Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013



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, 2013

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HALL COUNTY GOVERNMENT
BOARD OF COMMISSIONERS

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RICHARD V. MECUM
CHAIRMAN

CRAIG LUTZ, DISTRICT 1
BILLY POWELL, DISTRICT 2
SCOTT GIBBS, DISTRICT 3
JEFFREY R. STOWE, DISTRICT 4

RANDY D. KNIGHTON
COUNTY ADMINISTRATOR

MARTY NIX
ASSISTANT COUNTY
ADMINISTRATOR

MELISSA A. MCCAIN
COMMISSION CLERK

December 30, 2013

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

We are pleased to present the Fiscal Year 2013 Comprehensive Annual Financial Report for Hall County, GA, which details our sound fiscal position which despite the struggling economy is seeing signs of recovery. The County's strength is due in part to our long standing tradition of conservative fiscal management. Hall County Government continued in Fiscal Year 2013 to provide excellent services to its citizens while maintaining a tight grip on its finances.

The Comprehensive Annual Financial Report (CAFR) of Hall County, Georgia for the fiscal year ended June 30, 2013 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 2013 and that the information presented is fair and accurate. We encourage readers to consider this transmittal letter in conjunction with the annotated financial statements and management's discussion and analysis which can be found immediately following the report of the Independent Auditor.

The County's financial statements have been audited by Bates, Carter, & Co., LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; internal controls; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Hall County, Georgia's financial statements for the fiscal year ended June 30, 2013, 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, 2013. The required reports on supplemental information, compliance, internal controls and various supplementary schedules are included under the Compliance Section.

Profile of the Government

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

Hall County's population of 179,684 (U.S. Census Bureau 2010) has grown steadily in the last 10 years. Between 2000 and 2010, the population changed by 29 % compared with a state change in population of 18.3%. The 2013 estimated population of Hall County is 185,416. Gainesville-Hall County Metropolitan Statistical Area (MSA) is the third fastest growing metropolitan area in the nation and the fastest in Georgia, according to the U.S. Census Bureau. The County's largest incorporated municipality is Gainesville, with a population of 33,804 (U.S. Census Bureau 2010) representing 18.8% of the entire County population. Other municipalities include Oakwood, Flowery Branch, Clermont, Lula and Gillsville as well as a part of Buford and Braselton.

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

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

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

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

Economic Conditions and Outlook

Local Economy

The ongoing national economic slowdown continues to impact Hall County, but there are some signs of economic recovery. Local Option Sales Tax collection was slightly lower in 2013 than in in 2012. This was due, in part, to the State implementation of House Bill 386 and the Title Ad Valorem Tax (TAVT). The Tax Digest was only slightly lower than in the prior year. It is anticipated that the tax digest will see a slight increase in fiscal year 2014. Building permits and business licenses have seen significant increases from the past few years. These increases provide the optimism for continued economic recovery. Thanks in large part to the foresight and stewardship of County leadership, Hall County faced the economic challenges of the "Great Recession" by streamlining the organization to address these economic conditions. The goal was to continue to deliver sustainable quality services in a consistent, predictable and reliable manner. The strategy was to limit disruption and potential negative impacts; maintain productivity and

commitment of employees. Hall County was one of the first jurisdictions to implement mandatory furloughs to reduce operating costs in October 2008. Because of careful budgeting and revenue improvements those furloughs were eliminated during fiscal year 2013.

In 2013, the US Census Bureau identified the Gainesville-Hall County MSA as one of the top 50 fastest growing metropolitan areas in the United States.

- In spite of the nationwide lagging economic conditions, the County does continue to grow. And in 2013, the County continued to see improvement in the local economy. The employment rate is 7.6% compared to last year of 8.1%. However, this rate is lower than the State (9.1%) and lower than the United States (8.96%). In 2013, 58 new and expanded industries are adding 2,200 new jobs, retaining 1,200 existing jobs and generating $283 million in new capital investment. Expanding companies include Atlanta Biologicals, KIK Custom Products, ProCare Rx, Bitzer, Yazaki, Elringklinger, Kubota, Atex, IMS Gear, Zebra Technologies and Lupold. The Georgia Poultry Laboratory Network is constructing a new science facility and headquarters in the new Gateway Industrial Centre to fulfill an important food safety role for Georgia's poultry industry.
- 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 2013. Projects completed in fiscal year 2013 include the new North Hall Community Park, relocating Administrative Offices to Browns Bridge Road building and several Road and Sewer projects. Current projections for the total SPLOST VI are at $152 million. Collections will continue through June 2015.
- The general fund millage rate has remained the same for the last five years with the last change being a decrease from 6.98 to 6.25 in FY 2007.

Tourism

- Lake Lanier Islands Resort has been completely redeveloped with approximately $70 million in capital and infrastructure improvements.
- 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, has a $2.9 million local economic impact from their summer training camp.
- Road Atlanta, a 2.54-mile International Grand Prix course, attracts 150,000 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.

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 added 114,000 square feet in an expansion from 50 to 146 units. Lanier Village Estates has 240 residences with extended care. Cresswinds on Lanier is a 214 acre age-restricted development and more than 200 homes have been built and sold. 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 over 800 new homes developed since 2008.

Healthcare

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

MAJOR INITIATIVES & ACCOMPLISHMENTS

Fiscal year 2013 found Hall County Government looking for ways to maximize available revenues to continue to provide necessary services to its citizens. Even with some limitations, Hall County was able to provide major infrastructure improvements, enhance public services, and initiate new programs to benefit residents, including the following:

Finance

Since 2008, the County has endured the downturn of the economy along with the rest of the nation. In an effort to make the most of available financial resources, the County implemented several austerity measures. These included monthly furlough days for all employees, elimination of County retirement contributions, freeze on hiring, no merit or cost of living increases, limiting capital expenses to only necessary items. In 2013, the County was able to lift some of those restrictions. Furlough days were eliminated and the County retirement contribution was re-instated. Due to some budget savings, some capital purchases were made, particularly in the area of public safety.

Management Information System Projects

A Voice-Over-Internet Protocol (VOIP) Telephone System Project was fully implemented countywide in order to save the county money on telephone communications. VOIP is a technology for communicating using "Internet protocol" instead of traditional analog systems. Calls can be sent over the internet much more cheaply than they can be sent over the traditional telephone networks, saving the county money and bringing down the cost of ownership of telephone communications. This is one area where the County expects to see savings for several years in the future.

Consolidation of County Offices

In fall of 2010, the County negotiated and signed a contract to purchase a 128,000-square-foot building formerly fully occupied by Liberty Mutual on Browns Bridge Road. Over the course of 2012, plans were being made to consolidate County offices, which currently reside in multiple locations into one location, making it easier and more accessible for citizens and reducing operational costs. Liberty Mutual staff vacated the building in the fall of 2011, and the renovations were started to make the building suitable for use by the County staff. In the fall of 2012, twelve departments were moved into the new building. The move- in process began in September and was completed by the end of October 2012. The County expects to see savings from the rent payments for space that will no longer be necessary. Citizens will see a benefit due to having consolidation into one building, thus providing "one-stop services". The funding for the

purchase and renovations of the building was provided by SPLOST VI. The newly renovated Administrative Building has officially been named the Hall County Government Center (HCGC).

Water

Hall County continued the process in 2013 to secure the 404 permit needed from the Army Corp of Engineers (USACOE) to begin construction of the Glades Reservoir. 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. A delay in permitting was caused this year when the Georgia Office of Planning and Budget issued new population projections for all of the state. Consultants were engaged to provide further objective detailed projections and came to an agreement with USACOE and ERD on projections until 2060 that still show a need for the project. Documents were submitted to GEFA for the Governor's Water Supply Funding opportunity. USACOE requested Hall County perform an Environmental Impact Statement (EIS). This process is controlled by the USACOE through funding by Hall County. For more information on the permitting of Glades Reservoir see www.gladesreservoir.com. This permitting process is being funded by SPLOST VI.

Sewer

The County continued upgrades of the Spout Springs Water Reclamation Facility (SSWRF) in south Hall for direct creek discharge in lieu of spray field discharge. This will allow the County to parcel off some of the 300 acre tract for sale and use the proceeds to pay down debt incurred for this operation.

The County pursued sewer opportunity along the SR 365 corridor in North Hall County. Gateway Industrial Centre is the driving force behind this initiative. However, there are over 7,000 acres in this basin that can provide significant growth opportunity for the County. The County is pursuing a permit for a County owned and operated treatment facility for discharge into the Oconee River. The County concurrently has negotiated with the City of Lula for utilization of our capacity in that plant. The decision will be made in 2014 on how wastewater treatment will be handled in that area.

Additionally, the County installed a section of sewer on SR 347 for the ability to serve this newly widened corridor that will encourage growth in South Hall.

Public Works

In fiscal year 2013, Hall County Road Maintenance, Engineering and Traffic Engineering divisions resurfaced approximately 20 miles of county roads. In addition to the usual road maintenance projects, the County crews cut the vegetation in 140 storm water retention ponds and cut all the sewer right of way at Deaton Creek Subdivision and 50% of Reunion Subdivision. The Road Maintenance Department utilized the inmate workforce in over 57,000 man hours. In all, the Road Maintenance Department responded to over 2,900 ticket requests from the public in 2013.

Fleet Maintenance, in an effort to better serve the community in 2013, utilized inmate labor even more to better serve our fleet. During the year, two new shop areas were implemented; one at the landfill and a second on Barber Road and the maintenance of the Sheriff's fleet was added to the workflow. New software was implemented for better tracking and reporting of maintenance issues. Fleet Maintenance completed another year with zero list time injuries.

Solid Waste

Solid Waste and Landfill operations continue to develop their operations by upgrading and replacing their crucial equipment. The Landfill is in the process of replacing their water treatment plant, which processes leachate water. The Solid Waste division has also upgraded two of their roll-off trucks to transfer Municipal Solid Waste from compactor sites to the Landfill. The Candler Road Landfill continues to receive scores of 90 or above on its compliance inspection.

Resource Recovery
Resource Recovery has taken a different approach in the fiscal year 2013. Focus now is on the longevity of the landfill and using volume based recycling to fill the ongoing budget shortfall for the division. Recycling of cardboard went from 200 tons to almost 6,000 tons this year. The single stream recycling implemented last year has continued to be a success with more citizens than ever utilizing the recycling program.

Engineering and Traffic Engineering
This division serves as the authority for the engineering of new developments and roads in the county. All the roads of the county are subject to inspection and each year, this department inspects, rates and indexes over 1,050 miles of roads.

The engineering department manages all the major projects of the county such as parks and county buildings. In 2013, it oversaw the renovation of the new Government Center, the building of the North Hall Park and Technology Center, the new Gateway Centre infrastructure and numerous other projects.

Planning and Development
The Planning Department continues assisting Hall County residents and developers with rezonings and other activities pertaining to community development.

The Gainesville-Hall County Geographic Informations Systems (GIS) continued to provide mapping assistance to virtually every county department. Two examples are: ongoing assistance to the County Engineering office in mapping the county's storm water inventory along existing county roads, in new subdivisions and new commercial development. A series of maps, locating waterlines and hydrants, station territories with drive distances, auto aid areas and buildings over 3 stories for the Fire Department were developed as a part of the ISO review. The latest version of ESRO ArcGIS Server was installed on new virtual servers and all of the GIS data was migrated to these servers. The new software will enable an upgrade to the OnPoint Map Viewer in 2014 and offer web map services to smartphones and tablets.

The Gainesville-Hall Metropolitan Planning Organization (MPO) assisted the City of Gainesville conduct their first transportation master plan by studying all modes of transportation. The MPO also conducted an update to the region's bicycle and pedestrian plan.

Public Information
To enhance public awareness and open government, the Hall County Board of Commissioners uses TV 18, the Gainesville-Hall County Government Channel, to record and broadcast public meetings. The professionally produced meetings have proven to be the most watched program on TV 18. The broadcasts have been enhanced with the meetings of the Hall County Commission being held in their new Meeting room at the Hall County Government Center. The broadcasts have improved the ability of the public to directly access local government. During 2013, Facebook and Twitter were increasingly used as modes of communication with the public and distribution of County news.

Recreational Facilities
Don Carter Park was opened in summer of 2013 on Lake Lanier just north of the Lake Lanier Olympic Center in North Hall County. This is the first state park in Hall County and it features a visitors' center, eight cabins, RV and camp sites, boat ramps and a beach on more than 1,500 acres.

In fiscal year 2013, the Parks & Leisure Services Department continued to maintain and operate one of the largest and most diverse park systems in the state. Consisting of over 1,500 acres, our parks offer something for everyone. Community centers, athletic complexes, green-space, trails, campgrounds, beaches and a reservoir all offer something unique and make Hall County a great place to work and play.

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

Public Safety
January 2013 saw a change in the Sheriff's Office with the arrival of a newly elected Sheriff. Staff restructuring and other cost savings were sought and made possible. Because of significant budget savings the Sheriff's office was able to upgrade its fleet by purchasing some much-needed patrol cars to replace outdated models. The Sheriff is planning to add to the protection of the Citizens of Hall County by adding a North and a South Hall Precinct in 2014.

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.

Capital expenditures were not budgeted in fiscal years 2009, 2010, 2011 and 2012. Only projects funded through SPLOST were initiated in 2013.

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

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

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

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

Independent Audit
The financial statements are prepared in compliance with governmental reporting standards issued by the Governmental Accounting Standards Board; guidelines issued by the Government Finance Officers Association of the United States and Canada and generally accepted accounting principles applicable to government entities. Georgia requires an annual audit by an independent Certified

Public Accountant. The preparation, design and publication of this Comprehensive Annual Financial Report represent collaboration by the Department of Financial Services in conjunction with the accounting firm of Bates, Carter & Co., LLP, CPAs.

Awards

In 2013, for the 21st. consecutive year, Hall County received a Certificate of Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for Fiscal Year 2012. 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.

Respectfully submitted,

Randy D. Knighton
County Administrator

Vickie L. Neikirk
Director of Financial Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Hall County

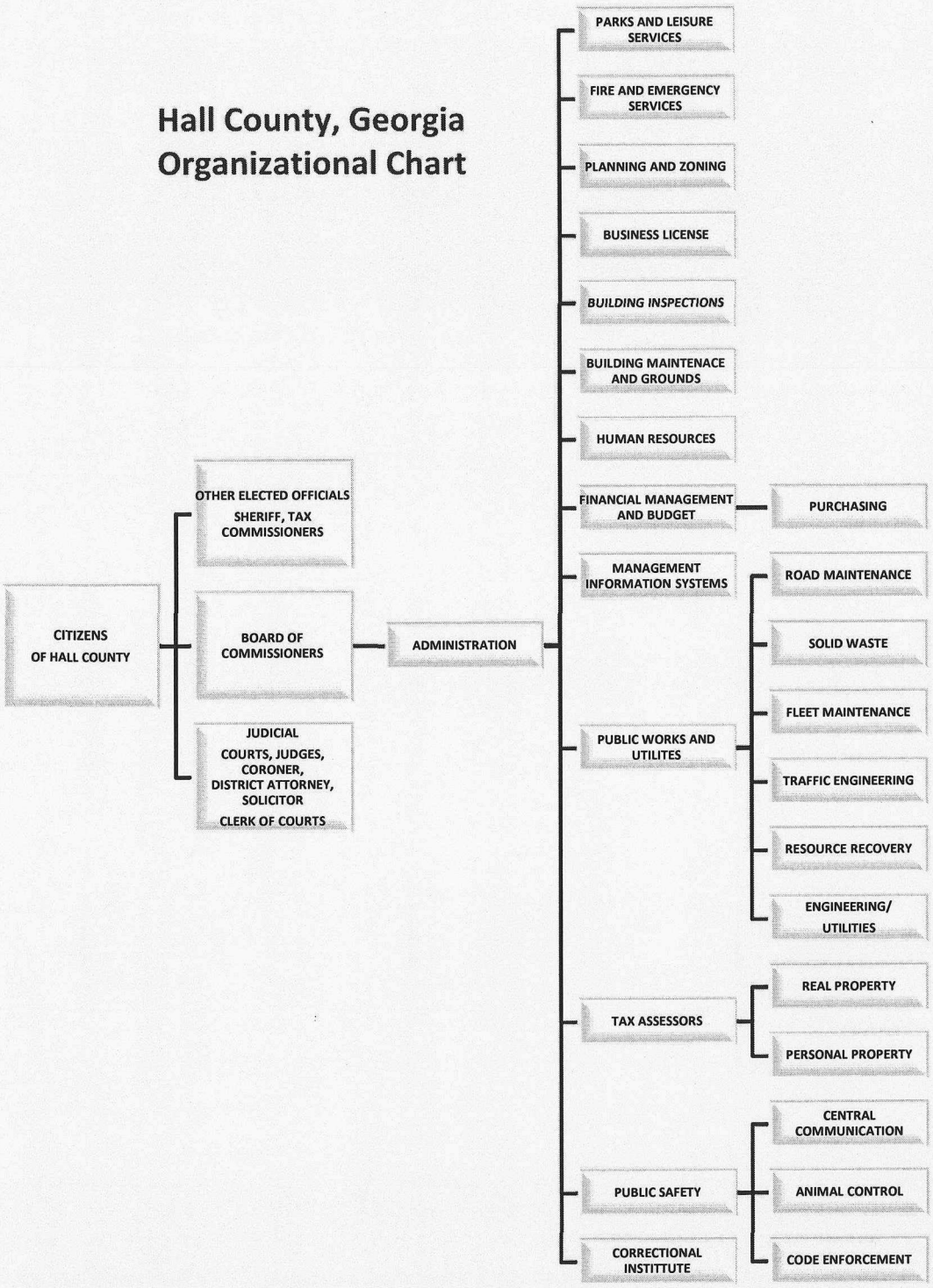
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

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

Elected Officials

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

Judicially Appointed Officials

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

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INDEPENDENT AUDITORS' REPORT

December 30, 2013

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, 2013, and the related notes to the financial statements, which collectively comprise the government'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.

Auditor's 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, 2013, which statements reflect total assets of $4,368,916 as of June 30, 2013, and total revenues of $15,674,369 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, 2013, 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 described in Notes 1(C) & 1(D)4 to the financial statements, the County adopted GASB Statement 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" and GASB Statement 65, "Items Previously Reported as Assets and Liabilities". Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Funding Progress - Pension & Other Post Employment Benefits , Budgetary Comparison Schedule - General Fund, 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 accompanying supplementary information such as the combining and individual nonmajor fund financial statements, supplemental budgetary comparison schedules, the Schedule of Expenditures of Federal Awards, as required by Office of Management Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the accompanying Schedule of Projects Constructed with Special Sales Tax Proceeds which is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-12, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information identified above is the responsibility of management and was 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 30, 2013 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.

Baden, 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, 2013. 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 14-54 of this report.

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

- Hall County's net position at June 30, 2013 was $453,723,020. Of this amount, $429,074,377 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 $24,648,643.

- As of June 30, 2013, the County's governmental funds reported combined ending fund balance of $61,032,173, a change of $11,384,772 in comparison with the prior year. The increase in fund balance is due largely from the sale of the County's old jail in downtown Gainesville. The proceeds from this sale totaled $7.2 million. The SPLOST funds saw in increase in their fund balances of $2.1 million. However, these SPLOST funds will be used during the construction of two fire stations in fiscal year 2014.

- As of June 30, 2013, the County's General Fund reported a fund balance of $22,743,692; an increase of $7,836,657 in comparison with the prior year. As mentioned above, the increase in the fund balance of the General Fund is mainly from the sale of the old jail.

- Hall County's total long-term debt changed by $(5,475,612). The County reduced its principal balances of debt by over $6.4 million dollars. And the County did not add additional debt other than the obligations of pensions and OPEB. See note 10 for more details related to that obligation.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position serve 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 $453,723,020 at the close of the fiscal year. This represents a change in net position from fiscal year 2012 of $6,946,851.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Current and other assets	$ 79,221	$ 69,134	$ 24,058	$ 24,533	$ 103,279	$ 93,667
Capital assets (net of depreciation)	384,189	398,623	107,786	105,153	491,975	503,776
Total assets	463,410	467,757	131,844	129,686	595,254	597,443
Total deferred outflows of resources	-	-	112	120	112	120
Long-term liabilities outstanding	71,210	74,518	61,410	63,577	132,620	138,095
Other liabilities	8,334	9,738	689	1,512	9,023	11,250
Total liabilities	79,544	84,256	62,099	65,089	141,643	149,345
Total deferred inflows of resources	-	-	-	-	141,643	149,345
Net position						
Net investment in capital assets	371,931	383,004	57,143	53,303	429,074	436,307
Restricted	35,341	29,381	-	-	35,341	29,381
Unrestricted	(23,406)	(28,884)	12,714	11,414	(10,692)	(17,470)
Total net position	$ 383,866	$ 383,501	$ 69,857	$ 64,717	$ 453,723	$ 448,218

Table may not add due to rounding

By far the largest portion of the County's net position (94.6%) at June 30, 2013, 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 (7.8%) represents resources that are subject to external restrictions on how they may be used.

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

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues						
Charges for services	$ 28,537	$ 30,586	$ 7,851	$ 6,436	$ 36,388	$ 37,022
Operating grants and contributions	4,615	3,604	-	-	4,615	3,604
Capital grants and contributions	3,639	2,897	68	226	3,707	3,123
General revenue						
Property taxes	48,405	49,371	-	-	48,405	49,371
Sales taxes	46,720	47,271	-	-	46,720	47,271
Other taxes	9,224	8,439	-	-	9,224	8,439
Gain on sale of assets	3,228	417	5	-	3,233	417
Unrestricted investment earnings	-	-	-	1	-	1
Grants and contributions not restricted to a specific program	-	1	-	-	-	1
Total revenue	144,368	142,586	7,924	6,663	152,292	149,249
Expenses:						
General government	17,530	18,012	-	-	17,530	18,012
Judicial	16,877	16,303	-	-	16,877	16,303
Public safety	64,887	67,123	-	-	64,887	67,123
Public works	23,382	22,222	-	-	23,382	22,222
Public health and welfare	2,727	2,704	-	-	2,727	2,704
Recreation and culture	5,934	6,007	-	-	5,934	6,007
Housing and development	4,800	2,947	-	-	4,800	2,947
Interest and paying fees	320	489	-	-	320	489
Solid waste	-	-	6,030	6,155	6,030	6,155
Water and sewer utilities	-	-	2,858	2,973	2,858	2,973
Total expenses	136,457	135,807	8,888	9,128	145,345	144,935
Increase in net position before transfers	7,911	6,779	(964)	(2,465)	6,947	4,314
Transfers	(6,922)	(2,682)	6,922	2,682	-	-
Increase (Decrease) in net position	989	4,097	5,958	217	6,947	4,314
Change in accounting principle	(624)	-	(818)	-	(1,442)	-
Net position, beginning of year	383,501	379,404	64,717	64,500	448,218	443,904
Net position, end of year	$ 383,866	$ 383,501	$ 69,857	$ 64,717	$ 453,723	$ 448,218

The comparative schedule of changes in net position denotes a change of $6 million in net position. The primary contributor to this change is from the sale of the old jail along with some other capital equipment.

Revenue increased $3,043 thousand in fiscal year 2013. This increase is attributable to the sale of the old jail for a price of $7.2 million. Expenses increased by $410 thousand (0.3%) from the previous year.The primary reason for this increase is the elimination of furlough days and the re-instatement of the County's 4% contribution to employees' retirement.

Governmental Activities:

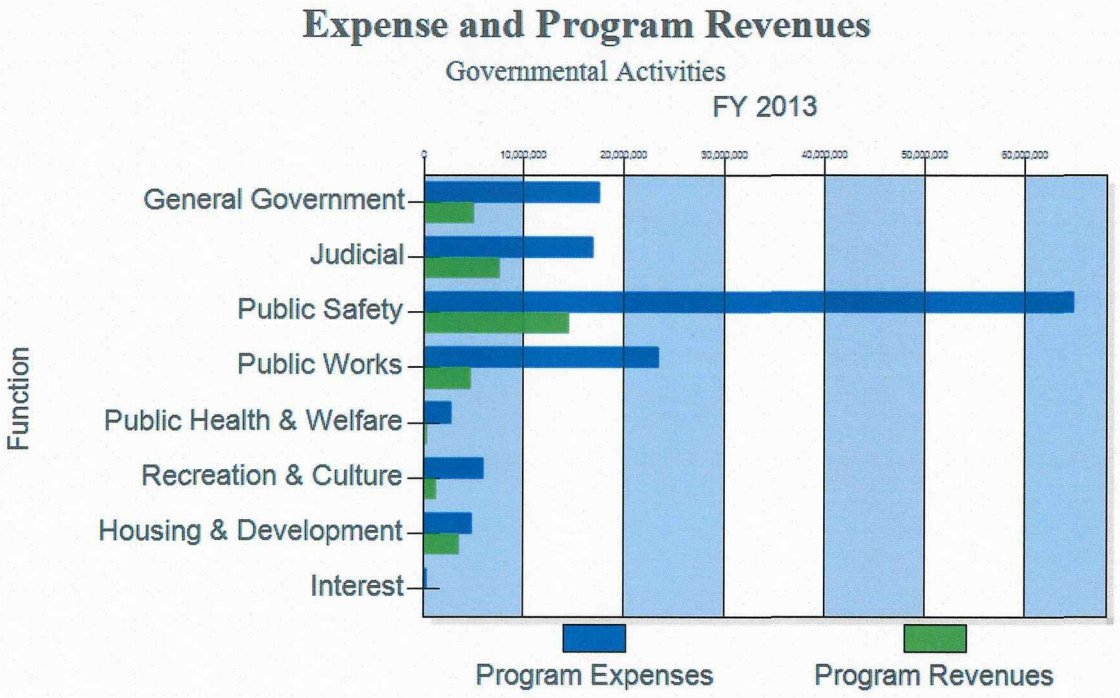
Governmental activities net position overall had a 0.1% increase from fiscal year 2012 to fiscal year 2013. This change is the result of budget reductions and costs savings along with the revenue received from the sale of the jail.

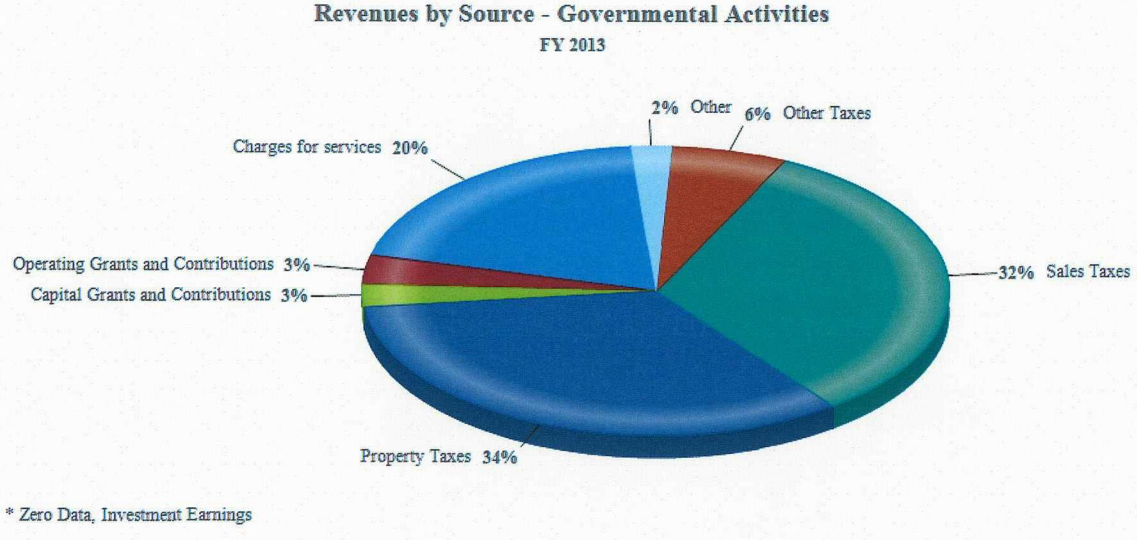
- Revenues saw an overall increase during 2013. This was attributable to the increase in the

gain on sale of assets, it had an increase of $7.6 million.

- Expenses increased $650 thousand from fiscal year 2012. This primarily due to increased personnel costs when the furlough days were eliminated and the 4% County contribution to retirement was re-instated in 2013.

The following charts show activities by function:





* Zero Data, Investment Earnings

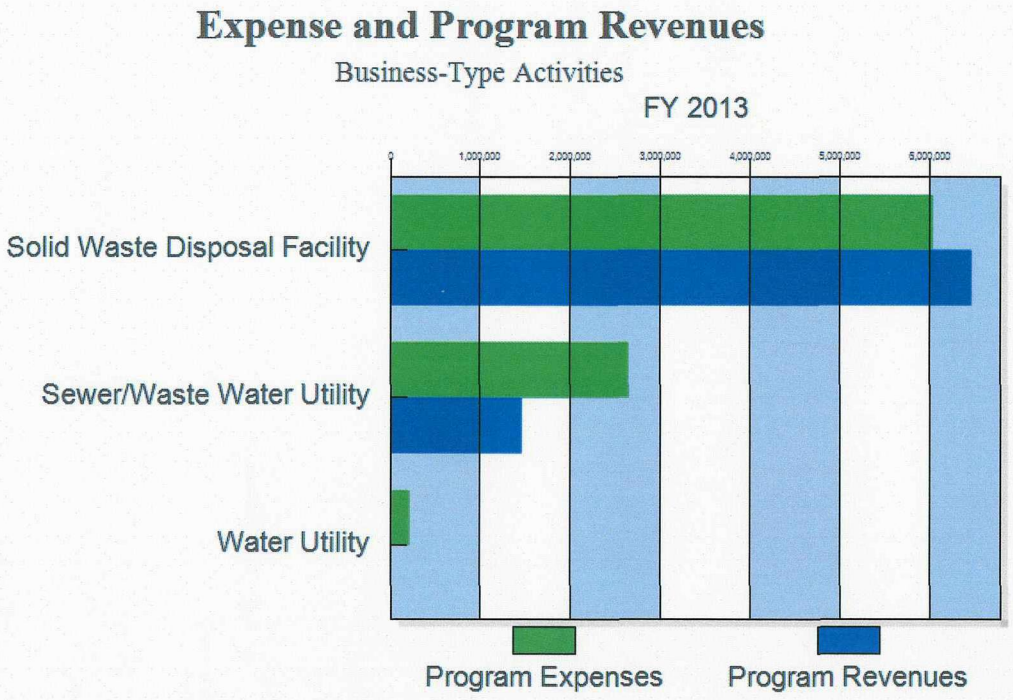
Chart shows all sources of revenue collected for governmental activities not limited to program revenue.

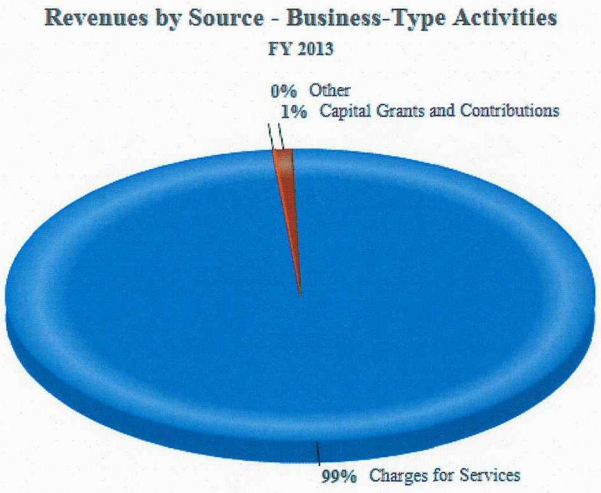
Business-Type Activities:

Business–type net position increased by $5,958 thousand. Key elements of this increase are:

- The Solid Waste Disposal Facility Fund net position decreased by $387 thousand. This was due to increased revenues from recycling and transfer fees and decrease in operating expenses of $51k.
- The Sewer/Wastewater Utility Fund net position increased by $4,136,144. The change in this funds position came from $3.9 million in transfers in from SPLOST VI which went towards debt payment for infrastructure.
- The Water Utility Fund net position increased by $1,382,828. This increase came from the transfers in from SPLOST to fund debt service payments.

The following charts show activities by enterprise operation:





* 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 $61,032,173, a change of $11,384,772 in comparison to the prior year.The largest increase in these funds was found in the General Fund. This increase is the result of the sale of a capital asset, the old county jail along with an increase in the fund balance of the SPLOST funds.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, fund balance of the general fund was $22,743,692. 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 21.5% of total general fund current operating expenditures which is an increase over last year of 5.8%. The underlying increase in fund balance was due to conservative budgeting and cost cutting measures implemented which reduced expenditures to $4,519 thousand below budget.

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 $327,347, which represents bond proceeds unspent for the North Hall Park and the purchase of the Liberty Mutual Building for County administrative offices. This is a decrease of $391k from the prior year. It is expected that all these remaining funds will be spent in fiscal year 2014.

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 $2,553,914 to $2,580,234 or 1.0%. Very little change in fund balance for fiscal year 2013.

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 2013, SPLOST Fund reported a fund balance of $28,285,356, which represents a change from last year of $2,193,492. This is primarily due to tax revenues exceeding expenditures as projects have been slower to get underway than planned. SPLOST projects under construction include roads, North Hall Sewer Master Plan and Glades Reservoir permitting.

The fire district fund is the principal operating fund for County fire and rescue operations. At the end of the fiscal year, its fund balance was $2,656,216, a (0.4)% change from fiscal year 2012. This decrease to the use of fund balance to eliminate furlough days and re-instate the 4% retirement match. The fund balance represents 17.7% of total fund expenditures.

Governmental Fund Revenue and Expenditure Comparison

($ in thousands)

Revenue	2013	2012	Inc/Dec	%Inc/Dec	Expenditures	2013	2012	Inc/Dec	%Inc/Dec
Taxes	$ 104,613	$ 104,953	$ (340)	(0.3)%	General Government	$ 17,840	$ 15,867	$ 1,973	12 %
License and Permits	1,795	1,487	308	20.7 %	Judicial	16,010	15,178	832	5 %
Intergovernmental	7,466	4,851	2,615	53.9 %	Public Health and Welfare	2,329	2,301	28	1 %
Fines and Forfeitures	4,340	4,005	335	8.4 %	Public Safety	59,457	60,390	(933)	(2)%
Charges for Services	22,363	25,004	(2,641)	(10.6)%	Public Works	7,863	6,275	1,588	25 %
Investment income	1	186	(185)	(99.5)%	Recreation and Culture	4,904	4,925	(21)	- %
Miscellaneous	744	211	533	252.6 %	Housing and Development	4,633	2,705	1,928	71 %
					Intergovernmental	5,065	5,282	(217)	(4)%
					Capital Outlay	7,966	15,499	(7,533)	(49)%
					Debt Service	4,366	4,369	(3)	- %
Total Revenues	$ 141,322	$ 140,697	$ 625	0.4 %	Total Expenditures	$ 130,433	$ 132,791	$ (2,358)	59 %

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

Hall County Governmental Funds

Fund Balance

($ in thousands)

	2013	2012	Incr/(Decr)	% Incr/-Decr
General Fund	$ 22,744	$ 14,907	$ 7,837	52.6 %
Fire District	2,656	2,668	(12)	(0.4)%
SPLOST	28,285	26,092	2,193	8.4 %
Capital Projects	327	719	(392)	(54.5)%
Impact Fees	2,580	2,554	26	1.0 %
Non-Major Funds	4,439	2,707	1,732	64.0 %
Total Fund Balance	$ 61,031	$ 49,647	$ 11,384	22.9 %

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

Hall County Proprietary Funds

Net position

($ in thousands)

	2013	2012	Incr/(Decr)	% Incr/-Decr
Solid Waste Disposal	$ 13,650	$ 13,263	$ 387	2.9 %
Sewer/Waste Water Utility	48,048	43,912	4,136	9.4 %
Water Utility	8,202	6,819	1,383	20.3 %
Internal Service	4,075	2,364	1,711	72.4 %
Total Fund Balance	$ 73,975	$ 66,358	$ 7,617	11.5 %

Unrestricted net position of the Solid Waste Disposal Facility, Sewer/Wastewater Utility, and Water Utility Funds at the end of the year amounted to $12,756,695. This represents a change of $1,248,345 from unrestricted net position as of June 30, 2012. 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 $88,052,023 and final budget was $88,071,189. The actual revenue (inflow) was $93,228,467, which varied from final budget by $5,157,278. The actual expenditures (outflows) were $85,391,810 which varied from the final expenditure budget by $4,518,905. That represented a change of $1,702,739 from prior year. The net result is a $7,836,657 improvement in the General Fund balance. The expenditure reductions are summarized below and implementation began in fiscal year 2013.

- Continued a mandated open position hiring freeze
- Cost of living and merit increases were not budgeted
- Reduced operating costs
- Curtailed travel and training
- Reduced overtime
- Capital purchases were limited to necessary purchases

Actual expenditures came in $4,518,905 below budget and can be summarized as follows:

- General Government was under budget by $1,695 thousand
- Judicial was under budget by $354 thousand
- Public Safety under budget by $1,724 thousand
- Public Works under budget by $11 thousand
- Public Health and Welfare under budget by $39 thousand
- Recreation and Culture was under budget by $390 thousand
- Housing and Development was under budget by $305 thousand

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

General Fund
For the Year Ended June 30, 2013

	Budget			Variance of
	Original	Final	Actual	Final Budget
General Government	$ 20,007,952	$ 20,512,703	$ 18,817,590	$ 1,695,113
Judicial	14,322,233	14,431,040	14,076,754	354,286
Public Safety	41,541,390	41,724,870	40,000,544	1,724,326
Public Works	4,160,576	4,412,339	4,401,743	10,596
Public Health and Welfare	2,460,056	2,062,056	2,023,240	38,816
Recreation and Culture	4,202,069	4,268,638	3,878,251	390,387
Housing and Development	2,465,747	2,499,069	2,193,688	305,381
Total Charges to Appropriations	$ 89,160,023	$ 89,910,715	$ 85,391,810	$ 4,518,905

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, 2013, was $492 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 $23 million. Major projects consisted of the following:

- North Hall Park and Technology Community Center $10.8 million
- Cool Springs Park - $3 million
- Hall County Government Center $9.25 million

Business-type assets moved from construction in progress to the assets records during the year totaled approximately

$35,854 thousand. Major projects consisted of the following:

- Sewer lines –Mulberry Sewer Basin Phase 3 - $35.8 million

Hall County's Capital Assets
(Net of depreciation)
($ in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Land and Improvements	$ 56,713	$ 56,753	$ 26,935	$ 26,935	$ 83,648	$ 83,688
Construction in Progress	14,500	31,810	7,699	39,594	22,199	71,404
Buildings	140,750	125,630	7,410	7,698	148,160	133,328
Machinery & Equipment	10,254	12,209	2,036	2,359	12,290	14,568
Vehicles	5,265	5,438	379	225	5,644	5,663
Infrastructure	156,707	166,783	63,328	28,343	220,035	195,126
Total Assets	$ 384,189	$ 398,623	$ 107,787	$ 105,154	$ 491,976	$ 503,777

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

Long–Term Debt. The $31.0 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.

Hall County's Outstanding Debt
Bonds Payable, Capital Leases, Notes Payable, Claims, and Other Debts
($ in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Contracts Payable	10,239	14,176	20,869	21,408	31,108	35,584
Capital Leases	142	274	500	988	642	1,262
Notes Payable	-	-	32,614	34,014	32,614	34,014
Claims Payable (estimate)	2,763	3,444	-	-	2,763	3,444
Landfill Closure/Postclosure	-	-	7,361	7,097	7,361	7,097
Compensated Absences	3,345	3,584	67	70	3,412	3,654
Net Pension Obligation	182	554	-	-	182	554
Net OPEB Obligation	54,539	52,487	-	-	54,539	52,487
Totals	$ 71,210	$ 74,519	$ 61,411	$ 63,577	$ 132,621	$ 138,096

Additional information regarding Hall County's long-term debt can be found in Note 7 on pages 32 through 37 of this report. State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the County is $666,816,000 and currently the County has no general obligation debt

ECONOMIC OUTLOOK

With respect to the economy, 2013 ended for the County as planned with budgetary performance which required no decrease in General Fund, but essentially ended with an increase of $7.3 million. The fiscal year 2014 economic outlook is slightly better for Hall County than in 2013.

- Sales tax and other revenue sources are expected to be slightly higher in 2014. 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 was obtained in 2011 for this project. The County has applied for financial support from the Governor's Water Supply Fund.

- The County is planning for the tax digest to see a slight increase for the FY 15 budget.

The current economy and the pressures from revenue decreases were taken into consideration when preparing the 2014 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, 2013

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
ASSETS				
Cash	$ 58,432,778	$ 5,224,175	$ 63,656,953	$ 3,402,460
Investments	-	-	-	8,708
Receivables (net of allowance for uncollectibles)	10,975,139	575,913	11,551,052	1,071,394
Internal balances	680,925	(680,925)	-	-
Inventories	511,808	-	511,808	-
Prepaid items	8,601,301	-	8,601,301	18,538
Restricted assets:				
Cash	4	1,249,967	1,249,971	-
Non-current assets:				
Capacity held for resale	-	17,688,813	17,688,813	-
Land held for resale	18,699	-	18,699	-
Capital assets:				
Capital assets not being depreciated	71,212,967	34,633,317	105,846,284	-
Capital assets being depreciated	581,169,610	89,644,793	670,814,403	5,288,649
Less: accumulated depreciation	(268,193,334)	(16,492,035)	(284,685,369)	(4,023,343)
Capital assets, net of depreciation	384,189,243	107,786,075	491,975,318	1,265,306
TOTAL ASSETS	463,409,897	131,844,018	595,253,915	5,766,406
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	112,186	112,186	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	112,186	112,186	-
TOTAL ASSETS & DEFERRED OUTFLOWS	463,409,897	131,956,204	595,366,101	5,766,406
LIABILITIES				
Accounts payable	5,083,544	387,682	5,471,226	557,928
Accrued interest payable	68,505	120,559	189,064	-
Other accrued items	2,460,361	67,910	2,528,271	2,632
Due to other governments	-	-	-	39,335
Unearned revenue	645,219	25,614	670,833	16,890
Amounts held in trust	75,948	87,539	163,487	-
Noncurrent liabilities:				
Due within one year				
Compensated absences payable	2,127,038	67,026	2,194,064	677,336
Estimated claims payable	1,208,231	-	1,208,231	-
Accrued landfill closure / postclosure	-	152,850	152,850	-
Notes payable	-	1,512,742	1,512,742	-
Capital leases payable	141,786	499,746	641,532	-
Contracts payable	4,144,413	554,785	4,699,198	-
Due in more than one year				
Compensated absences payable	1,217,933	414	1,218,347	249,523
Estimated claims payable	1,555,200	-	1,555,200	-
Accrued landfill closure / postclosure	-	7,207,971	7,207,971	-
Notes payable	-	31,100,763	31,100,763	-
Contracts payable	6,094,655	20,313,763	26,408,418	-
Net OPEB obligation	54,538,594	-	54,538,594	-
Net pension obligation	182,290	-	182,290	-
TOTAL LIABILITIES	79,543,717	62,099,364	141,643,081	1,543,644
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	79,543,717	62,099,364	141,643,081	1,543,644
NET POSITION				
Net investment in capital assets	371,931,329	57,143,048	429,074,377	1,265,306
Restricted for:				
Capital outlay projects	27,475,850	-	27,475,850	-
Impact fee projects	2,580,234	-	2,580,234	-
Judicial programs	524,754	-	524,754	-
Public safety programs	3,454,703	-	3,454,703	-
Health and welfare programs	36,081	-	36,081	1,249,731
Housing and development	135,495	-	135,495	-
Recreation and culture	626,333	-	626,333	-
Special Assessments	507,171	-	507,171	-
Unrestricted	(23,405,770)	12,713,792	(10,691,978)	1,707,725
TOTAL NET POSITION	$ 383,866,180	$ 69,856,840	$ 453,723,020	$ 4,222,762

The accompanying notes are an integral part of this statement.

HALL COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	NET (EXPENSE) AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	NET (EXPENSE) AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: TOTAL	NET (EXPENSE) AND CHANGES IN NET POSITION: COMPONENT UNITS
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES								
General government	$ 17,529,691	$ 4,903,272	$ 80,901	$ -	$ (12,545,518)	$ -	$ (12,545,518)	$ -
Judicial	16,877,530	6,589,411	967,515	-	(9,320,604)	-	(9,320,604)	-
Public safety	64,886,811	13,289,440	1,066,376	92,098	(50,438,897)	-	(50,438,897)	-
Public works	23,381,963	945,816	295,970	3,423,704	(18,716,473)	-	(18,716,473)	-
Public health and welfare	2,726,532	-	260,795	111,546	(2,354,191)	-	(2,354,191)	-
Recreation and culture	5,934,402	1,183,287	25,265	-	(4,725,850)	-	(4,725,850)	-
Housing and development	4,800,309	1,625,605	1,918,665	11,438	(1,244,601)	-	(1,244,601)	-
Interest	319,573	-	-	-	(319,573)	-	(319,573)	-
Total Governmental Activities	136,456,811	28,536,831	4,615,487	3,638,786	(99,665,707)	-	(99,665,707)	-
BUSINESS-TYPE ACTIVITIES								
Solid waste/recycling	6,030,298	6,462,725	-	-	-	432,427	432,427	-
Water and sewer	2,647,375	1,387,931	-	68,170	-	(1,191,274)	(1,191,274)	-
Water utilities	210,512	-	-	-	-	(210,512)	(210,512)	-
Total Business-Type Activities	8,888,185	7,850,656	-	68,170	-	(969,359)	(969,359)	-
TOTAL PRIMARY GOVERNMENT	$ 145,344,996	$ 36,387,487	$ 4,615,487	$ 3,706,956	(99,665,707)	(969,359)	(100,635,066)	-
COMPONENT UNITS								
Health Department	$ 15,126,692	$ 4,877,277	$ 10,797,092	$ -	-	-	-	547,677
Library System	2,713,210	83,544	358,734	167,675	-	-	-	(2,103,257)
TOTAL COMPONENT UNITS	$ 17,839,902	$ 4,960,821	$ 11,155,826	$ 167,675	-	-	-	(1,555,580)
GENERAL REVENUES								
Property taxes					48,404,670	-	48,404,670	-
Sales taxes					46,719,712	-	46,719,712	-
Insurance premium taxes					5,803,702	-	5,803,702	-
Real estate recording taxes					1,358,749	-	1,358,749	-
Other taxes					2,061,639	-	2,061,639	-
Total taxes					104,348,472	-	104,348,472	-
Miscellaneous					-	-	-	-
Unrestricted investment earnings					664	72	736	1,073
Grants and contributions not restricted to a specific program					-	-	-	1,830,262
Gain on sale of capital assets					3,228,338	4,371	3,232,709	-
TRANSFERS					(6,922,362)	6,922,362	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					100,655,112	6,926,805	107,581,917	1,831,335
CHANGES IN NET POSITION					989,405	5,957,446	6,946,851	275,755
NET POSITION, Beginning					383,501,219	64,717,175	448,218,394	3,947,007
CHANGE IN ACCOUNTING PRINCIPLE					(624,444)	(817,781)	(1,442,225)	-
NET POSITION, Beginning as restated					382,876,775	63,899,394	446,776,169	3,947,007
NET POSITION, Ending					$ 383,866,180	$ 69,856,840	$ 453,723,020	$ 4,222,762

The accompanying notes are an integral part of this statement.

HALL COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013

ASSETS	GENERAL	FIRE DISTRICT	SPLOST	CAPITAL PROJECTS	IMPACT FEES	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash	$ 15,120,274	$ 3,007,954	$ 26,098,067	$ 336,878	$ 2,553,502	$ 4,615,206	$ 51,731,881
Receivables (net of allowance for uncollectibles)	6,372,289	337,116	2,141,152	30,000	32,556	2,062,026	10,975,139
Interfund receivables	7,208,348	-	-	-	-	-	7,208,348
Prepaid items	65,515	-	8,305,393	-	-	-	8,370,908
Inventories	336,680	175,127	-	-	-	-	511,807
Restricted assets:							
Cash	-	-	-	4	-	-	4
TOTAL ASSETS	$ 29,103,106	$ 3,520,197	$ 36,544,612	$ 366,882	$ 2,586,058	$ 6,677,232	$ 78,798,087
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 1,761,034	$ 134,602	$ 2,319,191	$ -	$ 5,824	$ 770,186	$ 4,990,837
Other accrued items	1,917,930	393,709	8,196	-	-	140,059	2,459,894
Interfund payables	-	-	5,931,869	39,535	-	598,922	6,570,326
Unearned revenue	-	-	-	-	-	645,220	645,220
Deposits held	10,359	-	-	-	-	65,589	75,948
TOTAL LIABILITIES	3,689,323	528,311	8,259,256	39,535	5,824	2,219,976	14,742,225
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	2,670,091	335,670	-	-	-	-	3,005,761
Unavailable revenue - other	-	-	-	-	-	17,928	17,928
TOTAL DEFERRED INFLOWS OF RESOURCES	2,670,091	335,670	-	-	-	17,928	3,023,689
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	6,359,414	863,981	8,259,256	39,535	5,824	2,237,904	17,765,914
FUND BALANCES							
Nonspendable:							
Prepaid expenditure	65,515	-	8,305,393	-	-	-	8,370,908
Inventories	336,680	175,127	-	-	-	-	511,807
Restricted:							
Capital outlay projects	-	-	19,979,963	327,347	-	-	20,307,310
Impact fee projects	-	-	-	-	2,580,234	-	2,580,234
Special assessments	-	-	-	-	-	507,171	507,171
Judicial programs	-	-	-	-	-	524,754	524,754
Public safety programs	-	2,481,089	-	-	-	914,061	3,395,150
Health and welfare programs	-	-	-	-	-	36,081	36,081
Parks and recreation programs	-	-	-	-	-	626,333	626,333
Housing and development programs	-	-	-	-	-	135,495	135,495
Assigned:							
Encumbrances	162,146	-	-	-	-	-	162,146
Capital equipment and infrastructure	-	-	-	-	-	1,695,433	1,695,433
Operating reserve	4,141,868	-	-	-	-	-	4,141,868
Unassigned:	18,037,483	-	-	-	-	-	18,037,483
TOTAL FUND BALANCES	22,743,692	2,656,216	28,285,356	327,347	2,580,234	4,439,328	61,032,173
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 29,103,106	$ 3,520,197	$ 36,544,612	$ 366,882	$ 2,586,058	$ 6,677,232	$ 78,798,087

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, 2013

Total Fund Balances for Governmental Funds (page 3)		$ 61,032,173
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.		384,189,243
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:		4,117,588
Revenues in the statement of activities that do not provide current financial resources are reported as unearned revenues in the funds.		
Property Taxes	3,005,761	
Assessments	17,928	
		3,023,689
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest	(68,505)	
Compensated absences	(3,344,971)	
Capital leases	(141,786)	
Contracts payable	(10,239,068)	
Net pension obligation	(182,290)	
Net OPEB obligation	(54,538,594)	
		(68,515,214)
Rounding		2
Total net position of governmental activities (page 1)		$383,866,180

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, 2013

	GENERAL	FIRE DISTRICT	SPLOST	CAPITAL PROJECTS	IMPACT FEES	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Taxes	$ 63,011,370	$ 14,975,023	$ 26,620,870	$ -	$ -	$ 5,626	$ 104,612,889
Licenses and permits	1,441,091	-	-	-	353,471	-	1,794,562
Intergovernmental	1,294,591	10,718	-	-	-	6,160,466	7,465,775
Fines and forfeitures	3,355,461	-	-	-	-	984,094	4,339,555
Charges for services	16,547,975	3,550	-	554	-	5,811,288	22,363,367
Contributions and donations	-	-	689,625	-	-	7,570	697,195
Investment income	543	-	-	116	-	6	665
Miscellaneous	(1,351)	9,599	-	-	-	39,049	47,297
TOTAL REVENUES	85,649,680	14,998,890	27,310,495	670	353,471	13,008,099	141,321,305
EXPENDITURES							
Current Expenditures							
General government	17,410,252	-	394,605	35,440	-	-	17,840,297
Judicial	14,072,505	-	419,078	-	-	1,518,003	16,009,586
Public safety	39,278,184	15,010,757	-	-	-	5,168,139	59,457,080
Public works	3,857,843	-	2,483,321	-	-	1,521,692	7,862,856
Public health and welfare	2,023,240	-	-	-	-	305,875	2,329,115
Recreation and culture	3,878,251	-	3,600	-	153,819	868,030	4,903,700
Housing and development	2,117,050	-	-	-	-	2,515,757	4,632,807
Intergovernmental	-	-	5,008,758	-	-	55,801	5,064,559
Capital outlay	1,020,480	-	5,837,254	387,225	173,332	547,508	7,965,799
Debt service							
Principal	231,786	-	3,575,000	-	-	-	3,806,786
Interest	110,534	-	448,025	-	-	-	558,559
TOTAL EXPENDITURES	84,000,125	15,010,757	18,169,641	422,665	327,151	12,500,805	130,431,144
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	1,649,555	(11,867)	9,140,854	(421,995)	26,320	507,294	10,890,161
OTHER FINANCING SOURCES (USES)							
Sale of county property	7,384,423	-	-	30,000	-	2,550	7,416,973
Transfers in	194,364	-	-	-	-	1,441,404	1,635,768
Transfers out	(1,391,685)	-	(6,947,362)	-	-	(219,083)	(8,558,130)
TOTAL OTHER FINANCING SOURCES (USES)	6,187,102	-	(6,947,362)	30,000	-	1,224,871	494,611
NET CHANGE IN FUND BALANCES	7,836,657	(11,867)	2,193,492	(391,995)	26,320	1,732,165	11,384,772
FUND BALANCES, Beginning of year	14,907,035	2,668,083	26,091,864	719,342	2,553,914	2,707,163	49,647,401
FUND BALANCES, End of year	$ 22,743,692	$ 2,656,216	$ 28,285,356	$ 327,347	$ 2,580,234	$ 4,439,328	$ 61,032,173

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, 2013

Net change in fund balances (page 5)		$ 11,384,772
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays	7,965,799	
Depreciation expense	(18,287,392)	(10,321,593)
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	(4,203,729)	(4,203,729)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	3,005,761	
Donated assets	91,301	
Assessments	17,928	3,114,990
Revenues reported in the funds that relate to prior years are not reported as revenue in the statement of activities.		
Property taxes	(3,270,178)	
Assessments	(25,878)	(3,296,056)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, where as these amounts are deferred and amortized in the statement of activities.		
Principal payments on long-term debt	3,806,786	
Principal payments on long-term debt included as intergovernmental expense	46,069	
Amortization of bond premiums and discounts	215,972	
Accrued interest payable, current year	(68,505)	
Accrued interest payable, prior year	91,519	4,091,841
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	(3,344,971)	
Compensated absences, prior year	3,584,428	239,457
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.		1,659,699
Net pension obligation is not available during the current period and therefore is not reported in the funds.		
End of year	(182,290)	
Beginning of year	553,621	371,331
Net OPEB obligation is not available during the current period and therefore is not reported in the funds.		
End of year	(54,538,594)	
Beginning of year	52,487,287	(2,051,307)
Changes in net position of governmental activities (page 2)		$ 989,405

The accompanying notes are an integral part of this statement.

HALL COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2013

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS				
ASSETS	SOLID WASTE DISPOSAL FACILITY	SEWER / WASTE WATER UTILITY	WATER UTILITY FUND	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
Current Assets					
Cash	$ 4,344,531	$ 645,922	$ 233,722	$ 5,224,175	$ 6,700,899
Receivables (net of allowance for uncollectibles)	529,238	46,675	-	575,913	-
Interfund receivables	452,714	-	-	452,714	-
Prepaid items	-	-	-	-	230,393
Restricted assets:					
Cash	-	1,249,960	7	1,249,967	-
TOTAL CURRENT ASSETS	5,326,483	1,942,557	233,729	7,502,769	6,931,292
Noncurrent Assets					
Prepaid capacity	-	17,688,813	-	17,688,813	-
Capital assets					
Capital assets not being depreciated	5,507,051	13,658,903	15,467,363	34,633,317	-
Capital assets being depreciated	25,413,672	64,231,121	-	89,644,793	-
Less: accumulated depreciation	(13,358,934)	(3,133,101)	-	(16,492,035)	-
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	17,561,789	74,756,923	15,467,363	107,786,075	-
TOTAL NONCURRENT ASSETS	17,561,789	92,445,736	15,467,363	125,474,888	-
TOTAL ASSETS	22,888,272	94,388,293	15,701,092	132,977,657	6,931,292
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	-	112,186	-	112,186	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	112,186	-	112,186	-
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	22,888,272	94,500,479	15,701,092	133,089,843	6,931,292
LIABILITIES					
Current Liabilities					
Accounts payable	145,551	242,131	-	387,682	92,709
Accrued interest payable	658	80,268	39,633	120,559	-
Other accrued items	64,845	3,065	-	67,910	467
Interfund payables	-	-	1,090,736	1,090,736	-
Customer deposits	26,670	60,869	-	87,539	-
Unearned revenue	25,614	-	-	25,614	-
Compensated absences payable	66,165	861	-	67,026	-
Accrued landfill closure/postclosure	152,850	-	-	152,850	-
Estimated claims payable	-	-	-	-	1,208,231
Notes payable	134,297	1,378,445	-	1,512,742	-
Capital lease payable	499,746	-	-	499,746	-
Contracts payable	-	-	554,785	554,785	-
TOTAL CURRENT LIABILITIES	1,116,396	1,765,639	1,685,154	4,567,189	1,301,407
Noncurrent Liabilities					
Estimated claims payable	-	-	-	-	1,555,200
Compensated absences payable	414	-	-	414	-
Accrued landfill closure/postclosure	7,207,971	-	-	7,207,971	-
Notes payable	913,680	30,187,083	-	31,100,763	-
Contracts payable	-	14,500,000	5,813,763	20,313,763	-
TOTAL NONCURRENT LIABILITIES	8,122,065	44,687,083	5,813,763	58,622,911	1,555,200
TOTAL LIABILITIES	9,238,461	46,452,722	7,498,917	63,190,100	2,856,607
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	9,238,461	46,452,722	7,498,917	63,190,100	2,856,607
NET POSITION					
Net investment in capital assets	16,012,390	32,273,369	8,857,289	57,143,048	-
Unrestricted	(2,362,579)	15,774,388	(655,114)	12,756,695	4,074,685
TOTAL NET POSITION	$ 13,649,811	$ 48,047,757	$ 8,202,175	69,899,743	$ 4,074,685
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(42,903)	
Net position of business-type activities				$ 69,856,840	

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, 2013

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	SOLID WASTE DISPOSAL FACILITY	SEWER / WASTE WATER UTILITY	WATER UTILITY FUND	TOTAL	INTERNAL SERVICE FUNDS
OPERATING REVENUES					
Charges for sales and services:					
Sewer sales	$ -	$ 1,298,268	$ -	$ 1,298,268	$ -
Other	189,882	89,663	-	279,545	-
Recycling and transfer fees	6,252,296	-	-	6,252,296	-
Charges for services-other	20,547	-	-	20,547	-
Charges to other funds	-	-	-	-	15,706,146
Employee contributions	-	-	-	-	3,373,831
Total Operating Revenues	6,462,725	1,387,931	-	7,850,656	19,079,977
OPERATING EXPENSES					
Salaries and benefits	1,803,611	77,983	-	1,881,594	82,439
Supplies	659,112	-	-	659,112	-
Other services and charges	1,395,815	734,982	-	2,130,797	42,416
Benefit claims	-	-	-	-	12,942,549
Insurance premiums	443,096	14,059	-	457,155	1,152,382
General and administrative	-	-	-	-	3,149,161
Landfill closure/postclosure costs	401,793	-	-	401,793	-
Depreciation	913,000	634,480	-	1,547,480	-
Repairs and maintenance	391,936	86,793	-	478,729	-
Total Operating Expenses	6,008,363	1,548,297	-	7,556,660	17,368,947
OPERATING INCOME (LOSS)	454,362	(160,366)	-	293,996	1,711,030
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	-	-	60	60	-
Investment earnings-pledged as security for revenue bonds	-	12	-	12	-
Interest expense	(73,266)	(1,099,078)	(210,512)	(1,382,856)	-
Gain (loss) on sale of capital assets	4,371	-	-	4,371	-
Total Nonoperating Revenues (Expenses)	(68,895)	(1,099,066)	(210,452)	(1,378,413)	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	385,467	(1,259,432)	(210,452)	(1,084,417)	1,711,030
Sewer connection fees	-	68,170	-	68,170	-
Transfer in	1,676	5,327,406	1,593,280	6,922,362	-
CHANGE IN NET POSITION	387,143	4,136,144	1,382,828	5,906,115	1,711,030
TOTAL NET POSITION, Beginning of year	13,262,668	44,636,911	6,911,830		2,363,655
CHANGE IN ACCOUNTING PRINCIPLE	-	(725,298)	(92,483)		-
TOTAL NET POSITION, Beginning as restated	13,262,668	43,911,613	6,819,347		2,363,655
TOTAL NET POSITION, End of year	$ 13,649,811	$ 48,047,757	$ 8,202,175		$ 4,074,685
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				51,331	
Change in net position of business-type activities				$ 5,957,446	

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, 2013

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	SOLID WASTE DISPOSAL FACILITY	SEWER / WASTE WATER UTILITY	WATER UTILITY FUND	TOTAL	INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customer	$ 6,375,440	$ 1,428,456	$ -	$ 7,803,896	$ 3,563,640
Payments to suppliers	(3,094,945)	(1,651,497)	(241,533)	(4,987,975)	(2,854,331)
Payments to employees	(1,801,800)	(76,343)	-	(1,878,143)	(15,618,923)
Internal activity-payments from (to) other funds	-	-	-	-	15,706,146
Net cash provided by (used in) operating activities	1,478,695	(299,384)	(241,533)	937,778	796,532
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Principal payments on noncapital related debt	-	(127,076)	-	(127,076)	-
Net Cash provided (used) by non-capital financing activities	-	(127,076)	-	(127,076)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(221,433)	(2,525,376)	(1,203,242)	(3,950,051)	-
Proceeds from the sale of capital assets	4,371	-	-	4,371	-
Connection fees paid by customers	-	68,170	-	68,170	-
Transfers in	1,676	5,327,406	1,593,280	6,922,362	-
Payment made on debt	(615,732)	(1,146,019)	(500,000)	(2,261,751)	-
Interest paid	(73,908)	(1,042,066)	(252,796)	(1,368,770)	-
Net cash provided (used) by capital and related financing activities	(905,026)	682,115	(362,758)	(585,669)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings	-	12	60	72	-
Net cash provided (used) by investing activities	-	12	60	72	-
Net increase (decrease) in cash and cash equivalents	573,669	255,667	(604,231)	225,105	796,532
CASH, Beginning of year	3,770,862	1,640,215	837,960	6,249,037	5,904,367
CASH, End of year	$ 4,344,531	$ 1,895,882	$ 233,729	$ 6,474,142	$ 6,700,899

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, 2013

(CONTINUED)

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	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)	$ 454,362	$ (160,366)	$ -	$ 293,996	$ 1,711,030
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	913,000	634,480	-	1,547,480	-
Landfill closure/postclosure costs	401,793	-	-	401,793	-
(Increase) decrease in:					
Accounts receivable	(87,658)	15,856	-	(71,802)	-
Other receivables	-	(750,000)	-	(750,000)	-
Prepaid expenses	-	5,000	-	5,000	-
Increase (decrease) in:					
Accounts payable	(66,785)	(70,663)	(241,533)	(378,981)	9,738
Compensated absences	(2,204)	25	-	(2,179)	-
Amounts held in trust	350	24,669	-	25,019	(244,145)
Accrued landfill costs	(138,201)	-	-	(138,201)	-
Other accrued items	4,015	1,615	-	5,630	-
Deferred revenue	23	-	-	23	-
Due to other governments	-	-	-	-	16
Due to other funds	-	-	-	-	(680,107)
Net cash provided by (used in) operating activities	$ 1,478,695	$ (299,384)	$ (241,533)	$ 937,778	$ 796,532
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES					
Amortization of original issue premium & bond refunding	$ -	$ (8,225)	$ 39,784	$ 31,559	$ -

The accompanying notes are an integral part of this statement.

HALL COUNTY, GEORGIA
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2013

	AGENCY FUNDS
ASSETS	
Cash	$ 6,319,512
TOTAL ASSETS	$ 6,319,512
LIABILITIES	
Amount held in trust	$ 6,319,512
TOTAL LIABILITIES	$ 6,319,512

The accompanying notes are an integral part of this statement.

HALL COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
June 30, 2013

ASSETS	HEALTH DEPARTMENT	LIBRARY SYSTEM	TOTAL
Cash	$ 3,028,577	$ 373,883	$ 3,402,460
Investments	-	8,708	8,708
Receivables (net of allowance for uncollectibles)	1,056,541	14,853	1,071,394
Prepaid items	-	18,538	18,538
Capital assets:			
Capital assets being depreciated	794,903	4,493,746	5,288,649
Less: accumulated depreciation	(511,105)	(3,512,238)	(4,023,343)
Capital assets, net of depreciation	283,798	981,508	1,265,306
TOTAL ASSETS	4,368,916	1,397,490	5,766,406
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	4,368,916	1,397,490	5,766,406
LIABILITIES			
Accounts payable	545,652	12,276	557,928
Other accrued items	-	2,632	2,632
Due to other governments	39,335	-	39,335
Unearned revenue	16,890	-	16,890
Noncurrent liabilities:			
Due within one year			
Compensated absences payable	641,000	36,336	677,336
Due in more than one year			
Compensated absences payable	195,019	54,504	249,523
TOTAL LIABILITIES	1,437,896	105,748	1,543,644
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,437,896	105,748	1,543,644
NET POSITION			
Net investment in capital assets	283,798	981,508	1,265,306
Restricted for:			
Program income	1,237,537	12,194	1,249,731
Unrestricted	1,409,685	298,040	1,707,725
TOTAL NET POSITION	$ 2,931,020	$ 1,291,742	$ 4,222,762

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, 2013

		.....PROGRAM REVENUES.....			....NET (EXPENSE) AND CHANGES IN NET POSITION....		
FUNCTIONS/PROGRAMS	**EXPENSES**	**CHARGES FOR SERVICES**	**OPERATING GRANTS AND CONTRIBUTIONS**	**CAPITAL GRANTS AND CONTRIBUTIONS**	**HEALTH DEPARTMENT**	**LIBRARY SYSTEM**	**TOTAL**
COMPONENT UNITS							
GOVERNMENTAL ACTIVITIES							
Health Department	$ 15,126,692	$ 4,877,277	$ 10,797,092	$ -	$ 547,677	$ -	$ 547,677
Library System	2,713,210	83,544	358,734	167,675	-	(2,103,257)	(2,103,257)
TOTAL COMPONENT UNITS	$ 17,839,902	$ 4,960,821	$ 11,155,826	$ 167,675	547,677	(2,103,257)	(1,555,580)
GENERAL REVENUES							
Unrestricted investment earnings					-	1,073	1,073
Grants and contributions not restricted to a specific program					-	1,830,262	1,830,262
TOTAL GENERAL REVENUES AND TRANSFERS					-	1,831,335	1,831,335
CHANGES IN NET POSITION					547,677	(271,922)	275,755
NET POSITION, Beginning					2,383,343	1,563,664	3,947,007
NET POSITION, Ending					$ 2,931,020	$ 1,291,742	$ 4,222,762

The accompanying notes are an integral part of this statement.

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.

(A) REPORTING ENTITY

The government 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 government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. 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.

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 government because the government approves the Health Department's budget and the government has the ability to impose its will upon the Health Department. During 2013, the County supplemented the Health Department's budget in the amount of $774,918. The Health Department is presented as a governmental fund type.

The Hall County Library System (Library) serves all citizens of Hall County through headquarters library in Gainesville, Georgia and five branch facilities. The Library is governed by a 10-member board of Trustees appointed by the County Board of Commissioners. The County provides the majority of funding for the Library. During 2013, 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
1290 Athens Street
Gainesville, Georgia 30501

Hall County Library System
127 N. Main Street
Gainesville, Georgia 30501

(B) 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.

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.

(C) 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 government 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

Fines receivable are not recorded since the amounts are considered to be not measurable. The balance of $402,733 reported at the beginning of the year was written off as the cumulative effect of a change in accounting principle.

The government reports the following major governmental funds:

The *General Fund* is the government'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 government 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 government 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 government on a cost reimbursement basis.

The *Agency Funds* are custodial in nature and do not represent results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the Tax Commissioner, Clerk of Court, Probate Court, Magistrate Court, Juvenile Court, Sheriff, and Inmate Fund holds for others in an agency capacity.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 government'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 recognizes 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 government's policy to use restricted resources first, then unrestricted resources as they are needed.

(D) ASSETS, LIABILITIES AND NET POSITION OR EQUITY

1. Deposits and Investments

The government'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.

2. *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 2012 digest year were payable on December 1, 2012. Interest and penalties are assessed on taxes not paid by this date. The taxes are subject to lien after March 1, 2013.

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.

3. *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. The cost of prepaid items is recorded as expenditures/expense 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.

4. *Bond Premiums and Discounts*

Cumulative effect of a change in accounting principle
Bond and loan issuance costs are expensed as incurred. These previously had been deferred and amortized. During 2013, the County implemented GASB Statement 65 *"Items Previously Reported As Assets and Liabilities"*. $221,711 and $817,781 was written off as the cumulative effect of a change in accounting principle for the governmental activities and business type activities, respectively.

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

Amortization costs for premiums, discounts, and amounts deferred for refunding (see Note 7) for the year 2013 was $(247,531). None of these costs were capitalized in 2013.

5. 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.

6. 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 government 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 2013.

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

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

7. 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 government has only one type of item that qualifies for reporting in this category. It is the deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amortization is part of the interest expense for the year.

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 government 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.

8. Compensated Absences

It is the government'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.

9. 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.

10. 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.
- *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 represent 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 government's policy to use restricted resources first, then committed, assigned, and unassigned (or unrestricted) resources as they are needed.

11. Net Investment in Capital Assets

The "net investment in capital assets" reported on the government-wide statement of net position as of June 30, 2013 are as follows:

Net investment in capital assets	Governmental Activities	Business-type Activities
Cost of capital assets	$ 652,382,577	$ 124,278,110
Less accumulated depreciation	(268,193,334)	(16,492,035)
Book value	384,189,243	107,786,075
Plus construction proceeds	4	1,249,967
Less capital related debt	(12,257,918)	(51,892,994)
Net investment in capital assets	$ 371,931,329	$ 57,143,048

12. Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - FUND BALANCE/NET POSITION

The government-wide statement of net position reports $35,340,621 of restricted net position, of which $5,564,896 is restricted by enabling legislation.

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

Restricted:

Fire District Fund
Public Safety programs - For funds restricted for fire services from a separate tax levy — $ 2,481,089

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 — 19,979,963

Capital Projects Fund	
Capital outlay projects - For funds received from issuance of bonds that has not been spent	327,347
Impact Fees Fund	
Impact Fee projects - For funds received from impact fees that has not been spent	2,580,234
Nonmajor Special Revenue Funds	
Special Assessments -	
Special Assessments Fund - To account for funds received from special assessments for street lighting	507,171
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	460,695
Law Library Fund - to account for funds collected from fines and forfeitures to be used for the operation of the Law Library	64,059
Public Safety 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	914,061
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	36,081
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	625,833
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	135,495
Total Restricted Fund Balance	$ 28,112,528
Assigned:	
General Fund	
For Encumbrances	$ 162,146
Appropriated as a resource in next year's budget	4,141,868

Nonmajor Capital Projects Funds	
State Road Fund - For road infrastructure & maintenance	1,695,433
Total Assigned Fund Balance	$ 5,999,447

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

(A) 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 government submit requests for appropriation to the government's administrator so that a budget may be prepared. The budget is prepared by fund, function and activity and line item, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before May 15, the proposed budget is presented to the government's Board of Commissioners for review. The government'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 government's administrator or the revenue estimates must be changed by an affirmative vote of a majority of the government'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.

(B) DEFICIT NET POSITION

There are no funds with deficits.

NOTE 4 - DEPOSITS AND INVESTMENTS

Custodial credit risk - deposits. In case of deposits, this is the risk that in the event of a bank failure, the government'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 June 30, 2013, deposits of $32,062 held for the Risk Management Internal Service Fund were uninsured and uncollateralized.

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

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

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

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

As of June 30, 2013, Hall County had the following investments:

		INVESTMENT MATURITIES (in Years)		
Investment Type	Fair Value	Less Than 1	1-5	Rating (1)
Federated Treasury Obligations	$ 11	$ 11	$ -	AAA
Total Debt Securities	$ 11	$ 11	$ -	
Maximum Investment		100.00 %	- %	

1. Standard & Poors

Cash per financial statements (page 1)		
Cash	$	63,656,953
Restricted cash		1,249,971
less cash equivalents that are investments		(11)
Cash held by Fiduciary Funds (page 11)		6,319,512
Deposits	$	71,226,425
Investments per financial statements		
Investments included in cash equivalents	$	11
Investments as listed above	$	11

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

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

Credit Risk. State statutes authorize the government 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. Hall County has no investment policy that would further limit its investment choices. At June 30, 2013, the ratings of its investments are shown above.

Concentration of credit risk. Hall 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 government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Hall County has a policy of placing investments with qualified financial institutions. As of June 30, 2013, 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:

	General Fund	Fire District	SPLOST	Capital Projects	Impact Fees	Nonmajor Governmental Funds
Receivables:						
Property Taxes	$ 2,670,091	$ 335,670	$ -	$ -	$ -	$ 17,928
Accounts	3,686,388	-	-	30,000	-	476,592
Intergovernmental	2,209,632	1,446	2,141,152	-	32,556	1,567,506
Total Gross Receivables	8,566,111	337,116	2,141,152	30,000	32,556	2,062,026
Less: Allowance for Uncollectibles	(2,193,822)	-	-	-	-	-
Total Net Receivables	$ 6,372,289	$ 337,116	$ 2,141,152	$ 30,000	$ 32,556	$ 2,062,026

Property taxes receivable at June 30, 2013, consist of the following:

DIGEST YEAR	GENERAL FUND (2)	FIRE DISTRICT
2013 (1)	$ 68,074	$ 11,650
2012	647,255	110,474
2011	373,155	57,843
2010	310,780	38,464
2009	342,298	38,492
2008	336,272	30,655
2007	209,368	18,686
2006	180,558	14,000
2005	175,274	13,732
2004	4,093	358
2003	4,885	501
2002 and prior	18,079	815
Total	$2,670,091	$ 335,670

(1) 2013 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, 2013.

Receivables as of year-end for the County's enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

Business-type Activities:	Solid Waste Disposal Facility	Sewer/Waste Water Utility	Total
Receivables:			
Property Taxes	$ 292,496	$ -	$ 292,496
Accounts	236,742	144,777	381,519
Total Gross Receivables	529,238	144,777	674,015
Less: Allowance for Uncollectibles	-	(98,102)	(98,102)
Total Net Receivables	$ 529,238	$ 46,675	$ 575,913

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)	$ 2,670,091	$ -
Delinquent property taxes receivable (Fire District Fund)	335,670	-
Assessments (Special Assessment Fund)	17,928	-
Grant drawdowns prior to meeting all eligibility requirements (Grants Fund)	-	645,220
Total unavailable/unearned revenue for governmental funds	$ 3,023,689	$ 645,220

	Health Department	Library System
Receivables:		
Accounts	$ 704,200	$ 14,853
Intergovernmental	352,341	-
Total Gross Receivables	1,056,541	14,853
Less: Allowance for Uncollectibles	-	-
Total Net Receivables	$ 1,056,541	$ 14,853

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

Governmental Activities:	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Non-Depreciable Assets:					
Land and improvements	$ 22,523,503	$ 209,868	$ (250,000)	$ -	$ 22,483,371
Infrastructure land and improvements	34,229,687	-	-	(1)	34,229,686
Construction in progress	31,809,995	5,836,831	(8)	(23,146,908)	14,499,910
Total non-depreciable capital assets	88,563,185	6,046,699	(250,008)	(23,146,909)	71,212,967
Depreciable Assets:					
Buildings and improvements	163,185,287	-	(8,869,010)	23,146,908	177,463,185
Machinery and equipment	37,119,088	656,608	(750,172)	-	37,025,524
Vehicles	25,952,652	1,353,793	(539,556)	-	26,766,889
Infrastructure	339,926,270	-	(12,258)	-	339,914,012
Total depreciable capital assets	566,183,297	2,010,401	(10,170,996)	23,146,908	581,169,610
Less Accumulated Depreciation for:					
Buildings and improvements	(37,555,690)	(4,087,883)	4,930,375	-	(36,713,198)
Machinery and equipment	(24,909,843)	(2,604,472)	743,086	-	(26,771,229)
Vehicles	(20,514,271)	(1,519,028)	531,556	1	(21,501,742)
Infrastructure	(173,143,413)	(10,076,009)	12,258	(1)	(183,207,165)
Total accumulated depreciation	(256,123,217)	(18,287,392)	6,217,275	-	(268,193,334)
Total depreciable capital assets, net	310,060,080	(16,276,991)	(3,953,721)	23,146,908	312,976,276
Governmental activities capital assets, net	$ 398,623,265	$ (10,230,292)	$ (4,203,729)	$ (1)	$ 384,189,243

Additions to governmental activities capital assets for fiscal year ending June 30, 2013 consist of the following:

Capital Outlay	$ 7,965,799
Donated vehicles	91,300
Rounding	1
Total	$ 8,057,100

Non-depreciable capital assets additions	$ 6,046,699
Depreciable capital assets additions	2,010,401
Total	$ 8,057,100

Business-type Activities:	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Non-Depreciable Assets:					
Land and improvements	$ 26,934,764	$ -	$ -	$ -	$ 26,934,764
Construction in progress	39,593,726	3,959,040	-	(35,854,213)	7,698,553
Total non-depreciable capital assets	66,528,490	3,959,040	-	(35,854,213)	34,633,317
Depreciable Assets:					
Land improvements	144,988	-	-	-	144,988
Buildings and improvements	10,448,282	-	-	-	10,448,282
Machinery and equipment	4,515,916	28,234	-	-	4,544,150
Vehicles	858,108	193,200	(76,609)	-	974,699
Water and sewer infrastructure	37,678,462	(1)	-	35,854,213	73,532,674
Total depreciable capital assets	53,645,756	221,433	(76,609)	35,854,213	89,644,793
Less Accumulated Depreciation for:					
Land improvements	(144,988)	-	-	-	(144,988)
Buildings	(2,750,753)	(288,008)	(1)	-	(3,038,762)
Machinery and equipment	(2,157,250)	(351,039)	-	-	(2,508,289)
Vehicles	(632,640)	(39,785)	76,609	-	(595,816)
Water and sewer lines and system	(9,335,533)	(868,648)	1	-	(10,204,180)
Total accumulated depreciation	(15,021,164)	(1,547,480)	76,609	-	(16,492,035)
Total depreciable capital assets, net	38,624,592	(1,326,047)	-	35,854,213	73,152,758
Business-type activities capital assets, net	$ 105,153,082	$ 2,632,993	$ -	$ -	$ 107,786,075

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

Governmental Activities:	
General Government	$ 399,688
Judicial	745,956
Public Safety	5,226,277
Public Works	10,448,760
Public Health and Welfare	397,417
Recreation and Culture	998,195
Housing and Development	71,099
Total depreciation expense-governmental activities	$ 18,287,392
Business-type Activities:	
Sewer/Waste Water Utility	$ 634,480
Solid Waste	913,000
Total depreciation expense-business-type activities	$ 1,547,480

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, 2013 and the remainder of the authorized project expenditure for which contracts have not been entered into as of year end.

The source of financing for the remaining project cost is noted below:

	Project Authorization	Expended To Date	Contracts in Progress	Authorized Not Obligated	Source
Governmental Activities:					
Central Hall Multi Use Trail	$ 300,000	$ 269,230	$ 13,181	$ 17,589	SPLOST
Clermont Library Conversion	550,000	415,471	105,628	28,901	SPLOST
Fire Station 3	2,100,000	65,454	-	2,034,546	SPLOST/Fire Fund
Fire Station 16	2,450,000	65,454	-	2,384,546	SPLOST/Fire Fund
Hall County Government Center Road	380,000	18,321	115,873	245,806	SPLOST
Gateway House Transitional Housing	500,000	21,496	470,488	8,016	Grant Fund
Hall County Trail - Phase II	225,000	64,692	63,245	97,063	SPLOST/Grant Fund
Sheriff Administration Building	5,800,000	727	9,800	5,789,473	SPLOST
Health Department Expansion	1,300,000	-	9,800	1,290,200	SPLOST
Various Road Projects	22,106,681	13,579,065	8,527,616	-	SPLOST
	$ 35,711,681	$ 14,499,910	$ 9,315,631	$ 11,896,140	
Business-type Activities:					
Candler Road	$ 2,700,000	$ 1,676	$ -	$ 2,698,324	SPLOST
Glades Reservoir	10,479,682	4,585,264	1,265,208	4,629,210	SPLOST/Revenue Bonds
Spout Springs Water Reclamation	3,241,386	1,524,919	1,585,301	131,166	SPLOST/Sewer Fund
North Hall County Sewer System Master Plan	2,198,025	141,515	139,507	1,917,003	SPLOST/Sewer Fund
North Oconee Water Reclamation	750,000	329,888	8,893	411,219	SPLOST
Gateway Center Sewer Lines	2,200,000	1,115,291	1,036,238	48,471	SPLOST
Water and Sewerage Projects	$ 21,569,093	$ 7,698,553	$ 4,035,147	$ 9,835,393	

Discretely Presented Component Units

Activity for the Health Department for the year ended June 30, 2013, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Depreciable Assets:				
Machinery and equipment	$ 646,121	$ -	$ 148,782	$ 794,903
Less Accumulated Depreciation	(415,107)	(46,702)	(49,296)	(511,105)
Capital Assets, net	$ 231,014	$ (46,702)	$ 99,486	$ 283,798

Activity for the Library for the year ended, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Depreciable Assets:				
Machinery and equipment	$ 507,993	$ -	$ 80,814	$ 588,807
Books and collections	4,257,305	259,733	(612,099)	3,904,939
Total depreciable capital assets	4,765,298	259,733	(531,285)	4,493,746
Less Accumulated Depreciation for:				
Machinery and equipment	(407,907)	(55,798)	(14,487)	(478,192)
Books and collections	(3,127,581)	(441,060)	534,595	(3,034,046)
Total accumulated depreciation	(3,535,488)	(496,858)	520,108	(3,512,238)
Total depreciable capital assets, net	1,229,810	(237,125)	(11,177)	981,508
Capital Assets, net	$ 1,229,810	$ (237,125)	$ (11,177)	$ 981,508

NOTE 7 - LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Governmental Activities:						
Contracts Payable	$ 13,549,511	$ -	$ (3,721,069)	$ 9,828,442	$ 3,928,442	$ 5,900,000
Less: original issue discount	(23,973)	-	1,424	(22,549)	(1,425)	(21,124)
Plus: original issue premium	650,571	-	(217,396)	433,175	217,396	215,779
Total contracts payable	14,176,109	-	(3,937,041)	10,239,068	4,144,413	6,094,655
Capital leases	273,571	-	(131,785)	141,786	141,786	-
Estimated claims payable	3,443,538	12,916,100	(13,596,207)	2,763,431	1,208,231	1,555,200
Net OPEB obligation	52,487,287	3,594,837	(1,543,530)	54,538,594	-	54,538,594
Net Pension obligation	553,621	3,041,158	(3,412,489)	182,290	-	182,290
Compensated absences	3,584,428	1,966,168	(2,205,625)	3,344,971	2,127,038	1,217,933
Governmental activities long-term liabilities	$ 74,518,554	$ 21,518,263	$ (24,826,677)	$ 71,210,140	$ 7,621,468	$ 63,588,672
Business-type Activities:						
Contracts payable	$ 21,100,000	$ -	$ (500,000)	$ 20,600,000	$ 515,000	$ 20,085,000
Plus: original issue premium	308,332	-	(39,784)	268,548	39,785	228,763
Total contracts payable	21,408,332	-	(539,784)	20,868,548	554,785	20,313,763
Capital leases	987,591	-	(487,845)	499,746	499,746	-
Notes payable	34,014,487	-	(1,400,982)	32,613,505	1,512,742	31,100,763
Compensated absences	69,619	68,585	(70,764)	67,440	67,026	414
Landfill closure/postclosure	7,097,229	372,234	(108,642)	7,360,821	152,850	7,207,971
Business-type activities long-term liabilities	$ 63,577,258	$ 440,819	$ (2,608,017)	$ 61,410,060	$ 2,787,149	$ 58,622,911
Total primary government long-term liabilities	$ 138,095,812	$ 21,959,082	$ (27,434,694)	$ 132,620,200	$ 10,408,617	$ 122,211,583

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 bonds mature February 1, 2014. 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, 2013, the County was responsible for $143,442.

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

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

On September 9, 2010, the County entered into a contract with GHCDA 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, 2013 are as follows:

June 30	Principal	Interest	Total
2014	$ 3,928,442	$ 426,549	$ 4,354,991
2015	3,940,000	270,951	4,210,951
2016	105,000	82,359	187,359
2017	110,000	78,684	188,684
2018	115,000	74,834	189,834
2019-2023	650,000	301,618	951,618
2024-2028	800,000	150,019	950,019
2029	180,000	8,100	188,100
	$ 9,828,442	$ 1,393,114	$ 11,221,556

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.

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities
Land	$ 2,827,148	$ -
Buildings and improvements	15,457,710	-
Machinery and equipment	-	2,371,432
Less accumulated depreciation	(515,479)	(605,209)
	$ 17,769,379	$ 1,766,223

Minimum future lease obligations for these leases, as of June 30, 2013, are as follows:

Year Ending June 30	Governmental Activities
2014	$ 148,147
2015	-
Total minimum lease payments	148,147
Less: amount representing interest (4.65%-5.28%)	(6,361)
Present value of minimum lease payments	$ 141,786

BUSINESS-TYPE ACTIVITIES

CONTRACTS PAYABLE

On December 13, 2007, the County entered into a contract with Gainesville-Hall County Development Authority to issue $14,050,000 in Variable Rate Demand Revenue Bonds (Series 2007 Bonds). Pursuant to the intergovernmental agreement, the County paid the variable rate of interest on a monthly basis, and the bonds had a maturity date of April 1, 2022. The bonds were issued to purchase the Spout Springs Sewer Plant Project, a sewage treatment facility which includes a 304.37 acre tract of land, the wastewater treatment plant, and the sewer lines and pump stations connecting the Reunion neighborhood and the Sterling on the Lake neighborhood. In the event the County is unable to make purchase payments from revenues from the sewerage treatment facility, 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.

On April 24, 2008, the County entered into a contract with Gainesville-Hall County Development Authority to fund repayment of $14,500,000 of Series 2008 Variable Rate Refunding Revenue Bonds for the current refunding of $14,050,000 in Series 2007 Variable Rate Demand Revenue bonds mentioned above.

The refunding was undertaken to reduce risk associated with the variable interest rate. The reacquisition price exceeded the net carrying amount of the old debt by $155,513. This amount is netted against the new debt and amortized over the new debt's life, which is the same as the refunded debt. This transaction resulted in an economic loss of $114,406. The additional bond proceeds from the new issuance were used to fund sewer construction projects. The bonds' interest rate at June 30, 2013 was 0.12%. Interest payments are due on April 1 and October 1 each year, and the bonds mature in full on April 1, 2027.

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

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

June 30	Principal	Interest[1]	Total
2014	$ 515,000	$ 334,703	$ 849,703
2015	530,000	319,429	849,429
2016	1,000,000	303,353	1,303,353
2017	1,000,000	263,353	1,263,353
2018	850,000	223,353	1,073,353
2019-2023	2,205,000	618,069	2,823,069
2024-2027	14,500,000	302,278	14,802,278
Total	$ 20,600,000	$ 2,364,538	$ 22,964,538

[1]Based on the variable rate at June 30, 2013. Includes letter of credit, remarketing, & trustees fees.

NOTES PAYABLE

At June 30, 2007, the Enterprise Funds had one Georgia Environmental Facilities Authority (GEFA) loan 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, 2013, the loan had an outstanding balance of $1,047,977.

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, 2013, the outstanding balance was $2,474,232.

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, 2013, the outstanding balance was $8,362,187. 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 $21,457,099 with an interest rate of 3%. At June 30, 2013, the outstanding balance was $20,729,109. The loan will mature on November 1, 2032.

The annual requirements to amortize notes payable outstanding as of June 30, 2013 are as follows:

June 30	Principal	Interest	Total
2014	$ 1,512,742	$ 977,239	$ 2,489,981
2015	1,561,398	928,582	2,489,980
2016	1,611,318	878,662	2,489,980
2017	1,663,934	826,045	2,489,979
2018	1,717,268	772,711	2,489,979
2019-2023	8,813,894	3,039,384	11,853,278
2024-2028	9,883,194	1,649,682	11,532,876
2029-2032	5,849,757	352,499	6,202,256
Total	$ 32,613,505	$ 9,424,804	$ 42,038,309

CAPITAL LEASES

The County leases certain equipment under a non-cancelable capital lease. The lease relates to the equipment for landfill maintenance. Ownership of the related assets will be transferred to the County at the end of the lease term.

Minimum future lease obligations for these leases, as of June 30, 2013 , are as follows:

Year Ending June 30	Business-type Activities
2014	$ 506,236
Total minimum lease payments	506,236
Less: amount representing interest (2.37%)	(6,490)
Present value of minimum lease payments	$ 499,746

COMPONENT UNITS

Activity for the Health Department for the year ended June 30, 2013, was as follows:

Governmental activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	$ 850,669	$ 626,386	$ (641,036)	$ 836,019	$ 641,000	$ 195,019

Activity for the Library for the year ended June 30, 2013, was as follows:

Governmental activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	$ 101,767	$ 90,840	$ (101,767)	$ 90,840	$ 36,336	$ 54,504

NOTE 8 - INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of June 30, 2013, is as follows:

	Due From				
Due To	SPLOST	Capital Projects Fund	Other nonmajor governmental funds	Water Utility Fund	Total
General Fund	$ 5,479,155	$ 39,535	$ 598,922	$ 1,090,736	$ 7,208,348
Landfill	452,714	-	-	-	452,714
Total	$ 5,931,869	$ 39,535	$ 598,922	$ 1,090,736	$ 7,661,062

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, 2013 are as follows:

	Transfers In					
Transfers Out	General Fund	Other Nonmajor Governmental Funds	Solid Waste Fund	Sewer/ Wastewater Utility Fund	Water Utility Fund	Total Transfers Out
General Fund	$ -	$ 1,391,685	$ -	$ -	$ -	$1,391,685
SPLOST	-	25,000	1,676	5,327,406	1,593,280	6,947,362
Other nonmajor governmental funds	194,364	24,719	-	-	-	219,083
Total - Transfers in	$194,364	$ 1,441,404	$ 1,676	$5,327,406	$ 1,593,280	$8,558,130

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

NOTE 9 - SEWER TREATMENT CONTRACTS

In June 2004, the County purchased 1,000,000 gallons per day of waste water treatment capacity from the City of Gainesville for $14,701,513, which has been recorded as capacity held for resale. This asset will be expensed as it is sold to developers and other users. At June 30, 2013, the County has not sold any of the capacity.

In June 2004, the County purchased 400,000 gallons per day of waste water treatment capacity from the City of Flowery Branch for $4,000,000, which has been recorded as capacity held for resale. During 2006, the County transferred 200,000 gallons of this capacity to the City of Oakwood. This asset will be expensed as it is sold to developers and other users. As of June 30, 2013, 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, 2013, the County has not sold any of the capacity.

NOTE 10 - RETIREMENT PLANS

DEFINED BENEFIT PENSION PLAN

(A) PLAN DESCRIPTION

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

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of an adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan Document. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Hall County Board of Commissioners, P.O. Box 1435, Gainesville, Georgia 30503.

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire at the earlier of: a) age 65 with 3 years of participation in the Plan or b) when age and years of service total 75. The County's payroll for employees participating in the Plan as of January 1, 2012, (the most recent actuarial valuation date) was $10,707,690 (based on covered earnings of preceding year).

Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.5% of average annual compensation up to $20,000 plus 2.0% of average compensation in excess of $20,000 for each year of service payable as a life annuity. Compensation is averaged over a five year period prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners. Effective July 1, 1998, the Plan is frozen to new participation.

(B) FUNDING POLICY

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

County employees are not required to contribute to the Plan. Contributions totaling $3,412,489 ($3,412,489 employer and $0 employee) were made in accordance with actuarially determined annual pension cost determined by an actuarial valuation performed as of January 1, 2012.

(C) ANNUAL PENSION COST

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

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time-to-time contribution rates for the County and its plan participants.

The County's contributions to the Plan for the years ended June 30, 2013, 2012, and 2011 were $3,412,489, $2,246,258, and $1,839,947 respectively.

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

(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Annual Covered Payroll (prior year)	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
$ 17,420,306	$ 48,516,956	35.91 %	$ 31,096,650	$ 10,707,690	290.41 %

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

Fiscal Year June 30	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
2013	$ 3,041,158	$ 3,412,489	112.2 %	$ 182,290
2012	$ 3,115,747	$ 2,246,258	72.1 %	$ 553,621
2011	$ 2,885,899	$ 1,839,947	63.8 %	$ (315,868)

The information was determined as part of the actuarial valuation as of January 1, 2012. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2012
Actuarial Cost method	Projected Unit Credit
Amortization method	Level Percent of Pay (Closed)
Remaining amortization period	10 years
(The estimated amortization period for all unfunded liabilities combined into one amount.)	
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate return*	7.75% per annum
Projected salary increases*	4.0%-6.5% per annum based on age
*Includes inflation at	3.0% per annum
Cost-of-living adjustments	N/A
Post-retirement benefit increases	N/A

The County's annual pension cost and net pension obligation for the pension plan for the current year were determined as follows:

Derivation of annual pension cost:	2013
Annual required contribution	$ 3,044,160
Interest on net pension obligation	42,906
Amortization of net pension obligation	(45,908)
Annual pension cost	3,041,158
Contributions made with interest	(3,412,489)
Increase (decrease) in net pension obligation	(371,331)
Net pension obligation, beginning of year	553,621
Net pension obligation, end of year	$ 182,290

DEFINED CONTRIBUTION PLAN

(A) PLAN DESCRIPTION

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

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.

(B) FUNDING POLICY

Contributions totaling $1,010,027 ($1,010,027 employer and $0 employee) were made in accordance with the Plan A guidelines and the designations by County Employees.

OTHER POST-RETIREMENT BENEFITS

(A) 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:

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

(B) 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 2013, the County contributed $1,939,568 to the plan. In fiscal year 2013, total member contributions were $839,193.

(C) 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:

	2013	2012
Annual required contribution	$ 3,977,278	$ 5,737,517
Interest on note OPEB obligation	2,099,491	1,926,798
Adjustment to annual required contribution	(2,085,894)	(1,914,320)
Annual OPEB cost	3,990,875	5,749,995
Employer contributions made with interest	(1,939,568)	(1,432,670)
Increase (decrease) in net OPEB obligation	2,051,307	4,317,325
Net OPEB obligation, Beginning of year	52,487,287	48,169,962
Net OPEB obligation, End of year	$ 54,538,594	$ 52,487,287

The County performs actuarial valuations every two years. The data for 2013 is projected based on rates from 2012 applied to 2013 salaries.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the preceding two years are as follows:

Fiscal Year Ending June 30,	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	$ 3,990,875	$ 1,939,568	48.6%	$ (54,538,594)
2012	$ 5,749,995	$ 1,432,670	24.9%	$ (52,487,287)
2011	$ 17,634,632	$ 1,492,624	8.5%	$ (48,169,962)

(D) FUNDED STATUS AND FUNDING PROGRESS

As of July 1, 2011, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was $41,810,093, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $41,810,093. The covered payroll (annual payroll of active employees covered by the benefits) was $57,940,095, and the ratio of the UAAL to the covered payroll was 72 percent.

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

The schedule of funding progress, presented as required supplementary information, following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Actuarial valuations are done biennially with the next valuation scheduled for July 1, 2013 for fiscal year ending June 30, 2014.

(E) 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, 2011. Additional information as of the latest actuarial valuation follows:

Valuation date	July 1, 2011
Actuarial cost method	Projected Unit Credit
Amortization method	30-year open period; percent of pay payment
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate return	4.00%
Healthcare cost trend rate(s):	
Select rates	9.88% to 4.50% for medical
Ultimate rate	4.50%
Post retirement benefit increase	N/A
Projected salary increases	3.00% per year
Inflation rate	3.00% per year

OTHER PLANS

In addition to the above pension plans, the following pension plans cover County employees but the county is not legally responsible for contributions to the pension plans. Other governmental entities are legally responsible for these contributions as well as required disclosures.

(A) PROBATE JUDGES' RETIREMENT FUND OF GEORGIA
The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

(B) CLERK OF SUPERIOR COURT RETIREMENT FUND
The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

(C) SHERIFF'S RETIREMENT FUND/PEACE OFFICER'S ANNUITY AND BENEFIT FUND
The Sheriff and Sheriff's Deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plans before the payment of any costs or other claims.

(D) GEORGIA STATE EMPLOYEES' RETIREMENT SYSTEM

The Health Department's eligible employees participate in the Georgia State Employees' Retirement System (ERS), a statewide multiple-employer public employee retirement system covering employees of local boards of health and various agencies and departments of the State of Georgia. ERS is funded through employer and employee contributions and the Health Department has no legal obligation for paying benefits.

(E) TEACHER RETIREMENT SYSTEM OF GEORGIA (TRS)

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

NOTE 11 - RISK MANAGEMENT

GROUP HEALTH INSURANCE

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

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. At June 30, 2013, the County included in accrued expenses $603,431 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.

	Beginning of Year	Incurred Claims and Changes in Estimates	Claims Payments	End of Year
Year ended June 30, 2012	$ 821,289	$ 12,772,809	$ (12,610,560)	$ 983,538
Year ended June 30, 2013	$ 983,538	$ 11,811,140	$ (12,191,247)	$ 603,431

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, 2013, there was no need for such an assessment. Therefore, no liability for this has been included in the amounts below.

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

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

HALL COUNTY, GEORGIA participates in the large deductible option with a $250,000 deductible. Under this plan, Hall County is responsible for all payments up to $250,000, per occurrence, on workers compensation claims. Once an individual claim exceeds the deductible, the plan will pay all costs in excess of the deductible. As of June 30, 2013, an actuary determined that approximately $2,160,000 is reported but unpaid and incurred but not reported claims were outstanding relating to fiscal year 2013 for which Hall County will be liable. This liability represents Hall County's portion of the liability and not the total liability including the insurer's portion.

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

	Beginning of Year	Incurred Claims and Changes in Estimates	Claims Payments	End of Year
Year ended June 30, 2012	$ 2,000,000	$ 1,339,083	$ (879,083)	$ 2,460,000
Year ended June 30, 2013	$ 2,460,000	$ 1,104,960	$ (1,404,960)	$ 2,160,000

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 2013, the County contracted with several different insurance providers for various insurance coverages.

Type	Amount in Force
Property	$ 224,674,175

	Limits of Liability	
Type	Each Occurrence	Aggregate
General Liability	$ 1,000,000	$ 3,000,000
Law Enforcement Liability	1,000,000	3,000,000
Public Officials Liability	1,000,000	2,000,000
Automobile Liability	1,000,000	1,000,000
Employee Benefits Liability	1,000,000	2,000,000
Employment Practices Liability	1,000,000	1,000,000
Blanket Crime Bond	500,000	None
Worker's Compensation	Statutory	Statutory

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

NOTE 12 - RELATED PARTY TRANSACTIONS

Development Authority

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

Mental Health/Mental Retardation

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

Other

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

NOTE 13 - CONTINGENT LIABILITIES AND COMMITMENTS

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	$ 162,146
SPLOST	12,587,214
Capital Projects	6,250
Nonmajor governmental funds	1,226,577
Total governmental activities	$ 13,982,187
Enterprise Funds	
Sewer/waste water utility	1,255,857
Water utility	182,966
Total Enterprise funds	$ 1,438,823

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

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

In 2000, the County accepted a Community Development Block Grant from the Department of Community Affairs in the amount of $500,000 for the construction of a new Adult Literacy Center. As a condition of the grant, the County agreed to use the facility for the approved purpose throughout the life of the facility. Should the facility be converted to an ineligible use, the Department of Community Affairs will require repayment of the grant. The repayment will be based on a 20-year straight-line depreciation, except 100% repayment of the grant funds will be required to be repaid if the facility is converted during the first five years after the grant closeout date. The period for calculating the repayment amount will begin upon closeout of the grant and continue twenty years from that date, expected to be sometime in 2020.

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, 2013, the outstanding balance of this debt was $250 million.

In October 2012, the County entered into an additional agreement with the Hospital Authority to guarantee payment of bonds in the amount of $200,000,000 to be issued for the construction of the South Hall campus for the Northeast Georgia Medical Center, Inc. in the event that the Hospital Authority of Hall County is unable to meet debt service requirements. At June 30, 2013, the outstanding balance of this debt was $15 million. The remaining $185 million will be drawn as needed for the South Hall campus construction.

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

During 2008, the County entered into an intergovernmental agreement with the Gainesville and Hall County Developmental Authority ("Authority") to develop an industrial park. The County conveyed 26 acres to the Authority to be developed and sold. The Authority entered into a 20 year option and purchase and sale agreement with a builder to sell the lots in the industrial park.

The County reports the land in governmental activity at cost as land held for resale. The County agrees to pay to the Authority the funds necessary for the development of the industrial park. Those funds are to be repaid to the County from proceeds of sales of lots in the industrial park.

During 2010, the County entered into an intergovernmental agreement with the Georgia Department of Natural Resources ("Department") to enhance the development of the Don Carter State Park. The Department purchased land from the County for development of the Park. The County will provide paving activities for roads and parking areas at the Park valued at not less than $465,000. This agreement is effective until the County completes the services.

NOTE 14 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on a landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County recognizes a portion of the closure and postclosure care costs in each operating period even though actual payouts will not occur until the landfill is closed. The amount recognized each year is based on the landfill capacity used as of the balance sheet date.

As of June 30, 2013, the County has recorded a liability for the Allen Creek Landfill of $5,026,696, 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, 2013, the County has recorded liability for the Candler Road landfill of $2,334,125, which represents the estimated closure and postclosure costs based on 31% of landfill capacity used to date. The County will recognize the remaining estimated cost of closure and postclosure care of $5,195,310 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2013. 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, 2013 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 $5,026,696. The County has accrued the difference between the estimated liability this year and the amount accrued as of June 30, 2012, 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 $10,636,696.

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 $2,334,125, which represents the estimated closure and postclosure costs based on 31% of landfill capacity used to date. The County will recognize the remaining estimated cost of closure and postclosure care of $5,195,310 as the remaining estimated capacity is filled.

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

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

The estimate for accumulated depreciation on capital assets qualifies as a significant estimate. This estimate is based on the original or estimated cost of the assets depreciated over the estimated useful lives using the straight line method.

NOTE 16 - GEORGIA MOUNTAINS REGIONAL COMMISSION

Under Georgia law, the County, in conjunction with other cities and counties in the area are members of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues there to. During its year ended June 30, 2013, the County paid $145,804 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, 2013, the County collected $5,626 of which $2,250 was required to be spent to promote tourism, conventions, and trade shows. The County actually spent $80,077. This was 3,559% of the tax receipts to be expended for these purposes under OCGA 48-13-51. The County complied with the requirements of this law.

HALL COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
For the Year Ended June 30, 2013
"Unaudited"

DEFINED BENEFIT PENSION PLAN

Actuarial Valuation Date January 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)
2006	$ 24,268,573	$ 43,737,657	55.49 %	$ 19,469,084	$ 13,222,978	147.24 %
2007	$ 25,580,570	$ 43,260,257	59.13 %	$ 17,679,687	$ 14,111,019	125.29 %
2008	$ 26,206,529	$ 44,201,287	59.29 %	$ 17,994,758	$ 14,188,604	126.83 %
2009	$ 23,783,304	$ 46,839,428	50.78 %	$ 23,056,124	$ 12,324,648	187.07 %
2010	$ 21,954,426	$ 49,021,575	44.79 %	$ 27,067,149	$ 11,859,831	228.23 %
2011	$ 19,842,420	$ 49,097,082	40.41 %	$ 29,254,662	$ 10,929,736	267.66 %
2012	$ 17,420,306	$ 48,516,956	35.91 %	$ 31,096,650	$ 10,707,690	290.41 %

Analysis of the dollar amounts of actuarial value of assets available for benefits, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets available for benefits as a percentage of the actuarial accrued liability provides one indication of funding status on a going concern basis. Analysis of this percentage over time indicates whether the system is becoming financial stronger or weaker. Generally, the greater this percentage, the stronger the Plan.

Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Plan's progress in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan.

OTHER POST-EMPLOYMENT BENEFITS

Actuarial Valuation Date 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 %

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, 2013
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 14,907,035	$ 14,907,035	$ 14,907,035	$ -
RESOURCES (INFLOWS)				
Taxes	60,368,501	60,387,667	63,011,370	2,623,703
Licenses and permits	1,483,540	1,483,540	1,441,091	(42,449)
Intergovernmental	1,485,843	1,485,843	1,294,591	(191,252)
Fines and forfeitures	4,180,363	4,180,363	3,355,461	(824,902)
Charges for services	20,261,758	20,261,758	16,547,975	(3,713,783)
Investment income	1,956	1,956	543	(1,413)
Miscellaneous	35,650	35,650	(1,351)	(37,001)
Sale of county property	40,000	40,000	7,384,423	7,344,423
Transfers in	194,412	194,412	194,364	(48)
Total Resources (Inflows)	88,052,023	88,071,189	93,228,467	5,157,278
AMOUNTS AVAILABLE FOR APPROPRIATION	102,959,058	102,978,224	108,135,502	5,157,278
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
General Government				
Legislative	979,556	987,600	985,603	1,997
Elections	631,833	677,246	631,062	46,184
Financial administration	699,278	704,062	614,376	89,686
Business license	161,337	162,007	150,284	11,723
Purchasing	314,815	316,819	296,716	20,103
Data processing/MIS	1,067,869	1,072,148	1,007,155	64,993
Human resources	423,652	427,342	423,535	3,807
Tax commissioner	1,240,589	1,321,668	1,320,532	1,136
Tax assessor-real property	1,584,990	1,592,620	1,335,701	256,919
Risk management	7,531,539	7,929,780	7,216,125	713,655
Buildings	2,283,298	2,288,410	1,969,807	318,603
General services	2,943,392	2,887,197	2,720,890	166,307
Agencies	145,804	145,804	145,804	-
Total General Government	20,007,952	20,512,703	18,817,590	1,695,113
Judicial				
Judicial administration	490,325	493,034	474,673	18,361
Superior court	2,570,089	2,594,520	2,592,135	2,385
Clerk of superior court	1,976,557	1,985,643	1,939,461	46,182
District attorney	1,354,816	1,362,895	1,341,453	21,442
State court	1,415,430	1,423,102	1,335,249	87,853
Magistrate court	1,099,405	1,105,991	1,057,629	48,362
Probate court	509,415	512,137	494,106	18,031
Juvenile court	1,290,070	1,297,244	1,278,315	18,929
Probation services	633,075	636,144	625,172	10,972
Public defender	1,319,458	1,326,791	1,311,189	15,602
Solicitor	1,077,221	1,103,695	1,062,956	40,739
Other judicial	586,372	589,844	564,416	25,428
Total Judicial	14,322,233	14,431,040	14,076,754	354,286
Public Safety				
Sheriff	15,195,350	15,253,979	14,789,193	464,786
Detention center	14,516,203	14,576,324	13,624,863	951,461
Correctional institute	2,864,992	2,875,902	2,626,824	249,078
Emergency medical services	7,513,150	7,550,462	7,520,817	29,645
Coroner	119,434	131,532	130,079	1,453
Agencies	9,637	9,637	9,637	-
Animal shelter	1,223,697	1,228,107	1,220,097	8,010
Emergency management	98,927	98,927	79,034	19,893
Total Public Safety	41,541,390	41,724,870	40,000,544	1,724,326
Public Works				
Highways and streets	2,867,751	2,963,029	2,960,622	2,407
Maintenance and shop	528,937	638,286	634,510	3,776
Engineering	763,888	811,024	806,611	4,413
Total Public Works	4,160,576	4,412,339	4,401,743	10,596

HALL COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2013
(Required Supplementary Information)

CONTINUED.....	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Public Health and Welfare				
Health department	834,918	834,918	834,105	813
Public welfare	1,022,211	624,211	586,208	38,003
Community Center	488,486	488,486	488,486	-
Agencies	114,441	114,441	114,441	-
Total Public Health and Welfare	2,460,056	2,062,056	2,023,240	38,816
Recreation and Culture				
Parks	2,104,894	2,110,595	1,754,276	356,319
Library	1,893,635	1,953,635	1,948,479	5,156
Agriculture center	203,540	204,408	175,496	28,912
Total Recreation and Culture	4,202,069	4,268,638	3,878,251	390,387
Housing and development				
Conservation	98,243	98,807	98,516	291
Building inspection	425,495	427,508	386,346	41,162
Planning and zoning	974,377	977,010	745,902	231,108
Code enforcement	377,264	379,390	369,900	9,490
Agencies	358,265	383,265	377,639	5,626
General services	43,000	43,000	28,749	14,251
County agent	189,103	190,089	186,636	3,453
Total Housing and Development	2,465,747	2,499,069	2,193,688	305,381
TOTAL CHARGES TO APPROPRIATIONS	89,160,023	89,910,715	85,391,810	4,518,905
CHANGE IN FUND BALANCE	(1,108,000)	(1,839,526)	7,836,657	9,676,183
FUND BALANCE, End of year	$ 13,799,035	$ 13,067,509	$ 22,743,692	$ 9,676,183

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, 2013
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 2,668,083	$ 2,668,083	$ 2,668,083	$ -
RESOURCES (INFLOWS)				
Taxes	14,081,622	14,081,622	14,975,023	893,401
Intergovernmental	40,951	40,951	10,718	(30,233)
Charges for services	5,000	5,000	3,550	(1,450)
Investment income	100	100	-	(100)
Miscellaneous	8,000	8,000	9,599	1,599
Total Resources (Inflows)	14,135,673	14,135,673	14,998,890	863,217
AMOUNTS AVAILABLE FOR APPROPRIATION	16,803,756	16,803,756	17,666,973	863,217
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	15,265,604	15,417,040	15,010,757	406,283
TOTAL CHARGES TO APPROPRIATIONS	15,265,604	15,417,040	15,010,757	406,283
CHANGE IN FUND BALANCE	(1,129,931)	(1,281,367)	(11,867)	1,269,500
FUND BALANCE, End of year	$ 1,538,152	$ 1,386,716	$ 2,656,216	$ 1,269,500

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
1. The budgetary basis of accounting used in this schedule is the same as GAAP.

NONMAJOR GOVERNMENTAL FUNDS

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, 2013

	SPECIAL REVENUE FUNDS								CAPITAL PROJECTS FUNDS	
ASSETS	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	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Cash	$ 187,250	$ 541,432	$ 92,920	$ 519,472	$ 1,627,369	$ 64,526	$ 12,553	$ 3,045,522	$ 1,569,684	$ 4,615,206
Receivables (net of allowance for uncollectibles)	364,296	110,226	1,147,181	17,928	215,980	-	6,415	1,862,026	200,000	2,062,026
TOTAL ASSETS	$ 551,546	$ 651,658	$ 1,240,101	$ 537,400	$ 1,843,349	$ 64,526	$ 18,968	$ 4,907,548	$ 1,769,684	$ 6,677,232
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	$ 53,024	$ 14,646	$ 405,006	$ 12,301	$ 195,046	$ 467	$ 15,445	$ 695,935	$ 74,251	$ 770,186
Other accrued items	79,234	11,179	10,241	-	35,882	-	3,523	140,059	-	140,059
Due to other funds	419,288	-	179,634	-	-	-	-	598,922	-	598,922
Unearned revenue	-	-	645,220	-	-	-	-	645,220	-	645,220
Deposits held	-	-	-	-	65,589	-	-	65,589	-	65,589
TOTAL LIABILITIES	551,546	25,825	1,240,101	12,301	296,517	467	18,968	2,145,725	74,251	2,219,976
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue -other	-	-	-	17,928	-	-	-	17,928	-	17,928
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	17,928	-	-	-	17,928	-	17,928
TOTAL LIABILITIES, AND DEFERRED INFLOWS OF RESOURCES	551,546	25,825	1,240,101	30,229	296,517	467	18,968	2,163,653	74,251	2,237,904
FUND BALANCES										
Restricted:										
Special assessments	-	-	-	507,171	-	-	-	507,171	-	507,171
Judicial programs	-	-	-	-	460,695	64,059	-	524,754	-	524,754
Public safety programs	-	-	-	-	914,061	-	-	914,061	-	914,061
Health and welfare programs	-	-	-	-	36,081	-	-	36,081	-	36,081
Recreation and culture programs	-	625,833	-	-	500	-	-	626,333	-	626,333
Housing and development programs	-	-	-	-	135,495	-	-	135,495	-	135,495
Assigned:										
Capital equipment and infrastructure	-	-	-	-	-	-	-	-	1,695,433	1,695,433
TOTAL FUND BALANCES	-	625,833	-	507,171	1,546,832	64,059	-	2,743,895	1,695,433	4,439,328
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 551,546	$ 651,658	$ 1,240,101	$ 537,400	$ 1,843,349	$ 64,526	$ 18,968	$ 4,907,548	$ 1,769,684	$ 6,677,232

HALL COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013

	SPECIAL REVENUE FUNDS									CAPITAL PROJECTS FUND	
	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	$ -	$ -	$ -	$ -	$ -	$ 5,626	$ -	$ -	$ 5,626	$ -	$ 5,626
Intergovernmental	-	-	2,812,909	-	680,013	-	-	24,765	3,517,687	2,642,779	6,160,466
Fines and forfeitures	-	-	-	-	845,357	-	138,737	-	984,094	-	984,094
Charges for services	2,923,934	612,590	683,941	951,033	526,803	-	-	112,987	5,811,288	-	5,811,288
Contributions and donations	-	-	-	-	7,570	-	-	-	7,570	-	7,570
Interest income	-	-	-	-	-	-	6	-	6	-	6
Miscellaneous	7,615	3,717	2,874	-	24,843	-	-	-	39,049	-	39,049
TOTAL REVENUES	2,931,549	616,307	3,499,724	951,033	2,084,586	5,626	138,743	137,752	10,365,320	2,642,779	13,008,099
EXPENDITURES											
Current Expenditures											
Judicial	-	-	483,775	-	893,838	-	140,390	-	1,518,003	-	1,518,003
Public safety	3,839,412	-	178,078	-	1,150,649	-	-	-	5,168,139	-	5,168,139
Public works	-	-	-	764,093	-	-	-	-	764,093	757,599	1,521,692
Public health and welfare	-	-	300,346	-	5,529	-	-	-	305,875	-	305,875
Recreation and culture	-	536,668	-	-	-	80,077	-	251,285	868,030	-	868,030
Housing and development	-	-	2,494,851	-	20,906	-	-	-	2,515,757	-	2,515,757
Intergovernmental	-	-	55,801	-	-	-	-	-	55,801	-	55,801
Capital outlay	-	-	86,082	-	74,109	-	-	-	160,191	387,317	547,508
TOTAL EXPENDITURES	3,839,412	536,668	3,598,933	764,093	2,145,031	80,077	140,390	251,285	11,355,889	1,144,916	12,500,805
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(907,863)	79,639	(99,209)	186,940	(60,445)	(74,451)	(1,647)	(113,533)	(990,569)	1,497,863	507,294
OTHER FINANCING SOURCES (USES)											
Sale of county property	-	-	-	-	2,550	-	-	-	2,550	-	2,550
Transfers in	907,863	-	99,209	-	246,348	74,451	-	113,533	1,441,404	-	1,441,404
Transfers out	-	-	-	(194,364)	(24,719)	-	-	-	(219,083)	-	(219,083)
TOTAL OTHER FINANCING SOURCES (USES)	907,863	-	99,209	(194,364)	224,179	74,451	-	113,533	1,224,871	-	1,224,871
NET CHANGE IN FUND BALANCES	-	79,639	-	(7,424)	163,734	-	(1,647)	-	234,302	1,497,863	1,732,165
FUND BALANCES, Beginning of year	-	546,194	-	514,595	1,383,098	-	65,706	-	2,509,593	197,570	2,707,163
FUND BALANCES, End of year	$ -	$ 625,833	$ -	$ 507,171	$ 1,546,832	$ -	$ 64,059	$ -	$ 2,743,895	$ 1,695,433	$ 4,439,328

HALL COUNTY, GEORGIA
EMERGENCY TELEPHONE SYSTEM SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2013

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ -	$ -	$ -	$ -
RESOURCES (INFLOWS)				
Charges for services	3,043,120	3,043,120	2,923,934	(119,186)
Miscellaneous	2,600	2,600	7,615	5,015
Transfer in	625,696	656,567	907,863	251,296
Total Resources (Inflows)	3,671,416	3,702,287	3,839,412	137,125
AMOUNTS AVAILABLE FOR APPROPRIATION	3,671,416	3,702,287	3,839,412	137,125
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	3,671,416	3,702,287	3,839,412	(137,125)
TOTAL CHARGES TO APPROPRIATIONS	3,671,416	3,702,287	3,839,412	(137,125)
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
PARKS SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2013

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 546,194	$ 546,194	$ 546,194	$ -
RESOURCES (INFLOWS)				
Charges for services	631,700	631,700	612,590	(19,110)
Investment income	1,065	1,065	-	(1,065)
Miscellaneous	1,350	1,350	3,717	2,367
Total Resources (Inflows)	634,115	634,115	616,307	(17,808)
AMOUNTS AVAILABLE FOR APPROPRIATION	1,180,309	1,180,309	1,162,501	(17,808)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Recreation and culture	690,477	694,016	536,668	157,348
TOTAL CHARGES TO APPROPRIATIONS	690,477	694,016	536,668	157,348
CHANGE IN FUND BALANCE	(56,362)	(59,901)	79,639	139,540
FUND BALANCE, End of year	$ 489,832	$ 486,293	$ 625,833	$ 139,540

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, 2013

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ -	$ -	$ -	$ -
RESOURCES (INFLOWS)				
Intergovernmental	4,547,203	4,547,203	2,812,909	(1,734,294)
Charges for services	-	-	683,941	683,941
Miscellaneous	2,496	2,496	2,874	378
Transfer in	63,094	63,094	99,209	36,115
Total Resources (Inflows)	4,612,793	4,612,793	3,598,933	(1,013,860)
AMOUNTS AVAILABLE FOR APPROPRIATION	4,612,793	4,612,793	3,598,933	(1,013,860)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	273,278	273,278	483,775	(210,497)
Public safety	45,472	45,472	197,857	(152,385)
Public health and welfare	592,031	592,031	345,211	246,820
Housing and development	3,702,012	3,702,012	2,572,090	1,129,922
TOTAL CHARGES TO APPROPRIATIONS	4,612,793	4,612,793	3,598,933	1,013,860
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
SPECIAL ASSESSMENTS SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2013

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 514,595	$ 514,595	$ 514,595	$ -
RESOURCES (INFLOWS)				
Charges for services	965,000	965,000	951,033	(13,967)
Total Resources (Inflows)	965,000	965,000	951,033	(13,967)
AMOUNTS AVAILABLE FOR APPROPRIATION	1,479,595	1,479,595	1,465,628	(13,967)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public works	810,992	965,000	958,457	6,543
TOTAL CHARGES TO APPROPRIATIONS	810,992	965,000	958,457	6,543
CHANGE IN FUND BALANCE	154,008	-	(7,424)	(7,424)
FUND BALANCE, End of year	$ 668,603	$ 514,595	$ 507,171	$ (7,424)

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, 2013

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 1,383,098	$ 1,383,098	$ 1,383,098	$ -
RESOURCES (INFLOWS)				
Intergovernmental	617,438	617,438	680,013	62,575
Fines and forfeitures	602,079	635,179	845,357	210,178
Charges for services	403,922	403,922	526,803	122,881
Contributions and donations	6,000	6,000	7,570	1,570
Miscellaneous	-	-	24,843	24,843
Sale of county property	-	-	2,550	2,550
Transfer in	234,732	234,732	246,348	11,616
Total Resources (Inflows)	1,864,171	1,897,271	2,333,484	436,213
AMOUNTS AVAILABLE FOR APPROPRIATION	3,247,269	3,280,369	3,716,582	436,213
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	975,600	1,063,907	964,867	99,040
Public safety	1,235,254	1,288,668	1,178,448	110,220
Public health and welfare	-	-	5,529	(5,529)
Housing and development	-	-	20,906	(20,906)
TOTAL CHARGES TO APPROPRIATIONS	2,210,854	2,352,575	2,169,750	182,825
CHANGE IN FUND BALANCE	(346,683)	(455,304)	163,734	619,038
FUND BALANCE, End of year	$ 1,036,415	$ 927,794	$ 1,546,832	$ 619,038

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, 2013

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ -	$ -	$ -	$ -
RESOURCES (INFLOWS)				
Taxes	-	-	5,626	5,626
Transfer in	81,000	81,000	74,451	(6,549)
Total Resources (Inflows)	81,000	81,000	80,077	(923)
AMOUNTS AVAILABLE FOR APPROPRIATION	81,000	81,000	80,077	(923)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Recreation and culture	81,000	81,000	80,077	923
TOTAL CHARGES TO APPROPRIATIONS	81,000	81,000	80,077	923
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, 2013

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 65,706	$ 65,706	$ 65,706	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	141,000	141,000	138,737	(2,263)
Investment income	-	-	6	6
Total Resources (Inflows)	141,000	141,000	138,743	(2,257)
AMOUNTS AVAILABLE FOR APPROPRIATION	206,706	206,706	204,449	(2,257)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	141,000	141,000	140,390	610
TOTAL CHARGES TO APPROPRIATIONS	141,000	141,000	140,390	610
CHANGE IN FUND BALANCE	-	-	(1,647)	(1,647)
FUND BALANCE, End of year	$ 65,706	$ 65,706	$ 64,059	$ (1,647)

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, 2013

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ -	$ -	$ -	$ -
RESOURCES (INFLOWS)				
Intergovernmental	29,000	29,000	24,765	(4,235)
Charges for services	116,125	116,125	112,987	(3,138)
Transfer in	132,825	134,005	113,533	(20,472)
Total Resources (Inflows)	277,950	279,130	251,285	(27,845)
AMOUNTS AVAILABLE FOR APPROPRIATION	277,950	279,130	251,285	(27,845)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Recreation and culture	277,950	279,130	251,285	27,845
TOTAL CHARGES TO APPROPRIATIONS	277,950	279,130	251,285	27,845
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.

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, 2013

ASSETS	GROUP INSURANCE	RISK MANAGEMENT	TOTAL
Current Assets			
Cash	$ 4,657,473	$ 2,043,426	$ 6,700,899
Prepaid items	3,607	226,786	230,393
TOTAL CURRENT ASSETS	4,661,080	2,270,212	6,931,292
TOTAL ASSETS	4,661,080	2,270,212	6,931,292
LIABILITIES			
Current Liabilities			
Accounts payable	-	92,709	92,709
Other accrued items	-	467	467
Estimated claims payable	603,431	604,800	1,208,231
TOTAL CURRENT LIABILITIES	603,431	697,976	1,301,407
Noncurrent Liabilities			
Estimated claims payable	-	1,555,200	1,555,200
TOTAL NONCURRENT LIABILITIES	-	1,555,200	1,555,200
TOTAL LIABILITIES	603,431	2,253,176	2,856,607
NET POSITION			
Unrestricted	4,057,649	17,036	4,074,685
TOTAL NET POSITION	$ 4,057,649	$ 17,036	$ 4,074,685

HALL COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2013

	GROUP INSURANCE	RISK MANAGEMENT	TOTAL
OPERATING REVENUES			
Charges for sales and services:			
Charges to other funds	$ 13,089,220	$ 2,616,926	$ 15,706,146
Employee contributions	3,373,831	-	3,373,831
Total Operating Revenues	16,463,051	2,616,926	19,079,977
OPERATING EXPENSES			
Salaries and benefits	-	82,439	82,439
Other services and charges	-	42,416	42,416
Benefit claims	11,811,140	1,131,409	12,942,549
General and administrative	3,149,161	-	3,149,161
Insurance premiums	-	1,152,382	1,152,382
Total Operating Expenses	14,960,301	2,408,646	17,368,947
OPERATING INCOME (LOSS)	1,502,750	208,280	1,711,030
NONOPERATING REVENUES (EXPENSES)			
Total Nonoperating Revenues (Expenses)	-	-	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,502,750	208,280	1,711,030
CHANGE IN NET POSITION	1,502,750	208,280	1,711,030
TOTAL NET POSITION, Beginning of year	2,554,899	(191,244)	2,363,655
TOTAL NET POSITION, End of year	$ 4,057,649	$ 17,036	$ 4,074,685

HALL COUNTY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	GROUP INSURANCE	RISK MANAGEMENT	TOTAL
Receipts from customer	$ 3,563,640	$ -	$ 3,563,640
Payments to suppliers	(1,400,398)	(1,453,933)	(2,854,331)
Payments to employees	(14,105,091)	(1,513,832)	(15,618,923)
Internal activity-payments from (to) other funds	13,089,220	2,616,926	15,706,146
Net cash provided by (used in) operating activities	1,147,371	(350,839)	796,532
Net increase (decrease) in cash and cash equivalents	1,147,371	(350,839)	796,532
CASH, Beginning of year	3,510,102	2,394,265	5,904,367
CASH, End of year	$ 4,657,473	$ 2,043,426	$ 6,700,899
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	$ 1,502,750	$ 208,280	$ 1,711,030
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
(Increase) decrease in:			
Increase (decrease) in:			
Accounts payable	24,728	(14,990)	9,738
Amounts held in trust	-	(244,145)	(244,145)
Due to other governments	-	16	16
Interfund payables	(380,107)	(300,000)	(680,107)
Net cash provided by (used in) operating activities	$ 1,147,371	$ (350,839)	$ 796,532

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, 2013

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	JUVENILE COURT	SHERIFF	INMATE FUND	TOTAL
ASSETS								
Cash	$ 3,360,575	$ 1,617,894	$ 275,755	$ 203,175	$ 52,329	$ 739,349	$ 70,435	$ 6,319,512
TOTAL ASSETS	$ 3,360,575	$ 1,617,894	$ 275,755	$ 203,175	$ 52,329	$ 739,349	$ 70,435	$ 6,319,512
LIABILITIES								
Amounts held for others	$ 3,360,575	$ 1,617,894	$ 275,755	$ 203,175	$ 52,329	$ 739,349	$ 70,435	$ 6,319,512
TOTAL LIABILITIES	$ 3,360,575	$ 1,617,894	$ 275,755	$ 203,175	$ 52,329	$ 739,349	$ 70,435	$ 6,319,512

HALL COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2013

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	JUVENILE COURT	SHERIFF	INMATE FUND	TOTAL
ASSETS								
Cash								
Balance, July 1, 2012	$ 1,213,009	$ 2,278,708	$ 1,118,431	$ 163,985	$ 55,503	$ 655,077	$ 267,080	$ 5,751,793
Additions	143,236,871	11,398,696	821,575	1,453,182	72,863	646,984	1,827,896	159,458,067
Deductions	(141,089,305)	(12,059,510)	(1,664,251)	(1,413,992)	(76,037)	(562,712)	(2,024,541)	(158,890,348)
Balance, June 30, 2013	3,360,575	1,617,894	275,755	203,175	52,329	739,349	70,435	6,319,512
TOTAL ASSETS	$ 3,360,575	$ 1,617,894	$ 275,755	$ 203,175	$ 52,329	$ 739,349	$ 70,435	$ 6,319,512
LIABILITIES								
Due to County								
Balance, July 1, 2012	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additions	55,683,999	5,490,175	319,069	657,010	17,224	250,662	414,913	62,833,052
Deductions	(55,683,999)	(5,490,175)	(319,069)	(657,010)	(17,224)	(250,662)	(414,913)	(62,833,052)
Balance, June 30, 2013	-	-	-	-	-	-	-	-
Amounts held for others								
Balance, July 1, 2012	1,213,009	2,278,708	1,118,431	163,985	55,503	655,077	267,080	5,751,793
Additions	87,552,872	5,908,521	502,506	796,172	55,639	396,322	1,412,983	96,625,015
Deductions	(85,405,306)	(6,569,335)	(1,345,182)	(756,982)	(58,813)	(312,050)	(1,609,628)	(96,057,296)
Balance, June 30, 2013	3,360,575	1,617,894	275,755	203,175	52,329	739,349	70,435	6,319,512
Total Liabilities								
Balance, July 1, 2012	1,213,009	2,278,708	1,118,431	163,985	55,503	655,077	267,080	5,751,793
Additions	143,236,871	11,398,696	821,575	1,453,182	72,863	646,984	1,827,896	159,458,067
Deductions	(141,089,305)	(12,059,510)	(1,664,251)	(1,413,992)	(76,037)	(562,712)	(2,024,541)	(158,890,348)
TOTAL LIABILITIES	$ 3,360,575	$ 1,617,894	$ 275,755	$ 203,175	$ 52,329	$ 739,349	$ 70,435	$ 6,319,512

HALL COUNTY, GEORGIA
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended June 30, 2013

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	EXPENDITURES PRIOR YEARS	EXPENDITURES CURRENT YEAR
SPLOST IV (effective July 1, 2000)				
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	$ -
SPLOST V (effective July 1, 2004)				
Road Projects	$ 40,300,000	$ 40,300,000	$ 32,400,675	$ 1,401,387
Water and Sewer Projects	1,000,000	5,670,580	5,670,580	-
Recreational Facilities	8,500,000	8,500,000	8,324,021	(135,899)
New Detention Center	54,000,000	61,275,921	61,276,954	-
New Fire Station	5,200,000	5,200,000	-	-
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	$ 137,054,342	$ 1,265,488

HALL COUNTY, GEORGIA
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended June 30, 2013

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	AMOUNT EXPENDED YEAR 1 2010	YEAR 2 2011	YEAR 3 2012	YEAR 4 2013	TOTAL
SPLOST VI (effective July 1, 2009)							
COUNTY PROJECTS							
Road Projects	$ 68,000,000	$ 68,000,000	$ 2,896,885	$ 8,236,752	$ 5,661,060	$ 5,259,299	$ 22,053,996
Water and Sewer Projects	53,037,000	57,037,000	11,123,975	2,257,427	2,653,244	6,201,707	22,236,353
Landfill	4,000,000		-	-	-	1,676	1,676
Recreational Facilities	21,000,000	21,000,000	2,872,270	(112,473)	4,773,381	2,084,964	9,618,142
Courthouse and Administration Building Projects	17,000,000	17,000,000	-	1,578,434	2,316,737	2,847,134	6,742,305
Fire and Emergency Projects	4,000,000	4,000,000	-	-	-	615,112	615,112
Public Safety Facilities	10,000,000	10,000,000	-	-	-	725	725
Public Health Facility	5,000,000	5,000,000	-	-	-	850	850
Correctional Institution/Animal Care Facility	5,000,000	5,000,000	661,541	461,613	460,031	460,031	2,043,216
Post Office	3,000,000	3,000,000	-	-	-	-	-
Library Facility	3,000,000	3,000,000	78,247	909,947	836,840	700,038	2,525,072
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	65,837,447
MUNICIPAL PROJECTS							
City of Braselton							
Sidewalks	32,000	32,000	3,176	3,221	3,581	3,551	13,529
City of Buford							
Road Paving	141,000	141,000	14,019	14,216	15,806	15,672	59,713
City of Clermont							
Municipal Buildings	550,000	550,000	54,726	55,495	61,702	61,178	233,101
Parks	150,000	150,000	14,925	15,135	16,828	16,685	63,573
Streets & Sidewalks	250,000	250,000	24,876	25,225	28,046	27,808	105,955
Subtotal	950,000	950,000	94,527	95,855	106,576	105,671	402,629
City of Flowery Branch							
Cinnamon Cove Lift Station & Force Main Line	1,300,000	1,300,000	129,368	131,186	145,857	144,619	551,030
9 Police Cars (over 6 years)	200,000	200,000	19,902	20,182	22,440	22,249	84,773
Road Resurfacing and Sidewalks	500,000	500,000	49,757	50,456	56,099	55,623	211,935
City Administration Real Estate/Buildings	500,000	500,000	49,757	50,456	56,099	55,623	211,935
Subtotal	2,500,000	2,500,000	248,784	252,280	280,495	278,113	1,059,672
City of Gainesville							
Previously Incurred Debt	7,500,000	7,500,000	746,329	723,625	874,871	831,904	3,176,729
New Public Safety Facility	13,000,000	13,000,000	1,293,637	1,254,283	1,516,443	1,441,967	5,506,330
Fire Station Replacement	6,500,000	6,500,000	646,818	627,141	758,221	720,983	2,753,163
Transportation	2,500,000	2,500,000	248,776	241,208	291,624	277,301	1,058,909
Downtown Streetscape	3,000,000	3,000,000	298,532	289,450	349,948	332,762	1,270,692
Parks & Recreation	3,000,000	3,000,000	298,532	289,450	349,948	332,762	1,270,692
Subtotal	35,500,000	35,500,000	3,532,624	3,425,157	4,141,055	3,937,679	15,036,515
City of Gillsville							
Road Improvements	40,000	40,000	3,980	4,036	4,488	4,450	16,954
Community Park Upgrades	95,000	95,000	9,454	9,586	10,659	10,568	40,267
Downtown Improvements	105,000	105,000	10,449	10,596	11,780	11,680	44,505
Subtotal	240,000	240,000	23,883	24,218	26,927	26,698	101,726
City of Lula							
Road Resurfacing	300,000	300,000	29,854	30,274	33,660	33,374	127,162
Parks & Recreation	300,000	300,000	29,854	30,274	33,660	33,374	127,162
Water System and Sewer Projects	1,300,000	1,300,000	129,370	131,187	145,859	144,620	551,036
Subtotal	1,900,000	1,900,000	189,078	191,735	213,179	211,368	805,360
City of Oakwood							
Infrastructure Projects	1,500,000	1,500,000	149,269	151,366	168,296	166,866	635,797
Transportation Project	200,000	200,000	19,902	20,182	22,439	22,249	84,772
Transportation Project	1,200,000	1,200,000	119,415	121,093	134,636	133,493	508,637
Sewer Project	800,000	800,000	79,610	80,729	89,758	88,995	339,092
Subtotal	3,700,000	3,700,000	368,196	373,370	415,129	411,603	1,568,298
Subtotal Municipal Projects	44,963,000	44,963,000	4,474,287	4,380,052	5,202,748	4,990,355	19,047,442
TOTAL SPLOST VI	$ 240,000,000	$ 240,000,000	$ 22,107,205	$ 17,711,752	$ 21,904,041	$ 23,161,891	$ 84,884,889

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, 2013

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

	Expenditures	$ 18,169,641.00
	Transfers out	6,947,362
	Rounding	1
Subtotal		25,117,004
Less items not included as expenditures on SPLOST schedule below:		
Revenue from contributions used for expenditures first before SPLOST funds		(689,625)
Subtotal of adjustments		(689,625)
Expenditures reported on SPLOST schedule below		**$ 24,427,379**

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

SPLOST IV	-
Revised SPLOST IV	-
SPLOST V	1,265,488
Revised SPLOST V	1,265,488
SPLOST VI	23,161,891
Revised SPLOST VI	23,161,891
Total	**$ 24,427,379.00**

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.

Contents **Table**

Financial Trends

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

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Revenue Capacity

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.

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Taxable Sales and Sales Taxes	10
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Debt Capacity

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.

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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.

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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.

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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									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	$ 338,119	$ 340,878	$ 359,038	$ 403,769	$ 125,119	$ 390,642	$ 393,603	$ 386,017	$ 383,004	$ 371,931
Restricted:										
Capital outlay	-	-	-	20,604	8,761	13,680	13,200	13,864	21,649	27,476
Debt service	-	605	9,903	10,923	2,706	10,695	-	-	-	-
Impact fee projects	-	-	-	6,148	5,898	4,106	3,032	2,798	2,554	2,580
Other programs	26,394	49,971	44,440	5,973	6,355	4,796	5,563	4,522	5,178	5,149
Unrestricted:	38,235	20,778	21,931	16,139	346,120	7,004	(11,948)	(27,797)	(28,884)	(23,270)
Total governmental activities net position	$ 402,748	$ 412,232	$ 435,312	$ 463,556	$ 494,959	$ 430,923	$ 403,450	$ 379,404	$ 383,501	$ 383,866
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	$ 49,404	$ 54,522	$ 24,934	$ 31,419	$ 41,859	$ 47,183	$ 61,405	$ 52,028	$ 53,303	$ 57,143
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	21,857	21,119	13,689	12,346	10,883	10,494	8,197	12,472	11,414	12,714
Total business-type activities net position	$ 71,261	$ 75,641	$ 38,623	$ 43,765	$ 52,742	$ 57,677	$ 69,602	$ 64,500	$ 64,717	$ 69,857
PRIMARY GOVERNMENT										
Net investment in capital assets	$ 387,523	$ 395,400	$ 383,972	$ 435,188	$ 166,978	$ 437,825	$ 455,008	$ 438,045	$ 436,307	$ 429,074
Restricted	26,394	50,576	54,343	43,648	23,720	33,277	21,795	21,184	29,381	35,205
Unrestricted	60,092	41,897	35,620	28,485	357,003	17,498	(3,751)	(15,325)	(17,470)	(10,556)
Total primary government net position	$ 474,009	$ 487,873	$ 473,935	$ 507,321	$ 547,701	$ 488,600	$ 473,052	$ 443,904	$ 448,218	$ 453,723

The County implemented retroactive infrastructure reporting in 2004.
In 2011, the County implemented GASB 54.
In 2013, the County implemented GASB 63 & 65.

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EXPENSES										
Governmental activities:										
General government	$ 13,394	$ 13,868	$ 15,203	$ 19,195	$ 16,964	$ 20,350	$ 17,275	$ 20,541	$ 18,012	$ 17,530
Judicial	10,485	13,100	14,459	14,330	15,846	16,738	18,404	17,954	16,303	16,878
Public safety	48,062	50,903	54,600	54,972	68,089	71,870	78,047	77,796	67,123	64,887
Public works	15,556	16,844	18,113	17,970	18,153	25,211	27,153	29,633	22,222	23,382
Public health and welfare	3,914	1,980	2,430	3,483	3,511	3,905	3,501	3,304	2,704	2,727
Recreation and culture	5,435	5,062	8,158	5,710	8,351	7,267	7,602	7,794	6,007	5,934
Housing and development	3,649	3,751	4,015	4,555	5,564	5,057	5,389	5,979	2,947	4,800
Interest on long-term debt	121	186	(85)	1,846	643	671	330	492	488	319
Total governmental activities expenses	100,616	105,694	116,893	122,061	137,121	151,069	157,701	163,493	135,806	136,457
Business-type activities:										
Solid Waste	5,320	5,328	5,379	5,307	5,717	5,905	5,568	6,059	6,154	6,030
Water and sewer utilities	371	863	37,715	70	2,108	1,581	2,921	1,792	2,973	2,858
Total business-type activities expenses	5,691	6,191	43,094	5,377	7,825	7,486	8,489	7,851	9,127	8,888
Total primary government expenses	$ 106,307	$ 111,885	$ 159,987	$ 127,438	$ 144,946	$ 158,555	$ 166,190	$ 171,344	$ 144,933	$ 145,345
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	$ 4,048	$ 5,505	$ 4,472	$ 4,678	$ 5,020	$ 4,985	$ 4,786	$ 5,366	$ 5,016	$ 4,903
Judicial	6,024	2,925	6,697	4,560	6,899	6,627	5,939	5,511	6,087	6,589
Public safety	7,177	6,985	9,428	8,205	9,915	14,691	17,514	17,556	16,883	13,289
Public works	505	569	592	738	930	890	986	941	939	946
Public health and welfare	-	7	1	-	-	-	-	-	-	-
Recreation and culture	1,653	880	2,588	1,039	1,013	953	1,008	1,052	1,167	1,183
Housing and development	1,027	1,132	1,453	3,409	1,668	910	507	405	493	1,626
Total charges for services	20,434	18,003	25,231	22,629	25,445	29,056	30,740	30,831	30,585	28,536
Operating grants and contributions	4,148	3,967	4,623	4,266	6,762	4,317	5,402	6,094	3,604	4,615
Capital grants and contributions	7,978	6,270	9,101	18,090	17,946	12,847	4,977	4,632	2,897	3,639
Total governmental activities program revenues	32,560	28,240	38,955	44,985	50,153	46,220	41,119	41,557	37,086	36,790
Business-type activities:										
Charges for services:										
Solid Waste	4,794	4,950	5,292	5,085	5,767	5,466	5,175	5,120	5,041	6,463
Water and sewer utilities	39	28	34	27	290	961	925	1,072	1,395	1,388
Total charges for services	4,833	4,978	5,326	5,112	6,057	6,427	6,100	6,192	6,436	7,851
Operating grants and contributions	-	-	75	25	5	-	-	-	-	-
Capital grants and contributions	25	245	-	-	12,374	1,104	87	236	227	68
Total business-type activities program revenues	4,858	5,223	5,401	5,137	18,436	7,531	6,187	6,428	6,663	7,919
Total primary government program revenues	$ 37,418	$ 33,463	$ 44,356	$ 50,122	$ 68,589	$ 53,751	$ 47,306	$ 47,985	$ 43,749	$ 44,709

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

(Continued)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (expense)/revenue										
Governmental activities	$ (68,056)	$ (77,454)	$ (77,454)	$ (77,076)	$ (86,968)	$ (104,849)	$ (116,582)	$ (121,936)	$ (98,720)	$ (99,667)
Business-type activities	(833)	(968)	(968)	(240)	10,611	45	(2,302)	(1,423)	(2,464)	(969)
Total primary government net expense	$ (68,889)	$ (78,422)	$ (78,422)	$ (77,316)	$ (76,357)	$ (104,804)	$ (118,884)	$ (123,359)	$ (101,184)	$ (100,636)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property Taxes	$ 34,741	$ 37,177	$ 39,513	$ 42,400	$ 48,977	$ 50,679	$ 53,395	$ 52,313	$ 49,371	$ 48,405
Sales Taxes	41,267	43,317	49,696	51,744	51,438	45,246	41,938	42,483	47,271	46,720
Insurance premium tax	4,083	4,418	4,717	4,944	5,198	5,325	5,249	5,105	5,433	5,804
Real estate and recording taxes	3,044	2,789	3,161	3,391	2,259	1,318	1,074	1,013	1,147	1,359
Other taxes	1,406	1,417	1,491	1,530	1,560	1,502	1,478	1,820	1,860	2,061
Total taxes	84,541	89,118	98,578	104,009	109,432	104,070	103,134	102,734	105,082	104,349
Unrestricted grants and contributions	1,860	1,931	2,042	2,071	2,029	2,107	6	-	1	-
Investment earnings	789	1,436	3,965	4,440	2,076	553	108	66	-	1
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital assets	689	1,635	107	-	1,816	71	15	203	417	3,228
Transfers	(16,944)	(5,231)	(559)	(5,200)	1,828	(4,286)	(14,196)	3,697	(2,682)	(6,922)
Total governmental activities	70,935	88,889	104,133	105,320	117,181	102,515	89,067	106,700	102,818	100,656
Business-type activities:										
Investment earnings	1,743	112	117	181	194	65	33	17	1	-
Gain on sale of capital assets	-	5	-	-	-	(541)	-	-	-	4
Transfers	16,944	5,231	559	5,200	(1,828)	4,286	14,196	(3,697)	2,682	6,922
Total business-type activities	18,687	5,348	676	5,381	(1,634)	3,810	14,229	(3,680)	2,683	6,926
Total primary government	$ 89,622	$ 94,237	$ 104,809	$ 110,701	$ 115,547	$ 106,325	$ 103,296	$ 103,020	$ 105,501	$ 107,582
CHANGE IN NET POSITION										
Governmental activities	$ 2,879	$ 11,435	$ 26,679	$ 28,244	$ 30,213	$ (2,334)	$ (27,515)	$ (15,236)	$ 4,098	$ 989
Business-type activities	17,854	4,380	(292)	5,141	8,977	3,855	11,927	(5,103)	219	5,957
Total primary government	$ 20,733	$ 15,815	$ 26,387	$ 33,385	$ 39,190	$ 1,521	$ (15,588)	$ (20,339)	$ 4,317	$ 6,946

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

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

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
General fund										
Reserved	$ 351	$ 587	$ 598	$ 193	$ 1,019	$ 47	$ 591	$ -	$ -	$ -
Unreserved	11,124	11,853	14,535	15,320	8,269	6,580	7,457	-	-	-
Nonspendable	-	-	-	-	-	-	-	624	631	402
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	313	1,380	4,304
Unassigned	-	-	-	-	-	-	-	8,374	12,896	18,037
Total general fund	$ 11,475	$ 12,440	$ 15,133	$ 15,513	$ 9,288	$ 6,627	$ 8,048	$ 9,311	$ 14,907	$ 22,743
All other governmental funds										
Reserved:	26,432	81,887	87,637	38,462	35,156	35,907	32,974	-	-	-
Unreserved, reported in:										
Special revenue funds	11,693	9,688	5,220	6,010	6,391	4,827	5,450	-	-	-
Capital projects funds	7,446	5,908	152	183	1,122	202	(17,823)	-	-	-
Total unreserved	19,139	15,596	5,372	6,193	7,513	5,029	(12,373)	-	-	-
Nonspendable	-	-	-	-	-	-	-	6,914	9,868	8,481
Restricted	-	-	-	-	-	-	-	27,586	24,675	28,113
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	197	197	1,695
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 45,571	$ 97,483	$ 93,009	$ 44,655	$ 42,669	$ 40,936	$ 20,601	$ 34,697	$ 34,740	$ 38,289

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

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

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
REVENUES										
Taxes (see table 5)	$ 84,509	$ 88,715	$ 98,567	$ 104,167	$ 108,924	$ 103,539	$ 102,949	$ 102,599	$ 104,954	$ 104,613
Licenses and permits	3,115	3,645	4,612	4,777	3,107	2,238	1,658	1,357	1,487	1,795
Intergovernmental	8,638	7,714	7,400	7,794	10,447	8,852	8,798	6,449	4,851	7,466
Fines and forfeitures	4,669	4,964	4,202	5,028	5,564	4,732	4,844	3,772	4,005	4,339
Charges for services	12,739	13,162	15,498	15,311	17,028	21,765	24,205	25,547	25,004	22,363
Investment earnings	550	1,496	3,877	4,331	1,967	419	94	232	186	1
Miscellaneous	138	115	260	108	371	194	108	540	210	744
Total revenues	114,358	119,811	134,416	141,516	147,408	141,739	142,656	140,496	140,697	141,321
EXPENDITURES										
General government	13,021	13,506	15,041	17,335	17,043	18,233	15,419	17,737	15,867	17,840
Judicial	9,650	12,032	13,800	13,384	15,069	15,368	14,970	14,888	15,178	16,009
Public safety	45,343	48,180	51,800	52,029	62,946	62,684	61,495	62,322	60,390	59,457
Public works	7,774	6,761	7,062	8,054	7,643	12,635	11,275	10,994	6,275	7,863
Public health and welfare	3,703	1,759	2,209	3,275	3,287	3,604	3,131	2,888	2,301	2,329
Recreation and culture	4,223	4,518	7,677	5,151	7,691	6,247	6,132	6,314	4,925	4,904
Housing and development	3,176	3,307	3,522	4,092	5,189	4,635	4,932	5,475	2,705	4,633
Intergovernmental	842	2,796	2,444	4,484	2,477	2,400	4,786	4,946	5,282	5,064
Capital Outlay	12,994	14,923	32,566	64,093	26,631	10,205	13,790	17,321	15,499	7,966
Principal on long-term debt	828	480	178	9,982	10,171	10,344	11,030	3,138	3,703	3,807
Interest on long-term debt	121	93	62	2,482	1,280	847	430	561	666	559
Issuance costs	-	266	-	-	-	-	-	248	-	-
Total expenditures	101,675	108,621	136,361	184,361	159,427	147,202	147,390	146,832	132,791	130,431
Excess of revenues over (under) expenditures	12,683	11,190	(1,945)	(42,845)	(12,019)	(5,463)	(4,734)	(6,336)	7,906	10,890
OTHER FINANCING SOURCES (USES)										
Transfers in	6,338	6,389	6,422	3,107	7,164	1,124	647	7,460	1,647	1,636
Transfers out	(23,282)	(8,362)	(6,918)	(8,307)	(5,336)	(5,411)	(14,843)	(3,763)	(4,328)	(8,558)
Issuance of bond debt	-	40,325	-	-	-	103	-	15,390	-	-
Premium on bonds issued	-	1,960	-	-	-	-	-	1,004	-	-
Proceeds from installment sale	-	-	-	-	-	-	-	-	-	-
Proceeds from capital leases	-	-	-	-	134	-	-	-	-	-
Sale of capital assets	1,095	1,677	659	72	1,846	71	15	1,603	417	7,417
Total other financing sources (uses)	(15,849)	41,989	163	(5,128)	3,808	(4,113)	(14,181)	21,694	(2,264)	495
Net change in fund balances	$ (3,166)	$ 53,179	$ (1,782)	$ (47,973)	$ (8,211)	$ (9,576)	$ (18,915)	$ 15,358	$ 5,642	$ 11,385
Debt service as a percentage of noncapital expenditures	1.1%	0.6%	0.2%	10.4%	8.6%	8.2%	8.6%	2.9%	3.7%	3.6%

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

	Current Year Year Ending June 30, 2013	Next Year Year ending June 30, 2014
Revenues		
Taxes	$ 62,144,636	$ 61,223,952
Licenses and permits	2,321,540	2,635,650
Intergovernmental	1,456,443	1,166,366
Fines and forfeitures	3,937,920	4,217,414
Charges for services	17,680,578	13,129,334
Miscellaneous	316,494	333,132
Operating Transfers	194,412	194,412
Use of Fund Balance	1,108,000	4,141,868
TOTAL REVENUES	$ 89,160,023	$ 87,042,128
Expenditures		
General government	$ 19,548,279	$ 19,757,236
Judicial	13,689,158	14,885,538
Public Health & Welfare	2,345,615	2,048,919
Public Safety	42,517,370	39,744,888
Public Works	4,160,576	4,072,402
Recreation & Culture	4,202,069	4,144,807
Housing and development	2,045,483	1,438,198
Agencies	269,882	605,888
Capital outlay		
Debt service	381,591	344,252
TOTAL EXPENDITURES	$ 89,160,023	$ 87,042,128

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

Fiscal Year	Property Taxes	Special Local Option Sales Tax (SPLOST)	Local Option Sales Tax (LOST)	Insurance Premium Tax	Real Estate & recording taxes	Other Taxes	Total
2004	$ 34,709	$ 23,478	$ 17,789	$ 4,083	$ 3,044	$ 1,406	$ 84,509
2005	36,474	24,592	18,725	4,718	2,789	1,417	88,715
2006	39,502	28,288	21,408	4,717	3,161	1,491	98,567
2007	42,557	29,457	22,288	4,944	3,391	1,530	104,167
2008	48,470	29,290	22,148	5,198	2,259	1,559	108,924
2009	50,149	25,791	19,455	5,325	1,318	1,501	103,539
2010	53,211	23,893	18,045	5,249	1,074	1,477	102,949
2011	52,180	24,207	18,275	5,105	1,013	1,819	102,599
2012	49,244	26,934	20,337	5,433	1,147	1,859	104,954
2013	$ 48,669	$ 26,621	$ 20,099	$ 5,804	$ 1,359	$ 2,061	$ 104,613

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				
2003	$ 2,717,688	$ 357,103	$ 721,942	$ 94,500	$ 675,267	$ 408,260	$ 31,182	$ 75,358	$ 235,296	$ 150,981	$ 4,695,023	6.52	$ 11,737,558	40.00%
2004	2,835,006	356,964	744,871	99,294	678,692	426,445	29,814	81,681	240,870	147,832	4,864,065	6.50	12,160,163	40.00%
2005	3,003,513	361,252	795,001	104,700	729,313	425,737	28,798	92,235	252,550	178,696	5,109,303	6.99	12,773,258	40.00%
2006	3,230,489	364,734	834,281	111,856	796,612	421,830	27,261	107,226	250,565	203,337	5,440,387	6.98	13,600,968	40.00%
2007	3,972,378	525,420	1,121,349	120,228	878,857	464,822	26,460	119,085	367,383	249,168	6,612,048	6.26	16,530,120	40.00%
2008	4,177,689	533,564	1,157,412	115,014	890,844	485,543	26,304	124,608	374,144	239,309	6,897,525	6.25	17,243,813	40.00%
2009	4,235,536	545,407	1,215,007	129,135	885,853	503,330	25,627	109,882	393,810	218,450	7,037,517	6.25	17,593,793	40.00%
2010	4,221,309	554,552	1,213,264	116,714	764,441	434,728	25,153	102,503	408,728	157,661	6,866,275	6.25	17,165,688	40.00%
2011	3,865,590	555,222	1,188,777	133,327	771,123	428,445	24,428	94,030	416,583	194,542	6,449,817	6.25	16,124,543	40.00%
2012	$ 3,490,731	$ 530,867	$ 1,138,470	$ 140,196	$ 801,728	$ 447,718	$ 24,208	$ 94,244	$ 406,562	$ 206,438	$ 6,055,162	6.25	$ 15,137,905	40.00%

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)

Tax Year / *Fiscal Year*	*2003* / *2004*	*2004* / *2005*	*2005* / *2006*	*2006* / *2007*	*2007* / *2008*	*2008* / *2009*	*2009* / *2010*	*2010* / *2011*	*2011* / *2012*	*2012* / *2013*
Unincorporated Districts										
County-Unincorporated	6.520	6.500	6.990	6.980	6.260	6.250	6.250	6.250	6.250	6.250
Hall Co. Schools	14.410	15.130	16.300	17.200	15.750	16.420	16.420	16.420	17.670	18.490
Hall Co. Schools-Bonds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
State of Georgia	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.200
Fire District Unincorporated	1.620	1.620	1.120	1.120	1.510	1.510	1.510	1.510	1.650	1.650
Total Hall County Unincorporated	**22.800**	**23.500**	**24.660**	**25.550**	**23.770**	**24.430**	**24.430**	**24.430**	**25.820**	**26.590**
Incorporated Districts										
County - Incorporated except for City of Gainesville	6.520	6.500	6.990	6.980	6.260	6.250	6.250	6.250	6.250	6.250
County - Incorporated - City of Gainesville (2)	5.520	6.030	6.550	6.980	6.260	6.250	6.250	6.250	6.250	6.250
Hall Co. Schools	14.410	15.130	16.300	17.200	15.750	16.420	16.420	16.420	17.670	18.490
State of Georgia	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.200
Fire District Incorporated	2.990	2.980	2.470	2.470	2.720	2.710	2.710	2.710	3.080	3.080
Braselton CID	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.000	5.000

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.

Municipalities										
City of Gainesville (1)	2.750	2.620	2.600	2.890	2.660	2.660	2.660	2.920	2.920	3.060
Gainesville City Schools (1) (3)	7.500	7.970	7.920	7.450	6.960	7.810	7.710	7.390	7.390	7.590
City of Oakwood	2.480	2.480	2.480	2.480	2.480	2.480	2.480	2.480	2.480	2.658
City of Flowery Branch	2.220	1.810	2.845	2.837	2.837	2.837	2.837	2.837	2.837	2.837
Buford City Schools	13.500	13.400	13.350	15.350	13.300	13.250	13.200	13.150	13.100	13.050

(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.

City of Gainesville	*6.875*	*6.550*	*6.500*	*7.225*	*6.650*	*6.650*	*6.650*	*7.300*	*7.300*	*7.650*
Gainesville City Schools	*18.750*	*19.925*	*19.800*	*18.625*	*17.400*	*19.525*	*19.275*	*18.475*	*18.475*	*18.975*

(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)

	Tax Year 2012			Tax Year 2003		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Wrigley Manufacturing Company	$ 61,389	1	1.01%	$ 67,725	1	1.44%
Georgia Power Company	51,433	2	0.85%	42,800	3	0.91%
Jackson EMC	37,445	3	0.62%	60,353	2	1.29%
Fieldale Farms Corp	28,556	4	0.47%	22,900	10	0.57%
Baldor Electric Company	13,105	5	0.22%			0.00%
Tree Lake Associates	11,047	6	0.18%			0.00%
Lanier Village Estates	27,996	7	0.46%	23,017	9	0.49%
Norfolk Southern Corp	9,842	8	0.16%			0.00%
Atlanta Falcons Football Clubs, LLC	8,678	9	0.14%			0.00%
SKF USA Inc	13,705	10	0.23%	30,767	6	0.66%
Bellsouth			0.00%	41,633	4	0.89%
ZUA Auto Parts			0.00%	36,497	5	0.78%
New Holland Milliken			0.00%	30,724	7	0.65%
KSL (Lanier Islands)			0.00%	25,650	8	0.55%
Totals	$ 263,196		4.35%	$ 382,066		8.22%

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 (Original Levy)	Adjustments	Interest, Costs and Penalties	Total Adjusted Levy	Collected within Fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date		Uncollected Balance
					Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy	
2004	$ 38,091	$ 2,760	$ 805	$ 41,656	$ 40,954	107.52%	$ 700	$ 41,654	100.00%	$ 2
2005	40,349	2,937	773	44,059	43,341	107.42%	610	43,951	99.75%	108
2006	43,873	3,034	873	47,780	46,918	106.94%	745	47,663	99.76%	117
2007	50,830	2,486	1,239	54,555	53,055	104.38%	1,365	54,420	99.75%	135
2008	52,955	2,838	1,489	57,282	55,300	104.43%	1,757	57,057	99.61%	225
2009	55,751	834	1,413	57,998	56,162	100.74%	1,595	57,757	99.58%	241
2010	54,698	473	1,217	56,388	54,711	100.02%	1,431	56,142	99.56%	246
2011	52,369	(167)	1,082	53,284	51,786	98.89%	1,159	52,945	99.36%	339
2012	50,368	322	654	51,344	50,602	100.46%	80	50,682	98.71%	662
2012	$ 5,630	$ (8)	$ 205	$ 5,827	$ 5,681	100.91%	$ -	$ 5,681	97.49%	$ 146

Taxes levied include real and personal property, motor vehicle, mobile home, timber, and heavy equipment taxes.
Property taxes levied during the calendar year 2012 are recorded as revenues in the financial statements in 2013 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 2013 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									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Taxable sales	$ 1,778,942	$ 1,866,039	$ 2,140,833	$ 2,228,778	$ 1,742,857	$ 1,529,592	$ 4,769,388	$ 4,627,551	$ 5,506,097	$ 5,093,878
County direct sales tax rate (LOST)	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	0	1,549	1,644	1,697	1,369	1,205	3,690	3,581	4,334	3,938
City of Clermont	62	25	26	27	22	20	99	96	107	106
City of Lula	154	82	87	89	75	61	197	192	213	211
City of Flowery Branch	189	109	116	119	97	85	260	252	280	278
City of Braselton	n/a	1	1	2	1	1	3	3	4	4
City of Gillsville	18	9	11	11	0	0	25	24	27	27
City of Oakwood	221	161	168	178	144	127	385	373	415	412
City of Buford	0	0	0	0	0	0	15	14	16	16

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

PBC
SSW.01 SSW.09
DBS 12/20/13

Calendar Year		Annual Collections	
2004	$	24,124,657	1
2005		25,442,979	
2006		29,500,321	
2007		29,918,593	
2008		27,806,104	
2009		24,985,329	2
2010		22,819,428	
2011		26,184,117	
2012		27,093,192	
2013	$	12,870,043	3

Each year insert ro
Change dates of ne

1 Represents 8 months of Collections from the 1999 Sales Tax and 4 months from the 2004 Sales Tax Program

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

3 Represents 6 months of Collections received as of June 30, 2013

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

	Governmental Activities			Business-Type Activities					
Fiscal Year	General Obligation Bonds	Contracts & Notes Payable	Capital Leases	Contracts Payable	Notes Payable	Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2004	$ -	$ 236	$ 1,580	$ -	$ 5,413	$ 52	$ 7,281	0.17%	$ 42.84
2005	42,236	-	1,337	-	5,247	-	48,820	1.05%	288
2006	41,643	-	1,159	-	1,825	-	44,627	0.92%	260
2007	31,256	-	971	-	1,729	-	33,956	0.66%	189
2008	20,703	-	894	14,347	11,239	-	47,183	0.90%	262
2009	10,405	5,327	714	14,355	23,294	964	55,059	1.00%	298
2010	-	4,848	560	14,363	30,576	491	50,838	0.88%	270
2011	-	17,962	407	22,319	33,445	1,463	75,596	1.36%	421
2012	-	14,176	274	21,288	34,014	988	70,740	1.25%	386
2013	$ -	$ 10,239	$ 142	$ 20,868	$ 32,614	$ 500	$ 64,363	1.08%	$ 347

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)

	Governmental Activities					Business-Type Activities					
Fiscal Year	Compensated Absences	Claims Payable	Net OPEB Obligation	Net Pension Obligation	Total	Landfill Closure/ Postclosure	Compensated Absences	Total	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2004	$ 2,704	$ 2,135	$ -	$ -	$ 4,839	$ 5,036	$ 69	$ 5,105	$ 9,944	0.23%	$ 59
2005	2,750	2,490	-	-	5,240	5,197	69	5,266	10,506	0.23%	62
2006	2,758	2,497	-	-	5,255	5,425	66	5,491	10,746	0.22%	63
2007	2,928	2,244	-	-	5,172	5,731	78	5,809	10,981	0.21%	61
2008	3,118	2,590	-	-	5,708	6,023	65	6,088	11,796	0.22%	65
2009	3,479	2,681	7,265	-	13,425	6,185	77	6,262	19,687	0.36%	107
2010	3,729	2,973	23,219	-	29,921	6,320	76	6,396	36,317	0.63%	193
2011	3,733	2,821	48,170	-	54,724	6,496	74	6,570	61,294	1.10%	341
2012	3,584	3,444	52,487	554	60,069	7,097	70	7,167	67,236	1.19%	367
2013	$ 3,345	$ 2,763	$ 54,539	$ 182	$ 60,829	$ 7,361	$ 67	$ 7,428	$ 68,257	1.15%	$ 368

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)

Fiscal Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Personal Income (2)	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2004	$ -	$ -	$ -	0.00%	0.00%	$ -
2005	42,236	-	42,236	908.71%	0.35%	250
2006	41,643	9,903	31,740	657.34%	0.25%	185
2007	31,256	11,300	19,956	390.55%	0.15%	111
2008	20,703	11,290	9,413	178.82%	0.06%	52
2009	10,405	10,848	(443)	-8.02%	0.00%	(2)
2010	-	-	-	0.00%	0.00%	-
2011	-	-	-	0.00%	0.00%	-
2012	-	-	-	0.00%	0.00%	-
2012	$ -	$ -	$ -	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, 2013
(amounts expressed in thousands)

Governmental Unit	*General Obligation Bonded Debt Outstanding*	*Percentage Applicable to Government*	*Amount Applicable to Government*
Hall County Direct Debt [7]	$ 10,381	100%	$ 10,381
Overlapping:			
Hall County Board of Education[1]	$ 30,771	100%	$ 30,771
City of Gainesville [2]	131,369	100%	131,369
City of Gainesville Schools [3]	21,388	100%	21,388
City of Flowery Branch	-	100%	-
City of Oakwood [4]	12,595	100%	12,595
City of Buford[5]	7,503	20%	1,501
Buford City School System		20%	-
City of Braselton[6]	8,112	17%	1,379
Total overlapping debt	$ 211,738		$ 199,003
Total direct and overlapping debt	$ 222,119		$ 209,384

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.

[1] 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.

[2] The City of Gainesville debt is comprised of intergovernmental contract debt; $107,618,467 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 $29,364,844 is governmental activities capital lease debt.

[3] The Gainesville School District debt is comprised of $18,080,000 of general obligation bonds, $4,545,000 of intergovernmental contract debt, and $2,722,952 of capital lease debt; most of the Gainesville School District debt is intended to be paid from a 1% educational sales tax.

[4] $3,304,350 of the Oakwood debt is intergovernmental contract debt; $8,722,594 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.

[5] The City of Buford debt is comprised of general obligation bonds issued in October of 2010.

[6] 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.

[7] 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									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Assessed value of property	$ 5,081,300	$ 5,252,767	$ 5,540,549	$ 5,894,289	$ 7,228,599	$ 7,510,978	$ 7,649,777	$ 7,432,664	$ 7,060,942	$ 6,668,162
Debt limit (10% of total assessed value)	508,130	525,277	554,055	589,429	722,860	751,098	764,978	743,266	706,094	666,816
Amount of Debt applicable to limit:										
General obligation bonds	-	42,236	41,643	31,256	20,703	10,405	-	-	-	-
Less: Resources restricted to paying principal	-	-	9,903	11,300	11,290	10,848	-	-	-	-
Total net debt applicable to limit	-	42,236	31,740	19,956	9,413	(443)	-	-	-	-
Legal debt margin	$ 508,130	$ 483,041	$ 522,315	$ 569,473	$ 713,447	$ 751,541	$ 764,978	$ 743,266	$ 706,094	$ 666,816
Total net debt applicable to the limit as a percentage of debt limit	0.00%	8.04%	5.73%	3.39%	1.30%	-0.06%	0.00%	0.00%	0.00%	0.00%

HALL COUNTY, GEORGIA
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

Fiscal Year	Sales Tax Increment Bonds [1] Sales Tax Increment	Debt Service Principal	Debt Service Interest	Coverage
2004	$ -	$ -	$ -	$ -
2005	-	-	-	-
2006	28,288	-	605	46.76
2007	29,457	9,795	1,945	2.51
2008	29,290	9,960	1,455	2.57
2009	25,791	10,165	968	2.32
2010	23,893	10,405	248	2.24
2011	-	-	-	-
2012	-	-	-	-
2013	$ -	$ -	$ -	$ -

[1] 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) High School or Higher	Education Level as a Percent of Population 25 yrs & Older (f) College or Higher	School Enrollment (d)	Unemployment Rate (e)
2004	169,966	$ 4,301,160	$ 25,306	n/a	n/a	n/a	22,515	3.10%
2005	169,273	4,647,898	27,458	32.3	74.5%	19.6%	23,094	4.30%
2006	171,774	4,828,567	28,110	n/a	n/a	n/a	24,826	4.20%
2007	179,271	5,109,723	28,503	n/a	n/a	n/a	25,558	4.00%
2008	180,175	5,264,080	29,216	n/a	67.7%	16.6%	25,558	4.74%
2009	184,814	5,521,344	29,875	n/a	79.8%	25.6%	26,435	9.10%
2010	187,943	5,746,169	30,574	32.2	82.7%	24.1%	25,706	9.00%
2011	179,684	5,569,485	30,996	33.0	74.5%	19.8%	25,706	9.30%
2012	183,052	5,639,100	30,806	34.8	76.5%	21.0%	25,706	8.50%
2013	185,416	$ 5,933,497	$ 32,001	35.1	78.0%	22.1%	26,515	7.80%

Data sources:
(a) Population estimate based upon US Census Bureau QuickFacts (2012 estimate)
(b) US Census Bureau (2012 American Community Survey 1-Year Estimates)
(c) Federal Bureau of Economic Analysis (Survey of Current Business).
(d) Hall County Board Of Education (2013).
(e) U.S. Department of Labor (Bureau of Labor Statistics, 2012).
(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

	2013			2004		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Northeast Georgia Medical Center	5,200	1	7.20%			
Fieldale Farms	2,400	2	3.32%			
Pilgrims Pride	1,600	3	2.21%			
Mar-Jac	1,250	4	1.73%			
Kubota Manufacturing of America	1,100	5	1.52%			
Perdue Farms	950	6	1.31%			
Victory Processing LLC	900	7	1.25%			
Wrigley Manufacturing Company	700	8	0.97%			
Wal-Mart Super Centers (2)	690	9	0.95%			
The Longstreet Clinic	620	10	0.86%			
All other employers	56,848		78.67%			
Total	72,258		100.00%	0		0.00%

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 2004 is unavailable.

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

	Full-time Equivalent Employees as of June 30									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Function										
General government	125	126	127	146	137	136	125	116	99	94
Public safety										
Sheriff										
Officers	296	307	307	330	423	423	423	496	468	439
Civilians	29	32	35	38	59	59	59	31	18	17
Fire and EMS										
Firefighters & EMT's	268	284	286	311	317	317	316	371	227	305
Civilians	9	10	10	11	16	16	16	11	27	27
Other public safety	104	95	96	98	104	105	118	-	-	-
Court system	151	151	174	191	202	208	207	189	190	193
Public works	101	95	94	96	96	96	90	99	63	60
Health and welfare	-	-	-	-	-	-	-	18	16	30
Recreation and culture	31	32	35	42	43	43	41	44	32	32
Housing and development	-	40	40	40	40	40	30	-	6	6
Solid Waste	29	29	29	29	29	29	29	27	27	29
Water & Sewer	-	-	-	-	-	-	-			-
Total	1,143	1,201	1,233	1,332	1,466	1,472	1,454	1,402	1,173	1,232

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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Physical arrests	5,018	7,266	7,525	8,257	9,200	9,426	8,664	8,358	7,369	7,557
Traffic violations	13,274	12,242	11,309	12,984	13,240	13,501	13,767	8,498	9,579	7,178
Fire										
Number of calls answered	20,840	20,799	23,479	24,073	25,331	26,655	28,048	23,329	23,461	22,965
Inspections	954	814	1,352	1,874	1,395	1,240	1,262	806	781	1,033
Highways and streets										
Street resurfacing (miles)	39	32	33	51	43	52	49	26	14	22
Potholes repaired	616	523	201	282	532	406	531	689	1,139	1,856
Sanitation										
Refuse collected (tons/day)	238	234	258	244	274	284	196	182	165	216
Recyclables collected (tons/day)	12	12	11	11	14	15	10	9	9	14
Culture and recreation										
Athletic field permits issued	n/a*	n/a*	n/a*	n/a*	n/a*	n/a*	n/a*	n/a*	n/a*	n/a*
Community center admissions	n/a*	n/a*	n/a*	n/a*	n/a*	n/a*	n/a*	n/a*	n/a*	n/a*
Water										
New connections	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Water mains breaks	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Average daily consumption	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
(thousands of gallons)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Wastewater										
Average daily sewage treatment (thousands of gallons)	n/a	n/a	n/a	n/a	1,950	2,050	205	211	237	275

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

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public safety										
Sheriff headquarters &/or precincts	3	3	3	3	3	3	3	3	3	3
Fire Stations	13	13	13	14	15	15	15	15	15	15
Solid Waste										
Compactor Sites	13	13	13	13	13	13	13	13	13	12
Highways and streets										
Streets (miles)	1,025	1,026	1,037	1,046	1,052	1,052	1,052	1,056	1,060	1,060
Streetlights*	233	255	283	308	312	316	324	320	322	324
Traffic signals	27	26	26	29	35	35	35	38	38	38
Culture and recreation										
Parks acreage	850	850	974	1,359	1,359	1,359	1,359	1,459	1,459	1,580
Parks	17	17	19	20	20	20	20	20	20	22
Tennis courts	30	30	34	34	34	34	34	34	34	37
Community centers	3	3	3	4	4	4	4	4	4	4
Water										
Water mains (miles)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fire hydrants	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Maximum daily capacity	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
(thousands of gallons)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sewer										
Sanitary sewers (miles)	n/a	n/a	n/a	n/a	32	32	32	32	60	60
Storm sewers (miles)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Maximum daily treatment capacity	n/a	n/a	n/a	n/a	1,950	1,950	2,050	2,050	2,050	2,750
(thousands of gallons)										

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, 2013

FEDERAL GRANTOR/ PASS-THRU GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT/ CONTRACT NUMBER	PROGRAM OR AWARD AMOUNT	EXPENDITURES
U.S. DEPARTMENT OF JUSTICE				
-State Criminal Alien Assistance Program (SCAAP)	16.606	2013-H2485-GA-AP	$ 74,050	$ 74,050
-Edward Byrne JAG -Hall County Sheriff/Solicitor	16.738	2012-DJ-BX-0914	18,015	18,015
-OJP-Bulletproof Vest Partnership	16.607	2012	2,465	2,465
Passed through the Georgia Bureau of Investigations				
- Victims of Crime Assistance	16.575	2010-VA-GX-0073/C10-8-215	40,869	3,811
- Victims of Crime Assistance	16.575	2012-VA-GX-0035/C12-8-071	40,869	30,252
- Victims of Crime Assistance	16.575	2011-VA-GX-0010/C11-8-070	44,046	8,813
- Victims of Crime Assistance	16.575	2012-VA-GX-0035/C12-8-073	44,046	36,663
-Victims of Crime Assistance	16.575	2011-VA-GX-0010/C11-8-069	39,867	8,683
-Victim of Crime Assistance	16.575	2012-VA-GX-0035/C12-8-072	39,867	32,091
			249,564	120,313
-Recovery Act-Byrne/JAG (Treatment Services)	16.803	2009-SU-B9-0003/B82-8-123	36,450	5,810
Passed through Georgia Judicial Council				
- Purchase of Services for Juvenile Offenders	16.523	JB-09-ST-0004	8,700	1,200
TOTAL US DEPARTMENT OF JUSTICE			389,244	221,853
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed-through the Georgia Department of Community Affairs				
-Community Home Investment Program - CHIP 2009	14.239	09-m-y-069-1-6018	300,000	12,802
-Community Home Investment Program - CHIP 2011	14.239	2011-814	304,470	5,000
			604,470	17,802
-Neighborhood Stabilization Program -NSP1	14.256	08-ns-5064	2,646,541	-
-Neighborhood Stabilization Program -NSP3	14.256	11-ns-6005	1,134,632	1,120,371
			3,781,173	1,120,371
Community Development Block Grant-Special Purpose	14.225	12p-y-069-1-5450	500,000	11,438
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			4,885,643	1,149,610
U.S. DEPARTMENT OF TRANSPORTATION				
Passed-through the Georgia Department of Transportation				
-ARRA Capital-Transit Assistance Program	20.507	GA-96-0012.01/T004615	813,875	-
-Capital Improvement Assistance Program Fuel Provision	20.507	GA-90-0309/T004482	108,635	39,326
-Capital Improvement Assistance Program	20.507	GA-90-0309/T003235	65,920	45,998
-Transit Operations Assistance Program	20.507	GA-90-4309/T003237	933,592	308,311
-ARRA Capital Improvement Assistance Program	20.507	GA-96-X012/T004208	180,522	-
			2,102,544	393,635
-Transit Operations Assistance Program	20.509	GA-18-4032/T004266	272,264	228,443
-Transit Operations Assistance Program	20.509	GA-18-4028/T004523	10,635	7,980
-ARRA Capital-Transit Assistance Program	20.509	GA-86-X001/T004545	326,902	54,883
-ARRA Capital Improvement Assistance Program	20.509	GA-86-X001/T002809	200,000	-
			809,801	291,306
-Transit Planning Assistance Program	20.505	GA-80-0008-01/T004235	51,194	17,493
Passed-through the Georgia Department of Human Services				
-Transportation Grant -Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	42700-362-0000013112	62,519	62,519
-Job Access & Reverse Commute Program	20.516	42700-362-0000013112	29,915	29,915
Passed-through the Georgia Emergency Management Agency				
-LEPC/HMEP	20.703	OHM13-017	4,500	2,065

HALL COUNTY , GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Year Ended June 30, 2013

FEDERAL GRANTOR/ PASS-THRU GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT/ CONTRACT NUMBER	PROGRAM OR AWARD AMOUNT	EXPENDITURES
National Highway Traffic Safety Administration (NHTSA)				
Passed through the Governor's Office of Highway Safety	20.600	GA-2013-232-00565	8,000	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			3,068,473	796,933
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES				
Georgia Department of Human Services-Child Support Enforcement	93.563	42700-401-0000012784	4,000	1,390
Passed-through the Georgia Department of Human Services				
-Social Services Block Grant - Transportation	93.667	42700-362-0000013112	31,600	31,600
-Special Programs for the Aging	93.044	42700-362-0000013112	79,792	79,792
-Temporary Assistance for Needy Families	93.558	42700-362-0000013112	10,292	10,292
			121,684	121,684
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			125,684	123,074
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed-through the Georgia Emergency Management Agency				
-GEMA-EMA	97.053	2010-SS-T0-0034/BW# 2556	8,400	6,590
-GEMA-EMA	97.053	2009-SS-T9-0047/BW #2356	14,000	5,754
			22,400	12,344
-GEMA-Sheriff's Department/Court Services	97.067	2009-SS-T9-0047/BW #2576	7,438	57
-GEMA-Sheriff's Department/Court Services	97.067	2010-SS-T0-0034/BW #2674	3,500	3,433
-GEMA-Sheriff's Department	97.067	EMW-2011-SS-00081-S01/BW #27	3,500	132
			14,438	3,622
-GEMA Sheriff's Department	97.067	2009-SS-T9-0047/BW #2854	90,578	89,954
-GEMA Sheriff's Department	97.067	EMW-2011-SS-00081-S01/BW # 28	10,000	9,853
			100,578	99,807
GEMA-Fire Department	97.067	EMW-2011-SS-00081-S01/BW #28	15,000	14,848
-GEMA PPA	97.042	OEM12-071	53,905	53,905
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY			206,321	184,526
-Appalachian Area Development	23.002	GA-17117	54,969	49,567
TOTAL APPALACHIAN REGIONAL COMMISSION			54,969	49,567
US DEPARTMENT OF ENERGY				
- ARRA - DOE/Energy Efficiency & Conservation Block Grant	81.128	DE-SC0001439	725,762	26,095
TOTAL US DEPARTMENT OF ENERGY			725,762	26,095
GRAND TOTAL			**$9,456,095**	**$2,551,660**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
1. This schedule is prepared on the modified basis of accouting

BatesCarter
Exceeding expectations. Always.

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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 30, 2013

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, 2013, which collectively comprise the HALL COUNTY, GEORGIA's basic financial statements and have issued our report thereon dated December 30, 2013. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our report includes a reference to other auditors who audited the financial statements of the Hall County Health Department as described in our report on HALL COUNTY, GEORGIA's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting, finding 13-01.

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*.

HALL COUNTY, GEORGIA's Response to Findings

HALL COUNTY, GEORGIA's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. HALL COUNTY, GEORGIA's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.and, accordingly, we express no opinion on it.

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.

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

December 30, 2013

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, 2013. 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, 2013. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of HALL COUNTY, GEORGIA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the

audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about HALL COUNTY, GEORGIA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of HALL COUNTY, GEORGIA's compliance.

Opinion on Each Major Federal Program

In our opinion, HALL COUNTY, GEORGIA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

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.

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HALL COUNTY, GEORGIA
AUDITORS' SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013

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) – One significant deficiency, no material weakness.
4. Compliance (major programs) – Unmodified opinion, no instances of noncompliance.
5. Internal control (major programs) – No material weaknesses.
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 20.507; 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

Finding Number

SIGNIFICANT DEFICIENCY

EMS

2013-01 ***Statement of Condition:***

During the course of our audit, we noted a significant increase in accounts receivable balances overdue by 90 days or more. Approximately $2,926,637 of the $4,779,256 was over 90 days past due. This was a $1,899,878 increase from the prior year.

Criteria:

In order to improve cash flow, it is important to collect accounts receivable in a timely manner.

Effect of Condition:

This situation directly affects the availability of working funds for the County.

Cause of Condition:

Cause of condition unknown.

Recommendation:

We recommend that a review of the County's credit and collections policies be made to determine whether additional steps could be made to aid in collection of accounts. We believe that once a receivable is over 90 days old, it becomes increasingly difficult to collect.

Response:

The County is aware of the issues regarding the uncollectible accounts and agrees that it needs to come up with some options on how to correct this issue. The EMS department, Finance Department and Administration will come together and decide on a plan on rectifying this finding.

III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs relating to Federal awards reported for the year ended June 30, 2013.