



# HALL COUNTY

G E O R G I A

*We have it **all** in Hall*

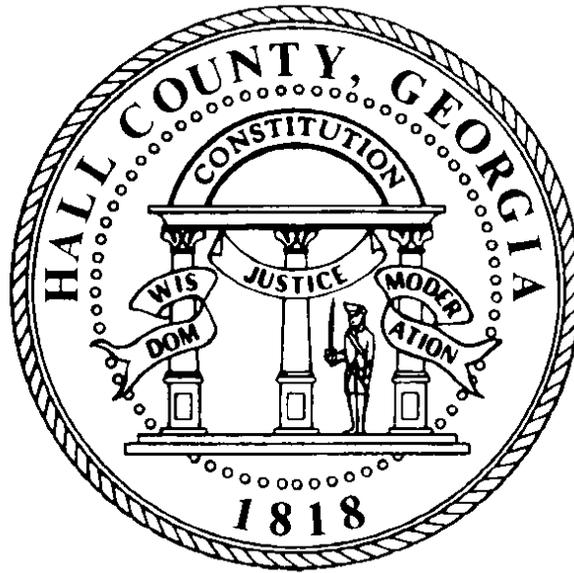
*Since 1818*



## Comprehensive Annual Financial Report for year ending June 30, 2015

# Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015



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, 2015**

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# Hall County Government

## BOARD OF COMMISSIONERS

POST OFFICE DRAWER 1435  
GAINESVILLE, GEORGIA 30503

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CHAIRMAN  
Richard V. Mecum

Kathy L. Cooper, 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

November 30, 2015

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

We are pleased to present the Fiscal Year 2015 Comprehensive Annual Financial Report for Hall County, GA, which details our sound fiscal position and 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 2015 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, 2015 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 2015 and that the information presented is fair and accurate. We encourage readers to consider this transmittal letter in conjunction with the management discussion and analysis and annotated financial statements 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, 2015, 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 unmodified opinion that Hall County, Georgia's financial statements for the fiscal year ended June 30, 2015, 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, 2015. The required reports on supplemental information, compliance, internal controls and various supplementary schedules are included under the Compliance Section.

## PROFILE OF THE GOVERNMENT



*Board of Commissioners, L to R: Billy Powell – District 2, Cathy L. Cooper – District 1, Jeff Stowe – District 4, Richard V. Mecum – Chairman, Scott Gibbs – District 3*

Hall County was established 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 4 years. Between 2010 and 2014, the population changed by 6.2% compared with a state change in population of 4.2%. The 2014 estimated population of Hall County is 190,761. 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. Gainesville's population is now estimated at 36,306 by the U.S. Census Bureau 2014. Other municipalities include Oakwood, Flowery Branch, Clermont, Lula and Gillsville; as well as, a part of Buford, Braselton, and Rest Haven.

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 2015, Hall County continued to see signs of an improved economy. Local Option Sales Tax collection was 6.05% higher in 2015 than in 2014. The Title Ad Valorem Tax has provided significant revenue to the General Fund for FY 2015. This change in the motor vehicle that was enacted by State legislation (House Bill 386) in FY 2013 and provided \$5.5 million in revenue to the General Fund in FY 2015 compared to \$5.2 million in FY2014. The Tax Digest was 6.5% higher than in the prior year. It is anticipated that the tax digest will see a slight increase in fiscal year 2016. Building permits and business licenses continue to see increases from the past few years. These increases provide the optimism for continued economic growth.

- The County continued to see improvement in the local economy. The unemployment rate is 6.0% compared to last year of 6.4%. This rate is lower than the State at 6.1% but higher than the United States at 5.3%.
- The Georgia Poultry Laboratory Network constructed a new science facility and headquarters in the new Gateway Industrial Centre to fulfill an important food safety role for Georgia's poultry industry. The new science facility opened in the fall of 2014.
- 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 2015. Projections were reduced again in 2013. Current projections for the total SPLOST VI were \$152 million, however due to increased economic conditions, we ended the fiscal year with \$158 million. Collections ended as of June 30, 2015.
- The citizens approved a continuance of SPLOST for five years, which will begin July 1, 2015 and is projected to collect approximately \$158 million.
- The general fund millage rate decreased slightly in FY 2015 to 5.989 mills from 6.25 mills in FY 2014.

#### Tourism

- 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. The Gainesville location is a new destination for connecting with beauty and the natural world. Complete with a visitor center, outdoor gardens, a model train garden and an amphitheater, it is a cultural center for the community hosting exciting exhibitions, events, and educational programs. Construction was completed in the spring and Atlanta Botanical Garden opened in May 2015.
- Construction continues on a new park, Cherokee Bluffs Park, in South Hall. The park is scheduled to be open in November 2015.
- Construction began 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. The trail is scheduled to open in spring of 2016.

#### 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. Cresswinds on Lanier is a 214 acre age-restricted development and will have more than 700 homes upon completion. 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 2015, Hall County continued to be the premier health care provider in north Georgia.
- Northeast Georgia Medical Center was named Georgia's #1 Hospital for the second consecutive year and #2 in the nation according to a 2015 study by CareChex, an independent healthcare quality rating service.
- Northeast Georgia Health System acquired a 119-acre site in 2009-2010 for a new \$200 million South Hall hospital and healthcare village. NEGMC opened a 100-bed hospital in Braselton in the spring of 2015. This is the state's first net-new hospital, meaning not a relocation or replacement in almost 20 years. The Braselton campus is also home to a medical office building, Medical Plaza 1, which houses an urgent care center, imaging center, endoscopy suite, outpatient lab and therapy services in addition to over 20 physician offices.

## MAJOR INITIATIVES & ACCOMPLISHMENTS

Fiscal year 2015 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. By Fiscal Year 2014, all restriction had been lifted and employees were made whole on benefits. In Fiscal Year 2015, the Commission provided a 3% Cost of Living increase to all full time employees which went into effect July 1, 2014. The Atlanta Business Chronicle recently named Hall County as one of the Top 20 Employers in 2015.

### Human Resources

The Hall County Health Center opened in January 2015 and encompasses the Clinic as well as Pharmacy available to retirees, current employees and their dependents covered by Hall County's medical insurance. Dr. Philip Marler came to Hall County as primary physician from the Longstreet Clinic, P.C. Dr. Marler is a recognized provider under the National Committee for Quality Assurance's (NCQA) Physician Recognition Program in both Diabetes and Heart/Stroke Care. He is board certified by the American Board of Internal Medicine and a Fellow of the American College of Physicians.



He is also a past president of The Longstreet Clinic and a former Chief of Staff at Northeast Georgia Medical Center in Gainesville. Dr. Marler also holds an MBA from Auburn University and retired as a Colonel in the U.S. Army National Guard in 2009 after 30 years of service and four deployments.

Hall County Pharmacist, Justin Holland, is a University of Georgia graduate who has spent his career focusing on improving pharmacy customer service at one of the largest retail chains in the nation. Most recently, Justin was a Pharmacy Manager in Gainesville, where he and his team rehabilitated an underperforming store to achieve the highest possible customer service ratings. Justin is passionate about caring for people of all backgrounds and enjoys using his talents in pharmacy to improve the well-being of his customers.

## **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 2015. 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 still 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

The County completed installation of sewer along the SR 365 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.

## **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 1,100 miles of roads. These roads are then ranked for inclusion into the resurfacing program. In FY 2015 21.35 miles of roads were resurfaced. We bid out and oversee this contract annually. 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 1,242 traffic signs, addressed 162 traffic signal malfunctions, completed 57 miles of road striping, and completed 410 feet of guardrail installation.

### Storm Water 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. In FY 2015, the engineering department reviewed 69 different developments for plan review. We also oversee construction of developer installed infrastructure such as storm water systems, sanitary sewer systems and road construction to assure they are built in accordance with County standards.

### 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: Cherokee Bluffs Park, SR 365 Sewer Improvements, numerous culvert projects, intersection improvements, sidewalk installation projects, the 500 acre Gateway Industrial Centre park, 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 Dahlonega Highway.

### Road Maintenance

In Hall County there are 1,100 miles of roadway that we maintain. Our ground maintenance crew has 2,200 miles of roadway to mow factoring in both sides of the roadway. Drainage crews have approximately 3,300 miles due to the maintenance of both sides of the road as well as 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 FY 2015, we have taken 2,187 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. Grading the CI project
  2. Hauling rock to the CI project
  3. Hauling millings to the landfill
  4. Grading for out buildings at the jail
  5. Repairing various sewer line issues
  6. Hauling stone from the Gateway Industrial Centre

### Solid Waste

Solid Waste and the Landfill divisions continue to develop their operations by upgrading and replacing their crucial equipment. In FY 2015 the Landfill exceeded their tonnage goal of 51,480 tons and received 58,959 tons. The Landfill continues to recover revenue from extracting metals, car batteries, and tires from the waste stream and selling them to recycling centers. Revenues from this program were \$52,443.

Construction 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. During the course of construction, it was discovered that there were many areas within the phase that contained large amounts of soil and very little waste material. The drawbacks to these large pockets of soil include wasted airspace, higher incidents of leachate outbreaks, and impeded potential for future Landfill Gas to Energy (LFGTE) projects. Hall County immediately began researching the benefits of screening approximately 430,000 cubic yards of excavated waste material. Our research concluded that a screening machine operating under the least favorable conditions will at a minimum regain 23% net airspace and recoup 100,000 cubic yards of soil. The monetary benefits of the screening equates to \$2,000,000 of regained airspace and \$800,000 of lost soil.

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 2015. Our partnership with Pratt Industries continues to improve paper and cardboard recycling. Our single stream adopt-a-can program has been working well with the 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. Recycling also exceed their goal of 5,694 tons of recyclables processed in FY 2015 to an actual of 6,572 tons of recyclables processed.

## Fleet Maintenance

In 2015, Hall County maintained 609 rolling stock vehicles and completed 724 work orders on these vehicles, 61 heavy equipment pieces and completed 79 work orders on this equipment, 72 small equipment pieces and completed 83 work orders on this equipment and performed 833 work orders on sheriff vehicles. This division coordinated the sale of rolling stock that were deemed surplus. 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

- Federally required Regional Transportation Plan was updated before the deadline and, thus, federal funding of transportation projects continued in the region.
- Transportation Improvement Program was updated listing the projects to be implemented in the next four years.
- The socioeconomic data of present and future population, household, employment, and school enrollment was updated reflecting current trends in the region.
- The regional travel demand models were updated, in coordination with the Georgia Department of Transportation, showing traffic condition, demand on the road network, and level of service now and in the future under different scenarios.
- The regional air quality models were updated, in coordination with the Atlanta Regional Commission, demonstrating the area's conformity with air quality regulations to continue to receive federal funds for transportation projects.
- Functional classification of Hall County roads were updated, in coordination with the Georgia Department of Transportation and the Federal Highway Administration, reflecting how the roads operate at present.
- GHMPO underwent a certification review by the Georgia Department of Transportation and the Federal Highway Administration and was certified that our operation, policies, and procedures were in compliance with all federal and state rules, regulations, standards, and guidelines.
- GHMPO hired a vendor to revamp and upgrade its website making it more user friendly and also aesthetically pleasing.
- Halls County Trails Initiative was launched following the adoption of a bicycle and pedestrian plan update. As a result of this initiative, a citizens group has come up with a logo and a name for Hall County's trails network that has been officially adopted by the elected officials.

### Gainesville-Hall County GIS

- GHCGIS received new aerial photography through Georgia Mountains Regional Commission's regional photography project. After completing the QA/QC, the imagery was loaded on our GIS server for use by staff in their desktop GIS applications as well as on the County web mapping sites.
- GHCGIS contracted with public 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.

## Public Information

Hall County's Public Information Office has continued to capitalize on its successful rebranding effort of 2014 by receiving national recognition for that process this year, furthering its promotion of the new County website with the development of a mobile app and by embarking on an internal rebranding campaign to identify the organizational values of Hall County Government.

This year, Hall County Government received national recognition for its new logo design project during the 3CMA Conference in Atlanta in September. 3CMA, the City-County Communications and Marketing Association, is a dynamic network of professional public communicators and marketers from all over the nation. The organization's annual Savvy Awards competition recognizes outstanding local government achievements in communications, public-sector marketing and citizen-government relationships. Hall County competed against hundreds of entries from governments across the country and was presented with the Silver Circle Award for their logo design project. The judges for the 3CMA Savvy Competition praised Hall County for citizen and employee involvement and the County's impressive brand identity standard guide.

The successful overhaul of Hall County's website also saw continued success in 2015 with the launch of a mobile application, which provides citizens with access to County information and services at their fingertips. With the increased use of mobile devices, the Hall County app is an essential tool for citizen engagement, working seamlessly with Hall County's website to provide users with 24/7 access to their government. Hallcounty.org already supports a responsive design, meaning the website will adjust to whatever device it is being viewed on, however, the mobile app takes the website a step further. Much of the content for the Hall County app is housed on the device itself, yielding faster load speeds and a rich user experience overall. This is yet another example of how Hall County is embracing innovative technology as a way to provide citizens with greater access to their government both now and in the future. The app is available for both iOS and Android operating systems and can be downloaded by searching for "Hall County Mobile" in the App Store.

Finally, an internal rebranding effort was completed in order to identify several organizational values to serve as a tool for guiding the organization into the future. Feedback was solicited from employees via email, asking them to thoughtfully consider the following questions and respond if they wanted to be included in the process:

1. *Why do you come to work each morning?*
2. *Where do you dream Hall County Government to be in 5-10 years?*
3. *What positive attributes do you see in Hall County Government that makes us a great organization?*
4. *What differentiates Hall County from other organizations?*
5. *What values do we truly and passionately hold?*

Using the responses generated from employee surveys, the following organizational values surfaced:

**Serving Citizens**- We will always highly value the citizens we serve as the object of our continual focus on services. We will support the advancement of professionalism to our citizens and within the organization by our conduct, speech, demeanor and decision making.

**Enhancing Community**- We will pursue innovative and creative means of advancing the organization forward to meet the expectations of growth and economic development opportunities in the future.

**Responsible Stewardship**- We will exhibit the highest level of stewardship to the citizens we serve, recognizing we are ultimately accountable to the public for our actions and duties.

**Valuing Transparency**- We will maintain openness and transparency as a basic tenet of our organizational structure. We will adhere to the highest level of ethical standards in the execution of our duties and responsibilities.

**Efficient Cooperation**- We will respect each member of staff as a necessary and vital member of the organization, recognizing the importance of the unique gifts, abilities, experiences and talents which are integral to the organization reaching its maximum potential; in order to best serve the citizens of Hall County.

These values can be easily remembered by the first letter of each phrase, which spells out the word ***SERVE***. These values are being fully integrated into the fabric of our everyday decision-making and service to citizens. As County staff, we will encourage the adherence to these values within our departments and throughout the entire County organization. Posters advertising these values have been placed in prominent locations within various County facilities. These will serve as a visible reminder to us all of who we are as an organization not only this year, but in the years to come as well.

## **Recreational Facilities**

Phase one of Hall County's newest park, Cherokee Bluffs, is anticipated to open in November 2015. Amenities at this new 168 acre park consist of multi-use biking and hiking trails, pavilions, a community and concession building and a fishing pond. Phase two will include an 18-hole disc golf course, 2.5 miles of additional trails, playground and outdoor fitness equipment.

In FY 2015, the Parks & Leisure Services Department continued to maintain and operate one of the largest and most diverse park systems in the state. Consisting of 28 facilities / parks and approximately 1,975 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 continue to identify cost-saving measures by reclassifying and restructuring staffing. Over 60% of the current total Parks staff is comprised of part-time employees. Throughout our divisions Parks has four inmate guards that can supervise over 25 inmates combined, providing cost-free labor in our parks. Parks also partnered with Kubota Manufacturing who tests their latest mowers at two of our larger parks by providing labor, fuel and equipment to cut these facilities year round. In FY15 Community service workers performed 7,165 labor hours at a cost savings of \$71,655.00 for the County. Community Center and Facility Staff continue efforts to reduce operating costs on a daily basis.

## **Public Safety**

### **Law Enforcement**

In FY 2015 major improvements for the Sheriff's Office took place with the opening of the new South Hall Headquarters off Spouts Springs Road. Additionally, construction began on the new Sheriff's Headquarters building at the Hall County Government complex off Browns Bridge Road. The new HQ, built with SPLOST funds, became necessary after the City of Gainesville purchased the current Sheriff's Office location and old jail on Main Street. The new HQ should be completed in early 2016. The Sheriff's Office continues to improve its fleet by replacing aging vehicles with more cost effective options. Courthouse security is being improved by adding additional security cameras, courthouse employee emergency buttons and an inmate security gate in the parking garage. Storage and video visitation facilities are being completed at the jail. The storage facility will eliminate the need for any off site storage while the visitation facility will improve security of the jail during scheduled visitations.

### **Fire Services**

Fire Services completed measures to continue to provide excellent service to the Citizens of Hall County. A new marine rescue boat and two new fire pumpers were purchased and placed in service. A pool of part time paramedics was hired to assist with unscheduled overtime costs. A new inventory system was added to reduce waste and to improve tracking of department supplies and assets. A new EMS delivery system was developed and will be piloted beginning FY 2016. A resource operations center was implemented and utilized for periods of inclement weather and days of high volume incidents.

### **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 2015 were funded through SPLOST. The exception was the Cherokee Bluff's Park that was majorly funded by Impact fees.

## **Tax Commissioner**



Darla Eden, Hall County Tax Commissioner, in cooperation with the Hall County Board of Commissioners and Hall County Parks & Leisure, hosted a ribbon cutting ceremony for the new tax kiosk at North Hall Community Center on August 19, 2015. The kiosk allows citizens to complete their motor vehicle transactions quickly and securely without traveling to the Hall County Government Center on Browns Bridge Road. Hall County is the sixth county in the state to install a motor vehicle kiosk.

The machine will process up to 10 renewals for \$3. All residents need to do is scan their driver's license or renewal notice, and the transaction will update in real time with the Georgia Department of Revenue. More information about the kiosk can be found at <http://dor.georgia.gov/mvd-self-service-centers>.

## **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 public accounting firm of Bates, Carter & Co., LLP.

## Awards

In 2015, for the 23<sup>rd</sup> consecutive year, Hall County received a Certificate of Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for Fiscal Year 2014. 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 2015.

Respectfully submitted,



Randy D. Knighton  
County Administrator



Jock A. Connell  
Interim, Director of Financial Services



Government Finance Officers Association

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

Presented to

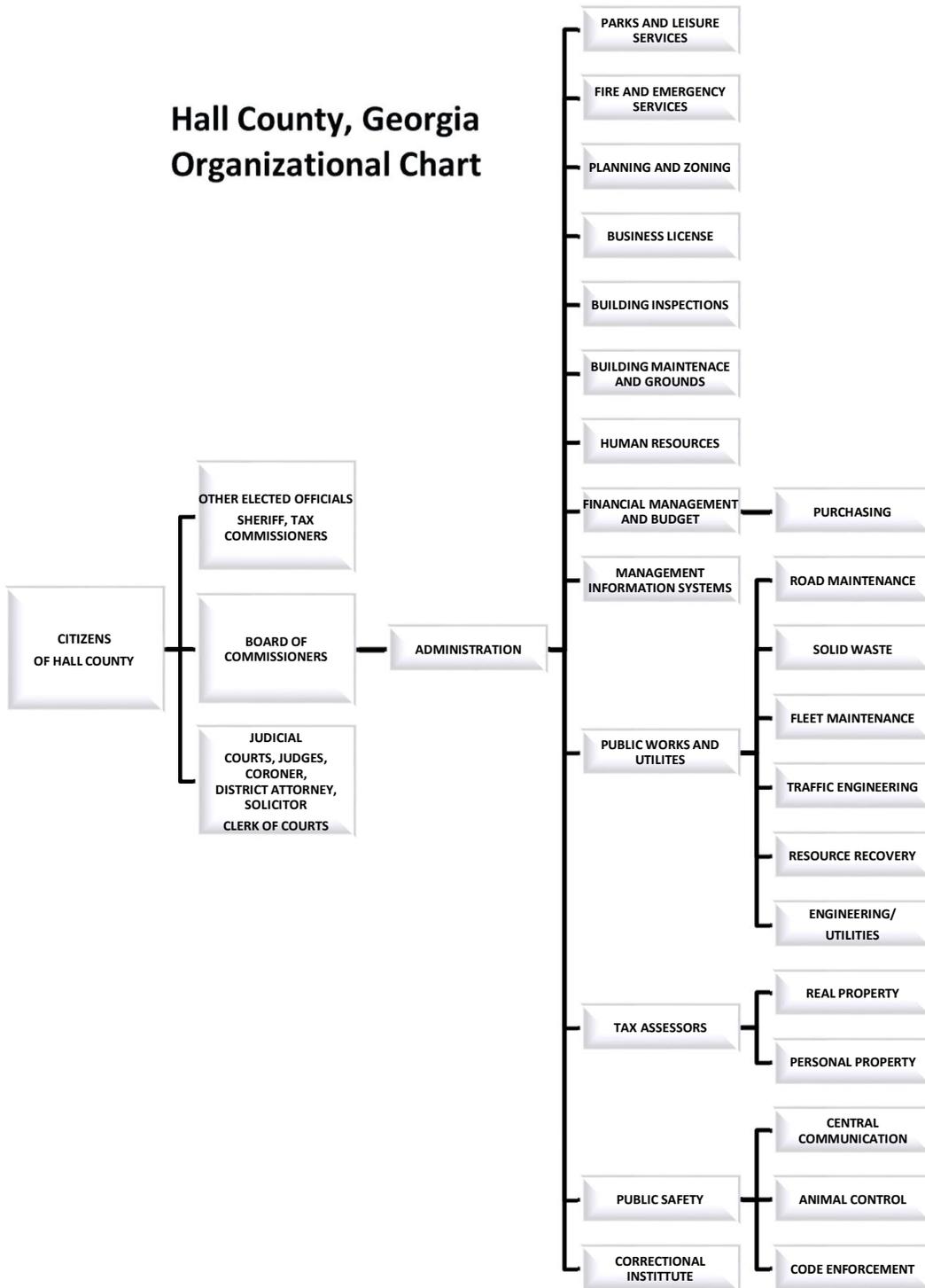
**Hall County  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

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 - **Jock Connell**
- Public Works & Utilities - **Kenneth M. Rearden**
- Fire & EMS - **Jeff Hood**
- 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 -
  - **Lindsay Burton**
  - **Allison Toller**
  - **Robert A Weber, Jr.**
- Magistrate Court Judges
  - **David Burroughs**
  - **Tracy Loggins**
  - **Elizabeth Reisman**
- Court Administrator - **Reggie Forrester**
- Public Defender - **Brad Morris**
- Elections - **Charlotte Sosbee**

## INDEPENDENT AUDITORS' REPORT

December 2, 2015

To the 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, 2015, 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, 2015, which statements reflect total assets of \$4,614,139 as of June 30, 2015, and total revenues of \$15,851,687 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, 2015, 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.

## **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, the County has recorded an increased pension liability according to GASB Statement 68, "*Accounting and Financial Reporting for Pensions.*"

## **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 the Net Pension Liability - ACCG Restated Pension Plan for Hall County Employees, Schedule of Contributions - ACCG Restated Pension Plan for Hall County Employees, Schedule of Notes to Required Supplementary Information - ACCG Restated Pension Plan for Hall County Employees, Schedule of Funding Progress - 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 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 December 2, 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, 2015. 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 14-55 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 63-77 of this report.

- Hall County's net position at June 30, 2015 was \$441,947,102. Of this amount, \$463,930,683 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 \$(21,983,581).
- As of June 30, 2015, the County's governmental funds reported combined ending fund balance of \$60,168,667, a change of \$2,189,457 in comparison with the prior year. The increase in fund balance was primarily due to revenues being higher than expenditures in General, Fire and Other Non-Major Funds and the sale of property in the Gateway Industrial Park in the amount of \$1,634,669 which were allocated in the Capital Projects Fund. The SPLOST fund decreased by \$(1,632,334) as the current SPLOST ended as of June 30, 2015 and as projects are being completed, the funds are being expended thus decreasing the fund balance. In addition, the Impact Fee Fund had a decrease of \$(1,916,069) due to projects being completed that these funds were earmarked for.
- As of June 30, 2015, the County's General Fund reported a fund balance of \$23,766,070; an increase of \$1,327,733 in comparison with the prior year. This increase was mainly because of departments being fiscally responsible to watch their expenses and due to Local Option Sales tax and various other revenues coming in higher than projected.
- Hall County's total long-term debt changed by \$(5,907,215). The County reduced its principal balances of debt by over \$5.9 million dollars. The County paid in full the debt on the North Hall Park and the Hall County Government Center in addition to paying the debt down on various debt instruments. The County's OPEB obligation increased by \$2.2 million. See note 7 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 \$441,947,102 at the close of the fiscal year. This represents a change in net position from fiscal year 2014 of \$(16,200,153).

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 83,667	\$ 78,691	\$ 26,381	\$ 24,413	\$ 110,048	\$ 103,104
Capital assets (net of depreciation)	377,124	380,723	117,990	113,474	495,114	494,197
Total assets	<u>460,791</u>	<u>459,414</u>	<u>144,371</u>	<u>137,887</u>	<u>605,162</u>	<u>597,301</u>
Total deferred outflows of resources	<u>3,938</u>	<u>-</u>	<u>168</u>	<u>-</u>	<u>4,106</u>	<u>-</u>
Long-term liabilities outstanding	96,190	69,096	58,832	59,748	155,022	128,844
Other liabilities	11,621	8,879	678	1,431	12,299	10,310
Total liabilities	<u>107,811</u>	<u>77,975</u>	<u>59,510</u>	<u>61,179</u>	<u>167,321</u>	<u>139,154</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,321</u>	<u>139,154</u>
Net position						
Net investment in capital assets	374,656	374,649	89,274	65,004	463,930	439,653
Restricted	32,669	32,908	1,446	-	34,115	32,908
Unrestricted	<u>(50,407)</u>	<u>(26,118)</u>	<u>(5,691)</u>	<u>11,704</u>	<u>(56,098)</u>	<u>(14,414)</u>
Total net position	<u>\$ 356,918</u>	<u>\$ 381,439</u>	<u>\$ 85,029</u>	<u>\$ 76,708</u>	<u>\$ 441,947</u>	<u>\$ 458,147</u>

Table may not add due to rounding

By far the largest portion of the County's net position (105.0%) at June 30, 2015, 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 (7.7%) 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 decrease 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 Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 32,113	\$ 28,071	\$ 8,410	\$ 8,240	\$ 40,523	\$ 36,311
Operating grants and contributions	6,246	5,339	-	-	6,246	5,339
Capital grants and contributions	4,248	1,647	85	61	4,333	1,708
General revenue						
Property taxes	55,748	54,676	-	-	55,748	54,676
Sales taxes	50,539	47,499	-	-	50,539	47,499
Other taxes	10,723	9,659	-	-	10,723	9,659
Gain on sale of assets	-	1,899	106	11	106	1,910
Unrestricted investment earnings	17	-	-	-	17	-
Grants and contributions not restricted to a specific program	79	11	-	-	79	11
<b>Total revenue</b>	<b>159,713</b>	<b>148,801</b>	<b>8,601</b>	<b>8,312</b>	<b>168,314</b>	<b>157,113</b>
<b>Expenses:</b>						
General government	20,106	19,784	-	-	20,106	19,784
Judicial	17,645	17,333	-	-	17,645	17,333
Public safety	70,289	67,570	-	-	70,289	67,570
Public works	24,792	24,162	-	-	24,792	24,162
Public health and welfare	2,947	2,558	-	-	2,947	2,558
Recreation and culture	7,344	6,718	-	-	7,344	6,718
Housing and development	4,013	4,388	-	-	4,013	4,388
Interest and paying fees	39	197	-	-	39	197
Solid waste	-	-	5,473	6,146	5,473	6,146
Water and sewer utilities	-	-	3,455	3,833	3,455	3,833
<b>Total expenses</b>	<b>147,175</b>	<b>142,710</b>	<b>8,928</b>	<b>9,979</b>	<b>156,103</b>	<b>152,689</b>
Increase in net position before transfers	12,538	6,091	(327)	(1,667)	12,211	4,424
Transfers	(9,811)	(8,518)	9,811	8,518	-	-
Increase (Decrease) in net position	2,727	(2,427)	9,484	6,851	12,211	4,424
Change in accounting principle	(27,248)	-	(1,163)	-	(28,411)	-
Net position, beginning of year	381,439	383,866	76,708	69,857	458,147	453,723
Net position, end of year	<u>\$ 356,918</u>	<u>\$ 381,439</u>	<u>\$ 85,029</u>	<u>\$ 76,708</u>	<u>\$ 441,947</u>	<u>\$ 458,147</u>

The comparative schedule of changes in net position denotes a change of \$16 million in net position.

Revenue increased \$11,201 thousand in fiscal year 2015. This increase is attributable to an increase in EMS revenues and sales tax revenues. Expenses increased by \$3,414 thousand (2.2%) from the previous year. The primary reasons for this increase are the employee cost of living increases, 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 (6.4)% decrease from fiscal year 2014 to fiscal year 2015. 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 2015. This was attributable to the increase in property tax, sales tax, and TAVT revenues.
- Expenses increased \$4,465 thousand from fiscal year 2014. This primarily is due to increased personnel costs in General and Fire funds, and from capital outlays funded from SPLOST funds.
- Governmental Activities had a Change in Accounting Principle of (\$27,247,646) due to GASB 68.

The following charts show activities by function:

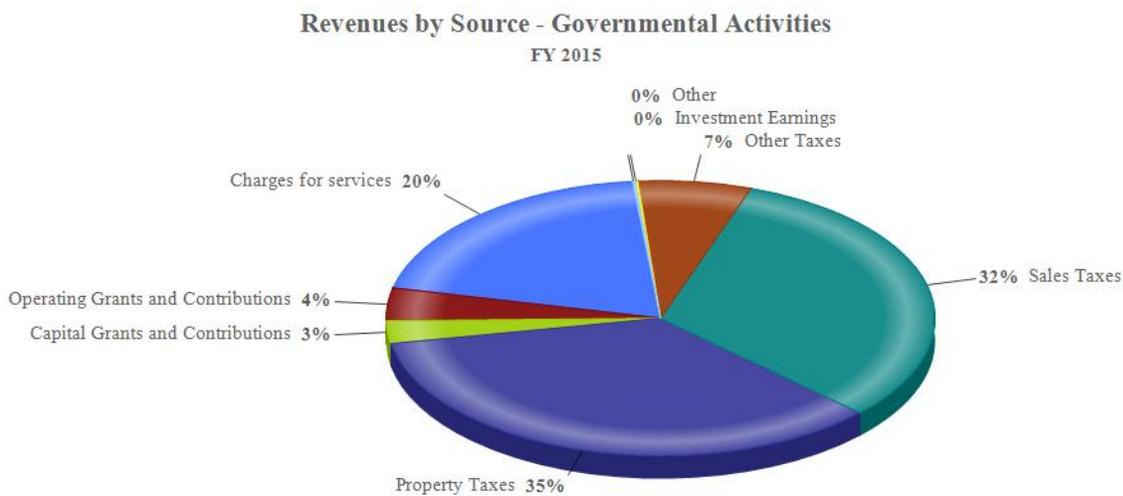
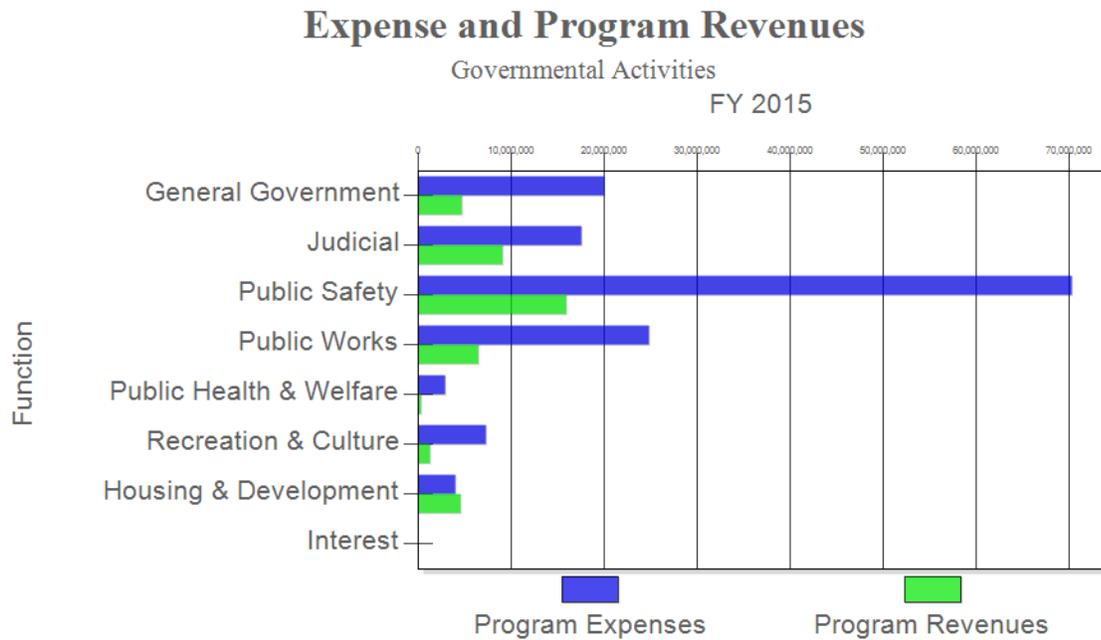


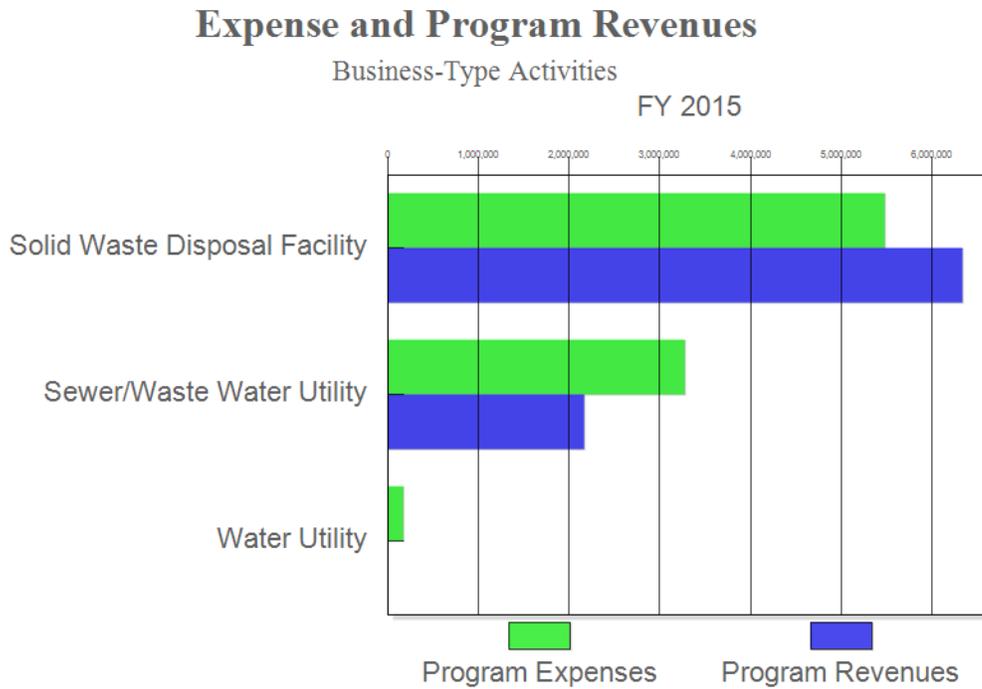
Chart shows all sources of revenue collected for governmental activities not limited to program revenue.

**Business-Type Activities:**

Business-type net position increased by \$9,484 thousand. Key elements of this increase are:

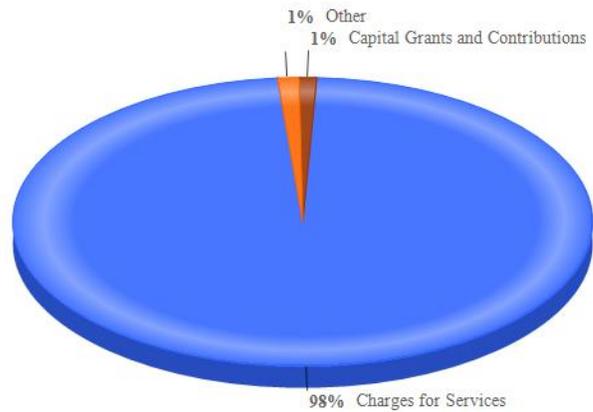
- The Solid Waste Disposal Facility Fund net position increased by \$2,930,790 . This was due to increased revenues of \$153 thousand from recycling and transfer fees and decrease in operating expenses. The addition of the new Leachate plant provided operational costs savings of over \$200 thousand. The Solid Waste Fund also had a Change in Accounting Principle of (\$1,163,037) due to GASB 68.
- The Sewer/Wastewater Utility Fund net position increased by \$4,809,711. 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 \$1,723,035. 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 2015



\* 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 \$60,168,667, a change of \$2,189,457 in comparison to the prior year. There were increases in the General, Fire, Capital Projects and Non-Major Governmental Fund Balances this year. In the SPLOST fund, the decrease is due to the ongoing completion and final payouts of projects in progress as SPLOST VI ended collections on June 30th, 2015. 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 \$23,766,070. 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 20.9% of total general fund current operating expenditures which is an increase over last year of 0.3%.

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 \$2,284,501, which represents proceeds from the sale of an unused building and from the sale of property in the Gateway Industrial Centre. These funds will be used to pay additional costs of infrastructure construction at the Gateway Centre and various Park and Road projects. Those funds should be expended in FY 2016.

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 \$2,734,225 to \$818,156 or (70.1)%. The decrease in this fund comes from the construction of Sheriff Precincts and the Cherokee Bluff Park. These fees are generated from new construction which has lagged during the past several years but has seen an uptick in activity during FY 2015. This is a good indicator of improved economic activity in the County.

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 2015, SPLOST Fund reported a fund balance of \$22,946,383, which represents a change from last year of \$(1,632,334). This decrease is from the use of funds for capital projects under construction, and completed, using SPLOST. These projects include the new Correctional Facility, Sheriff's Headquarters, Sewer Improvements, road projects, and the 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 \$3,378,471, a 29.9% change from fiscal year 2014. This increase is due to increased revenue in the Fire District fund and a closely managed expenditure budget ending below projections. The fund balance represents 18.2% of total fund expenditures.

	2015	2014	Inc/Dec	%Inc/Dec		2015	2014	Inc/Dec	%Inc/Dec
Revenue					Expenditures				
Taxes	\$ 116,789	\$ 111,990	\$ 4,799	4.3 %	General Government	\$ 19,960	\$ 19,400	\$ 560	3 %
License and Permits	2,332	2,305	27	1.2 %	Judicial	16,900	16,383	517	3 %
Intergovernmental	8,330	5,966	2,364	39.6 %	Public Health and Welfare	2,627	2,212	415	19 %
Fines and Forfeitures	5,630	4,843	787	16.3 %	Public Safety	64,866	62,876	1,990	3 %
Charges for Services	23,566	20,502	3,064	14.9 %	Public Works	8,528	8,445	83	1 %
Investment income	296	219	77	35.2 %	Recreation and Culture	5,994	5,423	571	11 %
Miscellaneous	624	439	185	42.1 %	Housing and Development	3,934	3,670	264	7 %
					Intergovernmental	5,615	5,815	(200)	(3)%
					Capital Outlay	14,097	14,355	(258)	(2)%
					Debt Service	4,352	4,367	(15)	- %
Total Revenues	<u>\$ 157,567</u>	<u>\$ 146,264</u>	<u>\$ 11,303</u>	<u>7.7 %</u>	Total Expenditures	<u>\$ 146,873</u>	<u>\$ 142,946</u>	<u>\$ 3,927</u>	<u>42 %</u>

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

	2015	2014	Incr/(Decr)	% Incr/-Decr
General Fund	\$ 23,766	\$ 22,438	\$ 1,328	5.9 %
Fire District	3,378	2,602	776	29.8 %
SPLOST	22,946	24,579	(1,633)	(6.6)%
Capital Projects	2,285	502	1,783	355.2 %
Impact Fees	818	2,734	(1,916)	(70.1)%
Non-Major Funds	6,975	5,125	1,850	36.1 %
Total Fund Balance	<u>\$ 60,168</u>	<u>\$ 57,980</u>	<u>\$ 2,188</u>	<u>3.8 %</u>

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

	2015	2014	Incr/(Decr)	% Incr/-Decr
Solid Waste Disposal	\$ 15,826	\$ 12,895	\$ 2,931	22.7 %
Sewer/Waste Water Utility	57,816	53,007	4,809	9.1 %
Water Utility	11,337	9,614	1,723	17.9 %
Internal Service	7,146	6,464	682	10.6 %
Total Fund Balance	<u>\$ 92,125</u>	<u>\$ 81,980</u>	<u>\$ 10,145</u>	<u>12.4 %</u>

Unrestricted net position of the Solid Waste Disposal Facility, Sewer/Wastewater Utility, and Water Utility Funds at the end of the year amounted to \$(5,741,071). This represents a change of \$(17,415,895) from unrestricted net

position as of June 30, 2014. 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 \$87,025,982 and final budget was \$89,088,327. The actual revenue (inflow) was \$93,913,337, which varied from final budget by \$4,825,010. The actual expenditures (outflows) were \$92,585,604 which varied from the final expenditure budget by \$134,275. That represented a change of \$7,043,776 from prior year. The net result is a \$1,327,733 increase in the General Fund balance. The expenditure reductions are summarized below and implementation began in fiscal year 2015.

- Reduced operating costs when possible
- Curtailed travel and training
- Reduced overtime when possible
- Capital purchases were limited to necessary purchases

Actual expenditures came in \$134,275 below budget and can be summarized as follows:

- General Government was under budget by \$69 thousand
- Judicial was under budget by \$6 thousand
- Public Safety under budget by \$19 thousand
- Public Works under budget by \$1 thousand
- Public Health and Welfare under budget by \$0.5 thousand
- Recreation and Culture was under budget by \$0.6 thousand
- Housing and Development was under budget by \$38 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, 2015</b>			
	-----Budget-----		Actual	Variance of Final Budget
Original	Final			
General Government	\$ 20,328,758	\$ 20,275,311	\$ 20,206,486	\$ 68,825
Judicial	14,999,861	15,102,861	15,096,374	6,487
Public Safety	41,619,571	44,155,061	44,135,579	19,482
Public Works	4,260,223	4,147,739	4,146,830	909
Public Health and Welfare	2,170,632	2,213,832	2,213,364	468
Recreation and Culture	4,502,301	4,548,830	4,548,277	553
Housing and Development	<u>2,387,215</u>	<u>2,276,245</u>	<u>2,238,694</u>	<u>37,551</u>
Total Charges to Appropriations	<u>\$ 90,268,561</u>	<u>\$ 92,719,879</u>	<u>\$ 92,585,604</u>	<u>\$ 134,275</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, 2015, was \$495 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 \$4 million. Major projects consisted of the following:

- Fire Station No. 3 - \$1.66 million
- Various Road Projects including Intersection Improvements and Culvert Replacements - \$2.4 million

Business-type assets moved from construction in progress to the assets records during the year totaled approximately \$111 million. Major projects consisted of the following:

- Friendship Road Sewer Line Connection - \$111 Thousand

<b>Hall County's Capital Assets</b>						
<b>(Net of depreciation)</b>						
<i>(\$ in thousands)</i>						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2015	2014	2015	2014	2015	2014
Land and Improvements	\$ 57,401	\$ 57,249	\$ 26,938	\$ 26,935	\$ 84,339	\$ 84,184
Construction in Progress	20,767	15,744	17,295	10,407	38,062	26,151
Buildings	137,551	140,474	6,834	7,122	144,385	147,596
Machinery & Equipment	6,897	8,209	2,236	2,695	9,133	10,904
Vehicles	7,857	6,287	421	492	8,278	6,779
Infrastructure	146,652	152,759	64,266	65,823	210,918	218,582
Total Assets	<u>\$ 377,125</u>	<u>\$ 380,722</u>	<u>\$ 117,990</u>	<u>\$ 113,474</u>	<u>\$ 495,115</u>	<u>\$ 494,196</u>

Additional information on the County's capital assets can be found in Note 6 on pages 30 through 33 of this report.

**Long-Term Debt.** The \$22.0 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>						
<b>Bonds Payable, Capital Leases, Notes Payable, Claims, and Other Debts</b>						
<i>(\$ in thousands)</i>						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2015	2014	2015	2014	2015	2014
Contracts Payable	\$ 2,057	\$ 6,211	\$ 19,809	\$ 20,379	\$ 21,866	\$ 26,590
Capital Leases	527	-	-	-	527	-
Notes Payable	-	-	29,887	31,684	29,887	31,684
Claims Payable (estimate)	1,693	2,516	-	-	1,693	2,516
Landfill Closure/Postclosure	-	-	7,810	7,617	7,810	7,617
Compensated Absences	3,472	3,638	67	67	3,539	3,705
Net Pension Liability	29,461	30,769	1,260	1,315	30,721	32,084
Net OPEB Obligation	58,980	56,732	-	-	58,980	56,732
Totals	<u>\$ 96,190</u>	<u>\$ 99,866</u>	<u>\$ 58,833</u>	<u>\$ 61,062</u>	<u>\$ 155,023</u>	<u>\$ 160,928</u>

Additional information regarding Hall County's long-term debt can be found in Note 7 on pages 34 through 38 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 \$698,756,000 and currently the County has no general obligation debt.

## ECONOMIC OUTLOOK

With respect to the economy, 2015 ended for the County as planned with good budgetary performance. The fiscal year 2016 economic outlook is slightly better for Hall County than in 2015. 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 2016. 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 Hwy 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 16 budget.

The current economy, revenue forecasting and careful expenditure planning were taken into consideration when preparing the 2016 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, 2015**

**PRIMARY GOVERNMENT**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>	<b>COMPONENT UNITS</b>
<b>ASSETS</b>				
Cash	\$ 58,486,150	\$ 7,721,808	\$ 66,207,958	\$ 3,167,273
Investments	8,500,000	-	8,500,000	10,365
Receivables (net of allowance for uncollectibles)	14,470,105	510,875	14,980,980	1,429,461
Internal balances	1,041,484	(1,041,484)	-	-
Inventories	770,437	-	770,437	-
Prepaid items	380,467	65,855	446,322	14,862
Restricted assets:				
Cash	4	1,446,348	1,446,352	-
Non-current assets:				
Capacity held for resale	-	17,676,387	17,676,387	-
Land held for resale	18,699	-	18,699	-
Capital assets:				
Capital assets not being depreciated	78,167,191	44,233,636	122,400,827	-
Capital assets being depreciated	601,312,418	94,426,791	695,739,209	4,748,811
Less: accumulated depreciation	(302,355,951)	(20,670,057)	(323,026,008)	(3,988,426)
Capital assets, net of depreciation	<u>377,123,658</u>	<u>117,990,370</u>	<u>495,114,028</u>	<u>760,385</u>
<b>TOTAL ASSETS</b>	<u>460,791,004</u>	<u>144,370,159</u>	<u>605,161,163</u>	<u>5,382,346</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension expense	3,938,432	168,380	4,106,812	169,455
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>3,938,432</u>	<u>168,380</u>	<u>4,106,812</u>	<u>169,455</u>
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>	<u>464,729,436</u>	<u>144,538,539</u>	<u>609,267,975</u>	<u>5,551,801</u>
<b>LIABILITIES</b>				
Accounts payable	7,057,788	302,054	7,359,842	459,901
Accrued interest payable	13,114	107,113	120,227	-
Other accrued items	3,366,403	88,708	3,455,111	-
Due to other governments	-	-	-	185,982
Unearned revenue	1,042,099	35,192	1,077,291	-
Amounts held in trust	142,053	145,056	287,109	-
Noncurrent liabilities:				
Due within one year				
Compensated absences payable	2,112,052	62,725	2,174,777	605,565
Estimated claims payable	951,550	-	951,550	-
Accrued landfill closure / postclosure	-	156,926	156,926	-
Notes payable	-	1,573,167	1,573,167	-
Capital leases payable	121,475	-	121,475	-
Contracts payable	219,878	1,224,785	1,444,663	-
Due in more than one year				
Compensated absences payable	1,359,957	3,977	1,363,934	327,729
Estimated claims payable	741,600	-	741,600	-
Accrued landfill closure / postclosure	-	7,652,728	7,652,728	-
Notes payable	-	28,313,577	28,313,577	-
Capital leases payable	405,471	-	405,471	-
Contracts payable	1,836,724	18,584,193	20,420,917	-
Net OPEB obligation	58,980,083	-	58,980,083	-
Net pension liability	29,460,884	1,259,541	30,720,425	10,752,456
<b>TOTAL LIABILITIES</b>	<u>107,811,131</u>	<u>59,509,742</u>	<u>167,320,873</u>	<u>12,331,633</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension expense	-	-	-	1,271,001
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,271,001</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>107,811,131</u>	<u>59,509,742</u>	<u>167,320,873</u>	<u>13,602,634</u>
<b>NET POSITION</b>				
Net investment in capital assets	374,656,415	89,274,268	463,930,683	760,386
Restricted for:				
Capital outlay projects	25,230,884	-	25,230,884	-
Debt service	-	1,446,348	1,446,348	-
Impact fee projects	818,156	-	818,156	-
Judicial programs	851,855	-	851,855	-
Public safety programs	5,056,791	-	5,056,791	-
Health and welfare programs	112,925	-	112,925	944,582
Housing and development	170,500	-	170,500	-
Recreation and culture	99,425	-	99,425	-
Special Assessments	328,202	-	328,202	-
Unrestricted	(50,406,848)	(5,691,819)	(56,098,667)	(9,755,801)
<b>TOTAL NET POSITION</b>	<u>\$ 356,918,305</u>	<u>\$ 85,028,797</u>	<u>\$ 441,947,102</u>	<u>\$ (8,050,833)</u>

The accompanying notes are an integral part of this statement.

**HALL COUNTY, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2015**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) AND CHANGES IN NET POSITION			
		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	\$ 20,106,470	\$ 4,600,555	\$ 76,550	\$ -	\$ (15,429,365)	\$ -	\$ (15,429,365)	\$ -
Judicial	17,645,480	7,524,054	1,620,420	-	(8,501,006)	-	(8,501,006)	-
Public safety	70,289,254	14,999,264	952,383	-	(54,337,607)	-	(54,337,607)	-
Public works	24,792,187	1,328,227	1,049,343	4,108,091	(18,306,526)	-	(18,306,526)	-
Public health and welfare	2,946,973	-	268,408	138,751	(2,539,814)	-	(2,539,814)	-
Recreation and culture	7,343,709	1,334,189	23,548	-	(5,985,972)	-	(5,985,972)	-
Housing and development	4,012,585	2,327,020	2,255,036	1,544	571,015	-	571,015	-
Interest	39,107	-	-	-	(39,107)	-	(39,107)	-
Total Governmental Activities	<u>147,175,765</u>	<u>32,113,309</u>	<u>6,245,688</u>	<u>4,248,386</u>	<u>(104,568,382)</u>	<u>-</u>	<u>(104,568,382)</u>	<u>-</u>
<b>BUSINESS-TYPE ACTIVITIES</b>								
Solid waste/recycling	5,473,463	6,329,943	-	-	-	856,480	856,480	-
Water and sewer	3,272,824	2,079,919	-	85,216	-	(1,107,689)	(1,107,689)	-
Water utilities	181,528	-	-	-	-	(181,528)	(181,528)	-
Total Business-Type Activities	<u>8,927,815</u>	<u>8,409,862</u>	<u>-</u>	<u>85,216</u>	<u>-</u>	<u>(432,737)</u>	<u>(432,737)</u>	<u>-</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 156,103,580</u>	<u>\$ 40,523,171</u>	<u>\$ 6,245,688</u>	<u>\$ 4,333,602</u>	<u>(104,568,382)</u>	<u>(432,737)</u>	<u>(105,001,119)</u>	<u>-</u>
<b>COMPONENT UNITS</b>								
Health Department	\$ 15,259,774	\$ 4,196,936	\$ 11,654,751	\$ -	-	-	-	591,913
Library System	2,612,661	93,346	368,372	139,300	-	-	-	(2,011,643)
<b>TOTAL COMPONENT UNITS</b>	<u>\$ 17,872,435</u>	<u>\$ 4,290,282</u>	<u>\$ 12,023,123</u>	<u>\$ 139,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,419,730)</u>
<b>GENERAL REVENUES</b>								
Property taxes					55,748,111	-	55,748,111	-
Sales taxes					50,538,676	-	50,538,676	-
Insurance premium taxes					6,363,946	-	6,363,946	-
Real estate recording taxes					1,607,905	-	1,607,905	-
Other taxes					2,751,270	-	2,751,270	-
Total taxes					117,009,908	-	117,009,908	-
Miscellaneous					(5)	-	(5)	-
Unrestricted investment earnings					17,023	-	17,023	346
Grants and contributions not restricted to a specific program					78,576	-	78,576	1,830,262
Gain on sale of capital assets					-	106,177	106,177	-
<b>TRANSFERS</b>					<u>(9,810,561)</u>	<u>9,810,561</u>	<u>-</u>	<u>-</u>
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>					<u>107,294,941</u>	<u>9,916,738</u>	<u>117,211,679</u>	<u>1,830,608</u>
<b>CHANGES IN NET POSITION</b>								
NET POSITION, Beginning					381,439,392	76,707,863	458,147,255	4,067,168
CHANGE IN ACCOUNTING PRINCIPLE					(27,247,646)	(1,163,067)	(28,410,713)	(12,528,879)
NET POSITION, Beginning as restated					354,191,746	75,544,796	429,736,542	(8,461,711)
NET POSITION, Ending					<u>\$ 356,918,305</u>	<u>\$ 85,028,797</u>	<u>\$ 441,947,102</u>	<u>\$ (8,050,833)</u>

The accompanying notes are an integral part of this statement.

**HALL COUNTY, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2015**

	GENERAL	FIRE DISTRICT	SPLOST	CAPITAL PROJECTS	IMPACT FEES	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash	\$ 11,061,182	\$ 4,002,796	\$ 23,353,969	\$ 2,500,720	\$ 1,061,954	\$ 7,716,698	\$ 49,697,319
Investments	8,500,000	-	-	-	-	-	8,500,000
Receivables (net of allowance for uncollectibles)	9,346,914	334,463	3,060,671	-	54,154	1,673,070	14,469,272
Interfund receivables	1,090,736	-	-	-	-	4,000	1,094,736
Prepaid items	141,993	-	-	-	-	-	141,993
Inventories	365,803	12,185	-	-	-	-	377,988
Restricted assets:							
Cash	-	-	-	4	-	-	4
<b>TOTAL ASSETS</b>	<b><u>30,506,628</u></b>	<b><u>4,349,444</u></b>	<b><u>26,414,640</u></b>	<b><u>2,500,724</u></b>	<b><u>1,116,108</u></b>	<b><u>9,393,768</u></b>	<b><u>74,281,312</u></b>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	1,588,233	95,776	3,453,927	-	297,952	1,042,893	6,478,781
Other accrued items	2,369,456	555,107	14,330	216,223	-	209,355	3,364,471
Interfund payables	-	-	-	-	-	4,000	4,000
Unearned revenue	-	-	-	-	-	1,042,099	1,042,099
Deposits held	32,817	-	-	-	-	109,236	142,053
<b>TOTAL LIABILITIES</b>	<b><u>3,990,506</u></b>	<b><u>650,883</u></b>	<b><u>3,468,257</u></b>	<b><u>216,223</u></b>	<b><u>297,952</u></b>	<b><u>2,407,583</u></b>	<b><u>11,031,404</u></b>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	2,750,052	320,090	-	-	-	-	3,070,142
Unavailable revenue - other	-	-	-	-	-	11,099	11,099
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>2,750,052</u></b>	<b><u>320,090</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>11,099</u></b>	<b><u>3,081,241</u></b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b><u>6,740,558</u></b>	<b><u>970,973</u></b>	<b><u>3,468,257</u></b>	<b><u>216,223</u></b>	<b><u>297,952</u></b>	<b><u>2,418,682</u></b>	<b><u>14,112,645</u></b>
FUND BALANCES							
Nonspendable:							
Prepaid expenditure	141,993	-	-	-	-	-	141,993
Inventories	365,803	12,185	-	-	-	-	377,988
Restricted:							
Capital outlay projects	-	-	22,946,383	2,284,501	-	-	25,230,884
Impact fee projects	-	-	-	-	818,156	-	818,156
Special assessments	-	-	-	-	-	328,202	328,202
Judicial programs	-	-	-	-	-	851,855	851,855
Public safety programs	-	3,366,286	-	-	-	1,678,320	5,044,606
Health and welfare programs	-	-	-	-	-	112,925	112,925
Parks and recreation programs	-	-	-	-	-	99,425	99,425
Housing and development programs	-	-	-	-	-	170,500	170,500
Assigned:							
Purchases on order	411,052	-	-	-	-	-	411,052
Capital equipment and infrastructure	-	-	-	-	-	3,649,371	3,649,371
Subsequent year's budget: appropriation of fund balance	3,907,952	-	-	-	-	-	3,907,952
Parks and recreation programs	-	-	-	-	-	84,488	84,488
Unassigned:	18,939,270	-	-	-	-	-	18,939,270
<b>TOTAL FUND BALANCES</b>	<b><u>23,766,070</u></b>	<b><u>3,378,471</u></b>	<b><u>22,946,383</u></b>	<b><u>2,284,501</u></b>	<b><u>818,156</u></b>	<b><u>6,975,086</u></b>	<b><u>60,168,667</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 30,506,628</u></b>	<b><u>\$ 4,349,444</u></b>	<b><u>\$ 26,414,640</u></b>	<b><u>\$ 2,500,724</u></b>	<b><u>\$ 1,116,108</u></b>	<b><u>\$ 9,393,768</u></b>	<b><u>\$ 74,281,312</u></b>

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, 2015**

**Total Fund Balances for Governmental Funds (page 3)** \$ 60,168,667

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. 377,123,658

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: 7,097,245

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

Property taxes	3,070,142	
Assessments	11,099	
	<u>3,081,241</u>	3,081,241

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

Accrued interest	(13,114)	
Compensated absences	(3,472,009)	
Capital leases	(526,946)	
Contracts payable	(2,056,602)	
Net pension liability	(29,460,884)	
Net deferred inflows(outflows) - pension expense	3,938,432	
Net OPEB obligation	<u>(58,980,083)</u>	(90,571,206)

Rounding 1

**Total net position of governmental activities (page 1)** **\$356,918,305**

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, 2015**

	GENERAL	FIRE DISTRICT	SPLOST	CAPITAL PROJECTS	IMPACT FEES	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Taxes	\$ 68,542,494	\$ 19,239,422	\$ 28,978,557	\$ -	\$ -	\$ 28,879	\$ 116,789,352
Licenses and permits	1,767,252	-	-	-	564,308	-	2,331,560
Intergovernmental	1,862,602	21,708	-	1,634,669	-	4,811,477	8,330,456
Fines and forfeitures	4,327,684	-	-	82,199	-	1,220,057	5,629,940
Charges for services	16,337,433	12,351	-	-	-	7,216,105	23,565,889
Contributions and donations	2,046	-	-	-	-	34,882	36,928
Investment income	17,020	-	279,098	-	-	4	296,122
Miscellaneous	106,749	1,001	-	388,427	-	90,929	587,106
<b>TOTAL REVENUES</b>	<b>92,963,280</b>	<b>19,274,482</b>	<b>29,257,655</b>	<b>2,105,295</b>	<b>564,308</b>	<b>13,402,333</b>	<b>157,567,353</b>
EXPENDITURES							
Current Expenditures							
General government	19,686,800	-	153,043	119,870	-	-	19,959,713
Judicial	15,086,177	-	4,772	-	-	1,809,178	16,900,127
Public safety	41,053,928	18,065,687	12,233	-	71,948	5,662,678	64,866,474
Public works	4,049,983	-	3,547,757	2,700	-	927,454	8,527,894
Public health and welfare	2,213,364	-	170,467	-	-	243,233	2,627,064
Recreation and culture	4,362,202	-	74,212	49,461	273,408	1,235,008	5,994,291
Housing and development	2,115,743	-	-	-	-	1,818,384	3,934,127
Intergovernmental	-	-	5,614,767	-	-	-	5,614,767
Capital outlay	1,780,354	477,669	7,985,419	150,407	2,135,021	1,568,346	14,097,216
Debt service							
Principal	235,375	-	3,835,000	-	-	-	4,070,375
Interest	95,566	-	186,759	-	-	-	282,325
<b>TOTAL EXPENDITURES</b>	<b>90,679,492</b>	<b>18,543,356</b>	<b>21,584,429</b>	<b>322,438</b>	<b>2,480,377</b>	<b>13,264,281</b>	<b>146,874,373</b>
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER)							
EXPENDITURES	2,283,788	731,126	7,673,226	1,782,857	(1,916,069)	138,052	10,692,980
OTHER FINANCING SOURCES (USES)							
Sale of county property	99,116	45,600	505,000	-	-	-	649,716
Capital lease issued	657,322	-	-	-	-	-	657,322
Transfers in	193,619	-	-	-	-	1,907,930	2,101,549
Transfers out	(1,906,112)	-	(9,810,560)	-	-	(195,438)	(11,912,110)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(956,055)</b>	<b>45,600</b>	<b>(9,305,560)</b>	<b>-</b>	<b>-</b>	<b>1,712,492</b>	<b>(8,503,523)</b>
NET CHANGE IN FUND BALANCES	1,327,733	776,726	(1,632,334)	1,782,857	(1,916,069)	1,850,544	2,189,457
FUND BALANCES, Beginning of year	22,438,337	2,601,745	24,578,717	501,644	2,734,225	5,124,542	57,979,210
FUND BALANCES, End of year	\$ 23,766,070	\$ 3,378,471	\$ 22,946,383	\$ 2,284,501	\$ 818,156	\$ 6,975,086	\$ 60,168,667

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, 2015**

<b>Net change in fund balances (page 5)</b>		\$ 2,189,457
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays	14,097,216	
Depreciation expense	<u>(18,656,632)</u>	(4,559,416)
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>(966,188)</u>	(966,188)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	3,070,142	
Donated assets	1,926,167	
Assessments	<u>11,099</u>	5,007,408
Revenues reported in the funds that relate to prior years are not reported as revenue in the statement of activities.		
Property taxes	(2,849,586)	
Assessments	<u>(12,286)</u>	(2,861,872)
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.		
Proceeds from borrowing including premiums and discounts	(657,322)	
Principal payments on long-term debt	4,070,375	
Amortization of bond premiums and discounts	214,355	
Accrued interest payable, current year	(13,114)	
Accrued interest payable, prior year	<u>41,976</u>	3,656,270
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	(3,472,009)	
Compensated absences, prior year	<u>3,637,901</u>	165,892
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.		
		661,695
Net pension liability is not available during the current period and therefore is not reported in the funds.		
End of year	(29,460,884)	
Beginning of year	<u>30,768,780</u>	1,307,896
Contributions made after pension measurement date are reported in deferred outflows.		
End of year	3,938,432	
Beginning of year	<u>(3,564,449)</u>	373,983
Net OPEB obligation is not available during the current period and therefore is not reported in the funds.		
End of year	(58,980,083)	
Beginning of year	<u>56,731,518</u>	(2,248,565)
Rounding		<u>(1)</u>
<b>Changes in net position of governmental activities (page 2)</b>		<b>\$ <u>2,726,559</u></b>

The accompanying notes are an integral part of this statement.

**HALL COUNTY, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**June 30, 2015**

**BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS**

	<b>SOLID WASTE DISPOSAL FACILITY</b>	<b>SEWER / WASTE WATER UTILITY</b>	<b>WATER UTILITY FUND</b>	<b>TOTAL</b>	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash	\$ 5,795,565	\$ 1,926,243	\$ -	\$ 7,721,808	\$ 8,788,829
Receivables (net of allowance for uncollectibles)	499,157	11,718	-	510,875	834
Prepaid items	60,000	5,855	-	65,855	238,474
Inventories	-	-	-	-	392,449
Restricted assets:					
Cash	-	1,250,000	196,348	1,446,348	-
<b>TOTAL CURRENT ASSETS</b>	<b>6,354,722</b>	<b>3,193,816</b>	<b>196,348</b>	<b>9,744,886</b>	<b>9,420,586</b>
<b>Noncurrent Assets</b>					
Prepaid capacity	-	17,676,387	-	17,676,387	-
Capital assets					
Capital assets not being depreciated	7,506,164	19,217,589	17,509,883	44,233,636	-
Capital assets being depreciated	27,093,425	67,333,366	-	94,426,791	-
Less: accumulated depreciation	(14,831,111)	(5,838,946)	-	(20,670,057)	-
<b>TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)</b>	<b>19,768,478</b>	<b>80,712,009</b>	<b>17,509,883</b>	<b>117,990,370</b>	<b>-</b>
<b>TOTAL NONCURRENT ASSETS</b>	<b>19,768,478</b>	<b>98,388,396</b>	<b>17,509,883</b>	<b>135,666,757</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>26,123,200</b>	<b>101,582,212</b>	<b>17,706,231</b>	<b>145,411,643</b>	<b>9,420,586</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension expense	168,380	-	-	168,380	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>168,380</b>	<b>-</b>	<b>-</b>	<b>168,380</b>	<b>-</b>
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>	<b>26,291,580</b>	<b>101,582,212</b>	<b>17,706,231</b>	<b>145,580,023</b>	<b>9,420,586</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts payable	67,775	234,279	-	302,054	579,006
Accrued interest payable	1,120	71,584	34,409	107,113	-
Other accrued items	83,697	5,011	-	88,708	1,933
Interfund payables	-	-	1,090,736	1,090,736	-
Customer deposits	25,920	119,136	-	145,056	-
Unearned revenue	35,192	-	-	35,192	-
Compensated absences payable	58,561	4,164	-	62,725	-
Accrued landfill closure/postclosure	156,926	-	-	156,926	-
Estimated claims payable	-	-	-	-	951,550
Notes payable	109,944	1,463,223	-	1,573,167	-
Contracts payable	-	-	1,224,785	1,224,785	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>539,135</b>	<b>1,897,397</b>	<b>2,349,930</b>	<b>4,786,462</b>	<b>1,532,489</b>
<b>Noncurrent Liabilities</b>					
Estimated claims payable	-	-	-	-	741,600
Compensated absences payable	3,977	-	-	3,977	-
Accrued landfill closure/postclosure	7,652,728	-	-	7,652,728	-
Notes payable	1,010,087	27,303,490	-	28,313,577	-
Net pension liability	1,259,541	-	-	1,259,541	-
Contracts payable	-	14,565,000	4,019,193	18,584,193	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>9,926,333</b>	<b>41,868,490</b>	<b>4,019,193</b>	<b>55,814,016</b>	<b>741,600</b>
<b>TOTAL LIABILITIES</b>	<b>10,465,468</b>	<b>43,765,887</b>	<b>6,369,123</b>	<b>60,600,478</b>	<b>2,274,089</b>
<b>NET POSITION</b>					
Net investment in capital assets	17,388,906	55,403,916	16,481,446	89,274,268	-
Restricted for:					
Debt service	-	1,250,000	196,348	1,446,348	-
Unrestricted	(1,562,794)	1,162,409	(5,340,686)	(5,741,071)	7,146,497
<b>TOTAL NET POSITION</b>	<b>\$ 15,826,112</b>	<b>\$ 57,816,325</b>	<b>\$ 11,337,108</b>	<b>84,979,545</b>	<b>\$ 7,146,497</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				49,252	
Net position of business-type activities				<u>\$ 85,028,797</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, 2015**

**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	\$ -	\$ 1,955,066	\$ -	\$ 1,955,066	\$ -
Other	-	124,853	-	124,853	-
Recycling and transfer fees	6,329,943	-	-	6,329,943	-
Charges to other funds	-	-	-	-	17,566,064
Employee contributions	-	-	-	-	3,302,642
<b>Total Operating Revenues</b>	<b><u>6,329,943</u></b>	<b><u>2,079,919</u></b>	<b><u>-</u></b>	<b><u>8,409,862</u></b>	<b><u>20,868,706</u></b>
<b>OPERATING EXPENSES</b>					
Salaries and benefits	1,873,068	112,742	-	1,985,810	286,749
Supplies	298,520	-	-	298,520	-
Other services and charges	998,331	735,342	-	1,733,673	2,114,784
Benefit claims	-	-	-	-	13,366,329
Insurance premiums	551,836	26,372	-	578,208	1,459,169
General and administrative	-	-	-	-	2,959,515
Landfill closure/postclosure costs	243,090	-	-	243,090	-
Depreciation	1,144,737	1,321,840	-	2,466,577	-
Professional fees	1,245	-	-	1,245	-
Repairs and maintenance	337,508	95,554	-	433,062	-
<b>Total Operating Expenses</b>	<b><u>5,448,335</u></b>	<b><u>2,291,850</u></b>	<b><u>-</u></b>	<b><u>7,740,185</u></b>	<b><u>20,186,546</u></b>
<b>OPERATING INCOME (LOSS)</b>	<b><u>881,608</u></b>	<b><u>(211,931)</u></b>	<b><u>-</u></b>	<b><u>669,677</u></b>	<b><u>682,160</u></b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest expense	(45,593)	(980,974)	(181,528)	(1,208,095)	-
Gain (loss) on sale of capital assets	106,177	-	-	106,177	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b><u>60,584</u></b>	<b><u>(980,974)</u></b>	<b><u>(181,528)</u></b>	<b><u>(1,101,918)</u></b>	<b><u>-</u></b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>					
Sewer connection fees	942,192	(1,192,905)	(181,528)	(432,241)	682,160
Transfer in	-	85,216	-	85,216	-
<b>CHANGE IN NET POSITION</b>	<b><u>1,988,598</u></b>	<b><u>5,917,400</u></b>	<b><u>1,904,563</u></b>	<b><u>9,810,561</u></b>	<b><u>-</u></b>
<b>TOTAL NET POSITION, Beginning of year</b>	<b><u>2,930,790</u></b>	<b><u>4,809,711</u></b>	<b><u>1,723,035</u></b>	<b><u>9,463,536</u></b>	<b><u>682,160</u></b>
<b>TOTAL NET POSITION, Beginning of year</b>	<b>14,058,389</b>	<b>53,006,614</b>	<b>9,614,073</b>		<b>6,464,337</b>
<b>CHANGE IN ACCOUNTING PRINCIPLE</b>	<b><u>(1,163,067)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>		<b><u>-</u></b>
<b>TOTAL NET POSITION, Beginning as restated</b>	<b><u>12,895,322</u></b>	<b><u>53,006,614</u></b>	<b><u>9,614,073</u></b>		<b><u>6,464,337</u></b>
<b>TOTAL NET POSITION, End of year</b>	<b><u>\$ 15,826,112</u></b>	<b><u>\$ 57,816,325</u></b>	<b><u>\$ 11,337,108</u></b>		<b><u>\$ 7,146,497</u></b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>20,465</u>	
Change in net position of business-type activities				<u>\$ 9,484,001</u>	

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, 2015**

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS				GOVERNMENTAL
	SOLID WASTE DISPOSAL FACILITY	SEWER / WASTE WATER UTILITY	WATER UTILITY FUND	TOTAL	ACTIVITIES INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customer	\$ 6,345,528	\$ 2,153,152	\$ -	\$ 8,498,680	\$ 3,301,808
Payments to suppliers	(3,000,468)	(834,869)	-	(3,835,337)	(5,497,015)
Payments to employees	(1,939,224)	(107,756)	-	(2,046,980)	(14,476,603)
Internal activity-payments from (to) other funds	-	-	-	-	17,566,064
	<u>1,405,836</u>	<u>1,210,527</u>	<u>-</u>	<u>2,616,363</u>	<u>894,254</u>
Net cash provided by (used in) operating activities					
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(2,269,986)	(3,863,839)	(1,152,213)	(7,286,038)	-
Proceeds from the sale of capital assets	411,018	-	-	411,018	-
Connection fees paid by customers	-	85,216	-	85,216	-
Transfers in-capital	1,988,598	5,917,400	1,904,563	9,810,561	-
Payment made on debt	(599,851)	(15,878,445)	(530,000)	(17,008,296)	-
Proceeds from the issuance of debt	549,537	14,565,000	-	15,114,537	-
Interest paid	(384,738)	(1,091,428)	(223,962)	(1,700,128)	-
	<u>(305,422)</u>	<u>(266,096)</u>	<u>(1,612)</u>	<u>(573,130)</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities					
Net increase (decrease) in cash and cash equivalents	1,100,414	944,431	(1,612)	2,043,233	894,254
CASH, Beginning of year	<u>4,695,151</u>	<u>2,231,812</u>	<u>197,960</u>	<u>7,124,923</u>	<u>7,894,575</u>
CASH, End of year	<u>\$ 5,795,565</u>	<u>\$ 3,176,243</u>	<u>\$ 196,348</u>	<u>\$ 9,168,156</u>	<u>\$ 8,788,829</u>

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, 2015**

(CONTINUED)

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS				GOVERNMENTAL
	SOLID WASTE DISPOSAL FACILITY	SEWER / WASTE WATER UTILITY	WATER UTILITY FUND	TOTAL	INTERNAL SERVICE FUND FUEL DEPOT
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 881,608	\$ (211,931)	\$ -	\$ 669,677	\$ 682,160
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	1,144,737	1,321,840	-	2,466,577	-
Landfill closure/postclosure costs	243,090	-	-	243,090	-
(Increase) decrease in:					
Accounts receivable	10,014	44,329	-	54,343	-
Inventory	-	-	-	-	(834)
Deferred inflows for pension	(15,989)	-	-	(15,989)	-
Net pension obligation	(55,917)	-	-	(55,917)	(392,449)
Prepaid capacity	-	12,426	-	12,426	-
Prepaid expenses	30,000	(25)	-	29,975	-
Increase (decrease) in:					
Accounts payable	(792,262)	9,998	-	(782,264)	1,039,366
Compensated absences	(2,973)	2,459	-	(514)	-
Amounts held in trust	-	28,904	-	28,904	389,536
Accrued landfill costs	(50,766)	-	-	(50,766)	-
Other accrued items	8,723	2,527	-	11,250	-
Deferred revenue	5,571	-	-	5,571	-
Due to other governments	-	-	-	-	(585)
Due to other funds	-	-	-	-	(822,940)
	<u>\$ 1,405,836</u>	<u>\$ 1,210,527</u>	<u>\$ -</u>	<u>\$ 2,616,363</u>	<u>\$ 894,254</u>
Net cash provided by (used in) operating activities					
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES					
Net book value of disposals	<u>\$ (304,841)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (304,841)</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, 2015**

	<b>AGENCY FUNDS</b>
<b>ASSETS</b>	
Cash	\$ <u>7,471,612</u>
<b>TOTAL ASSETS</b>	\$ <u><u>7,471,612</u></u>
<b>LIABILITIES</b>	
Amount held in trust	\$ <u>7,471,612</u>
<b>TOTAL LIABILITIES</b>	\$ <u><u>7,471,612</u></u>

The accompanying notes are an integral part of this statement.

**HALL COUNTY, GEORGIA  
 COMPONENT UNITS  
 COMBINING STATEMENT OF NET POSITION  
 June 30, 2015**

	<b>HEALTH DEPARTMENT</b>	<b>LIBRARY SYSTEM</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash	\$ 2,921,883	\$ 245,390	\$ 3,167,273
Investments	-	10,365	10,365
Receivables (net of allowance for uncollectibles)	1,425,518	3,943	1,429,461
Prepaid items	-	14,862	14,862
Capital assets:			
Capital assets being depreciated	266,738	4,482,073	4,748,811
Less: accumulated depreciation	-	(3,988,426)	(3,988,426)
Capital assets, net of depreciation	<u>266,738</u>	<u>493,647</u>	<u>760,385</u>
<b>TOTAL ASSETS</b>	<u>4,614,139</u>	<u>768,207</u>	<u>5,382,346</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension expense	-	169,455	169,455
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>169,455</u>	<u>169,455</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>4,614,139</u>	<u>937,662</u>	<u>5,551,801</u>
<b>LIABILITIES</b>			
Accounts payable	446,645	13,256	459,901
Due to other governments	185,982	-	185,982
Noncurrent liabilities:			
Due within one year			
Compensated absences payable	577,000	28,565	605,565
Due in more than one year			
Compensated absences payable	284,881	42,848	327,729
Net pension liability	9,109,951	1,642,505	10,752,456
<b>TOTAL LIABILITIES</b>	<u>10,604,459</u>	<u>1,727,174</u>	<u>12,331,633</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension expense	672,549	598,452	1,271,001
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>672,549</u>	<u>598,452</u>	<u>1,271,001</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>11,277,008</u>	<u>2,325,626</u>	<u>13,602,634</u>
<b>NET POSITION</b>			
Net investment in capital assets	266,738	493,648	760,386
Restricted for:			
Program income	925,945	18,637	944,582
Unrestricted	(7,855,552)	(1,900,249)	(9,755,801)
<b>TOTAL NET POSITION</b>	<u>\$ (6,662,869)</u>	<u>\$ (1,387,964)</u>	<u>\$ (8,050,833)</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, 2015**

	.....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>
<b>COMPONENT UNITS</b>							
<b>GOVERNMENTAL ACTIVITIES</b>							
Health Department	\$ 15,259,774	\$ 4,196,936	\$ 11,654,751	\$ -	\$ 591,913	\$ -	\$ 591,913
Library System	2,612,661	93,346	368,372	139,300	-	(2,011,643)	(2,011,643)
<b>TOTAL COMPONENT UNITS</b>	<u>\$ 17,872,435</u>	<u>\$ 4,290,282</u>	<u>\$ 12,023,123</u>	<u>\$ 139,300</u>	<u>591,913</u>	<u>(2,011,643)</u>	<u>(1,419,730)</u>
<b>GENERAL REVENUES</b>							
Unrestricted investment earnings					-	346	346
Grants and contributions not restricted to a specific program					-	1,830,262	1,830,262
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>					<u>-</u>	<u>1,830,608</u>	<u>1,830,608</u>
<b>CHANGES IN NET POSITION</b>							
NET POSITION, Beginning					<u>591,913</u>	<u>(181,035)</u>	<u>410,878</u>
CHANGE IN ACCOUNTING PRINCIPLE					3,139,855	927,313	4,067,168
NET POSITION, Beginning as restated					<u>(10,394,637)</u>	<u>(2,134,242)</u>	<u>(12,528,879)</u>
NET POSITION, Ending					<u>(7,254,782)</u>	<u>(1,206,929)</u>	<u>(8,461,711)</u>
					<u>\$ (6,662,869)</u>	<u>\$ (1,387,964)</u>	<u>\$ (8,050,833)</u>

The accompanying notes are an integral part of this statement.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**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 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, 2015**

*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 2015, the County supplemented the Health Department's budget in the amount of \$758,263. The Health Department is presented as a governmental fund type.

The Hall County Library System (Library) serves all citizens of Hall County through its 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 2015, 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, 2015**

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.

*Cumulative effect of a change in accounting principle:*

The County has recorded an increased pension liability according to GASB Statement 68 "Accounting and Financial Reporting for Pensions." As a result of this implementation, net position was reduced by \$28,410,713 as a change in accounting principle.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

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.

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.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

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.

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.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

***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.

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 2014 digest year were payable on December 1, 2014. Interest and penalties are assessed on taxes not paid by this date. The taxes are subject to lien after March 1, 2015.

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.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

Amortization costs for premiums, discounts, and amounts deferred for refunding (see Note 7) for the year 2015 was \$(141,954). None of these costs were capitalized in 2015.

***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.

***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 2015.

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

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

***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 two items that qualify for reporting in this category. These two items consist of the deferred charge on refunding and deferred charge in pension expense. 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. The deferred charge in pension expense represents contributions made into the defined benefit pension plan after the measurement date. These contributions will be recognized as pension expense in the next physical year.

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.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Association of County Commissioners of Georgia (ACCG) Restated Pension Plan for Hall County Employees (Plan) and additions to/from from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***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.
- *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.

**HALL COUNTY, GEORGIA**  
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- *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.

***Net Investment in Capital Assets***

The "net investment in capital assets" reported on the government-wide statement of net position as of June 30, 2015, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net investment in capital assets		
Cost of capital assets	\$ 679,479,609	\$ 138,660,427
Less accumulated depreciation	<u>(302,355,951)</u>	<u>(20,670,057)</u>
Book value	377,123,658	117,990,370
Plus construction proceeds	4	1,446,348
Less capital related debt	<u>(2,467,247)</u>	<u>(30,162,450)</u>
Net investment in capital assets	<u>\$ 374,656,415</u>	<u>\$ 89,274,268</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.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

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

The government-wide statement of net position reports \$34,115,086 of restricted net position, of which \$4,512,644 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  
\$ 3,366,286

**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  
22,946,383

**Capital Projects Fund**

*Capital outlay projects* - For funds received from issuance of bonds that have not been spent  
2,284,501

**Impact Fees Fund**

*Impact Fee projects* - For funds received from impact fees that have not been spent  
818,156

**Nonmajor Special Revenue Funds**

*Special Assessments -*

Special Assessments Fund - To account for funds received from special assessments for street lighting  
328,202

*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  
785,492

Law Library Fund - To account for funds collected from fines and forfeitures to be used for the operation of the Law Library  
66,363

*Public Safety programs -*

Emergency E911 Telephone Services Fund - For fund to operate the E911 center as restricted by the OCGA-46-5  
313,741

Multiple Grant Fund - To account for funds received from grants restricted by grantors for various public safety purposes  
28,665

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  
1,335,914

**HALL COUNTY, GEORGIA**  
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*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	112,925
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*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	98,925
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	170,500
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<b>Total Restricted Fund Balance</b>	<b><u><u>\$ 32,656,553</u></u></b>
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**Assigned:**

**General Fund**

For purchases on order	\$ 411,052
Appropriated as a resource in next year's budget	3,907,952

**Nonmajor Capital Projects Funds**

Allen Creek Soccer Complex - For encumbrances	84,488
State Road Fund - For road infrastructure & maintenance	3,649,371

<b>Total Assigned Fund Balance</b>	<b><u><u>\$ 8,052,863</u></u></b>
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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, activity, and line item, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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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.

#### 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 December 2, 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:

**HALL COUNTY, GEORGIA**  
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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, 2015, 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	8,500,000	8,750,000	-		N/A
Total Debt Securities	<u>\$ 8,500,011</u>	<u>\$ 8,750,011</u>	<u>\$ -</u>		
Maximum Investment		102.94 %	- %		
<i>1. Standard &amp; Poors</i>					

Cash per financial statements (page 1)		
Cash	\$	66,207,958
Restricted cash		1,446,352
less cash equivalents that are investments		(11)
Cash held by Fiduciary Funds (page 11)		<u>7,471,612</u>
Deposits	\$	<u>75,125,911</u>
Investments per financial statements		
Investments	\$	8,500,000
Investments included in cash equivalents		<u>11</u>
Investments as listed above	\$	<u>8,500,011</u>

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 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.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

***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, 2015, 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, 2015, all investments are adequately secured with insurance.

**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:

<b>Governmental Activities:</b>	General Fund	Fire District	SPLOST	Impact Fees	Nonmajor Governmental Funds	Internal Service Funds
Receivables:						
Property Taxes	\$ 2,750,051	\$ 320,090	\$ -	\$ -	\$ 11,099	\$ -
Accounts	8,636,276	-	501,384	2,484	627,556	834
Intergovernmental	3,383,654	14,373	2,559,287	51,670	1,034,415	-
Total Gross Receivables	<u>14,769,981</u>	<u>334,463</u>	<u>3,060,671</u>	<u>54,154</u>	<u>1,673,070</u>	<u>834</u>
Less: Allowance for Uncollectibles	(5,423,067)	-	-	-	-	-
Total Net Receivables	<u><u>\$ 9,346,914</u></u>	<u><u>\$ 334,463</u></u>	<u><u>\$ 3,060,671</u></u>	<u><u>\$ 54,154</u></u>	<u><u>\$ 1,673,070</u></u>	<u><u>\$ 834</u></u>

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

Property taxes receivable at June 30, 2015, consist of the following:

<u>DIGEST YEAR</u>	<u>GENERAL FUND (2)</u>	<u>FIRE DISTRICT</u>
2015 (1)	\$ 39,330	\$ 9,612
2014	574,508	107,815
2013	161,145	24,899
2012	174,572	22,225
2011	218,364	24,095
2010	263,984	28,693
2009	346,247	33,954
2008	351,853	27,408
2007	220,886	17,240
2006	171,782	10,818
2005	206,762	12,472
2004 and prior	<u>20,618</u>	<u>859</u>
Total	<u>\$ 2,750,051</u>	<u>\$ 320,090</u>

(1) 2015 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, 2015.

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	\$ 192,470	\$ -	\$ 192,470
Accounts	<u>306,687</u>	<u>213,208</u>	<u>519,895</u>
Total Gross Receivables	499,157	213,208	712,365
Less: Allowance for Uncollectibles	<u>-</u>	<u>(201,490)</u>	<u>(201,490)</u>
Total Net Receivables	<u>\$ 499,157</u>	<u>\$ 11,718</u>	<u>\$ 510,875</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)	\$ 2,750,051	\$ -
Delinquent property taxes receivable (Fire District Fund)	320,090	-
Assessments (Special Assessment Fund)	11,100	-
Grant drawdowns prior to meeting all eligibility requirements (Grants Fund)	<u>-</u>	<u>1,042,099</u>
Total unavailable/unearned revenue for governmental funds	<u>\$ 3,081,241</u>	<u>\$ 1,042,099</u>

**HALL COUNTY, GEORGIA**  
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**June 30, 2015**

	<u>Health Department</u>	<u>Library System</u>
Receivables:		
Accounts	\$ 242,195	\$ 3,943
Intergovernmental	<u>1,183,323</u>	<u>-</u>
Total Gross Receivables	1,425,518	3,943
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Net Receivables	<u><u>\$ 1,425,518</u></u>	<u><u>\$ 3,943</u></u>

**NOTE 6 - CAPITAL ASSETS**

**PRIMARY GOVERNMENT**

Capital asset activity for the year ended June 30, 2015, was as follows:

<b>Governmental 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	\$ 23,003,671	\$ -	\$ (5,625)	\$ -	\$ 22,998,046
Infrastructure land and improvements	34,245,004	157,577	-	-	34,402,581
Construction in progress	<u>15,744,474</u>	<u>9,615,672</u>	<u>(472,461)</u>	<u>(4,121,121)</u>	<u>20,766,564</u>
Total non-depreciable capital assets	<u>72,993,149</u>	<u>9,773,249</u>	<u>(478,086)</u>	<u>(4,121,121)</u>	<u>78,167,191</u>
Depreciable Assets:					
Buildings and improvements	181,341,948	-	(37,905)	1,662,273	182,966,316
Machinery and equipment	36,600,709	1,066,474	-	-	37,667,183
Vehicles	27,711,850	3,410,208	(858,254)	-	30,263,804
Infrastructure	<u>346,204,606</u>	<u>1,773,451</u>	<u>(21,790)</u>	<u>2,458,848</u>	<u>350,415,115</u>
Total depreciable capital assets	<u>591,859,113</u>	<u>6,250,133</u>	<u>(917,949)</u>	<u>4,121,121</u>	<u>601,312,418</u>
Less Accumulated Depreciation for:					
Buildings and improvements	(40,867,601)	(4,585,311)	37,905	-	(45,415,007)
Machinery and equipment	(28,391,464)	(2,378,734)	-	-	(30,770,198)
Vehicles	(21,424,445)	(1,352,985)	370,152	-	(22,407,279)
Infrastructure	<u>(193,445,655)</u>	<u>(10,339,602)</u>	<u>21,790</u>	<u>-</u>	<u>(203,763,467)</u>
Total accumulated depreciation	<u>(284,129,165)</u>	<u>(18,656,632)</u>	<u>429,847</u>	<u>-</u>	<u>(302,355,951)</u>
Total depreciable capital assets, net	<u>307,729,948</u>	<u>(12,406,499)</u>	<u>(488,102)</u>	<u>4,121,121</u>	<u>298,956,467</u>
Governmental activities capital assets, net	<u><u>\$ 380,723,097</u></u>	<u><u>\$ (2,633,250)</u></u>	<u><u>\$ (966,188)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 377,123,658</u></u>

**HALL COUNTY, GEORGIA**  
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Additions to governmental activities capital assets for fiscal year ending June 30, 2015, consist of the following:

Capital Outlay	\$ 14,097,216
Donated land	107,782
Donated roads	1,773,451
Donated vehicles	44,934
Rounding	(1)
Total	<u>\$ 16,023,382</u>

Non-depreciable capital assets additions	\$ 9,773,249
Depreciable capital assets additions	<u>6,250,133</u>
Total	<u>\$ 16,023,382</u>

<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	\$ 3,500	\$ -	\$ -	\$ 26,938,264
Construction in progress	10,407,262	6,999,029	-	(110,920)	17,295,372
Total non-depreciable capital assets	<u>37,342,026</u>	<u>7,002,529</u>	<u>-</u>	<u>(110,920)</u>	<u>44,233,636</u>
Depreciable Assets:					
Land improvements	144,988	-	-	-	144,988
Buildings and improvements	10,448,282	-	-	-	10,448,282
Machinery and equipment	5,364,112	285,032	(609,680)	-	5,039,464
Vehicles	1,065,289	-	(31,879)	-	1,033,410
Water and sewer infrastructure	77,649,728	-	-	110,920	77,760,647
Total depreciable capital assets	<u>94,672,399</u>	<u>285,032</u>	<u>(641,559)</u>	<u>110,920</u>	<u>94,426,791</u>
Less Accumulated Depreciation for:					
Land improvements	(144,988)	-	-	-	(144,988)
Buildings	(3,326,770)	(288,008)	-	-	(3,614,778)
Machinery and equipment	(2,668,803)	(439,559)	304,841	-	(2,803,521)
Vehicles	(573,305)	(71,139)	31,879	-	(612,565)
Water and sewer lines and system	(11,826,334)	(1,667,871)	-	-	(13,494,205)
Total accumulated depreciation	<u>(18,540,200)</u>	<u>(2,466,577)</u>	<u>336,720</u>	<u>-</u>	<u>(20,670,057)</u>
Total depreciable capital assets, net	<u>76,132,199</u>	<u>(2,181,545)</u>	<u>(304,839)</u>	<u>110,920</u>	<u>73,756,734</u>
Business-type activities capital assets, net	<u>\$ 113,474,225</u>	<u>\$ 4,820,984</u>	<u>\$ (304,839)</u>	<u>\$ -</u>	<u>\$ 117,990,370</u>

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental Activities:**

General Government	\$ 639,576
Judicial	753,720
Public Safety	4,982,151
Public Works	10,586,981
Public Health and Welfare	319,909
Recreation and Culture	1,309,115
Housing and Development	<u>65,180</u>
Total depreciation expense-governmental activities	<u><u>\$ 18,656,632</u></u>

**Business-type Activities:**

Sewer/Waste Water Utility	\$ 1,321,840
Solid Waste	<u>1,144,737</u>
Total depreciation expense-business-type activities	<u><u>\$ 2,466,577</u></u>

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, 2015, 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	<u>Source</u>
<b>Governmental Activities:</b>					
Central Hall Multi Use Trail	\$ 2,882,646	\$ 843,442	\$ 2,025,670	\$ 13,534	SPLOST
Cherokee Bluffs Park	3,543,330	2,855,066	427,912	260,352	SPLOST/Impact Fee Fund
New Correctional Institute	3,436,196	2,176,830	729,112	530,254	SPLOST
Courthouse Annex Renovation	640,651	55,407	129,154	456,090	SPLOST
Sheriff Administration Building	6,100,000	1,450,532	3,297,942	1,351,526	SPLOST
Health Department Expansion	1,300,000	49,216	6,869	1,243,915	SPLOST
Various Road Projects	22,494,840	13,336,071	9,158,769	-	SPLOST/State Road Fund
	<u><u>\$ 40,397,663</u></u>	<u><u>\$ 20,766,564</u></u>	<u><u>\$ 15,775,428</u></u>	<u><u>\$ 3,855,671</u></u>	
<b>Business-type Activities:</b>					
Candler Road	\$ 2,098,405	\$ 2,000,789	\$ 97,616	\$ -	SPLOST
Glades Reservoir	10,479,682	6,627,785	940,614	2,911,283	SPLOST/Revenue Bonds
North Hall County Sewer System Master Plan	2,198,025	142,711	-	2,055,314	SPLOST/Sewer Fund
North Oconee Water Reclamation	750,000	415,586	-	334,414	SPLOST
Deaton Creek Tennis Court	61,339	51,478	9,861	-	Sewer Fund
Gateway/Hwy 365 Sewer Lines	5,194,729	2,749,943	314,956	2,129,830	SPLOST
Gateway Sewer Lines	6,284,681	5,307,080	-	977,601	SPLOST
Water and Sewerage Projects	<u><u>\$ 27,066,861</u></u>	<u><u>\$ 17,295,372</u></u>	<u><u>\$ 1,363,047</u></u>	<u><u>\$ 8,408,442</u></u>	

**HALL COUNTY, GEORGIA**  
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DISCRETELY PRESENTED COMPONENT UNITS

Activity for the *Health Department* for the year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental Activities:</b>				
Depreciable Assets:				
Machinery and equipment	\$ 917,148	\$ -	\$ (650,410)	\$ 266,738
Less Accumulated Depreciation	(584,350)	(46,702)	631,052	-
Capital Assets, net	<u>\$ 332,798</u>	<u>\$ (46,702)</u>	<u>\$ (19,358)</u>	<u>\$ 266,738</u>

Activity for the *Library* for the year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental Activities:</b>				
Depreciable Assets:				
Machinery and equipment	\$ 582,687	\$ -	\$ 19,897	\$ 602,584
Books and collections	3,840,695	136,879	(98,085)	3,879,489
Total depreciable capital assets	<u>4,423,382</u>	<u>136,879</u>	<u>(78,188)</u>	<u>4,482,073</u>
Less Accumulated Depreciation for:				
Machinery and equipment	(505,060)	(32,987)	1,700	(536,347)
Books and collections	(3,219,122)	(386,199)	153,242	(3,452,079)
Total accumulated depreciation	<u>(3,724,182)</u>	<u>(419,186)</u>	<u>154,942</u>	<u>(3,988,426)</u>
Total depreciable capital assets, net	699,200	(282,307)	76,754	493,647
Capital Assets, net	<u>\$ 699,200</u>	<u>\$ (282,307)</u>	<u>\$ 76,754</u>	<u>\$ 493,647</u>

**HALL COUNTY, GEORGIA**  
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**NOTE 7 - LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2015, was as follows:

	<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>
<b>Governmental Activities:</b>						
Contracts Payable	\$ 6,016,302	\$ -	\$ (3,940,000)	\$ 2,076,302	\$ 221,302	\$ 1,855,000
Less: original issue discount	(21,124)	-	1,424	(19,700)	(1,424)	(18,276)
Plus: original issue premium	215,779	-	(215,779)	-	-	-
Total contracts payable	<u>6,210,957</u>	<u>-</u>	<u>(4,154,355)</u>	<u>2,056,602</u>	<u>219,878</u>	<u>1,836,724</u>
Capital leases	-	657,322	(130,376)	526,946	121,475	405,471
Estimated claims payable	2,516,090	13,226,182	(14,049,122)	1,693,150	951,550	741,600
Net OPEB obligation	56,731,518	2,248,565	-	58,980,083	-	58,980,083
Net pension liability	30,768,782	2,630,534	(3,938,432)	29,460,884	-	29,460,884
Compensated absences	3,637,901	1,946,160	(2,112,052)	3,472,009	2,112,052	1,359,957
Governmental activities long-term liabilities	<u>\$ 99,865,248</u>	<u>\$ 20,708,763</u>	<u>\$ (24,384,337)</u>	<u>\$ 96,189,674</u>	<u>\$ 3,404,955</u>	<u>\$ 92,784,719</u>
<b>Business-type Activities:</b>						
Contracts payable	\$ 20,150,000	\$ -	\$ (530,000)	\$ 19,620,000	\$ 1,185,000	\$ 18,435,000
Plus: original issue premium	228,763	-	(39,785)	188,978	39,785	149,193
Total contracts payable	<u>20,378,763</u>	<u>-</u>	<u>(569,785)</u>	<u>19,808,978</u>	<u>1,224,785</u>	<u>18,584,193</u>
Capital leases	-	-	-	-	-	-
Notes payable	31,684,492	606,928	(2,404,677)	29,886,743	1,573,167	28,313,577
Compensated absences	67,216	62,627	(63,141)	66,702	62,725	3,977
Net pension liability	1,315,458	112,463	(168,380)	1,259,541	-	1,259,541
Landfill closure/postclosure	7,617,330	243,090	(50,766)	7,809,654	156,926	7,652,728
Business-type activities long-term liabilities	<u>\$ 61,063,259</u>	<u>\$ 1,025,108</u>	<u>\$ (3,256,749)</u>	<u>\$ 58,831,618</u>	<u>\$ 3,017,603</u>	<u>\$ 55,814,016</u>
Total primary government long-term liabilities	<u>\$ 160,928,507</u>	<u>\$ 21,733,871</u>	<u>\$ (27,641,086)</u>	<u>\$ 155,021,292</u>	<u>\$ 6,422,558</u>	<u>\$ 148,598,735</u>

The County implemented GASB 68, "Accounting and Financial Reporting for Pensions" in fiscal year 2015 and as a result had a change in accounting principle in the net pension liability of (\$30,812,097) for the governmental activities and (\$1,315,458) in the business-type activities.

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

**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, 2015, the County was responsible for \$116,302.

**HALL COUNTY, GEORGIA**  
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On May 5, 2009, the County entered into a contract with Gainesville-Hall County Development Authority to issue \$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 matured 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 matured 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, 2015, are as follows:

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 221,302	\$ 79,219	\$ 300,521
2017	110,000	78,684	188,684
2018	115,000	74,834	189,834
2019	120,000	70,521	190,521
2020	125,000	65,721	190,721
2021-2025	705,000	245,910	950,910
2026-2029	680,000	77,585	757,585
	<u>\$ 2,076,302</u>	<u>\$ 692,474</u>	<u>\$ 2,768,776</u>

***Capital Leases***

The County leases certain land and facilities under non-cancelable capital leases. The leases relate to the equipment for road and landfill maintenance, the community services building, and the mental health building. Ownership of the related assets will be transferred to the County at the end of the lease terms.

**HALL COUNTY, GEORGIA**  
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The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Machinery and equipment	\$ 425,306	\$ -
Vehicles	211,659	-
Less accumulated depreciation	(6,064)	-
	<u>\$ 630,901</u>	<u>\$ -</u>

Minimum future lease obligations for these leases, as of June 30, 2015, are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2016	\$ 195,908
2017	132,271
2018	132,271
2019	312,095
Thereafter	<u>32,271</u>
Total minimum lease payments	804,816
Less: amount representing interest (1.85% - 2.95%)	<u>(277,870)</u>
Present value of minimum lease payments	<u>\$ 526,946</u>

**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, 2015 was 0.68%. 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.

**HALL COUNTY, GEORGIA**  
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**June 30, 2015**

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>
2016	\$ 1,185,000	\$ 305,317	\$ 1,490,317
2017	1,795,000	264,064	2,059,064
2018	1,725,000	218,664	1,943,664
2019	2,035,000	174,475	2,209,475
2020	2,165,000	124,792	2,289,792
2021-2025	6,915,000	278,545	7,193,545
2026-2027	<u>3,800,000</u>	<u>39,269</u>	<u>3,839,269</u>
Total	<u>\$ 19,620,000</u>	<u>\$ 1,405,126</u>	<u>\$ 21,025,126</u>

<sup>1</sup>Based on the variable rate at June 30, 2015. 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, 2015, the loan did not have an outstanding balance.

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, 2015, the outstanding balance was \$2,208,620.

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, 2015, the outstanding balance was \$7,488,464. 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, 2015, the outstanding balance was \$19,069,628. The loan will mature on November 1, 2032.

**HALL COUNTY, GEORGIA**  
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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, 2015, \$1,120,031 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, 2015, are as follows:

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,573,089	\$ 856,190	\$ 2,429,279
2017	1,619,689	809,668	2,429,357
2018	1,666,571	762,786	2,429,357
2019	1,715,196	714,162	2,429,358
2020	1,765,019	665,341	2,430,360
2021-2025	9,590,797	2,515,060	12,105,857
2026-2030	9,075,917	1,071,049	10,146,966
2031-2033	2,880,465	94,548	2,975,013
Total	<u>\$ 29,886,743</u>	<u>\$ 7,488,804</u>	<u>\$ 37,375,547</u>

**COMPONENT UNITS**

Activity for the *Health Department* for the year ended June 30, 2015, was as follows:

<b>Governmental activities</b>	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	\$ 797,486	\$ 596,656	\$ (532,261)	\$ 861,881	\$ 577,000	\$ 284,881
Net pension liability	<u>10,394,637</u>	<u>612,137</u>	<u>(1,896,823)</u>	<u>9,109,951</u>	<u>-</u>	<u>9,109,951</u>
Total Governmental activities	<u>\$ 11,192,123</u>	<u>\$ 1,208,793</u>	<u>\$ (2,429,084)</u>	<u>\$ 9,971,832</u>	<u>\$ 577,000</u>	<u>\$ 9,394,832</u>

The *Health Department* implemented GASB 68, "Accounting and Financial Reporting for Pensions" in fiscal year 2015 and as a result had a change in accounting principle in the net pension liability of \$10,394,637.

**HALL COUNTY, GEORGIA**  
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Activity for the *Library* for the year ended June 30, 2015, 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	\$ 83,786	\$ 71,414	\$ (83,787)	\$ 71,413	\$ 28,565	\$ 42,848
Net pension liability	<u>2,297,122</u>	<u>-</u>	<u>(654,617)</u>	<u>1,642,505</u>	<u>-</u>	<u>1,642,505</u>
Compensated absences	<u>\$ 2,380,908</u>	<u>\$ 71,414</u>	<u>\$ (738,404)</u>	<u>\$ 1,713,918</u>	<u>\$ 28,565</u>	<u>\$ 1,685,353</u>

The *Library* implemented GASB 68, "Accounting and Financial Reporting for Pensions" in fiscal year 2015 and as a result had a change in accounting principle in the net pension liability of \$2,297,122.

**NOTE 8 - INTERFUND BALANCES AND ACTIVITY**

The composition of interfund balances as of June 30, 2015, is as follows:

<u>Due To</u>	<u>Due From Water Utility Fund</u>	<u>Total</u>
General Fund	\$ 1,090,736	\$ 1,090,736
Total	<u>\$ 1,090,736</u>	<u>\$ 1,090,736</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.

Interfund transfers as of the year ended June 30, 2015, are as follows:

<u>Transfers Out</u>	<u>Transfers In</u>					<u>Total Transfers Out</u>
	<u>General Fund</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Solid Waste Fund</u>	<u>Sewer/ Wastewater Utility Fund</u>	<u>Water Utility Fund</u>	
General Fund	\$ -	\$ 1,906,112	\$ -	\$ -	\$ -	\$ 1,906,112
SPLOST	-	-	1,988,598	5,917,400	1,904,563	9,810,560
Other nonmajor governmental funds	<u>193,619</u>	<u>1,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,438</u>
Total - Transfers in	<u>\$ 193,619</u>	<u>\$ 1,907,930</u>	<u>\$ 1,988,598</u>	<u>\$ 5,917,400</u>	<u>\$ 1,904,563</u>	<u>\$ 11,912,110</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.

**HALL COUNTY, GEORGIA**  
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**June 30, 2015**

**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 \$14,689,087, 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, 2015, the County has sold 1,600 gallons 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, 2015, 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, 2015, the County has not sold any of the capacity.

**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.

**HALL COUNTY, GEORGIA**  
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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 three years of participation in the Plan or b) when age and years of service total 75.

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.

Participant counts as of January 1, 2014, (the most recent actuarial valuation date) and covered compensation (base on covered earnings for the preceding year) are shown below:

Retirees, beneficiaries and disabled participants receiving benefits	320
Terminated plan participants entitled to but not yet receiving benefits	261
Active employees participating in the Plan	<u>153</u>
Total number of Plan participants	<u><u>734</u></u>

***Contributions***

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. The annual County contribution meets or exceeds the minimum funding requirements of Georgia Statute 47-20.

***Net Pension Liability***

The County's net pension liability was measured as of January 1, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liability as of the January 1, 2014 valuation was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.50%
Salary Increases	3.00-4.50%, average, including inflation

**HALL COUNTY, GEORGIA**  
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Investment rate of return      7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for Males and Females set back two years for males and set back three years for females.

The actuarial assumptions used in the 2014 valuation were based on the results of an actuarial experience study for the period January 1, 1988 - December 31, 2014.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Fixed income	30.00%	3.28%
Domestic large equities	30.00	6.27
Domestic mid equities	5.00	9.02
Domestic small equities	5.00	6.24
REIT	5.00	7.13
International	15.00	3.98
Multi cap	5.00	5.67
Global allocation	5.00	1.98
TOTAL	100.00%	

\* Rates shown are net of the 3.50% assumed rate of inflation

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**HALL COUNTY, GEORGIA**  
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***Change in the Net Pension Liability***

	<u>Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at June 30, 2014	\$ 49,546,209	\$ 17,461,969	\$ 32,084,240
Changes for the year:			
Service cost	51,455	-	51,455
Interest	3,532,908	1,046,131	2,486,777
Contribution-employer	-	4,106,812	(4,106,812)
Benefit payments	(4,881,533)	(4,881,533)	-
Administrative expense	-	(47,192)	47,192
Other charges	-	(157,573)	157,573
Net changes	<u>(1,297,170)</u>	<u>66,645</u>	<u>(1,363,815)</u>
Balances at June 30, 2015	<u>\$ 48,249,039</u>	<u>\$ 17,528,614</u>	<u>\$ 30,720,425</u>

The following presents the County's net pension liability calculated using the discount rate of 7.50%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1 % Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
County's net pension liability	<u>\$ 35,261,122</u>	<u>\$ 30,720,425</u>	<u>\$ 26,780,049</u>

Detailed information about the pension plan's fiduciary net position is available in separately issued financial report. That report may be obtained by writing to Hall County Board of Commissioners, P.O. Box 1435, Gainesville, Georgia 30503.

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For the year ended June 30, 2015, the County recognized pension expense of \$2,353,026. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**HALL COUNTY, GEORGIA**  
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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	-
County contributions subsequent to the measurement date	4,106,812	-
<b>TOTAL</b>	<u>\$ 4,106,812</u>	<u>\$ -</u>

County contributions of \$4,106,812 subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year June 30, 2016.

**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. Plan A was 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.

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.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

***Funding Policy***

Contributions totaling \$2,345,074 (\$2,345,074 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.

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 2015, the County contributed \$1,393,435 to the plan. In fiscal year 2015, total member contributions were \$835,056.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

***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>2015</u>	<u>2014</u>
Annual required contribution	\$ 3,584,000	\$ 3,415,652
Interest on note OPEB obligation	2,269,000	2,182,000
Adjustment to annual required contribution	<u>(2,211,000)</u>	<u>(2,125,000)</u>
Annual OPEB cost	3,642,000	3,472,652
Employer contributions made with interest	<u>(1,393,435)</u>	<u>(1,279,728)</u>
Increase (decrease) in net OPEB obligation	2,248,565	2,192,924
Net OPEB obligation, Beginning of year	<u>56,731,518</u>	<u>54,538,594</u>
Net OPEB obligation, End of year	<u>\$ 58,980,083</u>	<u>\$ 56,731,518</u>

The County performs actuarial valuations every two years. The data for 2015 is projected based on rates from 2014 applied to 2015 salaries.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the preceding two years are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 3,642,000	\$ 1,393,435	38.3%	\$ (58,980,083)
2014	\$ 3,472,652	\$ 1,279,728	36.9%	\$ (56,731,518)
2013	\$ 3,990,875	\$ 1,939,568	48.6%	\$ (54,538,594)

***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 \$37,493,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$37,493,000. The covered payroll (annual payroll of active employees covered by the benefits) was \$62,772,238, and the ratio of the UAAL to the covered payroll was 60 percent.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

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, 2015 for fiscal year ending June 30, 2016.

***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.

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

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

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, 2015, the County included in accrued expenses \$663,150 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, 2014	\$ 603,431	\$ 12,240,128	\$ (12,217,469)	\$ 626,090
Year ended June 30, 2015	\$ 626,090	\$ 12,645,807	\$ (12,608,747)	\$ 663,150

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, 2015, there was no need for such an assessment. Therefore, no liability for this has been included in the amounts below.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

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, 2015, an actuary determined that approximately \$1,030,000 is reported but unpaid and incurred but not reported claims were outstanding relating to fiscal year 2015 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.

	<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, 2014	\$ 2,160,000	\$ 645,162	\$ (915,162)	\$ 1,890,000
Year ended June 30, 2015	\$ 1,890,000	\$ 580,375	\$ (1,440,375)	\$ 1,030,000

**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 2015, the County contracted with several different insurance providers for various insurance coverages.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

<u>Type</u>	<u>Amount in Force</u>	
Property	\$ 265,892,112	
	<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	\$ 2,000,000
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 City Council 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.

**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.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

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

The County's encumbrances outstanding at the end of the fiscal year that will be honored in the next fiscal year are as follows:

	Amount
Governmental Funds:	
General Fund	\$ 411,052
SPLOST	14,921,407
Capital Projects	969,879
Nonmajor governmental funds	<u>116,909</u>
Total governmental activities	<u>\$ 16,419,247</u>
Enterprise Funds	
Sewer/waste water utility	25,449
Water utility	<u>411,125</u>
Total Enterprise funds	<u>\$ 436,574</u>

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.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

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.

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, 2015, the outstanding balance of this debt was \$223 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, 2015, the outstanding balance of this debt was \$207 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.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

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.

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.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

As of June 30, 2015, the County has recorded a liability for the Allen Creek Landfill of \$5,169,671, 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, 2015, the County has recorded a liability for the Candler Road landfill of \$2,639,983, which represents the estimated closure and postclosure costs based on 34% of landfill capacity used to date. The County will recognize the remaining estimated cost of closure and postclosure care of \$5,124,671 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2015. 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.

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, 2015, 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 \$5,169,671. The County has accrued the difference between the estimated liability this year and the amount accrued as of June 30, 2014, 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 \$10,779,672.

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 \$2,639,983, which represents the estimated closure and postclosure costs based on 34% of landfill capacity used to date. The County will recognize the remaining estimated cost of closure and postclosure care of \$5,124,671 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.

**HALL COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

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, 2015, the County paid \$150,421 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.

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, 2015, the County collected \$28,879 of which \$11,552 was required to be spent to promote tourism, conventions, and trade shows. The County actually spent \$90,000. This was 779% 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 THE NET PENSION LIABILITY -  
 ACCG RESTATED PENSION PLAN FOR HALL COUNTY EMPLOYEES  
 For the Year Ended June 30, 2015  
 "Unaudited"**

<u>For the Year Ended June 30,</u>	<u>2015</u>
Net pension liability	\$ 30,720,425
Covered-employee payroll	\$ 9,598,157
Net pension liability as a percentage of its covered-employee payroll	32.01%
Plan fiduciary net position as a percentage of the total pension liability	36.30%

*NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.*

**HALL COUNTY, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS -**  
**ACCG RESTATED PENSION PLAN FOR HALL COUNTY EMPLOYEES**  
**For the Year Ended June 30, 2015**  
**"Unaudited"**

<u>For the Year Ended June 30,</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually required contribution	\$ 4,106,812	\$ 3,492,226	\$ 3,044,160	\$ 3,114,034	\$ 2,880,247	\$ 2,796,051	\$ 2,457,053	\$ 2,157,078	\$ 2,067,268
Contributions in relation to the contractually required contribution	3,938,432	3,716,842	3,412,489	2,246,258	1,839,947	2,011,035	2,916,504	2,597,966	2,585,533
Contribution deficiency (excess)	<u>\$ 168,380</u>	<u>\$ (224,616)</u>	<u>\$ (368,329)</u>	<u>\$ 867,776</u>	<u>\$ 1,040,300</u>	<u>\$ 785,016</u>	<u>\$ (459,451)</u>	<u>\$ (440,888)</u>	<u>\$ (518,265)</u>
County's covered-employee payroll	\$ 9,598,157	\$ 9,670,874	\$ 9,918,902	\$ 10,707,690	\$ 10,929,736	\$ 11,859,831	\$ 12,324,648	\$ 14,188,604	\$ 14,111,019
Contributions as a percentage of covered-employee payroll	41.03%	38.43%	34.40%	20.98%	16.83%	16.96%	23.66%	18.31%	18.32%

*NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available, data from 9 previous years presented.*

**HALL COUNTY, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -**  
**ACCG RESTATED PENSION PLAN FOR HALL COUNTY EMPLOYEES**  
**For the Year Ended June 30, 2015**  
**"Unaudited"**

**Method and Assumptions Used in Calculations of Actuarially Determined Contributions**

The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which donations are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended 2015 reported in that schedule:

Valuation Date	December 31, 2014
Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, open
Remaining Amortization period	30 years
Asset Valuation method	Five-year smoothed market
Inflation Rate	3.50%
Salary Increases	3.0%-4.5%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

**HALL COUNTY, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS -**  
**OTHER POST-EMPLOYMENT BENEFITS**  
**For the Year Ended June 30, 2015**  
**"Unaudited"**

Actuarial Valuation Date July 1	(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)
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 %
2014	\$ -	\$ 37,493,000	0.00 %	\$ 37,493,000	\$ 62,772,238	59.73 %

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, 2015**  
**(Required Supplementary Information)**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 22,438,337	\$ 22,438,337	\$ 22,438,337	\$ -
<b>RESOURCES (INFLOWS)</b>				
Taxes	65,354,066	66,868,581	68,542,494	1,673,913
Licenses and permits	1,691,090	1,691,090	1,767,252	76,162
Intergovernmental	1,098,749	1,098,749	1,862,602	763,853
Fines and forfeitures	3,891,229	4,295,559	4,327,684	32,125
Charges for services	14,620,409	14,727,409	16,337,433	1,610,024
Contributions and donations	-	-	2,046	2,046
Investment income	477	477	17,020	16,543
Miscellaneous	45,550	45,550	106,749	61,199
Sale of county property	130,000	166,500	99,116	(67,384)
Capital lease proceeds	-	-	657,322	657,322
Transfers in	194,412	194,412	193,619	(793)
Total Resources (Inflows)	<u>87,025,982</u>	<u>89,088,327</u>	<u>93,913,337</u>	<u>4,825,010</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>109,464,319</u>	<u>111,526,664</u>	<u>116,351,674</u>	<u>4,825,010</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>				
<b>Current Expenditures</b>				
<b>General Government</b>				
Legislative	970,606	1,112,581	1,112,577	4
Elections	528,313	548,713	548,634	79
Financial administration	634,223	639,683	639,087	596
Business license	167,922	157,422	157,313	109
Purchasing	305,659	301,359	301,275	84
Data processing/MIS	883,795	863,795	863,592	203
Human resources	428,881	418,181	418,081	100
Tax commissioner	1,410,632	1,410,632	1,385,608	25,024
Tax assessor-real property	1,762,305	1,544,321	1,543,473	848
Risk management	8,494,030	9,133,030	9,132,882	148
Buildings	2,220,495	2,245,131	2,245,039	92
General services	2,371,476	1,750,042	1,708,504	41,538
Agencies	150,421	150,421	150,421	-
Total General Government	<u>20,328,758</u>	<u>20,275,311</u>	<u>20,206,486</u>	<u>68,825</u>
<b>Judicial</b>				
Judicial administration	362,298	347,798	347,746	52
Superior court	2,583,769	2,674,269	2,673,441	828
Clerk of superior court	1,968,399	1,978,399	1,977,589	810
District attorney	1,357,280	1,385,780	1,385,272	508
State court	1,405,830	1,464,830	1,463,855	975
Magistrate court	1,098,781	1,111,781	1,111,314	467
Probate court	526,003	507,103	506,042	1,061
Juvenile court	1,526,152	1,552,552	1,552,025	527
Probation services	664,117	658,117	658,085	32
Public defender	1,316,064	1,325,664	1,325,624	40
Solicitor	1,250,129	1,235,329	1,235,290	39
Other judicial	941,039	861,239	860,091	1,148
Total Judicial	<u>14,999,861</u>	<u>15,102,861</u>	<u>15,096,374</u>	<u>6,487</u>
<b>Public Safety</b>				
Sheriff	15,218,194	15,351,416	15,350,172	1,244
Detention center	13,461,163	14,096,856	14,096,541	315
Correctional institute	2,826,191	2,828,391	2,828,341	50
Emergency medical services	7,731,658	8,869,191	8,852,500	16,691
Coroner	125,264	128,964	128,899	65
E-911	919,368	1,404,368	1,403,527	841
Agencies	9,451	9,451	9,451	-
Animal shelter	1,214,901	1,258,951	1,258,903	48
Emergency management	113,381	207,473	207,245	228
Total Public Safety	<u>41,619,571</u>	<u>44,155,061</u>	<u>44,135,579</u>	<u>19,482</u>
<b>Public Works</b>				
Highways and streets	2,817,429	2,632,529	2,632,115	414
Maintenance and shop	551,918	576,719	576,257	462
Engineering	890,876	938,491	938,458	33
Total Public Works	<u>4,260,223</u>	<u>4,147,739</u>	<u>4,146,830</u>	<u>909</u>

**HALL COUNTY, GEORGIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the Year Ended June 30, 2015**  
**(Required Supplementary Information)**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
CONTINUED.....				
Public Health and Welfare				
Health department	816,107	817,807	817,802	5
Public welfare	767,712	809,212	808,749	463
Community Center	470,950	470,950	470,950	-
Agencies	115,863	115,863	115,863	-
Total Public Health and Welfare	<u>2,170,632</u>	<u>2,213,832</u>	<u>2,213,364</u>	<u>468</u>
Recreation and Culture				
Parks	2,243,329	2,269,848	2,269,759	89
Library	1,924,951	1,967,781	1,967,778	3
Agriculture center	198,469	201,649	201,643	6
Other recreation and culture	135,552	109,552	109,097	455
Total Recreation and Culture	<u>4,502,301</u>	<u>4,548,830</u>	<u>4,548,277</u>	<u>553</u>
Housing and development				
Conservation	102,381	103,031	100,961	2,070
Building inspection	412,127	405,127	404,907	220
Planning and zoning	787,885	720,685	714,662	6,023
Code enforcement	488,287	462,267	461,939	328
Agencies	399,688	399,688	370,809	28,879
County agent	196,847	185,447	185,416	31
Total Housing and Development	<u>2,387,215</u>	<u>2,276,245</u>	<u>2,238,694</u>	<u>37,551</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>90,268,561</u>	<u>92,719,879</u>	<u>92,585,604</u>	<u>134,275</u>
CHANGE IN FUND BALANCE	<u>(3,242,579)</u>	<u>(3,631,552)</u>	<u>1,327,733</u>	<u>4,959,285</u>
FUND BALANCE, End of year	<u>\$ 19,195,758</u>	<u>\$ 18,806,785</u>	<u>\$ 23,766,070</u>	<u>\$ 4,959,285</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, 2015**  
**(Required Supplementary Information)**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 2,601,745	\$ 2,601,745	\$ 2,601,745	\$ -
RESOURCES (INFLOWS)				
Taxes	18,659,887	19,120,887	19,239,422	118,535
Intergovernmental	45,925	45,925	21,708	(24,217)
Charges for services	10,640	10,640	12,351	1,711
Miscellaneous	-	-	1,001	1,001
Sale of county property	-	-	45,600	45,600
Total Resources (Inflows)	<u>18,716,452</u>	<u>19,177,452</u>	<u>19,320,082</u>	<u>142,630</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>21,318,197</u>	<u>21,779,197</u>	<u>21,921,827</u>	<u>142,630</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	<u>18,079,897</u>	<u>18,543,513</u>	<u>18,543,356</u>	<u>157</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>18,079,897</u>	<u>18,543,513</u>	<u>18,543,356</u>	<u>157</u>
CHANGE IN FUND BALANCE	<u>636,555</u>	<u>633,939</u>	<u>776,726</u>	<u>142,787</u>
FUND BALANCE, End of year	<u>\$ 3,238,300</u>	<u>\$ 3,235,684</u>	<u>\$ 3,378,471</u>	<u>\$ 142,787</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, 2015**

	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	STATE ROAD FUND	
ASSETS										
Cash	\$ -	\$ 59,458	\$ 364,709	\$ 371,544	\$ 2,866,236	\$ 67,501	\$ 116,136	\$ 3,845,584	\$ 3,871,114	\$ 7,716,698
Receivables (net of allowance for uncollectibles)	471,017	129,459	979,055	11,099	76,042	-	6,398	1,673,070	-	1,673,070
Due from other funds	-	-	-	-	4,000	-	-	4,000	-	4,000
<b>TOTAL ASSETS</b>	<b>\$ 471,017</b>	<b>\$ 188,917</b>	<b>\$ 1,343,764</b>	<b>\$ 382,643</b>	<b>\$ 2,946,278</b>	<b>\$ 67,501</b>	<b>\$ 122,534</b>	<b>\$ 5,522,654</b>	<b>\$ 3,871,114</b>	<b>\$ 9,393,768</b>
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ 50,841	\$ 71,805	\$ 237,516	\$ 43,342	\$ 381,750	\$ 1,138	\$ 34,758	\$ 821,150	\$ 221,743	\$ 1,042,893
Other accrued items	106,435	18,187	31,484	-	49,961	-	3,288	209,355	-	209,355
Due to other funds	-	-	4,000	-	-	-	-	4,000	-	4,000
Unearned revenue	-	-	1,042,099	-	-	-	-	1,042,099	-	1,042,099
Deposits held	-	-	-	-	109,236	-	-	109,236	-	109,236
<b>TOTAL LIABILITIES</b>	<b>157,276</b>	<b>89,992</b>	<b>1,315,099</b>	<b>43,342</b>	<b>540,947</b>	<b>1,138</b>	<b>38,046</b>	<b>2,185,840</b>	<b>221,743</b>	<b>2,407,583</b>
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue -other	-	-	-	11,099	-	-	-	11,099	-	11,099
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,099</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,099</b>	<b>-</b>	<b>11,099</b>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,099</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,099</b>	<b>-</b>	<b>11,099</b>
<b>TOTAL LIABILITIES, AND DEFERRED INFLOWS OF RESOURCES</b>	<b>157,276</b>	<b>89,992</b>	<b>1,315,099</b>	<b>54,441</b>	<b>540,947</b>	<b>1,138</b>	<b>38,046</b>	<b>2,196,939</b>	<b>221,743</b>	<b>2,418,682</b>
FUND BALANCES										
Restricted:										
Special assessments	-	-	-	328,202	-	-	-	328,202	-	328,202
Judicial programs	-	-	-	-	785,492	66,363	-	851,855	-	851,855
Public safety programs	313,741	-	28,665	-	1,335,914	-	-	1,678,320	-	1,678,320
Health and welfare programs	-	-	-	-	112,925	-	-	112,925	-	112,925
Recreation and culture programs	-	98,925	-	-	500	-	-	99,425	-	99,425
Housing and development programs	-	-	-	-	170,500	-	-	170,500	-	170,500
Committed:										
Assigned:										
Capital equipment and infrastructure	-	-	-	-	-	-	-	-	3,649,371	3,649,371
Recreation and culture programs	-	-	-	-	-	-	84,488	84,488	-	84,488
<b>TOTAL FUND BALANCES</b>	<b>313,741</b>	<b>98,925</b>	<b>28,665</b>	<b>328,202</b>	<b>2,405,331</b>	<b>66,363</b>	<b>84,488</b>	<b>3,325,715</b>	<b>3,649,371</b>	<b>6,975,086</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 471,017</b>	<b>\$ 188,917</b>	<b>\$ 1,343,764</b>	<b>\$ 382,643</b>	<b>\$ 2,946,278</b>	<b>\$ 67,501</b>	<b>\$ 122,534</b>	<b>\$ 5,522,654</b>	<b>\$ 3,871,114</b>	<b>\$ 9,393,768</b>

**HALL COUNTY, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2015**

	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	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,879	\$ -	\$ -	\$ 28,879	\$ -	\$ 28,879
Intergovernmental	7,029	-	2,101,930	-	731,209	-	-	23,548	2,863,716	1,947,761	4,811,477
Fines and forfeitures	-	-	-	-	1,065,077	-	154,980	-	1,220,057	-	1,220,057
Charges for services	3,170,142	622,862	936,944	955,142	1,410,579	-	-	120,436	7,216,105	-	7,216,105
Contributions and donations	-	-	-	-	34,882	-	-	-	34,882	-	34,882
Interest income	-	-	-	-	-	-	4	-	4	-	4
Miscellaneous	10,222	1,047	30,346	-	49,005	-	-	309	90,929	-	90,929
<b>TOTAL REVENUES</b>	<b>3,187,393</b>	<b>623,909</b>	<b>3,069,220</b>	<b>955,142</b>	<b>3,290,752</b>	<b>28,879</b>	<b>154,984</b>	<b>144,293</b>	<b>11,454,572</b>	<b>1,947,761</b>	<b>13,402,333</b>
EXPENDITURES											
Current Expenditures											
Judicial	-	-	872,566	-	790,544	-	146,068	-	1,809,178	-	1,809,178
Public safety	4,192,191	-	11,773	-	1,458,714	-	-	-	5,662,678	-	5,662,678
Public works	-	-	-	892,454	-	-	-	-	892,454	35,000	927,454
Public health and welfare	-	-	231,682	-	11,551	-	-	-	243,233	-	243,233
Recreation and culture	-	891,118	-	-	-	90,000	-	253,890	1,235,008	-	1,235,008
Housing and development	-	-	1,779,713	-	38,671	-	-	-	1,818,384	-	1,818,384
Capital outlay	-	-	171,145	-	501,553	-	-	-	672,698	895,648	1,568,346
<b>TOTAL EXPENDITURES</b>	<b>4,192,191</b>	<b>891,118</b>	<b>3,066,879</b>	<b>892,454</b>	<b>2,801,033</b>	<b>90,000</b>	<b>146,068</b>	<b>253,890</b>	<b>12,333,633</b>	<b>930,648</b>	<b>13,264,281</b>
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(1,004,798)	(267,209)	2,341	62,688	489,719	(61,121)	8,916	(109,597)	(879,061)	1,017,113	138,052
OTHER FINANCING SOURCES (USES)											
Transfers in	1,318,539	-	25,324	-	308,861	61,121	-	194,085	1,907,930	-	1,907,930
Transfers out	-	-	-	(193,620)	(1,818)	-	-	-	(195,438)	-	(195,438)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,318,539</b>	<b>-</b>	<b>25,324</b>	<b>(193,620)</b>	<b>307,043</b>	<b>61,121</b>	<b>-</b>	<b>194,085</b>	<b>1,712,492</b>	<b>-</b>	<b>1,712,492</b>
NET CHANGE IN FUND BALANCES	313,741	(267,209)	27,665	(130,932)	796,762	-	8,916	84,488	833,431	1,017,113	1,850,544
FUND BALANCES, Beginning of year	-	366,134	1,000	459,134	1,608,569	-	57,447	-	2,492,284	2,632,258	5,124,542
FUND BALANCES, End of year	<u>\$ 313,741</u>	<u>\$ 98,925</u>	<u>\$ 28,665</u>	<u>\$ 328,202</u>	<u>\$ 2,405,331</u>	<u>\$ -</u>	<u>\$ 66,363</u>	<u>\$ 84,488</u>	<u>\$ 3,325,715</u>	<u>\$ 3,649,371</u>	<u>\$ 6,975,086</u>

**HALL COUNTY, GEORGIA**  
**EMERGENCY TELEPHONE SYSTEM SPECIAL REVENUE FUND**  
**SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE**  
**For the Year Ended June 30, 2015**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	-	-	7,029	7,029
Charges for services	3,252,149	3,252,149	3,170,142	(82,007)
Miscellaneous	27,500	27,500	10,222	(17,278)
Transfer in	919,368	919,368	1,318,539	399,171
Total Resources (Inflows)	<u>4,199,017</u>	<u>4,199,017</u>	<u>4,505,932</u>	<u>306,915</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>4,199,017</u>	<u>4,199,017</u>	<u>4,505,932</u>	<u>306,915</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	<u>4,199,017</u>	<u>4,199,017</u>	<u>4,192,191</u>	<u>6,826</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>4,199,017</u>	<u>4,199,017</u>	<u>4,192,191</u>	<u>6,826</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>313,741</u>	<u>313,741</u>
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 313,741</u>	<u>\$ 313,741</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, 2015**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 366,134	\$ 366,134	\$ 366,134	\$ -
RESOURCES (INFLOWS)				
Charges for services	607,500	607,500	622,862	15,362
Miscellaneous	500	500	1,047	547
Total Resources (Inflows)	<u>608,000</u>	<u>608,000</u>	<u>623,909</u>	<u>15,909</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>974,134</u>	<u>974,134</u>	<u>990,043</u>	<u>15,909</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Recreation and culture	<u>1,027,042</u>	<u>974,042</u>	<u>891,118</u>	<u>82,924</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>1,027,042</u>	<u>974,042</u>	<u>891,118</u>	<u>82,924</u>
CHANGE IN FUND BALANCE	<u>(419,042)</u>	<u>(366,042)</u>	<u>(267,209)</u>	<u>98,833</u>
FUND BALANCE, End of year	<u>\$ (52,908)</u>	<u>\$ 92</u>	<u>\$ 98,925</u>	<u>\$ 98,833</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, 2015**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	2,510,921	2,510,921	2,101,930	(408,991)
Charges for services	514,423	702,423	936,944	234,521
Miscellaneous	19,556	19,556	30,346	10,790
Transfer in	60,868	60,868	25,324	(35,544)
Total Resources (Inflows)	<u>3,105,768</u>	<u>3,293,768</u>	<u>3,094,544</u>	<u>(199,224)</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>3,106,768</u>	<u>3,294,768</u>	<u>3,095,544</u>	<u>(199,224)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	716,971	873,366	872,566	800
Public safety	41,600	30,877	28,750	2,127
Public health and welfare	303,988	413,393	385,850	27,543
Housing and development	1,888,676	1,821,599	1,779,713	41,886
TOTAL CHARGES TO APPROPRIATIONS	<u>2,951,235</u>	<u>3,139,235</u>	<u>3,066,879</u>	<u>72,356</u>
CHANGE IN FUND BALANCE	<u>154,533</u>	<u>154,533</u>	<u>27,665</u>	<u>(126,868)</u>
FUND BALANCE, End of year	<u>\$ 155,533</u>	<u>\$ 155,533</u>	<u>\$ 28,665</u>	<u>\$ (126,868)</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, 2015**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 459,134	\$ 459,134	\$ 459,134	\$ -
RESOURCES (INFLOWS)				
Charges for services	965,000	965,000	955,142	(9,858)
Total Resources (Inflows)	<u>965,000</u>	<u>965,000</u>	<u>955,142</u>	<u>(9,858)</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>1,424,134</u>	<u>1,424,134</u>	<u>1,414,276</u>	<u>(9,858)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public works	866,176	1,086,176	1,086,074	102
TOTAL CHARGES TO APPROPRIATIONS	<u>866,176</u>	<u>1,086,176</u>	<u>1,086,074</u>	<u>102</u>
CHANGE IN FUND BALANCE	<u>98,824</u>	<u>(121,176)</u>	<u>(130,932)</u>	<u>(9,756)</u>
FUND BALANCE, End of year	<u>\$ 557,958</u>	<u>\$ 337,958</u>	<u>\$ 328,202</u>	<u>\$ (9,756)</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, 2015**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 1,608,569	\$ 1,608,569	\$ 1,608,569	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	702,961	702,961	731,209	28,248
Fines and forfeitures	701,923	736,923	1,065,077	328,154
Charges for services	429,115	429,115	1,410,579	981,464
Contributions and donations	5,000	7,000	34,882	27,882
Miscellaneous	500	500	49,005	48,505
Transfer in	353,918	353,918	308,861	(45,057)
Total Resources (Inflows)	<u>2,193,417</u>	<u>2,230,417</u>	<u>3,599,613</u>	<u>1,369,196</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>3,801,986</u>	<u>3,838,986</u>	<u>5,208,182</u>	<u>1,369,196</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	1,032,630	819,299	818,891	408
Public safety	1,272,185	1,938,735	1,933,738	4,997
Public health and welfare	-	12,100	11,551	549
Housing and development	19,796	39,796	38,671	1,125
TOTAL CHARGES TO APPROPRIATIONS	<u>2,324,611</u>	<u>2,809,930</u>	<u>2,802,851</u>	<u>7,079</u>
CHANGE IN FUND BALANCE	<u>(131,194)</u>	<u>(579,513)</u>	<u>796,762</u>	<u>1,376,275</u>
FUND BALANCE, End of year	<u>\$ 1,477,375</u>	<u>\$ 1,029,056</u>	<u>\$ 2,405,331</u>	<u>\$ 1,376,275</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, 2015**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS)				
Taxes	-	29,000	28,879	(121)
Transfer in	-	61,000	61,121	121
Total Resources (Inflows)	-	90,000	90,000	-
AMOUNTS AVAILABLE FOR APPROPRIATION	-	90,000	90,000	-
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Recreation and culture	-	90,000	90,000	-
TOTAL CHARGES TO APPROPRIATIONS	-	90,000	90,000	-
CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, End of year	\$ -	\$ -	\$ -	\$ -

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, 2015**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 57,447	\$ 57,447	\$ 57,447	\$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	-	147,000	154,980	7,980
Investment income	-	-	4	4
Total Resources (Inflows)	-	147,000	154,984	7,984
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>57,447</u>	<u>204,447</u>	<u>212,431</u>	<u>7,984</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	-	147,000	146,068	932
TOTAL CHARGES TO APPROPRIATIONS	<u>-</u>	<u>147,000</u>	<u>146,068</u>	<u>932</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>8,916</u>	<u>8,916</u>
FUND BALANCE, End of year	<u>\$ 57,447</u>	<u>\$ 57,447</u>	<u>\$ 66,363</u>	<u>\$ 8,916</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, 2015**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	-	-	23,548	23,548
Charges for services	120,410	120,410	120,436	26
Miscellaneous	-	-	309	309
Transfer in	135,552	135,552	194,085	58,533
Total Resources (Inflows)	<u>255,962</u>	<u>255,962</u>	<u>338,378</u>	<u>82,416</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>255,962</u>	<u>255,962</u>	<u>338,378</u>	<u>82,416</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Recreation and culture	<u>255,962</u>	<u>255,962</u>	<u>253,890</u>	<u>2,072</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>255,962</u>	<u>255,962</u>	<u>253,890</u>	<u>2,072</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>84,488</u>	<u>84,488</u>
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,488</u>	<u>\$ 84,488</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, 2015**

ASSETS	<b>GROUP INSURANCE</b>	<b>RISK MANAGEMENT</b>	<b>TOTAL</b>
Current Assets			
Cash	\$ 5,589,468	\$ 3,199,361	\$ 8,788,829
Receivables (net of allowance for uncollectibles)	-	834	834
Inventories	392,449	-	392,449
Prepaid items	42,873	195,601	238,474
<b>TOTAL CURRENT ASSETS</b>	<u>6,024,790</u>	<u>3,395,796</u>	<u>9,420,586</u>
<b>TOTAL ASSETS</b>	<u>6,024,790</u>	<u>3,395,796</u>	<u>9,420,586</u>
 LIABILITIES			
Current Liabilities			
Accounts payable	78,748	500,258	579,006
Other accrued items	-	1,933	1,933
Estimated claims payable	663,150	288,400	951,550
<b>TOTAL CURRENT LIABILITIES</b>	<u>741,898</u>	<u>790,591</u>	<u>1,532,489</u>
Noncurrent Liabilities			
Estimated claims payable	-	741,600	741,600
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>-</u>	<u>741,600</u>	<u>741,600</u>
<b>TOTAL LIABILITIES</b>	<u>741,898</u>	<u>1,532,191</u>	<u>2,274,089</u>
 NET POSITION			
Unrestricted	5,282,892	1,863,605	7,146,497
<b>TOTAL NET POSITION</b>	<u>\$ 5,282,892</u>	<u>\$ 1,863,605</u>	<u>\$ 7,146,497</u>

**HALL COUNTY, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended June 30, 2015**

	<b>GROUP INSURANCE</b>	<b>RISK MANAGEMENT</b>	<b>TOTAL</b>
<b>OPERATING REVENUES</b>			
Charges for sales and services:			
Charges to other funds	\$ 14,365,793	\$ 3,200,271	\$ 17,566,064
Charges to others	3,302,642	-	3,302,642
Total Operating Revenues	<u>17,668,435</u>	<u>3,200,271</u>	<u>20,868,706</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	-	286,749	286,749
Other services and charges	2,104,163	10,621	2,114,784
Benefit claims	12,785,954	580,375	13,366,329
General and administrative	2,959,515	-	2,959,515
Insurance premiums	-	1,459,169	1,459,169
Total Operating Expenses	<u>17,849,632</u>	<u>2,336,914</u>	<u>20,186,546</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(181,197)</u>	<u>863,357</u>	<u>682,160</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>(181,197)</u>	<u>863,357</u>	<u>682,160</u>
<b>CHANGE IN NET POSITION</b>	<u>(181,197)</u>	<u>863,357</u>	<u>682,160</u>
<b>TOTAL NET POSITION, Beginning of year</b>	<u>5,464,089</u>	<u>1,000,248</u>	<u>6,464,337</u>
<b>TOTAL NET POSITION, End of year</b>	<u>\$ 5,282,892</u>	<u>\$ 1,863,605</u>	<u>\$ 7,146,497</u>

**HALL COUNTY, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended June 30, 2015**

	<b>GROUP INSURANCE</b>	<b>RISK MANAGEMENT</b>	<b>TOTAL</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customer	\$ 3,302,642	\$ (834)	\$ 3,301,808
Payments to suppliers	(5,416,096)	(80,919)	(5,497,015)
Payments to employees	(12,749,164)	(1,727,439)	(14,476,603)
Internal activity-payments from (to) other funds	<u>14,365,794</u>	<u>3,200,270</u>	<u>17,566,064</u>
Net cash provided by (used in) operating activities	<u>(496,824)</u>	<u>1,391,078</u>	<u>894,254</u>
Net increase (decrease) in cash and cash equivalents	(496,824)	1,391,078	894,254
CASH, Beginning of year	<u>6,086,292</u>	<u>1,808,283</u>	<u>7,894,575</u>
CASH, End of year	<u><u>\$ 5,589,468</u></u>	<u><u>\$ 3,199,361</u></u>	<u><u>\$ 8,788,829</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (181,197)	\$ 863,357	\$ 682,160
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
(Increase) decrease in:			
Inventory	-	(834)	(834)
Net pension obligation	(392,449)	-	(392,449)
Increase (decrease) in:			
Accounts payable	(38,716)	1,078,082	1,039,366
Amounts held in trust	78,748	310,788	389,536
Due to other governments	(270)	(315)	(585)
Interfund payables	<u>37,060</u>	<u>(860,000)</u>	<u>(822,940)</u>
Net cash provided by (used in) operating activities	<u><u>\$ (496,824)</u></u>	<u><u>\$ 1,391,078</u></u>	<u><u>\$ 894,254</u></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, 2015**

	<b>TAX COMMISSIONER</b>	<b>CLERK OF SUPERIOR COURT</b>	<b>PROBATE COURT</b>	<b>MAGISTRATE COURT</b>	<b>JUVENILE COURT</b>	<b>SHERIFF</b>	<b>INMATE FUND</b>	<b>TOTAL</b>
<b>ASSETS</b>								
Cash	\$ 3,831,873	\$ 2,025,781	\$ 216,909	\$ 215,163	\$ 47,980	\$ 1,002,178	\$ 131,728	\$ 7,471,612
<b>TOTAL ASSETS</b>	<u>\$ 3,831,873</u>	<u>\$ 2,025,781</u>	<u>\$ 216,909</u>	<u>\$ 215,163</u>	<u>\$ 47,980</u>	<u>\$ 1,002,178</u>	<u>\$ 131,728</u>	<u>\$ 7,471,612</u>
<b>LIABILITIES</b>								
Amounts held for others	\$ 3,831,873	\$ 2,025,781	\$ 216,909	\$ 215,163	\$ 47,980	\$ 1,002,178	\$ 131,728	\$ 7,471,612
<b>TOTAL LIABILITIES</b>	<u>\$ 3,831,873</u>	<u>\$ 2,025,781</u>	<u>\$ 216,909</u>	<u>\$ 215,163</u>	<u>\$ 47,980</u>	<u>\$ 1,002,178</u>	<u>\$ 131,728</u>	<u>\$ 7,471,612</u>

**HALL COUNTY, GEORGIA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**For the Year Ended June 30, 2015**

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	JUVENILE COURT	SHERIFF	INMATE FUND	TOTAL
<b>ASSETS</b>								
Cash								
Balance, July 1, 2014	\$ 3,024,256	\$ 1,399,567	\$ 250,391	\$ 187,976	\$ 41,608	\$ 821,254	\$ 131,421	\$ 5,856,473
Additions	148,399,543	13,111,490	576,525	1,193,249	90,085	980,019	2,021,762	166,372,673
Deductions	<u>(147,591,926)</u>	<u>(12,485,276)</u>	<u>(610,007)</u>	<u>(1,166,062)</u>	<u>(83,713)</u>	<u>(799,095)</u>	<u>(2,021,455)</u>	<u>(164,757,534)</u>
Balance, June 30, 2015	<u>3,831,873</u>	<u>2,025,781</u>	<u>216,909</u>	<u>215,163</u>	<u>47,980</u>	<u>1,002,178</u>	<u>131,728</u>	<u>7,471,612</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,831,873</u>	<u>\$ 2,025,781</u>	<u>\$ 216,909</u>	<u>\$ 215,163</u>	<u>\$ 47,980</u>	<u>\$ 1,002,178</u>	<u>\$ 131,728</u>	<u>\$ 7,471,612</u>
<b>LIABILITIES</b>								
Due to County								
Balance, July 1, 2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions	56,136,142	6,776,274	453,966	542,320	51,546	315,431	373,827	64,649,506
Deductions	<u>(56,136,142)</u>	<u>(6,776,274)</u>	<u>(453,966)</u>	<u>(542,320)</u>	<u>(51,546)</u>	<u>(315,431)</u>	<u>(373,827)</u>	<u>(64,649,506)</u>
Balance, June 30, 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amounts held for others								
Balance, July 1, 2014	3,024,256	1,399,567	250,391	187,976	41,608	821,254	131,421	5,856,473
Additions	92,263,401	6,335,216	122,559	650,929	38,539	664,588	1,647,935	101,723,167
Deductions	<u>(91,455,784)</u>	<u>(5,709,002)</u>	<u>(156,041)</u>	<u>(623,742)</u>	<u>(32,167)</u>	<u>(483,664)</u>	<u>(1,647,628)</u>	<u>(100,108,028)</u>
Balance, June 30, 2015	<u>3,831,873</u>	<u>2,025,781</u>	<u>216,909</u>	<u>215,163</u>	<u>47,980</u>	<u>1,002,178</u>	<u>131,728</u>	<u>7,471,612</u>
<b>Total Liabilities</b>	<u>\$ 3,831,873</u>	<u>\$ 2,025,781</u>	<u>\$ 216,909</u>	<u>\$ 215,163</u>	<u>\$ 47,980</u>	<u>\$ 1,002,178</u>	<u>\$ 131,728</u>	<u>\$ 7,471,612</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 3,831,873</u>	<u>\$ 2,025,781</u>	<u>\$ 216,909</u>	<u>\$ 215,163</u>	<u>\$ 47,980</u>	<u>\$ 1,002,178</u>	<u>\$ 131,728</u>	<u>\$ 7,471,612</u>

**HALL COUNTY, GEORGIA**  
**OTHER SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**Year Ended June 30, 2015**

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	\$ 33,817,932	\$ 896
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	61,276,953	-
New Fire Station	5,200,000	5,200,000	2,699,848	263,092
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	\$ 141,035,547	\$ 263,988

**HALL COUNTY, GEORGIA**  
**OTHER SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**Year Ended June 30, 2015**

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	AMOUNT EXPENDED						TOTAL
			YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	
			2010	2011	2012	2013	2014	2015	
<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	\$ 6,133,241	\$ 35,927,612
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	7,828,946	42,794,658
Landfill	4,000,000	-	-	-	-	1,676	10,515	1,988,598	2,000,789
Recreational Facilities	21,000,000	21,000,000	2,872,270	(112,473)	4,773,381	2,084,964	222,648	2,390,250	12,231,040
Courthouse and Administration Building Projects	17,000,000	17,000,000	-	1,578,434	2,316,737	2,847,134	320,157	2,134,772	9,197,234
Fire and Emergency Projects	4,000,000	4,000,000	-	-	-	615,112	505,000	664,728	1,784,840
Public Safety Facilities	10,000,000	10,000,000	-	-	-	725	1,076,215	3,298,330	4,375,270
Public Health Facility	5,000,000	5,000,000	-	-	-	850	111,384	107,021	219,255
Correctional Institution/Animal Care Facility	5,000,000	5,000,000	661,541	461,613	460,031	460,031	462,800	460,575	2,966,591
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	4,772	2,587,935
Welcome Center	1,500,000	1,500,000	-	-	-	-	-	-	-
Airport	500,000	500,000	-	-	-	-	-	-	-
Subtotal County Projects	195,037,000	195,037,000	17,632,918	13,331,700	16,701,293	18,171,536	23,236,544	25,011,233	114,085,224
<b>MUNICIPAL PROJECTS</b>									
<b>City of Braselton</b>									
Sidewalks	32,000	32,000	3,176	3,221	3,581	3,551	3,781	3,854	21,164
<b>City of Buford</b>									
Road Paving	141,000	141,000	14,019	14,216	15,806	15,672	17,162	17,010	93,885
<b>City of Clermont</b>									
Municipal Buildings	550,000	550,000	54,726	55,495	61,702	61,178	65,865	66,404	365,370
Parks	150,000	150,000	14,925	15,135	16,828	16,685	17,963	18,110	99,646
Streets & Sidewalks	250,000	250,000	24,876	25,225	28,046	27,808	29,938	30,183	166,076
Subtotal	950,000	950,000	94,527	95,855	106,576	105,671	113,766	114,697	631,092
<b>City of Flowery Branch</b>									
Cinnamon Cove Lift Station & Force Main Line	1,300,000	1,300,000	129,368	131,186	145,857	144,619	153,992	156,972	861,994
9 Police Cars (over 6 years)	200,000	200,000	19,902	20,182	22,440	22,249	23,691	24,150	132,614
Road Resurfacing and Sidewalks	500,000	500,000	49,757	50,456	56,099	55,623	59,228	60,374	331,537
City Administration Real Estate/Buildings	500,000	500,000	49,757	50,456	56,099	55,623	59,228	60,374	331,537
Subtotal	2,500,000	2,500,000	248,784	252,280	280,495	278,114	296,139	301,870	1,657,682
<b>City of Gainesville</b>									
Previously Incurred Debt	7,500,000	7,500,000	746,329	723,625	874,871	831,904	849,066	944,825	4,970,620
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	1,637,696	8,615,740
Fire Station Replacement	6,500,000	6,500,000	646,818	627,141	758,221	720,983	735,857	818,848	4,307,868
Transportation	2,500,000	2,500,000	248,776	241,208	291,624	277,301	283,022	314,942	1,656,873
Downtown Streetscape	3,000,000	3,000,000	298,532	289,450	349,948	332,762	339,626	377,930	1,988,248
Parks & Recreation	3,000,000	3,000,000	298,532	289,450	349,948	332,762	339,626	377,930	1,988,248
Subtotal	35,500,000	35,500,000	3,532,624	3,425,157	4,141,055	3,937,679	4,018,911	4,472,171	23,527,597
<b>City of Gillsville</b>									
Road Improvements	40,000	40,000	3,980	4,036	4,488	4,450	4,873	4,830	26,657
Community Park Upgrades	95,000	95,000	9,454	9,586	10,659	10,568	11,573	11,471	63,311
Downtown Improvements	105,000	105,000	10,449	10,596	11,780	11,680	12,791	12,678	69,974
Subtotal	240,000	240,000	23,883	24,218	26,927	26,698	29,237	28,979	159,942
<b>City of Lula</b>									
Road Resurfacing	300,000	300,000	29,854	30,274	33,660	33,374	35,551	36,225	198,938
Parks & Recreation	300,000	300,000	29,854	30,274	33,660	33,374	35,551	36,225	198,938
Water System and Sewer Projects	1,300,000	1,300,000	129,370	131,187	145,859	144,620	154,053	156,974	862,063
Subtotal	1,900,000	1,900,000	189,078	191,735	213,179	211,368	225,154	229,423	1,259,938
<b>City of Oakwood</b>									
Infrastructure Projects	1,500,000	1,500,000	149,269	151,366	168,296	166,866	177,651	181,120	994,568
Transportation Project	200,000	200,000	19,902	20,182	22,439	22,249	23,687	24,149	132,608
Transportation Project	1,200,000	1,200,000	119,415	121,093	134,636	133,493	142,121	144,896	795,654
Sewer Project	800,000	800,000	79,610	80,729	89,758	88,995	94,747	96,597	530,436
Subtotal	3,700,000	3,700,000	368,196	373,370	415,129	411,603	438,205	446,762	2,453,266
Subtotal Municipal Projects	44,963,000	44,963,000	4,474,287	4,380,052	5,202,748	4,990,356	5,142,355	5,614,766	29,804,566
<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>\$ 30,625,999</b>	<b>\$ 143,889,790</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, 2015**

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

	Expenditures	\$ 21,584,429.00
	Transfers out	9,810,560
	Grants	(505,000)
	Rounding	(2)
Subtotal		30,889,987
Less items not included as expenditures on SPLOST schedule below:		
Revenue from contributions used for expenditures first before SPLOST funds		-
Subtotal of adjustments		-
<b>Expenditures reported on SPLOST schedule below</b>		<b>\$ 30,889,987</b>

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

	SPLOST IV	-
	Revised SPLOST IV	-
	SPLOST V	263,988
	Revised SPLOST V	263,988
	SPLOST VI	30,625,999
	Revised SPLOST VI	30,625,999
<b>Total</b>		<b>\$ 30,889,987.00</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.

<b>Contents</b>	<b>Table</b>
<b>Financial Trends</b>	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Net Position by Component	1
Changes in Net Position	2
Fund Balances of Governmental Funds	3
Changes in Fund Balances of Governmental Funds	4
General Fund Budget - Chart of Previous and Current Year Budgets	4A
General Governmental Tax Revenues by Source	5
<b>Revenue Capacity</b>	
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax and another significant local revenue source, sales taxes.</i>	
Assessed Value and Estimated Actual Value of Taxable Property	6
Property Tax Rates-Mills (Direct and Overlapping Governments)	7
Principal Property Taxpayers	8
Property Tax Levies and Collections	9
Taxable Sales and Sales Taxes	10
Special Local Option Sales Tax Collections	10A
<b>Debt Capacity</b>	
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Ratios of Outstanding Debt by Type	11
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Ratios of Net General Bonded Debt Outstanding	12
Direct and Overlapping Governmental Activities Debt	13
Legal Debt Margin Information	14
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## Demographic and Economic Information

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

Demographic and Economic Statistics	16
Principal Employers	17

## Operating Information

*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.*

Full-Time Equivalent County Government Employees by Function	18
Operating Indicators by Function	19
Capital Asset Statistics by Function	20

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>GOVERNMENTAL ACTIVITIES</b>										
Net investment in capital assets	\$ 359,038	\$ 403,769	\$ 125,119	\$ 390,642	\$ 393,603	\$ 386,017	\$ 383,004	\$ 371,931	\$ 374,649	\$ 374,656
Restricted:										
Capital outlay	-	20,604	8,761	13,680	13,200	13,864	21,649	27,476	25,080	25,231
Debt service	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	818
Other programs	44,440	5,973	6,355	4,796	5,563	4,522	5,178	5,149	4,993	6,449
Unrestricted:	21,931	16,139	346,120	7,004	(11,948)	(27,797)	(28,884)	(23,270)	(26,017)	(50,236)
Total governmental activities net position	<u>\$ 435,312</u>	<u>\$ 463,556</u>	<u>\$ 494,959</u>	<u>\$ 430,923</u>	<u>\$ 403,450</u>	<u>\$ 379,404</u>	<u>\$ 383,501</u>	<u>\$ 383,866</u>	<u>\$ 381,439</u>	<u>\$ 356,918</u>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net investment in capital assets	\$ 24,934	\$ 31,419	\$ 41,859	\$ 47,183	\$ 61,405	\$ 52,028	\$ 53,303	\$ 57,143	\$ 65,004	\$ 89,274
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	13,689	12,346	10,883	10,494	8,197	12,472	11,414	12,714	11,704	(5,692)
Total business-type activities net position	<u>\$ 38,623</u>	<u>\$ 43,765</u>	<u>\$ 52,742</u>	<u>\$ 57,677</u>	<u>\$ 69,602</u>	<u>\$ 64,500</u>	<u>\$ 64,717</u>	<u>\$ 69,857</u>	<u>\$ 76,708</u>	<u>\$ 83,582</u>
<b>PRIMARY GOVERNMENT</b>										
Net investment in capital assets	\$ 383,972	\$ 435,188	\$ 166,978	\$ 437,825	\$ 455,008	\$ 438,045	\$ 436,307	\$ 429,074	\$ 439,653	\$ 463,930
Restricted	54,343	43,648	23,720	33,277	21,795	21,184	29,381	35,205	32,807	32,498
Unrestricted	35,620	28,485	357,003	17,498	(3,751)	(15,325)	(17,470)	(10,556)	(14,313)	(55,928)
Total primary government net position	<u>\$ 473,935</u>	<u>\$ 507,321</u>	<u>\$ 547,701</u>	<u>\$ 488,600</u>	<u>\$ 473,052</u>	<u>\$ 443,904</u>	<u>\$ 448,218</u>	<u>\$ 453,723</u>	<u>\$ 458,147</u>	<u>\$ 440,500</u>

In 2011, the County implemented GASB 54.  
In 2013, the County implemented GASB 63 & 65.  
In 2015, the County implemented GASB 68.

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>EXPENSES</b>										
<b>Governmental activities:</b>										
General government	\$ 15,203	\$ 19,195	\$ 16,964	\$ 20,350	\$ 17,275	\$ 20,541	\$ 18,012	\$ 17,530	\$ 19,784	\$ 20,106
Judicial	14,459	14,330	15,846	16,738	18,404	17,954	16,303	16,878	17,333	17,645
Public safety	54,600	54,972	68,089	71,870	78,047	77,796	67,123	64,887	67,570	70,289
Public works	18,113	17,970	18,153	25,211	27,153	29,633	22,222	23,382	24,162	24,792
Public health and welfare	2,430	3,483	3,511	3,905	3,501	3,304	2,704	2,727	2,558	2,947
Recreation and culture	8,158	5,710	8,351	7,267	7,602	7,794	6,007	5,934	6,718	7,344
Housing and development	4,015	4,555	5,564	5,057	5,389	5,979	2,947	4,800	4,388	4,013
Interest on long-term debt	(85)	1,846	643	671	330	492	488	319	197	39
<b>Total governmental activities expenses</b>	<b>116,893</b>	<b>122,061</b>	<b>137,121</b>	<b>151,069</b>	<b>157,701</b>	<b>163,493</b>	<b>135,806</b>	<b>136,457</b>	<b>142,710</b>	<b>147,175</b>
<b>Business-type activities:</b>										
Solid Waste	5,379	5,307	5,717	5,905	5,568	6,059	6,154	6,030	6,146	5,473
Water and sewer utilities	37,715	70	2,108	1,581	2,921	1,792	2,973	2,858	3,833	3,454
<b>Total business-type activities expenses</b>	<b>43,094</b>	<b>5,377</b>	<b>7,825</b>	<b>7,486</b>	<b>8,489</b>	<b>7,851</b>	<b>9,127</b>	<b>8,888</b>	<b>9,979</b>	<b>8,927</b>
<b>Total primary government expenses</b>	<b>\$159,987</b>	<b>\$127,438</b>	<b>\$144,946</b>	<b>\$158,555</b>	<b>\$166,190</b>	<b>\$171,344</b>	<b>\$144,933</b>	<b>\$145,345</b>	<b>\$152,689</b>	<b>\$156,102</b>
<b>PROGRAM REVENUES</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	\$ 4,472	\$ 4,678	\$ 5,020	\$ 4,985	\$ 4,786	\$ 5,366	\$ 5,016	\$ 4,903	\$ 5,191	\$ 4,601
Judicial	6,697	4,560	6,899	6,627	5,939	5,511	6,087	6,589	7,089	7,524
Public safety	9,428	8,205	9,915	14,691	17,514	17,556	16,883	13,289	11,486	14,999
Public works	592	738	930	890	986	941	939	946	953	1,328
Public health and welfare	1	-	-	-	-	-	-	-	-	-
Recreation and culture	2,588	1,039	1,013	953	1,008	1,052	1,167	1,183	1,244	1,334
Housing and development	1,453	3,409	1,668	910	507	405	493	1,626	2,107	2,327
<b>Total charges for services</b>	<b>25,231</b>	<b>22,629</b>	<b>25,445</b>	<b>29,056</b>	<b>30,740</b>	<b>30,831</b>	<b>30,585</b>	<b>28,536</b>	<b>28,070</b>	<b>32,113</b>
Operating grants and contributions	4,623	4,266	6,762	4,317	5,402	6,094	3,604	4,615	4,868	7,229
Capital grants and contributions	9,101	18,090	17,946	12,847	4,977	4,632	2,897	3,639	1,647	4,248
<b>Total governmental activities program revenues</b>	<b>38,955</b>	<b>44,985</b>	<b>50,153</b>	<b>46,220</b>	<b>41,119</b>	<b>41,557</b>	<b>37,086</b>	<b>36,790</b>	<b>34,585</b>	<b>43,590</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Solid Waste	5,292	5,085	5,767	5,466	5,175	5,120	5,041	6,463	6,615	6,330
Water and sewer utilities	34	27	290	961	925	1,072	1,395	1,388	1,625	2,080
<b>Total charges for services</b>	<b>5,326</b>	<b>5,112</b>	<b>6,057</b>	<b>6,427</b>	<b>6,100</b>	<b>6,192</b>	<b>6,436</b>	<b>7,851</b>	<b>8,240</b>	<b>8,410</b>
Operating grants and contributions	75	25	5	-	-	-	-	-	-	-
Capital grants and contributions	-	-	12,374	1,104	87	236	227	68	61	85
<b>Total business-type activities program revenues</b>	<b>5,401</b>	<b>5,137</b>	<b>18,436</b>	<b>7,531</b>	<b>6,187</b>	<b>6,428</b>	<b>6,663</b>	<b>7,919</b>	<b>8,301</b>	<b>8,495</b>
<b>Total primary government program revenues</b>	<b>\$ 44,356</b>	<b>\$ 50,122</b>	<b>\$ 68,589</b>	<b>\$ 53,751</b>	<b>\$ 47,306</b>	<b>\$ 47,985</b>	<b>\$ 43,749</b>	<b>\$ 44,709</b>	<b>\$ 42,886</b>	<b>\$ 52,085</b>

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

(Continued)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (expense)/revenue										
Governmental activities	\$ (77,938)	\$ (77,076)	\$ (86,968)	\$ (104,849)	\$ (116,582)	\$ (121,936)	\$ (98,720)	\$ (99,667)	\$ (108,125)	\$ (103,585)
Business-type activities	(37,693)	(240)	10,611	45	(2,302)	(1,423)	(2,464)	(969)	(1,678)	(432)
Total primary government net expense	<u>\$ (115,631)</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>	<u>\$ (104,017)</u>
<b>GENERAL REVENUES AND OTHER</b>										
<b>CHANGES IN NET POSITION</b>										
Governmental activities:										
Taxes										
Property Taxes	\$ 39,513	\$ 42,400	\$ 48,977	\$ 50,679	\$ 53,395	\$ 52,313	\$ 49,371	\$ 48,405	\$ 54,676	\$ 55,748
Sales Taxes	49,696	51,744	51,438	45,246	41,938	42,483	47,271	46,720	47,499	50,539
Insurance premium tax	4,717	4,944	5,198	5,325	5,249	5,105	5,433	5,804	6,032	6,364
Real estate and recording taxes	3,161	3,391	2,259	1,318	1,074	1,013	1,147	1,359	1,371	1,608
Other taxes	1,491	1,530	1,560	1,502	1,478	1,820	1,860	2,061	2,256	2,751
Total taxes	<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>	<u>117,010</u>
Unrestricted grants and contributions	2,042	2,071	2,029	2,107	6	-	1	1	11	79
Investment earnings	3,965	4,440	2,076	553	108	66	-	-	1	17
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital assets	107	-	1,816	71	15	203	417	3,228	1,899	-
Transfers	(559)	(5,200)	1,828	(4,286)	(14,196)	3,697	(2,682)	(6,922)	(8,518)	(9,811)
Total governmental activities	<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>	<u>107,295</u>
Business-type activities:										
Investment earnings	117	181	194	65	33	17	1	-	-	-
Gain on sale of capital assets	-	-	-	(541)	-	-	-	4	10	106
Transfers	559	5,200	(1,828)	4,286	14,196	(3,697)	2,682	6,922	8,518	9,811
Total business-type activities	<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>	<u>9,917</u>
Total primary government	<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>	<u>\$ 117,212</u>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	\$ 26,195	\$ 28,244	\$ 30,213	\$ (2,334)	\$ (27,515)	\$ (15,236)	\$ 4,098	\$ 989	\$ (2,898)	\$ 3,710
Business-type activities	(37,017)	5,141	8,977	3,855	11,927	(5,103)	219	5,957	6,850	9,485
Total primary government	<u>\$ (10,822)</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>	<u>\$ 13,195</u>

In 2011, the County implemented GASB 54.

In 2013, the County implemented GASB 63 & 65.

In 2015, the County implemented GASB 68.

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Reserved	\$ 598	\$ 193	\$ 1,019	\$ 47	\$ 591	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	14,535	15,320	8,269	6,580	7,457	-	-	-	-	-
Nonspendable	-	-	-	-	-	624	631	402	413	508
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	313	1,380	4,304	3,685	4,319
Unassigned	-	-	-	-	-	8,374	12,896	18,037	18,340	18,939
Total general fund	\$15,133	\$15,513	\$ 9,288	\$ 6,627	\$ 8,048	\$ 9,311	\$14,907	\$22,743	\$22,438	\$ 23,766
All other governmental funds										
Reserved:	87,637	38,462	35,156	35,907	32,974	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	5,220	6,010	6,391	4,827	5,450	-	-	-	-	-
Capital projects funds	152	183	1,122	202	(17,823)	-	-	-	-	-
Total unreserved	5,372	6,193	7,513	5,029	(12,373)	-	-	-	-	-
Nonspendable	-	-	-	-	-	6,914	9,868	8,481	6,998	12
Restricted	-	-	-	-	-	27,586	24,675	28,113	25,911	32,657
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	197	197	1,695	2,632	3,734
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental fund	\$93,009	\$44,655	\$42,669	\$40,936	\$20,601	\$34,697	\$34,740	\$38,289	\$35,541	\$ 36,403

In 2011, the County implemented GASB 54.  
In 2013, the County implemented GASB 63 & 65.  
In 2015, the County implemented GASB 68.

**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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>REVENUES</b>										
Taxes (see table 5)	\$98,567	\$104,167	\$108,924	\$103,539	\$102,949	\$102,599	\$104,954	\$104,613	\$111,990	\$116,789
Licenses and permits	4,612	4,777	3,107	2,238	1,658	1,357	1,487	1,795	2,305	2,332
Intergovernmental	7,400	7,794	10,447	8,852	8,798	6,449	4,851	7,466	5,966	8,329
Fines and forfeitures	4,202	5,028	5,564	4,732	4,844	3,772	4,005	4,339	4,843	5,630
Charges for services	15,498	15,311	17,028	21,765	24,205	25,547	25,004	22,363	20,502	23,566
Investment earnings	3,877	4,331	1,967	419	94	232	186	1	219	296
Miscellaneous	260	108	371	194	108	540	210	744	439	624
<b>Total revenues</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>157,566</b>
<b>EXPENDITURES</b>										
General government	15,041	17,335	17,043	18,233	15,419	17,737	15,867	17,840	19,400	19,960
Judicial	13,800	13,384	15,069	15,368	14,970	14,888	15,178	16,009	16,383	16,900
Public safety	51,800	52,029	62,946	62,684	61,495	62,322	60,390	59,457	62,876	64,868
Public works	7,062	8,054	7,643	12,635	11,275	10,994	6,275	7,863	8,445	8,528
Public health and welfare	2,209	3,275	3,287	3,604	3,131	2,888	2,301	2,329	2,212	2,627
Recreation and culture	7,677	5,151	7,691	6,247	6,132	6,314	4,925	4,904	5,423	5,994
Housing and development	3,522	4,092	5,189	4,635	4,932	5,475	2,705	4,633	3,670	3,934
Intergovernmental	2,444	4,484	2,477	2,400	4,786	4,946	5,282	5,064	5,814	5,614
Capital Outlay	32,566	64,093	26,631	10,205	13,790	17,321	15,499	7,966	14,355	14,097
Principal on long-term debt	178	9,982	10,171	10,344	11,030	3,138	3,703	3,807	3,927	4,070
Interest on long-term debt	62	2,482	1,280	847	430	561	666	559	440	282
Issuance costs	-	-	-	-	-	248	-	-	-	-
<b>Total expenditures</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>	<b>146,874</b>
Excess of revenues over (under) expenditures	(1,945)	(42,845)	(12,019)	(5,463)	(4,734)	(6,336)	7,906	10,890	3,319	10,692
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	6,422	3,107	7,164	1,124	647	7,460	1,647	1,636	5,593	2,102
Transfers out	(6,918)	(8,307)	(5,336)	(5,411)	(14,843)	(3,763)	(4,328)	(8,558)	(14,111)	(11,912)
Issuance of bond debt	-	-	-	103	-	15,390	-	-	-	-
Premium on bonds issued	-	-	-	-	-	1,004	-	-	-	-
Proceeds from installment sale	-	-	-	-	-	-	-	-	-	-
Proceeds from capital leases	-	-	134	-	-	-	-	-	-	657
Sale of capital assets	659	72	1,846	71	15	1,603	417	7,417	2,146	649
<b>Total other financing sources (u)</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>(8,504)</b>
<b>Net change in fund balances</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>\$ 2,188</b>
Debt service as a percentage of noncapital expenditures	0.2%	10.4%	8.6%	8.2%	8.6%	2.9%	3.7%	3.6%	3.4%	3.3%

**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, 2015</b>		<b>June 30, 2016</b>
<b>Revenues</b>			
Taxes	\$ 66,316,374	\$	69,527,340
Licenses and permits	2,599,590		2,896,540
Intergovernmental	1,057,749		748,385
Fines and forfeitures	4,820,102		5,001,419
Charges for services	11,793,528		11,240,645
Miscellaneous	114,227		271,133
Operating Transfers	194,412		-
Use of Fund Balance	3,372,579		3,907,952
	<u>90,268,561</u>	<u>\$</u>	<u>93,593,414</u>
<b>TOTAL REVENUES</b>	<b>\$</b>		<b>\$</b>
<b>Expenditures</b>			
General government	\$ 20,370,944	\$	23,349,918
Judicial	15,653,438		16,312,973
Public Health & Welfare	2,054,769		2,073,275
Public Safety	41,053,775		39,335,711
Public Works	4,260,223		4,721,504
Recreation & Culture	4,366,749		4,744,758
Housing and development	1,499,240		1,537,630
Agencies	675,423		845,755
Capital outlay	-		448,619
Debt service	334,000		223,271
	<u>90,268,561</u>	<u>\$</u>	<u>93,593,414</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>
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
2015	\$ 55,528	\$ 28,979	\$ 21,560	\$ 6,364	\$ 1,608	\$ 2,750	\$ 116,789

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				
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%
2014	\$ 3,790,135	\$ 518,272	\$ 1,097,131	\$ 139,685	\$ 912,993	\$ 417,373	\$ 23,523	\$ 88,453	\$ 394,713	\$ 222,571	\$ 6,370,281	6.25	\$ 15,925,703	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>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>
<i>Fiscal Year</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>	<i>2015</i>
<b><i>Unincorporated Districts</i></b>										
County-Unincorporated	6.990	6.980	6.260	6.250	6.250	6.250	6.250	6.250	6.250	5.989
Hall Co. Schools	16.300	17.200	15.750	16.420	16.420	16.420	17.670	18.490	19.250	18.900
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	0.200	0.150	0.100
Fire District Unincorporated	1.120	1.120	1.510	1.510	1.510	1.510	1.650	1.650	2.400	2.400
<b>Total Hall County Unincorporated</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>27.389</b>
<b><i>Incorporated Districts</i></b>										
County - Incorporated except for City of Gainesville	6.990	6.980	6.260	6.250	6.250	6.250	6.250	6.250	6.250	0.000
County - Incorporated - City of Gainesville (2)	6.550	6.980	6.260	6.250	6.250	6.250	6.250	6.250	6.250	5.989
Hall Co. Schools	16.300	17.200	15.750	16.420	16.420	16.420	17.670	18.490	19.250	0.000
State of Georgia	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.200	0.150	0.000
Fire District Incorporated	2.470	2.470	2.720	2.710	2.710	2.710	3.080	3.080	3.080	3.830
Braselton CID	0.000	0.000	0.000	0.000	0.000	0.000	5.000	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	5.000	0.000

*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.*

<b><i>Municipalities</i></b>										
City of Gainesville (1)	2.600	2.890	2.660	2.660	2.660	2.920	2.920	3.060	3.060	3.020
Gainesville City Schools (1) (3)	7.920	7.450	6.960	7.810	7.710	7.390	7.390	7.590	7.590	7.480
City of Oakwood	2.480	2.480	2.480	2.480	2.480	2.480	2.480	2.658	2.658	4.000
City of Flowery Branch	2.845	2.837	2.837	2.837	2.837	2.837	2.837	2.837	2.837	3.337
Buford City Schools	13.350	15.350	13.300	13.250	13.200	13.150	13.100	13.050	13.000	12.950

(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>6.500</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>7.550</i>
<i>Gainesville City Schools</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>	<i>18.700</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)**

<b>Taxpayer</b>	<b>Tax Year 2014</b>			<b>Tax Year 2005</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
Wrigley Manufacturing Company	\$ 245,368	1	3.85%	\$ 68,550	3	1.34%
Georgia Power Company	51,660	2	0.81%	82,243	2	1.61%
Cargill Inc.	47,088	3	0.74%	-		
Jackson EMC	44,055	4	0.69%	69,954	1	1.37%
Fieldale Farms Corp	36,465	5	0.57%	37,249	5	0.73%
Lanier Village Estates	27,900	6	0.44%	-		
AT&T/Bellsouth	18,660	7	0.29%	57,334	4	1.12%
KIK Piedmont, LLC	13,783	8	0.22%	-		
Kelsey Hayes Company	13,658	9	0.21%	-		
Tree Lake Associates	11,046	10	0.17%	-		
SKF USA, Inc.	-		0.00%	27,154	6	0.53%
New Holland Milliken	-		0.00%	18,797	7	0.37%
Ryland Group	-		0.00%	16,613	8	0.33%
John Wieland Homes	-		0.00%	17,758	9	0.35%
Unisia Steering Systems	-		0.00%	26,002	10	0.51%
<b>Totals</b>	<b>\$ 509,683</b>		<b>8.00%</b>	<b>\$ 421,654</b>		<b>8.25%</b>

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	
2006	\$ 43,873	\$ 3,035	\$ 876	\$ 47,784	\$ 46,918	106.94%	\$ 755	\$ 47,673	99.77%	\$ 111
2007	50,830	2,505	1,247	54,582	53,055	104.38%	1,387	54,442	99.74%	140
2008	52,955	2,859	1,503	57,317	55,300	104.43%	1,796	57,096	99.61%	221
2009	55,751	855	1,438	58,044	56,162	100.74%	1,654	57,816	99.61%	228
2010	54,698	494	1,259	56,451	54,711	100.02%	1,545	56,256	99.65%	195
2011	52,369	(153)	1,193	53,409	51,786	98.89%	1,443	53,229	99.66%	180
2012	50,368	451	1,056	51,875	50,602	100.46%	1,112	51,714	99.69%	161
2013	52,771	1,055	1,032	54,858	53,923	102.18%	768	54,691	99.70%	167
2014	54,285	329	691	55,305	54,470	100.34%	205	54,675	98.86%	630
2015	\$ 2,710	\$ (9)	\$ 129	\$ 2,830	\$ 2,743	101.22%	\$ -	\$ 2,743	96.93%	\$ 87

Taxes levied include real and personal property, motor vehicle, mobile home, timber, and heavy equipment taxes.

Property taxes levied during the calendar year 2014 are recorded as revenues in the financial statements in 2015 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 2015 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Taxable sales	\$ 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	\$ 5,649,356
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 :

City of Gainesville	1,644	1,697	1,369	1,205	3,690	3,581	4,334	3,938	4,877	4,507
City of Clermont	26	27	22	20	99	96	107	106	114	114
City of Lula	87	89	75	61	197	192	213	211	225	229
City of Flowery Branch	116	119	97	85	260	252	280	278	296	302
City of Braselton	1	2	1	1	3	3	4	4	4	4
City of Gillsville	11	11	0	0	25	24	27	27	29	29
City of Oakwood	168	178	144	127	385	373	415	412	438	447
City of Buford	0	0	0	0	15	14	16	16	17	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>
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>
2015	\$	14,239,082

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			
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	500	58,774	0.94%	310
2015	\$ -	\$ 2,057	\$ 527	\$ 19,809	\$ 29,887	\$ -	\$ 52,280	0.84%	\$ 297

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				
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	
2015	\$ 3,472	\$ 1,693	\$ 58,980	\$ (43)	\$ 64,102	\$ 7,810	\$ 67	\$ 7,877	\$ 71,979	1.15%	\$ 377	

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>
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%	-
2015	\$ -	\$ -	\$ -	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, 2015**  
**(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>	\$ 2,584	100%	\$ 2,584
Overlapping:			
Hall County Board of Education <sup>(1)</sup>	\$ 6,891	100%	\$ 6,891
City of Gainesville <sup>(2)</sup>	21,998	100%	21,998
City of Gainesville Schools <sup>(3)</sup>	8,395	100%	8,395
City of Oakwood <sup>(4)</sup>	12,341	100%	12,341
City of Buford <sup>(5)</sup>	7,058	19%	1,341
City of Braselton <sup>(6)</sup>	6,964	18%	1,254
Total overlapping debt	<u>\$ 63,647</u>		<u>\$ 52,220</u>
Total direct and overlapping debt	<u>\$ 66,231</u>		<u>\$ 54,804</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed value of property	\$ 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	\$ 6,987,565
Debt limit (10% of total assessed value)	554,055	589,429	722,860	751,098	764,978	743,266	706,094	666,816	660,628	698,757
Amount of Debt applicable to limit:										
General obligation bonds	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	31,740	19,956	9,413	(443)	-	-	-	-	-	-
Legal debt margin	\$ 522,315	\$ 569,473	\$ 713,447	\$ 751,541	\$ 764,978	\$ 743,266	\$ 706,094	\$ 666,816	\$ 660,628	\$ 698,757
Total net debt applicable to the limit as a percentage of debt limit	5.73%	3.39%	1.30%	-0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

<b>Sales Tax Increment Bonds <sup>(1)</sup></b>						
<b>Fiscal Year</b>	<b>Sales Tax</b>		<b>Debt Service</b>		<b>Coverage</b>	
	<b>Increment</b>		<b>Principal</b>	<b>Interest</b>		
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		-		-	-	-
2015	\$	-	\$	-	-	-

<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		
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%
2015	190,761	\$ 6,254,862	\$ 35,491	37.6	78.8%	22.8%	27,106	6.00%

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	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Northeast Georgia Medical Center (2)	7,100	1	38.73%			
Fieldale Farms (2)	2,500	2	13.64%			
Kubota Manufacturing of America	1,600	3	8.73%			
Pilgrims	1,450	4	7.91%			
Mar-Jac Poultry, Inc	1,250	5	6.82%			
Victory Processing LLC (2)	1,250	6	6.82%			
Cottrell, Inc	850	7	4.64%			
Wal-Mart (4)	830	8	4.53%			
Pro View Foods, LLC	750	9	4.09%			
Wrigley Manufacturing Company, LLC	750	10	4.09%			
All other employers	0		0.00%			
<b>Total</b>	<b>18,330</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 2006 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	127	146	137	136	125	116	99	94	96	110
Public safety										
Sheriff										
Officers	307	330	423	423	423	496	468	439	429	419
Civilians	35	38	59	59	59	31	18	17	17	31
Fire and EMS										
Firefighters & EMT's	286	311	317	317	316	371	227	305	382	386
Civilians	10	11	16	16	16	11	27	27	10	9
Other public safety	96	98	104	105	118	-	-	-	-	-
Court system	174	191	202	208	207	189	190	193	191	230
Public works	94	96	96	96	90	99	63	60	63	65
Health and welfare	-	-	-	-	-	18	16	30	36	37
Recreation and culture	35	42	43	43	41	44	32	32	31	37
Housing and development	40	40	40	40	30	-	6	6	6	7
Solid Waste	29	29	29	29	29	27	27	29	30	28
Water & Sewer	-	-	-	-	-	-	-	-	-	-
<b>Total</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>	<b>1,359</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**

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Police</b>										
Physical arrests	7,525	8,257	9,200	9,426	8,664	8,358	7,369	7,557	11,946	
Traffic violations	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	23,479	24,073	25,331	26,655	28,048	23,329	23,461	22,965	23,920	25,553
Inspections	1,352	1,874	1,395	1,240	1,262	806	781	1,033	1,074	1,118
<b>Highways and streets</b>										
Street resurfacing (miles)	33	51	43	52	49	26	14	22	23	21
Potholes repaired	201	282	532	406	531	689	1,139	1,856	1,379	1,673
<b>Sanitation</b>										
Refuse collected (tons/day)	258	244	274	284	196	182	165	216	226	183
Recyclables collected (tons/day)	11	11	14	15	10	9	9	14	17	20
<b>Culture and recreation</b>										
Athletic field permits issued	n/a*									
Community center admissions	n/a*									
<b>Water</b>										
New connections	n/a	n/a*								
Water mains breaks	n/a	n/a*								
Average daily consumption	n/a	n/a*								
(thousands of gallons)	n/a	n/a*								
<b>Wastewater</b>										
Average daily sewage treatment	n/a	n/a	1,950	2,050	205	211	237	275	294	3,071
(thousands of gallons)										

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>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>2015</b>
<b>Public safety</b>										
Sheriff headquarters &/or precincts	3	3	3	3	3	3	3	3	3	3
Fire Stations	13	14	15	15	15	15	15	15	16	16
<b>Solid Waste</b>										
Compactor Sites	13	13	13	13	13	13	13	12	12	12
<b>Highways and streets</b>										
Streets (miles)	1,037	1,046	1,052	1,052	1,052	1,056	1,060	1,060	1,060	1,060
Streetlights*	283	308	312	316	324	320	322	324	324	325
Traffic signals	26	29	35	35	35	38	38	38	38	38
<b>Culture and recreation</b>										
Parks acreage	974	1,359	1,359	1,359	1,359	1,459	1,459	1,580	1,580	1,580
Parks	19	20	20	20	20	20	20	22	22	22
Tennis courts	34	34	34	34	34	34	34	37	37	37
Community centers	3	4	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	32	32	32	32	60	60	60	65
Storm sewers (miles)	n/a									
Maximum daily treatment capacity (thousands of gallons)	n/a	n/a	1,950	1,950	2,050	2,050	2,050	2,750	2,940	1,900

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, 2015**

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	2014-H2026-GA-AP	\$ 65,955	\$ 65,955
-Edward Byrne JAG -Hall County Sheriff's Office	16.738	2014-DJ-BX-1170	16,468	-
Passed through the Prosecuting Attorneys' Council of Georgia				
-Victims of Crime Assistance	16.575	C13-8-102, C14-8-072	80,736	63,946
-Victims of Crime Assistance	16.575	C13-8-102, C14-8-072	44,046	33,506
-Victims of Crime Assistance	16.575	C13-8-048	80,736	20,989
-Victims of Crime Assistance	16.575	C13-8-048	44,561	9,502
			<u>250,079</u>	<u>127,943</u>
Passed through the Criminal Justice Coordinating Council				
-Adult Drug Court Discretionary Grant	16.804	2014-VV-BX-0058, Q15-8-005	162,500	10,507
-Adult Drug Court Discretionary Grant	16.804	2014-VV-BX-0058, Q15-8-006	162,500	12,224
-Byrne Innovation	16.738	B14-8-016	47,496	2,345
-Juvenile Justice Incentive Grant	16.523	N10-8-026	30,008	30,008
-Sex Offender Registry Notification Act (SORNA)	16.750	Z12-8-018	17,480	16,977
			<u>419,984</u>	<u>72,061</u>
<b>TOTAL US DEPARTMENT OF JUSTICE</b>			<u><b>\$ 752,486</b></u>	<u><b>\$ 265,959</b></u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Passed-through the Georgia Department of Community Affairs				
-Neighborhood Stabilization Program -NSP1 Program Income	14.256	08-ns-5064	\$ 2,646,541	\$ 449,427
-Neighborhood Stabilization Program -NSP3 Program Income	14.256	11-ns-6005	1,134,632	487,517
			<u>3,781,173</u>	<u>936,944</u>
Community Home Investment Program (CHIP 2011)	14.239	2011-814	304,470	6,500
Community Development Block Grant-Special Purpose	14.225	12p-y-069-1-5450	500,000	1,544
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u><b>\$ 4,585,643</b></u>	<u><b>\$ 944,988</b></u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Passed-through the Georgia Department of Transportation				
-Transit Operations Assistance Program	20.509	GA-18-X033/T005181	\$ 358,898	\$ 328,064
-FTA Transit Planning Assistance	20.505	GA-80-0008-01/T005171	69,930	69,019
-Gainesville-Hall MPO Planning Funds	20.205	PI0011801	346,680	230,298
Passed-through the Georgia Department of Human Services				
Passed-through Georgia Mountain Regional Commission				
-Transportation Grant - Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	42700-362-0000023666	66,391	66,391
-New Freedom Program	20.521	42700-362-0000023666	43,049	43,049
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<u><b>\$ 884,948</b></u>	<u><b>\$ 736,821</b></u>

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**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	\$	56,863	\$ 56,863
- Special Programs for the Aging	93.044	42700-362-0000023666		57,730	57,730
<b>TOTAL U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>			<b>\$</b>	<b>114,593</b>	<b>\$ 114,593</b>

**FEDERAL EMERGENCY MANAGEMENT AGENCY**

Passed-through the Georgia Emergency Management Agency					
-Presidential Disaster Declaration DR-4215	97.036	FEMA-DR-4215-DR-GA	\$	590,123	\$ 590,123
-GEMA-Sheriff's Department/Court Services	97.067	EMW-2014-SS-00092-S01/BW #3327/SHO14-102		3,000	918
-GEMA-Sheriff's Department/Court Services	97.067	EMW-2013-SS-00054-S01/BW #3108/SHO13-053		3,000	437
				<u>6,000</u>	<u>1,355</u>
-GEMA Sheriff's Department	97.067	EMW-2014-SS-00092-S01/BW #3273/SHO14-047		20,000	10,297
-GEMA Hazard Mitigation	97.039	PDMC-PL-2013-3		13,500	-
-GEMA PPA	97.042	OEM14-071		53,905	53,905
<b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			<b>\$</b>	<b>683,528</b>	<b>\$ 655,680</b>

<b>GRAND TOTAL</b>			<b>\$</b>	<b>7,021,197</b>	<b>\$ 2,718,041</b>
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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*

December 2, 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, 2015, 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 December 2, 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

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, Laster 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

December 2, 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, 2015. 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, 2015. 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

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, 2015.

### **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.

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, Latta Co, LLP*

**HALL COUNTY, GEORGIA**  
**AUDITORS' SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2015**

**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) – No significant deficiency, no material weakness.
5. Internal control (major programs) – No significant deficiency, no material weakness.
6. Audit findings required to be reported under A133 Section 510(a)
  - i) Significant deficiencies in internal controls over major programs – None reported
  - ii) Material noncompliance related to major programs – None reported
  - iii) Known questioned costs greater than \$10,000 for major programs – None reported
  - iv) Known questioned costs greater than \$10,000 for a program not audited as major – None reported
  - v) Circumstances if report on compliance is other than unqualified – N/A
  - vi) Known fraud – N/A
  - vii) Misrepresentation in schedule of prior audit findings – None reported
7. Major programs for the year – Federal Transit Cluster, CFDA 20.509; Presidential Disaster Declaration, CFDA 97.036; 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, 2015.

## **III     FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

There were no findings or questioned costs relating to *Government Auditing Standards* reported for the year ended June 30, 2015.