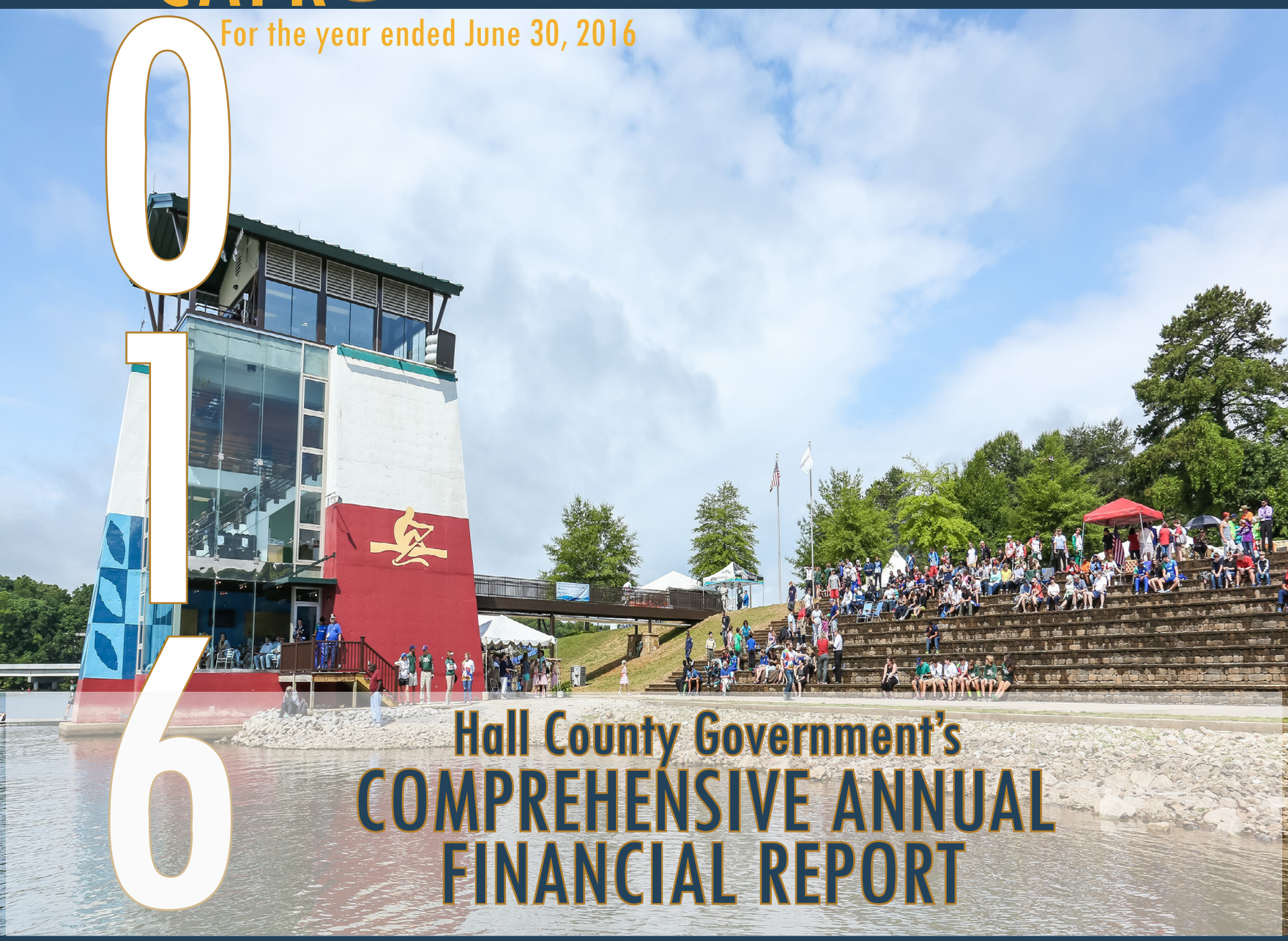
# 20th Anniversary
of the 1996 Olympic Games

CAFR

For the year ended June 30, 2016

2016



## Hall County Government's
# COMPREHENSIVE ANNUAL FINANCIAL REPORT

now...

# Comprehensive Annual Financial Report

## Fiscal Year Ended June 30, 2016




## 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, 2016**

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HALL COUNTY
GEORGIA
*We have it **all** in Hall*

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CHAIRMAN
Richard V. Mecum

Kathy L. Cooper, District 1
Billy Powell, District 2
Scott Gibbs, District 3
Jeff Stowe, District 4

COUNTY ADMINISTRATOR
Randy D. Knighton

ASSISTANT COUNTY
ADMINISTRATOR
Marty Nix

COMMISSION CLERK
Lisa A. Ritchie

# Hall County Government
BOARD OF COMMISSIONERS

December 8, 2016

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

We are pleased to present the Fiscal Year 2016 Comprehensive Annual Financial Report for Hall County, GA, which details our sound fiscal position. The County's strength is due in part to our long standing tradition of conservative fiscal management. In Fiscal Year 2016, Hall County Government continued to provide excellent services to its citizens while maintaining conservative spending practices.

The Comprehensive Annual Financial Report (CAFR) of Hall County, Georgia for the fiscal year ended June 30, 2016, 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 2016 and that the information presented is fair and accurate. We encourage readers to consider this transmittal letter in conjunction with the management discussion and analysis and annotated financial statements which can be found immediately following the report of the Independent Auditor.

The County's financial statements have been audited by Bates, Carter, & Co., LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; internal controls; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Hall County, Georgia's financial statements for the fiscal year ended June 30, 2016, 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, 2016. The required reports on supplemental information, compliance, internal controls and various supplementary schedules are included under the Compliance Section.

## PROFILE OF THE GOVERNMENT



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

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

Hall County's population of 179,684 (U.S. Census Bureau 2010) has grown steadily in the last 5 years. Between 2010 and 2015, the population changed by 7.7% compared with a state change in population of 5.4%. The 2015 estimated population of Hall County is 193,535. Gainesville-Hall County Metropolitan Statistical Area (MSA) is one of the top 50 fastest growing metropolitan areas in the United States. The County's largest incorporated municipality is Gainesville, with a population of 33,804 (U.S. Census Bureau 2010) representing 20.0% of the entire County population. Gainesville's population is now estimated at 38,712 by the U.S. Census Bureau 2015. Other municipalities include Oakwood, Flowery Branch, Clermont, Lula and Gillsville; as well as, a part of Buford, Braselton, and Rest Haven.

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

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

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

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

## ECONOMIC CONDITIONS AND OUTLOOK

### Local Economy

In FY 2016, Hall County continued to see signs of an improved economy. Local Option Sales Tax collection was 6.05% higher in 2016 than in 2015. The Title Ad Valorem Tax has provided significant revenue to the General Fund for FY 2016. This change in the motor vehicle tax enacted by State legislation (House Bill 386) in FY 2013, and provided $5.58 million in revenue to the General Fund in FY 2016 compared to $5.56 million in FY 2015. The Tax Digest was 6.5% higher than the prior year. It is anticipated that the tax digest will see a slight increase of 2.0% in fiscal year 2017. Building permits and business licenses also continue to see increases from the past few years. These increases provide the optimism for continued economic growth.

- The County continued to see improvement in the local economy. The unemployment rate is 4.6% compared to last year of 6.0%. This rate is lower than the State at 6.1% but higher than the United States at 5.3%.
- The Gateway Centre Industrial Park located Northeast of Gainesville on the Hwy 365 corridor has strategically positioned this region of Hall County to grow over the next 10-20 years. The Gateway Centre has seen significant interest from domestic and international businesses, including investments by Kubota Manufacturing of America and the Georgia Poultry Laboratory Network.
- 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 including Lake Lanier and a moderate cost of living makes it one of the nation's top places to retire.
- The SPLOST VII referendum was approved by voters in March 2015 and officially commenced on July 1, 2015. SPLOST VII is projected to earn $158 million over five years, contributing to road improvements, 2 new fire stations, fire apparatus and heavy equipment, water and sewer expansion, recreational facilities, a comprehensive E-911 technology upgrade, a new Senior Center, and other projects that would not otherwise be possible. As of June 30, 2016 (end of year one), proceeds collected were 4% higher than projections.
- The general fund millage rate decreased slightly in FY 2016 to 5.735 mills from 5.989 mills in FY 2015.

**Tourism**

- The Lake Lanier Olympic Center, home to the 1996 Atlanta Centennial Olympic Games, continues to host many international rowing and canoe/kayak events in North Hall County.
- The Atlanta Falcons, a National Football League team is headquartered in Flowery Branch.
- Road Atlanta, a 2.54-mile International Grand Prix course, attracts 320,000 visitors annually.
- Elachee Nature Science Center, located in the Chicopee Woods Park, consists of a 1,500 acre forest nature preserve with 13 miles of hiking trails. An interactive outdoor classroom was recently opened.
- Smithgall Woodland Garden, a 190-acre preserve in the City of Gainesville and part of the Atlanta Botanical Garden, completed its $20 million campaign to develop the garden with a visitor center, children's garden, amphitheater and pavilions. The Gainesville location is a new destination for connecting with beauty and the natural world. Complete with a visitor center, outdoor gardens, a model train garden and an amphitheater, it is a cultural center for the community hosting exciting exhibitions, events, and educational programs. Construction was completed in the spring and Atlanta Botanical Garden opened in May 2015.

**Housing**

- Housing developments such as Sterling on the Lake, Marina Bay on Lake Lanier, Reunion, and Mundy Mill offer master planned communities with amenities.
- High quality, gated retirement developments are located in Hall County. Dogwood Forest offers 146 units. Lanier Village Estates has 340 residences with extended care. Cresswinds on Lanier is a 251 acre age-restricted development and will have more than 900 homes upon completion. The Village at Deaton Creek, an age-restricted community in South Hall, is consistently ranked in the top two fastest growing residential developments in Metro Atlanta and Georgia with 987 homes developed since 2008.

**Healthcare**

- In 2016, Hall County continued to be the premier health care provider in North Georgia.
- Northeast Georgia Medical Center was named Georgia's #1 Hospital for heart, stroke, and women's services, and among the top 10 in the Nation according CareChex, an independent healthcare quality rating service.
- Northeast Georgia Health System acquired a 119-acre site in 2009-2010 for a new $200 million South Hall hospital and healthcare village. NEGMC opened a 100-bed hospital in Braselton in the spring of 2015. This is the state's first net-new hospital, meaning not a relocation or replacement in almost 20 years. The Braselton campus is also home to a medical office building, Medical Plaza 1, which houses an urgent care center, imaging center, endoscopy suite, outpatient lab, and therapy services in addition to over 20 physician offices.

**MAJOR INITIATIVES & ACCOMPLISHMENTS**

Fiscal year 2016 found Hall County Government looking for more ways to maximize available revenues to continue to provide necessary services to its citizens. Even with some limitations, Hall County was able to provide major

infrastructure improvements, enhance public services, and initiate new programs to benefit residents, including the following:

**General Government**

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, and limiting capital expenses to only necessary items. By Fiscal Year 2014, all restrictions had been lifted and employees were made whole on benefits. In Fiscal Year 2016, the Commission provided a cost of living increase to all public safety employees which went into effect November 2015. Additionally, all full and part time employees received a one-time bonus based on years of service in November 2015.

Human Resources

The Hall County Health Center opened in January 2015 and encompasses the Clinic as well as Pharmacy available to retirees, current employees and their dependents covered by Hall County's medical insurance. This strategic operating initiative has been highly successful since its inception 18 months ago. Not only has the Health Clinic and Pharmacy been a convenient benefit for County employees and family members, it has allowed Hall County to reduce health insurance costs for employees and taxpayers. In conjunction with Human Resources, the Health Center is managed by Dr. Philip Marler and Pharmacist, Justin Holland.



***Hall County Health Clinic and Pharmacy***

Additionally, the Human Resources and Financial Services staff implemented ADP, an online payroll processing system which updated the County's old manual time-keeping methods, integrated and enhanced online open enrollment and access to payroll, and implemented a critical compliance solution to help reduce the County's exposure to risks. This was a comprehensive overhaul regarding the County's payroll process, with a 6 month implementation process, and highlights the County's commitment to effective and efficient operating processes and practical business solutions.

Public Information

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

The Hall County organizational values of ***S.E.R.V.E***. are as follows:

> **Serving Citizens**- We will always highly value the citizens we serve as the object of our continual focus on services. We will support the advancement of professionalism to our citizens and within the organization by our conduct, speech, demeanor and decision making.
> **Enhancing Community**- We will pursue innovative and creative means of advancing the organization forward to meet the expectations of growth and economic development opportunities in the future.
>
> **Responsible Stewardship**- We will exhibit the highest level of stewardship to the citizens we serve, recognizing we are ultimately accountable to the public for our actions and duties.

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

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



***"Walka Mountain High" by Sharon Farkas***
***Displayed at the Hall County Government Center main entrance***

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

The Board of Commission and Administration implemented a new "Public Art Program" in May 2016 to showcase two-dimensional works of art for a period of six months at the Hall County Government Center located on Browns Bridge Road. The County's goal is to celebrate Hall County and the slogan, "We have it all in Hall." The Government Center is an ideal location to display local artists work due to the significant volume of citizens and visitors at this facility. The Government Center has been a wonderful investment for the County and has provided a one-stop shop for County services.

**Public Works**

Sewer

The County completed installation of sewer along the SR 365 corridor and in the Gateway Industrial Centre in North Hall County. Gateway Industrial Centre is the driver of this, but there are over 7,000 acres in this basin that provide growth opportunity for the County. An agreement has been reached with the City of Gainesville to provide treatment of this sewer. As of June 30, 2016, additional studies, design, and engineering analysis were being conducted to provide sewer infrastructure along SR 365 from the Gateway Industrial Centre north to Habersham County. Funding for this infrastructure project is SPLOST VII.

Solid Waste

Solid Waste and the Landfill divisions continue to develop their operations by upgrading and replacing their crucial equipment. In FY 2016, the Landfill continued the redevelopment of Phase I, Cells 1-4 to provide more landfill space and increase the life of the landfill by 3 ½ years. During the course of construction, it was discovered that there were many areas within the phase that contained large amounts of soil and very little waste material. The drawbacks to these large pockets of soil include wasted airspace, higher incidents of leachate outbreaks, and impeded potential for future Landfill Gas to Energy (LFGTE) projects. This project was completed in November 2015. Hall County immediately began researching the benefits of screening approximately 430,000 cubic yards of excavated waste material. Our research concluded that a screening machine operating under the least favorable

conditions will at a minimum regain 23% net airspace and recoup 100,000 cubic yards of soil. The monetary benefits of the screening equates to $2,000,000 of regained airspace and $800,000 of lost soil. The work to increase the capacity of the landfill has resulted in a longer useable life, which currently is 30 – 35 years. In addition to the increased landfill capacity initiative, the County invested funds to renovate and increase the square footage of the scale house and administrative offices at the Landfill. This project has increased the operating efficiency of the Landfill scale house and the functionality of the office space.

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

Fleet Maintenance

The Fleet Maintenance Division oversees the County's vehicle and heavy equipment program. From vehicle maintenance to GPS tracking devices, the Fleet Maintenance Division is highly engaged and vital to the County's ability to provide daily services. Additionally, all vehicle purchases are processed through the Fleet Maintenance Department to ensure that County resources are maximized. In recent years, Hall County has leveraged budgeted funds for vehicle and heavy equipment replacement by purchasing used items from government auctions and online marketplaces. During FY 2016, this vehicle replacement program was by increasing the number of new and used vehicles purchased.

**Public Safety**

Emergency Telephone Service (E-911)

Hall County Central Communications is in the middle of a monumental upgrade project. The entire communications center is in the process of being updated to meet the growing demands of the public. The upgrades started with a remodel of the 15 vear old facilitv. New furniture, flooring, and a HVAC were installed to replace the aged and underperforming equipment. The radio system infrastructure and the computer aided dispatch software are in the midst of being upgraded with the most current technology. All this upgrading has been done while still providing seamless and uninterrupted service to the citizens and public safety agencies.

The newly upgraded center and technology will have Hall County Central Communications poised for Next Generation 911 service and will enable us to be a regional leader in technological advancements in receiving requests and dispatching emergency equipment.



***New E-911 Central Communication Center***

Fire Services

Annually, the Hall County Fire Services Department responds to more than 22,000 emergencies – including both fire and medical. Keeping this service volume at the forefront of decision making, FY 2016 strategically resulted in a continued investment in efficient and effective service delivery, while expanding the Department's commitment to serving our community with honor, courage, and integrity. In November 2016, all firefighters and paramedics received a pay increase; additionally, incentive pay was directed at paramedics for the specialized services provided while on duty. Both compensation and benefit adjustments were designed to address retention and recruitment issues. Capital purchases included four new ambulances, three quick response vehicles for EMS (reducing mileage on fire apparatus), 2,000 gallon water tanker fire apparatus, 40 mobile data terminals installed on operating apparatus to better synchronize dispatch and E-911 call information, 16 new stretchers for ambulances, and 4 LUCAS (CPR device) machines. FY 2016 initiated a strategic plan to renovate aging fire stations over the next five years, starting with station #7. Currently, Hall County operates 16 fire stations, with two additional stations planned as part of the SPLOST VII program. Operationally, the Fire Services Department, in conjunction with Administration and Financial Services, transitioned EMS billing and collections to a third party service provider.

This has resulted in a more consistent, timely, and accurate billing and collection operation; with an emphasis on reduced risk exposure and increased financial reporting and recordkeeping.

Law Enforcement




*New Hall County Sheriff's Headquarters*

The Hall County Sheriff's Office is a full service law enforcement agency that provides 24 hour uniform patrol, School Resource Officers (SROs), school crossing guards, advance (youth education) program, neighborhood watch programs, criminal investigations, dive and SWAT teams, courthouse security, inmate work details, community service (clean streets) bus program, work release program, and operates one of North Georgia's largest jails (1,134 inmate capacity). The Sheriff's Office sincere and dedicated commitment to protect "all we serve," is highlighted in the $30.1 million operating budget, which represents the largest program service budget in the General Fund.

During FY 2016, Sheriff Couch and his leadership team strove to improve officers pay to be on par with industry standards and also used capital expenditures to continue improving services to the community. The efficient use of budgeted resources will ensure the continuation of optimal services provided by the Sheriff's Office and strategically position its operation for the continuing growth of Hall County. The construction of the new Sheriff's Headquarters, located on the same campus as the Hall County Government Center, signified the commitment to increased efficient and effective operational functionality. This $5.8 million, state of the art facility, offers the best in technology, energy proficiency, location, and service delivery. The Sheriff's Headquarters was funded through the SPLOST VI program and utilized inmate labor throughout the project. Finally, to address an aging fleet and other capital items, SPLOST VII has committed to a 5 year $2.7 million plan to inject new capital into the Sheriff's Office. This investment will maintain the dependability and consistency of public safety services while reducing maintenance costs.

**Recreation and Culture**

Parks and Recreation

In FY 2016, the Parks & Leisure Services Department continued to maintain and operate one of the largest and most diverse park systems in the state. Consisting of 29 facilities / parks and approximately 1,975 acres, our parks offer something for everyone. Community centers, athletic complexes, green-space, trails, campgrounds, beaches, and a reservoir all offer something unique and make Hall County a great place to work and play.

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



*Healan's Mill Undergoing Restoration*

The Healan's Mill Restoration officially commenced during FY 2016. This public-private project in conjunction with the Head's Mill Historic Preservation Trust, is a restoration, preservation, and development venture that will serve as a landmark and tourist/cultural center. Located on the 365 corridor near the Gateway Village, Healan's Mill was originally built in 1852 and

is nationally recognized as a Historic Mill of America. This is an exciting project with significant potential, and Hall County staff is eager to stabilize the mill and continue to works towards making this location a focal point of the community.

**Agencies and Strategic Partnerships**

In celebration of the 20th Anniversary of the 1996 Centennial Olympic Games, featured on the front and back audit covers, Hall County is proud to announce the recent revitalization of Lake Lanier Olympic Park, continuing to position the venue as a world-class, international competition site. During the 1996 Olympic Games, Hall County served as proud ambassador and host of the rowing and sprint canoeing events held at Clarks Bridge Rowing Venue on Lake Lanier. This facility is still in use today and has been rebranded as the Lake Lanier Olympic Venue. Annually, the Park hosts numerous events including community fundraisers and, most notably, the USA and Canadian Canoe/Kayak Team Trials and Pan-America Championship. Hall County is a proud partner of Lake Lanier Olympic Park, sharing many of the same values as both the venue and the Olympic Games themselves: excellence, respect, teamwork and stewardship

**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, finance and maintenance needs. The County also maintains a longer-term Comprehensive Plan in accordance with state requirements.

Most capital projects are budgeted and paid for by SPLOST funding. The majority of projects initiated or completed in 2016 were funded through SPLOST. The exception was the Cherokee Bluff's Park that was majorly funded by Impact fees.

**Debt Service**

Hall County is committed to sound debt management processes and oversight. The overall vision is to utilize long-term debt to provide resources to finance need capital improvements, while accumulating adequate resources to repay the debt. Also, it is the County's goal to maintain and improve its credit rating through strong financial administration. Currently, Standard and Poor's bond rating for Hall County is AAA. In December 2015, Moody's Investors Service upgraded the County's bond rating from Aa3 to Aa2. This rating represents the second best rating available in the market place and is a direct reflection of the County's financial strength, operating effectiveness, conservative budgeting, and proactive management. Additionally, this rating also incorporates the County's sizeable tax base and manageable debt service profile. Since 2012, Hall County, under the leadership of the Board of Commissioners, has reduced the total primary County-wide debt (governmental and business-type activities) by $21.4 million, from $70.7 million to $49.3 million.

**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. Department officials have limited access to the accounting software which 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 holding public hearings, and then adopts the annual budget prior to the first regularly scheduled Commission meeting of the year.

**Independent Audit**

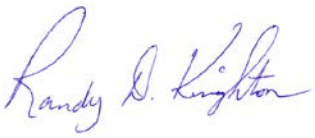
The financial statements are prepared in compliance with governmental reporting standards issued by the Governmental Accounting Standards Board; guidelines issued by the Government Finance Officers Association of the United States and Canada and generally accepted accounting principles applicable to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

**Awards and Acknowledgements**

In 2016, for the 24th consecutive year, Hall County received a Certificate of Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for Fiscal Year 2015. The award honors easily readable, efficiently organized, comprehensive annual financial reporting that meets 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.

Administration and the Financial Services Department appreciate the various county departments and offices for their assistance and contributions throughout the year in matters pertaining to the financial affairs of the County. We also thank the accounting firm of Bates, Carter and Company, LLP for their technical guidance and commitment to excellence in financial standards and governmental accounting. Finally, we thank the Board of Commissioners for their support, guidance, and responsible stewardship of the financial affairs of the County.

Respectfully submitted,





Randy D. Knighton, ICMA-CM, AICP
County Administrator

Zachary T. Propes, CPA
Director of Financial Services

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

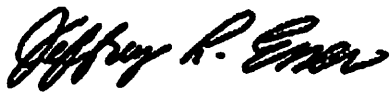
Presented to

**Hall County**

**Georgia**

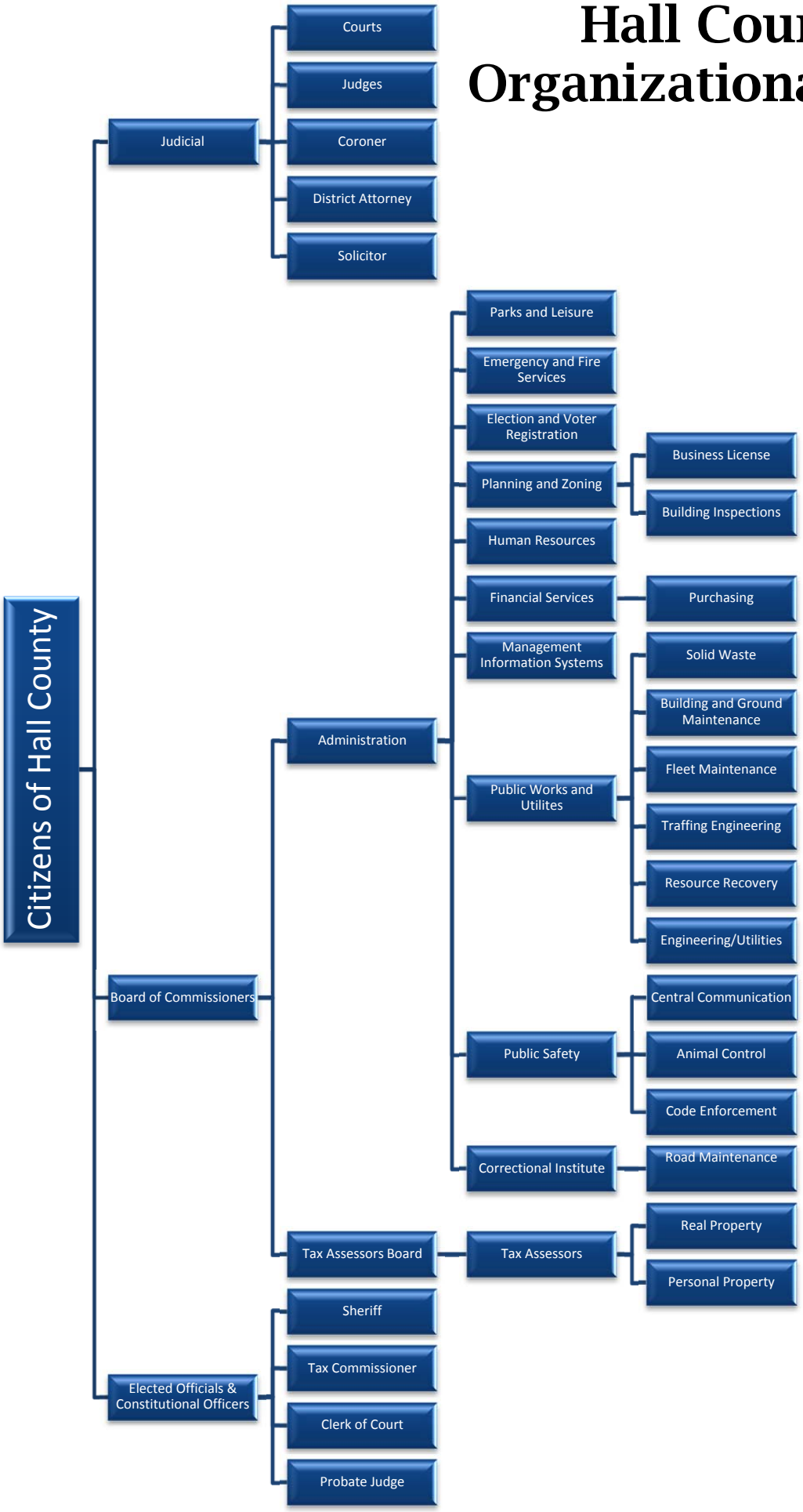
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

**June 30, 2015**



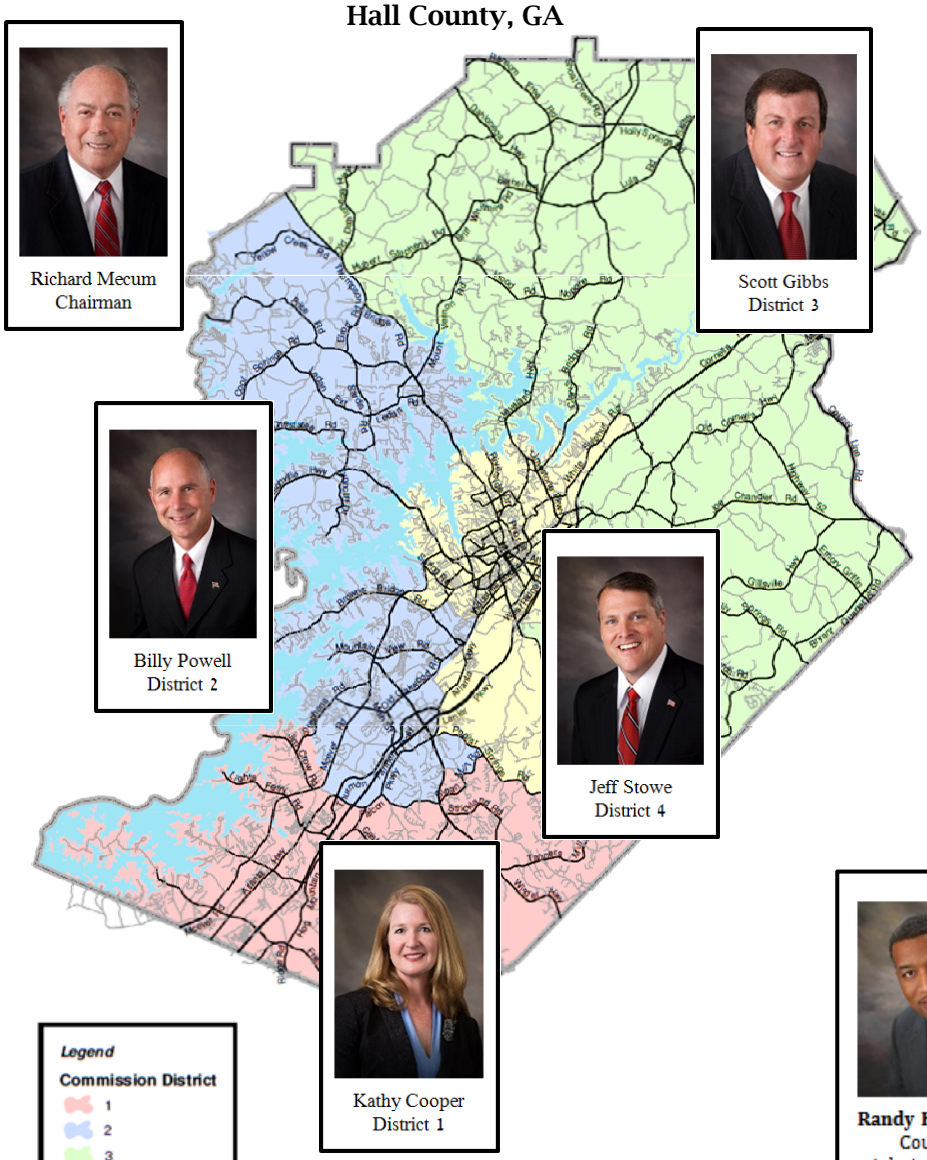
Executive Director/CEO

# Hall County Organizational Chart



# Officials of Hall County

## Board of Commissioners District Map
Hall County, GA





Richard Mecum
Chairman


Scott Gibbs
District 3


Billy Powell
District 2


Jeff Stowe
District 4


Kathy Cooper
District 1

## Elected Officials and Constitutional Officers

| | |
|---|---|
| Chief Magistrate Judge | **Margaret Gregory** |
| Clerk of Court | **Charles Baker** |
| District Attorney | **Lee Darragh** |
| Juvenile Court Judge | **Lindsay Burton** |
| Probate Court Judge | **Patty Walters Laine** |
| Public Defender | **Brad Morris** |
| Sheriff | **Gerald Couch** |
| Solicitor – General | **Stephanie Woodard** |
| State Court Chief Judge | **Charles Wynne** |
| State Court Judge | **Larry Baldwin II** |
| State Court Judge | **B.E. Roberts III** |
| Superior Court Chief Judge | **Andrew Fuller** |
| Superior Court Judge | **Jason Deal** |
| Superior Court Judge | **Kathleen Gosselin** |
| Superior Court Judge | **Bonnie Oliver** |
| Tax Commissioner | **Darla Eden** |

## Administration


**Randy Knighton**
County Administrator


**Marty Nix**
Assistant County Administrator


**Katie Crumley**
Public Information Officer


**Lisa Ritchie**
Commission Clerk

## Hall County Department Heads and Management

| | |
|---|---|
| Ambulance Services (EMS) | **Jeff Hood** |
| Animal Services | **Mike Ledford** |
| Building Inspections | **Lamar Carver** |
| Building Maintenance | **Brett Jockell** |
| Business Licenses | **Susan Rector** |
| Coroner | **Marion Merck** |
| Correctional Institution | **Walt Davis** |
| Court Services | **Reggie Forrester** |
| E-911/Central Commination | **Gail Lane** |
| Elections and Voter Registration | **Charlotte Sosebee** |
| Emergency Management Agency (EMA) | **David Kimbrell** |
| Engineering | **Kevin McInturff** |
| Financial Services | **Zachary Propes** |
| Fire Services | **Jeff Hood** |
| Fleet Maintenance | **John Udzinski** |

| | |
|---|---|
| Human Resources | **Bill Moats** |
| Landfill | **Johnnie Vickers** |
| Management Information Systems (MIS) | **James Thomas** |
| Marshal's Office | **Andre Niles** |
| Parks and Leisure | **Mike Little** |
| Planning and Zoning | **Srikanth Yamala** |
| Probation Services | **Reggie Forrester** |
| Public Works | **Ken Rearden** |
| Purchasing | **Tim Sims** |
| Resource Recovery | **Bobby Purdum** |
| Road Maintenance | **Jimmy Hightower** |
| Solid Waste | **Johnnie Vickers** |
| Tax Assessor's Office | **Steve Watson** |
| Treatment Services | **Debbie Mott** |

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Exceeding expectations. Always.

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525 CANDLER STREET, NE
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WWW.BATESCARTER.COM

# INDEPENDENT AUDITORS' REPORT

December 8, 2016

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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

## Management's Responsibility for the Financial Statements

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

## Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Hall County Health Department, component unit of the County, as of and for the year then ended June 30, 2016, which statements reflect total assets of $4,661,447 as of June 30, 2016, and total revenues of $16,884,083 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

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, 2016, 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 Estimate**

As discussed in Note 1, Note 7, and Note 14 to the financial statements, the County recorded an increased landfill closure/postclosure liability due to a major modification in the liability estimation methodology.

**Other Matters**

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the HALL COUNTY, GEORGIA's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, Schedule of Projects Constructed with Special Sales Tax Proceeds, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The introductory and statistical sections have 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 them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2016, on our consideration of the HALL COUNTY, GEORGIA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering HALL COUNTY, GEORGIA's internal control over financial reporting and compliance.

Bates Carter & Co, LLP

# MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Hall County, Georgia, we offer the readers of Hall County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2016. This discussion's intent is to: (1) assist the reader in understanding significant financial issues; (2) provide an overview of the County's financial activities; (3) identify changes in the County's financial position; (4) identify material deviations from the original budget; and (5) identify individual fund issues or concerns. We encourage readers to consider the material presented here in conjunction with additional information furnished in the financial statements and the notes to financial statements.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

- Statement of Net Position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position serve as a useful indicator of whether the financial position of the County is improving or deteriorating. It is important to note that this statement combines the governmental fund's current financial resources (short term) with capital assets and long term liabilities.

- Statement of Activities presents information showing how the Government's net position changed during the most recent fiscal year. The statement format is different from a traditional "income statement." The format is intended to portray the extent to which governmental activities are funded by taxes and the extent to which business-type activities are supported by the revenues they generate. The statement presents all underlying events that effect the changes in net position, regardless of the timing of related cash flows. Therefore revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

**Fund Financial Statements**. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Hall County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

***Governmental funds.*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities (in the government-wide financial statements).

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

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

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

***Proprietary funds.*** The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its solid waste, water, and sewer/wastewater operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for risk management and group insurance. The County adopts an annual budget for management purposes of these funds to facilitate fiscal control and accounting of activities in these funds. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the solid waste, water, and sewer/wastewater operations of the County, each of which are considered to be major funds of the County.

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

The basic proprietary fund financial statements can be found on pages 7-10 of this report.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Hall County maintains seven fiduciary called agency funds for Tax Commissioner, Clerk of Superior Court, Probate Court, Magistrate Court, Juvenile Court, Sheriff, and Inmate Fund.

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

***Notes to the financial statements.*** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-55 of this report.

***Other financial information.*** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's schedule of budgetary comparisons, progress in funding its obligation to provide pension benefits to its employees, and employer pension contributions. Combining and individual fund statements and schedules can be found on pages 63-77 of this report.

- Hall County's net position at June 30, 2016 was $427,715,348. Of this amount, $443,608,837 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 $(15,893,489).

- As of June 30, 2016, the County's governmental funds reported combined ending fund balance of $55,971,807, a change of $(4,196,860) in comparison with the prior year. The decrease in the fund balance for the General Fund was primarily due to increases in public safety expenditures and a material write-off of outstanding and uncollectible EMS revenue that has been carried on the books for numerous years. Both decreases in Capital Projects and Other Non-Major funds are due to the timing of capital and state road projects. As planned, expenditures were higher in FY2016 due to the completion of various projects. The SPLOST fund increased by $965,671 due to new SPLOST proceeds began as of July 1, 2015, and the timing of projects being completed in a more conservative manner than originally projected. In addition, the Fire fund and Impact Fee fund increased $79,030 and $58,781 respectively, due to strong and prudent fiscal stewardship by management.

- As of June 30, 2016, the County's General Fund reported a fund balance of $21,767,441; a decrease of $(1,998,629) in comparison with the prior year. This decrease was mainly due to increases in public safety expenditures and the write off of outstanding and uncollectible EMS revenue, as stated in the previous paragraph.

- Hall County's total long-term debt changed by $4,296,755. The Net OPEB and Pension liability for the County increased by $3.0 million. The County reduced its principal balances of debt by over $1.3 million. Additionally, a $6.0 million change in accounting estimate increased the Landfill Closure/Post-closure liability due to an increase in the life of the Hall County Landfill and a change in the methodology for computing the liability on an annual basis. See note 7 for more details related to the County's total long term obligations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position serves as a useful indicator of a government's financial position. In the case of Hall County, on an entity-wide basis, assets exceeded liabilities by $427,715,348 at the close of the fiscal year. This represents a change in net position from fiscal year 2015 of $(8,205,351).

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

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Current and other assets | $ 79,530 | $ 83,667 | $ 30,988 | $ 26,381 | $ 110,518 | $ 110,048 |
| Capital assets (net of depreciation) | 376,023 | 377,124 | 114,733 | 117,990 | 490,756 | 495,114 |
| Total assets | 455,553 | 460,791 | 145,721 | 144,371 | 601,274 | 605,162 |
| Total deferred outflows of resources | 4,165 | 3,938 | 178 | 168 | 4,343 | 4,106 |
| Long-term liabilities outstanding | 102,334 | 96,190 | 63,010 | 58,832 | 165,344 | 155,022 |
| Other liabilities | 11,814 | 11,621 | 743 | 678 | 12,557 | 12,299 |
| Total liabilities | 114,148 | 107,811 | 63,753 | 59,510 | 177,901 | 167,321 |
| Total deferred inflows of resources | - | - | - | - | 177,901 | 167,321 |
| Net position | | | | | | |
| Net investment in capital assets | 373,613 | 374,656 | 69,996 | 89,274 | 443,609 | 463,930 |
| Restricted | 32,387 | 32,669 | 1,341 | 1,446 | 33,728 | 34,115 |
| Unrestricted | (60,430) | (50,407) | 10,809 | (5,691) | (49,621) | (56,098) |
| Total net position | $ 345,570 | $ 356,918 | $ 82,146 | $ 85,029 | $ 427,716 | $ 441,947 |

Table may not add due to rounding

By far the largest portion of the County's net position (103.7%) at June 30, 2016, 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 (7.9%) represents resources that are subject to external restrictions on how they may be used.

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

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

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| **Revenues:** | | | | | | |
| Program revenues | | | | | | |
| Charges for services | $ 29,981 | $ 32,113 | $ 9,911 | $ 8,410 | $ 39,892 | $ 40,523 |
| Operating grants and contributions | 4,199 | 6,246 | - | - | 4,199 | 6,246 |
| Capital grants and contributions | 2,293 | 4,248 | 95 | 85 | 2,388 | 4,333 |
| General revenue | | | | | | |
| Property taxes | 57,723 | 55,748 | - | - | 57,723 | 55,748 |
| Sales taxes | 52,096 | 50,539 | - | - | 52,096 | 50,539 |
| Other taxes | 11,506 | 10,723 | - | - | 11,506 | 10,723 |
| Gain on sale of assets | - | - | - | 106 | - | 106 |
| Unrestricted investment earnings | 26 | 17 | - | - | 26 | 17 |
| Grants and contributions not restricted to a specific program | 179 | 79 | - | - | 179 | 79 |
| **Total revenue** | 158,003 | 159,713 | 10,006 | 8,601 | 168,009 | 168,314 |
| **Expenses:** | | | | | | |
| General government | 23,850 | 20,106 | - | - | 23,850 | 20,106 |
| Judicial | 26,151 | 17,645 | - | - | 26,151 | 17,645 |
| Public safety | 77,850 | 70,289 | - | - | 77,850 | 70,289 |
| Public works | 22,896 | 24,792 | - | - | 22,896 | 24,792 |
| Public health and welfare | 2,777 | 2,947 | - | - | 2,777 | 2,947 |
| Recreation and culture | 7,940 | 7,344 | - | - | 7,940 | 7,344 |
| Housing and development | 4,076 | 4,013 | - | - | 4,076 | 4,013 |
| Interest and paying fees | 97 | 39 | - | - | 97 | 39 |
| Solid waste | - | - | 6,820 | 5,473 | 6,820 | 5,473 |
| Water and sewer utilities | - | - | 3,757 | 3,455 | 3,757 | 3,455 |
| **Total expenses** | 165,637 | 147,175 | 10,577 | 8,928 | 176,214 | 156,103 |
| Increase in net position before transfers | (7,634) | 12,538 | (571) | (327) | (8,205) | 12,211 |
| Transfers | (3,714) | (9,811) | 3,714 | 9,811 | - | - |
| Increase (Decrease) in net position | (11,348) | 2,727 | 3,143 | 9,484 | (8,205) | 12,211 |
| Change in accounting principle/estimate | - | (27,248) | (6,026) | (1,163) | (6,026) | (28,411) |
| Net position, beginning of year | 356,918 | 381,439 | 85,029 | 76,708 | 441,947 | 458,147 |
| Net position, end of year | $ 345,570 | $ 356,918 | $ 82,146 | $ 85,029 | $ 427,716 | $ 441,947 |

The comparative schedule of changes in net position denotes a change of $14 million in net position.

Revenue decreased $305 thousand in fiscal year 2016. The decrease in Governmental Activities is attributable to the write-off of outstanding and uncollectible EMS revenues and a reduction in prisoner and inmate lodging fees due to a decrease in inmates at the jail and prison. The increase in Business-type Activities is due to an increase in sewer rates that were effective in late January 2016 and an increase in the landfill tipping fees due to volume at the landfill. Expenses increased by $20.11 million (12.9%) from the previous year. The primary reasons for this increase were employee cost of living increases for public safety officials, one time bonuses for all other County employees, increased capital expenditures from SPLOST, and the significant increase in the post-closure liability for the landfill due to the extended life of the landfill and the change in methodology in computing the liability, which has resulted in a $6.0 million change in accounting estimate.

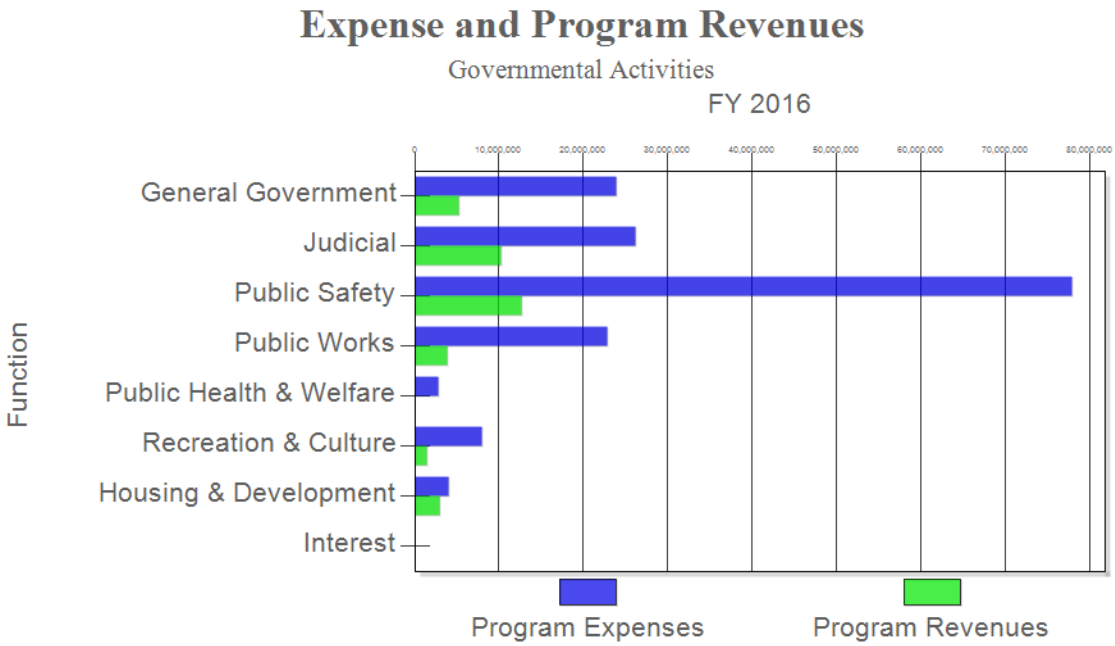
**Governmental Activities:**

Governmental activities net position overall had a (3.2)% decrease from fiscal year 2015 to fiscal year 2016. This change is the result of decreased revenues due to the write-off of outstanding and uncollectible EMS revenues and increases in operating expenditures, as mentioned above. The County continued its practice of using available funds as cost effectively as possible.

- Revenues saw an overall decline during 2016. This was attributable to the significant write-off of EMS revenue.

- Expenses increased $18.46 million from fiscal year 2015. This primarily is due to increased personnel costs in General and Fire funds, and from capital outlays funded from SPLOST funds.

The following charts show activities by function:



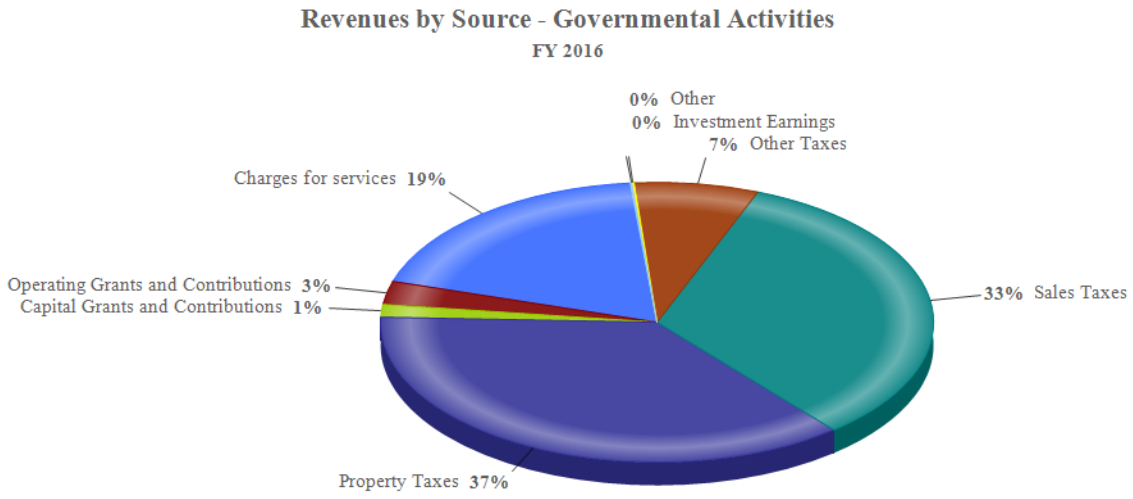



Chart shows all sources of revenue collected for governmental activities not limited to program revenue.

**Business-Type Activities:**

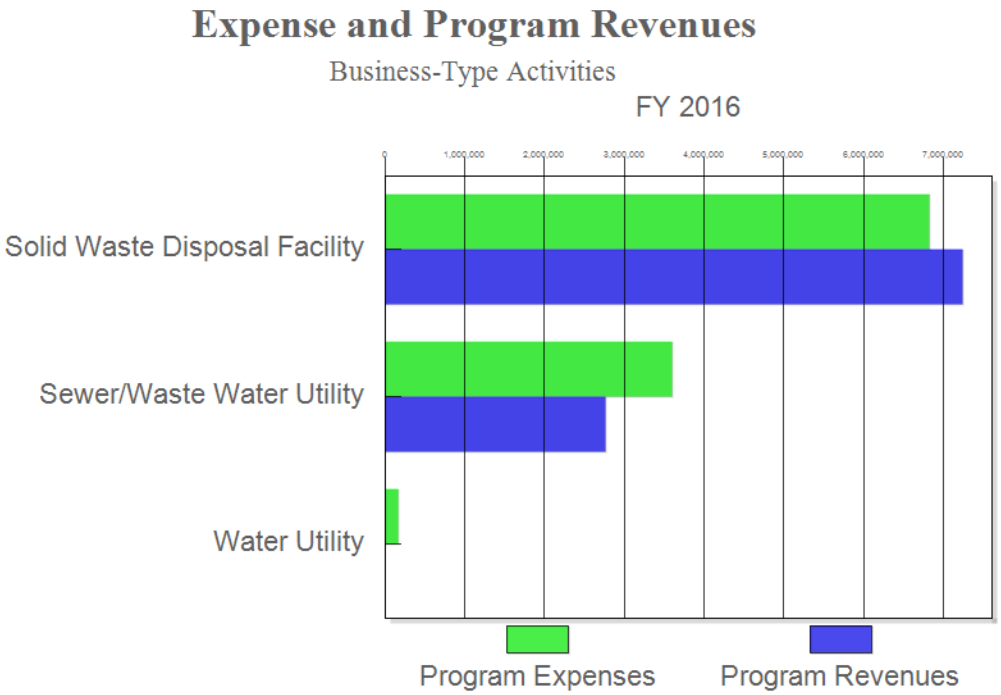
Business–type net position decreased by $31.43 million. Key elements of this decrease are:

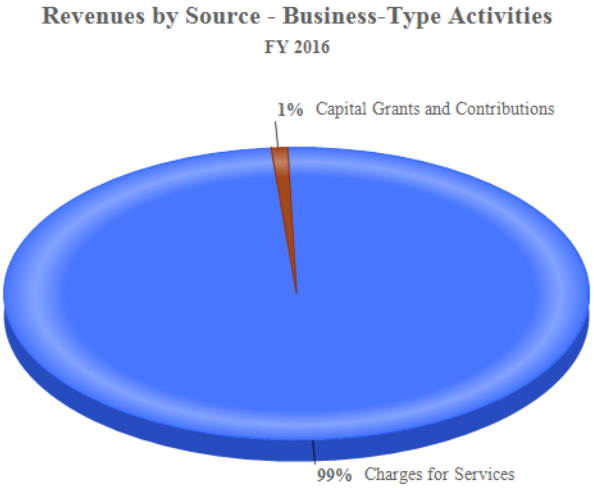
- The Solid Waste Disposal Facility Fund net position increased by $851,789. This was due to an increase in operating and non-operating FY2016 financial activity. The operating income of $412,051 was due to an increase in Recycling and transfer revenue from increases in collection volume. The Solid Waste Fund also had a Change in Accounting Principle of ($6,026,403) due to the adjustment to the landfill closure/post-closure liability.

- The Sewer/Wastewater Utility Fund net position increased by $1,518,567. The change in this fund's net position came from a sewer rate change that resulted in a $500 thousand increase in sewer fees. The Sewer fund recorded an increase in operating income of $237 thousand from the prior year, due to the rate adjustment, as mentioned above, and the fiscally responsible management practices of department leadership.

- The Water Utility Fund net position increased by $751,383. This increase is a result of 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, Other

## 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 $55,971,807, a change of $(4,196,860) in comparison to the prior year. There were decreases in the General, Capital Projects, and Non-Major Governmental Fund Balances this year. In the SPLOST fund, the increase is due to the increase in SPLOST VII collections compared to projections and the timing of projects starting due to various factors. 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 $21,767,441. 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 19.5% of total general fund current operating expenditures which is an increase over last year of (1.4)%.

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 $355,651, which represents proceeds from the sale of property in the Gateway Industrial Centre. These funds will be used to pay additional costs of infrastructure construction at the Gateway Centre and various Park and Road projects. Those funds should be expended during FY 2017.

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 $818,156 to $876,937 or 7.2%. The increase in this fund comes from the completion of major construction in late FY2016 and early FY2017, specifically the Sheriff Precincts and the Cherokee Bluff Park. Additionally, the activity in this fund has been reduced until qualifying projects can be identified. These fees are generated from new construction which has significantly increased over the past two fiscal years. This is a good indicator of improved economic activity in the County.

The SPLOST Fund accounts for the financial resources provided from a one percent Special Purpose Local Option Sales Tax. Such funds were approved by voter referendum for public works projects related to road and traffic improvements; parks and leisure which includes community centers and parks; courthouse and administration building relocation and rehabilitation; fire and emergency equipment; building construction projects which includes a North Hall library, Sheriff's patrol, and animal shelter; and water and sewer system projects. At the end of fiscal year 2016, SPLOST Fund reported a fund balance of $23,912,054, which represents a change from last year of $965,671. This increase is a result of an increase in SPLOST VII proceeds compared to budgeted estimates, and the delayed timing of various capital projects under construction, and/or completed, using SPLOST. These projects include the new Correctional Facility, Sheriff's Headquarters, Sewer Improvements, E-911 technology enhancements, road projects, and a new Fire apparatus.

The fire district fund is the principal operating fund for County fire and rescue operations. At the end of the fiscal year, its fund balance was $3,457,501, a 2.3% change from fiscal year 2015. This increase is due to increased revenue in the Fire District fund and a closely managed expenditure budget ending below projections. The fund balance represents 16.0% of total fund expenditures.

**Governmental Fund Revenue and Expenditure Comparison**

*($ in thousands)*

| Revenue | 2016 | 2015 | Inc/Dec | %Inc/Dec | Expenditures | 2016 | 2015 | Inc/Dec | %Inc/Dec |
|---|---|---|---|---|---|---|---|---|---|
| Taxes | $ 121,108 | $ 116,789 | $ 4,319 | 3.7 % | General Government | $ 20,276 | $ 19,960 | $ 316 | 2 % |
| License and Permits | 2,666 | 2,332 | 334 | 14.3 % | Judicial | 17,979 | 16,900 | 1,079 | 6 % |
| Intergovernmental | 6,485 | 8,330 | (1,845) | (22.1)% | Public Health and Welfare | 2,556 | 2,627 | (71) | (3)% |
| Fines and Forfeitures | 5,009 | 5,630 | (621) | (11.0)% | Public Safety | 70,664 | 64,866 | 5,798 | 9 % |
| Charges for Services | 22,063 | 23,566 | (1,503) | (6.4)% | Public Works | 12,182 | 8,528 | 3,654 | 43 % |
| Investment income | 27 | 296 | (269) | (90.9)% | Recreation and Culture | 6,555 | 5,994 | 561 | 9 % |
| Miscellaneous | 301 | 624 | (323) | (51.8)% | Housing and Development | 4,017 | 3,934 | 83 | 2 % |
| | | | | | Intergovernmental | 7,009 | 5,615 | 1,394 | 25 % |
| | | | | | Capital Outlay | 17,861 | 14,097 | 3,764 | 27 % |
| | | | | | Debt Service | 376 | 4,352 | (3,976) | (91)% |
| Total Revenues | $ 157,659 | $ 157,567 | $ 92 | 0.1 % | Total Expenditures | $ 159,475 | $ 146,873 | $ 12,602 | 29 % |

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

**Hall County Governmental Funds**

**Fund Balance**

*($ in thousands)*

| | 2016 | 2015 | Incr/(Decr) | % Incr/-Decr |
|---|---|---|---|---|
| General Fund | $ 21,767 | $ 23,766 | $ (1,999) | (8.4)% |
| Fire District | 3,458 | 3,378 | 80 | 2.4 % |
| SPLOST | 23,912 | 22,946 | 966 | 4.2 % |
| Capital Projects | 356 | 2,285 | (1,929) | (84.4)% |
| Impact Fees | 877 | 818 | 59 | 7.2 % |
| Non-Major Funds | 5,602 | 6,975 | (1,373) | (19.7)% |
| Total Fund Balance | $ 55,972 | $ 60,168 | $ (4,196) | (7.0)% |

**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)*

| | 2016 | 2015 | Incr/(Decr) | % Incr/-Decr |
|---|---|---|---|---|
| Solid Waste Disposal | $ 10,651 | $ 9,800 | $ 851 | 8.7 % |
| Sewer/Waste Water Utility | 59,335 | 57,816 | 1,519 | 2.6 % |
| Water Utility | 12,088 | 11,337 | 751 | 6.6 % |
| Internal Service | 6,868 | 7,146 | (278) | (3.9)% |
| Total Fund Balance | $ 88,942 | $ 86,099 | $ 2,843 | 3.3 % |

Unrestricted net position of the Solid Waste Disposal Facility, Sewer/Wastewater Utility, and Water Utility Funds at the end of the year amounted to $10,738,615. This represents a change of $16,479,686 from unrestricted net position as of June 30, 2015. 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 $89,929,874 and final budget was $90,625,662. The actual revenue (inflow) was $92,735,697, which varied from final budget by $2,110,035. The actual expenditures (outflows) were $94,734,326 which varied from the final expenditure budget by $20,721. That represented a change of $5,645,999 from prior year. The net result is a $(1,998,629) decrease in the General Fund balance. The expenditure reductions are summarized below and implementation began in fiscal year 2016.

- Reduced operating costs when possible
- Curtailed travel and training

- Reduced overtime when possible
- Capital purchases were limited to necessary purchases

Actual expenditures came in $20,721 below budget and can be summarized as follows:

- General Government was under budget by $0.3 thousand
- Judicial budget to actual resulted in a zero variance.
- Public Safety under budget by $19 thousand
- Public Works budget to actual resulted in a zero variance.
- Public Health and Welfare budget to actual resulted in a zero variance.
- Recreation and Culture was under budget by $0.7 thousand
- Housing and Development was under budget by $1 thousand

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

**General Fund**
**For the Year Ended June 30, 2016**

| | Budget | | | Variance of |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| General Government | $ 23,088,732 | $ 20,317,715 | $ 20,317,433 | $ 282 |
| Judicial | 15,520,757 | 15,919,410 | 15,919,410 | - |
| Public Safety | 40,589,235 | 44,235,271 | 44,216,335 | 18,936 |
| Public Works | 4,795,141 | 4,626,867 | 4,626,867 | - |
| Public Health and Welfare | 2,189,138 | 2,406,545 | 2,406,545 | - |
| Recreation and Culture | 4,892,750 | 4,782,835 | 4,782,180 | 655 |
| Housing and Development | 2,517,661 | 2,466,404 | 2,465,556 | 848 |
| Total Charges to Appropriations | $ 93,593,414 | $ 94,755,047 | $ 94,734,326 | $ 20,721 |

## 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, 2016, was $491 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, bridges, and sewer infrastructure.

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

- Cherokee Bluffs Park - $3.05 million
- New Correctional Institute (Building) - $3.47 million
- Various Road Projects including intersection improvements and culvert replacements - $2.07 million

Business-type assets moved from construction in progress to the assets records during the year totaled approximately $2.47 million. Major projects consisted of the following:

- Completion of the Candler Road Landfill Cell 2 project

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

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Land and Improvements | $ 57,478 | $ 57,401 | $ 24,715 | $ 26,938 | $ 82,193 | $ 84,339 |
| Construction in Progress | 25,659 | 20,767 | 16,184 | 17,295 | 41,843 | 38,062 |
| Buildings | 139,664 | 137,551 | 6,545 | 6,834 | 146,209 | 144,385 |
| Machinery & Equipment | 6,115 | 6,897 | 1,876 | 2,236 | 7,991 | 9,133 |
| Vehicles | 8,803 | 7,857 | 408 | 421 | 9,211 | 8,278 |
| Infrastructure | 138,303 | 146,652 | 65,005 | 64,266 | 203,308 | 210,918 |
| Total Assets | $ 376,022 | $ 377,125 | $ 114,733 | $ 117,990 | $ 490,755 | $ 495,115 |

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

**Long–Term Debt.** The $20.0 million of contracts payable were to fund the construction of the State Patrol Building, Glades Reservoir, and the purchase of Spout Springs Treatment Plant, 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 | |
|---|---|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Contracts Payable | $ 1,908 | $ 2,057 | $ 18,584 | $ 19,809 | $ 20,492 | $ 21,866 |
| Capital Leases | 619 | 527 | - | - | 619 | 527 |
| Notes Payable | - | - | 28,314 | 29,887 | 28,314 | 29,887 |
| Claims Payable (estimate) | 1,634 | 1,693 | - | - | 1,634 | 1,693 |
| Landfill Closure/Postclosure | - | - | 14,662 | 13,836 | 14,662 | 13,836 |
| Compensated Absences | 3,838 | 3,472 | 63 | 67 | 3,901 | 3,539 |
| Net Pension Liability | 32,456 | 29,461 | 1,388 | 1,260 | 33,844 | 30,721 |
| Net OPEB Obligation | 61,880 | 58,980 | - | - | 61,880 | 58,980 |
| Totals | $ 102,335 | $ 96,190 | $ 63,011 | $ 64,859 | $ 165,346 | $ 161,049 |

Additional information regarding Hall County's long-term debt can be found in Note 7 on pages 33 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 $665,547,909 and currently the County has no general obligation debt.

## ECONOMIC OUTLOOK

With respect to the economy, fiscal year 2016 ended for the County as planned with good budgetary performance. The fiscal year 2017 economic outlook is slightly better for Hall County than in 2016. It is expected that Hall County will continue to see steady improvement in the local economy in the next few years.

- Sales tax and other revenue sources are expected to be slightly higher in 2017. The County monitors these revenues on a monthly basis.
- The Gateway Industrial Park in the northern section of the County is expected to draw new business and industry into the County. This, in turn, will bring additional commercial and residential growth into Hall County.
- The County continues to expand its sewer system along the Hwy 365 corridor which will also bring desirable growth to this area.
- The County is planning for the tax digest to see a slight increase for the FY 17 budget.

- As a result of increased local and regional commercial and industrial development, Hall County is the beneficiaries of one of the lowest unemployment rates in the State of Georgia. Additionally, Hall County has consistently seen a linear growth pattern of 2.15% over the past few years that has stabilized the economic environment and drawn a variety of businesses and residential developments to the area.

- The University of North Georgia has invested a significant amount of resources in to its largest campus, which is located in Hall County (Oakwood Campus). Additionally, Lanier Technical College has recently announced plans to move its campus from Oakwood to the 365 corridor directly across from the Gateway Centre Industrial Park. Both higher educational institutions are strategically positioning themselves to positively reap the benefits of the future growth of Hall County. The significant investments by the University of North Georgia and Lanier Technical College into Hall County signify the positive growth for both professional and industrial jobs in this community.

In closing, Hall County's economic outlook is bright for 2017 and beyond. The County is making significant investments in sewer infrastructure, public safety initiatives, and technology to accommodate the future expected growth. The current economy, revenue forecasting and careful expenditure planning were taken into consideration when preparing the 2017 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, 2016

| | PRIMARY GOVERNMENT | | | |
|---|---|---|---|---|
| | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL | COMPONENT UNITS |
| ASSETS | | | | |
| Cash | $ 56,943,422 | $ 12,702,775 | $ 69,646,197 | $ 3,825,190 |
| Investments | 6,760,112 | - | 6,760,112 | 10,416 |
| Receivables (net of allowance for uncollectibles) | 11,631,847 | 1,137,750 | 12,769,597 | 947,561 |
| Internal balances | 1,905,164 | (1,905,164) | - | - |
| Inventories | 811,910 | - | 811,910 | - |
| Prepaid items | 1,459,304 | 35,184 | 1,494,488 | 14,764 |
| Restricted assets: | | | | |
| Cash | 4 | 1,340,539 | 1,340,543 | - |
| Non-current assets: | | | | |
| Capacity held for resale | - | 17,676,387 | 17,676,387 | - |
| Land held for resale | 18,699 | - | 18,699 | - |
| Capital assets: | | | | |
| Capital assets not being depreciated | 83,137,859 | 40,898,817 | 124,036,676 | - |
| Capital assets being depreciated | 612,483,017 | 96,994,388 | 709,477,405 | 5,632,412 |
| Less: accumulated depreciation | (319,597,857) | (23,159,973) | (342,757,830) | (5,025,995) |
| Capital assets, net of depreciation | 376,023,019 | 114,733,232 | 490,756,251 | 606,417 |
| TOTAL ASSETS | 455,553,481 | 145,720,703 | 601,274,184 | 5,404,348 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Pension expense | 4,164,565 | 178,048 | 4,342,613 | 1,165,125 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 4,164,565 | 178,048 | 4,342,613 | 1,165,125 |
| TOTAL ASSETS & DEFERRED OUTFLOWS | 459,718,046 | 145,898,751 | 605,616,797 | 6,569,473 |
| LIABILITIES | | | | |
| Accounts payable | 5,098,920 | 463,393 | 5,562,313 | 359,549 |
| Accrued interest payable | 12,472 | 96,721 | 109,193 | - |
| Other accrued items | 4,233,184 | 112,309 | 4,345,493 | - |
| Due to other governments | - | - | - | 44,281 |
| Unearned revenue | 2,252,824 | 44,318 | 2,297,142 | - |
| Amounts held in trust | 216,636 | 26,220 | 242,856 | - |
| Noncurrent liabilities: | | | | |
| Due within one year | | | | |
| Compensated absences payable | 2,302,986 | 37,880 | 2,340,866 | 705,907 |
| Estimated claims payable | 892,196 | - | 892,196 | - |
| Accrued landfill closure / postclosure | - | 158,964 | 158,964 | - |
| Notes payable | - | 1,619,689 | 1,619,689 | - |
| Capital leases payable | 175,189 | - | 175,189 | - |
| Contracts payable | 179,392 | 1,834,785 | 2,014,177 | - |
| Due in more than one year | | | | |
| Compensated absences payable | 1,535,324 | 25,253 | 1,560,577 | 221,306 |
| Estimated claims payable | 741,600 | - | 741,600 | - |
| Accrued landfill closure / postclosure | - | 14,502,808 | 14,502,808 | - |
| Notes payable | - | 26,693,880 | 26,693,880 | - |
| Capital leases payable | 443,485 | - | 443,485 | - |
| Contracts payable | 1,728,148 | 16,749,408 | 18,477,556 | - |
| Net OPEB obligation | 61,879,870 | - | 61,879,870 | - |
| Net pension liability | 32,456,003 | 1,387,592 | 33,843,595 | 11,847,309 |
| TOTAL LIABILITIES | 114,148,229 | 63,753,220 | 177,901,449 | 13,178,352 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Pension expense | - | - | - | 302,213 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | - | - | - | 302,213 |
| TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | 114,148,229 | 63,753,220 | 177,901,449 | 13,480,565 |
| NET POSITION | | | | |
| Net investment in capital assets | 373,613,110 | 69,995,727 | 443,608,837 | 606,417 |
| Restricted for: | | | | |
| Capital outlay projects | 24,267,687 | - | 24,267,687 | - |
| Debt service | | 1,340,539 | 1,340,539 | |
| Impact fee projects | 876,937 | - | 876,937 | - |
| Judicial programs | 1,276,150 | - | 1,276,150 | - |
| Public safety programs | 5,324,129 | - | 5,324,129 | - |
| Health and welfare programs | 157,891 | - | 157,891 | 777,215 |
| Housing and development | 208,021 | - | 208,021 | - |
| Recreation and culture | 750 | - | 750 | - |
| Special Assessments | 274,983 | - | 274,983 | - |
| Unrestricted | (60,429,841) | 10,809,265 | (49,620,576) | (8,294,724) |
| TOTAL NET POSITION | $ 345,569,817 | $ 82,145,531 | $ 427,715,348 | $ (6,911,092) |

The accompanying notes are an integral part of this statement.

# HALL COUNTY, GEORGIA
# STATEMENT OF ACTIVITIES
## For the Year Ended June 30, 2016

| FUNCTIONS/PROGRAMS | EXPENSES | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | CAPITAL GRANTS AND CONTRIBUTIONS | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL | COMPONENT UNITS |
|---|---|---|---|---|---|---|---|---|
| | | .....PROGRAM REVENUES..... | | | ....NET (EXPENSE) AND CHANGES IN NET POSITION.... .....PRIMARY GOVERNMENT..... | | | |
| PRIMARY GOVERNMENT | | | | | | | | |
| GOVERNMENTAL ACTIVITIES | | | | | | | | |
| General government | $ 23,850,170 | $ 5,124,559 | $ 127,275 | $ - | $ (18,598,336) | $ - | $ (18,598,336) | $ - |
| Judicial | 26,150,557 | 8,289,750 | 1,925,520 | - | (15,935,287) | - | (15,935,287) | - |
| Public safety | 77,849,922 | 11,508,633 | 1,130,018 | - | (65,211,271) | - | (65,211,271) | - |
| Public works | 22,896,097 | 1,020,978 | 547,876 | 2,292,584 | (19,034,659) | - | (19,034,659) | - |
| Public health and welfare | 2,777,070 | - | 3,702 | - | (2,773,368) | - | (2,773,368) | - |
| Recreation and culture | 7,939,685 | 1,485,140 | 26,289 | - | (6,428,256) | - | (6,428,256) | - |
| Housing and development | 4,075,576 | 2,551,526 | 436,975 | - | (1,087,075) | - | (1,087,075) | - |
| Interest | 96,825 | - | - | - | (96,825) | - | (96,825) | - |
| Total Governmental Activities | 165,635,902 | 29,980,586 | 4,197,655 | 2,292,584 | (129,165,077) | - | (129,165,077) | - |
| BUSINESS-TYPE ACTIVITIES | | | | | | | | |
| Solid waste/recycling | 6,820,200 | 7,240,921 | - | - | - | 420,721 | 420,721 | - |
| Water and sewer | 3,594,150 | 2,669,454 | - | 95,200 | - | (829,496) | (829,496) | - |
| Water utilities | 162,582 | - | - | - | - | (162,582) | (162,582) | - |
| Total Business-Type Activities | 10,576,932 | 9,910,375 | - | 95,200 | - | (571,357) | (571,357) | - |
| TOTAL PRIMARY GOVERNMENT | $ 176,212,834 | $ 39,890,961 | $ 4,197,655 | $ 2,387,784 | (129,165,077) | (571,357) | (129,736,434) | - |
| COMPONENT UNITS | | | | | | | | |
| Health Department | $ 15,803,069 | $ 5,746,003 | $ 11,138,080 | $ - | - | - | - | 1,081,014 |
| Library System | 2,538,722 | 166,866 | 352,430 | 47,726 | - | - | - | (1,971,700) |
| TOTAL COMPONENT UNITS | $ 18,341,791 | $ 5,912,869 | $ 11,490,510 | $ 47,726 | - | - | - | (890,686) |
| GENERAL REVENUES | | | | | | | | |
| Property taxes | | | | | 57,723,112 | - | 57,723,112 | - |
| Sales taxes | | | | | 52,096,442 | - | 52,096,442 | - |
| Insurance premium taxes | | | | | 6,814,792 | - | 6,814,792 | - |
| Real estate recording taxes | | | | | 1,849,841 | - | 1,849,841 | - |
| Other taxes | | | | | 2,841,566 | - | 2,841,566 | - |
| Total taxes | | | | | 121,325,753 | - | 121,325,753 | - |
| Miscellaneous | | | | | - | - | - | - |
| Unrestricted investment earnings | | | | | 26,171 | 13 | 26,184 | 165 |
| Grants and contributions not restricted to a specific program | | | | | 179,146 | - | 179,146 | 2,030,262 |
| TRANSFERS | | | | | (3,714,481) | 3,714,481 | - | - |
| TOTAL GENERAL REVENUES AND TRANSFERS | | | | | 117,816,589 | 3,714,494 | 121,531,083 | 2,030,427 |
| CHANGES IN NET POSITION | | | | | (11,348,488) | 3,143,137 | (8,205,351) | 1,139,741 |
| NET POSITION, Beginning | | | | | 356,918,305 | 85,028,797 | 441,947,102 | (8,050,833) |
| CHANGE IN ACCOUNTING ESTIMATE | | | | | - | (6,026,403) | (6,026,403) | - |
| NET POSITION, Ending | | | | | $ 345,569,817 | $ 82,145,531 | $ 427,715,348 | $ (6,911,092) |

The accompanying notes are an integral part of this statement.

# HALL COUNTY, GEORGIA
# BALANCE SHEET
# GOVERNMENTAL FUNDS
# June 30, 2016

| ASSETS | GENERAL | FIRE DISTRICT | SPLOST | CAPITAL PROJECTS | IMPACT FEES | OTHER NONMAJOR GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---|---|---|---|---|---|---|---|
| Cash | $ 12,777,144 | $ 4,400,939 | $ 23,630,185 | $ 603,947 | $ 842,470 | $ 7,617,806 | $ 49,872,491 |
| Investments | 6,760,112 | - | - | - | - | - | 6,760,112 |
| Receivables (net of allowance for uncollectibles) | 6,991,001 | 371,965 | 2,619,593 | - | 49,196 | 1,407,174 | 11,438,929 |
| Interfund receivables | 2,076,213 | - | - | - | - | - | 2,076,213 |
| Prepaid items | 290,319 | 4,993 | - | - | - | 28,953 | 324,265 |
| Inventories | 380,501 | 91,589 | - | - | - | - | 472,090 |
| Restricted assets: | | | | | | | |
| Cash | - | - | - | 4 | - | - | 4 |
| TOTAL ASSETS | 29,275,290 | 4,869,486 | 26,249,778 | 603,951 | 891,666 | 9,053,933 | 70,944,104 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable | 1,532,914 | 260,848 | 2,337,724 | 33,077 | 14,729 | 699,315 | 4,878,607 |
| Other accrued items | 2,965,824 | 779,172 | - | 215,223 | - | 256,255 | 4,216,474 |
| Interfund payables | - | - | - | - | - | 100,399 | 100,399 |
| Unearned revenue | - | - | - | - | - | 2,252,825 | 2,252,825 |
| Deposits held | 93,338 | - | - | - | - | 123,299 | 216,637 |
| TOTAL LIABILITIES | 4,592,076 | 1,040,020 | 2,337,724 | 248,300 | 14,729 | 3,432,093 | 11,664,942 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unavailable revenue - property taxes | 2,915,773 | 371,965 | - | - | - | - | 3,287,738 |
| Unavailable revenue - other | - | - | - | - | - | 19,617 | 19,617 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 2,915,773 | 371,965 | - | - | - | 19,617 | 3,307,355 |
| TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | 7,507,849 | 1,411,985 | 2,337,724 | 248,300 | 14,729 | 3,451,710 | 14,972,297 |
| FUND BALANCES | | | | | | | |
| Nonspendable: | | | | | | | |
| Prepaid expenditure | 290,319 | 4,993 | - | - | - | 27,431 | 322,743 |
| Inventories | 380,501 | 91,589 | - | - | - | - | 472,090 |
| Restricted: | | | | | | | |
| Capital outlay projects | - | - | 23,912,054 | 355,651 | - | - | 24,267,705 |
| Impact fee projects | - | - | - | - | 876,937 | - | 876,937 |
| Special assessments | - | - | - | - | - | 274,983 | 274,983 |
| Judicial programs | - | - | - | - | - | 1,248,719 | 1,248,719 |
| Public safety programs | - | 3,360,919 | - | - | - | 1,866,628 | 5,227,547 |
| Health and welfare programs | - | - | - | - | - | 157,891 | 157,891 |
| Parks and recreation programs | - | - | - | - | - | 750 | 750 |
| Housing and development programs | - | - | - | - | - | 208,021 | 208,021 |
| Assigned: | | | | | | | |
| Capital equipment and infrastructure | - | - | - | - | - | 1,726,598 | 1,726,598 |
| Subsequent year's budget: appropriation of fund balance | 2,981,210 | - | - | - | - | - | 2,981,210 |
| Parks and recreation programs | - | - | - | - | - | 91,202 | 91,202 |
| Unassigned | 18,115,411 | - | - | - | - | - | 18,115,411 |
| TOTAL FUND BALANCES | 21,767,441 | 3,457,501 | 23,912,054 | 355,651 | 876,937 | 5,602,223 | 55,971,807 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | $ 29,275,290 | $ 4,869,486 | $ 26,249,778 | $ 603,951 | $ 891,666 | $ 9,053,933 | $ 70,944,104 |

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, 2016**

| | | |
|---|---|---|
| **Total Fund Balances for Governmental Funds (page 3)** | | $ 55,971,807 |
| 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. | | 376,023,019 |
| Land held for resale used in the governmental activities is not a financial resource and therefore is not reported in the funds. | | 18,699 |
| Internal service funds are used by the County to charge the cost of group health and other types of insurance to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position. Internal service fund net position is: | | 6,797,244 |
| Revenues in the statement of activities that do not provide current financial resources are reported as unearned revenues in the funds. | | |
| Property taxes | 3,287,738 | |
| Assessments | 19,617 | |
| | | 3,307,355 |
| Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | | |
| Accrued interest | (12,472) | |
| Compensated absences | (3,838,310) | |
| Capital leases | (618,674) | |
| Contracts payable | (1,907,540) | |
| Net pension liability | (32,456,003) | |
| Net deferred inflows(outflows) - pension expense | 4,164,565 | |
| Net OPEB obligation | (61,879,870) | |
| | | (96,548,304) |
| Rounding | | (3) |
| **Total net position of governmental activities (page 1)** | | $345,569,817 |

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, 2016

| | GENERAL | FIRE DISTRICT | SPLOST | CAPITAL PROJECTS | IMPACT FEES | OTHER NONMAJOR GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---|---|---|---|---|---|---|---|
| REVENUES | | | | | | | |
| Taxes | $ 69,622,570 | $ 21,578,313 | $ 29,871,425 | $ - | $ - | $ 35,849 | $ 121,108,157 |
| Licenses and permits | 1,978,897 | - | - | - | 686,988 | - | 2,665,885 |
| Intergovernmental | 1,304,779 | 592 | - | 229,004 | - | 4,950,990 | 6,485,365 |
| Fines and forfeitures | 4,638,480 | - | - | 1,000 | - | 369,083 | 5,008,563 |
| Charges for services | 13,495,673 | 165,778 | - | 13 | - | 8,402,013 | 22,063,477 |
| Contributions and donations | 2,831 | - | - | - | - | 64,351 | 67,182 |
| Investment income | 26,165 | - | 613 | - | - | 6 | 26,784 |
| Miscellaneous | 145,103 | 2,168 | - | - | - | 86,875 | 234,146 |
| TOTAL REVENUES | 91,214,498 | 21,746,851 | 29,872,038 | 230,017 | 686,988 | 13,909,167 | 157,659,559 |
| EXPENDITURES | | | | | | | |
| Current Expenditures | | | | | | | |
| General government | 19,628,435 | - | 647,231 | - | - | - | 20,275,666 |
| Judicial | 15,868,605 | - | - | - | - | 2,110,688 | 17,979,293 |
| Public safety | 42,412,075 | 21,370,820 | 489,058 | 1,001 | 113,372 | 6,277,665 | 70,663,991 |
| Public works | 4,209,457 | - | 4,166,764 | 1,503,195 | - | 2,302,544 | 12,181,960 |
| Public health and welfare | 2,336,763 | - | 107,314 | - | - | 111,640 | 2,555,717 |
| Recreation and culture | 4,613,843 | - | 685,576 | 34,817 | 152,669 | 1,067,636 | 6,554,541 |
| Housing and development | 2,398,503 | - | - | - | - | 1,618,940 | 4,017,443 |
| Intergovernmental | - | - | 7,009,479 | - | - | - | 7,009,479 |
| Capital outlay | 1,266,183 | 297,001 | 12,204,611 | 619,854 | 362,166 | 3,111,088 | 17,860,903 |
| Debt service | | | | | | | |
| Principal | 186,846 | - | 92,930 | - | - | - | 279,776 |
| Interest | 88,972 | - | 7,070 | - | - | - | 96,042 |
| TOTAL EXPENDITURES | 93,009,682 | 21,667,821 | 25,410,033 | 2,158,867 | 628,207 | 16,600,201 | 159,474,811 |
| EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES | (1,795,184) | 79,030 | 4,462,005 | (1,928,850) | 58,781 | (2,691,034) | (1,815,252) |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Sale of county property | 68,938 | - | - | - | - | 5,546 | 74,484 |
| Capital lease issued | 266,504 | - | - | - | - | - | 266,504 |
| Transfers in | 1,185,757 | - | - | - | - | 1,507,132 | 2,692,889 |
| Transfers out | (1,724,644) | - | (3,496,334) | - | - | (194,507) | (5,415,485) |
| TOTAL OTHER FINANCING SOURCES (USES) | (203,445) | - | (3,496,334) | - | - | 1,318,171 | (2,381,608) |
| NET CHANGE IN FUND BALANCES | (1,998,629) | 79,030 | 965,671 | (1,928,850) | 58,781 | (1,372,863) | (4,196,860) |
| FUND BALANCES, Beginning of year | 23,766,070 | 3,378,471 | 22,946,383 | 2,284,501 | 818,156 | 6,975,086 | 60,168,667 |
| FUND BALANCES, End of year | $ 21,767,441 | $ 3,457,501 | $ 23,912,054 | $ 355,651 | $ 876,937 | $ 5,602,223 | $ 55,971,807 |

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, 2016**

| | | |
|---|---|---|
| **Net change in fund balances (page 5)** | | $ (4,196,860) |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | | |
| Capital outlays | 17,860,903 | |
| Depreciation expense | (18,914,749) | (1,053,846) |
| 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 | (163,018) | (163,018) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Property taxes | 3,287,738 | |
| Donated assets | 116,226 | |
| Assessments | 19,617 | 3,423,581 |
| Revenues reported in the funds that relate to prior years are not reported as revenue in the statement of activities. | | |
| Property taxes | (3,070,141) | |
| Assessments | (11,099) | (3,081,240) |
| Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, where as these amounts are deferred and amortized in the statement of activities. | | |
| Proceeds from borrowing including premiums and discounts | (266,504) | |
| Principal payments on long-term debt | 279,776 | |
| Principal payments on long-term debt included as intergovernmental expense | 45,486 | |
| Amortization of bond premiums and discounts | (1,424) | |
| Accrued interest payable, current year | (12,472) | |
| Accrued interest payable, prior year | 13,114 | 57,976 |
| 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 | (3,838,310) | |
| Compensated absences, prior year | 3,472,009 | (366,301) |
| 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. | | (300,001) |
| Net pension liability is not available during the current period and therefore is not reported in the funds. | | |
| End of year | (32,456,003) | |
| Beginning of year | 29,460,884 | (2,995,119) |
| Contributions made after pension measurement date are reported in deferred outflows. | | |
| End of year | 4,164,565 | |
| Beginning of year | (3,938,432) | 226,133 |
| Net OPEB obligation is not available during the current period and therefore is not reported in the funds. | | |
| End of year | (61,879,870) | |
| Beginning of year | 58,980,083 | (2,899,787) |
| Rounding | | (6) |
| **Changes in net position of governmental activities (page 2)** | | $ (11,348,488) |

The accompanying notes are an integral part of this statement.

# HALL COUNTY, GEORGIA
# STATEMENT OF NET POSITION
# PROPRIETARY FUND
# June 30, 2016

| | 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 | $ 8,025,788 | $ 4,676,987 | $ - | $ 12,702,775 | $ 7,070,931 |
| Receivables (net of allowance for uncollectibles) | 678,985 | 458,765 | - | 1,137,750 | 192,917 |
| Prepaid items | 30,000 | 5,184 | - | 35,184 | 1,135,039 |
| Inventories | - | - | - | - | 339,819 |
| Restricted assets: | | | | | |
| Cash | - | 1,250,000 | 90,539 | 1,340,539 | - |
| TOTAL CURRENT ASSETS | 8,734,773 | 6,390,936 | 90,539 | 15,216,248 | 8,738,706 |
| Noncurrent Assets | | | | | |
| Prepaid capacity | - | 17,676,387 | - | 17,676,387 | - |
| Capital assets | | | | | |
| Capital assets not being depreciated | 5,505,375 | 17,187,741 | 18,205,701 | 40,898,817 | - |
| Capital assets being depreciated | 29,661,022 | 67,333,366 | - | 96,994,388 | - |
| Less: accumulated depreciation | (15,935,818) | (7,224,155) | - | (23,159,973) | - |
| TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION) | 19,230,579 | 77,296,952 | 18,205,701 | 114,733,232 | - |
| TOTAL NONCURRENT ASSETS | 19,230,579 | 94,973,339 | 18,205,701 | 132,409,619 | - |
| TOTAL ASSETS | 27,965,352 | 101,364,275 | 18,296,240 | 147,625,867 | 8,738,706 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension expense | 178,048 | - | - | 178,048 | - |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 178,048 | - | - | 178,048 | - |
| TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES | 28,143,400 | 101,364,275 | 18,296,240 | 147,803,915 | 8,738,706 |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Accounts payable | 198,197 | 265,196 | - | 463,393 | 220,305 |
| Accrued interest payable | 1,010 | 67,970 | 27,741 | 96,721 | - |
| Other accrued items | 105,049 | 7,260 | - | 112,309 | 16,711 |
| Interfund payables | - | - | 1,975,814 | 1,975,814 | - |
| Customer deposits | 26,220 | - | - | 26,220 | - |
| Unearned revenue | 44,318 | - | - | 44,318 | - |
| Compensated absences payable | 34,595 | 3,285 | - | 37,880 | - |
| Accrued landfill closure/postclosure | 158,964 | - | - | 158,964 | - |
| Estimated claims payable | - | - | - | - | 892,196 |
| Notes payable | 111,271 | 1,508,418 | - | 1,619,689 | - |
| Contracts payable | - | 795,000 | 1,039,785 | 1,834,785 | - |
| TOTAL CURRENT LIABILITIES | 679,624 | 2,647,129 | 3,043,340 | 6,370,093 | 1,129,212 |
| Noncurrent Liabilities | | | | | |
| Estimated claims payable | - | - | - | - | 741,600 |
| Compensated absences payable | 23,063 | 2,190 | - | 25,253 | - |
| Accrued landfill closure/postclosure | 14,502,808 | - | - | 14,502,808 | - |
| Notes payable | 898,816 | 25,795,064 | - | 26,693,880 | - |
| Net pension liability | 1,387,592 | - | - | 1,387,592 | - |
| Contracts payable | - | 13,585,000 | 3,164,408 | 16,749,408 | - |
| TOTAL NONCURRENT LIABILITIES | 16,812,279 | 39,382,254 | 3,164,408 | 59,358,941 | 741,600 |
| TOTAL LIABILITIES | 17,491,903 | 42,029,383 | 6,207,748 | 65,729,034 | 1,870,812 |
| NET POSITION | | | | | |
| Net investment in capital assets | 18,220,492 | 37,683,188 | 14,092,047 | 69,995,727 | - |
| Restricted for: | | | | | |
| Debt service | - | 1,250,000 | 90,539 | 1,340,539 | - |
| Unrestricted | (7,568,995) | 20,401,704 | (2,094,094) | 10,738,615 | 6,867,894 |
| TOTAL NET POSITION | $ 10,651,497 | $ 59,334,892 | $ 12,088,492 | 82,074,881 | $ 6,867,894 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | | 70,650 | |
| Net position of business-type activities | | | | $ 82,145,531 | |

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, 2016

| | BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS | | | | |
|---|---|---|---|---|---|
| | SOLID WASTE DISPOSAL FACILITY | SEWER / WASTE WATER UTILITY | WATER UTILITY FUND | TOTAL | GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS |
| OPERATING REVENUES | | | | | |
| Charges for sales and services: | | | | | |
| Sewer sales | $ - | $ 2,464,013 | $ - | $ 2,464,013 | $ - |
| Other | 146,966 | 205,441 | - | 352,407 | - |
| Recycling and transfer fees | 7,093,955 | - | - | 7,093,955 | - |
| Charges to other funds | - | - | - | - | 16,830,365 |
| Employee contributions | - | - | - | - | 6,059,322 |
| Total Operating Revenues | 7,240,921 | 2,669,454 | - | 9,910,375 | 22,889,687 |
| OPERATING EXPENSES | | | | | |
| Salaries and benefits | 2,339,887 | 121,258 | - | 2,461,145 | 288,507 |
| Supplies | 424,289 | - | - | 424,289 | - |
| Other services and charges | 1,002,345 | 931,464 | - | 1,933,809 | 4,244,801 |
| Benefit claims | - | - | - | - | 13,247,098 |
| Insurance premiums | 557,098 | 20,640 | - | 577,738 | 1,569,827 |
| General and administrative | - | - | - | - | 2,826,172 |
| Landfill closure/postclosure costs | 915,930 | - | - | 915,930 | - |
| Depreciation | 1,104,707 | 1,385,209 | - | 2,489,916 | - |
| Professional fees | 3,010 | - | - | 3,010 | - |
| Repairs and maintenance | 481,604 | 130,138 | - | 611,742 | - |
| Total Operating Expenses | 6,828,870 | 2,588,709 | - | 9,417,579 | 22,176,405 |
| OPERATING INCOME (LOSS) | 412,051 | 80,745 | - | 492,796 | 713,282 |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Investment earnings-pledged as security for revenue bonds | - | 13 | - | 13 | - |
| Interest expense | (12,728) | (953,843) | (162,582) | (1,129,153) | - |
| Gain (loss) on sale of capital assets | - | (51,598) | - | (51,598) | - |
| Total Nonoperating Revenues (Expenses) | (12,728) | (1,005,428) | (162,582) | (1,180,738) | - |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | 399,323 | (924,683) | (162,582) | (687,942) | 713,282 |
| Sewer connection fees | - | 95,200 | - | 95,200 | - |
| Transfer in | 452,466 | 2,348,050 | 913,965 | 3,714,481 | - |
| Transfer out | - | - | - | - | (991,885) |
| CHANGE IN NET POSITION | 851,789 | 1,518,567 | 751,383 | 3,121,739 | (278,603) |
| TOTAL NET POSITION, Beginning of year | 15,826,111 | 57,816,325 | 11,337,109 | | 7,146,497 |
| CHANGE IN ACCOUNTING ESTIMATE | (6,026,403) | - | - | | - |
| TOTAL NET POSITION, Beginning as restated | 9,799,708 | 57,816,325 | 11,337,109 | | 7,146,497 |
| TOTAL NET POSITION, End of year | $ 10,651,497 | $ 59,334,892 | $ 12,088,492 | | $ 6,867,894 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | | 21,398 | |
| Change in net position of business-type activities | | | | $ 3,143,137 | |

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, 2016

| | BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS | | | | GOVERNMENTAL ACTIVITIES |
|---|---|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | SOLID WASTE DISPOSAL FACILITY | SEWER / WASTE WATER UTILITY | WATER UTILITY FUND | TOTAL | INTERNAL SERVICE FUNDS |
| Receipts from customer | $ 7,070,519 | $ 2,103,271 | $ - | $ 9,173,790 | $ 5,867,239 |
| Payments to suppliers | (2,398,139) | (1,049,129) | 885,078 | (2,562,190) | (9,835,511) |
| Payments to employees | (2,205,032) | (117,698) | - | (2,322,730) | (13,588,106) |
| Internal activity-payments from (to) other funds | - | - | - | - | 16,830,365 |
| Net cash provided by (used in) operating activities | 2,467,348 | 936,444 | 885,078 | 4,288,870 | (726,013) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Acquisition and construction of capital assets | (566,809) | (246,255) | (695,818) | (1,508,882) | - |
| Proceeds from the sale of capital assets | - | 2,222,980 | - | 2,222,980 | - |
| Connection fees paid by customers | - | 95,200 | - | 95,200 | - |
| Transfers in-capital | 452,466 | 2,348,050 | 913,965 | 3,714,481 | - |
| Transfers out | - | - | - | - | (991,885) |
| Payment made on debt | (109,944) | (1,648,231) | (1,000,000) | (2,758,175) | - |
| Interest paid | (12,838) | (957,457) | (209,034) | (1,179,329) | - |
| Net cash provided (used) by capital and related financing activities | (237,125) | 1,814,287 | (990,887) | 586,275 | (991,885) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Investment earnings | - | 13 | - | 13 | - |
| Net cash provided (used) by investing activities | - | 13 | - | 13 | - |
| Net increase (decrease) in cash and cash equivalents | 2,230,223 | 2,750,744 | (105,809) | 4,875,158 | (1,717,898) |
| CASH, Beginning of year | 5,795,565 | 3,176,243 | 196,348 | 9,168,156 | 8,788,829 |
| CASH, End of year | $ 8,025,788 | $ 5,926,987 | $ 90,539 | $ 14,043,314 | $ 7,070,931 |

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, 2016

(CONTINUED)

| | BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS | | | | GOVERNMENTAL ACTIVITIES |
|---|---|---|---|---|---|
| | SOLID WASTE DISPOSAL FACILITY | SEWER / WASTE WATER UTILITY | WATER UTILITY FUND | TOTAL | INTERNAL SERVICE FUNDS |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | | |
| Operating income (loss) | $ 412,051 | $ 80,745 | $ - | $ 492,796 | $ 713,282 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities | | | | | |
| Depreciation | 1,104,707 | 1,385,209 | - | 2,489,916 | - |
| Landfill closure/postclosure costs | 915,930 | - | - | 915,930 | - |
| (Increase) decrease in: | | | | | |
| Accounts receivable | (179,828) | (447,047) | - | (626,875) | - |
| Inventory | - | - | - | - | (192,083) |
| Deferred inflows for pension | (9,668) | - | - | (9,668) | - |
| Net pension obligation | 128,051 | - | - | 128,051 | 52,630 |
| Prepaid expenses | 30,000 | 671 | - | 30,671 | - |
| Increase (decrease) in: | | | | | |
| Accounts payable | 130,423 | 32,442 | - | 162,865 | (888,640) |
| Compensated absences | (4,880) | 1,311 | - | (3,569) | - |
| Amounts held in trust | 300 | (119,136) | - | (118,836) | (358,701) |
| Accrued landfill costs | (90,216) | - | - | (90,216) | - |
| Other accrued items | 21,352 | 2,249 | - | 23,601 | 6,393 |
| Deferred revenue | 9,126 | - | - | 9,126 | (59,354) |
| Due to other governments | - | - | - | - | 460 |
| Due to other funds | - | - | 885,078 | 885,078 | - |
| Net cash provided by (used in) operating activities | $ 2,467,348 | $ 936,444 | $ 885,078 | $ 4,288,870 | $ (726,013) |
| SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES | | | | | |
| Net book value of disposals | $ - | $ (2,274,578) | $ - | $ (2,274,578) | $ - |
| 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, 2016**

| | AGENCY FUNDS |
|---|---|
| ASSETS | |
| Cash | $ 7,749,356 |
| TOTAL ASSETS | $ 7,749,356 |
| LIABILITIES | |
| Amount held in trust | $ 7,749,356 |
| TOTAL LIABILITIES | $ 7,749,356 |

The accompanying notes are an integral part of this statement.

**HALL COUNTY, GEORGIA**
**COMPONENT UNITS**
**COMBINING STATEMENT OF NET POSITION**
**June 30, 2016**

| | HEALTH DEPARTMENT | LIBRARY SYSTEM | TOTAL |
|---|---|---|---|
| ASSETS | | | |
| Cash | $ 3,479,702 | $ 345,488 | $ 3,825,190 |
| Investments | - | 10,416 | 10,416 |
| Receivables (net of allowance for uncollectibles) | 927,844 | 19,717 | 947,561 |
| Prepaid items | - | 14,764 | 14,764 |
| Capital assets: | | | |
| Capital assets being depreciated | 1,005,295 | 4,627,117 | 5,632,412 |
| Less: accumulated depreciation | (751,394) | (4,274,601) | (5,025,995) |
| Capital assets, net of depreciation | 253,901 | 352,516 | 606,417 |
| TOTAL ASSETS | 4,661,447 | 742,901 | 5,404,348 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension expense | 993,162 | 171,963 | 1,165,125 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 993,162 | 171,963 | 1,165,125 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | 5,654,609 | 914,864 | 6,569,473 |
| LIABILITIES | | | |
| Accounts payable | 350,975 | 8,574 | 359,549 |
| Due to other governments | 44,281 | - | 44,281 |
| Noncurrent liabilities: | | | |
| Due within one year | | | |
| Compensated absences payable | 676,000 | 29,907 | 705,907 |
| Due in more than one year | | | |
| Compensated absences payable | 176,446 | 44,860 | 221,306 |
| Net pension liability | 9,988,762 | 1,858,547 | 11,847,309 |
| TOTAL LIABILITIES | 11,236,464 | 1,941,888 | 13,178,352 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension expense | - | 302,213 | 302,213 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | - | 302,213 | 302,213 |
| TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | 11,236,464 | 2,244,101 | 13,480,565 |
| NET POSITION | | | |
| Net investment in capital assets | 253,901 | 352,516 | 606,417 |
| Restricted for: | | | |
| Program income | 777,215 | | 777,215 |
| Unrestricted | (6,612,971) | (1,681,753) | (8,294,724) |
| TOTAL NET POSITION | $ (5,581,855) | $ (1,329,237) | $ (6,911,092) |

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, 2016**

| | | .....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 | $ 15,803,069 | $ 5,746,003 | $ 11,138,080 | $ - | $ 1,081,014 | $ - | $ 1,081,014 |
| Library System | 2,538,722 | 166,866 | 352,430 | 47,726 | - | (1,971,700) | (1,971,700) |
| TOTAL COMPONENT UNITS | $ 18,341,791 | $ 5,912,869 | $ 11,490,510 | $ 47,726 | 1,081,014 | (1,971,700) | (890,686) |
| GENERAL REVENUES | | | | | | | |
| Unrestricted investment earnings | | | | | - | 165 | 165 |
| Grants and contributions not restricted to a specific program | | | | | - | 2,030,262 | 2,030,262 |
| TOTAL GENERAL REVENUES AND TRANSFERS | | | | | - | 2,030,427 | 2,030,427 |
| CHANGES IN NET POSITION | | | | | 1,081,014 | 58,727 | 1,139,741 |
| NET POSITION, Beginning | | | | | (6,662,869) | (1,387,964) | (8,050,833) |
| NET POSITION, Ending | | | | | $ (5,581,855) | $ (1,329,237) | $ (6,911,092) |

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.

### REPORTING ENTITY

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

#### *Blended Component Unit*

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

***Discretely Presented Component Units***

The Hall County Board of Health (Health Department) monitors and controls all health activities in the County. The Board is managed by seven members, four of which are appointed by the Hall County Board of Commissioners. The Health Department is dependent upon the County because the County approves the Health Department's budget, and the County has the ability to impose its will upon the Health Department. During 2016, the County supplemented the Health Department's budget in the amount of $693,947. The Health Department is presented as a governmental fund type.

The Hall County Library System (Library) serves all citizens of Hall County through its headquarters library in Gainesville, Georgia and five branch facilities. The Library is governed by a 10-member board of Trustees appointed by the County Board of Commissioners. The County provides the majority of funding for the Library. During 2016, the County supplemented the Library's budget in the amount of $1,930,262. 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

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.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statement. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property taxes as available if they are collected by the end of the current fiscal year. Other revenues susceptible to accrual are considered available if they are collected within 90 days of the end of the current fiscal period for which they are imposed. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, sales tax, franchise taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

*Cumulative effect of a change in accounting estimate:*

> The County has recorded an increased landfill closure/postclosure liability due to a major modification in the liability estimation methodology (see Note 14). As a result of this implementation, business-type net position was reduced by $6,026,403 as a change in accounting principle.

The government reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

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

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

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

The County reports the following major proprietary funds:

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

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

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

Additionally, the County reports the following fund types:

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the Solid Waste Disposal Facility enterprise fund, Water Utility enterprise fund, Sewer/Waste Water Utility enterprise fund, and of the County's Internal Service funds are charges to customers for sales and services. The Water Utility enterprise fund and Sewer/Waste Water Utility enterprise fund also recognized as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

ASSETS, LIABILITIES AND NET POSITION OR EQUITY

***Deposits and Investments***

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are recorded as fair value based on quoted market prices as of the balance sheet date. Increases or decreases in fair value during the year are recognized as part of investment income.

***Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "interfund receivables/payables." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance of uncollectibles.

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 2015 digest year were payable on December 1, 2015. Interest and penalties are assessed on taxes not paid by this date. The taxes are subject to lien after March 1, 2016.

The County's property taxes were levied on the assessed values of all real and personal property including mobile homes and motor vehicles located in the County.

The County bills and collects its own property taxes and also those for the School Board and the State. Only the County's tax levy is recognized as revenue when levied and uncollected taxes are recorded as deferred revenue in the general and fire special revenue funds.

***Inventories and Prepaid Items***

Inventories, consisting of expendable supplies, not held for resale are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

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

***Bond Premiums and Discounts***

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

Amortization costs for premiums, discounts, and amounts deferred for refunding (see Note 7) for the year 2016 was $(38,361). None of these costs were capitalized in 2016.

***Restricted Assets***

Certain proceeds of the County's capital leases or debt issues are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable lease or debt agreements.

***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, culverts, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of two years.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the County chose to include all such items regardless of their acquisition date or amount. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the assets constructed. No interest was capitalized during 2016.

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 |

### *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two items that qualify for reporting in this category. These two items consist of the deferred charge on refunding and deferred charge in pension expense. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amortization is part of the interest expense for the year. The deferred charge in pension expense represents contributions made into the defined benefit pension plan after the measurement date. These contributions will be recognized as pension expense in the next physical year.

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

### *Compensated Absences*

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, "Accounting for Compensated Absences," no liability is reported for unpaid accumulated sick leave because the benefits are paid only upon illness of an employee, and the amount of such payments cannot be reasonably estimated. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

### *Long-term Obligations*

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type statement of net position.

***Pensions***

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

***Fund Equity/Net Position***

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

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

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

- *Restricted* - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

- *Committed* - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution prior to the end of the fiscal year. In order to modify or rescind the commitment, the Board of Commissioners must adopt another resolution.

- *Assigned* - Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Commissioners has authorized the County's Finance Director to assign fund balances.

- *Unassigned* - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all other governmental funds.

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

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

***Net Investment in Capital Assets***

The "net investment in capital assets" reported on the government-wide statement of net position as of June 30, 2016, are as follows:

| Net investment in capital assets | Governmental Activities | Business-type Activities |
|---|---|---|
| Cost of capital assets | $ 695,620,876 | $ 137,893,205 |
| Less accumulated depreciation | (319,597,857) | (23,159,973) |
| Book value | 376,023,019 | 114,733,232 |
| Plus construction proceeds | 4 | 90,539 |
| Less capital related debt | (2,409,913) | (44,828,044) |
| Net investment in capital assets | $ 373,613,110 | $ 69,995,727 |

***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 $33,727,087 of restricted net position, of which $4,636,852 is restricted by enabling legislation.

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

| | |
|---|---|
| **Restricted:** | |
| **Fire District Fund** | |
| *Public Safety programs* - For funds restricted for fire services from a separate tax levy | $ 3,360,919 |
| **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 | 23,912,054 |
| **Capital Projects Fund** | |
| *Capital outlay projects* - For funds received from issuance of bonds that have not been spent | 355,651 |
| **Impact Fees Fund** | |
| *Impact Fee projects* - For funds received from impact fees that have not been spent | 876,937 |
| **Nonmajor Special Revenue Funds** | |
| *Special Assessments* - | |
| Special Assessments Fund - To account for funds received from special assessments for street lighting | 274,983 |
| *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 | 1,170,669 |
| Law Library Fund - To account for funds collected from fines and forfeitures to be used for the operation of the Law Library | 78,050 |
| *Public Safety programs* - | |
| Emergency E911 Telephone Services Fund - For fund to operate the E911 center as restricted by the OCGA-46-5 | 313,741 |
| Restricted Programs Fund - To account for funds collected from fines and forfeitures to be used for drug abuse, treatment and education programs, victims assistance programs | 1,552,887 |
| *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 | 157,891 |

| | |
|---|---|
| *Parks and Recreation programs -* | |
| Restricted Programs Fund - To account for funds donated for scholarships | 750 |
| *Housing and Development programs -* | |
| Restricted Programs Fund - To account for funds received from grants restricted by grantors for housing programs | 208,021 |
| **Total Restricted Fund Balance** | $ 32,262,553 |
| | |
| **Assigned:** | |
| **General Fund** | |
| Appropriated as a resource in next year's budget | 2,981,210 |
| **Nonmajor Capital Projects Funds** | |
| Allen Creek Soccer Complex - For encumbrances | 91,202 |
| State Road Fund - For road infrastructure & maintenance | 1,726,598 |
| **Total Assigned Fund Balance** | $ 4,799,010 |

## NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### BUDGETARY INFORMATION

Annual appropriated budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue funds. Project length budgets are adopted for the Capital Projects Funds. Annual operating budgets are prepared for each Enterprise and Internal Service Fund for planning, control, cost allocation and evaluation purposes. Budgetary amounts are not formally integrated into proprietary fund general ledgers. All unencumbered appropriations lapse at fiscal year-end with all encumbered appropriations being carried into the following budget year.

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

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

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

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

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

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

DEFICIT NET POSITION

There are no funds with deficits.

NOTE 4 - DEPOSITS AND INVESTMENTS

PRIMARY GOVERNMENT

***Custodial Credit Risk - Deposits***

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

As of December 8, 2016, these deposits were fully insured and collateralized.

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

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

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

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

As of June 30, 2016, the 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 |
| Certificate of Deposits | 6,760,112 | 4,008,856 | 2,751,256 | N/A |
| Total Debt Securities | $ 6,760,123 | $ 4,008,867 | $ 2,751,256 | |
| Maximum Investment | | 59.30 % | 40.70 % | |

*1. Standard & Poors*

| | |
|---|---|
| Cash per financial statements (page 1) | |
| Cash | $ 69,646,197 |
| Restricted cash | 1,340,543 |
| less cash equivalents that are investments | (11) |
| Cash held by Fiduciary Funds (page 11) | 7,749,356 |
| Deposits | $ 78,736,085 |
| | |
| Investments per financial statements | |
| Investments | $ 6,760,112 |
| Investments included in cash equivalents | 11 |
| Investments as listed above | $ 6,760,123 |

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

### *Interest Rate Risk*

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

### *Credit Risk*

State statutes authorize the County to invest in obligations of the U.S. Treasury and of its agencies and instrumentalities; bonds or certificates of indebtedness of this state and of its agencies and instrumentalities; certificates of deposits of banks insured by FDIC; the State of Georgia Local Government Investment Pool; repurchase agreements; bonds, debentures, notes or other evidence of indebtedness of any solvent corporation subject to certain conditions. The County has no investment policy that would further limit its investment choices. At June 30, 2016, the ratings of its investments are shown above.

### *Concentration of Credit Risk*

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

***Custodial Credit Risk - Investments***

For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has a policy of placing investments with qualified financial institutions. As of June 30, 2016, 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:

| **Governmental Activities:** | General Fund | Fire District | SPLOST | Impact Fees | Nonmajor Governmental Funds | Internal Service Funds |
|---|---|---|---|---|---|---|
| Receivables: | | | | | | |
| Property Taxes | $ 2,915,773 | $ 371,965 | $ - | $ - | $ 19,617 | $ - |
| Accounts | 2,776,256 | - | - | - | 543,336 | 192,917 |
| Intergovernmental | 2,598,016 | - | 2,619,593 | 49,196 | 844,221 | - |
| Total Gross Receivables | 8,290,045 | 371,965 | 2,619,593 | 49,196 | 1,407,174 | 192,917 |
| Less: Allowance for Uncollectibles | (1,299,044) | - | - | - | - | - |
| Total Net Receivables | $ 6,991,001 | $ 371,965 | $ 2,619,593 | $ 49,196 | $ 1,407,174 | $ 192,917 |

Property taxes receivable at June 30, 2016, consist of the following:

| DIGEST YEAR | GENERAL FUND (2) | FIRE DISTRICT |
|---|---|---|
| 2016 (1) | $ 25,429 | $ 7,145 |
| 2015 | 516,577 | 136,321 |
| 2014 | 246,707 | 42,989 |
| 2013 | 129,696 | 18,833 |
| 2012 | 164,362 | 19,204 |
| 2011 | 205,731 | 20,550 |
| 2010 | 265,593 | 27,136 |
| 2009 | 355,200 | 32,606 |
| 2008 | 362,775 | 26,606 |
| 2007 | 226,096 | 16,632 |
| 2006 | 180,299 | 10,746 |
| 2005 and prior | 237,308 | 13,197 |
| Total | $ 2,915,773 | $ 371,965 |

(1) 2016 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, 2016.

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 | $ 173,350 | $ - | $ 173,350 |
| Accounts | 505,635 | - | 505,635 |
| Intergovernmental | - | 458,765 | 458,765 |
| Total Gross Receivables | 678,985 | 458,765 | 1,137,750 |
| Less: Allowance for Uncollectibles | - | - | - |
| Total Net Receivables | $ 678,985 | $ 458,765 | $ 1,137,750 |

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) | $ 2,915,773 | $ - |
| Delinquent property taxes receivable (Fire District Fund) | 371,965 | - |
| Assessments (Special Assessment Fund) | 19,617 | - |
| Jail Phone Commissions (Restricted Programs Fund) | - | 1,500,001 |
| Grant drawdowns prior to meeting all eligibility requirements (Grants Fund) | - | 752,824 |
| Total unavailable/unearned revenue for governmental funds | $ 3,307,355 | $ 2,252,825 |

| | Health Department | Library System |
|---|---|---|
| Receivables: | | |
| Accounts | $ 75,166 | $ 19,717 |
| Intergovernmental | 852,678 | - |
| Total Gross Receivables | 927,844 | 19,717 |
| Less: Allowance for Uncollectibles | - | - |
| Total Net Receivables | $ 927,844 | $ 19,717 |

## NOTE 6 - CAPITAL ASSETS

### PRIMARY GOVERNMENT

Capital asset activity for the year ended June 30, 2016, was as follows:

| **Governmental Activities:** | Beginning Balance | Additions | Retirements | Transfers | Ending Balance |
|---|---|---|---|---|---|
| Non-Depreciable Assets: | | | | | |
| Land and improvements | $ 22,998,046 | $ - | $ - | $ - | $ 22,998,046 |
| Infrastructure land and improvements | 34,402,581 | 77,822 | - | - | 34,480,403 |
| Construction in progress | 20,766,564 | 13,708,409 | (960) | (8,814,603) | 25,659,410 |
| Total non-depreciable capital assets | 78,167,191 | 13,786,231 | (960) | (8,814,603) | 83,137,859 |
| Depreciable Assets: | | | | | |
| Buildings and improvements | 182,966,316 | - | - | 6,748,385 | 189,714,701 |
| Machinery and equipment | 37,667,183 | 1,642,174 | - | - | 39,309,357 |
| Vehicles | 30,263,804 | 2,548,724 | (1,822,399) | - | 30,990,129 |
| Infrastructure | 350,415,115 | - | (12,503) | 2,066,218 | 352,468,830 |
| Total depreciable capital assets | 601,312,418 | 4,190,898 | (1,834,902) | 8,814,603 | 612,483,017 |
| Less Accumulated Depreciation for: | | | | | |
| Buildings and improvements | (45,415,007) | (4,635,263) | - | - | (50,050,270) |
| Machinery and equipment | (30,770,198) | (2,424,028) | - | - | (33,194,226) |
| Vehicles | (22,407,279) | (1,440,632) | 1,660,341 | - | (22,187,570) |
| Infrastructure | (203,763,467) | (10,414,826) | 12,503 | - | (214,165,791) |
| Total accumulated depreciation | (302,355,951) | (18,914,749) | 1,672,844 | - | (319,597,857) |
| Total depreciable capital assets, net | 298,956,467 | (14,723,851) | (162,058) | 8,814,603 | 292,885,160 |
| Governmental activities capital assets, net | $ 377,123,658 | $ (937,620) | $ (163,018) | $ - | $ 376,023,019 |

Additions to governmental activities capital assets for fiscal year ending June 30, 2016, consist of the following:

| | |
|---|---|
| Capital Outlay | $ 17,860,903 |
| Donated vehicles | 116,225 |
| Rounding | 1 |
| Total | $ 17,977,129 |
| | |
| Non-depreciable capital assets additions | $ 13,786,231 |
| Depreciable capital assets additions | 4,190,898 |
| Total | $ 17,977,129 |

| **Business-type Activities:** | Beginning Balance | Additions | Retirements | Transfers | Ending Balance |
|---|---|---|---|---|---|
| Non-Depreciable Assets: | | | | | |
| Land and improvements | $ 26,938,264 | $ - | $ (2,222,980) | $ - | $ 24,715,284 |
| Construction in progress | 17,295,372 | 1,414,013 | (51,597) | (2,474,255) | 16,183,533 |
| Total non-depreciable capital assets | 44,233,636 | 1,414,013 | (2,274,577) | (2,474,255) | 40,898,817 |
| Depreciable Assets: | | | | | |
| Land improvements | 144,988 | - | - | - | 144,988 |
| Buildings and improvements | 10,448,282 | - | - | - | 10,448,282 |
| Machinery and equipment | 5,039,464 | 34,765 | - | - | 5,074,229 |
| Vehicles | 1,033,410 | 58,578 | - | - | 1,091,987 |
| Water and sewer infrastructure | 77,760,647 | - | - | 2,474,255 | 80,234,902 |
| Total depreciable capital assets | 94,426,791 | 93,343 | - | 2,474,255 | 96,994,388 |
| Less Accumulated Depreciation for: | | | | | |
| Land improvements | (144,988) | - | - | - | (144,988) |
| Buildings | (3,614,778) | (288,008) | - | - | (3,902,786) |
| Machinery and equipment | (2,803,521) | (394,916) | - | - | (3,198,437) |
| Vehicles | (612,565) | (71,627) | - | - | (684,192) |
| Water and sewer lines and system | (13,494,205) | (1,735,365) | - | - | (15,229,570) |
| Total accumulated depreciation | (20,670,057) | (2,489,916) | - | - | (23,159,973) |
| Total depreciable capital assets, net | 73,756,734 | (2,396,573) | - | 2,474,255 | 73,834,415 |
| Business-type activities capital assets, net | $ 117,990,370 | $ (982,560) | $ (2,274,577) | $ - | $ 114,733,232 |

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

| | |
|---|---|
| Governmental Activities: | |
| General Government | $ 675,142 |
| Judicial | 752,547 |
| Public Safety | 5,280,596 |
| Public Works | 10,638,710 |
| Public Health and Welfare | 221,352 |
| Recreation and Culture | 1,322,734 |
| Housing and Development | 23,668 |
| Total depreciation expense-governmental activities | $ 18,914,749 |
| Business-type Activities: | |
| Sewer/Waste Water Utility | $ 1,385,209 |
| Solid Waste | 1,104,707 |
| Total depreciation expense-business-type activities | $ 2,489,916 |

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, 2016, 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 | $ 3,444,539 | $ 2,311,032 | $ 1,133,507 | $ - | SPLOST/Grant Fund |
| E-911 System Upgrade | 13,000,000 | 826,896 | 8,842,842 | 3,330,262 | SPLOST/Impact Fee Fund |
| Jail Visitation Building | 225,000 | 160,830 | - | 64,170 | Impact Fee Fund |
| Courthouse Annex Renovation | 2,495,255 | 101,613 | 161,388 | 2,232,254 | SPLOST |
| Sheriff Administration Building | 6,100,000 | 5,511,288 | 523,500 | 65,212 | SPLOST |
| Health Department Expansion | 400,000 | 56,857 | 65,155 | 277,988 | SPLOST |
| Various Road Projects | 22,780,966 | 16,690,894 | 6,090,072 | - | |
| | $ 48,445,760 | $ 25,659,410 | $ 16,816,464 | $ 5,969,886 | |
| **Business-type Activities:** | | | | | |
| Glades Reservoir | $ 10,479,682 | $ 7,323,603 | $ 314,956 | $ 2,841,123 | SPLOST/Revenue Bonds |
| North Hall County Sewer System Master Plan | 2,198,025 | 180,403 | - | 2,017,622 | SPLOST/Sewer Fund |
| North Oconee Water Reclamation | 750,000 | 416,554 | - | 333,446 | SPLOST |
| Various Sewer Expansion Projects | 500,000 | 55,776 | 388,819 | 55,405 | Sewer Fund |
| Gateway/Hwy 365 Sewer Lines | 5,194,729 | 3,495,221 | 314,956 | 1,384,552 | SPLOST |
| Gateway Sewer Lines | 5,207,749 | 4,711,976 | - | 495,773 | SPLOST |
| Water and Sewerage Projects | $ 24,330,185 | $ 16,183,533 | $ 1,018,731 | $ 7,127,921 | |

DISCRETELY PRESENTED COMPONENT UNITS

Activity for the *Health Department* for the year ended June 30, 2016, was as follows:

| | Beginning Balance | Additions | Retirements | Ending Balance |
|---|---|---|---|---|
| **Governmental Activities:** | | | | |
| Depreciable Assets: | | | | |
| Machinery and equipment | $ 935,188 | $ 70,107 | $ - | $ 1,005,295 |
| Less Accumulated Depreciation | (668,450) | (82,944) | - | (751,394) |
| Capital Assets, net | $ 266,738 | $ (12,837) | $ - | $ 253,901 |

Activity for the *Library* for the year ended June 30, 2016, was as follows:

| | Beginning Balance | Additions | Retirements | Ending Balance |
|---|---|---|---|---|
| **Governmental Activities**: | | | | |
| Depreciable Assets: | | | | |
| Machinery and equipment | $ 602,584 | $ - | $ - | $ 602,584 |
| Books and collections | 3,879,489 | 263,457 | (118,413) | 4,024,533 |
| Total depreciable capital assets | 4,482,073 | 263,457 | (118,413) | 4,627,117 |
| Less Accumulated Depreciation for: | | | | |
| Machinery and equipment | (536,346) | (20,907) | - | (557,253) |
| Books and collections | (3,452,080) | (383,681) | 118,413 | (3,717,348) |
| Total accumulated depreciation | (3,988,426) | (404,588) | 118,413 | (4,274,601) |
| Total depreciable capital assets, net | 493,647 | (282,307) | - | 352,516 |
| Capital Assets, net | $ 493,647 | $ (282,307) | $ - | $ 352,516 |

## NOTE 7 - LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2016, was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year | Due After One Year |
|---|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | | |
| Contracts Payable | $ 2,076,302 | $ - | $ (150,486) | $ 1,925,816 | $ 180,816 | $ 1,745,000 |
| Less: original issue discount | (19,700) | - | 1,424 | (18,276) | (1,424) | (16,852) |
| Total contracts payable | 2,056,602 | - | (149,062) | 1,907,540 | 179,392 | 1,728,148 |
| Capital leases | 526,946 | 266,504 | (174,776) | 618,674 | 175,189 | 443,485 |
| Estimated claims payable | 1,693,150 | 13,855,183 | (13,914,537) | 1,633,796 | 892,196 | 741,600 |
| Net OPEB obligation | 58,980,083 | 4,144,039 | (1,244,252) | 61,879,870 | - | 61,879,870 |
| Net pension liability | 29,460,884 | 7,159,684 | (4,164,565) | 32,456,003 | - | 32,456,003 |
| Compensated absences | 3,472,009 | 1,454,351 | (1,088,050) | 3,838,310 | 2,302,986 | 1,535,324 |
| Governmental activities long-term liabilities | $ 96,189,674 | $ 26,879,761 | $ (20,735,242) | $ 102,334,193 | $ 3,549,763 | $ 98,784,430 |
| **Business-type Activities:** | | | | | | |
| Contracts payable | $ 19,620,000 | $ - | $ (1,185,000) | $ 18,435,000 | $ 1,795,000 | $ 16,640,000 |
| Plus: original issue premium | 188,978 | - | (39,785) | 149,193 | 39,785 | 109,408 |
| Total contracts payable | 19,808,978 | - | (1,224,785) | 18,584,193 | 1,834,785 | 16,749,408 |
| Notes payable | 29,886,743 | - | (1,573,175) | 28,313,568 | 1,619,689 | 26,693,880 |
| Compensated absences | 66,702 | 13,222 | (16,791) | 63,133 | 37,880 | 25,253 |
| Net pension liability | 1,259,541 | 306,099 | (178,048) | 1,387,592 | - | 1,387,592 |
| Landfill closure/postclosure | 13,836,058 | 931,408 | (105,694) | 14,661,772 | 158,964 | 14,502,808 |
| Business-type activities long-term liabilities | $ 64,858,022 | $ 1,250,729 | $ (3,098,493) | $ 63,010,258 | $ 3,651,318 | $ 59,358,941 |
| Total primary government long-term liabilities | $ 161,047,696 | $ 28,130,490 | $ (23,833,735) | $ 165,344,451 | $ 7,201,081 | $ 158,143,371 |

The County implemented a major modification in the landfill closure/post closure liability estimation methodology (see Note 14) and as a result had a change in accounting estimate of ($6,026,403) that is included in the beginning balance for the business-type activities.

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

GOVERNMENTAL ACTIVITIES

***Contracts Payable***

On January 1, 2009, the County and City of Gainesville entered into a contract with Gainesville-Hall County Development Authority to issue $2,000,000 in taxable Revenue Bonds, Series 2009. The bonds shall bear interest on the unpaid principal at a rate per annum equal to the LIBOR Market Index Rate plus 2.50% annum. The bond matured February 1, 2014, but was extended until February 1, 2015. The bonds were issued to construct a business park. Pursuant to the intergovernmental agreement, Hall County is responsible for 15.16% of the debt. City of Gainesville is responsible for 84.84%. At June 30, 2016, the County was responsible for $70,816.

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

The annual requirements to amortize contract payables outstanding as of June 30, 2016, are as follows:

| June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2017 | $ 180,816 | $ 78,684 | $ 259,500 |
| 2018 | 115,000 | 74,834 | 189,834 |
| 2019 | 120,000 | 70,521 | 190,521 |
| 2020 | 125,000 | 65,721 | 190,721 |
| 2021 | 130,000 | 60,721 | 190,721 |
| 2022-2026 | 735,000 | 215,464 | 950,464 |
| 2027-2029 | 520,000 | 47,310 | 567,310 |
| | $ 1,925,816 | $ 613,255 | $ 2,539,071 |

***Capital Leases***

The County leases certain land and facilities under non-cancelable capital leases. The leases relate to vehicles and equipment for public safety. This year, $117,372 was included in depreciation expense. 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 |
|---|---|
| Machinery and equipment | $ 691,809 |
| Vehicles | 211,659 |
| Less accumulated depreciation | (123,436) |
| | $ 780,032 |

These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimal lease payments as of the inception date. Minimum future lease obligations for these leases, as of June 30, 2016, are as follows:

| Year Ending June 30 | Governmental Activities |
|---|---|
| 2017 | $ 185,572 |
| 2018 | 185,572 |
| 2019 | 185,572 |
| 2020 | 85,572 |
| Total minimum lease payments | 642,288 |
| Less: amount representing interest (1.85% - 2.95%) | (23,614) |
| Present value of minimum lease payments | $ 618,674 |

BUSINESS-TYPE ACTIVITIES

***Contracts Payable***

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

The refunding was undertaken to reduce risk associated with the variable interest rate. The reacquisition price did not exceeded the net carrying amount of the old debt. The bonds' interest rate at June 30, 2016 was 0.97%. Interest payments are paid monthly, and the bonds mature in full on April 1, 2027.

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

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

| June 30 | Principal | Interest[1] | Total |
|---|---|---|---|
| 2017 | $ 1,795,000 | $ 291,507 | $ 2,086,507 |
| 2018 | 1,725,000 | 244,593 | 1,969,593 |
| 2019 | 2,035,000 | 198,734 | 2,233,734 |
| 2020 | 2,165,000 | 147,229 | 2,312,229 |
| 2021 | 1,140,000 | 93,184 | 1,233,184 |
| 2022-2026 | 7,590,000 | 296,728 | 7,886,728 |
| 2027 | 1,985,000 | 17,263 | 2,002,263 |
| Total | $ 18,435,000 | $ 1,289,238 | $ 19,724,238 |

[1]*Based on the variable rate at June 30, 2016. Includes letter of credit, remarketing, & trustees fees.*

***Notes Payable***

On June 30, 2007, the Enterprise Funds entered into a loan agreement with the Georgia Environmental Facilities Authority (GEFA) for the construction of infrastructure and equipment. The original amount of the note was $2,143,577 with an interest rate of 4.92%. At June 30, 2016, the loan did not have an outstanding balance.

On July 1, 2007, the County entered into a contract with the Georgia Environmental Facilities Authority to borrow from the Clean Water State Revolving Fund for the construction of the Calvary Church Road Sewer Facility. The facility is the property of the City of Gainesville, and will include a wastewater pump station, regulated gravity sewers, and a force main necessary for the County's new 1,026-bed Jail. The original amount of the note was $2,054,079 with an interest rate of 3% and matures on July 1, 2028. At June 30, 2016, the outstanding balance was $2,069,717.

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, 2016, the outstanding balance was $7,031,921. The loan will mature on July 1, 2030.

On August 1, 2008, the County entered into a contract with the Georgia Environmental Facilities Authority to borrow from the Clean Water State Revolving Fund for the construction of the Mulberry Creek Regional Sewer Facilities Phase II. The facility will include a gravity sewer main, two pump stations, force mains, and other appurtenances. The original amount of the note was $21,200,000 with an interest rate of 3%. At June 30, 2016, the outstanding balance was $18,201,843. The loan will mature on November 1, 2032.

On August 1, 2013, the County entered into a $1,200,000 loan agreement with the Georgia Environmental Facilities Authority (GEFA). These funds were to be drawn down as needed to finance the construction of a new leachate treatment facility at the County's Landfill. As of June 30, 2016, $1,010,087 was drawn on the loan before completion of the project. Repayment of the proceeds will begin after the project is complete. This loan bears interest at 1.2% and matures on February 1, 2025.

The annual requirements to amortize notes payable outstanding as of June 30, 2016, are as follows:

| June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2017 | $ 1,619,602 | $ 809,668 | $ 2,429,270 |
| 2018 | 1,666,571 | 762,786 | 2,429,357 |
| 2019 | 1,715,196 | 714,162 | 2,429,358 |
| 2020 | 1,765,019 | 665,341 | 2,430,360 |
| 2021 | 1,817,083 | 612,274 | 2,429,357 |
| 2022-2026 | 9,748,590 | 2,234,486 | 11,983,076 |
| 2027-2031 | 8,461,236 | 807,161 | 9,268,397 |
| 2032-2033 | 1,520,271 | 23,736 | 1,544,007 |
| Total | $ 28,313,568 | $ 6,629,614 | $ 34,943,182 |

COMPONENT UNITS

Activity for the *Health Department* for the year ended June 30, 2016, was as follows:

| **Governmental activities** | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year | Due After One Year |
|---|---|---|---|---|---|---|
| Compensated absences | $ 861,881 | $ 666,596 | $ (676,031) | $ 852,446 | $ 676,000 | $ 176,446 |
| Net pension liability | 9,109,951 | 2,404,125 | (1,525,314) | 9,988,762 | - | 9,988,762 |
| Total Governmental activities | $ 9,971,832 | $ 3,070,721 | $ (2,201,345) | $ 0,841,208 | $ 676,000 | $ 0,165,208 |

Activity for the *Library* for the year ended June 30, 2016, was as follows:

| **Governmental activities** | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year | Due After One Year |
|---|---|---|---|---|---|---|
| Compensated absences | $ 71,413 | $ 74,767 | $ (71,413) | $ 74,767 | $ 29,907 | $ 44,860 |
| Net pension liability | 1,642,505 | 385,496 | (169,454) | 1,858,547 | - | 1,858,547 |
| Compensated absences | $ 1,713,918 | $ 460,263 | $ (240,867) | $ 1,933,314 | $ 29,907 | $ 1,903,407 |

## NOTE 8 - INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of June 30, 2016, is as follows:

| | Due From | | |
|---|---|---|---|
| | Other nonmajor governmental funds | Water Utility Fund | Total |
| Due To | | | |
| General Fund | $ 100,399 | $ 1,975,814 | $ 2,076,213 |
| Total | $ 100,399 | $ 1,975,814 | $ 2,076,213 |

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, 2016, are as follows:

| | Transfers In | | | | | |
|---|---|---|---|---|---|---|
| | General Fund | Other Nonmajor Governmental Funds | Solid Waste Fund | Sewer/ Wastewater Utility Fund | Water Utility Fund | Total Transfers Out |
| Transfers Out | | | | | | |
| General Fund | $ - | $ 1,506,497 | $ - | $ - | $ 218,147 | $ 1,724,644 |
| SPLOST | - | - | 452,466 | 2,348,050 | 695,818 | 3,496,334 |
| Other nonmajor governmental funds | 193,872 | 635 | - | - | - | 194,507 |
| Group Insurance | 991,885 | - | - | - | - | 991,885 |
| Total - Transfers in | $ 1,185,757 | $ 1,507,132 | $ 452,466 | $2,348,050 | $ 913,965 | $ 6,407,370 |

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 $14,689,087, which has been recorded as capacity held for resale. This asset will be expensed as it is sold to developers and other users. At June 30, 2016, the County has sold 1,600 gallons of the capacity.

In June 2004, the County purchased 400,000 gallons per day of waste water treatment capacity from the City of Flowery Branch for $4,000,000, which has been recorded as capacity held for resale. During 2006, the County transferred 200,000 gallons of this capacity to the City of Oakwood. This asset will be expensed as it is sold to developers and other users. As of June 30, 2016, 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, 2016, the County has not sold any of the capacity.

## NOTE 10 - RETIREMENT PLANS

### DEFINED BENEFIT PENSION PLAN

#### *Plan Description*

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

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

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire at the earlier of: a) age 65 with three years of participation in the Plan or b) when age and years of service total 75.

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

Participant counts as of January 1, 2015, (the most recent actuarial valuation date) and covered compensation (base on covered earnings for the preceding year) are shown below:

| | |
|---|---|
| Retirees, beneficiaries and disabled participants receiving benefits | 326 |
| Terminated plan participants entitled to but not yet receiving benefits | 262 |
| Active employees participating in the Plan | 138 |
| Total number of Plan participants | 726 |
| | |
| Covered compensation for active participants | $ 8,918,269 |
| Net pension liability as a percentage of its covered-employee payroll | 37.95 % |

***Contributions***

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

***Net Pension Liability***

The County's net pension liability was measured as of January 1, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liability as of the January 1, 2015 valuation was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 3.50% |
| Salary Increases | 3.00-4.50%, average, including inflation |
| Investment rate of return | 7.50%, net of pension plan investment expense, including inflation |

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

The actuarial assumptions used in the 2015 valuation were based on the results of an actuarial experience study for the period January 1, 1988 - December 31, 2014.

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

| Asset Class | Target Allocation | Long-term expected real rate of return* |
|---|---|---|
| Fixed income | 30.00% | 3.22% |
| Domestic large equities | 30.00 | 2.34 |
| Domestic mid equities | 5.00 | 0.27 |
| Domestic small equities | 5.00 | 0.57 |
| REIT | 5.00 | 0.47 |
| International | 15.00 | 1.43 |
| Multi cap | 5.00 | 0.53 |
| Global allocation | 5.00 | 0.66 |
| TOTAL | 100.00% | |

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

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Change in the Net Pension Liability***

| | Pension Liability | Fiduciary Net Position | Net Pension Liability |
|---|---|---|---|
| Balances at June 30, 2015 | $ 48,249,039 | $ 17,528,614 | $ 30,720,425 |
| Changes for the year: | | | |
| Service cost | 49,075 | - | 49,075 |
| Interest | 3,435,577 | - | 3,435,577 |
| Difference between expected and actual experience | 2,133,870 | - | 2,133,870 |
| Contribution-employer | - | 4,342,613 | (4,342,613) |
| Net investment income | - | 57,372 | (57,372) |
| Assumption Change | 1,713,200 | - | 1,713,200 |
| Benefit payments | (4,882,706) | (4,882,706) | - |
| Administrative expense | - | (46,098) | 46,098 |
| Other charges | - | (145,335) | 145,335 |
| Net changes | 2,449,016 | (674,154) | 3,123,170 |
| Balances at June 30, 2016 | $ 50,698,055 | $ 16,854,460 | $ 33,843,595 |

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

| | 1 % Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|---|---|---|---|
| County's net pension liability | $ 38,280,173 | $ 33,843,595 | $ 30,003,610 |

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

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

For the year ended June 30, 2016, the County recognized pension expense of $4,718,960. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ - | $ - |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings on pension plan investments | - | - |
| Changes in proportion and differences between County contributions and proportionate share of contributions | - | - |
| County contributions subsequent to the measurement date | 4,342,613 | - |
| TOTAL | $ 4,342,613 | $ - |

County contributions of $4,342,613 subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2017.

DEFINED CONTRIBUTION PLAN

***Plan Description***

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

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

***Funding Policy***

Contributions totaling $2,539,062 ($2,539,062 employer and $0 employee) were made in accordance with the Plan A guidelines and the designations by County Employees.

OTHER POST-RETIREMENT BENEFITS

***Plan Description***

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

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

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

The percentage of the terminated employee's premium which will be contributed by the County is based on the number of full years of service with the County, as follows:

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

***Funding Policy***

The post-retirement medical insurance benefits are currently funded on a pay-as-you-go basis. The County currently funds on a cash basis as benefits are paid. No assets have been segregated and restricted to provide post-retirement benefits. For fiscal year 2016, the County contributed $1,244,252 to the plan. In fiscal year 2016, total member contributions were $821,789.

***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:

| | 2016 | 2015 |
|---|---|---|
| Annual required contribution | $ 4,083,242 | $ 3,584,000 |
| Interest on note OPEB obligation | 2,359,203 | 2,269,000 |
| Adjustment to annual required contribution | (2,298,406) | (2,211,000) |
| Annual OPEB cost | 4,144,039 | 3,642,000 |
| Employer contributions made with interest | (1,244,252) | (1,393,435) |
| Increase (decrease) in net OPEB obligation | 2,899,787 | 2,248,565 |
| Net OPEB obligation, Beginning of year | 58,980,083 | 56,731,518 |
| Net OPEB obligation, End of year | $ 61,879,870 | $ 58,980,083 |

The County performs actuarial valuations every two years. The data for 2016 is projected based on rates from 2015 applied to 2016 salaries.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 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 |
|---|---|---|---|---|
| 2016 | $ 4,144,039 | $ 1,244,252 | 30.0% | $ (61,879,870) |
| 2015 | $ 3,642,000 | $ 1,393,435 | 38.3% | $ (58,980,083) |
| 2014 | $ 3,472,652 | $ 1,279,728 | 36.9% | $ (56,731,518) |

***Funded Status and Funding Progress***

As of July 1, 2015, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was $39,440,440, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $39,440,440. The covered payroll (annual payroll of active employees covered by the benefits) was $67,030,973, and the ratio of the UAAL to the covered payroll was 59 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, 2017 for fiscal year ending June 30, 2018.

***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, 2015. Additional information as of the latest actuarial valuation follows:

| | |
|---|---|
| Valuation date | July 1, 2015 |
| 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 | 7.63% 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 |

## 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, 2016, the County included in accrued expenses $603,796 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, 2015 | $ 626,090 | $ 12,645,807 | $ (12,608,747) | $ 663,150 |
| Year ended June 30, 2016 | $ 663,150 | $ 12,895,706 | $ (12,955,060) | $ 603,796 |

### 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, 2016, 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, 2016, an actuary determined that approximately $1,030,000 is reported but unpaid and incurred but not reported claims were outstanding relating to fiscal year 2016 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, 2015 | $ 1,890,000 | $ 580,375 | $ (1,440,375) | $ 1,030,000 |
| Year ended June 30, 2016 | $ 1,030,000 | $ 959,477 | $ (959,477) | $ 1,030,000 |

OTHER

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During 2016, the County contracted with several different insurance providers for various insurance coverages.

| Type | Amount in Force |
|---|---|
| Property | $ 265,892,112 |

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

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

## NOTE 12 - RELATED PARTY TRANSACTIONS

### DEVELOPMENT AUTHORITY

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

### MENTAL HEALTH/MENTAL RETARDATION

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

### 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 or exhibit any other indications of financial accountability with regard to these authorities. The County does guarantee debt for both of these entities, see Note 13 for detailed disclosure.

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 | $ 448,394 |
| SPLOST | 18,714,187 |
| Capital Projects | 2,555,778 |
| Nonmajor governmental funds | 250,192 |
| Total governmental activities | $ 21,968,551 |
| Enterprise Funds | |
| Sewer/waste water utility | $ 18,054 |
| Water utility | 454,331 |
| Total Enterprise funds | $ 472,385 |

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, 2016, the outstanding balance of this debt was $212 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, 2016, the outstanding balance of this debt was $207 million.

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

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

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

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

In October 2016, the County entered into an additional agreement with the Chicopee Woods Area Park Commission to guarantee payment of bonds in the amount of $2,725,000 to be issued for further capital investments in and repairs to the Chicopee Woods Golf Course in the event that the Chicopee Woods Area Park Commissionis unable to meet debt service requirements. At June 30, 2016, there was not yet an outstanding balance on this debt.

## 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, 2016, the County has recorded a liability for the Allen Creek Landfill of $5,271,588, 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, 2016, the County has recorded a liability for the Candler Road landfill of $9,390,184, which represents the estimated closure and postclosure costs based on 33% of landfill capacity used to date. The County will recognize the remaining estimated cost of closure and postclosure care of $19,064,919 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2016. 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.

In fiscal year 2016, the County implemented a major modification in the liability estimation methodology for both capacity and closure/post closure costs for the Candler Road Landfill. This adjustment was considered necessary since the techniques used to estimate the liability had not been updated since 1996 and were deemed to be outdated. The resulting change in accounting estimate increased the Candler Road Landfill closure/postclosure liability at June 30, 2015 from $2,639,983 to $8,666,386.

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, 2016, 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. Five 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 $5,271,588. The County has accrued the difference between the estimated liability this year and the amount accrued as of June 30, 2015, 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 $10,831,588.

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 $9,390,184, which represents the estimated closure and postclosure costs based on 33% of landfill capacity used to date. The County will recognize the remaining estimated cost of closure and postclosure care of $19,064,919 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, 2016, the County paid $151,936 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, 2016, the County collected $35,849 of which $14,340 was required to be spent to promote tourism, conventions, and trade shows. The County actually spent $90,000. This was 628% of the tax receipts to be expended for these purposes under OCGA 48-13-51. The County complied with the requirements of this law.

## NOTE 18 - SUBSEQUENT EVENTS

In July 2016, the County entered into an amendment of the contract with Gainesville-Hall County Development Authority to fund repayment of $14,565,000 of Series 2013 Variable Rate Refunding Revenue Bonds for the current refunding of $14,500,000 in Series 2008 Variable Rate Demand Revenue bonds. The amendment requires a principal payment of $2,225,000 to be made in July 2016 from the sale of related property that also occurred in July of 2016, and interest only payments subsequently until April of 2019. Interest payments are paid monthly, and the bonds mature in full on April 1, 2027.

**HALL COUNTY, GEORGIA**
**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULE OF THE NET PENSION LIABILITY -**
**ACCG RESTATED PENSION PLAN FOR HALL COUNTY EMPLOYEES**
**For the Year Ended June 30, 2016**
**"Unaudited"**

| For the Year Ended June 30, | 2016 | 2015 |
|---|---|---|
| Net pension liability | $ 33,843,595 | $ 30,720,425 |
| Covered-employee payroll | $ 8,918,269 | $ 9,598,157 |
| Net pension liability as a percentage of its covered-employee payroll | 37.95% | 32.01% |
| Total pension liability | 50,698,055 | 48,249,039 |
| Fiduciary net position | 16,854,460 | 17,528,614 |
| Plan fiduciary net position as a percentage of the total pension liability | 33.20% | 36.30% |

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

**HALL COUNTY, GEORGIA**
**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULE OF CONTRIBUTIONS -**
**ACCG RESTATED PENSION PLAN FOR HALL COUNTY EMPLOYEES**
**For the Year Ended June 30, 2016**
**"Unaudited"**

| For the Year Ended June 30, | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---|---|---|---|---|---|---|---|---|---|
| Contractually required contribution | $ 4,342,613 | $ 4,106,812 | $ 3,492,226 | $ 3,044,160 | $ 3,114,034 | $ 2,880,247 | $ 2,796,051 | $ 2,457,053 | $ 2,157,078 | $ 2,067,268 |
| Contributions in relation to the contractually required contribution | 4,342,613 | 4,106,812 | 3,716,842 | 3,412,489 | 2,246,258 | 1,839,947 | 2,011,035 | 2,916,504 | 2,597,966 | 2,585,533 |
| Contribution deficiency (excess) | $ - | $ - | $ (224,616) | $ (368,329) | $ 867,776 | $ 1,040,300 | $ 785,016 | $ (459,451) | $ (440,888) | $ (518,265) |
| County's covered-employee payroll | $ 8,918,269 | $ 9,598,157 | $ 9,670,874 | $ 9,918,902 | $10,707,690 | $10,929,736 | $11,859,831 | $12,324,648 | $14,188,604 | $14,111,019 |
| Contributions as a percentage of covered-employee payroll | 48.69% | 42.79% | 38.43% | 34.40% | 20.98% | 16.83% | 16.96% | 23.66% | 18.31% | 18.32% |

**HALL COUNTY, GEORGIA**
**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULE OF NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -**
**ACCG RESTATED PENSION PLAN FOR HALL COUNTY EMPLOYEES**
**For the Year Ended June 30, 2016**
**"Unaudited"**

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

The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which donations are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended 2016 reported in that schedule:

| | |
|---|---|
| Valuation Date | December 31, 2015 |
| Actuarial Cost Method | Entry Age |
| Amortization Method | Level percentage of payroll, open |
| Remaining Amortization period | 30 years |
| Asset Valuation method | Five-year smoothed market |
| Inflation Rate | 3.50% |
| Salary Increases | 3.0%-4.5%, including inflation |
| Investment rate of return | 7.50%, net of pension plan investment expense, including inflation |

**HALL COUNTY, GEORGIA**
**REQUIRED SUPPLEMENTARY INFORMATION**
**SCHEDULE OF FUNDING PROGRESS -**
**OTHER POST-EMPLOYMENT BENEFITS**
**For the Year Ended June 30, 2016**
**"Unaudited"**

| Actuarial Valuation Date July 1 | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) | (3) Funded Ratio (1) / (2) | (4) Unfunded AAL (UAAL) (2) - (1) | (5) Annual Covered Payroll (prior year) | (6) UAAL as a Percentage of Covered Payroll (4) / (5) |
|---|---|---|---|---|---|---|
| 2008 | $ - | $ 79,771,369 | 0.00 % | $ 79,771,369 | $ 62,037,301 | 128.59 % |
| 2009 | $ - | $ 116,673,382 | 0.00 % | $ 116,673,382 | $ 61,089,487 | 190.99 % |
| 2010 | $ - | $ 145,475,289 | 0.00 % | $ 145,475,289 | $ 61,292,853 | 237.34 % |
| 2011 | $ - | $ 50,439,165 | 0.00 % | $ 50,439,165 | $ 56,292,152 | 89.60 % |
| 2012 | $ - | $ 41,810,093 | 0.00 % | $ 41,810,093 | $ 57,940,095 | 72.16 % |
| 2013 | $ - | $ 35,305,071 | 0.00 % | $ 35,305,071 | $ 60,581,417 | 58.28 % |
| 2014 | $ - | $ 37,493,000 | 0.00 % | $ 37,493,000 | $ 62,772,238 | 59.73 % |
| 2015 | $ - | $ 39,440,440 | 0.00 % | $ 39,440,440 | $ 62,772,238 | 62.83 % |

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, 2016
# (Required Supplementary Information)

| | BUDGET AMOUNTS ORIGINAL | FINAL | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|---|---|---|---|
| FUND BALANCE, Beginning of year | $ 23,766,070 | $ 23,766,070 | $ 23,766,070 | $ - |
| RESOURCES (INFLOWS) | | | | |
| Taxes | 68,824,699 | 69,253,984 | 69,622,570 | 368,586 |
| Licenses and permits | 1,785,040 | 1,785,040 | 1,978,897 | 193,857 |
| Intergovernmental | 794,385 | 794,385 | 1,304,779 | 510,394 |
| Fines and forfeitures | 2,096,674 | 2,096,674 | 4,638,480 | 2,541,806 |
| Charges for services | 15,995,531 | 15,995,531 | 13,495,673 | (2,499,858) |
| Contributions and donations | - | - | 2,831 | 2,831 |
| Investment income | 10,383 | 10,383 | 26,165 | 15,782 |
| Miscellaneous | 178,750 | 178,750 | 145,103 | (33,647) |
| Sale of county property | 50,000 | 50,000 | 68,938 | 18,938 |
| Capital lease proceeds | - | 266,503 | 266,504 | 1 |
| Transfers in | 194,412 | 194,412 | 1,185,757 | 991,345 |
| Total Resources (Inflows) | 89,929,874 | 90,625,662 | 92,735,697 | 2,110,035 |
| AMOUNTS AVAILABLE FOR APPROPRIATION | 113,695,944 | 114,391,732 | 116,501,767 | 2,110,035 |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| General Government | | | | |
| Legislative | 1,049,938 | 1,063,829 | 1,063,829 | - |
| Elections | 647,428 | 643,633 | 643,633 | - |
| Financial administration | 689,401 | 698,548 | 698,548 | - |
| Business license | 156,701 | 164,711 | 164,711 | - |
| Purchasing | 305,735 | 277,639 | 277,639 | - |
| Data processing/MIS | 787,854 | 788,736 | 788,736 | - |
| Human resources | 499,196 | 440,209 | 440,209 | - |
| Tax commissioner | 1,511,624 | 1,432,568 | 1,432,568 | - |
| Tax assessor-real property | 1,649,866 | 1,575,949 | 1,575,949 | - |
| Risk management | 8,847,844 | 8,707,683 | 8,707,683 | - |
| Buildings | 2,549,850 | 2,283,513 | 2,283,513 | - |
| General services | 4,241,359 | 2,088,761 | 2,088,479 | 282 |
| Agencies | 151,936 | 151,936 | 151,936 | - |
| Total General Government | 23,088,732 | 20,317,715 | 20,317,433 | 282 |
| Judicial | | | | |
| Judicial administration | 338,204 | 334,856 | 334,856 | - |
| Superior court | 2,751,896 | 2,690,981 | 2,690,981 | - |
| Clerk of superior court | 1,993,764 | 2,033,878 | 2,033,878 | - |
| District attorney | 1,378,490 | 1,398,367 | 1,398,367 | - |
| State court | 1,457,745 | 1,555,394 | 1,555,394 | - |
| Magistrate court | 1,101,085 | 1,123,019 | 1,123,019 | - |
| Probate court | 563,726 | 712,911 | 712,911 | - |
| Juvenile court | 1,609,521 | 1,618,103 | 1,618,103 | - |
| Probation services | 724,460 | 784,919 | 784,919 | - |
| Public defender | 1,361,752 | 1,396,426 | 1,396,426 | - |
| Solicitor | 1,301,537 | 1,365,804 | 1,365,804 | - |
| Other judicial | 938,577 | 904,752 | 904,752 | - |
| Total Judicial | 15,520,757 | 15,919,410 | 15,919,410 | - |
| Public Safety | | | | |
| Sheriff | 15,010,277 | 15,722,680 | 15,722,680 | - |
| Detention center | 13,358,259 | 15,247,086 | 15,247,086 | - |
| Correctional institute | 2,876,042 | 2,965,639 | 2,965,639 | - |
| Emergency medical services | 6,464,804 | 7,649,639 | 7,649,639 | - |
| Coroner | 165,872 | 164,837 | 164,837 | - |
| E-911 | 1,195,461 | 903,841 | 884,905 | 18,936 |
| Agencies | 9,451 | 9,451 | 9,451 | - |
| Animal shelter | 1,258,056 | 1,320,596 | 1,320,596 | - |
| Emergency management | 251,013 | 251,502 | 251,502 | - |
| Total Public Safety | 40,589,235 | 44,235,271 | 44,216,335 | 18,936 |
| Public Works | | | | |
| Highways and streets | 2,694,465 | 2,809,417 | 2,809,417 | - |
| Maintenance and shop | 1,213,126 | 835,300 | 835,300 | - |
| Engineering | 887,550 | 982,150 | 982,150 | - |
| Total Public Works | 4,795,141 | 4,626,867 | 4,626,867 | - |

# HALL COUNTY, GEORGIA
# BUDGETARY COMPARISON SCHEDULE
# GENERAL FUND
# For the Year Ended June 30, 2016
# (Required Supplementary Information)

| CONTINUED..... | BUDGET AMOUNTS ORIGINAL | FINAL | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|---|---|---|---|
| Public Health and Welfare | | | | |
| Health department | 816,107 | 819,393 | 819,393 | - |
| Public welfare | 799,000 | 1,013,075 | 1,013,075 | - |
| Community Center | 458,168 | 458,214 | 458,214 | - |
| Agencies | 115,863 | 115,863 | 115,863 | - |
| Total Public Health and Welfare | 2,189,138 | 2,406,545 | 2,406,545 | - |
| Recreation and Culture | | | | |
| Parks | 2,484,383 | 2,331,238 | 2,330,908 | 330 |
| Library | 2,022,099 | 2,097,502 | 2,097,502 | - |
| Agriculture center | 238,276 | 233,103 | 233,103 | - |
| Other recreation and culture | 147,992 | 120,992 | 120,667 | 325 |
| Total Recreation and Culture | 4,892,750 | 4,782,835 | 4,782,180 | 655 |
| Housing and development | | | | |
| Conservation | 102,444 | 101,920 | 101,920 | - |
| Building inspection | 447,832 | 425,493 | 425,493 | - |
| Planning and zoning | 788,642 | 770,404 | 770,404 | - |
| Code enforcement | 411,526 | 450,381 | 450,381 | - |
| Agencies | 568,505 | 530,357 | 529,509 | 848 |
| County agent | 198,712 | 187,849 | 187,849 | - |
| Total Housing and Development | 2,517,661 | 2,466,404 | 2,465,556 | 848 |
| TOTAL CHARGES TO APPROPRIATIONS | 93,593,414 | 94,755,047 | 94,734,326 | 20,721 |
| CHANGE IN FUND BALANCE | (3,663,540) | (4,129,385) | (1,998,629) | 2,130,756 |
| FUND BALANCE, End of year | $ 20,102,530 | $ 19,636,685 | $ 21,767,441 | $ 2,130,756 |

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, 2016**
**(Required Supplementary Information)**

| | BUDGET AMOUNTS ORIGINAL | BUDGET AMOUNTS FINAL | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|---|---|---|---|
| FUND BALANCE, Beginning of year | $ 3,378,471 | $ 3,378,471 | $ 3,378,471 | $ - |
| RESOURCES (INFLOWS) | | | | |
| Taxes | 21,854,296 | 21,854,296 | 21,578,313 | (275,983) |
| Intergovernmental | 20,066 | 20,066 | 592 | (19,474) |
| Charges for services | 25,000 | 25,000 | 165,778 | 140,778 |
| Miscellaneous | 1,000 | 1,000 | 2,168 | 1,168 |
| Sale of county property | 25,000 | 25,000 | - | (25,000) |
| Total Resources (Inflows) | 21,925,362 | 21,925,362 | 21,746,851 | (178,511) |
| AMOUNTS AVAILABLE FOR APPROPRIATION | 25,303,833 | 25,303,833 | 25,125,322 | (178,511) |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Public safety | 21,008,195 | 21,717,685 | 21,667,821 | 49,864 |
| TOTAL CHARGES TO APPROPRIATIONS | 21,008,195 | 21,717,685 | 21,667,821 | 49,864 |
| CHANGE IN FUND BALANCE | 917,167 | 207,677 | 79,030 | (128,647) |
| FUND BALANCE, End of year | $ 4,295,638 | $ 3,586,148 | $ 3,457,501 | $ (128,647) |

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

# HALL COUNTY, GEORGIA
# COMBINING BALANCE SHEET
# NONMAJOR GOVERNMENTAL FUNDS
# For the Year Ended June 30, 2016

| | SPECIAL REVENUE FUNDS | | | | | | | | CAPITAL PROJECTS FUND | |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 | $ 148,087 | $ - | $ 261,270 | $ 287,267 | $ 4,879,385 | $ 78,641 | $ 102,173 | $ 5,756,823 | $ 1,860,983 | $ 7,617,806 |
| Receivables (net of allowance for uncollectibles) | 423,192 | 126,318 | 644,075 | 19,617 | 182,672 | - | 11,300 | 1,407,174 | - | 1,407,174 |
| Prepaid items | - | - | 26,953 | - | 2,000 | - | - | 28,953 | - | 28,953 |
| TOTAL ASSETS | $ 571,279 | $ 126,318 | $ 932,298 | $ 306,884 | $ 5,064,057 | $ 78,641 | $ 113,473 | $ 7,192,950 | $ 1,860,983 | $ 9,053,933 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | |
| Liabilities | | | | | | | | | | |
| Accounts payable | $ 133,875 | $ 6,527 | $ 99,381 | $ 12,284 | $ 296,010 | $ 591 | $ 16,262 | $ 564,930 | $ 134,385 | $ 699,315 |
| Other accrued items | 123,663 | 19,392 | 54,662 | - | 52,529 | - | 6,009 | 256,255 | - | 256,255 |
| Due to other funds | - | 100,399 | - | - | - | - | - | 100,399 | - | 100,399 |
| Unearned revenue | - | - | 752,824 | - | 1,500,001 | - | - | 2,252,825 | - | 2,252,825 |
| Deposits held | - | - | - | - | 123,299 | - | - | 123,299 | - | 123,299 |
| TOTAL LIABILITIES | 257,538 | 126,318 | 906,867 | 12,284 | 1,971,839 | 591 | 22,271 | 3,297,708 | 134,385 | 3,432,093 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | | |
| Unavailable revenue -other | - | - | - | 19,617 | - | - | - | 19,617 | - | 19,617 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | - | - | - | 19,617 | - | - | - | 19,617 | - | 19,617 |
| TOTAL LIABILITIES, AND DEFERRED INFLOWS OF RESOURCES | 257,538 | 126,318 | 906,867 | 31,901 | 1,971,839 | 591 | 22,271 | 3,317,325 | 134,385 | 3,451,710 |
| FUND BALANCES | | | | | | | | | | |
| Nonspendable: | | | | | | | | | | |
| Prepaid expenditure | - | - | 25,431 | - | 2,000 | - | - | 27,431 | - | 27,431 |
| Restricted: | | | | | | | | | | |
| Special assessments | - | - | - | 274,983 | - | - | - | 274,983 | - | 274,983 |
| Judicial programs | - | - | - | - | 1,170,669 | 78,050 | - | 1,248,719 | - | 1,248,719 |
| Public safety programs | 313,741 | - | - | - | 1,552,887 | - | - | 1,866,628 | - | 1,866,628 |
| Health and welfare programs | - | - | - | - | 157,891 | - | - | 157,891 | - | 157,891 |
| Recreation and culture programs | - | - | - | - | 750 | - | - | 750 | - | 750 |
| Housing and development programs | - | - | - | - | 208,021 | - | - | 208,021 | - | 208,021 |
| Assigned: | | | | | | | | | | |
| Capital equipment and infrastructure | - | - | - | - | - | - | - | - | 1,726,598 | 1,726,598 |
| Recreation and culture programs | - | - | - | - | - | - | 91,202 | 91,202 | - | 91,202 |
| TOTAL FUND BALANCES | 313,741 | - | 25,431 | 274,983 | 3,092,218 | 78,050 | 91,202 | 3,875,625 | 1,726,598 | 5,602,223 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | $ 571,279 | $ 126,318 | $ 932,298 | $ 306,884 | $ 5,064,057 | $ 78,641 | $ 113,473 | $ 7,192,950 | $ 1,860,983 | $ 9,053,933 |

# HALL COUNTY, GEORGIA
## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
## NONMAJOR GOVERNMENTAL FUNDS
## For the Year Ended June 30, 2016

| | 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 | $ - | $ - | $ - | $ - | $ - | $ 35,849 | $ - | $ - | $ 35,849 | $ - | $ 35,849 |
| Intergovernmental | - | - | 1,854,254 | - | 778,726 | - | - | 26,039 | 2,659,019 | 2,291,971 | 4,950,990 |
| Fines and forfeitures | - | - | - | - | 209,357 | - | 159,726 | - | 369,083 | - | 369,083 |
| Charges for services | 3,408,272 | 631,360 | 929,691 | 1,010,307 | 2,304,603 | - | - | 117,780 | 8,402,013 | - | 8,402,013 |
| Contributions and donations | - | - | - | - | 64,351 | - | - | - | 64,351 | - | 64,351 |
| Interest income | - | - | - | - | - | - | 6 | - | 6 | - | 6 |
| Miscellaneous | 20,468 | 1,630 | 6,684 | - | 51,193 | - | - | 6,900 | 86,875 | - | 86,875 |
| TOTAL REVENUES | 3,428,740 | 632,990 | 2,790,629 | 1,010,307 | 3,408,230 | 35,849 | 159,732 | 150,719 | 11,617,196 | 2,291,971 | 13,909,167 |
| EXPENDITURES | | | | | | | | | | | |
| Current Expenditures | | | | | | | | | | | |
| Judicial | - | - | 1,144,281 | - | 818,362 | - | 148,045 | - | 2,110,688 | - | 2,110,688 |
| Public safety | 4,296,044 | - | 71,815 | - | 1,909,806 | - | - | - | 6,277,665 | - | 6,277,665 |
| Public works | - | - | - | 869,654 | - | - | - | - | 869,654 | 1,432,890 | 2,302,544 |
| Public health and welfare | - | - | 53,905 | - | 57,735 | - | - | - | 111,640 | - | 111,640 |
| Recreation and culture | - | 721,085 | - | - | - | 90,000 | - | 256,551 | 1,067,636 | - | 1,067,636 |
| Housing and development | - | - | 1,618,940 | - | - | - | - | - | 1,618,940 | - | 1,618,940 |
| Capital outlay | 17,600 | 58,500 | - | - | 245,013 | - | - | 8,121 | 329,234 | 2,781,854 | 3,111,088 |
| TOTAL EXPENDITURES | 4,313,644 | 779,585 | 2,888,941 | 869,654 | 3,030,916 | 90,000 | 148,045 | 264,672 | 12,385,457 | 4,214,744 | 16,600,201 |
| EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES | (884,904) | (146,595) | (98,312) | 140,653 | 377,314 | (54,151) | 11,687 | (113,953) | (768,261) | (1,922,773) | (2,691,034) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | | |
| Sale of county property | - | - | - | - | 5,546 | - | - | - | 5,546 | - | 5,546 |
| Transfers in | 884,904 | 47,670 | 95,078 | - | 304,662 | 54,151 | - | 120,667 | 1,507,132 | - | 1,507,132 |
| Transfers out | - | - | - | (193,872) | (635) | - | - | - | (194,507) | - | (194,507) |
| TOTAL OTHER FINANCING SOURCES (USES) | 884,904 | 47,670 | 95,078 | (193,872) | 309,573 | 54,151 | - | 120,667 | 1,318,171 | - | 1,318,171 |
| NET CHANGE IN FUND BALANCES | - | (98,925) | (3,234) | (53,219) | 686,887 | - | 11,687 | 6,714 | 549,910 | (1,922,773) | (1,372,863) |
| FUND BALANCES, Beginning of year | 313,741 | 98,925 | 28,665 | 328,202 | 2,405,331 | - | 66,363 | 84,488 | 3,325,715 | 3,649,371 | 6,975,086 |
| FUND BALANCES, End of year | $ 313,741 | $ - | $ 25,431 | $ 274,983 | $ 3,092,218 | $ - | $ 78,050 | $ 91,202 | $ 3,875,625 | $ 1,726,598 | $ 5,602,223 |

**HALL COUNTY, GEORGIA**
**EMERGENCY TELEPHONE SYSTEM SPECIAL REVENUE FUND**
**SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE**
**For the Year Ended June 30, 2016**

| | BUDGET AMOUNTS ORIGINAL | BUDGET AMOUNTS FINAL | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|---|---|---|---|
| FUND BALANCE, Beginning of year | $ 313,741 | $ 313,741 | $ 313,741 | $ - |
| RESOURCES (INFLOWS) | | | | |
| Charges for services | - | 4,314,000 | 3,408,272 | (905,728) |
| Miscellaneous | - | - | 20,468 | 20,468 |
| Transfer in | - | - | 884,904 | 884,904 |
| Total Resources (Inflows) | - | 4,314,000 | 4,313,644 | (356) |
| AMOUNTS AVAILABLE FOR APPROPRIATION | 313,741 | 4,627,741 | 4,627,385 | (356) |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Public safety | - | 4,314,000 | 4,313,644 | 356 |
| TOTAL CHARGES TO APPROPRIATIONS | - | 4,314,000 | 4,313,644 | 356 |
| CHANGE IN FUND BALANCE | - | - | - | - |
| FUND BALANCE, End of year | $ 313,741 | $ 313,741 | $ 313,741 | $ - |

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, 2016**

| | BUDGET AMOUNTS ORIGINAL | BUDGET AMOUNTS FINAL | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|---|---|---|---|
| FUND BALANCE, Beginning of year | $ 98,925 | $ 98,925 | $ 98,925 | $ - |
| RESOURCES (INFLOWS) | | | | |
| Charges for services | - | 780,000 | 631,360 | (148,640) |
| Miscellaneous | - | - | 1,630 | 1,630 |
| Transfer in | - | - | 47,670 | 47,670 |
| Total Resources (Inflows) | - | 780,000 | 680,660 | (99,340) |
| AMOUNTS AVAILABLE FOR APPROPRIATION | 98,925 | 878,925 | 779,585 | (99,340) |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Recreation and culture | - | 780,000 | 779,585 | 415 |
| TOTAL CHARGES TO APPROPRIATIONS | - | 780,000 | 779,585 | 415 |
| CHANGE IN FUND BALANCE | - | - | (98,925) | (98,925) |
| FUND BALANCE, End of year | $ 98,925 | $ 98,925 | $ - | $ (98,925) |

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, 2016**

| | BUDGET AMOUNTS ORIGINAL | BUDGET AMOUNTS FINAL | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|---|---|---|---|
| FUND BALANCE, Beginning of year | $ 28,665 | $ 28,665 | $ 28,665 | $ - |
| RESOURCES (INFLOWS) | | | | |
| Intergovernmental | - | 1,890,000 | 1,854,254 | (35,746) |
| Charges for services | - | 900,000 | 929,691 | 29,691 |
| Miscellaneous | - | - | 6,684 | 6,684 |
| Transfer in | - | 100,000 | 95,078 | (4,922) |
| Total Resources (Inflows) | - | 2,890,000 | 2,885,707 | (4,293) |
| AMOUNTS AVAILABLE FOR APPROPRIATION | 28,665 | 2,918,665 | 2,914,372 | (4,293) |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Judicial | - | 1,145,000 | 1,144,281 | 719 |
| Public safety | - | 72,000 | 71,815 | 185 |
| Public health and welfare | - | 54,000 | 53,905 | 95 |
| Housing and development | - | 1,619,000 | 1,618,940 | 60 |
| TOTAL CHARGES TO APPROPRIATIONS | - | 2,890,000 | 2,888,941 | 1,059 |
| CHANGE IN FUND BALANCE | - | - | (3,234) | (3,234) |
| FUND BALANCE, End of year | $ 28,665 | $ 28,665 | $ 25,431 | $ (3,234) |

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, 2016**

| | BUDGET AMOUNTS ORIGINAL | BUDGET AMOUNTS FINAL | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|---|---|---|---|
| FUND BALANCE, Beginning of year | $ 328,202 | $ 328,202 | $ 328,202 | $ - |
| RESOURCES (INFLOWS) | | | | |
| Charges for services | - | 1,064,000 | 1,010,307 | (53,693) |
| Total Resources (Inflows) | - | 1,064,000 | 1,010,307 | (53,693) |
| AMOUNTS AVAILABLE FOR APPROPRIATION | 328,202 | 1,392,202 | 1,338,509 | (53,693) |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Public works | - | 1,064,000 | 1,063,526 | 474 |
| TOTAL CHARGES TO APPROPRIATIONS | - | 1,064,000 | 1,063,526 | 474 |
| CHANGE IN FUND BALANCE | - | - | (53,219) | (53,219) |
| FUND BALANCE, End of year | $ 328,202 | $ 328,202 | $ 274,983 | $ (53,219) |

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, 2016

| | BUDGET AMOUNTS ORIGINAL | BUDGET AMOUNTS FINAL | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|---|---|---|---|
| FUND BALANCE, Beginning of year | $ 2,405,331 | $ 2,405,331 | $ 2,405,331 | $ - |
| RESOURCES (INFLOWS) | | | | |
| Intergovernmental | 1,226,454 | 1,226,454 | 778,726 | (447,728) |
| Fines and forfeitures | 676,095 | 702,083 | 209,357 | (492,726) |
| Charges for services | 431,325 | 850,572 | 2,304,603 | 1,454,031 |
| Contributions and donations | - | - | 64,351 | 64,351 |
| Miscellaneous | - | - | 51,193 | 51,193 |
| Sale of county property | - | - | 5,546 | 5,546 |
| Transfer in | 19,013 | 19,013 | 304,662 | 285,649 |
| Total Resources (Inflows) | 2,352,887 | 2,798,122 | 3,718,438 | 920,316 |
| AMOUNTS AVAILABLE FOR APPROPRIATION | 4,758,218 | 5,203,453 | 6,123,769 | 920,316 |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Judicial | 965,906 | 874,404 | 874,404 | - |
| Public safety | 1,365,605 | 2,099,412 | 2,099,412 | - |
| Public health and welfare | 75,000 | 57,735 | 57,735 | - |
| TOTAL CHARGES TO APPROPRIATIONS | 2,406,511 | 3,031,551 | 3,031,551 | - |
| CHANGE IN FUND BALANCE | (53,624) | (233,429) | 686,887 | 920,316 |
| FUND BALANCE, End of year | $ 2,351,707 | $ 2,171,902 | $ 3,092,218 | $ 920,316 |

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, 2016**

| | BUDGET AMOUNTS ORIGINAL | BUDGET AMOUNTS FINAL | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|---|---|---|---|
| FUND BALANCE, Beginning of year | $ - | $ - | $ - | $ - |
| RESOURCES (INFLOWS) | | | | |
| Taxes | - | 35,849 | 35,849 | - |
| Transfer in | - | 54,151 | 54,151 | - |
| Total Resources (Inflows) | - | 90,000 | 90,000 | - |
| AMOUNTS AVAILABLE FOR APPROPRIATION | - | 90,000 | 90,000 | - |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Recreation and culture | - | 90,000 | 90,000 | - |
| TOTAL CHARGES TO APPROPRIATIONS | - | 90,000 | 90,000 | - |
| CHANGE IN FUND BALANCE | - | - | - | - |
| FUND BALANCE, End of year | $ - | $ - | $ - | $ - |

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

**HALL COUNTY, GEORGIA**
**LAW LIBRARY SPECIAL REVENUE FUND**
**SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE**
**For the Year Ended June 30, 2016**

| | BUDGET AMOUNTS ORIGINAL | BUDGET AMOUNTS FINAL | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|---|---|---|---|
| FUND BALANCE, Beginning of year | $ 66,363 | $ 66,363 | $ 66,363 | $ - |
| RESOURCES (INFLOWS) | | | | |
| Fines and forfeitures | - | 150,000 | 159,726 | 9,726 |
| Investment income | - | - | 6 | 6 |
| Total Resources (Inflows) | - | 150,000 | 159,732 | 9,732 |
| AMOUNTS AVAILABLE FOR APPROPRIATION | 66,363 | 216,363 | 226,095 | 9,732 |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Judicial | - | 150,000 | 148,045 | 1,955 |
| TOTAL CHARGES TO APPROPRIATIONS | - | 150,000 | 148,045 | 1,955 |
| CHANGE IN FUND BALANCE | - | - | 11,687 | 11,687 |
| FUND BALANCE, End of year | $ 66,363 | $ 66,363 | $ 78,050 | $ 11,687 |

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, 2016**

| | BUDGET AMOUNTS ORIGINAL | BUDGET AMOUNTS FINAL | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|---|---|---|---|
| FUND BALANCE, Beginning of year | $ 84,488 | $ 84,488 | $ 84,488 | $ - |
| RESOURCES (INFLOWS) | | | | |
| Intergovernmental | - | - | 26,039 | 26,039 |
| Charges for services | - | 150,000 | 117,780 | (32,220) |
| Miscellaneous | - | - | 6,900 | 6,900 |
| Transfer in | - | 115,000 | 120,667 | 5,667 |
| Total Resources (Inflows) | - | 265,000 | 271,386 | 6,386 |
| AMOUNTS AVAILABLE FOR APPROPRIATION | 84,488 | 349,488 | 355,874 | 6,386 |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Recreation and culture | - | 265,000 | 264,672 | 328 |
| TOTAL CHARGES TO APPROPRIATIONS | - | 265,000 | 264,672 | 328 |
| CHANGE IN FUND BALANCE | - | - | 6,714 | 6,714 |
| FUND BALANCE, End of year | $ 84,488 | $ 84,488 | $ 91,202 | $ 6,714 |

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

**HALL COUNTY, GEORGIA**
**COMBINING STATEMENT OF NET POSITION**
**INTERNAL SERVICE FUNDS**
**June 30, 2016**

| | GROUP INSURANCE | RISK MANAGEMENT | TOTAL |
|---|---|---|---|
| ASSETS | | | |
| Current Assets | | | |
| Cash | $ 5,199,515 | $ 1,871,416 | $ 7,070,931 |
| Receivables (net of allowance for uncollectibles) | 192,917 | - | 192,917 |
| Inventories | 339,819 | - | 339,819 |
| Prepaid items | 15,741 | 1,119,298 | 1,135,039 |
| TOTAL CURRENT ASSETS | 5,747,992 | 2,990,714 | 8,738,706 |
| TOTAL ASSETS | 5,747,992 | 2,990,714 | 8,738,706 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable | 129,878 | 90,427 | 220,305 |
| Other accrued items | 14,318 | 2,393 | 16,711 |
| Estimated claims payable | 603,796 | 288,400 | 892,196 |
| TOTAL CURRENT LIABILITIES | 747,992 | 381,220 | 1,129,212 |
| Noncurrent Liabilities | | | |
| Estimated claims payable | - | 741,600 | 741,600 |
| TOTAL NONCURRENT LIABILITIES | - | 741,600 | 741,600 |
| TOTAL LIABILITIES | 747,992 | 1,122,820 | 1,870,812 |
| NET POSITION | | | |
| Unrestricted | 5,000,000 | 1,867,894 | 6,867,894 |
| TOTAL NET POSITION | $ 5,000,000 | $ 1,867,894 | $ 6,867,894 |

**HALL COUNTY, GEORGIA**
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**
**INTERNAL SERVICE FUNDS**
**For the Year Ended June 30, 2016**

| | GROUP INSURANCE | RISK MANAGEMENT | TOTAL |
|---|---|---|---|
| OPERATING REVENUES | | | |
| Charges for sales and services: | | | |
| Charges to other funds | $ 13,968,400 | $ 2,861,965 | $ 16,830,365 |
| Charges to others | 6,059,322 | - | 6,059,322 |
| Total Operating Revenues | 20,027,722 | 2,861,965 | 22,889,687 |
| OPERATING EXPENSES | | | |
| Salaries and benefits | - | 288,507 | 288,507 |
| Other services and charges | 4,204,936 | 39,865 | 4,244,801 |
| Benefit claims | 12,287,621 | 959,477 | 13,247,098 |
| General and administrative | 2,826,172 | - | 2,826,172 |
| Insurance premiums | - | 1,569,827 | 1,569,827 |
| Total Operating Expenses | 19,318,729 | 2,857,676 | 22,176,405 |
| OPERATING INCOME (LOSS) | 708,993 | 4,289 | 713,282 |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | 708,993 | 4,289 | 713,282 |
| Transfer out | (991,885) | - | (991,885) |
| CHANGE IN NET POSITION | (282,892) | 4,289 | (278,603) |
| TOTAL NET POSITION, Beginning of year | 5,282,892 | 1,863,605 | 7,146,497 |
| TOTAL NET POSITION, End of year | $ 5,000,000 | $ 1,867,894 | $ 6,867,894 |

**HALL COUNTY, GEORGIA**
**COMBINING STATEMENT OF CASH FLOWS**
**INTERNAL SERVICE FUNDS**
**For the Year Ended June 30, 2016**

| | GROUP INSURANCE | RISK MANAGEMENT | TOTAL |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customer | $ 5,866,405 | $ 834 | $ 5,867,239 |
| Payments to suppliers | (6,892,291) | (2,943,220) | (9,835,511) |
| Payments to employees | (12,340,582) | (1,247,524) | (13,588,106) |
| Internal activity-payments from (to) other funds | 13,968,400 | 2,861,965 | 16,830,365 |
| Net cash provided by (used in) operating activities | 601,932 | (1,327,945) | (726,013) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Transfers out | (991,885) | - | (991,885) |
| Net cash provided (used) by capital and related financing activities | (991,885) | - | (991,885) |
| Net increase (decrease) in cash and cash equivalents | (389,953) | (1,327,945) | (1,717,898) |
| CASH, Beginning of year | 5,589,468 | 3,199,361 | 8,788,829 |
| CASH, End of year | $ 5,199,515 | $ 1,871,416 | $ 7,070,931 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | |
| Operating income (loss) | $ 708,993 | $ 4,289 | $ 713,282 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities | | | |
| (Increase) decrease in: | | | |
| Inventory | (192,917) | 834 | (192,083) |
| Net pension obligation | 52,630 | - | 52,630 |
| Increase (decrease) in: | | | |
| Accounts payable | 35,057 | (923,697) | (888,640) |
| Amounts held in trust | 51,130 | (409,831) | (358,701) |
| Other accrued items | 6,393 | - | 6,393 |
| Claims payable | (59,354) | - | (59,354) |
| Due to other governments | - | 460 | 460 |
| Net cash provided by (used in) operating activities | $ 601,932 | $ (1,327,945) | $ (726,013) |

**HALL COUNTY, GEORGIA**
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**
**ALL AGENCY FUNDS**
**June 30, 2016**

| | TAX COMMISSIONER | CLERK OF SUPERIOR COURT | PROBATE COURT | MAGISTRATE COURT | JUVENILE COURT | SHERIFF | INMATE FUND | TOTAL |
|---|---|---|---|---|---|---|---|---|
| ASSETS | | | | | | | | |
| Cash | $ 3,751,023 | $ 2,194,103 | $ 175,518 | $ 152,978 | $ 59,320 | $ 1,280,106 | $ 136,308 | $ 7,749,356 |
| TOTAL ASSETS | $ 3,751,023 | $ 2,194,103 | $ 175,518 | $ 152,978 | $ 59,320 | $ 1,280,106 | $ 136,308 | $ 7,749,356 |
| LIABILITIES | | | | | | | | |
| Amounts held for others | $ 3,751,023 | $ 2,194,103 | $ 175,518 | $ 152,978 | $ 59,320 | $ 1,280,106 | $ 136,308 | $ 7,749,356 |
| TOTAL LIABILITIES | $ 3,751,023 | $ 2,194,103 | $ 175,518 | $ 152,978 | $ 59,320 | $ 1,280,106 | $ 136,308 | $ 7,749,356 |

# HALL COUNTY, GEORGIA
## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
## ALL AGENCY FUNDS
## For the Year Ended June 30, 2016

| | TAX COMMISSIONER | CLERK OF SUPERIOR COURT | PROBATE COURT | MAGISTRATE COURT | JUVENILE COURT | SHERIFF | INMATE FUND | TOTAL |
|---|---|---|---|---|---|---|---|---|
| ASSETS | | | | | | | | |
| Cash | | | | | | | | |
| Balance, July 1, 2015 | $ 3,831,873 | $ 2,025,781 | $ 216,909 | $ 215,163 | $ 47,980 | $ 1,002,178 | $ 131,728 | $ 7,471,612 |
| Additions | 148,399,543 | 13,056,461 | 711,527 | 1,156,716 | 73,720 | 1,265,700 | 1,958,461 | 166,622,128 |
| Deductions | (148,480,393) | (12,888,139) | (752,918) | (1,218,901) | (62,380) | (987,772) | (1,953,881) | (166,344,384) |
| Balance, June 30, 2016 | 3,751,023 | 2,194,103 | 175,518 | 152,978 | 59,320 | 1,280,106 | 136,308 | 7,749,356 |
| TOTAL ASSETS | $ 3,751,023 | $ 2,194,103 | $ 175,518 | $ 152,978 | $ 59,320 | $ 1,280,106 | $ 136,308 | $ 7,749,356 |
| LIABILITIES | | | | | | | | |
| Due to County | | | | | | | | |
| Balance, July 1, 2015 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Additions | 56,136,142 | 7,367,190 | 584,927 | 543,955 | 41,185 | 456,180 | 37,527 | 65,167,106 |
| Deductions | (56,136,142) | (7,367,190) | (584,927) | (543,955) | (41,185) | (456,180) | (37,527) | (65,167,106) |
| Balance, June 30, 2016 | - | - | - | - | - | - | - | - |
| Amounts held for others | | | | | | | | |
| Balance, July 1, 2015 | 3,831,873 | 2,025,781 | 216,909 | 215,163 | 47,980 | 1,002,178 | 131,728 | 7,471,612 |
| Additions | 92,263,401 | 5,689,271 | 126,600 | 612,761 | 32,535 | 809,520 | 1,920,934 | 101,455,022 |
| Deductions | (92,344,251) | (5,520,949) | (167,991) | (674,946) | (21,195) | (531,592) | (1,916,354) | (101,177,278) |
| Balance, June 30, 2016 | 3,751,023 | 2,194,103 | 175,518 | 152,978 | 59,320 | 1,280,106 | 136,308 | 7,749,356 |
| Total Liabilities | | | | | | | | |
| Balance, July 1, 2015 | 3,831,873 | 2,025,781 | 216,909 | 215,163 | 47,980 | 1,002,178 | 131,728 | 7,471,612 |
| Additions | 148,399,543 | 13,056,461 | 711,527 | 1,156,716 | 73,720 | 1,265,700 | 1,958,461 | 166,622,128 |
| Deductions | (148,480,393) | (12,888,139) | (752,918) | (1,218,901) | (62,380) | (987,772) | (1,953,881) | (166,344,384) |
| Balance, June 30, 2016 | 3,751,023 | 2,194,103 | 175,518 | 152,978 | 59,320 | 1,280,106 | 136,308 | 7,749,356 |
| TOTAL LIABILITIES | $ 3,751,023 | $ 2,194,103 | $ 175,518 | $ 152,978 | $ 59,320 | $ 1,280,106 | $ 136,308 | $ 7,749,356 |

**HALL COUNTY, GEORGIA**
**OTHER SUPPLEMENTAL INFORMATION**
**SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX**
**Year Ended June 30, 2016**

| 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 | 43,464 |
| 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 | $ 43,464 |
| **SPLOST V (effective July 1, 2004)** | | | | |
| Road Projects | $ 40,300,000 | $ 40,300,000 | $ 33,818,827 | $ 347,110 |
| Water and Sewer Projects | 1,000,000 | 5,670,580 | 5,670,580 | - |
| Recreational Facilities | 8,500,000 | 8,500,000 | 8,188,122 | - |
| New Detention Center | 54,000,000 | 61,275,921 | 61,276,953 | - |
| New Fire Station | 5,200,000 | 5,200,000 | 2,962,940 | - |
| 800 MHZ Radio System | 16,000,000 | 16,000,000 | 15,776,635 | - |
| Landfill improvement | 8,500,000 | 8,500,000 | 4,880,874 | - |
| Library | 4,000,000 | 4,000,000 | 527,284 | - |
| Municipal Projects | | | | |
| Braselton | 6,085 | 6,085 | 13,664 | - |
| Buford | 26,977 | - | - | - |
| Clermont | 110,819 | 110,819 | 107,018 | - |
| Flowery Branch | 477,658 | 477,658 | 453,632 | - |
| Gainesville | 6,764,982 | 6,764,982 | 6,532,908 | - |
| Gillsville | 44,169 | 44,169 | 39,979 | - |
| Lula | 358,112 | 358,112 | 345,827 | - |
| Oakwood | 711,198 | 711,198 | 704,291 | - |
| TOTAL SPLOST V | $ 146,000,000 | $ 157,919,524 | $ 141,299,534 | $ 347,110 |

**HALL COUNTY, GEORGIA**
**OTHER SUPPLEMENTAL INFORMATION**
**SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX**
**Year Ended June 30, 2016**

| PROJECT | ORIGINAL ESTIMATED COSTS | CURRENT ESTIMATED COSTS | AMOUNT EXPENDED YEAR 1 2010 | YEAR 2 2011 | YEAR 3 2012 | YEAR 4 2013 | YEAR 5 2014 | YEAR 6 2015 | YEAR 7 2016 | 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 | $ 7,740,375 | $ 6,133,241 | $ 3,854,052 | $ 39,781,664 |
| Water and Sewer Projects | 53,037,000 | 57,037,000 | 11,123,975 | 2,257,427 | 2,653,244 | 6,201,707 | 12,729,359 | 7,828,946 | 825,386 | 43,620,044 |
| Landfill | 4,000,000 | | - | - | - | 1,676 | 10,515 | 1,988,598 | 473,168 | 2,473,957 |
| Recreational Facilities | 21,000,000 | 21,000,000 | 2,872,270 | (112,473) | 4,773,381 | 2,084,964 | 222,648 | 2,390,250 | 362,570 | 12,593,610 |
| Courthouse and Administration Building Projects | 17,000,000 | 17,000,000 | - | 1,578,434 | 2,316,737 | 2,847,134 | 320,157 | 2,134,772 | 186,353 | 9,383,587 |
| Fire and Emergency Projects | 4,000,000 | 4,000,000 | - | - | - | 615,112 | 505,000 | 664,728 | 694,049 | 2,478,889 |
| Public Safety Facilities | 10,000,000 | 10,043,464 | - | - | - | 725 | 1,076,215 | 3,298,330 | 5,475,947 | 9,851,217 |
| Public Health Facility | 5,000,000 | 5,000,000 | - | - | - | 850 | 111,384 | 107,021 | 85,555 | 304,810 |
| Correctional Institution/Animal Care Facility | 5,000,000 | 5,000,000 | 661,541 | 461,613 | 460,031 | 460,031 | 462,800 | 460,575 | - | 2,966,591 |
| Post Office | 3,000,000 | 3,000,000 | - | - | - | - | - | - | - | - |
| Library Facility | 3,000,000 | 3,000,000 | 78,247 | 909,947 | 836,840 | 700,038 | 58,091 | 4,772 | - | 2,587,935 |
| Welcome Center | 1,500,000 | 1,500,000 | - | - | - | - | - | - | - | - |
| Airport | 500,000 | 500,000 | - | - | - | - | - | - | - | - |
| **Subtotal County Projects** | 195,037,000 | 195,080,464 | 17,632,918 | 13,331,700 | 16,701,293 | 18,171,536 | 23,236,544 | 25,011,233 | 11,957,080 | 126,042,304 |
| **MUNICIPAL PROJECTS** | | | | | | | | | | |
| **City of Braselton** | | | | | | | | | | |
| Sidewalks | 32,000 | 32,000 | 3,176 | 3,221 | 3,581 | 3,551 | 3,781 | 3,854 | - | 21,164 |
| **City of Buford** | | | | | | | | | | |
| Road Paving | 141,000 | 141,000 | 14,019 | 14,216 | 15,806 | 15,672 | 17,162 | 17,010 | - | 93,885 |
| **City of Clermont** | | | | | | | | | | |
| Municipal Buildings | 550,000 | 550,000 | 54,726 | 55,495 | 61,702 | 61,178 | 65,865 | 66,404 | - | 365,370 |
| Parks | 150,000 | 150,000 | 14,925 | 15,135 | 16,828 | 16,685 | 17,963 | 18,110 | - | 99,646 |
| Streets & Sidewalks | 250,000 | 250,000 | 24,876 | 25,225 | 28,046 | 27,808 | 29,938 | 30,183 | - | 166,076 |
| Subtotal | 950,000 | 950,000 | 94,527 | 95,855 | 106,576 | 105,671 | 113,766 | 114,697 | - | 631,092 |
| **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 | 153,992 | 156,972 | - | 861,994 |
| 9 Police Cars (over 6 years) | 200,000 | 200,000 | 19,902 | 20,182 | 22,440 | 22,249 | 23,691 | 24,150 | - | 132,614 |
| Road Resurfacing and Sidewalks | 500,000 | 500,000 | 49,757 | 50,456 | 56,099 | 55,623 | 59,228 | 60,374 | - | 331,537 |
| City Administration Real Estate/Buildings | 500,000 | 500,000 | 49,757 | 50,456 | 56,099 | 55,623 | 59,228 | 60,374 | - | 331,537 |
| Subtotal | 2,500,000 | 2,500,000 | 248,784 | 252,280 | 280,495 | 278,114 | 296,139 | 301,870 | - | 1,657,682 |
| **City of Gainesville** | | | | | | | | | | |
| Previously Incurred Debt | 7,500,000 | 7,500,000 | 746,329 | 723,625 | 874,871 | 831,904 | 849,066 | 944,825 | - | 4,970,620 |
| New Public Safety Facility | 13,000,000 | 13,000,000 | 1,293,637 | 1,254,283 | 1,516,443 | 1,441,967 | 1,471,714 | 1,637,696 | - | 8,615,740 |
| Fire Station Replacement | 6,500,000 | 6,500,000 | 646,818 | 627,141 | 758,221 | 720,983 | 735,857 | 818,848 | - | 4,307,868 |
| Transportation | 2,500,000 | 2,500,000 | 248,776 | 241,208 | 291,624 | 277,301 | 283,022 | 314,942 | - | 1,656,873 |
| Downtown Streetscape | 3,000,000 | 3,000,000 | 298,532 | 289,450 | 349,948 | 332,762 | 339,626 | 377,930 | - | 1,988,248 |
| Parks & Recreation | 3,000,000 | 3,000,000 | 298,532 | 289,450 | 349,948 | 332,762 | 339,626 | 377,930 | - | 1,988,248 |
| Subtotal | 35,500,000 | 35,500,000 | 3,532,624 | 3,425,157 | 4,141,055 | 3,937,679 | 4,018,911 | 4,472,171 | - | 23,527,597 |
| **City of Gillsville** | | | | | | | | | | |
| Road Improvements | 40,000 | 40,000 | 3,980 | 4,036 | 4,488 | 4,450 | 4,873 | 4,830 | - | 26,657 |
| Community Park Upgrade | 95,000 | 95,000 | 9,454 | 9,586 | 10,659 | 10,568 | 11,573 | 11,471 | - | 63,311 |
| Downtown Improvement | 105,000 | 105,000 | 10,449 | 10,596 | 11,780 | 11,680 | 12,791 | 12,678 | - | 69,974 |
| Subtotal | 240,000 | 240,000 | 23,883 | 24,218 | 26,927 | 26,698 | 29,237 | 28,979 | - | 159,942 |
| **City of Lula** | | | | | | | | | | |
| Road Resurfacing | 300,000 | 300,000 | 29,854 | 30,274 | 33,660 | 33,374 | 35,551 | 36,225 | - | 198,938 |
| Parks & Recreation | 300,000 | 300,000 | 29,854 | 30,274 | 33,660 | 33,374 | 35,551 | 36,225 | - | 198,938 |
| Water System and Sewer Projects | 1,300,000 | 1,300,000 | 129,370 | 131,187 | 145,859 | 144,620 | 154,053 | 156,974 | - | 862,063 |
| Subtotal | 1,900,000 | 1,900,000 | 189,078 | 191,735 | 213,179 | 211,368 | 225,154 | 229,423 | - | 1,259,938 |
| **City of Oakwood** | | | | | | | | | | |
| Infrastructure Projects | 1,500,000 | 1,500,000 | 149,269 | 151,366 | 168,296 | 166,866 | 177,651 | 181,120 | - | 994,568 |
| Transportation Project | 200,000 | 200,000 | 19,902 | 20,182 | 22,439 | 22,249 | 23,687 | 24,149 | - | 132,608 |
| Transportation Project | 1,200,000 | 1,200,000 | 119,415 | 121,093 | 134,636 | 133,493 | 142,121 | 144,896 | - | 795,654 |
| Sewer Project | 800,000 | 800,000 | 79,610 | 80,729 | 89,758 | 88,995 | 94,747 | 96,597 | - | 530,436 |
| Subtotal | 3,700,000 | 3,700,000 | 368,196 | 373,370 | 415,129 | 411,603 | 438,205 | 446,762 | - | 2,453,266 |
| **Subtotal Municipal Projects** | 44,963,000 | 44,963,000 | 4,474,287 | 4,380,052 | 5,202,748 | 4,990,356 | 5,142,355 | 5,614,766 | - | 29,804,566 |
| TOTAL SPLOST VI | $ 240,000,000 | $ 240,043,464 | $ 22,107,205 | $ 17,711,752 | $ 21,904,041 | $ 23,161,892 | $ 28,378,899 | 30,625,999 | $ 11,957,080 | $ 155,846,870 |

**HALL COUNTY, GEORGIA**
**OTHER SUPPLEMENTAL INFORMATION**
**SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX**
**Year Ended June 30, 2016**

| PROJECT | ORIGINAL ESTIMATED COSTS | CURRENT ESTIMATED COSTS | AMOUNT EXPENDED YEAR 1 2016 |
|---|---|---|---|
| **SPLOST VII (effective July 1, 2015)** | | | |
| **COUNTY PROJECTS** | | | |
| Road Projects | $ 46,650,000 | $ 46,650,000 | $ 3,600,263 |
| Water and Sewer Projects | 21,835,772 | 21,835,772 | 2,315,896 |
| Landfill | 3,250,000 | 3,250,000 | - |
| County Building Renovations | 5,850,000 | 5,850,000 | 563,218 |
| Various Park Projects | 4,900,000 | 4,900,000 | 510,003 |
| Sheriff Capital Equipment | 2,785,379 | 2,785,379 | 351,941 |
| Public Safety Facilities | 8,400,000 | 8,400,000 | - |
| Fire and Emergency Projects | 4,000,000 | 4,000,000 | 82,001 |
| Public Safety Capital Enhancements | 18,910,000 | 18,910,000 | 2,025,911 |
| Library Renovations | 2,500,000 | 2,500,000 | 100,000 |
| Gainesville- Hall Co Senior Center | 1,500,000 | 1,500,000 | - |
| **Subtotal County Projects** | 120,581,151 | 120,581,151 | 9,549,233 |
| **MUNICIPAL PROJECTS** | | | |
| **City of Braselton** | | | |
| Streets, Sidewalks, Stormwater | 1,270,589 | 1,270,589 | 237,847 |
| **Town of Rest Haven** | | | |
| Road and Street Maintenance | 22,555 | 22,555 | 4,511 |
| **City of Buford** | | | |
| Roads and Streets | 111,249 | 111,249 | 86,498 |
| Sewer Infrastructure | 60,000 | 60,000 | 46,651 |
| Subtotal | 171,249 | 171,249 | 133,149 |
| **City of Clermont** | | | |
| Municipal Buildings | 350,000 | 350,000 | 65,522 |
| Parks | 150,000 | 150,000 | 28,081 |
| Roads, Streets & Sidewalks | 157,888 | 157,888 | 29,557 |
| Subtotal | 657,888 | 657,888 | 123,160 |
| **City of Flowery Branch** | | | |
| Admin Building and Plaza | 1,616,652 | 1,616,652 | 302,639 |
| Roads, Streets and Bridges | 1,113,935 | 1,113,935 | 208,530 |
| Water and Sewer Infrastructure | 1,308,000 | 1,308,000 | 244,859 |
| Public Safety Vehicles | 231,000 | 231,000 | 43,243 |
| Subtotal | 4,269,587 | 4,269,587 | 799,272 |
| **City of Gainesville** | | | |
| Fire Station Construction and Equipment | 5,500,000 | 5,500,000 | 1,029,629 |
| Roads, Bridges, Storm Water | 12,914,482 | 12,914,482 | 2,417,659 |
| Youth Sports Athletic Complex | 6,750,000 | 6,750,000 | 1,263,636 |
| Park Improvements | 250,000 | 250,000 | 46,801 |
| Subtotal | 25,414,482 | 25,414,482 | 4,757,725 |
| **City of Gillsville** | | | |
| Roads and Streets | 116,718 | 116,718 | 21,850 |
| Park Improvements | 38,906 | 38,906 | 7,283 |
| Subtotal | 155,624 | 155,624 | 29,133 |
| **City of Lula** | | | |
| Roads, Streets & Trails | 654,752 | 654,752 | 122,572 |
| Water & Sewer Infrastructure | 1,000,000 | 1,000,000 | 187,204 |
| Parks and Streetscape | 300,000 | 300,000 | 56,161 |
| Subtotal | 1,954,752 | 1,954,752 | 365,938 |
| **City of Oakwood** | | | |
| Roads, Streets, Bridges and Trails | 1,684,678 | 1,684,678 | 315,379 |
| Sewer Infrastructure | 1,000,000 | 1,000,000 | 187,204 |
| Public Safety Equipment | 300,000 | 300,000 | 56,161 |
| Subtotal | 2,984,678 | 2,984,678 | 558,745 |
| **Subtotal Municipal Projects** | 36,878,849 | 36,878,849 | 7,009,480 |
| TOTAL SPLOST VII | $ 157,460,000 | $ 157,460,000 | $ 16,558,713 |

**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, 2016**

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

| | | |
|---|---|---|
| | Expenditures | $ 25,410,033 |
| | Transfers out | 3,496,334 |
| Subtotal | | 28,906,367 |
| **Expenditures reported on SPLOST schedule below** | | **$ 28,906,367** |

**Schedule of Projects Constructed With Special Purpose Local Option Sales Tax (pages 77-79)**

| | |
|---|---|
| SPLOST IV | 43,464 |
| Revised SPLOST IV | 43,464 |
| SPLOST V | 347,110 |
| Revised SPLOST V | 347,110 |
| SPLOST VI | 11,957,080 |
| Revised SPLOST VI | 11,957,080 |
| SPLOST VII | 16,558,713 |
| Revised SPLOST VII | 16,558,713 |
| **Total** | **$ 28,906,367.00** |

## 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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| Changes in Net Position | 2 |
| Fund Balances of Governmental Funds | 3 |
| Changes in Fund Balances of Governmental Funds | 4 |
| General Fund Budget - Chart of Previous and Current Year Budgets | 4A |
| General Governmental Tax Revenues by Source | 5 |

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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| Property Tax Rates-Mills (Direct and Overlapping Governments) | 7 |
| Principal Property Taxpayers | 8 |
| Property Tax Levies and Collections | 9 |
| Taxable Sales and Sales Taxes | 10 |
| Special Local Option Sales Tax Collections | 10A |

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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| Other Long-Term Liabilities | 11A |
| Ratios of  Net General Bonded Debt Outstanding | 12 |
| Direct and Overlapping Governmental Activities Debt | 13 |
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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.*

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

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

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

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

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| GOVERNMENTAL ACTIVITIES | | | | | | | | | | |
| Net investment in capital assets | $ 403,769 | $ 125,119 | $ 390,642 | $ 393,603 | $ 386,017 | $ 383,004 | $ 371,931 | $ 374,649 | $ 374,656 | $ 373,613 |
| Restricted: | | | | | | | | | | |
| Capital outlay | 20,604 | 8,761 | 13,680 | 13,200 | 13,864 | 21,649 | 27,476 | 25,080 | 25,231 | 24,268 |
| Debt service | 10,923 | 2,706 | 10,695 | - | - | - | - | - | - | - |
| Impact fee projects | 6,148 | 5,898 | 4,106 | 3,032 | 2,798 | 2,554 | 2,580 | 2,734 | 818 | 877 |
| Other programs | 5,973 | 6,355 | 4,796 | 5,563 | 4,522 | 5,178 | 5,149 | 4,993 | 6,620 | 7,034 |
| Unrestricted: | 16,139 | 346,120 | 7,004 | (11,948) | (27,797) | (28,884) | (23,270) | (26,017) | (50,407) | (60,222) |
| Total governmental activities net position | $ 463,556 | $ 494,959 | $ 430,923 | $ 403,450 | $ 379,404 | $ 383,501 | $ 383,866 | $ 381,439 | $ 356,918 | $ 345,570 |
| BUSINESS-TYPE ACTIVITIES | | | | | | | | | | |
| Net investment in capital assets | $ 31,419 | $ 41,859 | $ 47,183 | $ 61,405 | $ 52,028 | $ 53,303 | $ 57,143 | $ 65,004 | $ 89,274 | $ 69,996 |
| Restricted | - | - | - | - | - | - | - | - | 1,446 | 1,341 |
| Unrestricted | 12,346 | 10,883 | 10,494 | 8,197 | 12,472 | 11,414 | 12,714 | 11,704 | (5,691) | 10,809 |
| Total business-type activities net position | $ 43,765 | $ 52,742 | $ 57,677 | $ 69,602 | $ 64,500 | $ 64,717 | $ 69,857 | $ 76,708 | $ 85,029 | $ 82,146 |
| PRIMARY GOVERNMENT | | | | | | | | | | |
| Net investment in capital assets | $ 435,188 | $ 166,978 | $ 437,825 | $ 455,008 | $ 438,045 | $ 436,307 | $ 429,074 | $ 439,653 | $ 463,930 | $ 443,609 |
| Restricted | 43,648 | 23,720 | 33,277 | 21,795 | 21,184 | 29,381 | 35,205 | 32,807 | 34,115 | 33,520 |
| Unrestricted | 28,485 | 357,003 | 17,498 | (3,751) | (15,325) | (17,470) | (10,556) | (14,313) | (56,098) | (49,413) |
| Total primary government net position | $ 507,321 | $ 547,701 | $ 488,600 | $ 473,052 | $ 443,904 | $ 448,218 | $ 453,723 | $ 458,147 | $ 441,947 | $ 427,716 |

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

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

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| EXPENSES | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | $ 19,195 | $ 16,964 | $ 20,350 | $ 17,275 | $ 20,541 | $ 18,012 | $ 17,530 | $ 19,784 | $ 20,106 | $ 23,850 |
| Judicial | 14,330 | 15,846 | 16,738 | 18,404 | 17,954 | 16,303 | 16,878 | 17,333 | 17,645 | 26,150 |
| Public safety | 54,972 | 68,089 | 71,870 | 78,047 | 77,796 | 67,123 | 64,887 | 67,570 | 70,289 | 77,850 |
| Public works | 17,970 | 18,153 | 25,211 | 27,153 | 29,633 | 22,222 | 23,382 | 24,162 | 24,792 | 22,896 |
| Public health and welfare | 3,483 | 3,511 | 3,905 | 3,501 | 3,304 | 2,704 | 2,727 | 2,558 | 2,947 | 2,777 |
| Recreation and culture | 5,710 | 8,351 | 7,267 | 7,602 | 7,794 | 6,007 | 5,934 | 6,718 | 7,344 | 7,940 |
| Housing and development | 4,555 | 5,564 | 5,057 | 5,389 | 5,979 | 2,947 | 4,800 | 4,388 | 4,013 | 4,076 |
| Interest on long-term debt | 1,846 | 643 | 671 | 330 | 492 | 488 | 319 | 197 | 39 | 97 |
| Total governmental activities expenses | 122,061 | 137,121 | 151,069 | 157,701 | 163,493 | 135,806 | 136,457 | 142,710 | 147,175 | 165,636 |
| Business-type activities: | | | | | | | | | | |
| Solid Waste | 5,307 | 5,717 | 5,905 | 5,568 | 6,059 | 6,154 | 6,030 | 6,146 | 5,473 | 6,819 |
| Water and sewer utilities | 70 | 2,108 | 1,581 | 2,921 | 1,792 | 2,973 | 2,858 | 3,833 | 3,454 | 3,757 |
| Total business-type activities expenses | 5,377 | 7,825 | 7,486 | 8,489 | 7,851 | 9,127 | 8,888 | 9,979 | 8,927 | 10,576 |
| Total primary government expenses | $ 127,438 | $ 144,946 | $ 158,555 | $ 166,190 | $ 171,344 | $ 144,933 | $ 145,345 | $ 152,689 | $ 156,102 | $ 176,212 |
| PROGRAM REVENUES | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | $ 4,678 | $ 5,020 | $ 4,985 | $ 4,786 | $ 5,366 | $ 5,016 | $ 4,903 | $ 5,191 | $ 4,601 | $ 5,125 |
| Judicial | 4,560 | 6,899 | 6,627 | 5,939 | 5,511 | 6,087 | 6,589 | 7,089 | 7,524 | 8,290 |
| Public safety | 8,205 | 9,915 | 14,691 | 17,514 | 17,556 | 16,883 | 13,289 | 11,486 | 14,999 | 11,509 |
| Public works | 738 | 930 | 890 | 986 | 941 | 939 | 946 | 953 | 1,328 | 1,021 |
| Public health and welfare | - | - | - | - | - | - | - | - | - | - |
| Recreation and culture | 1,039 | 1,013 | 953 | 1,008 | 1,052 | 1,167 | 1,183 | 1,244 | 1,334 | 1,485 |
| Housing and development | 3,409 | 1,668 | 910 | 507 | 405 | 493 | 1,626 | 2,107 | 2,327 | 2,551 |
| Total charges for services | 22,629 | 25,445 | 29,056 | 30,740 | 30,831 | 30,585 | 28,536 | 28,070 | 32,113 | 29,981 |
| Operating grants and contributions | 4,266 | 6,762 | 4,317 | 5,402 | 6,094 | 3,604 | 4,615 | 4,868 | 6,246 | 4,198 |
| Capital grants and contributions | 18,090 | 17,946 | 12,847 | 4,977 | 4,632 | 2,897 | 3,639 | 1,647 | 4,248 | 2,292 |
| Total governmental activities program revenues | 44,985 | 50,153 | 46,220 | 41,119 | 41,557 | 37,086 | 36,790 | 34,585 | 42,607 | 36,471 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Solid Waste | 5,085 | 5,767 | 5,466 | 5,175 | 5,120 | 5,041 | 6,463 | 6,615 | 6,330 | 7,241 |
| Water and sewer utilities | 27 | 290 | 961 | 925 | 1,072 | 1,395 | 1,388 | 1,625 | 2,080 | 2,669 |
| Total charges for services | 5,112 | 6,057 | 6,427 | 6,100 | 6,192 | 6,436 | 7,851 | 8,240 | 8,410 | 9,910 |
| Operating grants and contributions | 25 | 5 | - | - | - | - | - | - | - | - |
| Capital grants and contributions | - | 12,374 | 1,104 | 87 | 236 | 227 | 68 | 61 | 85 | 95 |
| Total business-type activities program revenues | 5,137 | 18,436 | 7,531 | 6,187 | 6,428 | 6,663 | 7,919 | 8,301 | 8,495 | 10,005 |
| Total primary government program revenues | $ 50,122 | $ 68,589 | $ 53,751 | $ 47,306 | $ 47,985 | $ 43,749 | $ 44,709 | $ 42,886 | $ 52,085 | $ 46,476 |

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

(Continued)

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| Net (expense)/revenue | | | | | | | | | | |
| Governmental activities | $ (77,076) | $ (86,968) | $ (104,849) | $ (116,582) | $ (121,936) | $ (98,720) | $ (99,667) | $ (108,125) | $ (103,585) | $ (129,165) |
| Business-type activities | (240) | 10,611 | 45 | (2,302) | (1,423) | (2,464) | (969) | (1,678) | (432) | (571) |
| Total primary government net expense | $ (77,316) | $ (76,357) | $ (104,804) | $ (118,884) | $ (123,359) | $ (101,184) | $ (100,636) | $ (109,803) | $ (104,017) | $ (129,736) |
| GENERAL REVENUES AND OTHER CHANGES IN NET POSITION | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property Taxes | $ 42,400 | $ 48,977 | $ 50,679 | $ 53,395 | $ 52,313 | $ 49,371 | $ 48,405 | $ 54,676 | $ 55,748 | $ 57,723 |
| Sales Taxes | 51,744 | 51,438 | 45,246 | 41,938 | 42,483 | 47,271 | 46,720 | 47,499 | 50,539 | 52,096 |
| Insurance premium tax | 4,944 | 5,198 | 5,325 | 5,249 | 5,105 | 5,433 | 5,804 | 6,032 | 6,364 | 6,815 |
| Real estate and recording taxes | 3,391 | 2,259 | 1,318 | 1,074 | 1,013 | 1,147 | 1,359 | 1,371 | 1,608 | 1,850 |
| Other taxes | 1,530 | 1,560 | 1,502 | 1,478 | 1,820 | 1,860 | 2,061 | 2,256 | 2,751 | 2,842 |
| Total taxes | 104,009 | 109,432 | 104,070 | 103,134 | 102,734 | 105,082 | 104,349 | 111,834 | 117,010 | 121,326 |
| Unrestricted grants and contributions | 2,071 | 2,029 | 2,107 | 6 | - | 1 | 1 | 11 | 79 | 179 |
| Investment earnings | 4,440 | 2,076 | 553 | 108 | 66 | - | - | 1 | 17 | 26 |
| Miscellaneous | - | - | - | - | - | - | - | - | - | - |
| Gain on sale of capital assets | - | 1,816 | 71 | 15 | 203 | 417 | 3,228 | 1,899 | - | - |
| Transfers | (5,200) | 1,828 | (4,286) | (14,196) | 3,697 | (2,682) | (6,922) | (8,518) | (9,811) | (3,714) |
| Total governmental activities | 105,320 | 117,181 | 102,515 | 89,067 | 106,700 | 102,818 | 100,656 | 105,227 | 107,295 | 117,817 |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 181 | 194 | 65 | 33 | 17 | 1 | - | - | - | - |
| Gain on sale of capital assets | - | - | (541) | - | - | - | 4 | 10 | 106 | - |
| Transfers | 5,200 | (1,828) | 4,286 | 14,196 | (3,697) | 2,682 | 6,922 | 8,518 | 9,811 | 3,714 |
| Total business-type activities | 5,381 | (1,634) | 3,810 | 14,229 | (3,680) | 2,683 | 6,926 | 8,528 | 9,917 | 3,714 |
| Total primary government | $110,701 | $115,547 | $ 106,325 | $ 103,296 | $ 103,020 | $ 105,501 | $ 107,582 | $ 113,755 | $ 117,212 | $ 121,531 |
| CHANGE IN NET POSITION | | | | | | | | | | |
| Governmental activities | $ 28,244 | $ 30,213 | $ (2,334) | $ (27,515) | $ (15,236) | $ 4,098 | $ 989 | $ (2,898) | $ 3,710 | $ (11,348) |
| Business-type activities | 5,141 | 8,977 | 3,855 | 11,927 | (5,103) | 219 | 5,957 | 6,850 | 9,485 | 3,143 |
| Total primary government | $ 33,385 | $ 39,190 | $ 1,521 | $ (15,588) | $ (20,339) | $ 4,317 | $ 6,946 | $ 3,952 | $ 13,195 | $ (8,205) |

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

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

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| General fund | | | | | | | | | | |
| Reserved | $ 193 | $ 1,019 | $ 47 | $ 591 | $ - | $ - | $ - | $ - | $ - | $ - |
| Unreserved | 15,320 | 8,269 | 6,580 | 7,457 | - | - | - | - | - | - |
| Nonspendable | - | - | - | - | 624 | 631 | 402 | 413 | 508 | 671 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | 313 | 1,380 | 4,304 | 3,685 | 4,319 | 2,981 |
| Unassigned | - | - | - | - | 8,374 | 12,896 | 18,037 | 18,340 | 18,939 | 18,115 |
| Total general fund | $15,513 | $ 9,288 | $ 6,627 | $ 8,048 | $ 9,311 | $14,907 | $22,743 | $22,438 | $23,766 | $ 21,767 |
| All other governmental funds | | | | | | | | | | |
| Reserved: | 38,462 | 35,156 | 35,907 | 32,974 | - | - | - | - | - | - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 6,010 | 6,391 | 4,827 | 5,450 | - | - | - | - | - | - |
| Capital projects funds | 183 | 1,122 | 202 | (17,823) | - | - | - | - | - | - |
| Total unreserved | 6,193 | 7,513 | 5,029 | (12,373) | - | - | - | - | - | - |
| Nonspendable | - | - | - | - | 6,914 | 9,868 | 8,481 | 6,998 | 12 | 125 |
| Restricted | - | - | - | - | 27,586 | 24,675 | 28,113 | 25,911 | 32,657 | 32,262 |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | 197 | 197 | 1,695 | 2,632 | 3,734 | 1,818 |
| Unassigned | - | - | - | - | - | - | - | - | - | - |
| Total all other governmental fund | $44,655 | $42,669 | $40,936 | $20,601 | $34,697 | $34,740 | $38,289 | $35,541 | $36,403 | $ 34,205 |

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

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

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| REVENUES | | | | | | | | | | |
| Taxes (see table 5) | $ 104,167 | $ 108,924 | $ 103,539 | $ 102,949 | $ 102,599 | $ 104,954 | $ 104,613 | $ 111,990 | $ 116,789 | $ 121,108 |
| Licenses and permits | 4,777 | 3,107 | 2,238 | 1,658 | 1,357 | 1,487 | 1,795 | 2,305 | 2,332 | 2,666 |
| Intergovernmental | 7,794 | 10,447 | 8,852 | 8,798 | 6,449 | 4,851 | 7,466 | 5,966 | 8,329 | 6,485 |
| Fines and forfeitures | 5,028 | 5,564 | 4,732 | 4,844 | 3,772 | 4,005 | 4,339 | 4,843 | 5,630 | 5,009 |
| Charges for services | 15,311 | 17,028 | 21,765 | 24,205 | 25,547 | 25,004 | 22,363 | 20,502 | 23,566 | 22,063 |
| Investment earnings | 4,331 | 1,967 | 419 | 94 | 232 | 186 | 1 | 219 | 296 | 27 |
| Miscellaneous | 108 | 371 | 194 | 108 | 540 | 210 | 744 | 439 | 624 | 302 |
| Total revenues | 141,516 | 147,408 | 141,739 | 142,656 | 140,496 | 140,697 | 141,321 | 146,264 | 157,566 | 157,660 |
| EXPENDITURES | | | | | | | | | | |
| General government | 17,335 | 17,043 | 18,233 | 15,419 | 17,737 | 15,867 | 17,840 | 19,400 | 19,960 | 20,276 |
| Judicial | 13,384 | 15,069 | 15,368 | 14,970 | 14,888 | 15,178 | 16,009 | 16,383 | 16,900 | 17,979 |
| Public safety | 52,029 | 62,946 | 62,684 | 61,495 | 62,322 | 60,390 | 59,457 | 62,876 | 64,868 | 70,664 |
| Public works | 8,054 | 7,643 | 12,635 | 11,275 | 10,994 | 6,275 | 7,863 | 8,445 | 8,528 | 12,182 |
| Public health and welfare | 3,275 | 3,287 | 3,604 | 3,131 | 2,888 | 2,301 | 2,329 | 2,212 | 2,627 | 2,556 |
| Recreation and culture | 5,151 | 7,691 | 6,247 | 6,132 | 6,314 | 4,925 | 4,904 | 5,423 | 5,994 | 6,555 |
| Housing and development | 4,092 | 5,189 | 4,635 | 4,932 | 5,475 | 2,705 | 4,633 | 3,670 | 3,934 | 4,017 |
| Intergovernmental | 4,484 | 2,477 | 2,400 | 4,786 | 4,946 | 5,282 | 5,064 | 5,814 | 5,614 | 7,009 |
| Capital Outlay | 64,093 | 26,631 | 10,205 | 13,790 | 17,321 | 15,499 | 7,966 | 14,355 | 14,097 | 17,861 |
| Principal on long-term debt | 9,982 | 10,171 | 10,344 | 11,030 | 3,138 | 3,703 | 3,807 | 3,927 | 4,070 | 280 |
| Interest on long-term debt | 2,482 | 1,280 | 847 | 430 | 561 | 666 | 559 | 440 | 282 | 96 |
| Issuance costs | - | - | - | - | 248 | - | - | - | - | - |
| Total expenditures | 184,361 | 159,427 | 147,202 | 147,390 | 146,832 | 132,791 | 130,431 | 142,945 | 146,874 | 159,475 |
| Excess of revenues over (under) expenditures | (42,845) | (12,019) | (5,463) | (4,734) | (6,336) | 7,906 | 10,890 | 3,319 | 10,692 | (1,815) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Transfers in | 3,107 | 7,164 | 1,124 | 647 | 7,460 | 1,647 | 1,636 | 5,593 | 2,102 | 2,693 |
| Transfers out | (8,307) | (5,336) | (5,411) | (14,843) | (3,763) | (4,328) | (8,558) | (14,111) | (11,912) | (5,415) |
| Issuance of bond debt | - | - | 103 | - | 15,390 | - | - | - | - | - |
| Premium on bonds issued | - | - | - | - | 1,004 | - | - | - | - | - |
| Proceeds from installment sale | - | - | - | - | - | - | - | - | - | - |
| Proceeds from capital leases | - | 134 | - | - | - | - | - | - | 657 | 267 |
| Sale of capital assets | 72 | 1,846 | 71 | 15 | 1,603 | 417 | 7,417 | 2,146 | 649 | 73 |
| Total other financing sources (uses) | (5,128) | 3,808 | (4,113) | (14,181) | 21,694 | (2,264) | 495 | (6,372) | (8,504) | (2,382) |
| Net change in fund balances | $ (47,973) | $ (8,211) | $ (9,576) | $ (18,915) | $ 15,358 | $ 5,642 | $ 11,385 | $ (3,053) | $ 2,188 | $ (4,197) |
| Debt service as a percentage of noncapital expenditures | 10.4% | 8.6% | 8.2% | 8.6% | 2.9% | 3.7% | 3.6% | 3.4% | 3.3% | 0.3% |

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

| | | Current Year Year Ending June 30, 2016 | | Next Year Year ending June 30, 2017 |
|---|---|---|---|---|
| **Revenues** | | | | |
| Property Taxes | $ | 38,645,655 | $ | 39,617,517 |
| Commissions | | 3,024,141 | | 3,232,436 |
| Other Taxes | | 27,857,544 | | 29,469,627 |
| Penalties and Interest | | 970,000 | | 947,715 |
| Licenses and Permits | | 2,896,540 | | 3,145,757 |
| Charges for Services | | 11,240,645 | | 11,912,979 |
| Fines and Forfeitures | | 4,031,419 | | 3,806,964 |
| Intergovernmental | | 748,385 | | 1,151,828 |
| Miscellaneous | | 271,133 | | 239,983 |
| Other Financing Sources | | - | | 444,412 |
| Use of Fund Balance | | 3,907,952 | | 2,981,210 |
| TOTAL REVENUES | $ | 93,593,414 | $ | 96,950,428 |
| **Expenditures** | | | | |
| General Government | $ | 9,200,165 | $ | 9,980,426 |
| Judicial | | 16,334,057 | | 16,172,380 |
| Public Health & Welfare | | 2,073,275 | | 2,041,569 |
| Public Safety | | 39,629,977 | | 41,519,055 |
| Public Works | | 4,795,141 | | 4,986,733 |
| Recreation & Culture | | 4,744,758 | | 4,743,008 |
| Housing and development | | 1,537,630 | | 1,552,679 |
| Agencies | | 845,755 | | 909,611 |
| Non-Departmental | | 14,432,656 | | 13,813,194 |
| Other Financing Uses | | - | | 1,231,773 |
| TOTAL EXPENDITURES | $ | 93,593,414 | $ | 96,950,428 |

**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 |
|---|---|---|---|---|---|---|---|
| 2007 | $ 42,557 | $ 29,457 | $ 22,288 | $ 4,944 | $ 3,391 | $ 1,530 | $ 104,167 |
| 2008 | $ 48,470 | $ 29,290 | $ 22,148 | $ 5,198 | $ 2,259 | $ 1,559 | $ 108,924 |
| 2009 | $ 50,149 | $ 25,791 | $ 19,455 | $ 5,325 | $ 1,318 | $ 1,501 | $ 103,539 |
| 2010 | $ 53,211 | $ 23,893 | $ 18,045 | $ 5,249 | $ 1,074 | $ 1,477 | $ 102,949 |
| 2011 | $ 52,180 | $ 24,207 | $ 18,275 | $ 5,105 | $ 1,013 | $ 1,819 | $ 102,599 |
| 2012 | $ 49,244 | $ 26,934 | $ 20,337 | $ 5,433 | $ 1,147 | $ 1,859 | $ 104,954 |
| 2013 | $ 48,669 | $ 26,621 | $ 20,099 | $ 5,804 | $ 1,359 | $ 2,061 | $ 104,613 |
| 2014 | $ 54,832 | $ 27,170 | $ 20,329 | $ 6,032 | $ 1,371 | $ 2,256 | $ 111,990 |
| 2015 | $ 55,528 | $ 28,979 | $ 21,560 | $ 6,364 | $ 1,608 | $ 2,750 | $ 116,789 |
| 2016 | $ 57,506 | $ 29,871 | $ 22,225 | $ 6,815 | $ 1,850 | $ 2,841 | $ 121,108 |

**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)**

| | Real Property | | | | Personal Property | | | | Less Exemptions: | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Tax Year | Residential Property | Agricultural Property (1) | Commercial & Industrial | Public Utilities | Inventory & Equipment (4) | Motor Vehicles | Mobile Homes | Other (2) | Real Property | Personal Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value (3) | Assessed Value as a Percentage of Actual Value |
| 2006 | $ 3,230,489 | $ 364,734 | $ 834,281 | $ 111,856 | $ 796,612 | $ 421,830 | $ 27,261 | $ 107,226 | $ 250,565 | $ 203,337 | $ 5,440,387 | 6.98 | $ 13,600,968 | 40.00% |
| 2007 | $ 3,972,378 | $ 525,420 | $ 1,121,349 | $ 120,228 | $ 878,857 | $ 464,822 | $ 26,460 | $ 119,085 | $ 367,383 | $ 249,168 | $ 6,612,048 | 6.26 | $ 16,530,120 | 40.00% |
| 2008 | $ 4,177,689 | $ 533,564 | $ 1,157,412 | $ 115,014 | $ 890,844 | $ 485,543 | $ 26,304 | $ 124,608 | $ 374,144 | $ 239,309 | $ 6,897,525 | 6.25 | $ 17,243,813 | 40.00% |
| 2009 | $ 4,235,536 | $ 545,407 | $ 1,215,007 | $ 129,135 | $ 885,853 | $ 503,330 | $ 25,627 | $ 109,882 | $ 393,810 | $ 218,450 | $ 7,037,517 | 6.25 | $ 17,593,793 | 40.00% |
| 2010 | $ 4,221,309 | $ 554,552 | $ 1,213,264 | $ 116,714 | $ 764,441 | $ 434,728 | $ 25,153 | $ 102,503 | $ 408,728 | $ 157,661 | $ 6,866,275 | 6.25 | $ 17,165,688 | 40.00% |
| 2011 | $ 3,865,590 | $ 555,222 | $ 1,188,777 | $ 133,327 | $ 771,123 | $ 428,445 | $ 24,428 | $ 94,030 | $ 416,583 | $ 194,542 | $ 6,449,817 | 6.25 | $ 16,124,543 | 40.00% |
| 2012 | $ 3,490,731 | $ 530,867 | $ 1,138,470 | $ 140,196 | $ 801,728 | $ 447,718 | $ 24,208 | $ 94,244 | $ 406,562 | $ 206,438 | $ 6,055,162 | 6.25 | $ 15,137,905 | 40.00% |
| 2013 | $ 3,426,254 | $ 524,676 | $ 1,088,536 | $ 143,682 | $ 839,414 | $ 472,894 | $ 23,710 | $ 87,110 | $ 407,207 | $ 235,418 | $ 5,963,651 | 6.25 | $ 14,909,128 | 40.00% |
| 2014 | $ 3,790,135 | $ 518,272 | $ 1,097,131 | $ 139,685 | $ 912,993 | $ 417,373 | $ 23,523 | $ 88,453 | $ 394,713 | $ 222,571 | $ 6,370,281 | 6.25 | $ 15,925,703 | 40.00% |
| 2015 | $ 3,833,923 | $ 518,438 | $ 1,407,595 | $ 149,746 | $ 928,926 | $ 305,581 | $ 23,300 | $ 115,720 | $ 399,104 | $ 228,644 | $ 6,655,481 | 6.25 | $ 16,638,703 | 40.00% |

Source: County Board of Equalization and Assessment.

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

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

| *Tax Year* / *Fiscal Year* | *2006* / *2007* | *2007* / *2008* | *2008* / *2009* | *2009* / *2010* | *2010* / *2011* | *2011* / *2012* | *2012* / *2013* | *2013* / *2014* | *2014* / *2015* | *2015* / *2016* |
|---|---|---|---|---|---|---|---|---|---|---|
| ***Unincorporated Districts*** | | | | | | | | | | |
| County-Unincorporated | 6.980 | 6.260 | 6.250 | 6.250 | 6.250 | 6.250 | 6.250 | 6.250 | 5.989 | 5.735 |
| Hall Co. Schools | 17.200 | 15.750 | 16.420 | 16.420 | 16.420 | 17.670 | 18.490 | 19.250 | 18.900 | 18.800 |
| 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 | 0.200 | 0.150 | 0.100 | 0.050 |
| Fire District Unincorporated | 1.120 | 1.510 | 1.510 | 1.510 | 1.510 | 1.650 | 1.650 | 2.400 | 2.400 | 2.650 |
| **Total Hall County Unincorporated** | **25.550** | **23.770** | **24.430** | **24.430** | **24.430** | **25.820** | **26.590** | **28.050** | **27.389** | **27.235** |
| ***Incorporated Districts*** | | | | | | | | | | |
| County - Incorporated except for City of Gainesville | 6.980 | 6.260 | 6.250 | 6.250 | 6.250 | 6.250 | 6.250 | 6.250 | 5.989 | 5.735 |
| County - Incorporated - City of Gainesville (2) | 6.980 | 6.260 | 6.250 | 6.250 | 6.250 | 6.250 | 6.250 | 6.250 | 5.989 | 5.735 |
| Hall Co. Schools | 17.200 | 15.750 | 16.420 | 16.420 | 16.420 | 17.670 | 18.490 | 19.250 | 18.900 | 18.800 |
| State of Georgia | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 | 0.200 | 0.150 | 0.100 | 0.050 |
| Fire District Incorporated | 2.470 | 2.720 | 2.710 | 2.710 | 2.710 | 3.080 | 3.080 | 3.080 | 3.830 | 4.080 |
| Braselton CID | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 5.000 | 5.000 | 5.000 | 5.000 | 5.000 |
| Lanier Island Pkwy CID | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 5.000 | 0.000 | 0.000 |

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

| ***Municipalities*** | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| City of Gainesville (1) | 2.890 | 2.660 | 2.660 | 2.660 | 2.920 | 2.920 | 3.060 | 3.060 | 3.020 | 2.980 |
| Gainesville City Schools (1) (3) | 7.450 | 6.960 | 7.810 | 7.710 | 7.390 | 7.390 | 7.590 | 7.590 | 7.480 | 6.890 |
| City of Oakwood | 2.480 | 2.480 | 2.480 | 2.480 | 2.480 | 2.480 | 2.658 | 2.658 | 4.000 | 4.000 |
| City of Flowery Branch | 2.837 | 2.837 | 2.837 | 2.837 | 2.837 | 2.837 | 2.837 | 2.837 | 3.337 | 3.337 |
| Buford City Schools | 15.350 | 13.300 | 13.250 | 13.200 | 13.150 | 13.100 | 13.050 | 13.000 | 12.950 | 12.900 |

(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* | *7.225* | *6.650* | *6.650* | *6.650* | *7.300* | *7.300* | *7.650* | *7.650* | *7.550* | *7.450* |
| *Gainesville City Schools* | *18.625* | *17.400* | *19.525* | *19.275* | *18.475* | *18.475* | *18.975* | *18.975* | *18.700* | *17.225* |

(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 2015 | | | Tax Year 2006 | | |
|---|---|---|---|---|---|---|
| **Taxpayer** | **Taxable Assessed Value** | **Rank** | **Percentage of Total Taxable Assessed Value** | **Taxable Assessed Value** | **Rank** | **Percentage of Total Taxable Assessed Value** |
| Georgia Power Company | $ 54,466 | 1 | 0.82% | $ 36,697 | 2 | 0.67% |
| Wrigley Manufacturing Company | 53,104 | 2 | 0.80% | 37,109 | 1 | 0.68% |
| Jackson EMC | 41,264 | 3 | 0.62% | 28,339 | 3 | 0.52% |
| Fieldale Farms Corp | 29,433 | 4 | 0.44% | 14,043 | 6 | 0.26% |
| Kelsey Hayes Company | 15,116 | 5 | 0.23% | - | | 0.00% |
| Tree Lake Associates | 12,616 | 6 | 0.19% | - | | 0.00% |
| Kings Hawaiian Bakery, Inc | 11,841 | 7 | 0.18% | - | | 0.00% |
| Perdue Foods | 11,456 | 8 | 0.17% | - | | 0.00% |
| Norfolk Southern Corp | 11,404 | 9 | 0.17% | - | | 0.00% |
| Gainesville Freezer LP | 10,231 | 10 | 0.15% | - | | 0.00% |
| Bellsouth | - | | 0.00% | 23,304 | 4 | 0.43% |
| SKF USA, Inc. | - | | 0.00% | 12,234 | 5 | 0.22% |
| John Wieland Homes | - | | 0.00% | 9,032 | 7 | 0.17% |
| NNP-Looper Lake | - | | 0.00% | 7,006 | 8 | 0.13% |
| Miltons Food Service | - | | 0.00% | 8,877 | 9 | 0.16% |
| Dozier Communities, LLC | - | | 0.00% | 6,977 | 10 | 0.13% |
| Totals | $ 250,931 | | 3.77% | $ 183,618 | | 3.38% |

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 | |
| 2007 | $ 50,830 | $ 2,503 | $ 1,248 | $ 54,581 | $ 53,055 | 104.38% | $ 1,388 | $ 54,443 | 99.75% | $ 138 |
| 2008 | $ 52,955 | $ 2,854 | $ 1,505 | $ 57,314 | $ 55,300 | 104.43% | $ 1,799 | $ 57,099 | 99.62% | $ 215 |
| 2009 | $ 55,751 | $ 846 | $ 1,440 | $ 58,037 | $ 56,162 | 100.74% | $ 1,657 | $ 57,819 | 99.62% | $ 218 |
| 2010 | $ 54,698 | $ 513 | $ 1,262 | $ 56,473 | $ 54,711 | 100.02% | $ 1,576 | $ 56,287 | 99.67% | $ 186 |
| 2011 | $ 52,369 | $ (130) | $ 1,202 | $ 53,441 | $ 51,786 | 98.89% | $ 1,492 | $ 53,278 | 99.69% | $ 163 |
| 2012 | $ 50,368 | $ 480 | $ 1,064 | $ 51,912 | $ 50,602 | 100.46% | $ 1,165 | $ 51,767 | 99.72% | $ 145 |
| 2013 | $ 52,771 | $ 1,089 | $ 1,049 | $ 54,909 | $ 53,923 | 102.18% | $ 849 | $ 54,772 | 99.75% | $ 137 |
| 2014 | $ 54,285 | $ 345 | $ 936 | $ 55,566 | $ 54,470 | 100.34% | $ 789 | $ 55,259 | 99.45% | $ 307 |
| 2015 | $ 56,560 | $ (225) | $ 515 | $ 56,850 | $ 56,225 | 99.41% | $ 70 | $ 56,295 | 99.02% | $ 555 |
| 2016 | $ 2,206 | $ (71) | $ 114 | $ 2,249 | $ 2,236 | 101.36% | $ - | $ 2,236 | 99.42% | $ 13 |

Taxes levied include real and personal property, motor vehicle, mobile home, timber, and heavy equipment taxes.
Property taxes levied during the calendar year 2015 are recorded as revenues in the financial statements in 2016 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 $500,000 per year.
The taxes for motor vehicles are accounted for like mobile home taxes even though they are billed throughout the year.
Since the 2016 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 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| Taxable sales | $ 2,228,778 | $ 1,742,857 | $ 1,529,592 | $ 4,769,388 | $ 4,627,551 | $ 5,506,097 | $ 5,093,878 | $ 6,122,449 | $ 5,649,356 | $ 5,822,955 |
| County direct sales tax rate (LOST) (1) | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% |
| County SPLOST tax rate | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% |
| ***SPLOST (2)*** | | | | | | | | | | |
| Portion of taxes collected for : | | | | | | | | | | |
| City of Gainesville | 1,697 | 1,369 | 1,205 | 3,690 | 3,581 | 4,334 | 3,938 | 4,877 | 4,507 | 4,578 |
| City of Clermont | 27 | 22 | 20 | 99 | 96 | 107 | 106 | 114 | 114 | 123 |
| City of Lula | 89 | 75 | 61 | 197 | 192 | 213 | 211 | 225 | 229 | 366 |
| City of Flowery Branch | 119 | 97 | 85 | 260 | 252 | 280 | 278 | 296 | 302 | 799 |
| City of Braselton | 2 | 1 | 1 | 3 | 3 | 4 | 4 | 4 | 4 | 238 |
| City of Gillsville | 11 | 0 | 0 | 25 | 24 | 27 | 27 | 29 | 29 | 29 |
| City of Oakwood | 178 | 144 | 127 | 385 | 373 | 415 | 412 | 438 | 447 | 589 |
| City of Buford | 0 | 0 | 0 | 15 | 14 | 16 | 16 | 17 | 17 | 133 |
| City of Resthaven | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 |

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**

| Calendar Year | | Annual Collections | |
|---|---|---|---|
| 2007 | $ | 29,918,593 | |
| 2008 | $ | 27,806,104 | |
| 2009 | $ | 24,985,329 | 1 |
| 2010 | $ | 22,819,428 | |
| 2011 | $ | 26,184,117 | |
| 2012 | $ | 27,093,192 | |
| 2013 | $ | 26,441,482 | |
| 2014 | $ | 28,617,550 | |
| 2015 | $ | 28,950,120 | |
| 2016 | $ | 17,521,589 | 2 |

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

2 Represents 6 months of Collections received as of June 30, 2016

**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) |
| 2007 | $ 31,256 | $ - | $ 971 | $ - | $ 1,729 | $ - | $ 33,956 | 0.66% | $ 189 |
| 2008 | $ 20,703 | $ - | $ 894 | $ 14,347 | $ 11,239 | $ - | $ 47,183 | 0.90% | $ 262 |
| 2009 | $ 10,405 | $ 5,327 | $ 714 | $ 14,355 | $ 23,294 | $ 964 | $ 55,059 | 1.00% | $ 298 |
| 2010 | $ - | $ 4,848 | $ 560 | $ 14,363 | $ 30,576 | $ 491 | $ 50,838 | 0.88% | $ 270 |
| 2011 | $ - | $ 17,962 | $ 407 | $ 22,319 | $ 33,445 | $ 1,463 | $ 75,596 | 1.36% | $ 421 |
| 2012 | $ - | $ 14,176 | $ 274 | $ 21,288 | $ 34,014 | $ 988 | $ 70,740 | 1.25% | $ 386 |
| 2013 | $ - | $ 10,239 | $ 142 | $ 20,868 | $ 32,614 | $ 500 | $ 64,363 | 1.08% | $ 347 |
| 2014 | $ - | $ 6,211 | $ - | $ 20,379 | $ 31,684 | $ 500 | $ 58,774 | 0.94% | $ 310 |
| 2015 | $ - | $ 2,057 | $ 527 | $ 19,809 | $ 29,887 | $ - | $ 52,280 | 0.84% | $ 297 |
| 2016 | $ - | $ 1,908 | $ 619 | $ 18,584 | $ 28,314 | $ - | $ 49,425 | 0.73% | $ 259 |

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 | Net Pension Obligation | Total | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
| 2007 | $ 2,928 | $ 2,244 | $ - | $ - | $ 5,172 | $ 5,731 | $ 78 | | $ 5,809 | $ 10,981 | 0.21% | $ 61 |
| 2008 | $ 3,118 | $ 2,590 | $ - | $ - | $ 5,708 | $ 6,023 | $ 65 | | $ 6,088 | $ 11,796 | 0.22% | $ 65 |
| 2009 | $ 3,479 | $ 2,681 | $ 7,265 | $ - | $ 13,425 | $ 6,185 | $ 77 | | $ 6,262 | $ 19,687 | 0.36% | $ 107 |
| 2010 | $ 3,729 | $ 2,973 | $ 23,219 | $ - | $ 29,921 | $ 6,320 | $ 76 | | $ 6,396 | $ 36,317 | 0.63% | $ 193 |
| 2011 | $ 3,733 | $ 2,821 | $ 48,170 | $ - | $ 54,724 | $ 6,496 | $ 74 | | $ 6,570 | $ 61,294 | 1.10% | $ 341 |
| 2012 | $ 3,584 | $ 3,444 | $ 52,487 | $ 554 | $ 60,069 | $ 7,097 | $ 70 | | $ 7,167 | $ 67,236 | 1.19% | $ 367 |
| 2013 | $ 3,345 | $ 2,763 | $ 54,539 | $ 182 | $ 60,829 | $ 7,361 | $ 67 | | $ 7,428 | $ 68,257 | 1.15% | $ 368 |
| 2014 | $ 3,638 | $ 2,516 | $ 56,732 | $ (43) | $ 62,843 | $ 7,617 | $ 67 | | $ 7,684 | $ 70,527 | 1.15% | $ 376 |
| 2015 | $ 3,472 | $ 1,693 | $ 58,980 | $ 29,461 | $ 64,102 | $ 7,810 | $ 67 | $ 1,260 | $ 9,137 | $ 71,979 | 1.15% | $ 377 |
| 2016 | $ 3,838 | $ 1,634 | $ 61,880 | $ 32,456 | $ 99,808 | $ 14,662 | $ 63 | $ 1,388 | $ 16,113 | $ 115,921 | 1.71% | $ 599 |

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) |
|---|---|---|---|---|---|---|
| 2007 | $ 31,256 | $ 11,300 | $ 19,956 | 390.55% | 0.15% | $ 111 |
| 2008 | $ 20,703 | $ 11,290 | $ 9,413 | 178.82% | 0.06% | $ 52 |
| 2009 | $ 10,405 | $ 10,848 | $ (443) | -8.02% | 0.00% | $ (2) |
| 2010 | - | - | - | 0.00% | 0.00% | - |
| 2011 | - | - | - | 0.00% | 0.00% | - |
| 2012 | - | - | - | 0.00% | 0.00% | - |
| 2013 | - | - | - | 0.00% | 0.00% | - |
| 2014 | - | - | - | 0.00% | 0.00% | - |
| 2015 | - | - | - | 0.00% | 0.00% | - |
| 2016 | $ - | $ - | $ - | 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, 2016**
**(amounts expressed in thousands)**

| *Governmental Unit* | *General Obligation Bonded Debt Outstanding* | *Percentage Applicable to Government* | *Amount Applicable to Government* |
|---|---|---|---|
| Hall County Direct Debt [7] | $ 2,527 | 100% | $ 2,527 |
| Overlapping: | | | |
| Hall County Board of Education[1] | 13,995.00 | 100% | 13,995.00 |
| City of Gainesville [2] | 20,766 | 100% | 20,766 |
| City of Gainesville Schools [3] | 32,244 | 100% | 32,244 |
| City of Oakwood [4] | 4,174 | 100% | 4,174 |
| City of Buford[5] | 39,553 | 19% | 7,515 |
| City of Braselton[6] | 8,197 | 18% | 1,475 |
| Total overlapping debt | 118,929 | | 80,169.53 |
| Total direct and overlapping debt | $ 121,456 | | $ 82,697 |

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 $8,380,000 of general obligation bonds, $3,00,000 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; $78,265,000 of such debt is comprised of notes to the Georgia Environmental Facilities Authority incurred for improvements to Gainesville's water and sewer system and is intended to be paid from revenues of the system, even though the notes are general obligations of the City of Gainesville; the balance of $20,766,180 is governmental activities capital lease debt.

[3] The Gainesville School District debt is comprised of $27,698,597 of general obligation bonds, $1,925,000 of intergovernmental contract debt, and $2,620,253 of capital lease debt; most of the Gainesville School District debt is intended to be paid from a 1% educational sales tax.

[4] $3,500,000 of the Oakwood debt is dated 12/16/2007 to provide funding for Road projects.

[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 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| Assessed value of property | $ 5,894,289 | $ 7,228,599 | $ 7,510,978 | $ 7,649,777 | $ 7,432,664 | $ 7,060,942 | $ 6,668,162 | $ 6,606,276 | $ 6,987,565 | $ 7,283,229 |
| Debt limit (10% of total assessed value) | 589,429 | 722,860 | 751,098 | 764,978 | 743,266 | 706,094 | 666,816 | 660,628 | 698,757 | 728,323 |
| Amount of Debt applicable to limit: | | | | | | | | | | |
| General obligation bonds | 31,256 | 20,703 | 10,405 | - | - | - | - | - | - | - |
| Less: Resources restricted to paying principal | 11,300 | 11,290 | 10,848 | - | - | - | - | - | - | - |
| Total net debt applicable to limit | 19,956 | 9,413 | (443) | - | - | - | - | - | - | - |
| Legal debt margin | $ 569,473 | $ 713,447 | $ 751,541 | $ 764,978 | $ 743,266 | $ 706,094 | $ 666,816 | $ 660,628 | $ 698,757 | $ 728,323 |
| Total net debt applicable to the limit as a percentage of debt limit | 3.39% | 1.30% | -0.06% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

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

| | Sales Tax Increment Bonds [1] | | | |
|---|---|---|---|---|
| Fiscal Year | Sales Tax Increment | Debt Service Principal | Debt Service Interest | Coverage |
| 2008 | $ 29,290 | $ 9,960 | $ 1,455 | 2.57 |
| 2009 | $ 25,791 | $ 10,165 | $ 968 | 2.32 |
| 2010 | $ 23,893 | $ 10,405 | $ 248 | 2.24 |
| 2011 | - | - | - | - |
| 2012 | - | - | - | - |
| 2013 | - | - | - | - |
| 2014 | - | - | - | - |
| 2015 | - | - | - | - |
| 2016 | $ - | $ - | $ - | - |

[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) |
|---|---|---|---|---|---|---|---|---|
| 2007 | 179,271 | $ 5,109,723 | $ 28,503 | n/a | n/a | n/a | 25,558 | 4.00% |
| 2008 | 180,175 | $ 5,264,080 | $ 29,216 | n/a | 67.7% | 16.6% | 25,558 | 4.74% |
| 2009 | 184,814 | $ 5,521,344 | $ 29,875 | n/a | 79.8% | 25.6% | 26,435 | 9.10% |
| 2010 | 187,943 | $ 5,746,169 | $ 30,574 | 32.2 | 82.7% | 24.1% | 25,706 | 9.00% |
| 2011 | 179,684 | $ 5,569,485 | $ 30,996 | 33.0 | 74.5% | 19.8% | 25,706 | 9.30% |
| 2012 | 183,052 | $ 5,639,100 | $ 30,806 | 34.8 | 76.5% | 21.0% | 25,706 | 8.50% |
| 2013 | 185,416 | $ 5,933,497 | $ 32,001 | 35.1 | 78.0% | 22.1% | 26,515 | 7.80% |
| 2014 | 187,745 | $ 6,155,971 | $ 32,789 | 37.5 | 78.5% | 22.1% | 26,959 | 6.90% |
| 2015 | 190,761 | $ 6,254,862 | $ 35,491 | 37.6 | 78.8% | 22.8% | 27,106 | 6.00% |
| 2016 | 193,535 | $ 6,770,253 | $ 35,491 | 36.0 | 78.5% | 22.8% | 27,297 | 4.60% |

Data sources:
(a) Population estimate based upon US Census Bureau QuickFacts (2015 estimate)
(b) US Census Bureau (2015 American Community Survey 1-Year Estimates)
(c) Federal Bureau of Economic Analysis (Survey of Current Business).
(d) Hall County Board Of Education (2016).
(e) U.S. Department of Labor (Bureau of Labor Statistics, 2013).
(f) US Census Bureau (2010-2014)

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

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

| Employer (1) | 2016 Employees | 2016 Rank | 2016 Percentage of Total County Employment | 2007 (2) Employees | 2007 (2) Rank | 2007 (2) Percentage of Total County Employment |
|---|---|---|---|---|---|---|
| Northeast Georgia Medical Center (2) | 7,900 | 1 | 11.19% | | | |
| Fieldale Farms (2) | 2,550 | 2 | 3.61% | | | |
| Pilgrims | 1,380 | 3 | 1.95% | | | |
| Victory Processing LLC (2) | 1,310 | 4 | 1.86% | | | |
| Kubota Manufacturing of America | 1,300 | 5 | 1.84% | | | |
| Mar-Jac Poultry, Inc | 1,250 | 6 | 1.77% | | | |
| ZF Gainesville, LLC (4) | 1,150 | 7 | 1.63% | | | |
| Cottrell, Inc | 990 | 8 | 1.40% | | | |
| Gold Creek Foods | 980 | 9 | 1.39% | | | |
| Wal-Mart (4) | 970 | 10 | 1.37% | | | |
| All other employers | 50,832 | | 71.99% | | | |
| Total | 70,612 | | 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 2007 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 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| **Function** | | | | | | | | | | |
| General government | 146 | 137 | 136 | 125 | 116 | 99 | 94 | 96 | 110 | 116 |
| Public safety | | | | | | | | | | |
| Sheriff | | | | | | | | | | |
| Officers | 330 | 423 | 423 | 423 | 496 | 468 | 439 | 429 | 419 | 381 |
| Civilians | 38 | 59 | 59 | 59 | 31 | 18 | 17 | 17 | 31 | 54 |
| Fire and EMS | | | | | | | | | | |
| Firefighters & EMT's | 311 | 317 | 317 | 316 | 371 | 227 | 305 | 382 | 386 | 361 |
| Civilians | 11 | 16 | 16 | 16 | 11 | 27 | 27 | 10 | 9 | 13 |
| Other public safety | 98 | 104 | 105 | 118 | - | - | - | - | - | 112 |
| Court system | 191 | 202 | 208 | 207 | 189 | 190 | 193 | 191 | 230 | 249 |
| Public works | 96 | 96 | 96 | 90 | 99 | 63 | 60 | 63 | 65 | 64 |
| Health and welfare | - | - | - | - | 18 | 16 | 30 | 36 | 37 | 1 |
| Recreation and culture | 42 | 43 | 43 | 41 | 44 | 32 | 32 | 31 | 37 | 31 |
| Housing and development | 40 | 40 | 40 | 30 | - | 6 | 6 | 6 | 7 | 25 |
| Solid Waste | 29 | 29 | 29 | 29 | 27 | 27 | 29 | 30 | 28 | 26 |
| Water & Sewer | - | - | - | - | - | - | - | - | - | - |
| Total | 1,332 | 1,466 | 1,472 | 1,454 | 1,402 | 1,173 | 1,232 | 1,291 | 1,359 | 1,433 |

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 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Police | | | | | | | | | | |
| Physical arrests | 8,257 | 9,200 | 9,426 | 8,664 | 8,358 | 7,369 | 7,557 | 11,946 | | 13,841 |
| Traffic violations | 12,984 | 13,240 | 13,501 | 13,767 | 8,498 | 9,579 | 7,178 | 10,845 | | 13,805 |
| Fire | | | | | | | | | | |
| Number of calls answered | 24,073 | 25,331 | 26,655 | 28,048 | 23,329 | 23,461 | 22,965 | 23,920 | 25,553 | 23,394 |
| Inspections | 1,874 | 1,395 | 1,240 | 1,262 | 806 | 781 | 1,033 | 1,074 | 1,118 | 2,440 |
| Highways and streets | | | | | | | | | | |
| Street resurfacing (miles) | 51 | 43 | 52 | 49 | 26 | 14 | 22 | 23 | 21 | 21 |
| Potholes repaired | 282 | 532 | 406 | 531 | 689 | 1,139 | 1,856 | 1,379 | 1,673 | 1,047 |
| Sanitation | | | | | | | | | | |
| Refuse collected (tons/day) | 244 | 274 | 284 | 196 | 182 | 165 | 216 | 226 | 183 | 290 |
| Recyclables collected (tons/day) | 11 | 14 | 15 | 10 | 9 | 9 | 14 | 17 | 20 | 22 |
| 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 | 1,950 | 2,050 | 205 | 211 | 237 | 275 | 294 | 3,071 | 280 |

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 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Public safety | | | | | | | | | | |
| Sheriff headquarters &/or precincts | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Fire Stations | 14 | 15 | 15 | 15 | 15 | 15 | 15 | 16 | 16 | 16 |
| Solid Waste | | | | | | | | | | |
| Compactor Sites | 13 | 13 | 13 | 13 | 13 | 13 | 12 | 12 | 12 | 12 |
| Highways and streets | | | | | | | | | | |
| Streets (miles) | 1,046 | 1,052 | 1,052 | 1,052 | 1,056 | 1,060 | 1,060 | 1,060 | 1,060 | 1,086 |
| Streetlights* | 308 | 312 | 316 | 324 | 320 | 322 | 324 | 324 | 325 | 327 |
| Traffic signals | 29 | 35 | 35 | 35 | 38 | 38 | 38 | 38 | 38 | 39 |
| Culture and recreation | | | | | | | | | | |
| Parks acreage | 1,359 | 1,359 | 1,359 | 1,359 | 1,459 | 1,459 | 1,580 | 1,580 | 1,580 | 1,607 |
| Parks | 20 | 20 | 20 | 20 | 20 | 20 | 22 | 22 | 22 | 23 |
| Tennis courts | 34 | 34 | 34 | 34 | 34 | 34 | 37 | 37 | 37 | 36 |
| Community centers | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 3 |
| 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 | 32 | 32 | 32 | 32 | 60 | 60 | 60 | 65 | 75 |
| 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 | 1,950 | 1,950 | 2,050 | 2,050 | 2,050 | 2,750 | 2,940 | 1,900 | 1,850 |
| (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, 2016**

| 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 | 2015-AP-BX-0687 | $ 75,646 | $ 75,646 |
| -Edward Byrne Memorial Justice Assistance Grant | 16.738 | 2015-DJ-BX-0439 | 14,064 | 11,556 |
| -Edward Byrne Memorial Justice Assistance Grant | 16.738 | 2014-DJ-BX-1170 | 16,468 | 16,468 |
| Passed through the Criminal Justice Coordinating Council | | | | |
| -Edward Byrne Memorial Justice Assistance Grant | 16.738 | B14-8-016 | 47,496 | 13,739 |
| | | | 78,028 | 41,763 |
| Passed through the Prosecuting Attorneys' Council of Georgia | | | | |
| -Victims of Crime Assistance (District Attorney's Office) | 16.575 | C13-8-103, C14-8-108, C15-8-153 | 99,046 | 66,276 |
| -Victims of Crime Assistance (Solicitor's Office) | 16.575 | C13-8-103, C14-8-108, C15-8-153 | 141,980 | 96,412 |
| -Victims of Crime Assistance (District Attorney's Office) | 16.575 | C13-8-102, C14-8-072 | 44,046 | 10,580 |
| -Victims of Crime Assistance (Solicitor's Office) | 16.575 | C13-8-102, C14-8-072 | 80,736 | 19,186 |
| | | | 365,808 | 192,454 |
| Passed through the Criminal Justice Coordinating Council | | | | |
| -Recovery Act-Edward Byrne Memorial Justice Assistance Grant | 16.804 | 2014-VV-BX-0058, Q15-8-005 | 162,500 | 38,036 |
| -Recovery Act-Edward Byrne Memorial Justice Assistance Grant | 16.804 | 2014-VV-BX-0058, Q15-8-006 | 162,500 | 50,471 |
| | | | 325,000 | 88,507 |
| **TOTAL US DEPARTMENT OF JUSTICE** | | | **844,482** | **398,370** |
| **U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT** | | | | |
| Passed-through the Georgia Department of Community Affairs | | | | |
| -Neighborhood Stabilization Program -NSP1 Program Income | 14.256 | 08-ns-5064 | 2,646,541 | 634,230 |
| -Neighborhood Stabilization Program -NSP3 Program Income | 14.256 | 11-ns-6005 | 1,134,632 | 295,461 |
| | | | 3,781,173 | 929,691 |
| Community Home Investment Program (CHIP 2011) | 14.239 | 2011-814 | 304,470 | 6,333 |
| **TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT** | | | **4,085,643** | **936,024** |
| **U.S. DEPARTMENT OF TRANSPORTATION** | | | | |
| Passed-through the Georgia Department of Transportation | | | | |
| -Metropolitan Transportation Planning and State and Non-Metropolitan Planning | 20.505 | GA-80-0008-02/T005409 | 71,223 | 29,613 |
| -Highway Planning and Construction | 20.205 | PI0011801 | 346,680 | 259,472 |
| **TOTAL U.S. DEPARTMENT OF TRANSPORTATION** | | | **417,903** | **289,085** |
| **FEDERAL EMERGENCY MANAGEMENT AGENCY** | | | | |
| Passed-through the Georgia Emergency Management Agency | | | | |
| -Homeland Security Grant Program | 97.067 | EMW-2015-SS-00065-S01/SHO15-076 | 3,000 | 2,960 |
| -Homeland Security Grant Program | 97.067 | EMW-2014-SS-00092-S01/SHO14-102 | 3,000 | 1,659 |
| -Homeland Security Grant Program | 97.067 | EMW-2015-SS-00065-S01/SHO15-015 | 7,700 | 7,700 |
| -Homeland Security Grant Program | 97.067 | EMW-2014-SS-00092-S01/SHO14-047 | 20,000 | 11,934 |
| | | | 33,700 | 24,253 |
| -GEMA Hazard Mitigation | 97.039 | PDMC-PL-2013-3 | 13,500 | 0 |
| -Emergency Management Performace Grants | 97.042 | OEM15-071 | 54,405 | 54,405 |
| **TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY** | | | **101,605** | **78,658** |
| **GRAND TOTAL** | | | **$ 5,449,635** | **$ 1,702,136** |

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

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# INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

December 8, 2016

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, 2016, and the related notes to the financial statements, which collectively comprise the HALL COUNTY, GEORGIA's basic financial statements and have issued our report thereon dated December 8, 2016. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our report includes a reference to other auditors who audited the financial statements of the Hall County Health Department as described in our report on HALL COUNTY, GEORGIA's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether HALL COUNTY, GEORGIA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no material instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

Bates Carter & Co, LLP

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# INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

December 8, 2016

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 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, 2016. 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, 2016. 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 the Uniform Guidance.

## Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

## Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of HALL COUNTY, GEORGIA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*

(Uniform Guidance). Those standards and the Uniform Guidance 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, 2016.

**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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bates, Carter & Co, LLP

**HALL COUNTY, GEORGIA**
**AUDITORS' SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**Year Ended June 30, 2016**

**I SUMMARY OF AUDITORS' RESULTS:**

1. Report issued on Financial Statements – Unmodified opinion.
2. Compliance (financial statements) – No material instances of noncompliance.
3. Internal Control (financial statements) – No significant deficiency, no material weakness.
4. Compliance (major programs) – No significant deficiency, no material weakness.
5. Internal control (major programs) – No significant deficiency, no material weakness.
6. Audit findings required to be reported under the Uniform Guidance
    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 $25,000 for major programs – None reported
    iv) Known questioned costs greater than $25,000 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 – Neighborhood Stabilization Program, CFDA 14.256
8. Dollar threshold used to distinguish between Type A and Type B programs – $750,000.
9. Does the auditee qualify as a low risk auditee under the Uniform Guidance – No.

## II AUDIT FINDINGS - GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

There were no findings or questioned costs relating to *Government Auditing Standards* reported for the year ended June 30, 2016.

## III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs relating to *Government Auditing Standards* reported for the year ended June 30, 2016.

# and then...




HALL COUNTY
GEORGIA
*We have it **all** in Hall*