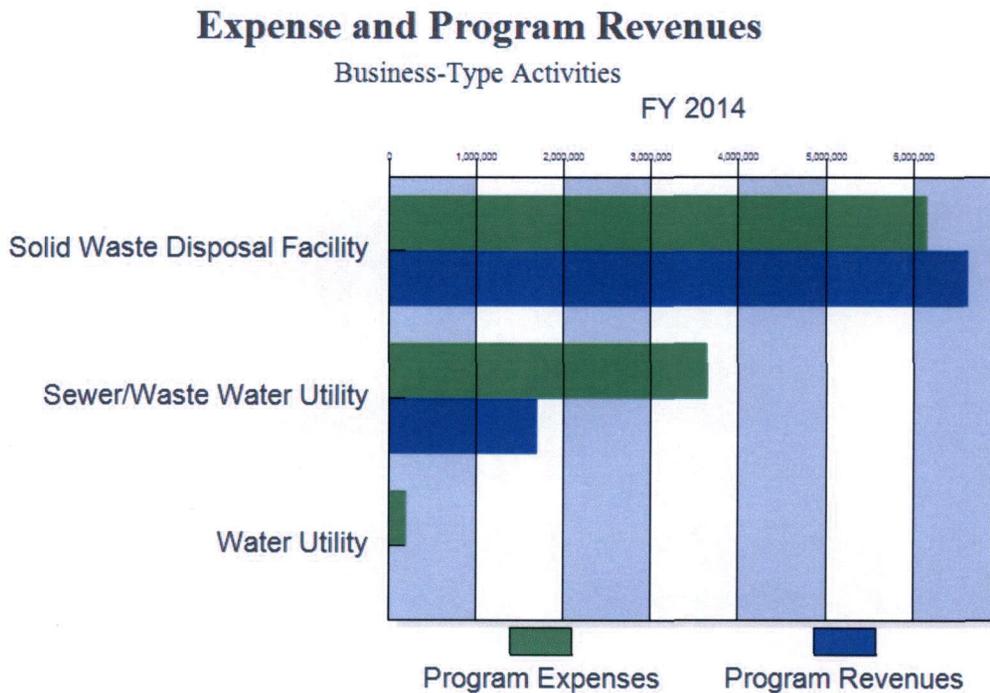
Chart shows all sources of revenue collected for governmental activities not limited to program revenue.

**Business-Type Activities:**

Business-type net position increased by \$6,851 thousand. Key elements of this increase are:

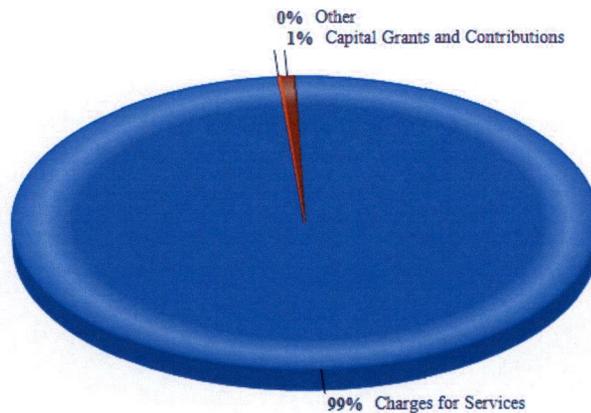
- The Solid Waste Disposal Facility Fund net position increased by \$408,578 . This was due to increased revenues of \$153 thousand from recycling and transfer fees and decrease in operating expenses. The addition of the new Leachate plant provided operational costs savings of over \$200 thousand.
- The Sewer/Wastewater Utility Fund net position increased by \$4,958,857. The change in this funds position came from \$6.8 million in transfers in from SPLOST VI which went towards debt payment for infrastructure. Sewer fund recorded an increase in sewer service (operating) revenue of \$237 thousand from prior year.
- The Water Utility Fund net position increased by \$1,411,898. This increase came from the transfers in from SPLOST to fund debt service payments.

The following charts show activities by enterprise operation:



### Revenues by Source - Business-Type Activities

FY 2014



\* Zero Data, Operating Grants and Contributions, Property Taxes, Sales Taxes, Other Taxes, Investment Earnings

### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$57,979,210, a change of \$(3,052,963) in comparison to the prior year. There was a decrease in the General Fund fund balance which was used for the employee bonus. In the SPLOST fund, the decrease is due to the completion and final payouts of projects in progress and completed, in particular, the moving of Fire Station 3 and the construction of Fire Station 16. The General Fund is the chief operating fund of the County. At the end of the current fiscal year, fund balance of the general fund was \$22,438,337. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 20.6% of total general fund current operating expenditures which is an increase over last year of 20.6%.

The Capital Projects Fund accounts for the financial resources used for the purchase and construction of major capital facilities, other than those accounted for in specific funds. At the end of the current fiscal year, fund balance of the Capital Projects Fund was \$501,644, which represents proceeds from the sale of an unused building and remaining funds that will be used to pay additional costs of the fire stations construction. Those funds should be expended in FY 2015.

The Impact Fee Fund accounts for financial resources provided by a fee included with the construction permitting to be used for purchase or construction of major capital facilities or equipment in service areas impacted by economic growth. These areas are parks and recreation, fire protection, Sheriff's patrol, public safety and libraries. The fund balance changed from \$2,580,234 to \$2,734,225 or 6.0%. The increase in this fund comes from an uptick in the construction industry and is a good indicator of improved economic activity in the County. Those fees are generated from new construction which has lagged during the past several years.

The SPLOST Fund accounts for the financial resources provided from a one percent Special Purpose Local Option Sales Tax. Such funds were approved by voter referendum for public works projects related to road and traffic improvements; parks and leisure which includes community centers and parks; courthouse and administration building relocation and rehabilitation; fire and emergency equipment; building construction projects which includes a

North Hall library, Sheriff's patrol, and animal shelter; and water and sewer system projects. At the end of fiscal year 2014, SPLOST Fund reported a fund balance of \$24,578,717, which represents a change from last year of \$(3,706,639). This decrease is from the use of funds for capital projects under construction, and completed, using SPLOST. These projects include the Fire Stations, Sewer Improvements, Road projects, and Glades Reservoir.

The fire district fund is the principal operating fund for County fire and rescue operations. At the end of the fiscal year, its fund balance was \$2,601,745, a (2.1)% change from fiscal year 2013. This decrease decrease is due to the use of Fire District fund balance to help with the building and capital equipment costs for two new Fire stations. The fund balance represents 14.6% of total fund expenditures.

#### Governmental Fund Revenue and Expenditure Comparison

(\$ in thousands)

Revenue	2014	2013	Inc/Dec	%Inc/Dec	Expenditures	2014	2013	Inc/Dec	%Inc/Dec
Taxes	\$ 111,990	\$ 104,613	\$ 7,377	7.1 %	General Government	\$ 19,400	\$ 17,840	\$ 1,560	9 %
License and Permits	2,305	1,795	510	28.4 %	Judicial	16,383	16,010	373	2 %
Intergovernmental	5,966	7,466	(1,500)	(20.1)%	Public Health and Welfare	2,212	2,329	(117)	(5)%
Fines and Forfeitures	4,843	4,340	503	11.6 %	Public Safety	62,876	59,457	3,419	6 %
Charges for Services	20,502	22,363	(1,861)	(8.3)%	Public Works	8,445	7,863	582	7 %
Investment income	219	1	218	800.0 %	Recreation and Culture	5,423	4,904	519	11 %
Miscellaneous	439	744	(305)	(41.0)%	Housing and Development	3,670	4,633	(963)	(21)%
					Intergovernmental	5,815	5,065	750	15 %
					Capital Outlay	14,355	7,966	6,389	80 %
					Debt Service	4,367	4,366	1	- %
<b>Total Revenues</b>	<b>\$ 146,264</b>	<b>\$ 141,322</b>	<b>\$ 4,942</b>	<b>3.5 %</b>	<b>Total Expenditures</b>	<b>\$ 142,946</b>	<b>\$ 130,433</b>	<b>\$ 12,513</b>	<b>104 %</b>

The changes in fund balances for the Governmental Funds are as shown:

#### Hall County Governmental Funds

##### Fund Balance

(\$ in thousands)

	2014	2013	Incr/(Decr)	% Incr/-Decr
General Fund	\$ 22,438	\$ 22,744	\$ (306)	(1.3)%
Fire District	2,602	2,656	(54)	(2.0)%
SPLOST	24,579	28,285	(3,706)	(13.1)%
Capital Projects	502	327	175	53.5 %
Impact Fees	2,734	2,580	154	6.0 %
Non-Major Funds	5,125	4,439	686	15.5 %
<b>Total Fund Balance</b>	<b>\$ 57,980</b>	<b>\$ 61,031</b>	<b>\$ (3,051)</b>	<b>(5.0)%</b>

**Proprietary Funds.** The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

#### Hall County Proprietary Funds

##### Net position

(\$ in thousands)

	2014	2013	Incr/(Decr)	% Incr/-Decr
Solid Waste Disposal	\$ 14,058	\$ 13,650	\$ 408	3.0 %
Sewer/Waste Water Utility	53,007	48,048	4,959	10.3 %
Water Utility	9,614	8,202	1,412	17.2 %
Internal Service	6,464	4,075	2,389	58.6 %
<b>Total Fund Balance</b>	<b>\$ 83,143</b>	<b>\$ 73,975</b>	<b>\$ 9,168</b>	<b>12.4 %</b>

Unrestricted net position of the Solid Waste Disposal Facility, Sewer/Wastewater Utility, and Water Utility Funds at the end of the year amounted to \$11,674,825. This represents a change of \$(1,081,870) from unrestricted net position as of June 30, 2013. Other factors related to the finances of these funds have been included in the previous discussion of the business-type activities.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget was \$82,940,260 and final budget was \$85,541,828. The actual revenue (inflow) was \$90,065,663, which varied from final budget by \$4,523,835. The actual expenditures (outflows) were \$90,371,018 which varied from the final expenditure budget by \$416,980. That represented a change of \$4,979,208 from prior year. The net result is a \$(305,355) decrease in the General Fund balance. The expenditure reductions are summarized below and implementation began in fiscal year 2014.

- Continued a mandated open position hiring freeze
- Cost of living and merit increases were not budgeted However, mid- year a one- time bonus was approved
- Reduced operating costs when possible
- Curtailed travel and training
- Reduced overtime when possible
- Capital purchases were limited to necessary purchases

Actual expenditures came in \$416,980 below budget and can be summarized as follows:

- General Government was under budget by \$82 thousand
- Judicial was under budget by \$78 thousand
- Public Safety under budget by \$11 thousand
- Public Works under budget by \$13 thousand
- Public Health and Welfare under budget by \$130 thousand
- Recreation and Culture was under budget by \$66 thousand
- Housing and Development was under budget by \$35 thousand

Differences between the original budget and the final amended budget difference by function:

<b>General Fund</b>				
<b>For the Year Ended June 30, 2014</b>				
	-----Budget-----			Variance of
	Original	Final	Actual	Final Budget
General Government	\$ 19,474,563	\$ 21,188,234	\$ 21,105,753	\$ 82,481
Judicial	14,353,037	14,879,311	14,800,898	78,413
Public Safety	40,509,088	41,841,428	41,830,331	11,097
Public Works	4,072,402	4,450,220	4,437,220	13,000
Public Health and Welfare	2,163,360	2,003,598	1,873,143	130,455
Recreation and Culture	4,306,345	4,220,554	4,154,262	66,292
Housing and Development	2,163,333	2,204,653	2,169,411	35,242
Total Charges to Appropriations	<u>\$ 87,042,128</u>	<u>\$ 90,787,998</u>	<u>\$ 90,371,018</u>	<u>\$ 416,980</u>

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The County’s investment in capital assets for its government and business-type activities as of June 30, 2014, was \$494 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, bridges, and sewer infrastructure.

Governmental assets moved from construction in progress to the asset records during the year totaled approximately \$9 million. Major projects consisted of the following:

- Fire Station No. 3 - \$1.4 million
- Sheriffs South Hall Precinct - \$709 thousand
- Gateway House Transitional Housing - \$505 thousand

Business-type assets moved from construction in progress to the assets records during the year totaled approximately \$4 million. Major projects consisted of the following:

- New Leachate Water Facility (Landfill) - \$1.1 million
- Spout Springs Waste Water Tank - \$ 3.0 million

<b>Hall County's Capital Assets</b> (Net of depreciation) ( <i>\$ in thousands</i> )						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2014	2013	2014	2013	2014	2013
Land and Improvements	\$ 57,249	\$ 56,713	\$ 26,935	\$ 26,935	\$ 84,184	\$ 83,648
Construction in Progress	15,744	14,500	10,407	7,699	26,151	22,199
Buildings	140,474	140,750	7,122	7,410	147,596	148,160
Machinery & Equipment	8,209	10,254	2,695	2,036	10,904	12,290
Vehicles	6,287	5,265	492	379	6,779	5,644
Infrastructure	152,759	156,707	65,823	63,328	218,582	220,035
Total Assets	<u>\$ 380,722</u>	<u>\$ 384,189</u>	<u>\$ 113,474</u>	<u>\$ 107,787</u>	<u>\$ 494,196</u>	<u>\$ 491,976</u>

Additional information on the County's capital assets can be found in Note 6 on pages 29 through 31 of this report.

**Long-Term Debt.** The \$27.0 million of the contracts payable were to fund the construction of the State Patrol Building, Animal Control Shelter, North Hall Park, Glades Reservoir, and the purchase of Spout Springs Treatment Plant, and Liberty Mutual Building which was contracted through the Gainesville-Hall County Development Authority.

<b>Hall County's Outstanding Debt</b> Bonds Payable, Capital Leases, Notes Payable, Claims, and Other Debts ( <i>\$ in thousands</i> )						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2014	2013	2014	2013	2014	2013
Contracts Payable	6,211	10,239	20,379	20,869	26,590	31,108
Capital Leases	-	142	-	500	-	642
Notes Payable	-	-	31,684	32,614	31,684	32,614
Claims Payable (estimate)	2,516	2,763	-	-	2,516	2,763
Landfill Closure/Postclosure	-	-	7,617	7,361	7,617	7,361
Compensated Absences	3,638	3,345	67	67	3,705	3,412
Net Pension Obligation	(43)	182	-	-	(43)	182
Net OPEB Obligation	56,732	54,539	-	-	56,732	54,539
Totals	<u>\$ 69,054</u>	<u>\$ 71,210</u>	<u>\$ 59,747</u>	<u>\$ 61,411</u>	<u>\$ 128,801</u>	<u>\$ 132,621</u>

Additional information regarding Hall County's long-term debt can be found in Note 7 on pages 32 through 37 of this report. State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the County is \$660,628,000 and currently the County has no general obligation debt

## ECONOMIC OUTLOOK

With respect to the economy, 2014 ended for the County as planned with good budgetary performance. The fiscal year 2015 economic outlook is slightly better for Hall County than in 2014. It is expected that Hall County will continue to see steady improvement in the local economy in the next few years.

- Sales tax and other revenue sources are expected to be slightly higher in 2015. The County monitors these revenues on a monthly basis.

- The County is in the final permitting stages to build an 80 million gallon per day water reservoir in the North Hall area. Bonds for funding were obtained in 2011 for this project. The County has been approved for financial support from the Governor's Water Supply at an amount to be determined.
- The Gateway Industrial Park in the northern section of the County is expected to be a draw for new business and industry into the County. Which, in turn, will bring additional commercial and residential growth into Hall County.
- The County continues to expand its sewer system along the 365 corridor which will also bring desirable growth to this area.
- The County is planning for the tax digest to see a slight increase for the FY 15 budget.

The current economy, revenue forecasting and careful expenditure planning were taken into consideration when preparing the 2015 budget.

#### REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all interested in the government's financials. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Hall County, P.O. Drawer 1435, Gainesville, Georgia 30503.

**HALL COUNTY, GEORGIA**  
**STATEMENT OF NET POSITION**  
**June 30, 2014**

**PRIMARY GOVERNMENT**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
Cash	\$ 48,184,151	\$ 5,874,916	\$ 54,059,067	\$ 3,016,578
Investments	8,750,000	-	8,750,000	10,127
Receivables (net of allowance for uncollectibles)	11,987,860	565,219	12,553,079	1,346,570
Internal balances	1,061,949	(1,061,949)	-	-
Inventories	409,727	-	409,727	-
Prepaid items	8,279,070	95,830	8,374,900	17,615
Restricted assets:				
Cash	4	1,250,007	1,250,011	-
Non-current assets:				
Capacity held for resale	-	17,688,813	17,688,813	-
Land held for resale	18,699	-	18,699	-
Net pension obligation	43,315	-	43,315	-
Capital assets:				
Capital assets not being depreciated	72,993,149	37,342,026	110,335,175	-
Capital assets being depreciated	591,859,113	94,672,399	686,531,512	5,340,530
Less: accumulated depreciation	(284,129,165)	(18,540,200)	(302,669,365)	(4,308,532)
Capital assets, net of depreciation	<u>380,723,097</u>	<u>113,474,225</u>	<u>494,197,322</u>	<u>1,031,998</u>
TOTAL ASSETS	<u>459,457,872</u>	<u>137,887,061</u>	<u>597,344,933</u>	<u>5,422,888</u>
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>	<u>459,457,872</u>	<u>137,887,061</u>	<u>597,344,933</u>	<u>5,422,888</u>
<b>LIABILITIES</b>				
Accounts payable	4,709,872	1,082,792	5,792,664	445,723
Accrued interest payable	41,976	125,374	167,350	-
Other accrued items	2,963,148	77,458	3,040,606	2,885
Due to other governments	7,271	-	7,271	25,840
Unearned revenue	1,170,845	29,621	1,200,466	-
Amounts held in trust	28,902	116,152	145,054	-
Noncurrent liabilities:				
Due within one year				
Compensated absences payable	161,915	63,125	225,040	668,514
Estimated claims payable	1,155,290	-	1,155,290	-
Accrued landfill closure / postclosure	-	154,888	154,888	-
Notes payable	-	1,596,040	1,596,040	-
Contracts payable	4,270,657	569,785	4,840,442	-
Due in more than one year				
Compensated absences payable	3,475,986	4,091	3,480,077	212,758
Estimated claims payable	1,360,800	-	1,360,800	-
Accrued landfill closure / postclosure	-	7,462,442	7,462,442	-
Notes payable	-	30,088,452	30,088,452	-
Contracts payable	1,940,300	19,808,978	21,749,278	-
Net OPEB obligation	56,731,518	-	56,731,518	-
TOTAL LIABILITIES	<u>78,018,480</u>	<u>61,179,198</u>	<u>139,197,678</u>	<u>1,355,720</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>78,018,480</u>	<u>61,179,198</u>	<u>139,197,678</u>	<u>1,355,720</u>
<b>NET POSITION</b>				
Net investment in capital assets	374,648,601	65,004,251	439,652,852	1,031,998
Restricted for:				
Capital outlay projects	25,080,358	-	25,080,358	-
Impact fee projects	2,734,225	-	2,734,225	-
Judicial programs	640,788	-	640,788	-
Public safety programs	3,452,068	-	3,452,068	-
Health and welfare programs	74,019	-	74,019	1,181,638
Housing and development	101,387	-	101,387	-
Recreation and culture	366,635	-	366,635	-
Special Assessments	459,134	-	459,134	-
Unrestricted	(26,117,823)	11,703,612	(14,414,211)	1,853,532
<b>TOTAL NET POSITION</b>	<u>\$ 381,439,392</u>	<u>\$ 76,707,863</u>	<u>\$ 458,147,255</u>	<u>\$ 4,067,168</u>

The accompanying notes are an integral part of this statement.

**HALL COUNTY, GEORGIA  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2014**

FUNCTIONS/PROGRAMS	.....PROGRAM REVENUES.....				.....NET (EXPENSE) AND CHANGES IN NET POSITION.... .....PRIMARY GOVERNMENT.....			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
<b>PRIMARY GOVERNMENT</b>								
<b>GOVERNMENTAL ACTIVITIES</b>								
General government	\$ 19,784,484	\$ 5,191,089	\$ 91,789	\$ -	\$ (14,501,606)	\$ -	\$ (14,501,606)	\$ -
Judicial	17,333,072	7,089,227	1,317,367	-	(8,926,478)	-	(8,926,478)	-
Public safety	67,569,837	11,485,957	1,005,519	23,703	(55,054,658)	-	(55,054,658)	-
Public works	24,161,648	953,105	2,078,831	1,017,988	(20,111,724)	-	(20,111,724)	-
Public health and welfare	2,557,608	-	217,565	119,706	(2,220,337)	-	(2,220,337)	-
Recreation and culture	6,717,894	1,244,188	22,595	-	(5,451,111)	-	(5,451,111)	-
Housing and development	4,388,186	2,107,062	605,209	486,100	(1,189,815)	-	(1,189,815)	-
Interest	197,386	-	-	-	(197,386)	-	(197,386)	-
Total Governmental Activities	<u>142,710,115</u>	<u>28,070,628</u>	<u>5,338,875</u>	<u>1,647,497</u>	<u>(107,653,115)</u>	<u>-</u>	<u>(107,653,115)</u>	<u>-</u>
<b>BUSINESS-TYPE ACTIVITIES</b>								
Solid waste/recycling	6,145,508	6,615,263	-	-	-	469,755	469,755	-
Water and sewer	3,636,084	1,624,548	-	60,985	-	(1,950,551)	(1,950,551)	-
Water utilities	197,043	-	-	-	-	(197,043)	(197,043)	-
Total Business-Type Activities	<u>9,978,635</u>	<u>8,239,811</u>	<u>-</u>	<u>60,985</u>	<u>-</u>	<u>(1,677,839)</u>	<u>(1,677,839)</u>	<u>-</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 152,688,750</u>	<u>\$ 36,310,439</u>	<u>\$ 5,338,875</u>	<u>\$ 1,708,482</u>	<u>(107,653,115)</u>	<u>(1,677,839)</u>	<u>(109,330,954)</u>	<u>-</u>
<b>COMPONENT UNITS</b>								
Health Department	\$ 15,523,288	\$ 3,851,656	\$ 11,880,467	\$ -	-	-	-	208,835
Library System	2,710,646	73,748	356,745	83,942	-	-	-	(2,196,211)
<b>TOTAL COMPONENT UNITS</b>	<u>\$ 18,233,934</u>	<u>\$ 3,925,404</u>	<u>\$ 12,237,212</u>	<u>\$ 83,942</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,987,376)</u>
<b>GENERAL REVENUES</b>								
Property taxes					54,675,566	-	54,675,566	-
Sales taxes					47,499,328	-	47,499,328	-
Insurance premium taxes					6,032,014	-	6,032,014	-
Real estate recording taxes					1,370,560	-	1,370,560	-
Other taxes					2,256,598	-	2,256,598	-
Total taxes					<u>111,834,066</u>	<u>-</u>	<u>111,834,066</u>	<u>-</u>
Miscellaneous					1	-	1	-
Unrestricted investment earnings					1,328	18	1,346	1,520
Grants and contributions not restricted to a specific program					10,750	-	10,750	1,830,262
Gain on sale of capital assets					1,898,526	10,500	1,909,026	-
TRANSFERS					<u>(8,518,344)</u>	<u>8,518,344</u>	<u>-</u>	<u>-</u>
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>					<u>105,226,327</u>	<u>8,528,862</u>	<u>113,755,189</u>	<u>1,831,782</u>
<b>CHANGES IN NET POSITION</b>					<u>(2,426,788)</u>	<u>6,851,023</u>	<u>4,424,235</u>	<u>(155,594)</u>
<b>NET POSITION, Beginning</b>					<u>383,866,180</u>	<u>69,856,840</u>	<u>453,723,020</u>	<u>4,222,762</u>
<b>NET POSITION, Ending</b>					<u>\$ 381,439,392</u>	<u>\$ 76,707,863</u>	<u>\$ 458,147,255</u>	<u>\$ 4,067,168</u>

The accompanying notes are an integral part of this statement.

**HALL COUNTY, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2014**

	GENERAL	FIRE DISTRICT	SPLOST	CAPITAL PROJECTS	IMPACT FEES	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>							
Cash	\$ 11,281,380	\$ 3,158,038	\$ 16,777,932	\$ 674,880	\$ 2,708,170	\$ 5,689,178	\$ 40,289,578
Investments	8,750,000	-	-	-	-	-	8,750,000
Receivables (net of allowance for uncollectibles)	6,733,285	303,069	2,665,013	120,000	38,585	2,127,908	11,987,860
Interfund receivables	1,443,450	-	-	-	-	-	1,443,450
Prepaid items	93,962	-	6,907,268	-	-	-	7,001,230
Inventories	318,963	90,764	-	-	-	-	409,727
Restricted assets:							
Cash	-	-	-	4	-	-	4
<b>TOTAL ASSETS</b>	<u>28,621,040</u>	<u>3,551,871</u>	<u>26,350,213</u>	<u>794,884</u>	<u>2,746,755</u>	<u>7,817,086</u>	<u>69,881,849</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	1,581,333	145,505	1,753,294	76,817	12,530	950,925	4,520,404
Other accrued items	2,045,320	501,588	18,202	216,423	-	179,099	2,960,632
Due to other governments	-	-	-	-	-	7,271	7,271
Interfund payables	-	-	-	-	-	352,714	352,714
Unearned revenue	-	-	-	-	-	1,170,845	1,170,845
Deposits held	9,498	-	-	-	-	19,404	28,902
<b>TOTAL LIABILITIES</b>	<u>3,636,151</u>	<u>647,093</u>	<u>1,771,496</u>	<u>293,240</u>	<u>12,530</u>	<u>2,680,258</u>	<u>9,040,768</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	2,546,552	303,033	-	-	-	-	2,849,585
Unavailable revenue - other	-	-	-	-	-	12,286	12,286
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>2,546,552</u>	<u>303,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,286</u>	<u>2,861,871</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>6,182,703</u>	<u>950,126</u>	<u>1,771,496</u>	<u>293,240</u>	<u>12,530</u>	<u>2,692,544</u>	<u>11,902,639</u>
<b>FUND BALANCES</b>							
<b>Nonspendable:</b>							
Prepaid expenditure	93,962	-	6,907,268	-	-	-	7,001,230
Inventories	318,963	90,764	-	-	-	-	409,727
<b>Restricted:</b>							
Capital outlay projects	-	-	17,671,449	501,644	-	-	18,173,093
Impact fee projects	-	-	-	-	2,734,225	-	2,734,225
Special assessments	-	-	-	-	-	459,134	459,134
Judicial programs	-	-	-	-	-	640,788	640,788
Public safety programs	-	2,510,981	-	-	-	850,322	3,361,303
Health and welfare programs	-	-	-	-	-	74,019	74,019
Parks and recreation programs	-	-	-	-	-	366,634	366,634
Housing and development programs	-	-	-	-	-	101,387	101,387
<b>Assigned:</b>							
Encumbrances	312,530	-	-	-	-	-	312,530
Capital equipment and infrastructure	-	-	-	-	-	2,632,258	2,632,258
Operating reserve	3,372,579	-	-	-	-	-	3,372,579
Unassigned:	18,340,303	-	-	-	-	-	18,340,303
<b>TOTAL FUND BALANCES</b>	<u>22,438,337</u>	<u>2,601,745</u>	<u>24,578,717</u>	<u>501,644</u>	<u>2,734,225</u>	<u>5,124,542</u>	<u>57,979,210</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 28,621,040</u>	<u>\$ 3,551,871</u>	<u>\$ 26,350,213</u>	<u>\$ 794,884</u>	<u>\$ 2,746,755</u>	<u>\$ 7,817,086</u>	<u>\$ 69,881,849</u>

The accompanying notes are an integral part of this statement.

**HALL COUNTY, GEORGIA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
**June 30, 2014**

**Total Fund Balances for Governmental Funds (page 3)** \$ 57,979,210

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds. 380,723,097

Land held for resale used in the governmental activities is not a financial resource and therefore is not reported in the funds. 18,699

Internal service funds are used by the County to charge the cost of group health and other types of insurance to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position. Internal service fund net position is: 6,435,550

Revenues in the statement of activities that do not provide current financial resources are reported as unearned revenues in the funds.

Property Taxes	2,849,585	
Assessments	<u>12,286</u>	
		2,861,871

Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Accrued interest	(41,976)	
Compensated absences	(3,637,901)	
Contracts payable	(6,210,957)	
Net pension obligation	43,315	
Net OPEB obligation	<u>(56,731,518)</u>	
		(66,579,037)

Rounding		<u>2</u>
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**Total net position of governmental activities (page 1)** **\$381,439,392**

The accompanying notes are an integral part of this statement.

**HALL COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2014**

	GENERAL	FIRE DISTRICT	SPLOST	CAPITAL PROJECTS	IMPACT FEES	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Taxes	\$ 66,544,046	\$ 18,258,092	\$ 27,170,038	\$ -	\$ -	\$ 18,067	\$ 111,990,243
Licenses and permits	1,746,897	-	-	-	557,986	-	2,304,883
Intergovernmental	1,153,974	14,083	-	-	-	4,798,371	5,966,428
Fines and forfeitures	3,976,123	-	-	81,285	-	785,434	4,842,842
Charges for services	14,170,662	6,477	-	-	-	6,325,353	20,502,492
Contributions and donations	956	-	-	-	-	11,750	12,706
Investment income	1,091	-	217,938	(1)	-	5	219,033
Miscellaneous	332,117	11,000	-	-	-	82,934	426,051
<b>TOTAL REVENUES</b>	<b>87,925,866</b>	<b>18,289,652</b>	<b>27,387,976</b>	<b>81,284</b>	<b>557,986</b>	<b>12,021,914</b>	<b>146,264,678</b>
EXPENDITURES							
Current Expenditures							
General government	19,212,902	-	187,176	-	-	-	19,400,078
Judicial	14,795,396	-	-	-	-	1,587,813	16,383,209
Public safety	39,807,025	17,438,643	18,809	270,825	3,557	5,336,814	62,875,673
Public works	4,217,152	-	3,372,489	-	-	855,167	8,444,808
Public health and welfare	1,833,488	-	113,902	-	-	264,775	2,212,165
Recreation and culture	4,035,565	-	13,814	20,703	220,404	1,132,113	5,422,599
Housing and development	2,096,810	-	-	-	-	1,573,492	3,670,302
Intergovernmental	9,058	-	5,798,665	-	-	7,271	5,814,994
Capital outlay	2,723,836	376,987	9,047,330	338,952	180,034	1,687,593	14,354,732
Debt service							
Principal	241,786	-	425,000	3,260,000	-	-	3,926,786
Interest	100,509	-	39,493	299,884	-	-	439,886
<b>TOTAL EXPENDITURES</b>	<b>89,073,527</b>	<b>17,815,630</b>	<b>19,016,678</b>	<b>4,190,364</b>	<b>403,995</b>	<b>12,445,038</b>	<b>142,945,232</b>
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(1,147,661)	474,022	8,371,298	(4,109,080)	153,991	(423,124)	3,319,446
OTHER FINANCING SOURCES (USES)							
Sale of county property	1,942,976	-	-	195,000	-	7,959	2,145,935
Transfers in	196,824	-	-	4,088,377	-	1,307,174	5,592,375
Transfers out	(1,297,494)	(528,493)	(12,077,937)	-	-	(206,795)	(14,110,719)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>842,306</b>	<b>(528,493)</b>	<b>(12,077,937)</b>	<b>4,283,377</b>	<b>-</b>	<b>1,108,338</b>	<b>(6,372,409)</b>
NET CHANGE IN FUND BALANCES	(305,355)	(54,471)	(3,706,639)	174,297	153,991	685,214	(3,052,963)
FUND BALANCES, Beginning of year	22,743,692	2,656,216	28,285,356	327,347	2,580,234	4,439,328	61,032,173
FUND BALANCES, End of year	<u>\$ 22,438,337</u>	<u>\$ 2,601,745</u>	<u>\$ 24,578,717</u>	<u>\$ 501,644</u>	<u>\$ 2,734,225</u>	<u>\$ 5,124,542</u>	<u>\$ 57,979,210</u>

The accompanying notes are an integral part of this statement.

**HALL COUNTY, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2014**

<b>Net change in fund balances (page 5)</b>		<b>\$ (3,052,963)</b>
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays	14,354,732	
Depreciation expense	<u>(18,373,753)</u>	(4,019,021)
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 position differs from the change in fund balance by the net book value of the equipment sold.		
Net book value of equipment sold	<u>(247,411)</u>	(247,411)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	2,849,585	
Donated assets	800,285	
Assessments	<u>12,286</u>	3,662,156
Revenues reported in the funds that relate to prior years are not reported as revenue in the statement of activities.		
Property taxes	(3,005,761)	
Assessments	<u>(17,928)</u>	(3,023,689)
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 premiums, discounts, and similar items when debt is first issued, where as these amounts are deferred and amortized in the statement of activities.		
Principal payments on long-term debt	3,926,786	
Principal payments on long-term debt included as intergovernmental expense	27,140	
Amortization of bond premiums and discounts	215,971	
Accrued interest payable, current year	(41,976)	
Accrued interest payable, prior year	<u>68,505</u>	4,196,426
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences, current year	(3,637,901)	
Compensated absences, prior year	<u>3,344,971</u>	(292,930)
Internal service funds are used by management to charge the costs of certain activities, such as group health and other types of insurance. The net revenue (expenses) of certain internal service funds is reported with governmental activities.		
		2,317,962
Net pension obligation is not available during the current period and therefore is not reported in the funds.		
End of year	43,315	
Beginning of year	<u>182,290</u>	225,605
Net OPEB obligation is not available during the current period and therefore is not reported in the funds.		
End of year	(56,731,518)	
Beginning of year	<u>54,538,594</u>	(2,192,924)
Rounding		<u>1</u>
<b>Changes in net position of governmental activities (page 2)</b>		<b><u>\$ (2,426,788)</u></b>

The accompanying notes are an integral part of this statement.

**HALL COUNTY, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**June 30, 2014**

**BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS**

	SOLID WASTE DISPOSAL FACILITY	SEWER / WASTE WATER UTILITY	WATER UTILITY FUND	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash	\$ 4,695,151	\$ 981,812	\$ 197,953	\$ 5,874,916	\$ 7,894,575
Receivables (net of allowance for uncollectibles)	509,171	56,048	-	565,219	-
Prepaid items	90,000	5,830	-	95,830	1,277,840
Restricted assets:					
Cash	-	1,250,000	7	1,250,007	-
<b>TOTAL CURRENT ASSETS</b>	<b>5,294,322</b>	<b>2,293,690</b>	<b>197,960</b>	<b>7,785,972</b>	<b>9,172,415</b>
<b>Noncurrent Assets</b>					
Prepaid capacity	-	17,688,813	-	17,688,813	-
Capital assets					
Capital assets not being depreciated	5,521,211	15,463,145	16,357,670	37,342,026	-
Capital assets being depreciated	27,449,953	67,222,446	-	94,672,399	-
Less: accumulated depreciation	(14,023,094)	(4,517,106)	-	(18,540,200)	-
<b>TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)</b>	<b>18,948,070</b>	<b>78,168,485</b>	<b>16,357,670</b>	<b>113,474,225</b>	<b>-</b>
<b>TOTAL NONCURRENT ASSETS</b>	<b>18,948,070</b>	<b>95,857,298</b>	<b>16,357,670</b>	<b>131,163,038</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>24,242,392</b>	<b>98,150,988</b>	<b>16,555,630</b>	<b>138,949,010</b>	<b>9,172,415</b>
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>	<b>24,242,392</b>	<b>98,150,988</b>	<b>16,555,630</b>	<b>138,949,010</b>	<b>9,172,415</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts payable	860,037	222,755	-	1,082,792	189,469
Accrued interest payable	13,201	75,115	37,058	125,374	-
Other accrued items	74,974	2,484	-	77,458	2,519
Interfund payables	-	-	1,090,736	1,090,736	-
Customer deposits	25,920	90,232	-	116,152	-
Unearned revenue	29,621	-	-	29,621	-
Compensated absences payable	61,420	1,705	-	63,125	-
Accrued landfill closure/postclosure	154,888	-	-	154,888	-
Estimated claims payable	-	-	-	-	1,155,290
Notes payable	175,669	1,420,371	-	1,596,040	-
Contracts payable	-	-	569,785	569,785	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,395,730</b>	<b>1,812,662</b>	<b>1,697,579</b>	<b>4,905,971</b>	<b>1,347,278</b>
<b>Noncurrent Liabilities</b>					
Estimated claims payable	-	-	-	-	1,360,800
Compensated absences payable	4,091	-	-	4,091	-
Accrued landfill closure/postclosure	7,462,442	-	-	7,462,442	-
Notes payable	1,321,740	28,766,712	-	30,088,452	-
Contracts payable	-	14,565,000	5,243,978	19,808,978	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>8,788,273</b>	<b>43,331,712</b>	<b>5,243,978</b>	<b>57,363,963</b>	<b>1,360,800</b>
<b>TOTAL LIABILITIES</b>	<b>10,184,003</b>	<b>45,144,374</b>	<b>6,941,557</b>	<b>62,269,934</b>	<b>2,708,078</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>10,184,003</b>	<b>45,144,374</b>	<b>6,941,557</b>	<b>62,269,934</b>	<b>2,708,078</b>
<b>NET POSITION</b>					
Net investment in capital assets	17,450,661	37,009,676	10,543,914	65,004,251	-
Unrestricted	(3,392,272)	15,996,938	(929,841)	11,674,825	6,464,337
<b>TOTAL NET POSITION</b>	<b>\$ 14,058,389</b>	<b>\$ 53,006,614</b>	<b>\$ 9,614,073</b>	<b>76,679,076</b>	<b>\$ 6,464,337</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				28,787	
Net position of business-type activities				<u>76,707,863</u>	

The accompanying notes are an integral part of this statement.

**HALL COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2014**

**BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS**

	SOLID WASTE DISPOSAL FACILITY	SEWER / WASTE WATER UTILITY	WATER UTILITY FUND	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
<b>OPERATING REVENUES</b>					
Charges for sales and services:					
Sewer sales	\$ -	\$ 1,554,704	\$ -	\$ 1,554,704	\$ -
Other	-	69,844	-	69,844	-
Recycling and transfer fees	6,599,804	-	-	6,599,804	-
Charges for services-other	15,459	-	-	15,459	-
Charges to other funds	-	-	-	-	16,972,414
Employee contributions	-	-	-	-	2,486,146
<b>Total Operating Revenues</b>	<b><u>6,615,263</u></b>	<b><u>1,624,548</u></b>	<b><u>-</u></b>	<b><u>8,239,811</u></b>	<b><u>19,458,560</u></b>
<b>OPERATING EXPENSES</b>					
Salaries and benefits	1,961,263	88,221	-	2,049,484	176,483
Supplies	347,616	-	-	347,616	-
Other services and charges	1,499,256	859,664	-	2,358,920	(1,034,348)
Benefit claims	-	-	-	-	12,885,290
Insurance premiums	575,700	21,862	-	597,562	2,467,669
General and administrative	-	-	-	-	2,573,814
Landfill closure/postclosure costs	581,873	-	-	581,873	-
Depreciation	949,361	1,384,005	-	2,333,366	-
Repairs and maintenance	205,952	88,396	-	294,348	-
<b>Total Operating Expenses</b>	<b><u>6,121,021</u></b>	<b><u>2,442,148</u></b>	<b><u>-</u></b>	<b><u>8,563,169</u></b>	<b><u>17,068,908</u></b>
<b>OPERATING INCOME (LOSS)</b>	<b><u>494,242</u></b>	<b><u>(817,600)</u></b>	<b><u>-</u></b>	<b><u>(323,358)</u></b>	<b><u>2,389,652</u></b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	(2)	1	-	(1)	-
Investment earnings-pledged as security for revenue bonds	-	19	-	19	-
Interest expense	(67,621)	(1,193,936)	(197,043)	(1,458,600)	-
Gain (loss) on sale of capital assets	(28,556)	10,500	-	(18,056)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b><u>(96,179)</u></b>	<b><u>(1,183,416)</u></b>	<b><u>(197,043)</u></b>	<b><u>(1,476,638)</u></b>	<b><u>-</u></b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b><u>398,063</u></b>	<b><u>(2,001,016)</u></b>	<b><u>(197,043)</u></b>	<b><u>(1,799,996)</u></b>	<b><u>2,389,652</u></b>
Sewer connection fees	-	60,985	-	60,985	-
Transfer in	10,515	6,898,888	1,608,941	8,518,344	-
<b>CHANGE IN NET POSITION</b>	<b><u>408,578</u></b>	<b><u>4,958,857</u></b>	<b><u>1,411,898</u></b>	<b><u>6,779,333</u></b>	<b><u>2,389,652</u></b>
<b>TOTAL NET POSITION, Beginning of year</b>	<b><u>13,649,811</u></b>	<b><u>48,047,757</u></b>	<b><u>8,202,175</u></b>		<b><u>4,074,685</u></b>
<b>TOTAL NET POSITION, End of year</b>	<b><u>\$ 14,058,389</u></b>	<b><u>\$ 53,006,614</u></b>	<b><u>\$ 9,614,073</u></b>		<b><u>\$ 6,464,337</u></b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				71,690	
<b>Change in net position of business-type activities</b>				<b><u>\$ 6,851,023</u></b>	

The accompanying notes are an integral part of this statement.

**HALL COUNTY, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2014**

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	SOLID WASTE DISPOSAL FACILITY	SEWER / WASTE WATER UTILITY	WATER UTILITY FUND		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customer	\$ 6,638,587	\$ 1,644,538	\$ -	\$ 8,283,125	\$ 2,486,146
Payments to suppliers	(1,876,688)	(995,128)	-	(2,871,816)	(4,957,821)
Payments to employees	(1,952,202)	(87,958)	-	(2,040,160)	(13,307,063)
Internal activity-payments from (to) other funds	-	-	-	-	16,972,414
<b>Net cash provided by (used in) operating activities</b>	<b>2,809,697</b>	<b>561,452</b>	<b>-</b>	<b>3,371,149</b>	<b>1,193,676</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
<b>Net Cash provided (used) by non-capital financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(2,480,267)	(4,795,567)	(890,307)	(8,166,141)	-
Proceeds from the sale of capital assets	116,068	10,500	-	126,568	-
Connection fees paid by customers	-	60,985	-	60,985	-
Transfers in-capital	10,515	6,898,888	1,608,941	8,518,344	-
Payment made on debt	(599,851)	(15,878,445)	(515,000)	(16,993,296)	-
Proceeds from the issuance of debt	549,537	14,565,000	-	15,114,537	-
Interest paid	(55,078)	(1,086,903)	(239,403)	(1,381,384)	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(2,459,076)</b>	<b>(225,542)</b>	<b>(35,769)</b>	<b>(2,720,387)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment earnings	(2)	20	-	18	-
<b>Net cash provided (used) by investing activities</b>	<b>(2)</b>	<b>20</b>	<b>-</b>	<b>18</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>350,619</b>	<b>335,930</b>	<b>(35,769)</b>	<b>650,780</b>	<b>1,193,676</b>
<b>CASH, Beginning of year</b>	<b>4,344,532</b>	<b>1,895,882</b>	<b>233,729</b>	<b>6,474,143</b>	<b>6,700,899</b>
<b>CASH, End of year</b>	<b>\$ 4,695,151</b>	<b>\$ 2,231,812</b>	<b>\$ 197,960</b>	<b>\$ 7,124,923</b>	<b>\$ 7,894,575</b>

The accompanying notes are an integral part of this statement.

**HALL COUNTY, GEORGIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2014**

(CONTINUED)

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND FUEL DEPOT
	SOLID WASTE DISPOSAL FACILITY	SEWER / WASTE WATER UTILITY	WATER UTILITY FUND		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 494,242	\$ (817,600)	\$ -	\$ (323,358)	\$ 2,389,652
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	949,361	1,384,005	-	2,333,366	-
Landfill closure/postclosure costs	581,873	-	-	581,873	-
(Increase) decrease in:					
Accounts receivable	20,067	(9,373)	-	10,694	-
Prepaid expenses	(90,000)	(5,830)	-	(95,830)	-
Increase (decrease) in:					
Accounts payable	714,486	(19,376)	-	695,110	(1,047,446)
Compensated absences	(1,068)	844	-	(224)	-
Amounts held in trust	(750)	29,363	-	28,613	96,760
Accrued landfill costs	(325,364)	-	-	(325,364)	-
Other accrued items	10,129	(581)	-	9,548	-
Deferred revenue	4,007	-	-	4,007	-
Due to other governments	-	-	-	-	2,051
Due to other funds	452,714	-	-	452,714	(247,341)
Net cash provided by (used in) operating activities	<u>\$ 2,809,697</u>	<u>\$ 561,452</u>	<u>\$ -</u>	<u>\$ 3,371,149</u>	<u>\$ 1,193,676</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES</b>					
Net book value of disposals	<u>\$ (144,624)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (144,624)</u>	<u>\$ -</u>
Amortization of original issue premium & bond refunding	<u>\$ -</u>	<u>\$ (8,225)</u>	<u>\$ 39,784</u>	<u>\$ 31,559</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**HALL COUNTY, GEORGIA**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**June 30, 2014**

	<b>AGENCY FUNDS</b>
<b>ASSETS</b>	
Cash	\$ <u>5,856,473</u>
<b>TOTAL ASSETS</b>	\$ <u><u>5,856,473</u></u>
<b>LIABILITIES</b>	
Amount held in trust	\$ <u>5,856,473</u>
<b>TOTAL LIABILITIES</b>	\$ <u><u>5,856,473</u></u>

The accompanying notes are an integral part of this statement.

**HALL COUNTY, GEORGIA  
 COMPONENT UNITS  
 COMBINING STATEMENT OF NET POSITION  
 June 30, 2014**

	<b>HEALTH DEPARTMENT</b>	<b>LIBRARY SYSTEM</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash	\$ 2,729,801	\$ 286,777	\$ 3,016,578
Investments	-	10,127	10,127
Receivables (net of allowance for uncollectibles)	1,340,855	5,715	1,346,570
Prepaid items	-	17,615	17,615
Capital assets:			
Capital assets being depreciated	917,148	4,423,382	5,340,530
Less: accumulated depreciation	<u>(584,350)</u>	<u>(3,724,182)</u>	<u>(4,308,532)</u>
Capital assets, net of depreciation	<u>332,798</u>	<u>699,200</u>	<u>1,031,998</u>
<b>TOTAL ASSETS</b>	<u>4,403,454</u>	<u>1,019,434</u>	<u>5,422,888</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>4,403,454</u>	<u>1,019,434</u>	<u>5,422,888</u>
<b>LIABILITIES</b>			
Accounts payable	440,273	5,450	445,723
Other accrued items	-	2,885	2,885
Due to other governments	25,840	-	25,840
Noncurrent liabilities:			
Due within one year			
Compensated absences payable	635,000	33,514	668,514
Due in more than one year			
Compensated absences payable	<u>162,486</u>	<u>50,272</u>	<u>212,758</u>
<b>TOTAL LIABILITIES</b>	<u>1,263,599</u>	<u>92,121</u>	<u>1,355,720</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>1,263,599</u>	<u>92,121</u>	<u>1,355,720</u>
<b>NET POSITION</b>			
Net investment in capital assets	332,798	699,200	1,031,998
Restricted for:			
Program income	1,166,934	14,704	1,181,638
Unrestricted	<u>1,640,123</u>	<u>213,409</u>	<u>1,853,532</u>
<b>TOTAL NET POSITION</b>	<u>\$ 3,139,855</u>	<u>\$ 927,313</u>	<u>\$ 4,067,168</u>

The accompanying notes are an integral part of this statement.

**HALL COUNTY, GEORGIA  
 COMPONENT UNITS  
 COMBINING STATEMENT OF ACTIVITIES  
 For the Year Ended June 30, 2014**

	.....PROGRAM REVENUES.....				....NET (EXPENSE) AND CHANGES IN NET POSITION....		
<b>FUNCTIONS/PROGRAMS</b>	<b>EXPENSES</b>	<b>CHARGES FOR SERVICES</b>	<b>OPERATING GRANTS AND CONTRIBUTIONS</b>	<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>	<b>HEALTH DEPARTMENT</b>	<b>LIBRARY SYSTEM</b>	<b>TOTAL</b>
COMPONENT UNITS							
GOVERNMENTAL ACTIVITIES							
Health Department	\$ 15,523,288	\$ 3,851,656	\$ 11,880,467	\$ -	\$ 208,835	\$ -	\$ 208,835
Library System	<u>2,710,646</u>	<u>73,748</u>	<u>356,745</u>	<u>83,942</u>	<u>-</u>	<u>(2,196,211)</u>	<u>(2,196,211)</u>
TOTAL COMPONENT UNITS	<u>\$ 18,233,934</u>	<u>\$ 3,925,404</u>	<u>\$ 12,237,212</u>	<u>\$ 83,942</u>	<u>208,835</u>	<u>(2,196,211)</u>	<u>(1,987,376)</u>
 GENERAL REVENUES							
Unrestricted investment earnings					-	1,520	1,520
Grants and contributions not restricted to a specific program					<u>-</u>	<u>1,830,262</u>	<u>1,830,262</u>
TOTAL GENERAL REVENUES AND TRANSFERS					<u>-</u>	<u>1,831,782</u>	<u>1,831,782</u>
CHANGES IN NET POSITION					<u>208,835</u>	<u>(364,429)</u>	<u>(155,594)</u>
NET POSITION, Beginning					<u>2,931,020</u>	<u>1,291,742</u>	<u>4,222,762</u>
NET POSITION, Ending					<u>\$ 3,139,855</u>	<u>\$ 927,313</u>	<u>\$ 4,067,168</u>

The accompanying notes are an integral part of this statement.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of HALL 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.

**REPORTING ENTITY**

The County is a political subdivision of the State of Georgia governed by an elected five-member commission. In addition, there are four Constitutional Officers; the Tax Commissioner, Probate Court Judge, Sheriff, and Clerk of Superior Court. The Constitutional Officers are elected county wide. The Board of County Commissioners budgets and approves all funding used by the separate Constitutional Officers. As required by generally accepted accounting principles, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the County's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the County. Each blended and discretely presented component unit has a June 30 year-end.

***Blended Component Unit***

The Hall County Water and Sewerage Authority (Authority) is authorized to acquire, construct, add to, extend, improve, equip, operate, and maintain a water utility system of a water supply and filtration system with storage and water transmission capabilities to residents throughout Hall County and sewerage systems, both sanitary and storm, sewage disposal and sewage treatment plants, and any and all other related facilities for the County. The Authority is made up of each member of the Board of Commissioners of Hall County, Georgia, and each member of the Board of Commissioners, except the chairman, shall nominate a member to serve on the Authority; and the chairman of the Board of Commissioners shall serve as the chairman of the Authority. Decisions of the Authority require a majority of the Commissioners of Hall County. Thus, the Authority's governing body is substantially the same as the governing Board of Hall County. The Authority is reported in the Water Utility and Sewer/Waste Water Utility enterprise funds. No separate financial statements are issued for this component unit.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

***Discretely Presented Component Units***

The Hall County Board of Health (Health Department) monitors and controls all health activities in the County. The Board is managed by seven members, four of which are appointed by the Hall County Board of Commissioners. The Health Department is dependent upon the County because the County approves the Health Department's budget, and the County has the ability to impose its will upon the Health Department. During 2014, the County supplemented the Health Department's budget in the amount of \$702,521. The Health Department is presented as a governmental fund type.

The Hall County Library System (Library) serves all citizens of Hall County through headquarters library in Gainesville, Georgia and five branch facilities. The Library is governed by a 10-member board of Trustees appointed by the County Board of Commissioners. The County provides the majority of funding for the Library. During 2014, the County supplemented the Library's budget in the amount of \$1,830,262. The Library is presented as a governmental fund type.

Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices:

Hall County Board of Health	Hall County Library System
1290 Athens Street	127 N. Main Street
Gainesville, Georgia 30501	Gainesville, Georgia 30501

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) 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 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 are 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.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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.

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

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 statement. Agency funds have no measurement focus. 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. 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 County considers property taxes as available if they are collected by the end of the current fiscal year. 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.

Property taxes, sales tax, franchise taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so 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 County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

The *Fire District Special Revenue Fund* accounts for property taxes levied for the operations of the County Fire Department.

The *SPLOST Capital Projects Fund* accounts for funds received from a local 1% sales tax reserved for construction of various capital projects.

The *Capital Projects Fund* accounts for financial resources to be used for the acquisition of construction of major capital facilities.

The *Impact Fee Fund* accounts for impact fees restricted for the acquisition or construction of specific capital projects.

The County reports the following major proprietary funds:

The *Solid Waste Disposal Facility Enterprise Fund* accounts for the activities of the County's solid waste disposal and recycling programs.

The *Sewer/Waste Water Utility Fund* accounts for revenues and expenses related to operating and maintaining a sewer utility system.

The *Water Utility Fund* accounts for revenues and expenses related to operating and maintaining a water utility system consisting of a water supply and filtration system with storage and water transmission capabilities to residents throughout Hall County.

Additionally, the County reports the following fund types:

The *Internal Service Funds* account for group insurance and risk management services provided to other departments or agencies of the County on a cost reimbursement basis.

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 Tax Commissioner, Clerk of Court, Probate Court, Magistrate Court, Juvenile Court, Sheriff, and Inmate Fund holds for others in an agency capacity.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

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.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and 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, Water Utility enterprise fund, Sewer/Waste Water Utility enterprise fund, and of the County's Internal Service funds are charges to customers for sales and services. The Water Utility enterprise fund and Sewer/Waste Water Utility enterprise fund also recognized as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service 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 County's policy to use restricted resources first, then unrestricted resources as they are needed.

**ASSETS, LIABILITIES AND NET POSITION OR EQUITY**

***Deposits and Investments***

The County'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.

Investments are recorded as 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 investment income.

***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 "interfund receivables/payables." 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 of uncollectibles.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are normally levied by October 1 of each year. The taxes for the 2013 digest year were payable on December 1, 2013. Interest and penalties are assessed on taxes not paid by this date. The taxes are subject to lien after March 1, 2014.

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 State. Only the County's tax levy is recognized as revenue when levied and uncollected taxes are recorded as deferred revenue in the general and fire special revenue funds.

***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.

The cost of prepaid items is recorded as expenditures/expense when consumed rather than when purchased.

***Bond Premiums and Discounts***

Premiums and discount are deferred and amortized over the lives of the bonds and loans on a straight-line basis, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Amortization costs for premiums, discounts, and amounts deferred for refunding (see Note 7) for the year 2014 was \$(143,570). None of these costs were capitalized in 2014.

***Restricted Assets***

Certain proceeds of the County's capital leases or debt issues 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 or debt agreements.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

***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.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the County chose to include all such items regardless of their acquisition date or amount. 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. 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 2014.

Property, plant, and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>	<u>Asset</u>	<u>Years</u>
Buildings	50	Vehicles	3-10
Nonstructural improvements	20	Water lines and system	50
Machinery and equipment	5-20	Infrastructure	19-70

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has only one type of item that qualifies for reporting in this category. It is the deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amortization is part of the interest expense for the year.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item that qualifies for reporting in this category. This item only arises under the modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments.

***Compensated Absences***

It is the County'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.

***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 position.

***Fund Equity/Net Position***

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

***Fund balance*** - Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- *Nonspendable* - Fund balances are reported as nonspendable when the amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash like inventories and prepaid items) or (b) legally or contractually required to be maintained intact.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

- *Restricted* - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Committed* - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution prior to the end of the fiscal year. In order to modify or rescind the commitment, the Board of Commissioners must adopt another resolution.
- *Assigned* - Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Commissioners has authorized the County's finance director to assign fund balances.
- *Unassigned* - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all other governmental funds.

*Net position* - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt used for the acquisition, construction, or improvement of those assets. In determining the outstanding balance of any borrowing, proceeds of that debt which has not been spent is deducted. Accounts payable for costs related to acquisition, construction, or improvement of those capital assets is considered debt for this calculation. Net position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then committed, assigned, and unassigned (or unrestricted) resources as they are needed.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

***Net Investment in Capital Assets***

The "net investment in capital assets" reported on the government-wide statement of net position as of June 30, 2014 are as follows:

	Governmental Activities	Business-type Activities
Net investment in capital assets		
Cost of capital assets	\$ 664,852,262	\$ 132,014,425
Less accumulated depreciation	<u>(284,129,165)</u>	<u>(18,540,200)</u>
Book value	380,723,097	113,474,225
Plus construction proceeds	4	1,250,007
Less capital related debt	<u>(6,074,500)</u>	<u>(49,719,981)</u>
Net investment in capital assets	<u>\$ 374,648,601</u>	<u>\$ 65,004,251</u>

***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 expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - FUND BALANCE/NET POSITION**

The government-wide statement of net position reports \$32,908,614 of restricted net position, of which \$5,704,340 is restricted by enabling legislation.

Additional details related to fund balances at the governmental fund level are presented below:

**Restricted:**

**Fire District Fund**

*Public Safety programs* - For funds restricted for fire services from a separate tax levy \$ 2,510,981

**SPLOST Fund**

*Capital outlay projects* - For funds received from the imposition of the Special Purpose Local Option Sales Tax (SPLOST) restricted by the voter approved referendum 17,671,449

**Capital Projects Fund**

*Capital outlay projects* - For funds received from issuance of bonds that has not been spent 501,644

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**Impact Fees Fund**

*Impact Fee projects* - For funds received from impact fees that has not been spent 2,734,225

**Nonmajor Special Revenue Funds**

*Special Assessments -*

Special Assessments Fund - To account for funds received from special assessments for street lighting 459,134

*Judicial Programs -*

Restricted Programs Fund - to account for funds collected from fines and forfeitures to be used for drug abuse, treatment and education programs, victims assistance programs 583,341

Law Library Fund - to account for funds collected from fines and forfeitures to be used for the operation of the Law Library 57,447

*Public Safety programs -*

Multiple Grant Fund - To account for funds received from grants restricted by grantors for various public safety purposes 1,000

Restricted Programs Fund - to account for funds collected from fines and forfeitures to be used for drug abuse, treatment and education programs, victims assistance programs 849,322

*Health and Welfare Programs -*

Restricted Programs Fund - to account for funds collected from fines and forfeitures to be used for drug abuse, treatment and education programs, victims assistance programs 74,019

*Parks and Recreation programs -*

Parks Fund - For proceeds from leases on Lake Lanier restricted by contract with the Army Corps of Engineers for recreation programs 366,134

Restricted Programs Fund - to account for funds donated for scholarships 500

*Housing and Developemnt programs -*

Restricted Programs Fund - to account for funds received from grants restricted by grantors for housing programs 101,387

**Total Restricted Fund Balance**

\$ 25,910,583

**Assigned:**

**General Fund**

For Encumbrances \$ 312,530

Appropriated as a resource in next year's budget 3,372,579

**Nonmajor Capital Projects Funds**

State Road Fund - For road infrastructure & maintenance 2,632,258

**Total Assigned Fund Balance**

\$ 6,317,367

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

**BUDGETARY INFORMATION**

Annual appropriated budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue funds. 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. Budgetary amounts are not formally integrated into proprietary fund general ledgers. All unencumbered appropriations lapse at fiscal year-end with all encumbered appropriations being carried into the following budget year.

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

On or before March 31 of each year, all agencies of the County submit requests for appropriation to the County's administrator so that a budget may be prepared. The budget is prepared by fund, function and activity and line item, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before May 15, the proposed budget is presented to the County's Board of Commissioners for review. The County's Board of Commissioners holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the County's administrator or the revenue estimates must be changed by an affirmative vote of a majority of the County's Board of Commissioners.

The County finance director may amend the line item budget within a department's appropriation. Expenditures may not legally exceed budgeted appropriations at the department level.

During the year, the Commissioners authorized amendments to include appropriations for some activities that were not originally budgeted and to reclassify certain character and functional expenditures.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g. purchase orders, contracts, and other commitments) outstanding at year-end do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

**DEFICIT NET POSITION**

There are no funds with deficits.

**HALL COUNTY, GEORGIA**  
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NOTE 4 - DEPOSITS AND INVESTMENTS

PRIMARY GOVERNMENT

***Custodial Credit Risk - Deposits***

In case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned. The County's policy permits the County to exceed the FDIC insured limit in making deposits in commercial banks and savings and loans institutions if the funds are otherwise adequately secured.

As of January 29, 2015, these deposits were fully insured and collateralized.

State statutes require collateral pledged in the amount of 110% of deposits. Depositories may secure deposits of public funds using the dedicated method or the pooled method as described below:

Under the *dedicated method*, a depository shall secure the deposits of each of its public depositors separately.

Under the *pooled method*, a depository shall secure deposits of public bodies which have deposits with it through a pool of collateral established by the depository with a custodian for the benefit of public bodies having deposits with such depository as set forth in code Section 45-8-13.1.

The County utilized the pooled method to secure deposits of public funds.

As of June 30, 2014, the County had the following investments:

Investment Type:	Fair Value	INVESTMENT MATURITIES (in Years)			Rating (1)
		Less Than 1	1-5		
Federated Treasury Obligations	\$ 11	\$ 11	\$ -		AAA
Certificate of Deposits	<u>8,750,000</u>	<u>8,750,000</u>	<u>-</u>		N/A
Total Debt Securities	<u>\$ 8,750,011</u>	<u>\$ 8,750,011</u>	<u>\$ -</u>		
Maximum Investment		100.00 %	- %		
<i>1. Standard &amp; Poors</i>					

**HALL COUNTY, GEORGIA**  
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Cash per financial statements (page 1)	
Cash	\$ 54,059,067
Restricted cash	1,250,011
less cash equivalents that are investments	(11)
Cash held by Fiduciary Funds (page 11)	5,856,473
Deposits	\$ 61,165,540
Investments per financial statements	
Investments	\$ 8,750,000
Investments included in cash equivalents	11
Investments as listed above	\$ 8,750,011

The goal of the County in investing is to obtain a reasonable return on investments with a minimum exposure to potential loss of capital due to market fluctuations.

***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of a bond held in a portfolio will decline if market interest rates rise. The County has no investment policy that would further limit its investment options.

***Credit Risk***

State statutes authorize the County 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; the State of Georgia Local Government Investment Pool; repurchase agreements; bonds, debentures, notes or other evidence of indebtedness of any solvent corporation subject to certain conditions. The County has no investment policy that would further limit its investment choices. At June 30, 2014, the ratings of its investments are shown above.

***Concentration of Credit Risk***

The County places no limit on the amount it may invest in any one issuer.

***Custodial Credit Risk - Investments***

For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has a policy of placing investments with qualified financial institutions. As of June 30, 2014, all investments are adequately secured with insurance.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**NOTE 5 - RECEIVABLES**

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

	General Fund	Fire District	SPLOST	Capital Projects	Impact Fees	Nonmajor Governmental Funds
Receivables:						
Property Taxes	\$ 2,546,552	\$ 303,033	\$ -	\$ -	\$ -	\$ 12,286
Accounts	4,412,164	36	40,000	120,000	-	704,931
Intergovernmental	<u>2,656,719</u>	<u>-</u>	<u>2,625,013</u>	<u>-</u>	<u>38,585</u>	<u>1,410,691</u>
Total Gross Receivables	9,615,435	303,069	2,665,013	120,000	38,585	2,127,908
Less: Allowance for Uncollectibles	<u>(2,882,150)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Receivables	<u>\$ 6,733,285</u>	<u>\$ 303,069</u>	<u>\$ 2,665,013</u>	<u>\$ 120,000</u>	<u>\$ 38,585</u>	<u>\$ 2,127,908</u>

Property taxes receivable at June 30, 2014, consist of the following:

<u>DIGEST YEAR</u>	<u>GENERAL FUND (2)</u>	<u>FIRE DISTRICT</u>
2014 (1)	\$ 52,872	\$ 12,818
2013	473,625	90,166
2012	240,546	32,854
2011	236,391	29,012
2010	268,564	31,582
2009	337,610	35,572
2008	342,401	28,804
2007	213,222	17,709
2006	164,790	10,994
2005	196,876	12,651
2004	2,582	173
2003 and prior	17,073	698
Total	<u>\$ 2,546,552</u>	<u>\$ 303,033</u>

(1) 2014 only consists of taxes due on mobile homes. Taxes on real and personal property are not levied until after fiscal year end. Therefore, they are not included.

(2) General fund amounts include interest, penalties, and other costs assessed up to June 30, 2014.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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Receivables as of year-end for the County's enterprise funds, including the applicable allowances for uncollectible accounts are as follows:

<b>Business-type Activities:</b>	Solid Waste Disposal Facility	Sewer/Waste Water Utility	Total
Receivables:			
Property Taxes	\$ 249,882	\$ -	\$ 249,882
Accounts	<u>259,289</u>	<u>200,340</u>	<u>459,629</u>
Total Gross Receivables	509,171	200,340	709,511
Less: Allowance for Uncollectibles	<u>-</u>	<u>(144,292)</u>	<u>(144,292)</u>
Total Net Receivables	<u>\$ 509,171</u>	<u>\$ 56,048</u>	<u>\$ 565,219</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 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:

	UNAVAILABLE	UNEARNED
Delinquent property taxes receivable (General Fund)	\$ 2,546,552	\$ -
Delinquent property taxes receivable (Fire District Fund)	303,033	-
Assessments (Special Assessment Fund)	12,286	-
Grant drawdowns prior to meeting all eligibility requirements (Grants Fund)	<u>-</u>	<u>1,170,845</u>
Total unavailable/unearned revenue for governmental funds	<u>\$ 2,861,871</u>	<u>\$ 1,170,845</u>

	Health Department	Library System
Receivables:		
Accounts	\$ 376,205	\$ 5,715
Intergovernmental	<u>964,650</u>	<u>-</u>
Total Gross Receivables	1,340,855	5,715
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Net Receivables	<u>\$ 1,340,855</u>	<u>\$ 5,715</u>

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**NOTE 6 - CAPITAL ASSETS**

**PRIMARY GOVERNMENT**

Capital asset activity for the year ended June 30, 2014, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>					
<b>Non-Depreciable Assets:</b>					
Land and improvements	\$ 22,483,371	\$ 520,300	\$ -	\$ -	\$ 23,003,671
Infrastructure land and improvements	34,229,686	15,318	-	-	34,245,004
Construction in progress	14,499,910	10,087,933	-	(8,843,369)	15,744,474
Total non-depreciable capital assets	<u>71,212,967</u>	<u>10,623,551</u>	<u>-</u>	<u>(8,843,369)</u>	<u>72,993,149</u>
<b>Depreciable Assets:</b>					
Buildings and improvements	177,463,185	1,007,700	(434,702)	3,305,765	181,341,948
Machinery and equipment	37,025,524	497,250	(922,065)	-	36,600,709
Vehicles	26,766,889	2,256,671	(1,311,710)	-	27,711,850
Infrastructure	339,914,012	769,845	(16,854)	5,537,604	346,204,606
Total depreciable capital assets	<u>581,169,610</u>	<u>4,531,466</u>	<u>(2,685,331)</u>	<u>8,843,369</u>	<u>591,859,113</u>
<b>Less Accumulated Depreciation for:</b>					
Buildings and improvements	(36,713,198)	(4,433,398)	278,995	-	(40,867,601)
Machinery and equipment	(26,771,229)	(2,450,964)	830,729	-	(28,391,464)
Vehicles	(21,501,742)	(1,234,046)	1,311,343	-	(21,424,445)
Infrastructure	(183,207,165)	(10,255,345)	16,853	-	(193,445,655)
Total accumulated depreciation	<u>(268,193,334)</u>	<u>(18,373,753)</u>	<u>2,437,920</u>	<u>-</u>	<u>(284,129,165)</u>
Total depreciable capital assets, net	<u>312,976,276</u>	<u>(13,842,287)</u>	<u>(247,411)</u>	<u>8,843,369</u>	<u>307,729,948</u>
<b>Governmental activities capital assets, net</b>	<u><b>\$ 384,189,243</b></u>	<u><b>\$ (3,218,736)</b></u>	<u><b>\$ (247,411)</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 380,723,097</b></u>

Additions to governmental activities capital assets for fiscal year ending June 30, 2014, consist of the following:

Capital Outlay	\$ 14,354,732
Donated roads	769,845
Donated vehicles	30,439
Rounding	<u>1</u>
Total	<u><b>\$ 15,155,017</b></u>
Non-depreciable capital assets additions	\$ 10,623,551
Depreciable capital assets additions	<u>4,531,466</u>
Total	<u><b>\$ 15,155,017</b></u>

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

<b>Business-type Activities:</b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Non-Depreciable Assets:					
Land and improvements	\$ 26,934,764	\$ -	\$ -	\$ -	\$ 26,934,764
Construction in progress	<u>7,698,553</u>	<u>6,825,762</u>	<u>-</u>	<u>(4,117,053)</u>	<u>10,407,262</u>
Total non-depreciable capital assets	<u>34,633,317</u>	<u>6,825,762</u>	<u>-</u>	<u>(4,117,053)</u>	<u>37,342,026</u>
Depreciable Assets:					
Land improvements	144,988	-	-	-	144,988
Buildings and improvements	10,448,282	-	-	-	10,448,282
Machinery and equipment	4,544,150	1,167,131	(347,167)	-	5,364,113
Vehicles	974,699	173,248	(82,658)	-	1,065,289
Water and sewer infrastructure	<u>73,532,674</u>	<u>-</u>	<u>-</u>	<u>4,117,053</u>	<u>77,649,727</u>
Total depreciable capital assets	<u>89,644,793</u>	<u>1,340,379</u>	<u>(429,825)</u>	<u>4,117,053</u>	<u>94,672,399</u>
Less Accumulated Depreciation for:					
Land improvements	(144,988)	-	-	-	(144,988)
Buildings	(3,038,762)	(288,008)	-	-	(3,326,770)
Machinery and equipment	(2,508,290)	(363,056)	202,543	-	(2,668,803)
Vehicles	(595,816)	(60,148)	82,659	-	(573,305)
Water and sewer lines and system	<u>(10,204,180)</u>	<u>(1,622,154)</u>	<u>-</u>	<u>-</u>	<u>(11,826,334)</u>
Total accumulated depreciation	<u>(16,492,036)</u>	<u>(2,333,366)</u>	<u>285,202</u>	<u>-</u>	<u>(18,540,200)</u>
Total depreciable capital assets, net	<u>73,152,757</u>	<u>(992,987)</u>	<u>(144,623)</u>	<u>4,117,053</u>	<u>76,132,199</u>
Business-type activities capital assets, net	<u>\$ 107,786,074</u>	<u>\$ 5,832,775</u>	<u>\$ (144,623)</u>	<u>\$ -</u>	<u>\$ 113,474,225</u>

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

Governmental Activities:	
General Government	\$ 614,381
Judicial	749,240
Public Safety	4,734,219
Public Works	10,567,188
Public Health and Welfare	345,442
Recreation and Culture	1,295,186
Housing and Development	<u>68,097</u>
Total depreciation expense-governmental activities	<u>\$ 18,373,753</u>
Business-type Activities:	
Sewer/Waste Water Utility	\$ 1,384,005
Solid Waste	<u>949,361</u>
Total depreciation expense-business-type activities	<u>\$ 2,333,366</u>

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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 June 30, 2014, 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:

	Project Authorization	Expended To Date	Contracts in Progress	Authorized Not Obligated	Source
<b>Governmental Activities:</b>					
Central Hall Multi Use Trail	\$ 2,319,652	\$ 272,329	\$ -	\$ 2,047,323	SPLOST
Cherokee Bluffs Park	2,800,000	70,342	2,729,658	-	SPLOST/Impace Fee Fund
Fire Station 16	2,335,670	1,651,211	-	684,459	SPLOST/Fire Fund
New Correctional Institute	2,836,196	253,759	64,213	2,518,224	SPLOST
Hall County Trail - Phase II	225,000	137,426	-	87,574	SPLOST/Grant Fund
Courthouse Annex Renovation	640,651	45,663	168,934	426,054	SPLOST
Sheriff Administration Building	5,001,325	98,220	183,000	4,720,105	SPLOST
Health Department Expansion	1,300,000	26,023	75,495	1,198,482	SPLOST
Various Road Projects	22,348,271	13,189,501	9,158,769	1	SPLOST
	<u>\$ 39,806,765</u>	<u>\$ 15,744,474</u>	<u>\$ 12,380,069</u>	<u>\$ 11,682,222</u>	
<b>Business-type Activities:</b>					
Candler Road	\$ 1,779,084	\$ 12,191	\$ -	\$ 1,766,893	SPLOST
Leachate Facility at Landfill	1,100,000	3,645	-	1,096,355	Landfill Fund
Glades Reservoir	10,479,682	5,475,571	1,280,189	3,723,922	SPLOST/Revenue Bonds
North Hall County Sewer System Master Plan	2,198,025	142,176	139,507	1,916,342	SPLOST/Sewer Fund
North Oconee Water Reclamation	750,000	414,028	8,893	327,079	SPLOST
Friendship Rd Sewer Pipe Installation	125,000	110,504	14,496	-	SPLOST/Sewer Fund
Gateway/Hwy 365 Sewer Lines	5,194,729	762,136	4,432,593	-	SPLOST
Gateway Sewer Lines	4,785,200	3,487,011	1,036,238	261,951	SPLOST
Water and Sewerage Projects	<u>\$ 26,411,720</u>	<u>\$ 10,407,262</u>	<u>\$ 6,911,916</u>	<u>\$ 9,092,542</u>	

**DISCRETELY PRESENTED COMPONENT UNITS**

Activity for the *Health Department* for the year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental Activities:</b>				
Depreciable Assets:				
Machinery and equipment	\$ 794,903	\$ -	\$ 122,245	\$ 917,148
Less Accumulated Depreciation	(511,105)	(46,702)	(26,543)	(584,350)
Capital Assets, net	<u>\$ 283,798</u>	<u>\$ (46,702)</u>	<u>\$ 95,702</u>	<u>\$ 332,798</u>

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

Activity for the *Library* for the year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental Activities:</b>				
Depreciable Assets:				
Machinery and equipment	\$ 588,807	\$ -	\$ (6,120)	\$ 582,687
Books and collections	3,904,939	136,879	(201,124)	3,840,695
Total depreciable capital assets	<u>4,493,746</u>	<u>136,879</u>	<u>(207,244)</u>	<u>4,423,382</u>
Less Accumulated Depreciation for:				
Machinery and equipment	(478,192)	(32,987)	6,120	(505,060)
Books and collections	(3,034,046)	(386,199)	201,124	(3,219,122)
Total accumulated depreciation	<u>(3,512,238)</u>	<u>(419,186)</u>	<u>207,244</u>	<u>(3,724,182)</u>
Total depreciable capital assets, net	<u>981,508</u>	<u>(282,307)</u>	<u>-</u>	<u>699,200</u>
Capital Assets, net	<u>\$ 981,508</u>	<u>\$ (282,307)</u>	<u>\$ -</u>	<u>\$ 699,200</u>

**NOTE 7 - LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
<b>Governmental Activities:</b>						
Contracts Payable	\$ 9,828,442	\$ -	\$ (3,812,140)	\$ 6,016,302	\$ 4,056,302	\$ 1,960,000
Less: original issue discount	(22,549)	-	1,425	(21,124)	(1,424)	(19,700)
Plus: original issue premium	433,175	-	(217,396)	215,779	215,779	-
Total contracts payable	<u>10,239,068</u>	<u>-</u>	<u>(4,028,111)</u>	<u>6,210,957</u>	<u>4,270,657</u>	<u>1,940,300</u>
Capital leases	141,786	-	(141,786)	-	-	-
Estimated claims payable	2,763,431	12,885,290	(13,132,631)	2,516,090	1,155,290	1,360,800
Net OPEB obligation	54,538,594	3,736,454	(1,543,530)	56,731,518	-	56,731,518
Net Pension obligation	182,290	3,491,237	(3,716,842)	(43,315)	-	-
Compensated absences	3,344,971	2,498,555	(2,205,625)	3,637,901	161,915	3,475,986
Governmental activities long-term liabilities	<u>\$ 71,210,140</u>	<u>\$ 22,611,536</u>	<u>\$ (24,768,525)</u>	<u>\$ 69,053,151</u>	<u>\$ 5,587,862</u>	<u>\$ 63,508,604</u>
<b>Business-type Activities:</b>						
Contracts payable	\$ 20,600,000	\$ 14,565,000	\$ (15,015,000)	\$ 20,150,000	\$ 530,000	\$ 19,620,000
Plus: original issue premium	268,548	-	(39,785)	228,763	39,785	188,978
Total contracts payable	<u>20,868,548</u>	<u>14,565,000</u>	<u>(15,054,785)</u>	<u>20,378,763</u>	<u>569,785</u>	<u>19,808,978</u>
Capital leases	499,746	-	(499,746)	-	-	-
Notes payable	32,613,505	549,537	(1,478,550)	31,684,492	1,596,040	30,088,452
Compensated absences	67,440	70,540	(70,764)	67,216	63,125	4,091
Landfill closure/postclosure	7,360,821	372,234	(115,725)	7,617,330	154,888	7,462,442
Business-type activities long-term liabilities	<u>\$ 61,410,060</u>	<u>\$ 15,557,311</u>	<u>\$ (17,219,570)</u>	<u>\$ 59,747,801</u>	<u>\$ 2,383,838</u>	<u>\$ 57,363,963</u>
Total primary government long-term liabilities	<u>\$ 132,620,200</u>	<u>\$ 38,168,847</u>	<u>\$ (41,988,095)</u>	<u>\$ 128,800,952</u>	<u>\$ 7,971,700</u>	<u>\$ 120,872,567</u>

Compensated absences, net pension obligation, and net other postemployment benefit obligation are generally liquidated by the general fund.

**HALL COUNTY, GEORGIA**  
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**June 30, 2014**

GOVERNMENTAL ACTIVITIES

***Contracts Payable***

On January 1, 2009, the County and City of Gainesville entered into a contract with Gainesville-Hall County Development Authority to issue \$2,000,000 in taxable Revenue Bonds, Series 2009. The bonds shall bear interest on the unpaid principal at a rate per annum equal to the LIBOR Market Index Rate plus 2.50% annum. The bond matured February 1, 2014, but was extended until February 1, 2015. The bonds were issued to construct a business park. Pursuant to the intergovernmental agreement, Hall County is responsible for 15.16% of the debt. City of Gainesville is responsible for 84.84%. At June 30, 2014, the County was responsible for \$116,302.

On May 5, 2009, the County entered into a contract with Gainesville-Hall County Development Authority to issue of \$2,545,000 of Series 2009A Revenue Bonds. The bonds carry a rate of interest ranging from 2.25% to 4.5% per annum and mature May 1, 2029. The bonds were issued to fund construction of a state patrol office.

On May 5, 2009, the County entered into a contract with Gainesville-Hall County Development Authority to issue \$2,450,000 of Series 2009B Revenue Bonds. The bonds carry a rate of interest ranging from 2.5% to 5.0% per annum and mature May 1, 2015. The bonds were issued to construct an animal control facility.

On September 9, 2010, the County entered into a contract with GHEDA Economic Development Corporation to fund repayment of \$15,390,000 of Series 2010 Certificates of Participation (COPS). The COPS carry a rate of interest ranging from 2% to 5.0% per annum and mature May 1, 2015. The COPS were issued to construct a park facility on Nopone Road in North Hall as well as acquire and renovate an administration building (Liberty Mutual Building).

The annual requirements to amortize contract payables outstanding as of June 30, 2014, are as follows:

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 4,056,302	\$ 272,752	\$ 4,329,054
2016	105,000	82,359	187,359
2017	110,000	78,684	188,684
2018	115,000	74,834	189,834
2019	120,000	70,521	190,521
2020-2024	675,000	274,536	949,536
2025-2029	835,000	114,680	949,680
	<u>\$ 6,016,302</u>	<u>\$ 968,366</u>	<u>\$ 6,984,668</u>

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**BUSINESS-TYPE ACTIVITIES**

***Contracts Payable***

In August 2013, the County entered into a contract with Gainesville-Hall County Development Authority to fund repayment of \$14,565,000 of Series 2013 Variable Rate Refunding Revenue Bonds for the current refunding of \$14,500,000 in Series 2008 Variable Rate Demand Revenue bonds. The bonds were initially issued to purchase the Spout Springs Sewer Project. In the event the County is unable to make purchase payments from revenues, the County is obligated to levy a tax in order to make purchase payments which are assigned to pay and pledge to secure the bonds.

The refunding was undertaken to reduce risk associated with the variable interest rate. The reacquisition price did not exceed the net carrying amount of the old debt. The bonds' interest rate at June 30, 2014 was 0.66%. Interest payments are paid monthly, and the bonds mature in full on April 1, 2027.

On November 11, 2010, the County entered into a contract with Gainesville-Hall County Development Authority to fund repayment of \$7,600,000 of Series 2010 Revenue Bonds. The bonds carry a rate of interest ranging from 3% to 4.5% per annum and mature May 1, 2020. The bonds were issued to provide funds for the development of the Glades reservoir.

The annual requirements to amortize the contracts payable for business-type activities are estimated as follows:

<u>June 30</u>	<u>Principal</u>	<u>Interest<sup>1</sup></u>	<u>Total</u>
2015	\$ 530,000	\$ 317,853	\$ 847,853
2016	1,185,000	301,953	1,486,953
2017	1,795,000	260,740	2,055,740
2018	1,725,000	215,527	1,940,527
2019-2023	7,955,000	481,278	8,436,278
2024-2027	6,960,000	119,337	7,079,337
Total	<u>\$ 20,150,000</u>	<u>\$ 1,696,688</u>	<u>\$ 21,846,688</u>

<sup>1</sup>Based on the variable rate at June 30, 2014. Includes letter of credit, remarketing, & trustees fees.

***Notes Payable***

On June 30, 2007, the Enterprise Funds entered into a loan agreement with the Georgia Environmental Facilities Authority (GEFA) for the construction of infrastructure and equipment. The original amount of the note was \$2,143,577 with an interest rate of 4.92%. At June 30, 2014, the loan had an outstanding balance of \$947,872.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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On July 1, 2007, the County entered into a contract with the Georgia Environmental Facilities Authority to borrow from the Clean Water State Revolving Fund for the construction of the Calvary Church Road Sewer Facility. The facility is the property of the City of Gainesville, and will include a wastewater pump station, regulated gravity sewers, and a force main necessary for the County's new 1,026-bed Jail. The original amount of the note was \$2,054,079 with an interest rate of 3% and matures on July 1, 2028. At June 30, 2014, the outstanding balance was \$2,343,416.

On November 5, 2007, the County entered into a contract with the Georgia Environmental Facilities Authority to borrow from the Clean Water State Revolving Fund for the construction of the Mulberry Creek Regional Sewer Facilities Phase I. The facility will include a gravity sewer main, two pump stations, force mains, and other appurtenances. The original amount of the note was \$10,147,211 with an interest rate of 3%. At June 30, 2014, the outstanding balance was \$7,931,869. The loan will mature on July 1, 2030.

On August 1, 2008, the County entered into a contract with the Georgia Environmental Facilities Authority to borrow from the Clean Water State Revolving Fund for the construction of the Mulberry Creek Regional Sewer Facilities Phase II. The facility will include a gravity sewer main, two pump stations, force mains, and other appurtenances. The original amount of the note was \$21,200,000 with an interest rate of 3%. At June 30, 2014, the outstanding balance was \$19,911,798. The loan will mature on November 1, 2032.

On August 1, 2013, the County entered into a \$1,200,000 loan agreement with the Georgia Environmental Facilities Authority (GEFA). These funds were to be drawn down as needed to finance the construction of a new leachate treatment facility at the County's Landfill. As of June 30, 2014, \$549,537 was drawn on the loan before completion of the project. Repayment of the proceeds will begin after the project is complete. This loan bears interest at 1.2% and matures on February 1, 2025.

The annual requirements to amortize notes payable outstanding as of June 30, 2014, are as follows:

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,596,041	\$ 943,066	\$ 2,539,107
2016	1,764,491	894,122	2,658,613
2017	1,782,616	830,145	2,612,761
2018	1,837,383	775,379	2,612,762
2019-2023	8,971,011	3,040,678	12,011,689
2024-2028	9,883,194	1,649,682	11,532,876
2029-2032	5,849,756	352,499	6,202,255
Total	<u>\$ 31,684,492</u>	<u>\$ 8,485,571</u>	<u>\$ 40,170,063</u>

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

COMPONENT UNITS

Activity for the *Health Department* for the year ended June 30, 2014, was as follows:

<b>Governmental activities</b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
Compensated absences	\$ 836,019	\$ 596,656	\$ (635,189)	\$ 797,486	\$ 635,000	\$ 162,486

Activity for the *Library* for the year ended June 30, 2014, was as follows:

<b>Governmental activities</b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
Compensated absences	\$ 90,840	\$ 83,786	\$ (90,840)	\$ 83,786	\$ 33,514	\$ 50,272

NOTE 8 - INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of June 30, 2014, is as follows:

	<u>Due From</u>		
<u>Due To</u>	<u>Other nonmajor governmental funds</u>	<u>Water Utility Fund</u>	<u>Total</u>
General Fund	\$ 352,714	\$ 1,090,736	\$ 1,443,450
Total	<u>\$ 352,714</u>	<u>\$ 1,090,736</u>	<u>\$ 1,443,450</u>

These balances resulted from 1) the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, 2) the time lag between the dates that transactions are recorded in the accounting system, 3) the time lag between the dates that payments between funds are made, 4) short-term loans, and 5) to fund capital projects.

**HALL COUNTY, GEORGIA**  
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Interfund transfers as of the year ended June 30, 2014 are as follows:

	Transfers In						Total Transfers Out
	General Fund	Capital Projects Fund	Other Nonmajor Governmental Funds	Solid Waste Fund	Sewer/ Wastewater Utility Fund	Water Utility Fund	
<b>Transfers Out</b>							
General Fund	\$ -	\$ -	\$ 1,297,494	\$ -	\$ -	\$ -	\$ 1,297,494
Fire District	-	528,493	-	-	-	-	528,493
SPLOST	-	3,559,884	(291)	10,515	6,898,888	1,608,941	12,077,937
Other nonmajor governmental funds	<u>196,824</u>	<u>-</u>	<u>9,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>206,795</u>
Total - Transfers in	<u>\$196,824</u>	<u>\$4,088,377</u>	<u>\$ 1,307,174</u>	<u>\$ 10,515</u>	<u>\$6,898,888</u>	<u>\$ 1,608,941</u>	<u>\$ 14,110,719</u>

Transfers are used to 1) supplement operating budgets, 2) pay for the Soccer Complex, 3) help fund construction projects and debt service, 4) reimburse unrestricted revenue, 5) reimburse pension costs, and 6) move the County's matching portion on federal and state grants.

**NOTE 9 - SEWER TREATMENT CONTRACTS**

In June 2004, the County purchased 1,000,000 gallons per day of waste water treatment capacity from the City of Gainesville for \$14,701,513, which has been recorded as capacity held for resale. This asset will be expensed as it is sold to developers and other users. At June 30, 2014, the County has not sold any of the capacity.

In June 2004, the County purchased 400,000 gallons per day of waste water treatment capacity from the City of Flowery Branch for \$4,000,000, which has been recorded as capacity held for resale. During 2006, the County transferred 200,000 gallons of this capacity to the City of Oakwood. This asset will be expensed as it is sold to developers and other users. As of June 30, 2014, 46,270 gallons had been sold to developers, and the remaining capacity is valued at \$1,537,300.

In June 2006, the County entered into an agreement to purchase 100,000 gallons per day of waste water treatment capacity from the City of Lula for \$1,450,000 which has been recorded as capacity held for resale. This asset will be expensed as it is sold to developers and other users. At June 30, 2014, the County has not sold any of the capacity.

**HALL COUNTY, GEORGIA**  
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NOTE 10 - RETIREMENT PLANS

DEFINED BENEFIT PENSION PLAN

*Plan Description*

The County contributes to the Association of County Commissioners of Georgia (ACCG) Restated Pension Plan for Hall County Employees (Plan), which is a defined benefit pension plan.

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 Third Restated Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the 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 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 Hall County Board of Commissioners, P.O. Box 1435, Gainesville, Georgia 30503.

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire at the earlier of: a) age 65 with 3 years of participation in the Plan or b) when age and years of service total 75. The County's payroll for employees participating in the Plan as of January 1, 2013, (the most recent actuarial valuation date) was \$9,918,902 (based on covered earnings of preceding year).

Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.5% of average annual compensation up to \$20,000 plus 2.0% of average compensation in excess of \$20,000 for each year of service payable as a life annuity. 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. Effective July 1, 1998, the Plan is frozen to new participation.

*Funding Policy*

The County is required to contribute at an actuarially determined rate. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia Statutes. Section 47-20 of the Georgia Code sets forth the funding standards for state and local governmental pension plans.

**HALL COUNTY, GEORGIA**  
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County employees are not required to contribute to the Plan. Contributions totaling \$3,716,842 (\$3,716,842 employer and \$0 employee) were made in accordance with actuarially determined annual pension cost determined by an actuarial valuation performed as of January 1, 2013.

***Annual Pension Cost***

The cost of administering the plan is funded with earnings from investments.

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 June 30, 2014, 2013, and 2012 were \$3,716,842, \$3,412,489, and \$2,246,258 respectively.

Schedule I included in the required supplementary information presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. The data for the most current year are as follows:

(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Annual Covered Payroll (prior year)	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
\$ 16,059,979	\$ 48,076,577	33.40 %	\$ 32,016,598	\$ 9,918,902	322.78 %

The annual required contribution and percentage contributed for the current year and prior years are as follows:

Fiscal Year June 30	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
2014	\$ 3,491,237	\$ 3,716,842	106.5 %	\$ (43,315)
2013	\$ 3,041,158	\$ 3,412,489	112.2 %	\$ 182,290
2012	\$ 3,115,747	\$ 2,246,258	72.1 %	\$ 553,621

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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The information was determined as part of the actuarial valuation as of January 1, 2013. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2013
Actuarial Cost method	Projected Unit Credit
Amortization method	Level Percent of Pay (Closed)
Remaining amortization period	10 years
(The estimated amortization period for all unfunded liabilities combined into one amount)	
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate return*	7.75% per annum
Projected salary increases*	4.0%-6.5% per annum based on age
*Includes inflation at	3.0% per annum
Cost-of-living adjustments	N/A
Post-retirement benefit increases	N/A

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:	2014
Annual required contribution	\$ 3,492,226
Interest on net pension obligation	14,127
Amortization of net pension obligation	<u>(15,116)</u>
Annual pension cost	3,491,237
Contributions made with interest	<u>(3,716,842)</u>
Increase (decrease) in net pension obligation	(225,605)
Net pension obligation, beginning of year	<u>182,290</u>
Net pension obligation, end of year	<u>\$ (43,315)</u>

**DEFINED CONTRIBUTION PLAN**

***Plan Description***

The County contributes to the Association of County Commissioners of Georgia (ACCG) Defined Contribution Plan (Plan A), a public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. Established by the County in July 1998 pursuant to Section 401(a) of the Internal Revenue Code of 1986 as a Money-Purchase Plan and Trust. At the inception of Plan A, the Defined Benefit Plan (Plan) was frozen to new participants. Article XIV allows the county to amend the adoption agreement or basic plan document. Plan A issues a stand alone report. It may be obtained from: Pension Services Company, 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia 30339.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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All full-time County employees are eligible to participate in the Plan A after completing one year of service. All active employees that are/were participants in the Plan became participants in Plan A upon its establishment in 1998. Benefits vest after four years of service. The County contributes 4% of an eligible employee's salary as a "base" contribution, agreeing to match 50% of an eligible employee's contributions to Plan A. The match is limited to an additional 4%. Employees that were/are participants in the Plan and retire within ten years of the establishment of Plan A, have an option to retire under either plan. A participant becomes eligible to retire at the earlier of: a) age 65 or b) when age and years of service total 75 with a minimum age of 55. The participant then may receive a lump sum payment or an annuity. Any participant leaving the plan before vesting "forfeits" the County's matching contribution to Plan A. The County reduces its contributions to the Plan with these forfeited funds. These withdrawals are subject to a 10% penalty for withdrawal prior to age 59½.

***Funding Policy***

Contributions totaling \$2,062,165 (\$2,062,165 employer and \$0 employee) were made in accordance with the Plan A guidelines and the designations by County Employees.

**OTHER POST-RETIREMENT BENEFITS**

***Plan Description***

The Hall County, Georgia Post-Retirement Medical and Dental Benefits Plan is a single-employer defined benefit healthcare plan. The plan does not issue a stand-alone report. The plan provides healthcare coverage including medical, dental, vision, and prescription drug benefits for eligible retirees and their spouses through the County's self-funded health insurance plan, which covers both active and retired members.

Eligible individuals include terminated employees who have attained the age of 55 and have credited service of at least 10 full years at the date of his or her termination who is entitled to receive distribution of benefits under the terms of either of the County's qualified retirement plans. The election to receive this health coverage must be made within 30 days after termination of employment. Post-65 retirees are covered under a Medicare Advantage plan.

The plan was established by resolution of the Board of Commissioners. It may also be amended by resolution of same.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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The percentage of the terminated employee's premium which will be contributed by the County is based on the number of full years of service with the County, as follows:

<u>Years of Service</u>	<u>Percentage Paid by County</u>
10-14	20%
15-19	30%
20-24	40%
25-29	50%
30 or more	60%

***Funding Policy***

The post-retirement medical insurance benefits are currently funded on a pay-as-you-go basis. The County currently funds on a cash basis as benefits are paid. No assets have been segregated and restricted to provide post-retirement benefits. For fiscal year 2014, the County contributed \$1,279,728 to the plan. In fiscal year 2014, total member contributions were \$787,515.

***Annual OPEB Cost and Net OPEB Obligation***

The County's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution by the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

	<u>2014</u>	<u>2013</u>
Annual required contribution	\$ 3,415,652	\$ 3,977,278
Interest on note OPEB obligation	2,182,000	2,099,491
Adjustment to annual required contribution	<u>(2,125,000)</u>	<u>(2,085,894)</u>
Annual OPEB cost	3,472,652	3,990,875
Employer contributions made with interest	<u>(1,279,728)</u>	<u>(1,939,568)</u>
Increase (decrease) in net OPEB obligation	2,192,924	2,051,307
Net OPEB obligation, Beginning of year	<u>54,538,594</u>	<u>52,487,287</u>
Net OPEB obligation, End of year	<u><u>\$ 56,731,518</u></u>	<u><u>\$ 54,538,594</u></u>

The County performs actuarial valuations every two years. The data for 2014 is projected based on rates from 2013 applied to 2014 salaries.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the preceding two years are as follows:

Fiscal Year Ending June 30,	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 3,472,652	\$ 1,279,728	36.9%	\$ (56,731,518)
2013	\$ 3,990,875	\$ 1,939,568	48.6%	\$ (54,538,594)
2012	\$ 5,749,995	\$ 1,432,670	24.9%	\$ (52,487,287)

***Funded Status and Funding Progress***

As of July 1, 2013, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$35,305,071, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$35,305,071. The covered payroll (annual payroll of active employees covered by the benefits) was \$60,581,417, and the ratio of the UAAL to the covered payroll was 58 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information, following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Actuarial valuations are done biennially with the next valuation scheduled for July 1, 2014 for fiscal year ending June 30, 2015.

***Actuarial Methods and Assumptions***

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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The information was determined as part of the actuarial valuation as of July 1, 2013. Additional information as of the latest actuarial valuation follows:

Valuation date	July 1, 2013
Actuarial cost method	Projected Unit Credit
Amortization method	30-year open period; percent of pay payment
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate return	4.00%
Healthcare cost trend rate(s):	
Select rates	9.88% to 4.50% for medical
Ultimate rate	4.50%
Post retirement benefit increase	N/A
Projected salary increases	3.00% per year
Inflation rate	3.00% per year

**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.

***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.

***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.

***Sheriff's Retirement Fund/Peace Officers' Annuity and Benefit Fund***

The Sheriff and Sheriff's 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.

**HALL COUNTY, GEORGIA**  
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***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.

***Teacher Retirement System of Georgia (TRS)***

All full-time librarians and clerical personnel employed by the Hall County Library System are covered by the Teachers Retirement System of Georgia (TRS), which is a cost-sharing multiple employer public employee retirement system (PERS).

**NOTE 11 - RISK MANAGEMENT**

**GROUP HEALTH INSURANCE**

The County accounts for the risks associated with the employee's health insurance plan in the Group Insurance Fund, an internal service fund where assets are set aside for claim settlements. In 2004, the County changed from purchasing commercial insurance to a partially self-insured plan where commercial insurance is purchased for claims in excess of coverage provided by the County. The specific stop loss limit per person was \$200,000.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. At June 30, 2014, the County included in accrued expenses \$626,090 for unpaid claims. This liability was determined based on actual claims received for the first two months after year-end plus projected claims based on prior years activity. These claims are expected to be paid within 12 months of the year-end.

The County pays most of the coverage for eligible employees and their dependents. Employee contributions are used to pay claims and expense of the plan incurred during the year.

	<u>Beginning of Year</u>	<u>Incurred Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year</u>
Year ended June 30, 2013	\$ 983,538	\$ 11,811,140	\$ (12,191,247)	\$ 603,431
Year ended June 30, 2014	\$ 603,431	\$ 12,240,128	\$ (12,217,469)	\$ 626,090

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**WORKERS' COMPENSATION**

The County participates in the Association of County Commissioners of Georgia (ACCG) Group Self Insurance Workers' Compensation Fund (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 who are representatives from participating counties. The ACCG-GSIWCF operates under the authority of O.C.G.A. 34-9-150 et Seq. and the Georgia Insurance Commissioner's Office.

The members of the Fund are assessable if the losses that the Fund must pay exceed the assets of the pool. At June 30, 2014, there was no need for such an assessment. Therefore, no liability for this has been included in the amounts below.

As part of this risk pool, the County is obligated to pay all contributions and assessments to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents that could require the fund to pay any type of loss. The County is also to allow all the pool's agents and attorneys to represent the County in investigations, settlement discussions, and all levels of litigations arising out of any claim made against the County.

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The fund is to pay all costs taxed 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.

HALL COUNTY, GEORGIA participates in the large deductible option with a \$250,000 deductible. Under this plan, Hall County is responsible for all payments up to \$250,000, per occurrence, on workers compensation claims. Once an individual claim exceeds the deductible, the plan will pay all costs in excess of the deductible. As of June 30, 2014, an actuary determined that approximately \$1,890,000 is reported but unpaid and incurred but not reported claims were outstanding relating to fiscal year 2014 for which Hall County will be liable. This liability represents Hall County's portion of the liability and not the total liability including the insurer's portion.

The County accounts for the risk associated with the workers' compensation plan in the Risk Management Fund, an internal service fund where assets are set aside for claim settlements.

	Beginning of Year	Incurred Claims and Changes in Estimates	Claims Payments	End of Year
Year ended June 30, 2013	\$ 2,460,000	\$ 1,104,960	\$ (1,404,960)	\$ 2,160,000
Year ended June 30, 2014	\$ 2,160,000	\$ 645,162	\$ (915,162)	\$ 1,890,000

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

OTHER

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During 2014, the County contracted with several different insurance providers for various insurance coverages.

<u>Type</u>	<u>Amount in Force</u>	
Property	\$ 271,002,435	
<u>Limits of Liability</u>		
<u>Type</u>	<u>Each Occurrence</u>	<u>Aggregate</u>
General Liability	\$ 1,000,000	\$ 3,000,000
Law Enforcement Liability	\$ 1,000,000	\$ 3,000,000
Public Officials Liability	\$ 1,000,000	\$ 2,000,000
Automobile Liability	\$ 1,000,000	\$ 1,000,000
Employee Benefits Liability	\$ 1,000,000	\$ 3,000,000
Employment Practices Liability	\$ 1,000,000	\$ 1,000,000
Blanket Crime Bond	\$ 500,000	None
Worker's Compensation	Statutory	Statutory

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

NOTE 12 - RELATED PARTY TRANSACTIONS

DEVELOPMENT AUTHORITY

The capital lease obligation for the district health building referred to in NOTE 7 is with the Gainesville and Hall County Development Authority (the Authority). The Authority is a jointly governed organization consisting of nine members, four appointed by the Commissioners of Hall County, four appointed by the Commissioners of the City of Gainesville, and one elected by the members of the Authority for a full four-year term. The Authority issued bonds to finance the related projects and the County is making the related debt payments to banks to fund the repayment of this debt. In April 2008, the Authority issued Variable Rate Demand Revenue Bonds to fund the development of sewer projects, and the County entered into an intergovernmental agreement to help fund the repayment of these bonds. Refer to Note 7 for the amounts involved in these transactions. In 2009, the Authority issued various bonds referred to in Note 7 and the County entered into intergovernmental agreements to help fund the repayment of these bonds.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**MENTAL HEALTH/MENTAL RETARDATION**

The Regional Board for Mental Health, Mental Retardation and Substance Abuse is a jointly governed organization with several northeast Georgia counties. No one county appoints a majority of the Board.

**OTHER**

The Board of Commissioners appoints the majority of the governing board of the Chicopee Woods Area Parks Commission and the Hospital Authority of Hall County but is not able to impose its will on these bodies, nor does the county provide operating subsidies, guarantee debt, or exhibit any other indications of financial accountability with regard to these authorities.

**NOTE 13 - CONTINGENT LIABILITIES AND COMMITMENTS**

Amounts received or receivable for grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's management that resolution of these matters will not have a material adverse effect on the financial condition of the government.

In 2000, 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 Adult Literacy Center. As a condition of the grant, the County agreed 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 repayment will be based on a 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 will begin upon closeout of the grant and continue twenty years from that date, expected to be sometime in 2020.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

The Greenspace grant agreement requires that the original award and the interest earned thereon be used to acquire interest in real property located within Hall County. The property is to be used for Greenspace as defined in O.C.G.A. 36-22-2(3) and to operate and maintain the lands designated as Greenspace property in such a manner as to achieve one or more of the nine statutory goals of the Act including, protecting or enhancing water quality, providing flood protection, providing natural habitat and corridors for native plant and animal species, protecting archaeological and historic resources, providing passive recreation, or providing connective links between lands contributing to the goals of the Greenspace Act. If property acquired with this grant money is converted to a use inconsistent with the Act, the County may be required to reimburse the Georgia Greenspace Trust Fund for any principal and interest amount of the grant funds.

During 2010, the County entered into an agreement with the Hospital Authority of Hall County to guarantee payment of the bonds in the amount of \$250,000,000 for the construction of the main campus for the Northeast Georgia Medical Center, Inc. in the event that the Hospital Authority of Hall County is unable to meet debt service requirements. At June 30, 2014, the outstanding balance of this debt was \$250 million.

In October 2012, the County entered into an additional agreement with the Hospital Authority to guarantee payment of bonds in the amount of \$200,000,000 to be issued for the construction of the South Hall campus for the Northeast Georgia Medical Center, Inc. in the event that the Hospital Authority of Hall County is unable to meet debt service requirements. At June 30, 2014, the outstanding balance of this debt was \$200 million.

The maximum aggregate principal under the two agreements is limited to \$450,000,000 or the amount that would be provided by a levy of an annual tax on all taxable property at or within the seven mill limit allowed by State law.

During 2008, the County entered into an intergovernmental agreement with the Gainesville and Hall County Developmental Authority ("Authority") to develop an industrial park. The County conveyed 26 acres to the Authority to be developed and sold. The Authority entered into a 20 year option and purchase and sale agreement with a builder to sell the lots in the industrial park. The County reports the land in governmental activity at cost as land held for resale. The County agrees to pay to the Authority the funds necessary for the development of the industrial park. Those funds are to be repaid to the County from proceeds of sales of lots in the industrial park.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

During fiscal year 2013, the County entered into an agreement with the Gainesville-Hall County Development Authority, WW 365, LLC, Wilheit Family Properties, LP, Philip A. Wilheit, JR., Hart Wilheit Payne, LJM Associates, LP, Hillside Management, LLC, Emilico Investors, LLC and James H. Moore (collectively "Owner"). The Owner agreed to transfer 496.67 acres of property to the Gainesville-Hall County Development Authority to be called the Gateway Industrial Centre. The parties agreed that the cost paid by the Owner was \$11,145,212. The County will design, construct and install all necessary infrastructure for the project. The County estimates cost for the infrastructure to be approximately, \$10,000,000. The Owner conveyed the property to the Gainesville-Hall County Development Authority on August 23, 2012.

The Gainesville-Hall County Development Authority agreed to disburse the net proceeds from sale of lots in the Industrial Park in accordance with the following procedure: (i) Initially, all proceeds from lots sales shall be disbursed to Owner and County on a "Prorata Basis", based upon the County's infrastructure costs versus the Owner's land cost, until such time as the County has received payment for all funds it advanced; (ii) At such time as the County has received reimbursement for its said cost, then and thereafter, all funds realized from the sale of such lots shall be paid solely to the Owner until such time as the Owner has recovered a sum equal to all additional costs incurred by Owner; (iii) After the Owner has recouped all its additional costs, all proceeds of lot sales shall be disbursed equally (50/50) to Owner and the County.

**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 thirty years after closure. The County recognizes a portion of the closure and postclosure care costs in each operating period even though actual payouts will not occur until the landfill is closed. The amount recognized each year is based on the landfill capacity used as of the balance sheet date.

As of June 30, 2014, the County has recorded a liability for the Allen Creek Landfill of \$5,095,346, which represents the estimated closure and postclosure costs based on 100% of landfill capacity used to date. All estimated liability for these costs has been recognized since the landfill is no longer used. As of June 30, 2014, the County has recorded liability for the Candler Road landfill of \$2,521,984, which represents the estimated closure and postclosure costs based on 33% of landfill capacity used to date. The County will recognize the remaining estimated cost of closure and postclosure care of \$5,120,392 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2014. The County expects to close the landfill in the year 2033. The estimated costs are subject to changes such as the effects of inflation, revision of laws and other variables. The revised liability for the closure, postclosure and remediation costs has been estimated by the Hall County Engineering Department.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

The County is also required to demonstrate financial assurance that the closure and postclosure care cost can be paid in the future. The County has fulfilled this requirement for the period ended June 30, 2014 using the applicable financial ratio tests.

NOTE 15 - CERTAIN SIGNIFICANT ESTIMATES

As discussed in NOTE 1, estimates are used in the preparation of these financial statements. Six 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 for the closure/postclosure costs of the County's Allen Creek Landfill qualifies as a significant estimate. Hall County's Engineering Department has estimated the remaining closure, remediation, and the thirty year post closure monitoring cost to be \$5,095,346. The County has accrued the difference between the estimated liability this year and the amount accrued as of June 30, 2013, as an operating expense in the current year. The ultimate cost, however, will depend on the extent of contamination found as the project progresses and may be as much as \$10,705,346.

The estimate for the closure/postclosure cost of the County's Candler Road Landfill qualifies as a significant estimate. Hall County's Engineering Department has estimated closure and the thirty year post closure monitoring to be \$2,521,984, which represents the estimated closure and postclosure costs based on 33% of landfill capacity used to date. The County will recognize the remaining estimated cost of closure and postclosure care of \$5,120,392 as the remaining estimated capacity is filled.

The estimate for allowance for doubtful accounts relating to Hall County EMS accounts receivable qualifies as a significant estimate. The estimate is calculated based on the previous year's collection percentage of accounts greater than one year old.

The estimates for claims payable for workers compensation and health insurance as discussed in Note 11, qualify as significant estimates.

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.

NOTE 16 - GEORGIA MOUNTAINS REGIONAL COMMISSION

Under Georgia law, the County, in conjunction with other cities and counties in the area are members of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues there to. During its year ended June 30, 2014, the County paid \$148,545 in such dues. Membership in GMRC is required by the official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the GMRC in Georgia.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

The GMRC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of GMRC. Separate financial statements may be obtained from:

Georgia Mountains Regional Commission  
P. O. Box 1720  
Gainesville, Georgia 30503-1720

NOTE 17 - HOTEL/MOTEL TAX

During the year ended June 30, 2014, the County collected \$18,067 of which \$7,227 was required to be spent to promote tourism, conventions, and trade shows. The County actually spent \$80,777. This was 1,118% of the tax receipts to be expended for these purposes under OCGA 48-13-51. The County complied with the requirements of this law.

**HALL COUNTY, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**For the Year Ended June 30, 2014**  
**"Unaudited"**

**DEFINED BENEFIT PENSION PLAN**

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Annual Covered Payroll (prior year)	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
January 1 2007	\$ 25,580,570	\$ 43,260,257	59.13 %	\$ 17,679,687	\$ 14,111,019	125.29 %
2008	\$ 26,206,529	\$ 44,201,287	59.29 %	\$ 17,994,758	\$ 14,188,604	126.83 %
2009	\$ 23,783,304	\$ 46,839,428	50.78 %	\$ 23,056,124	\$ 12,324,648	187.07 %
2010	\$ 21,954,426	\$ 49,021,575	44.79 %	\$ 27,067,149	\$ 11,859,831	228.23 %
2011	\$ 19,842,420	\$ 49,097,082	40.41 %	\$ 29,254,662	\$ 10,929,736	267.66 %
2012	\$ 17,420,306	\$ 48,516,956	35.91 %	\$ 31,096,650	\$ 10,707,690	290.41 %
2013	\$ 16,059,979	\$ 48,076,577	33.40 %	\$ 32,016,598	\$ 9,918,902	322.78 %

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

**OTHER POST-EMPLOYMENT BENEFITS**

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Annual Covered Payroll (prior year)	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
July 1 2008	\$ -	\$ 79,771,369	0.00 %	\$ 79,771,369	\$ 62,037,301	128.59 %
2009	\$ -	\$ 116,673,382	0.00 %	\$ 116,673,382	\$ 61,089,487	190.99 %
2010	\$ -	\$ 145,475,289	0.00 %	\$ 145,475,289	\$ 61,292,853	237.34 %
2011	\$ -	\$ 50,439,165	0.00 %	\$ 50,439,165	\$ 56,292,152	89.60 %
2012	\$ -	\$ 41,810,093	0.00 %	\$ 41,810,093	\$ 57,940,095	72.16 %
2013	\$ -	\$ 35,305,071	0.00 %	\$ 35,305,071	\$ 60,581,417	58.28 %

2008 was the first year that this plan was effective. Effective July 1, 2011, the County has changed to biennial actuarial valuations.

**HALL COUNTY, GEORGIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the Year Ended June 30, 2014**  
**(Required Supplementary Information)**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	\$ 22,743,692	\$ 22,743,692	\$ 22,743,692	\$ -
<b>RESOURCES (INFLOWS)</b>				
Taxes	60,457,878	61,115,602	66,544,046	5,428,444
Licenses and permits	1,677,150	1,677,150	1,746,897	69,747
Intergovernmental	1,208,166	1,208,166	1,153,974	(54,192)
Fines and forfeitures	3,202,052	3,202,052	3,976,123	774,071
Charges for services	15,920,270	16,183,270	14,170,662	(2,012,608)
Contributions and donations	-	-	956	956
Investment income	532	532	1,088	556
Miscellaneous	239,800	392,644	332,117	(60,527)
Sale of county property	40,000	1,568,000	1,942,976	374,976
Transfers in	194,412	194,412	196,824	2,412
Total Resources (Inflows)	<u>82,940,260</u>	<u>85,541,828</u>	<u>90,065,663</u>	<u>4,523,835</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>105,683,952</u>	<u>108,285,520</u>	<u>112,809,355</u>	<u>4,523,835</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
<b>Current Expenditures</b>				
<b>General Government</b>				
Legislative	970,935	1,016,819	1,016,589	230
Elections	412,450	450,387	442,405	7,982
Financial administration	633,545	586,057	578,944	7,113
Business license	165,453	156,671	148,567	8,104
Purchasing	299,380	302,828	299,257	3,571
Data processing/MIS	838,779	916,492	890,982	25,510
Human resources	425,711	457,812	457,616	196
Tax commissioner	1,309,807	1,399,620	1,398,838	782
Tax assessor-real property	1,936,406	1,762,551	1,751,827	10,724
Risk management	8,397,509	8,722,509	8,720,427	2,082
Buildings	2,128,551	3,577,646	3,564,233	13,413
General services	1,807,492	1,680,297	1,678,465	1,832
Agencies	148,545	148,545	148,545	-
Other general government	-	10,000	9,058	942
Total General Government	<u>19,474,563</u>	<u>21,188,234</u>	<u>21,105,753</u>	<u>82,481</u>
<b>Judicial</b>				
Judicial administration	350,750	350,492	329,288	21,204
Superior court	2,536,931	2,701,798	2,700,971	827
Clerk of superior court	1,946,564	2,015,726	2,014,954	772
District attorney	1,345,298	1,329,206	1,328,620	586
State court	1,375,754	1,393,050	1,392,315	735
Magistrate court	1,071,362	1,088,843	1,088,428	415
Probate court	514,545	502,348	499,030	3,318
Juvenile court	1,264,417	1,362,630	1,362,326	304
Probation services	678,272	738,661	737,858	803
Public defender	1,595,889	1,678,354	1,665,614	12,740
Solicitor	1,101,302	1,133,946	1,132,485	1,461
Other judicial	571,953	584,257	549,009	35,248
Total Judicial	<u>14,353,037</u>	<u>14,879,311</u>	<u>14,800,898</u>	<u>78,413</u>
<b>Public Safety</b>				
Sheriff	14,841,263	15,005,007	15,002,942	2,065
Detention center	12,852,032	13,510,433	13,507,076	3,357
Correctional institute	2,776,497	2,872,699	2,872,515	184
Emergency medical services	7,611,223	8,120,502	8,118,311	2,191
Coroner	120,051	133,487	132,364	1,123
E-911	986,382	857,382	857,049	333
Agencies	9,637	9,637	9,451	186
Animal shelter	1,197,928	1,198,206	1,197,644	562
Emergency management	114,075	134,075	132,979	1,096
Total Public Safety	<u>40,509,088</u>	<u>41,841,428</u>	<u>41,830,331</u>	<u>11,097</u>
<b>Public Works</b>				
Highways and streets	2,785,281	3,052,476	3,051,045	1,431
Maintenance and shop	498,293	577,343	575,270	2,073
Engineering	788,828	820,401	810,905	9,496
Total Public Works	<u>4,072,402</u>	<u>4,450,220</u>	<u>4,437,220</u>	<u>13,000</u>

**HALL COUNTY, GEORGIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the Year Ended June 30, 2014**  
**(Required Supplementary Information)**

CONTINUED.....	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Public Health and Welfare				
Health department	801,521	801,521	801,051	470
Public welfare	776,448	616,686	486,701	129,985
Community Center	470,950	470,950	470,950	-
Agencies	114,441	114,441	114,441	-
Total Public Health and Welfare	<u>2,163,360</u>	<u>2,003,598</u>	<u>1,873,143</u>	<u>130,455</u>
Recreation and Culture				
Parks	2,031,856	1,900,334	1,897,976	2,358
Library	1,920,944	1,974,944	1,972,352	2,592
Agriculture center	192,007	183,738	180,302	3,436
Other recreation and culture	161,538	161,538	103,632	57,906
Total Recreation and Culture	<u>4,306,345</u>	<u>4,220,554</u>	<u>4,154,262</u>	<u>66,292</u>
Housing and development				
Conservation	100,100	102,971	102,859	112
Building inspection	411,365	405,990	404,383	1,607
Planning and zoning	738,875	732,344	727,956	4,388
Code enforcement	351,870	398,483	390,503	7,980
Agencies	333,265	333,265	315,198	18,067
General services	40,000	40,000	38,632	1,368
County agent	187,858	191,600	189,880	1,720
Total Housing and Development	<u>2,163,333</u>	<u>2,204,653</u>	<u>2,169,411</u>	<u>35,242</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>87,042,128</u>	<u>90,787,998</u>	<u>90,371,018</u>	<u>416,980</u>
CHANGE IN FUND BALANCE	<u>(4,101,868)</u>	<u>(5,246,170)</u>	<u>(305,355)</u>	<u>4,940,815</u>
FUND BALANCE, End of year	<u>\$ 18,641,824</u>	<u>\$ 17,497,522</u>	<u>\$ 22,438,337</u>	<u>\$ 4,940,815</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

**HALL COUNTY, GEORGIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**FIRE DISTRICT**  
**For the Year Ended June 30, 2014**  
**(Required Supplementary Information)**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 2,656,216	\$ 2,656,216	\$ 2,656,216	\$ -
RESOURCES (INFLOWS)				
Taxes	17,471,686	17,897,686	18,258,092	360,406
Intergovernmental	42,925	42,925	14,083	(28,842)
Charges for services	17,385	17,385	6,477	(10,908)
Miscellaneous	1,500	1,500	11,000	9,500
Total Resources (Inflows)	<u>17,533,496</u>	<u>17,959,496</u>	<u>18,289,652</u>	<u>330,156</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>20,189,712</u>	<u>20,615,712</u>	<u>20,945,868</u>	<u>330,156</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	<u>17,840,303</u>	<u>18,531,584</u>	<u>18,344,123</u>	<u>187,461</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>17,840,303</u>	<u>18,531,584</u>	<u>18,344,123</u>	<u>187,461</u>
CHANGE IN FUND BALANCE	<u>(306,807)</u>	<u>(572,088)</u>	<u>(54,471)</u>	<u>517,617</u>
FUND BALANCE, End of year	<u>\$ 2,349,409</u>	<u>\$ 2,084,128</u>	<u>\$ 2,601,745</u>	<u>\$ 517,617</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

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## SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted for specific purposes. The following special revenue funds are maintained by the County:

**Emergency Telephone System** - to account for the monthly "911" charge to help fund the cost of providing the service as provided in title 46, Chapter 5 of the Official Code of Georgia Annotated.

**Parks** - to account for funds received from leases with the Corps of Engineers to be used for the development and operations of lake parks.

**Multiple Grants** - to account for funds received as grants from state and federal sources to be used for specific capital and operating expenditures.

**Special Assessments** - to account for funds received from special taxing districts for subdivision street lighting.

**Restricted Programs** - to account for funds, such as fines, confiscated monies and donations received by Elected Officials of Hall County to be expended within legal guidelines of each program.

**Hotel/Motel Tax** – to account for taxes charged on rental of hotel/motel rooms as provided in title 48, chapter 13 of the Official Code of Georgia Annotated. These funds are used for the promotion of tourism, conventions and trade shows in 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.

**Allen Creek Soccer Complex** – to account for cost of operation for the Allen Creek Soccer Complex.

## 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 funds and trust funds:

**State Roads** - to account for the funds received and expended from the Georgia Department of Transportation for the State's portion of road projects.

**HALL COUNTY, GEORGIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2014**

	SPECIAL REVENUE FUNDS							CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	EMERGENCY TELEPHONE SERVICES	PARKS FUND	MULTIPLE GRANTS FUND	SPECIAL ASSESSMENTS	RESTRICTED PROGRAMS FUND	LAW LIBRARY	ALLEN CREEK SOCCER COMPLEX	SUBTOTAL SPECIAL REVENUE FUNDS		
ASSETS										
Cash	\$ -	\$ 311,636	\$ 392,329	\$ 471,377	\$ 1,792,607	\$ 57,847	\$ 6,380	\$ 3,032,176	\$ 2,657,002	\$ 5,689,178
Receivables (net of allowance for uncollectibles)	580,566	97,336	1,070,690	12,286	76,604	-	5,926	1,843,408	284,500	2,127,908
<b>TOTAL ASSETS</b>	<b>\$ 580,566</b>	<b>\$ 408,972</b>	<b>\$ 1,463,019</b>	<b>\$ 483,663</b>	<b>\$ 1,869,211</b>	<b>\$ 57,847</b>	<b>\$ 12,306</b>	<b>\$ 4,875,584</b>	<b>\$ 2,941,502</b>	<b>\$ 7,817,086</b>
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ 134,100	\$ 29,415	\$ 259,204	\$ 12,243	\$ 196,406	\$ 400	\$ 9,913	\$ 641,681	\$ 309,244	\$ 950,925
Other accrued items	93,752	13,423	24,699	-	44,832	-	2,393	179,099	-	179,099
Due to other governments	-	-	7,271	-	-	-	-	7,271	-	7,271
Due to other funds	352,714	-	-	-	-	-	-	352,714	-	352,714
Unearned revenue	-	-	1,170,845	-	-	-	-	1,170,845	-	1,170,845
Deposits held	-	-	-	-	19,404	-	-	19,404	-	19,404
TOTAL LIABILITIES	580,566	42,838	1,462,019	12,243	260,642	400	12,306	2,371,014	309,244	2,680,258
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue -other	-	-	-	12,286	-	-	-	12,286	-	12,286
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	12,286	-	-	-	12,286	-	12,286
<b>TOTAL LIABILITIES, AND DEFERRED INFLOWS OF RESOURCES</b>	<b>580,566</b>	<b>42,838</b>	<b>1,462,019</b>	<b>24,529</b>	<b>260,642</b>	<b>400</b>	<b>12,306</b>	<b>2,383,300</b>	<b>309,244</b>	<b>2,692,544</b>
FUND BALANCES										
Restricted:										
Special assessments	-	-	-	459,134	-	-	-	459,134	-	459,134
Judicial programs	-	-	-	-	583,341	57,447	-	640,788	-	640,788
Public safety programs	-	-	1,000	-	849,322	-	-	850,322	-	850,322
Health and welfare programs	-	-	-	-	74,019	-	-	74,019	-	74,019
Recreation and culture programs	-	366,134	-	-	500	-	-	366,634	-	366,634
Housing and development programs	-	-	-	-	101,387	-	-	101,387	-	101,387
Assigned:										
Capital equipment and infrastructure	-	-	-	-	-	-	-	-	2,632,258	2,632,258
TOTAL FUND BALANCES	-	366,134	1,000	459,134	1,608,569	57,447	-	2,492,284	2,632,258	5,124,542
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 580,566</b>	<b>\$ 408,972</b>	<b>\$ 1,463,019</b>	<b>\$ 483,663</b>	<b>\$ 1,869,211</b>	<b>\$ 57,847</b>	<b>\$ 12,306</b>	<b>\$ 4,875,584</b>	<b>\$ 2,941,502</b>	<b>\$ 7,817,086</b>

**HALL COUNTY, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2014**

	SPECIAL REVENUE FUNDS									CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	EMERGENCY TELEPHONE SERVICE	PARKS FUND	MULTIPLE GRANTS FUND	SPECIAL ASSESSMENTS	RESTRICTED PROGRAMS FUND	HOTEL/ MOTEL TAX	LAW LIBRARY	ALLEN CREEK SOCCER COMPLEX	SUBTOTAL SPECIAL REVENUE FUNDS	STATE ROAD FUND	
REVENUES											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,067	\$ -	\$ -	\$ 18,067	\$ -	\$ 18,067
Intergovernmental	-	-	2,227,170	-	725,129	-	-	22,595	2,974,894	1,823,477	4,798,371
Fines and forfeitures	-	-	-	-	642,950	-	142,484	-	785,434	-	785,434
Charges for services	3,267,484	555,777	701,991	958,574	723,931	-	-	117,596	6,325,353	-	6,325,353
Contributions and donations	-	-	-	-	11,750	-	-	-	11,750	-	11,750
Interest income	-	-	-	-	-	-	5	-	5	-	5
Miscellaneous	8,072	7,102	28,326	-	39,434	-	-	-	82,934	-	82,934
<b>TOTAL REVENUES</b>	<u>3,275,556</u>	<u>562,879</u>	<u>2,957,487</u>	<u>958,574</u>	<u>2,143,194</u>	<u>18,067</u>	<u>142,489</u>	<u>140,191</u>	<u>10,198,437</u>	<u>1,823,477</u>	<u>12,021,914</u>
EXPENDITURES											
Current Expenditures											
Judicial	-	-	637,136	-	801,576	-	149,101	-	1,587,813	-	1,587,813
Public safety	4,070,768	-	19,189	-	1,246,857	-	-	-	5,336,814	-	5,336,814
Public works	-	-	-	809,787	-	-	-	-	809,787	45,380	855,167
Public health and welfare	-	-	264,029	-	746	-	-	-	264,775	-	264,775
Recreation and culture	-	807,513	-	-	-	80,777	-	243,823	1,132,113	-	1,132,113
Housing and development	-	-	1,433,849	-	139,643	-	-	-	1,573,492	-	1,573,492
Intergovernmental	-	-	7,271	-	-	-	-	-	7,271	-	7,271
Capital outlay	61,837	15,065	620,086	-	149,333	-	-	-	846,321	841,272	1,687,593
<b>TOTAL EXPENDITURES</b>	<u>4,132,605</u>	<u>822,578</u>	<u>2,981,560</u>	<u>809,787</u>	<u>2,338,155</u>	<u>80,777</u>	<u>149,101</u>	<u>243,823</u>	<u>11,558,386</u>	<u>886,652</u>	<u>12,445,038</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(857,049)	(259,699)	(24,073)	148,787	(194,961)	(62,710)	(6,612)	(103,632)	(1,359,949)	936,825	(423,124)
OTHER FINANCING SOURCES (USES)											
Sale of county property	-	-	-	-	7,959	-	-	-	7,959	-	7,959
Transfers in	857,049	-	25,073	-	258,710	62,710	-	103,632	1,307,174	-	1,307,174
Transfers out	-	-	-	(196,824)	(9,971)	-	-	-	(206,795)	-	(206,795)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>857,049</u>	<u>-</u>	<u>25,073</u>	<u>(196,824)</u>	<u>256,698</u>	<u>62,710</u>	<u>-</u>	<u>103,632</u>	<u>1,108,338</u>	<u>-</u>	<u>1,108,338</u>
NET CHANGE IN FUND BALANCES	-	(259,699)	1,000	(48,037)	61,737	-	(6,612)	-	(251,611)	936,825	685,214
FUND BALANCES, Beginning of year	-	625,833	-	507,171	1,546,832	-	64,059	-	2,743,895	1,695,433	4,439,328
<b>FUND BALANCES, End of year</b>	<u>\$ -</u>	<u>\$ 366,134</u>	<u>\$ 1,000</u>	<u>\$ 459,134</u>	<u>\$ 1,608,569</u>	<u>\$ -</u>	<u>\$ 57,447</u>	<u>\$ -</u>	<u>\$ 2,492,284</u>	<u>\$ 2,632,258</u>	<u>\$ 5,124,542</u>

**HALL COUNTY, GEORGIA**  
**EMERGENCY TELEPHONE SYSTEM SPECIAL REVENUE FUND**  
**SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE**  
**For the Year Ended June 30, 2014**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS)				
Charges for services	3,222,258	3,222,258	3,267,484	45,226
Miscellaneous	3,500	3,500	8,072	4,572
Transfer in	906,382	950,186	857,049	(93,137)
Total Resources (Inflows)	<u>4,132,140</u>	<u>4,175,944</u>	<u>4,132,605</u>	<u>(43,339)</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>4,132,140</u>	<u>4,175,944</u>	<u>4,132,605</u>	<u>(43,339)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	4,132,140	4,175,944	4,132,605	43,339
TOTAL CHARGES TO APPROPRIATIONS	<u>4,132,140</u>	<u>4,175,944</u>	<u>4,132,605</u>	<u>43,339</u>
CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

**HALL COUNTY, GEORGIA  
PARKS SPECIAL REVENUE FUND  
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2014**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 625,833	\$ 625,833	\$ 625,833	\$ -
RESOURCES (INFLOWS)				
Charges for services	607,500	607,500	555,777	(51,723)
Miscellaneous	300	300	7,102	6,802
Total Resources (Inflows)	<u>607,800</u>	<u>607,800</u>	<u>562,879</u>	<u>(44,921)</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>1,233,633</u>	<u>1,233,633</u>	<u>1,188,712</u>	<u>(44,921)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Recreation and culture	881,654	889,715	822,578	67,137
TOTAL CHARGES TO APPROPRIATIONS	<u>881,654</u>	<u>889,715</u>	<u>822,578</u>	<u>67,137</u>
CHANGE IN FUND BALANCE	<u>(273,854)</u>	<u>(281,915)</u>	<u>(259,699)</u>	<u>22,216</u>
FUND BALANCE, End of year	<u>\$ 351,979</u>	<u>\$ 343,918</u>	<u>\$ 366,134</u>	<u>\$ 22,216</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

**HALL COUNTY, GEORGIA  
 MULTIPLE GRANTS SPECIAL REVENUE FUND  
 SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE  
 For the Year Ended June 30, 2014**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	1,817,918	2,317,918	2,227,170	(90,748)
Charges for services	54,433	618,433	701,991	83,558
Miscellaneous	2,496	2,496	28,326	25,830
Transfer in	49,363	49,363	25,073	(24,290)
Total Resources (Inflows)	<u>1,924,210</u>	<u>2,988,210</u>	<u>2,982,560</u>	<u>(5,650)</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>1,924,210</u>	<u>2,988,210</u>	<u>2,982,560</u>	<u>(5,650)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	568,656	637,656	637,136	520
Public safety	27,500	43,500	42,893	607
Public health and welfare	53,000	382,000	381,785	215
Housing and development	1,275,054	1,925,054	1,919,746	5,308
TOTAL CHARGES TO APPROPRIATIONS	<u>1,924,210</u>	<u>2,988,210</u>	<u>2,981,560</u>	<u>6,650</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

**HALL COUNTY, GEORGIA  
SPECIAL ASSESSMENTS SPECIAL REVENUE FUND  
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2014**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 507,171	\$ 507,171	\$ 507,171	\$ -
RESOURCES (INFLOWS)				
Charges for services	<u>965,000</u>	<u>965,000</u>	<u>958,574</u>	<u>(6,426)</u>
Total Resources (Inflows)	<u>965,000</u>	<u>965,000</u>	<u>958,574</u>	<u>(6,426)</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>1,472,171</u>	<u>1,472,171</u>	<u>1,465,745</u>	<u>(6,426)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public works	<u>810,992</u>	<u>1,010,992</u>	<u>1,006,611</u>	<u>4,381</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>810,992</u>	<u>1,010,992</u>	<u>1,006,611</u>	<u>4,381</u>
CHANGE IN FUND BALANCE	<u>154,008</u>	<u>(45,992)</u>	<u>(48,037)</u>	<u>(2,045)</u>
FUND BALANCE, End of year	<u>\$ 661,179</u>	<u>\$ 461,179</u>	<u>\$ 459,134</u>	<u>\$ (2,045)</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

**HALL COUNTY, GEORGIA  
RESTRICTED PROGRAM SPECIAL REVENUE FUND  
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2014**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 1,546,832	\$ 1,546,832	\$ 1,546,832	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	691,571	692,571	725,129	32,558
Fines and forfeitures	650,319	650,319	642,950	(7,369)
Charges for services	343,340	597,216	723,931	126,715
Contributions and donations	5,000	15,600	11,750	(3,850)
Miscellaneous	950	950	39,434	38,484
Sale of county property	-	-	7,959	7,959
Transfer in	263,313	284,587	258,710	(25,877)
Total Resources (Inflows)	<u>1,954,493</u>	<u>2,241,243</u>	<u>2,409,863</u>	<u>168,620</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>3,501,325</u>	<u>3,788,075</u>	<u>3,956,695</u>	<u>168,620</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	1,043,899	1,113,514	837,335	276,179
Public safety	1,225,145	1,355,182	1,354,652	530
Public health and welfare	-	1,000	746	254
Housing and development	-	156,000	155,393	607
TOTAL CHARGES TO APPROPRIATIONS	<u>2,269,044</u>	<u>2,625,696</u>	<u>2,348,126</u>	<u>277,570</u>
CHANGE IN FUND BALANCE	<u>(314,551)</u>	<u>(384,453)</u>	<u>61,737</u>	<u>446,190</u>
FUND BALANCE, End of year	<u>\$ 1,232,281</u>	<u>\$ 1,162,379</u>	<u>\$ 1,608,569</u>	<u>\$ 446,190</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

**HALL COUNTY, GEORGIA**  
**HOTEL/MOTEL TAX SPECIAL REVENUE FUND**  
**SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE**  
**For the Year Ended June 30, 2014**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS)				
Taxes	18,000	18,000	18,067	67
Transfer in	63,000	63,000	62,710	(290)
Total Resources (Inflows)	<u>81,000</u>	<u>81,000</u>	<u>80,777</u>	<u>(223)</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>81,000</u>	<u>81,000</u>	<u>80,777</u>	<u>(223)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Recreation and culture	<u>81,000</u>	<u>81,000</u>	<u>80,777</u>	<u>223</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>81,000</u>	<u>81,000</u>	<u>80,777</u>	<u>223</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

**HALL COUNTY, GEORGIA  
LAW LIBRARY SPECIAL REVENUE FUND  
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2014**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 64,059	\$ 64,059	\$ 64,059	\$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	150,000	150,000	142,484	(7,516)
Investment income	-	-	5	5
Total Resources (Inflows)	<u>150,000</u>	<u>150,000</u>	<u>142,489</u>	<u>(7,511)</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>214,059</u>	<u>214,059</u>	<u>206,548</u>	<u>(7,511)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	150,000	150,000	149,101	899
TOTAL CHARGES TO APPROPRIATIONS	<u>150,000</u>	<u>150,000</u>	<u>149,101</u>	<u>899</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(6,612)</u>	<u>(6,612)</u>
FUND BALANCE, End of year	<u>\$ 64,059</u>	<u>\$ 64,059</u>	<u>\$ 57,447</u>	<u>\$ (6,612)</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

**HALL COUNTY, GEORGIA**  
**ALLEN CREEK SOCCER COMPLEX SPECIAL REVENUE FUND**  
**SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE**  
**For the Year Ended June 30, 2014**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	-	20,000	22,595	2,595
Charges for services	120,410	120,410	117,596	(2,814)
Transfer in	161,538	164,769	103,632	(61,137)
Total Resources (Inflows)	<u>281,948</u>	<u>305,179</u>	<u>243,823</u>	<u>(61,356)</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>281,948</u>	<u>305,179</u>	<u>243,823</u>	<u>(61,356)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Recreation and culture	172,186	247,416	243,823	3,593
TOTAL CHARGES TO APPROPRIATIONS	<u>172,186</u>	<u>247,416</u>	<u>243,823</u>	<u>3,593</u>
CHANGE IN FUND BALANCE	<u>109,762</u>	<u>57,763</u>	<u>-</u>	<u>(57,763)</u>
FUND BALANCE, End of year	<u>\$ 109,762</u>	<u>\$ 57,763</u>	<u>\$ -</u>	<u>\$ (57,763)</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

## INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis. The following internal service funds are maintained by the County:

**Group Insurance Fund** - to account for charges to other funds and contributions from employees and for the payment of health, disability, and life insurance premiums and benefits.

**Risk Management Fund** - to account for charges to other funds and for the payment of workers' compensation claims, and liability claims.

**HALL COUNTY, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2014**

ASSETS	<b>GROUP INSURANCE</b>	<b>RISK MANAGEMENT</b>	<b>TOTAL</b>
Current Assets			
Cash	\$ 6,086,292	\$ 1,808,283	\$ 7,894,575
Prepaid items	4,157	1,273,683	1,277,840
TOTAL CURRENT ASSETS	<u>6,090,449</u>	<u>3,081,966</u>	<u>9,172,415</u>
 TOTAL ASSETS	 <u>6,090,449</u>	 <u>3,081,966</u>	 <u>9,172,415</u>
 LIABILITIES			
Current Liabilities			
Accounts payable	-	189,469	189,469
Other accrued items	270	2,249	2,519
Estimated claims payable	626,090	529,200	1,155,290
TOTAL CURRENT LIABILITIES	<u>626,360</u>	<u>720,918</u>	<u>1,347,278</u>
 Noncurrent Liabilities			
Estimated claims payable	-	1,360,800	1,360,800
TOTAL NONCURRENT LIABILITIES	<u>-</u>	<u>1,360,800</u>	<u>1,360,800</u>
 TOTAL LIABILITIES	 <u>626,360</u>	 <u>2,081,718</u>	 <u>2,708,078</u>
 NET POSITION			
Unrestricted	5,464,089	1,000,248	6,464,337
TOTAL NET POSITION	<u>\$ 5,464,089</u>	<u>\$ 1,000,248</u>	<u>\$ 6,464,337</u>

**HALL COUNTY, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended June 30, 2014**

	<b>GROUP INSURANCE</b>	<b>RISK MANAGEMENT</b>	<b>TOTAL</b>
OPERATING REVENUES			
Charges for sales and services:			
Charges to other funds	\$ 13,734,236	\$ 3,238,178	\$ 16,972,414
Employee contributions	<u>2,486,146</u>	<u>-</u>	<u>2,486,146</u>
Total Operating Revenues	<u>16,220,382</u>	<u>3,238,178</u>	<u>19,458,560</u>
 OPERATING EXPENSES			
Salaries and benefits	-	176,483	176,483
Other services and charges	-	(1,034,348)	(1,034,348)
Benefit claims	12,240,128	645,162	12,885,290
General and administrative	2,573,814	-	2,573,814
Insurance premiums	<u>-</u>	<u>2,467,669</u>	<u>2,467,669</u>
Total Operating Expenses	<u>14,813,942</u>	<u>2,254,966</u>	<u>17,068,908</u>
 OPERATING INCOME (LOSS)	<u>1,406,440</u>	<u>983,212</u>	<u>2,389,652</u>
NONOPERATING REVENUES (EXPENSES)			
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>
 INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>1,406,440</u>	<u>983,212</u>	<u>2,389,652</u>
CHANGE IN NET POSITION	<u>1,406,440</u>	<u>983,212</u>	<u>2,389,652</u>
 TOTAL NET POSITION, Beginning of year	<u>4,057,649</u>	<u>17,036</u>	<u>4,074,685</u>
TOTAL NET POSITION, End of year	<u>\$ 5,464,089</u>	<u>\$ 1,000,248</u>	<u>\$ 6,464,337</u>

**HALL COUNTY, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended June 30, 2014**

	<b>GROUP INSURANCE</b>	<b>RISK MANAGEMENT</b>	<b>TOTAL</b>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customer	\$ 2,486,146	\$ -	\$ 2,486,146
Payments to suppliers	(2,574,364)	(2,383,457)	(4,957,821)
Payments to employees	(12,217,199)	(1,089,864)	(13,307,063)
Internal activity-payments from (to) other funds	<u>13,734,236</u>	<u>3,238,178</u>	<u>16,972,414</u>
Net cash provided by (used in) operating activities	<u>1,428,819</u>	<u>(235,143)</u>	<u>1,193,676</u>
Net increase (decrease) in cash and cash equivalents	1,428,819	(235,143)	1,193,676
CASH, Beginning of year	<u>4,657,473</u>	<u>2,043,426</u>	<u>6,700,899</u>
CASH, End of year	<u>\$ 6,086,292</u>	<u>\$ 1,808,283</u>	<u>\$ 7,894,575</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 1,406,440	\$ 983,212	\$ 2,389,652
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
(Increase) decrease in:			
Increase (decrease) in:			
Accounts payable	(550)	(1,046,896)	(1,047,446)
Amounts held in trust	-	96,760	96,760
Due to other governments	270	1,781	2,051
Interfund payables	<u>22,659</u>	<u>(270,000)</u>	<u>(247,341)</u>
Net cash provided by (used in) operating activities	<u>\$ 1,428,819</u>	<u>\$ (235,143)</u>	<u>\$ 1,193,676</u>

## 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. Agency funds maintained by the County are as follows:

**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 Superior Court** - 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 other parties.

**Probate Court** - to account for the collection of fees for a probate of wills, administration of estates, issuance of marriage licenses, and maintenance of other vital records which are disbursed to other parties.

**Magistrate Court** - to account for the collection of fees in jurisdiction of small claims courts which are disbursed to other parties.

**Juvenile Court** - to account for the collection of probation supervision fees which are disbursed to other parties.

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

**Inmate Fund** - to account for the collection and disbursements of cash for the benefit of the inmates incarcerated at the Hall County Detention Center.

**HALL COUNTY, GEORGIA**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**June 30, 2014**

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	JUVENILE COURT	SHERIFF	INMATE FUND	TOTAL
ASSETS								
Cash	\$ 3,024,256	\$ 1,399,567	\$ 250,391	\$ 187,976	\$ 41,608	\$ 821,254	\$ 131,421	\$ 5,856,473
TOTAL ASSETS	<u>\$ 3,024,256</u>	<u>\$ 1,399,567</u>	<u>\$ 250,391</u>	<u>\$ 187,976</u>	<u>\$ 41,608</u>	<u>\$ 821,254</u>	<u>\$ 131,421</u>	<u>\$ 5,856,473</u>
LIABILITIES								
Amounts held for others	\$ 3,024,256	\$ 1,399,567	\$ 250,391	\$ 187,976	\$ 41,608	\$ 821,254	\$ 131,421	\$ 5,856,473
TOTAL LIABILITIES	<u>\$ 3,024,256</u>	<u>\$ 1,399,567</u>	<u>\$ 250,391</u>	<u>\$ 187,976</u>	<u>\$ 41,608</u>	<u>\$ 821,254</u>	<u>\$ 131,421</u>	<u>\$ 5,856,473</u>

**HALL COUNTY, GEORGIA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**For the Year Ended June 30, 2014**

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	JUVENILE COURT	SHERIFF	INMATE FUND	TOTAL
<b>ASSETS</b>								
Cash								
Balance, July 1, 2013	\$ 3,360,575	\$ 1,617,894	\$ 275,755	\$ 203,175	\$ 52,329	\$ 739,349	\$ 70,435	\$ 6,319,512
Additions	143,236,871	11,090,873	532,010	1,389,573	77,854	833,459	1,748,434	158,909,074
Deductions	<u>(143,573,190)</u>	<u>(11,309,200)</u>	<u>(557,374)</u>	<u>(1,404,772)</u>	<u>(88,575)</u>	<u>(751,554)</u>	<u>(1,687,448)</u>	<u>(159,372,113)</u>
Balance, June 30, 2014	<u>3,024,256</u>	<u>1,399,567</u>	<u>250,391</u>	<u>187,976</u>	<u>41,608</u>	<u>821,254</u>	<u>131,421</u>	<u>5,856,473</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 3,024,256</b></u>	<u><b>\$ 1,399,567</b></u>	<u><b>\$ 250,391</b></u>	<u><b>\$ 187,976</b></u>	<u><b>\$ 41,608</b></u>	<u><b>\$ 821,254</b></u>	<u><b>\$ 131,421</b></u>	<u><b>\$ 5,856,473</b></u>
<b>LIABILITIES</b>								
Due to County								
Balance, July 1, 2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions	55,683,999	6,244,962	450,190	632,812	25,392	292,329	368,736	63,698,420
Deductions	<u>(55,683,999)</u>	<u>(6,244,962)</u>	<u>(450,190)</u>	<u>(632,812)</u>	<u>(25,392)</u>	<u>(292,329)</u>	<u>(368,736)</u>	<u>(63,698,420)</u>
Balance, June 30, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amounts held for others								
Balance, July 1, 2013	3,360,575	1,617,894	275,755	203,175	52,329	739,349	70,435	6,319,512
Additions	87,552,872	4,845,911	81,820	756,761	52,462	541,130	1,379,698	95,210,654
Deductions	<u>(87,889,191)</u>	<u>(5,064,238)</u>	<u>(107,184)</u>	<u>(771,960)</u>	<u>(63,183)</u>	<u>(459,225)</u>	<u>(1,318,712)</u>	<u>(95,673,693)</u>
Balance, June 30, 2014	<u>3,024,256</u>	<u>1,399,567</u>	<u>250,391</u>	<u>187,976</u>	<u>41,608</u>	<u>821,254</u>	<u>131,421</u>	<u>5,856,473</u>
<b>Total Liabilities</b>	<u><b>\$ 3,024,256</b></u>	<u><b>\$ 1,399,567</b></u>	<u><b>\$ 250,391</b></u>	<u><b>\$ 187,976</b></u>	<u><b>\$ 41,608</b></u>	<u><b>\$ 821,254</b></u>	<u><b>\$ 131,421</b></u>	<u><b>\$ 5,856,473</b></u>

**HALL COUNTY, GEORGIA**  
**OTHER SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**Year Ended June 30, 2014**

PROJECT	ORIGINAL	CURRENT	EXPENDITURES	
	ESTIMATED COSTS	ESTIMATED COSTS	PRIOR YEARS	CURRENT YEAR
<b>SPLOST IV (effective July 1, 2000)</b>				
Road Projects	\$ 42,000,000	\$ 38,254,052	\$ 38,448,072	\$ -
Water Projects	29,000,000	23,094,229	20,117,947	-
Sewer Projects	39,000,000	29,564,870	29,564,870	-
Park and Leisure Projects	18,000,000	18,443,680	18,440,389	-
Fire Stations	12,000,000	9,831,018	7,951,015	-
Intergovernmental Allocations:				
Clermont	376,272	288,767	288,766	-
Flowery Branch	1,170,864	898,570	931,021	-
Gainesville - included in the above projects			1,450,000	-
Gillsville	108,778	83,481	83,481	-
Lula	952,848	731,255	731,255	-
Oakwood	1,366,902	1,051,320	1,051,320	-
Buford	24,336	-	-	-
TOTAL SPLOST IV	\$ 144,000,000	\$ 122,241,242	\$ 119,058,136	\$ -
<b>SPLOST V (effective July 1, 2004)</b>				
Road Projects	\$ 40,300,000	\$ 40,300,000	\$ 33,802,063	\$ 15,869
Water and Sewer Projects	1,000,000	5,670,580	5,670,580	-
Recreational Facilities	8,500,000	8,500,000	8,188,122	-
New Detention Center	54,000,000	61,275,921	61,276,954	-
New Fire Station	5,200,000	5,200,000	-	2,699,848
800 MHZ Radio System	16,000,000	16,000,000	15,776,635	-
Landfill improvement	8,500,000	8,500,000	4,880,874	-
Library	4,000,000	4,000,000	527,284	-
Municipal Projects				
Braselton	6,085	6,085	13,664	-
Buford	26,977	-	-	-
Clermont	110,819	110,819	107,018	-
Flowery Branch	477,658	477,658	453,632	-
Gainesville	6,764,982	6,764,982	6,532,908	-
Gillsville	44,169	44,169	39,979	-
Lula	358,112	358,112	345,827	-
Oakwood	711,198	711,198	704,291	-
TOTAL SPLOST V	\$ 146,000,000	\$ 157,919,524	\$ 138,319,831	\$ 2,715,717

**HALL COUNTY, GEORGIA**  
**OTHER SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**Year Ended June 30, 2014**

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	AMOUNT EXPENDED					TOTAL
			YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 4	
			2010	2011	2012	2013	2014	
<b>SPLOST VI (effective July 1, 2009)</b>								
<b>COUNTY PROJECTS</b>								
Road Projects	\$ 68,000,000	\$ 68,000,000	\$ 2,896,885	\$ 8,236,752	\$ 5,661,060	\$ 5,259,299	\$ 7,740,375	\$ 29,794,371
Water and Sewer Projects	53,037,000	57,037,000	11,123,975	2,257,427	2,653,244	6,201,707	12,729,359	34,965,712
Landfill	4,000,000	-	-	-	-	1,676	10,515	12,191
Recreational Facilities	21,000,000	21,000,000	2,872,270	(112,473)	4,773,381	2,084,964	222,648	9,840,790
Courthouse and Administration Building Projects	17,000,000	17,000,000	-	1,578,434	2,316,737	2,847,134	320,157	7,062,462
Fire and Emergency Projects	4,000,000	4,000,000	-	-	-	615,112	505,000	1,120,112
Public Safety Facilities	10,000,000	10,000,000	-	-	-	725	1,076,215	1,076,940
Public Health Facility	5,000,000	5,000,000	-	-	-	850	111,384	112,234
Correctional Institution/Animal Care Facility	5,000,000	5,000,000	661,541	461,613	460,031	460,031	462,800	2,506,016
Post Office	3,000,000	3,000,000	-	-	-	-	-	-
Library Facility	3,000,000	3,000,000	78,247	909,947	836,840	700,038	58,091	2,583,163
Welcome Center	1,500,000	1,500,000	-	-	-	-	-	-
Airport	500,000	500,000	-	-	-	-	-	-
<b>Subtotal County Projects</b>	<b>195,037,000</b>	<b>195,037,000</b>	<b>17,632,918</b>	<b>13,331,700</b>	<b>16,701,293</b>	<b>18,171,536</b>	<b>23,236,544</b>	<b>89,073,991</b>
<b>MUNICIPAL PROJECTS</b>								
<b>City of Braselton</b>								
Sidewalks	32,000	32,000	3,176	3,221	3,581	3,551	3,781	17,310
<b>City of Buford</b>								
Road Paving	141,000	141,000	14,019	14,216	15,806	15,672	17,162	76,875
<b>City of Clermont</b>								
Municipal Buildings	550,000	550,000	54,726	55,495	61,702	61,178	65,865	298,966
Parks	150,000	150,000	14,925	15,135	16,828	16,685	17,963	81,536
Streets & Sidewalks	250,000	250,000	24,876	25,225	28,046	27,808	29,938	135,893
<b>Subtotal</b>	<b>950,000</b>	<b>950,000</b>	<b>94,527</b>	<b>95,855</b>	<b>106,576</b>	<b>105,671</b>	<b>113,766</b>	<b>516,395</b>
<b>City of Flowery Branch</b>								
<b>Cinnamon Cove Lift Station &amp; Force Main Line</b>								
9 Police Cars (over 6 years)	200,000	200,000	19,902	20,182	22,440	22,249	23,691	108,464
Road Resurfacing and Sidewalks	500,000	500,000	49,757	50,456	56,099	55,623	59,228	271,163
City Administration Real Estate/Buildings	500,000	500,000	49,757	50,456	56,099	55,623	59,228	271,163
<b>Subtotal</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>248,784</b>	<b>252,280</b>	<b>280,495</b>	<b>278,114</b>	<b>296,139</b>	<b>1,355,812</b>
<b>City of Gainesville</b>								
Previously Incurred Debt	7,500,000	7,500,000	746,329	723,625	874,871	831,904	849,066	4,025,795
New Public Safety Facility	13,000,000	13,000,000	1,293,637	1,254,283	1,516,443	1,441,967	1,471,714	6,978,044
Fire Station Replacement	6,500,000	6,500,000	646,818	627,141	758,221	720,983	735,857	3,489,020
Transportation	2,500,000	2,500,000	248,776	241,208	291,624	277,301	283,022	1,341,931
Downtown Streetscape	3,000,000	3,000,000	298,532	289,450	349,948	332,762	339,626	1,610,318
Parks & Recreation	3,000,000	3,000,000	298,532	289,450	349,948	332,762	339,626	1,610,318
<b>Subtotal</b>	<b>35,500,000</b>	<b>35,500,000</b>	<b>3,532,624</b>	<b>3,425,157</b>	<b>4,141,055</b>	<b>3,937,679</b>	<b>4,018,911</b>	<b>19,055,426</b>
<b>City of Gillsville</b>								
Road Improvements	40,000	40,000	3,980	4,036	4,488	4,450	4,873	21,827
Community Park Upgrades	95,000	95,000	9,454	9,586	10,659	10,568	11,573	51,840
Downtown Improvements	105,000	105,000	10,449	10,596	11,780	11,680	12,791	57,296
<b>Subtotal</b>	<b>240,000</b>	<b>240,000</b>	<b>23,883</b>	<b>24,218</b>	<b>26,927</b>	<b>26,698</b>	<b>29,237</b>	<b>130,963</b>
<b>City of Lula</b>								
Road Resurfacing	300,000	300,000	29,854	30,274	33,660	33,374	35,551	162,713
Parks & Recreation	300,000	300,000	29,854	30,274	33,660	33,374	35,551	162,713
Water System and Sewer Projects	1,300,000	1,300,000	129,370	131,187	145,859	144,620	154,053	705,089
<b>Subtotal</b>	<b>1,900,000</b>	<b>1,900,000</b>	<b>189,078</b>	<b>191,735</b>	<b>213,179</b>	<b>211,368</b>	<b>225,154</b>	<b>1,030,514</b>
<b>City of Oakwood</b>								
Infrastructure Projects	1,500,000	1,500,000	149,269	151,366	168,296	166,866	177,651	813,448
Transportation Project	200,000	200,000	19,902	20,182	22,439	22,249	23,687	108,459
Transportation Project	1,200,000	1,200,000	119,415	121,093	134,636	133,493	142,121	650,758
Sewer Project	800,000	800,000	79,610	80,729	89,758	88,995	94,747	433,839
<b>Subtotal</b>	<b>3,700,000</b>	<b>3,700,000</b>	<b>368,196</b>	<b>373,370</b>	<b>415,129</b>	<b>411,603</b>	<b>438,205</b>	<b>2,006,503</b>
<b>Subtotal Municipal Projects</b>	<b>44,963,000</b>	<b>44,963,000</b>	<b>4,474,287</b>	<b>4,380,052</b>	<b>5,202,748</b>	<b>4,990,356</b>	<b>5,142,355</b>	<b>24,189,798</b>
<b>TOTAL SPLOST VI</b>	<b>\$ 240,000,000</b>	<b>\$ 240,000,000</b>	<b>\$ 22,107,205</b>	<b>\$ 17,711,752</b>	<b>\$ 21,904,041</b>	<b>\$ 23,161,892</b>	<b>\$ 28,378,899</b>	<b>\$ 113,263,789</b>

**HALL COUNTY, GEORGIA  
OTHER SUPPLEMENTAL INFORMATION  
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX  
Reconciliation to Financial Statements  
Year Ended June 30, 2014**

**Statement of Revenues, Expenditures and Changes in Fund Balance (page 5)**

	Expenditures	\$ 19,016,678.00
	Transfers out	12,077,937
	Rounding	<u>1</u>
Subtotal		<u>31,094,616</u>
<i>Less items not included as expenditures on SPLOST schedule below:</i>		
Revenue from contributions used for expenditures first before SPLOST funds		<u>-</u>
Subtotal of adjustments		<u>-</u>
<b>Expenditures reported on SPLOST schedule below</b>		<b><u>\$ 31,094,616</u></b>

**Schedule of Projects Constructed With Special Purpose Local Option Sales Tax (pages 69-70)**

	SPLOST IV	-
	Revised SPLOST IV	<u>-</u>
	SPLOST V	2,715,717
	Revised SPLOST V	<u>2,715,717</u>
	SPLOST VI	28,378,899
	Revised SPLOST VI	<u>28,378,899</u>
<b>Total</b>		<b><u>\$ 31,094,616.00</u></b>

## STATISTICAL SECTION

This part of the county's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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*These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.*

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*These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.*

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*These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.*

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Note: Tables may not add and may differ from basic financial statements due to rounding.

**HALL COUNTY, GEORGIA**  
**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>GOVERNMENTAL ACTIVITIES</b>										
Net investment in capital assets	\$ 340,878	\$ 359,038	\$ 403,769	\$ 125,119	\$ 390,642	\$ 393,603	\$ 386,017	\$ 383,004	\$ 371,931	\$ 374,649
Restricted:										
Capital outlay	-	-	20,604	8,761	13,680	13,200	13,864	21,649	27,476	25,080
Debt service	605	9,903	10,923	2,706	10,695	-	-	-	-	-
Impact fee projects	-	-	6,148	5,898	4,106	3,032	2,798	2,554	2,580	2,734
Other programs	49,971	44,440	5,973	6,355	4,796	5,563	4,522	5,178	5,149	4,993
Unrestricted:	20,778	21,931	16,139	346,120	7,004	(11,948)	(27,797)	(28,884)	(23,270)	(26,017)
Total governmental activities net position	\$ 412,232	\$ 435,312	\$ 463,556	\$ 494,959	\$ 430,923	\$ 403,450	\$ 379,404	\$ 383,501	\$ 383,866	\$ 381,439
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net investment in capital assets	\$ 54,522	\$ 24,934	\$ 31,419	\$ 41,859	\$ 47,183	\$ 61,405	\$ 52,028	\$ 53,303	\$ 57,143	\$ 65,004
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	21,119	13,689	12,346	10,883	10,494	8,197	12,472	11,414	12,714	11,704
Total business-type activities net position	\$ 75,641	\$ 38,623	\$ 43,765	\$ 52,742	\$ 57,677	\$ 69,602	\$ 64,500	\$ 64,717	\$ 69,857	\$ 76,708
<b>PRIMARY GOVERNMENT</b>										
Net investment in capital assets	\$ 395,400	\$ 383,972	\$ 435,188	\$ 166,978	\$ 437,825	\$ 455,008	\$ 438,045	\$ 436,307	\$ 429,074	\$ 439,653
Restricted	50,576	54,343	43,648	23,720	33,277	21,795	21,184	29,381	35,205	32,807
Unrestricted	41,897	35,620	28,485	357,003	17,498	(3,751)	(15,325)	(17,470)	(10,556)	(14,313)
Total primary government net position	\$ 487,873	\$ 473,935	\$ 507,321	\$ 547,701	\$ 488,600	\$ 473,052	\$ 443,904	\$ 448,218	\$ 453,723	\$ 458,147

In 2011, the County implemented GASB 54.

In 2013, the County implemented GASB 63 & 65.

**HALL COUNTY, GEORGIA**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>EXPENSES</b>										
Governmental activities:										
General government	\$ 13,868	\$ 15,203	\$ 19,195	\$ 16,964	\$ 20,350	\$ 17,275	\$ 20,541	\$ 18,012	\$ 17,530	\$ 19,784
Judicial	13,100	14,459	14,330	15,846	16,738	18,404	17,954	16,303	16,878	17,333
Public safety	50,903	54,600	54,972	68,089	71,870	78,047	77,796	67,123	64,887	67,570
Public works	16,844	18,113	17,970	18,153	25,211	27,153	29,633	22,222	23,382	24,162
Public health and welfare	1,980	2,430	3,483	3,511	3,905	3,501	3,304	2,704	2,727	2,558
Recreation and culture	5,062	8,158	5,710	8,351	7,267	7,602	7,794	6,007	5,934	6,718
Housing and development	3,751	4,015	4,555	5,564	5,057	5,389	5,979	2,947	4,800	4,388
Interest on long-term debt	186	(85)	1,846	643	671	330	492	488	319	197
Total governmental activities expenses	105,694	116,893	122,061	137,121	151,069	157,701	163,493	135,806	136,457	142,710
Business-type activities:										
Solid Waste	5,328	5,379	5,307	5,717	5,905	5,568	6,059	6,154	6,030	6,146
Water and sewer utilities	863	37,715	70	2,108	1,581	2,921	1,792	2,973	2,858	3,833
Total business-type activities expenses	6,191	43,094	5,377	7,825	7,486	8,489	7,851	9,127	8,888	9,979
Total primary government expenses	\$111,885	\$159,987	\$127,438	\$144,946	\$158,555	\$166,190	\$171,344	\$144,933	\$145,345	\$152,689
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services:										
General government	\$ 5,505	\$ 4,472	\$ 4,678	\$ 5,020	\$ 4,985	\$ 4,786	\$ 5,366	\$ 5,016	\$ 4,903	\$ 5,191
Judicial	2,925	6,697	4,560	6,899	6,627	5,939	5,511	6,087	6,589	7,089
Public safety	6,985	9,428	8,205	9,915	14,691	17,514	17,556	16,883	13,289	11,486
Public works	569	592	738	930	890	986	941	939	946	953
Public health and welfare	7	1	-	-	-	-	-	-	-	-
Recreation and culture	880	2,588	1,039	1,013	953	1,008	1,052	1,167	1,183	1,244
Housing and development	1,132	1,453	3,409	1,668	910	507	405	493	1,626	2,107
Total charges for services	18,003	25,231	22,629	25,445	29,056	30,740	30,831	30,585	28,536	28,070
Operating grants and contributions	3,967	4,623	4,266	6,762	4,317	5,402	6,094	3,604	4,615	4,868
Capital grants and contributions	6,270	9,101	18,090	17,946	12,847	4,977	4,632	2,897	3,639	1,647
Total governmental activities program revenues	28,240	38,955	44,985	50,153	46,220	41,119	41,557	37,086	36,790	34,585
Business-type activities:										
Charges for services:										
Solid Waste	4,950	5,292	5,085	5,767	5,466	5,175	5,120	5,041	6,463	6,615
Water and sewer utilities	28	34	27	290	961	925	1,072	1,395	1,388	1,625
Total charges for services	4,978	5,326	5,112	6,057	6,427	6,100	6,192	6,436	7,851	8,240
Operating grants and contributions	-	75	25	5	-	-	-	-	-	-
Capital grants and contributions	245	-	-	12,374	1,104	87	236	227	68	61
Total business-type activities program revenues	5,223	5,401	5,137	18,436	7,531	6,187	6,428	6,663	7,919	8,301
Total primary government program revenues	\$ 33,463	\$ 44,356	\$ 50,122	\$ 68,589	\$ 53,751	\$ 47,306	\$ 47,985	\$ 43,749	\$ 44,709	\$ 42,886

**HALL COUNTY, GEORGIA**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

(Continued)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (expense)/revenue										
Governmental activities	\$ (77,454)	\$ (77,454)	\$ (77,076)	\$ (86,968)	\$ (104,849)	\$ (116,582)	\$ (121,936)	\$ (98,720)	\$ (99,667)	\$ (108,125)
Business-type activities	(968)	(968)	(240)	10,611	45	(2,302)	(1,423)	(2,464)	(969)	(1,678)
Total primary government net expense	<u>\$ (78,422)</u>	<u>\$ (78,422)</u>	<u>\$ (77,316)</u>	<u>\$ (76,357)</u>	<u>\$ (104,804)</u>	<u>\$ (118,884)</u>	<u>\$ (123,359)</u>	<u>\$ (101,184)</u>	<u>\$ (100,636)</u>	<u>\$ (109,803)</u>
<b>GENERAL REVENUES AND OTHER</b>										
<b>CHANGES IN NET POSITION</b>										
Governmental activities:										
Taxes										
Property Taxes	\$ 37,177	\$ 39,513	\$ 42,400	\$ 48,977	\$ 50,679	\$ 53,395	\$ 52,313	\$ 49,371	\$ 48,405	\$ 54,676
Sales Taxes	43,317	49,696	51,744	51,438	45,246	41,938	42,483	47,271	46,720	47,499
Insurance premium tax	4,418	4,717	4,944	5,198	5,325	5,249	5,105	5,433	5,804	6,032
Real estate and recording taxes	2,789	3,161	3,391	2,259	1,318	1,074	1,013	1,147	1,359	1,371
Other taxes	1,417	1,491	1,530	1,560	1,502	1,478	1,820	1,860	2,061	2,256
Total taxes	<u>89,118</u>	<u>98,578</u>	<u>104,009</u>	<u>109,432</u>	<u>104,070</u>	<u>103,134</u>	<u>102,734</u>	<u>105,082</u>	<u>104,349</u>	<u>111,834</u>
Unrestricted grants and contributions	1,931	2,042	2,071	2,029	2,107	6	-	1	1	11
Investment earnings	1,436	3,965	4,440	2,076	553	108	66	-	-	1
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital assets	1,635	107	-	1,816	71	15	203	417	3,228	1,899
Transfers	(5,231)	(559)	(5,200)	1,828	(4,286)	(14,196)	3,697	(2,682)	(6,922)	(8,518)
Total governmental activities	<u>88,889</u>	<u>104,133</u>	<u>105,320</u>	<u>117,181</u>	<u>102,515</u>	<u>89,067</u>	<u>106,700</u>	<u>102,818</u>	<u>100,656</u>	<u>105,227</u>
Business-type activities:										
Investment earnings	112	117	181	194	65	33	17	1	-	-
Gain on sale of capital assets	5	-	-	-	(541)	-	-	-	4	10
Transfers	5,231	559	5,200	(1,828)	4,286	14,196	(3,697)	2,682	6,922	8,518
Total business-type activities	<u>5,348</u>	<u>676</u>	<u>5,381</u>	<u>(1,634)</u>	<u>3,810</u>	<u>14,229</u>	<u>(3,680)</u>	<u>2,683</u>	<u>6,926</u>	<u>8,528</u>
Total primary government	<u>\$ 94,237</u>	<u>\$ 104,809</u>	<u>\$ 110,701</u>	<u>\$ 115,547</u>	<u>\$ 106,325</u>	<u>\$ 103,296</u>	<u>\$ 103,020</u>	<u>\$ 105,501</u>	<u>\$ 107,582</u>	<u>\$ 113,755</u>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	\$ 11,435	\$ 26,679	\$ 28,244	\$ 30,213	\$ (2,334)	\$ (27,515)	\$ (15,236)	\$ 4,098	\$ 989	\$ (2,898)
Business-type activities	4,380	(292)	5,141	8,977	3,855	11,927	(5,103)	219	5,957	6,850
Total primary government	<u>\$ 15,815</u>	<u>\$ 26,387</u>	<u>\$ 33,385</u>	<u>\$ 39,190</u>	<u>\$ 1,521</u>	<u>\$ (15,588)</u>	<u>\$ (20,339)</u>	<u>\$ 4,317</u>	<u>\$ 6,946</u>	<u>\$ 3,952</u>

In 2011, the County implemented GASB 54.

In 2013, the County implemented GASB 63 & 65.

**HALL COUNTY, GEORGIA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Reserved	\$ 587	\$ 598	\$ 193	\$ 1,019	\$ 47	\$ 591	\$ -	\$ -	\$ -	\$ -
Unreserved	11,853	14,535	15,320	8,269	6,580	7,457	-	-	-	-
Nonspendable	-	-	-	-	-	-	624	631	402	413
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	313	1,380	4,304	3,685
Unassigned	-	-	-	-	-	-	8,374	12,896	18,037	18,340
Total general fund	<u>\$12,440</u>	<u>\$15,133</u>	<u>\$15,513</u>	<u>\$ 9,288</u>	<u>\$ 6,627</u>	<u>\$ 8,048</u>	<u>\$ 9,311</u>	<u>\$14,907</u>	<u>\$22,743</u>	<u>\$ 22,438</u>
All other governmental funds										
Reserved:	81,887	87,637	38,462	35,156	35,907	32,974	-	-	-	-
Unreserved, reported in:										
Special revenue funds	9,688	5,220	6,010	6,391	4,827	5,450	-	-	-	-
Capital projects funds	5,908	152	183	1,122	202	(17,823)	-	-	-	-
Total unreserved	<u>15,596</u>	<u>5,372</u>	<u>6,193</u>	<u>7,513</u>	<u>5,029</u>	<u>(12,373)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Nonspendable	-	-	-	-	-	-	6,914	9,868	8,481	6,998
Restricted	-	-	-	-	-	-	27,586	24,675	28,113	25,911
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	197	197	1,695	2,632
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental fund	<u>\$97,483</u>	<u>\$93,009</u>	<u>\$44,655</u>	<u>\$42,669</u>	<u>\$40,936</u>	<u>\$20,601</u>	<u>\$34,697</u>	<u>\$34,740</u>	<u>\$38,289</u>	<u>\$ 35,541</u>

In 2011, the County implemented GASB 54.

In 2013, the County implemented GASB 63 & 65.

**HALL COUNTY, GEORGIA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>REVENUES</b>										
Taxes (see table 5)	\$88,715	\$98,567	\$ 104,167	\$ 108,924	\$ 103,539	\$ 102,949	\$ 102,599	\$ 104,954	\$ 104,613	\$ 111,990
Licenses and permits	3,645	4,612	4,777	3,107	2,238	1,658	1,357	1,487	1,795	2,305
Intergovernmental	7,714	7,400	7,794	10,447	8,852	8,798	6,449	4,851	7,466	5,966
Fines and forfeitures	4,964	4,202	5,028	5,564	4,732	4,844	3,772	4,005	4,339	4,843
Charges for services	13,162	15,498	15,311	17,028	21,765	24,205	25,547	25,004	22,363	20,502
Investment earnings	1,496	3,877	4,331	1,967	419	94	232	186	1	219
Miscellaneous	115	260	108	371	194	108	540	210	744	439
<b>Total revenues</b>	<b>119,811</b>	<b>134,416</b>	<b>141,516</b>	<b>147,408</b>	<b>141,739</b>	<b>142,656</b>	<b>140,496</b>	<b>140,697</b>	<b>141,321</b>	<b>146,264</b>
<b>EXPENDITURES</b>										
General government	13,506	15,041	17,335	17,043	18,233	15,419	17,737	15,867	17,840	19,400
Judicial	12,032	13,800	13,384	15,069	15,368	14,970	14,888	15,178	16,009	16,383
Public safety	48,180	51,800	52,029	62,946	62,684	61,495	62,322	60,390	59,457	62,876
Public works	6,761	7,062	8,054	7,643	12,635	11,275	10,994	6,275	7,863	8,445
Public health and welfare	1,759	2,209	3,275	3,287	3,604	3,131	2,888	2,301	2,329	2,212
Recreation and culture	4,518	7,677	5,151	7,691	6,247	6,132	6,314	4,925	4,904	5,423
Housing and development	3,307	3,522	4,092	5,189	4,635	4,932	5,475	2,705	4,633	3,670
Intergovernmental	2,796	2,444	4,484	2,477	2,400	4,786	4,946	5,282	5,064	5,814
Capital Outlay	14,923	32,566	64,093	26,631	10,205	13,790	17,321	15,499	7,966	14,355
Principal on long-term debt	480	178	9,982	10,171	10,344	11,030	3,138	3,703	3,807	3,927
Interest on long-term debt	93	62	2,482	1,280	847	430	561	666	559	440
Issuance costs	266	-	-	-	-	-	248	-	-	-
<b>Total expenditures</b>	<b>108,621</b>	<b>136,361</b>	<b>184,361</b>	<b>159,427</b>	<b>147,202</b>	<b>147,390</b>	<b>146,832</b>	<b>132,791</b>	<b>130,431</b>	<b>142,945</b>
Excess of revenues over (under) expenditures	11,190	(1,945)	(42,845)	(12,019)	(5,463)	(4,734)	(6,336)	7,906	10,890	3,319
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	6,389	6,422	3,107	7,164	1,124	647	7,460	1,647	1,636	5,593
Transfers out	(8,362)	(6,918)	(8,307)	(5,336)	(5,411)	(14,843)	(3,763)	(4,328)	(8,558)	(14,111)
Issuance of bond debt	40,325	-	-	-	103	-	15,390	-	-	-
Premium on bonds issued	1,960	-	-	-	-	-	1,004	-	-	-
Proceeds from installment sale	-	-	-	-	-	-	-	-	-	-
Proceeds from capital leases	-	-	-	134	-	-	-	-	-	-
Sale of capital assets	1,677	659	72	1,846	71	15	1,603	417	7,417	2,146
<b>Total other financing sources (u)</b>	<b>41,989</b>	<b>163</b>	<b>(5,128)</b>	<b>3,808</b>	<b>(4,113)</b>	<b>(14,181)</b>	<b>21,694</b>	<b>(2,264)</b>	<b>495</b>	<b>(6,372)</b>
<b>Net change in fund balances</b>	<b>\$ 53,179</b>	<b>\$ (1,782)</b>	<b>\$ (47,973)</b>	<b>\$ (8,211)</b>	<b>\$ (9,576)</b>	<b>\$ (18,915)</b>	<b>\$ 15,358</b>	<b>\$ 5,642</b>	<b>\$ 11,385</b>	<b>\$ (3,053)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>0.6%</b>	<b>0.2%</b>	<b>10.4%</b>	<b>8.6%</b>	<b>8.2%</b>	<b>8.6%</b>	<b>2.9%</b>	<b>3.7%</b>	<b>3.6%</b>	<b>3.4%</b>

**HALL COUNTY, GEORGIA**  
**General Fund Budget**  
**Chart of Current Year and Next Year's Budgets**

	<b>Current Year</b>		<b>Next Year</b>
	<b>Year Ending</b>		<b>Year ending</b>
	<b>June 30, 2014</b>		<b>June 30, 2015</b>
<b>Revenues</b>			
Taxes	\$ 61,223,952	\$	66,316,374
Licenses and permits	2,635,650		2,599,590
Intergovernmental	1,166,366		1,057,749
Fines and forfeitures	4,217,414		4,820,102
Charges for services	13,129,334		11,793,528
Miscellaneous	333,132		114,227
Operating Transfers	194,412		194,412
Use of Fund Balance	4,141,868		3,372,579
	<u>87,042,128</u>	<u>\$</u>	<u>90,268,561</u>
<b>TOTAL REVENUES</b>	<b>\$</b>		<b>\$</b>
<b>Expenditures</b>			
General government	\$ 19,757,236	\$	20,370,944
Judicial	14,885,538		15,653,438
Public Health & Welfare	2,048,919		2,054,769
Public Safety	39,744,888		41,053,775
Public Works	4,072,402		4,260,223
Recreation & Culture	4,144,807		4,366,749
Housing and development	1,438,198		1,499,240
Agencies	605,888		675,423
Capital outlay	-		-
Debt service	344,252		334,000
	<u>87,042,128</u>	<u>\$</u>	<u>90,268,561</u>
<b>TOTAL EXPENDITURES</b>	<b>\$</b>		<b>\$</b>

**HALL COUNTY, GEORGIA**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Special Local Option Sales Tax (SPLOST)</b>	<b>Local Option Sales Tax (LOST)</b>	<b>Insurance Premium Tax</b>	<b>Real Estate &amp; recording taxes</b>	<b>Other Taxes</b>	<b>Total</b>
2005	\$ 36,474	\$ 24,592	\$ 18,725	\$ 4,718	\$ 2,789	\$ 1,417	\$ 88,715
2006	39,502	28,288	21,408	4,717	3,161	1,491	98,567
2007	42,557	29,457	22,288	4,944	3,391	1,530	104,167
2008	48,470	29,290	22,148	5,198	2,259	1,559	108,924
2009	50,149	25,791	19,455	5,325	1,318	1,501	103,539
2010	53,211	23,893	18,045	5,249	1,074	1,477	102,949
2011	52,180	24,207	18,275	5,105	1,013	1,819	102,599
2012	49,244	26,934	20,337	5,433	1,147	1,859	104,954
2013	48,669	26,621	20,099	5,804	1,359	2,061	104,613
2014	\$ 54,832	\$ 27,170	\$ 20,329	\$ 6,032	\$ 1,371	\$ 2,256	\$ 111,990

Table 5

**HALL COUNTY, GEORGIA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

Tax Year	Real Property				Personal Property				Less Exemptions:		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (3)	Assessed Value as a Percentage of Actual Value
	Residential Property	Agricultural Property (1)	Commercial & Industrial	Public Utilities	Inventory & Equipment (4)	Motor Vehicles	Mobile Homes	Other (2)	Real Property	Personal Property				
2004	\$ 2,835,006	\$ 356,964	\$ 744,871	\$ 99,294	\$ 678,692	\$ 426,445	\$ 29,814	\$ 81,681	\$ 240,870	\$ 147,832	\$ 4,864,065	6.50	\$ 12,160,163	40.00%
2005	3,003,513	361,252	795,001	104,700	729,313	425,737	28,798	92,235	252,550	178,696	5,109,303	6.99	12,773,258	40.00%
2006	3,230,489	364,734	834,281	111,856	796,612	421,830	27,261	107,226	250,565	203,337	5,440,387	6.98	13,600,968	40.00%
2007	3,972,378	525,420	1,121,349	120,228	878,857	464,822	26,460	119,085	367,383	249,168	6,612,048	6.26	16,530,120	40.00%
2008	4,177,689	533,564	1,157,412	115,014	890,844	485,543	26,304	124,608	374,144	239,309	6,897,525	6.25	17,243,813	40.00%
2009	4,235,536	545,407	1,215,007	129,135	885,853	503,330	25,627	109,882	393,810	218,450	7,037,517	6.25	17,593,793	40.00%
2010	4,221,309	554,552	1,213,264	116,714	764,441	434,728	25,153	102,503	408,728	157,661	6,866,275	6.25	17,165,688	40.00%
2011	3,865,590	555,222	1,188,777	133,327	771,123	428,445	24,428	94,030	416,583	194,542	6,449,817	6.25	16,124,543	40.00%
2012	3,490,731	530,867	1,138,470	140,196	801,728	447,718	24,208	94,244	406,562	206,438	6,055,162	6.25	15,137,905	40.00%
2013	\$ 3,426,254	\$ 524,676	\$ 1,088,536	\$ 143,682	\$ 839,414	\$ 472,894	\$ 23,710	\$ 87,110	\$ 407,207	\$ 235,418	\$ 5,963,651	6.25	\$ 14,909,128	40.00%

Source: County Board of Equalization and Assessment.

- (1) Includes conservation use property.
- (2) Includes aircraft, boats, miscellaneous personal property, timber and heavy equipment.
- (3) Property that is exempt from taxation has not been included. That is typically property owned by governments and not-for-profit organizations like churches.
- (4) Includes furniture and fixtures.

**HALL COUNTY, GEORGIA**  
**Direct and Overlapping Property Tax Rates - Mills**  
**Last Ten Fiscal Years**  
(Mills - rate per \$1,000 of taxable assessed value)

<i>Tax Year</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>
<i>Fiscal Year</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
<b><i>Unincorporated Districts</i></b>										
County-Unincorporated	6.500	6.990	6.980	6.260	6.250	6.250	6.250	6.250	6.250	6.250
Hall Co. Schools	15.130	16.300	17.200	15.750	16.420	16.420	16.420	17.670	18.490	19.250
Hall Co. Schools-Bonds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
State of Georgia	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.200	0.150
Fire District Unincorporated	1.620	1.120	1.120	1.510	1.510	1.510	1.510	1.650	1.650	2.400
<b>Total Hall County Unincorporated</b>	<b>23.500</b>	<b>24.660</b>	<b>25.550</b>	<b>23.770</b>	<b>24.430</b>	<b>24.430</b>	<b>24.430</b>	<b>25.820</b>	<b>26.590</b>	<b>28.050</b>
<b><i>Incorporated Districts</i></b>										
County - Incorporated except for City of Gainesville	6.500	6.990	6.980	6.260	6.250	6.250	6.250	6.250	6.250	6.250
County - Incorporated - City of Gainesville (2)	6.030	6.550	6.980	6.260	6.250	6.250	6.250	6.250	6.250	6.250
Hall Co. Schools	15.130	16.300	17.200	15.750	16.420	16.420	16.420	17.670	18.490	19.250
State of Georgia	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.200	0.150
Fire District Incorporated	2.980	2.470	2.470	2.720	2.710	2.710	2.710	3.080	3.080	3.080
Braselton CID	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.000	5.000	5.000
Lanier Island Pkwy CID	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.000
<b><i>Municipalities</i></b>										
City of Gainesville (1)	2.620	2.600	2.890	2.660	2.660	2.660	2.920	2.920	3.060	3.060
Gainesville City Schools (1) (3)	7.970	7.920	7.450	6.960	7.810	7.710	7.390	7.390	7.590	7.590
City of Oakwood	2.480	2.480	2.480	2.480	2.480	2.480	2.480	2.480	2.658	2.658
City of Flowery Branch	1.810	2.845	2.837	2.837	2.837	2.837	2.837	2.837	2.837	2.837
Buford City Schools	13.400	13.350	15.350	13.300	13.250	13.200	13.150	13.100	13.050	13.000

***To calculate the Incorporated rate, add the appropriate School District Rate plus the rate for Municipality in which the property is located. Hall County School Rate should only be included for the properties not in Gainesville or Buford.***

(1) Note: City of Gainesville taxes on 100% of assessed value, Hall County taxes on 40% of assessed value.

The millage rate shown below is 2.5 times the rates shown above in order to put on a comparable basis to the remaining rates.

<i>City of Gainesville</i>	<i>6.550</i>	<i>6.500</i>	<i>7.225</i>	<i>6.650</i>	<i>6.650</i>	<i>6.650</i>	<i>7.300</i>	<i>7.300</i>	<i>7.650</i>	<i>7.650</i>
<i>Gainesville City Schools</i>	<i>19.925</i>	<i>19.800</i>	<i>18.625</i>	<i>17.400</i>	<i>19.525</i>	<i>19.275</i>	<i>18.475</i>	<i>18.475</i>	<i>18.975</i>	<i>18.975</i>

(2) The millage rate for the residents of the City of Gainesville is reduced due to the rollback for Tax Equity issues under House Bill 489 beginning in tax year 2000 and ending in 2005.

(3) The millage rate for City of Gainesville Schools includes amounts for bonds as well as maintenance and operations.

**HALL COUNTY, GEORGIA  
PRINCIPAL PROPERTY TAXPAYERS  
Current year and 9 years ago  
(amounts expressed in thousands)**

Taxpayer	Tax Year 2013			Tax Year 2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wrigley Manufacturing Company	\$ 55,555	1	0.93%	\$ 22,684	3	0.47%
Georgia Power Company	52,909	2	0.89%	29,288	2	0.60%
Jackson EMC	38,395	3	0.64%	25,263	1	0.52%
Fieldale Farms Corp	29,227	4	0.49%	14,860	6	0.31%
Tree Lake Associates	11,047	5	0.19%	-		0.00%
Kelsey Hayes Company	12,889	6	0.22%	-		0.00%
Lanier Village Estates	27,931	7	0.47%	-		0.00%
Atlanta Falcons Football Clubs, LLC	8,677	8	0.15%	-		0.00%
Norfolk Southern Corp	9,486	9	0.16%	-		0.00%
Georgia Transmission Corp	8,429	10	0.14%	-		0.00%
Bellsouth	-		0.00%	22,106	4	0.45%
ZUA Auto Parts	-		0.00%	19,660	5	0.40%
John Wieland Homes	-		0.00%	8,310	7	0.17%
SKF USA, Inc.	-		0.00%	8,984	8	0.18%
New Holland Milliken	-		0.00%	8,046	9	0.17%
Avery Dennison Office Products	-		0.00%	8,136	10	0.17%
Totals	<u>\$ 254,545</u>		<u>4.27%</u>	<u>\$ 167,338</u>		<u>3.44%</u>

Source: Hall County Tax Commissioner

Rank is based on the amount of County maintenance & operations taxes billed since exemptions that reduce the assessed value can vary by entity.

**HALL COUNTY, GEORGIA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Tax Years**  
**(amounts expressed in thousands)**

Tax Year	Taxes Levied for the Tax Year			Interest, Costs and Penalties	Total Adjusted Levy	Collected within Fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date		Uncollected Balance
	(Original Levy)	Adjustments				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy	
2005	\$ 40,582	\$ 2,937	\$ 778	\$ 44,297	\$ 43,579	107.39%	\$ 612	\$ 44,191	99.76%	\$ 106	
2006	43,873	3,040	875	47,788	46,918	106.94%	751	47,669	99.75%	119	
2007	50,830	2,512	1,243	54,585	53,055	104.38%	1,381	54,436	99.73%	149	
2008	52,955	2,865	1,497	57,317	55,300	104.43%	1,781	57,081	99.59%	236	
2009	55,751	863	1,429	58,043	56,162	100.74%	1,635	57,797	99.58%	246	
2010	54,698	502	1,244	56,444	54,711	100.02%	1,509	56,220	99.60%	224	
2011	52,369	(136)	1,173	53,406	51,786	98.89%	1,399	53,185	99.59%	221	
2012	50,368	473	1,016	51,857	50,602	100.46%	1,005	51,607	99.52%	250	
2013	54,195	1,109	654	55,958	55,347	102.13%	117	55,464	99.12%	494	
2014	\$ 7,766	\$ (8)	\$ 170	\$ 7,928	\$ 7,812	100.59%	\$ -	\$ 7,812	98.54%	\$ 116	

Taxes levied include real and personal property, motor vehicle, mobile home, timber, and heavy equipment taxes. Property taxes levied during the calendar year 2013 are recorded as revenues in the financial statements in 2014 since they are levied to finance that year's expenditures. Property taxes are normally billed in the fall of each year based on assessed values as of January 1 of that year. Mobile home taxes are billed in the spring based on values as of January 1 of that year. The millage rate used is the rate for the previous calendar year's property taxes. Because the mobile home digest is denoted with the digest year they are billed, they are included in the levy and collections for that digest year. For financial statements, revenue from mobile homes is recognized in the year the taxes are collected. The total levy has been about \$600,000 per year. The taxes for motor vehicles are accounted for like mobile home taxes even though they are billed throughout the year. Since the 2014 property taxes had not been levied until after the end of the fiscal year, they are not included above. They will be added to the schedule in the next year.

**HALL COUNTY, GEORGIA**  
**TAXABLE SALES AND SALES TAXES**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Taxable sales	\$ 1,866,039	\$ 2,140,833	\$ 2,228,778	\$ 1,742,857	\$ 1,529,592	\$ 4,769,388	\$ 4,627,551	\$ 5,506,097	\$ 5,093,878	\$ 6,122,449
County direct sales tax rate (LOS)	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
County SPLOST tax rate	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%

**SPLOST (2)**

Portion of taxes collected for :

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
City of Gainesville	1,549	1,644	1,697	1,369	1,205	3,690	3,581	4,334	3,938	4,877
City of Clermont	25	26	27	22	20	99	96	107	106	114
City of Lula	82	87	89	75	61	197	192	213	211	225
City of Flowery Branch	109	116	119	97	85	260	252	280	278	296
City of Braselton	1	1	2	1	1	3	3	4	4	4
City of Gillsville	9	11	11	0	0	25	24	27	27	29
City of Oakwood	161	168	178	144	127	385	373	415	412	438
City of Buford	0	0	0	0	0	15	14	16	16	17

Source:

Rates - State Department of Revenue (DOR).

Taxable sales - These figures are unavailable. They have been estimated based on the amount of taxes received from the DOR.

Notes:

(1) The Local Option Sales Tax (LOST) is approved by the voters of the County. It is collected until repealed. Property taxes are reduced by the amount of LOST collected. The LOST may be used for any purpose. A portion of this tax is distributed directly to the cities by DOR. The portion that the cities receive is renegotiated every 10 years. The last renegotiation took place in 2002. The portion allocated to the cities was unchanged from the prior 10 year distribution agreement.

(2) The Special Purpose Local Option Sales Tax is approved periodically by the voters of the County. It is limited to use for capital outlay projects or to repay debt specified in the resolution. It is collected for a number of years (currently 6) or until the amount specified in the resolution is collected. By agreement, a portion of the tax received by the County from DOR is earmarked for City projects. A report on the expenditures of SPLOST is included in the Comprehensive Annual Financial Report.

**HALL COUNTY, GEORGIA**  
**Special Local Option Sales Tax Collections**  
**Last Ten Calendar Years**

<b>Calendar Year</b>		<b>Annual Collections</b>
2005	\$	25,442,979
2006		29,500,321
2007		29,918,593
2008		27,806,104
2009		24,985,329 <sup>1</sup>
2010		22,819,428
2011		26,184,117
2012		27,093,192
2013		26,441,482
2014	\$	13,598,598 <sup>2</sup>

1 Represents 8 months of Collections from the 2004 Sales Tax  
and 4 months from the 2009 Sales Tax Program

2 Represents 6 months of Collections received as of June 30, 2014

**HALL COUNTY, GEORGIA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Contracts & Notes Payable	Capital Leases	Contracts Payable	Notes Payable	Capital Leases			
2005	\$ 42,236	\$ -	\$ 1,337	\$ -	\$ 5,247	\$ -	\$ 48,820	1.05%	\$ 288
2006	41,643	-	1,159	-	1,825	-	44,627	0.92%	260
2007	31,256	-	971	-	1,729	-	33,956	0.66%	189
2008	20,703	-	894	14,347	11,239	-	47,183	0.90%	262
2009	10,405	5,327	714	14,355	23,294	964	55,059	1.00%	298
2010	-	4,848	560	14,363	30,576	491	50,838	0.88%	270
2011	-	17,962	407	22,319	33,445	1,463	75,596	1.36%	421
2012	-	14,176	274	21,288	34,014	988	70,740	1.25%	386
2013	-	10,239	142	20,868	32,614	500	64,363	1.08%	347
2014	\$ -	\$ 6,211	\$ -	\$ 20,379	\$ 31,684	\$ -	\$ 58,274	0.95%	\$ 310

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on Table 16 for personal income and population data.

This schedule was revised to include original issue premiums and discounts on debt that previously had not been shown.

**HALL COUNTY, GEORGIA**  
**OTHER LONG-TERM LIABILITIES**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Compensated Absences	Claims Payable	Net OPEB Obligation	Net Pension Obligation	Total	Landfill Closure/ Postclosure	Compensated Absences	Total			
2005	\$ 2,750	\$ 2,490	\$ -	\$ -	\$ 5,240	\$ 5,197	\$ 69	\$ 5,266	\$ 10,506	0.23%	\$ 62
2006	2,758	2,497	-	-	5,255	5,425	66	5,491	10,746	0.22%	63
2007	2,928	2,244	-	-	5,172	5,731	78	5,809	10,981	0.21%	61
2008	3,118	2,590	-	-	5,708	6,023	65	6,088	11,796	0.22%	65
2009	3,479	2,681	7,265	-	13,425	6,185	77	6,262	19,687	0.36%	107
2010	3,729	2,973	23,219	-	29,921	6,320	76	6,396	36,317	0.63%	193
2011	3,733	2,821	48,170	-	54,724	6,496	74	6,570	61,294	1.10%	341
2012	3,584	3,444	52,487	554	60,069	7,097	70	7,167	67,236	1.19%	367
2013	3,345	2,763	54,539	182	60,829	7,361	67	7,428	68,257	1.15%	368
2014	\$ 3,638	\$ 2,516	\$ 56,732	\$ (43)	\$ 62,843	\$ 7,617	\$ 67	\$ 7,684	\$ 70,527	1.15%	\$ 376

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on Table 16 for personal income and population data.

**HALL COUNTY, GEORGIA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Restricted to Repaying Principal</b>	<b>Total</b>	<b>Percentage of Personal Income (2)</b>	<b>Percentage of Estimated Actual Taxable Value of Property (1)</b>	<b>Per Capita (2)</b>
2005	\$ 42,236	\$ -	\$ 42,236	908.71%	0.35%	\$ 250
2006	41,643	9,903	31,740	657.34%	0.25%	185
2007	31,256	11,300	19,956	390.55%	0.15%	111
2008	20,703	11,290	9,413	178.82%	0.06%	52
2009	10,405	10,848	(443)	-8.02%	0.00%	(2)
2010	-	-	-	0.00%	0.00%	-
2011	-	-	-	0.00%	0.00%	-
2012	-	-	-	0.00%	0.00%	-
2013	-	-	-	0.00%	0.00%	-
2014	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See Table 6 for property value data.

(2) See Table 16 for population data.

**HALL COUNTY, GEORGIA**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2014**  
**(amounts expressed in thousands)**

<u>Governmental Unit</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Hall County Direct Debt <sup>(7)</sup>	\$ 6,211	100%	\$ 6,211
Overlapping:			
Hall County Board of Education <sup>(1)</sup>	\$ 30,771	100%	\$ 30,771
City of Gainesville <sup>(2)</sup>	115,413	100%	115,413
City of Gainesville Schools <sup>(3)</sup>	17,647	100%	17,647
City of Oakwood <sup>(4)</sup>	12,341	100%	12,341
City of Buford <sup>(5)</sup>	7,503	19%	1,426
City of Braselton <sup>(6)</sup>	7,709	18%	1,388
Total overlapping debt	<u>\$ 191,384</u>		<u>\$ 178,985</u>
Total direct and overlapping debt	<u>\$ 197,595</u>		<u>\$ 185,196</u>

Source: Gainesville-Hall County Development Authority

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the county. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the overlapping government's boundaries and dividing it by the overlapping government's total taxable assessed value.

<sup>(1)</sup> The Hall County Board of Education debt is comprised of \$30,190,000 of general obligation bonds, \$3,390,730 of lease-purchase/installment sale debt tax, some of which is intergovernmental contract debt; all of this debt is intended to be paid from a 1% educational sales tax.

<sup>(2)</sup> The City of Gainesville debt is comprised of intergovernmental contract debt; \$94,539,647 of such debt is comprised of notes to the Georgia Environmental Facilities Authority incurred for improvements to Gainesville's water and sewer system and is intended to be paid from revenues of the system, even though the notes are general obligations of the City of Gainesville; the balance of \$20,873,591 is governmental activities capital lease debt.

<sup>(3)</sup> The Gainesville School District debt is comprised of \$11,235,000 of general obligation bonds, \$3,705,000 of intergovernmental contract debt, and \$2,706,976 of capital lease debt; most of the Gainesville School District debt is intended to be paid from a 1% educational sales tax.

<sup>(4)</sup> \$3,100,050 of the Oakwood debt is intergovernmental contract debt; 9,240,818 of such debt is comprised of notes to the Georgia Environmental Facilities Authority incurred for improvements to Oakwood's sewer system and is intended to be paid from revenues of the system, even though the notes constitute general obligations of Oakwood.

<sup>(5)</sup> The City of Buford debt is comprised of general obligation bonds issued in October of 2010.

<sup>(6)</sup> The City of Braselton debt is comprised of notes to the Georgia Environmental Facilities Authority incurred for the improvement to Braselton's water and sewer system and is intended to be paid from revenues of the system, even though the notes constitute general obligations of Braselton.

<sup>(7)</sup> See Table 11. This does not include any guarantees of the Hospital Authority Debt.

**HALL COUNTY, GEORGIA**  
**LEGAL DEBT MARGIN INFORMATION**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assessed value of property	\$ 5,252,767	\$ 5,540,549	\$ 5,894,289	\$ 7,228,599	\$ 7,510,978	\$ 7,649,777	\$ 7,432,664	\$ 7,060,942	\$ 6,668,162	\$ 6,606,276
Debt limit (10% of total assessed value)	525,277	554,055	589,429	722,860	751,098	764,978	743,266	706,094	666,816	660,628
Amount of Debt applicable to limit:										
General obligation bonds	42,236	41,643	31,256	20,703	10,405	-	-	-	-	-
Less: Resources restricted to paying principal	-	9,903	11,300	11,290	10,848	-	-	-	-	-
Total net debt applicable to limit	42,236	31,740	19,956	9,413	(443)	-	-	-	-	-
Legal debt margin	<u>\$ 483,041</u>	<u>\$ 522,315</u>	<u>\$ 569,473</u>	<u>\$ 713,447</u>	<u>\$ 751,541</u>	<u>\$ 764,978</u>	<u>\$ 743,266</u>	<u>\$ 706,094</u>	<u>\$ 666,816</u>	<u>\$ 660,628</u>
Total net debt applicable to the limit as a percentage of debt limit	8.04%	5.73%	3.39%	1.30%	-0.06%	0.00%	0.00%	0.00%	0.00%	0.00%

**HALL COUNTY, GEORGIA  
PLEGGED REVENUE COVERAGE  
Last Ten Fiscal Years**

Sales Tax Increment Bonds <sup>(1)</sup>					
Fiscal Year	Sales Tax Increment	Debt Service		Coverage	
		Principal	Interest		
2005	\$ -	\$ -	\$ -	-	-
2006	28,288	-	605	46.76	
2007	29,457	9,795	1,945	2.51	
2008	29,290	9,960	1,455	2.57	
2009	25,791	10,165	968	2.32	
2010	23,893	10,405	248	2.24	
2011	-	-	-	-	
2012	-	-	-	-	
2013	-	-	-	-	
2014	\$ -	\$ -	\$ -	-	-

<sup>(1)</sup> Sales tax increment bonds are backed by the sales tax revenue produced by the sales tax rate in effect when the bonds were issued.

Details regarding the government's outstanding debt can be found in the notes to the financial statements.

General obligation bonds were issued in fiscal year 2006 and paid off in 2010. Operating expenses do not include interest or depreciation.

**HALL COUNTY, GA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years**

Fiscal Year	Population (a)	Personal Income (amounts expressed in thousands)	Per Capita Personal Income (c)	Median Age (b)	Education Level as a Percent of Population 25 yrs & Older (f)		School Enrollment (d)	Unemployment Rate (e)
					High School or Higher	College or Higher		
2005	169,273	\$ 4,647,898	\$ 27,458	32.3	74.5%	19.6%	23,094	4.30%
2006	171,774	4,828,567	28,110	n/a	n/a	n/a	24,826	4.20%
2007	179,271	5,109,723	28,503	n/a	n/a	n/a	25,558	4.00%
2008	180,175	5,264,080	29,216	n/a	67.7%	16.6%	25,558	4.74%
2009	184,814	5,521,344	29,875	n/a	79.8%	25.6%	26,435	9.10%
2010	187,943	5,746,169	30,574	32.2	82.7%	24.1%	25,706	9.00%
2011	179,684	5,569,485	30,996	33.0	74.5%	19.8%	25,706	9.30%
2012	183,052	5,639,100	30,806	34.8	76.5%	21.0%	25,706	8.50%
2013	185,416	5,933,497	32,001	35.1	78.0%	22.1%	26,515	7.80%
2014	187,745	\$ 6,155,971	\$ 32,789	37.5	78.5%	22.1%	26,959	6.90%

Data sources:

- (a) Population estimate based upon US Census Bureau QuickFacts (2013 estimate)
- (b) US Census Bureau (2013 American Community Survey 1-Year Estimates)
- (c) Federal Bureau of Economic Analysis (Survey of Current Business).
- (d) Hall County Board Of Education (2014).
- (e) U.S. Department of Labor (Bureau of Labor Statistics, 2013).
- (f) US Census Bureau (2007-2011)

Note: Population, median age, and education level information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average.

**HALL COUNTY, GEORGIA  
PRINCIPAL EMPLOYERS  
Current year and 9 years ago**

Employer	2014			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Northeast Georgia Medical Center	5,200	1	6.74%			
Fieldale Farms	2,400	2	3.11%			
Pilgrims Pride	1,600	3	2.07%			
Mar-Jac	1,250	4	1.62%			
Kubota Manufacturing of America	1,250	5	1.62%			
Victory Processing LLC	790	6	1.02%			
Wrigley Manufacturing Company	750	7	0.97%			
Wal-Mart Super Centers (2)	690	8	0.89%			
The Longstreet Clinic	620	9	0.80%			
KIK Gainesville	580	10	0.75%			
All other employers	62,076		80.40%			
<b>Total</b>	<b>77,206</b>		<b>100.00%</b>	<b>0</b>		<b>0.00%</b>

Source: Greater Hall Chamber of Commerce.

Note 1: Excludes governmental and educational employers. Percentage of employment is based on Hall County annual average employment per the Georgia Department of Labor and U.S. Bureau of Labor Statistics.

Note 2: Information for fiscal year 2005 is unavailable.

**HALL COUNTY, GEORGIA**  
**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years**

Function	Full-time Equivalent Employees as of June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	126	127	146	137	136	125	116	99	94	96
Public safety										
Sheriff										
Officers	307	307	330	423	423	423	496	468	439	429
Civilians	32	35	38	59	59	59	31	18	17	17
Fire and EMS										
Firefighters & EMT's	284	286	311	317	317	316	371	227	305	382
Civilians	10	10	11	16	16	16	11	27	27	10
Other public safety	95	96	98	104	105	118	-	-	-	-
Court system	151	174	191	202	208	207	189	190	193	191
Public works	95	94	96	96	96	90	99	63	60	63
Health and welfare	-	-	-	-	-	-	18	16	30	36
Recreation and culture	32	35	42	43	43	41	44	32	32	31
Housing and development	40	40	40	40	40	30	-	6	6	6
Solid Waste	29	29	29	29	29	29	27	27	29	30
Water & Sewer	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,201</b>	<b>1,233</b>	<b>1,332</b>	<b>1,466</b>	<b>1,472</b>	<b>1,454</b>	<b>1,402</b>	<b>1,173</b>	<b>1,232</b>	<b>1,291</b>

Source: Hall County Finance and Human Resources Departments.

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

**HALL COUNTY, GEORGIA  
OPERATING INDICATORS BY FUNCTION  
Last Ten Fiscal Years**

<b>Function</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Police</b>										
Physical arrests	7,266	7,525	8,257	9,200	9,426	8,664	8,358	7,369	7,557	11,946
Traffic violations	12,242	11,309	12,984	13,240	13,501	13,767	8,498	9,579	7,178	10,845
<b>Fire</b>										
Number of calls answered	20,799	23,479	24,073	25,331	26,655	28,048	23,329	23,461	22,965	23,920
Inspections	814	1,352	1,874	1,395	1,240	1,262	806	781	1,033	1,074
<b>Highways and streets</b>										
Street resurfacing (miles)	32	33	51	43	52	49	26	14	22	23
Potholes repaired	523	201	282	532	406	531	689	1,139	1,856	1,379
<b>Sanitation</b>										
Refuse collected (tons/day)	234	258	244	274	284	196	182	165	216	226
Recyclables collected (tons/day)	12	11	11	14	15	10	9	9	14	17
<b>Culture and recreation</b>										
Athletic field permits issued	n/a*									
Community center admissions	n/a*									
<b>Water</b>										
New connections	n/a									
Water mains breaks	n/a									
Average daily consumption (thousands of gallons)	n/a									
<b>Wastewater</b>										
Average daily sewage treatment (thousands of gallons)	n/a	n/a	n/a	1,950	2,050	205	211	237	275	294

Sources: Various County departments.

Note 1: Hall County Community Centers are free admission to the public.

Note 2: Hall County does not operate a water system, however, sewer capacity was purchased in FY 2008. The Spout Springs Reclamation Plant has 750 gallons per day capacity with an additional 1.2 million per day purchased treatment capacity from cities of Flowery Branch and Oakwood.

**HALL COUNTY, GEORGIA**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Public safety</b>										
Sheriff headquarters &/or precincts	3	3	3	3	3	3	3	3	3	3
Fire Stations	13	13	14	15	15	15	15	15	15	16
<b>Solid Waste</b>										
Compactor Sites	13	13	13	13	13	13	13	13	12	12
<b>Highways and streets</b>										
Streets (miles)	1,026	1,037	1,046	1,052	1,052	1,052	1,056	1,060	1,060	1,060
Streetlights*	255	283	308	312	316	324	320	322	324	324
Traffic signals	26	26	29	35	35	35	38	38	38	38
<b>Culture and recreation</b>										
Parks acreage	850	974	1,359	1,359	1,359	1,359	1,459	1,459	1,580	1,580
Parks	17	19	20	20	20	20	20	20	22	22
Tennis courts	30	34	34	34	34	34	34	34	37	37
Community centers	3	3	4	4	4	4	4	4	4	4
<b>Water</b>										
Water mains (miles)	n/a									
Fire hydrants	n/a									
Maximum daily capacity (thousands of gallons)	n/a									
<b>Sewer</b>										
Sanitary sewers (miles)	n/a	n/a	n/a	32	32	32	32	60	60	60
Storm sewers (miles)	n/a									
Maximum daily treatment capacity (thousands of gallons)	n/a	n/a	n/a	1,950	1,950	2,050	2,050	2,050	2,750	2,940

Sources: Various County departments.

Note 1: No capital asset indicators are available for the general government function.

Note 2: Hall County does not operate a Water or Sewer System. We contract with the municipalities in our County to handle this for us and we provide the necessary infrastructure funding to accommodate this area of service.

**HALL COUNTY, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For Year Ended June 30, 2014**

FEDERAL GRANTOR/ PASS-THRU GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT/ CONTRACT NUMBER	PROGRAM OR AWARD AMOUNT	EXPENDITURES
<b>U.S. DEPARTMENT OF JUSTICE</b>				
-State Criminal Alien Assistance Program (SCAAP)	16 606	2013-APBX-0429	\$ 95,764	\$ 95,764
-Edward Byrne JAG -Hall County Sherriff's Office	16 738	2013-DJ-BX-1031	15,703	15,703
Passed through the Georgia Bureau of Investigations				
- Victims of Crime Assistance	16 575	2012-VA-GX-0035/C12-8-071	40,791	10,539
- Victims of Crime Assistance	16 575	2012-VA-GX-0035/C12-8-073	44,046	7,383
-Victim of Crime Assistance	16 575	2012-VA-GX-0035/C12-8-072	39,867	7,776
			<u>124,704</u>	<u>25,698</u>
Passed through the Prosecuting Attorneys' Council of Georgia				
-Victim of Crime Assistance	16 575	C13-8-048	80,736	57,913
-Victim of Crime Assistance	16 575	C13-8-048	44,561	35,020
			<u>125,297</u>	<u>92,933</u>
<b>TOTAL US DEPARTMENT OF JUSTICE</b>			<b><u>361,468</u></b>	<b><u>230,098</u></b>
<b>U.S. DEPARTMENT OF HOUSING AND URBANK DEVELOPMENT</b>				
Passed-through the Georgia Department of Community Affairs				
-Neighborhood Stabilization Program -NSP1	14 256	08-ns-5064	2,646,541	
-Neighborhood Stabilization Program -NSP3	14 256	11-ns-6005	1,134,632	
			<u>3,781,173</u>	
Community Development Block Grant-Special Purpose	14 225	12p-y-069-I-5450	500,000	486,100
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<b><u>4,281,173</u></b>	<b><u>486,100</u></b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Passed-through the Georgia Department of Transportation				
-Capital Improvement Assistance Program	20 507	GA-18-X033/T004988	123,334	
			<u>123,334</u>	
-Transit Operations Assistance Program	20 509	GA-18-4028/T004696	303,988	207,674
-ARRA Capital-Transit Assistance Program	20 509	GA-86-X001/T004545	313,600	119,706
			<u>617,588</u>	<u>327,380</u>
-FTA Transit Planning Assistance	20 505	GA-80-0008-01/T004951	86,745	79,127
-Gainesville-Hall MPO Planning Funds	20 205	PI0011801	310,448	185,863
Passed-through the Georgia Department of Human Services				
Passed-through Georgia Mountain Regional Commission				
-Transportation grant - Enhanced Mobility of Seniors & Individual with diabilites	20 513	42700-362-0000023666	102,451	102,451
National Highway Traffic Safety Administration (NHTSA)				
Passed through the Governor's Office of Highway Safety	20 600	GA-2013-232-00565	8,000	8,000
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<b><u>1,248,566</u></b>	<b><u>702,821</u></b>

CONTINUED

**U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES**

Passed-through the Georgia Department of Human Services  
 Passed-through Georgia Mountain Regional Commission  
 - Social Services Block Grant - Transportation

93 667	42700-362-0000023666	35,025	35,025	
- Special Programs for the Aging	93 044	42700-362-0000023666	88,439	88,439
- Temporary Assistance for Needy Families	93 558	42700-362-0000023666	11,407	11,407

**TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES**

<u>134,871</u>	<u>134,871</u>
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**FEDERAL EMERGENCY MANAGEMENT AGENCY**

Passed-through the Georgia Emergency Management Agency

-GEMA-Sheriff's Department/Court Services  
 -GEMA-Sheriff's Department/Court Services  
 -GEMA-Sheriff's Department/Court Services

97 067	EMW-2012-SS-00063-S01/BW #3039 SHO12-052	3,500	1,800
97 067	GAN #2013-SS-00054-S01/BW #3108/SO13-053	3,000	1,500
97 067	EMW-2011-SS-00081-S01/BW #2757	3,500	1,194
		<u>10,000</u>	<u>4,494</u>

-GEMA Sheriff's Department

97 067	GAN #2013-SS-00054-S01/BW #3167/SO13-027	14,000	9,572
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- GEMA-CERT

97 067	EMW-2013-SS-00054-S01/BW #3137/SO13-070	5,100	5,084
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-GEMA PPA

97 042	OEM13-071	54,405	54,405
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**TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY**

<u>83,505</u>	<u>73,555</u>
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-Appalachian Area Development

23 002	GA-17117	53,215	3,648
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**TOTAL APPALACHIAN REGIONAL COMMISSION**

<u>53,215</u>	<u>3,648</u>
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**GRAND TOTAL**

<u>\$ 6,162,797</u>	<u>\$ 1,631,093</u>
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**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

1 This schedule is prepared on the modified accrual basis of accounting.



INDEPENDENT AUDITORS' 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*

January 29, 2015

Board of Commissioners  
 HALL COUNTY, GEORGIA  
 Gainesville, Georgia

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of HALL COUNTY, GEORGIA, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the HALL COUNTY, GEORGIA's basic financial statements and have issued our report thereon dated January 29, 2015. Our report was modified to include a reference to 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. Our report includes a reference to other auditors who audited the financial statements of the Hall County Health Department as described in our report on HALL COUNTY, GEORGIA's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered HALL COUNTY, GEORGIA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of HALL COUNTY, GEORGIA's internal control. Accordingly, we do not express an opinion on the effectiveness of the HALL COUNTY, GEORGIA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a

deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether HALL COUNTY, GEORGIA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 no material instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bates, Carter : Co, LLP*



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

January 29, 2015

Board of Commissioners  
HALL COUNTY, GEORGIA  
Gainesville, Georgia

**Report on Compliance for Each Major Federal Award Program**

We have audited HALL COUNTY, GEORGIA's compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of HALL COUNTY, GEORGIA's major federal programs for the year ended June 30, 2014. HALL 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.

HALL COUNTY, GEORGIA's basic financial statements include the operations of the Hall County Health Department. Any amounts of federal awards received by that component unit are not included in the schedule during the year ended June 30, 2014. Our audit, described below, did not include the operations of Hall County Health Department because the component unit engaged other auditors to perform an audit in accordance with Circular A-133.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of HALL COUNTY, GEORGIA's major federal programs based on our audit of the types of compliance requirements referred to above. 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 HALL 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 on compliance for each major federal program. However, our audit does not provide a legal determination of HALL COUNTY, GEORGIA's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, HALL COUNTY, GEORGIA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

### **OTHER MATTERS**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-03 and 2014-04. Our opinion on each major federal program is not modified with respect to these matters.

HALL COUNTY, GEORGIA's response to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. HALL COUNTY, GEORGIA's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of HALL COUNTY, GEORGIA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered HALL COUNTY, GEORGIA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of HALL COUNTY, GEORGIA's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal*

*control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over compliance, findings 2014-01 and 2014-02.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Bates, Parlier, Co, LLP*

**HALL COUNTY, GEORGIA**  
**AUDITORS' SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2014**

**I**

**SUMMARY OF AUDITORS' RESULTS:**

1. Report issued on Financial Statements – Unmodified opinion.
2. Compliance (financial statements) – No material instances of noncompliance.
3. Internal Control (financial statements) – No significant deficiency, no material weakness.
4. Compliance (major programs) – Unmodified opinion, two instances of noncompliance.
5. Internal control (major programs) – Two significant deficiencies, no material weaknesses.
6. Audit findings required to be reported under A133 Section 510(a)
  - i) Significant deficiencies in internal controls over major programs – Two instances reported
  - ii) Material noncompliance related to major programs – Two instances reported
  - iii) Known questioned costs greater than \$10,000 for major programs – Three instances 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 programs for the year – Federal Transit Cluster, CFDA 20.509; CDBG - Special Purpose - 14.225; Neighborhood Stabilization Program CFDA 14.256
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.

## II AUDIT FINDINGS - GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

There were no findings or questioned costs relating to *Government Auditing Standards* reported for the year ended June 30, 2014.

## III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

### Finding Number

### SIGNIFICANT DEFICIENCY

#### Neighborhood Stabilization Program

2014-01

#### Statement of Condition:

Draw requests were not prepared in a timely manner. Four draw requests (three relating to NSP 1 and one relating to NSP 3) were randomly prepared during fiscal year 2014. The fifth and sixth draw requests were prepared six months after year end.

#### Criteria:

Draw requests should be prepared on a quarterly basis.

#### Effect of Condition:

As a result, a large amount of activity related to these programs were funded by the General Fund. As of June 30, 2014, the Grants Fund had a deficit cash balance of \$1.3 million in the Concentration cash account. This account maintained a deficit cash balance throughout the fiscal year 2014. Also due to the large volume of activity, it is difficult to ensure that each program is properly accounted for.

#### Cause of Condition:

Cause of condition unknown.

#### Recommendation:

We recommend that the County implement procedures to reconcile supporting documentation to the General Ledger on a monthly basis and to complete the associated draw requests on a quarterly basis to the Department of Community Affairs.

#### Response:

Hall County recognizes the importance of timely submittals of draw requests. New procedures have been put in place to insure this occurs. Monthly reports, and reconciliements will be prepared in order to make preparation and submittal of draw requests a more efficient process. Draw requests will be prepared quarterly

and submitted to DCA. Because the grant reimbursements will be received on a more timely basis, the cash account will not maintain a deficit balance for long periods of time.

**2014-02**     **Statement of Condition:**

Expenditures in the amount of \$33,900 that appear to be eligible for reimbursement by program funds were paid for out of department 786 which are unrestricted funds for the County.

**Criteria:**

The County should use restricted resources first prior to using unrestricted resources. As of June 30, 2014, NSP 1 had program funds in the amount of \$955,172 and NSP 2 had program funds in the amount of \$722,862.

**Effect of Condition:**

Unrestricted resources have been fully expended during fiscal year 2014 by restricted expenditures fully eligible for funding through NSP 1 and NSP 2 program funding.

**Cause of Condition:**

Cause of condition unknown.

**Recommendation:**

We recommend that the County implement procedures to ensure that all restricted resources are utilized before unrestricted funds are made available for program expenditures.

**Response:**

Hall County is aware of the importance of using all restricted funds prior to using unrestricted funds. With the implementation of the monthly reconciliation by Grants Administration and the quarterly draw requests being submitted, it will allow better visibility of remaining funds so that the proper resources are being used.

**COMPLIANCE**

**2014-03**     **Statement of Condition:**

During review of material transactions it was noted that two (2) separate payroll related expenses did not have sufficient documentation to support the cost. Specifically, signed Personal Activity Reports (time sheets) are not available in the amount of \$14,196; and a signed Personal Activity Report amount did not agree to the general ledger program expense detail in the amount of \$18,857.

**Criteria:**

According to basic guidelines for factors affecting allowability of cost for federal awards, costs must be adequately documented.

**Effect of Condition:**

Significant payroll related program expenses are missing adequate documentation; thus resulting in internal control ineffectiveness and questions concerning accuracy of program expenses. Lack of documentation will result in unallowable costs.

**Cause of Condition:**

Reconciling draw requests to general ledger expense activity is not being performed on a timely basis.

**Recommendation:**

We recommend that County implement procedures to ensure supporting documentation is adequate and appropriately filed for grant and internal control compliance purposes.

**Response:**

Hall County recognizes the importance of having appropriate and full documentation for all grant related expenses. The assigned timekeeper will maintain signed copies of all time sheets needed for grant reimbursement requests in order to accurately reflect personnel costs to be submitted on draw requests.

2014-04

**Statement of Condition:**

The year-end project detail does not support the final cumulative total for all draws submitted during FY 2014 (Draws 29-33). The County claimed more than the general ledger detail supported resulting in a \$16,000 adjustment to appropriately state grant revenue in the NSP 1 Program.

**Criteria:**

The Hall County Grant Administrator/Staff should reconcile all draw requests with the general ledger on a monthly basis.

**Effect of Condition:**

The expenditures claimed on the draw requests may not be correct.

**Cause of Condition:**

The reconciliation process occurred at the end of the year, rather than per draw, which significantly increased the volume of work and opportunity for error.

**Recommendation:**

We recommend that the County implement procedures to ensure supporting documentation is adequate and appropriately filed for grant and internal control compliance purposes.

**Response:**

Hall County is aware of the importance of the monthly reconciliation of the activity. Grants Administration will be provided copies of all invoices and documentation of grant expenses on a weekly basis. Then, after the close of each month, will be provided with an audit trail from the general ledger of all transactions related to the grant which can be used to reconcile grant department records to the general ledger.