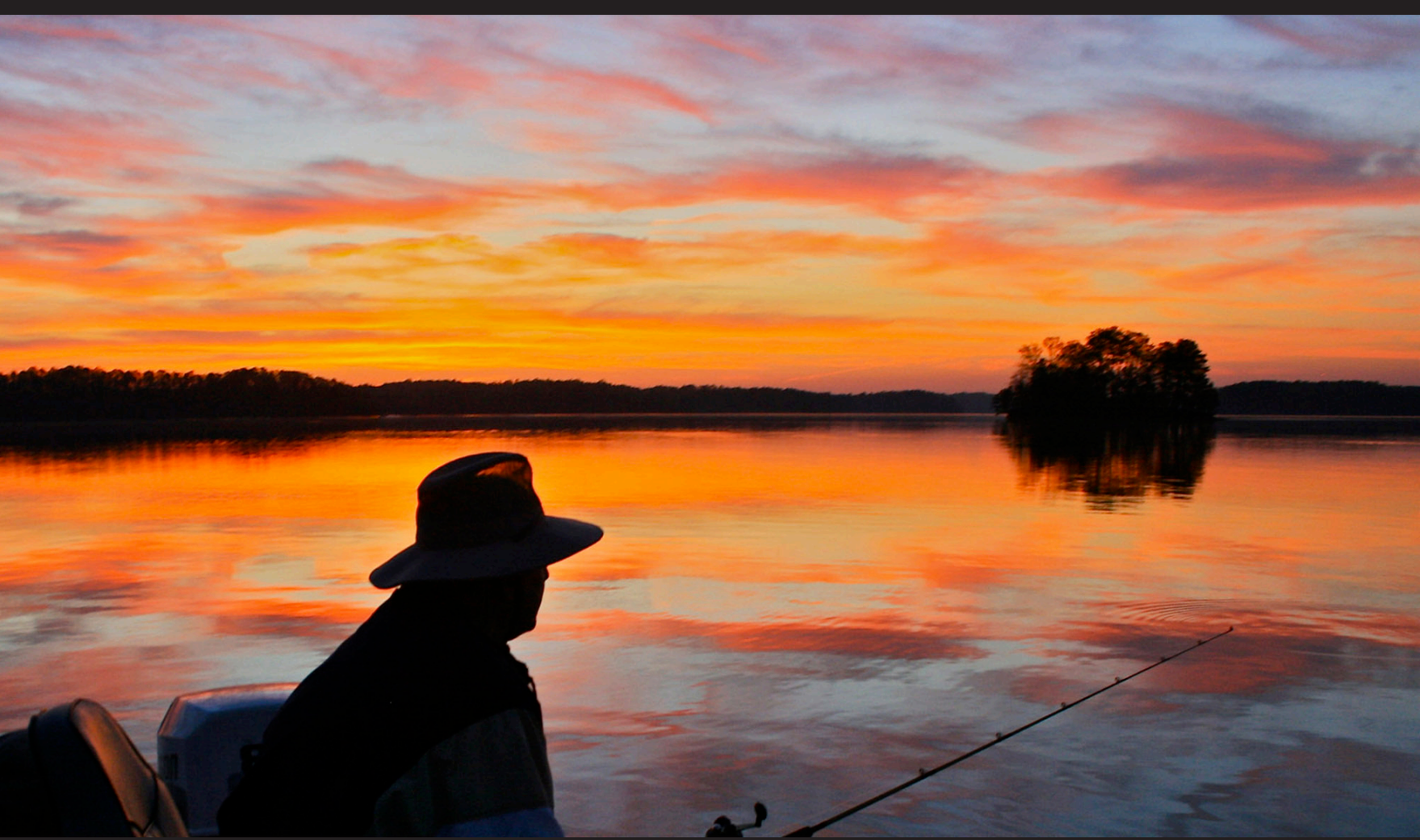
2017 CAFR

For the year ended June 30, 2017



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

Hall County Government's

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017



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, 2017

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HALL COUNTY
GEORGIA
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Billy Powell, District 2
Scott Gibbs, District 3
Jeff Stowe, District 4

INTERIM
COUNTY ADMINISTRATOR
Jock A. Connell

ASSISTANT
COUNTY ADMINISTRATOR
Marty Nix

INTERIM ASSISTANT
COUNTY ADMINISTRATOR
Lisa Johnsa

COMMISSION CLERK
Lisa A. Ritchie

Hall County Government
BOARD OF COMMISSIONERS

December 12, 2017

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

We are pleased to present the fiscal year 2017 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 2017, 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, 2017, 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, fairness, and completeness of the data presented. This document contains all information necessary to gain an understanding of Hall County's financial activities in fiscal year 2017. We encourage readers to consider this transmittal letter in conjunction with the management discussion and analysis and annotated financial statements 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, 2017, 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, 2017, 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. The OMB Circular A-133 has been replaced by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Audits of programs receiving federal grants have been performed for the fiscal year ending June 30, 2017. 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: *Jeff Stowe – District 4, Billy Powell – District 2, Richard P. Higgins – Chairman, Cathy L. Cooper – District 1, 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, Lake Sidney Lanier, and the foothills of the Blue Ridge Mountains. Lake Sidney Lanier is named for the Georgia author and musician Sidney Lanier, and was created in 1957. Lake Lanier generates over 7.5 million visitors annually, and most notably, hosted the rowing and sprint canoeing events during the **1996 Summer Olympics**. Hall County, located in northeast Georgia, is approximately 50 miles northeast of Atlanta and 40 miles northwest of Athens. Perfectly located one hour away from the world's busiest airport, Hartsfield- Jackson International Airport, Hall County is a highly desirable community, highlighting the best of what the State of Georgia has to offer. Whether it is raising a family, industry, recreation, quality of life, or retirement, Hall County is a true destination community. It is with sincere conviction and truth that we proudly boast, **"We have it *all* in Hall!"**

Hall County's population of 179,684 (U.S. Census Bureau 2010) has grown steadily in the last seven years. Between 2010 and 2017, the population changed by 9.4% compared with a state change in population of 6.4%. The 2017 estimated population of Hall County is 196,637. 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% of the entire County population. Gainesville's population is now estimated at approximately 40,000 by the U.S. Census Bureau 2016. Other municipalities include Oakwood, Flowery Branch, Clermont, Lula and Gillsville; as well as, a part of Buford, Braselton, and Rest Haven.

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

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

The County government provides services, which include road construction and maintenance, judicial and court related functions, in addition to fire, emergency medical services (EMS), 911 communications, animal control, sheriff, detention center, parks/recreation, community services, community development, and other general governmental services. The County also provides sewer in the south Hall County area. Construction is in the final phase to provide sewer in north Hall County, 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 Two 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 fiscal year 2017, Hall County continued to see signs of an improved economy. Local Option Sales Tax collection was 2.76% higher in 2017 than in 2016. The Title Ad Valorem Tax has continued to provide significant revenue to the General Fund for fiscal year 2017. This change in the motor vehicle tax enacted by State legislation (House Bill 386) in FY 2013, and provided $5.49 million in revenue to the General Fund in fiscal year 2017 compared to $5.58 million in FY 2016. The Tax Digest was 2.15% higher than the prior year. It is anticipated that the tax digest will see an increase of 7% in fiscal year 2018. Building permits and business licenses also continue to realize positive linear growth. These increases provide the optimism for continued economic growth.

- The County continued to see strong and consistent performance in the local economy. The unemployment rate is 5.1% compared to last year's rate of 4.6%. This rate is slightly higher than the State at 4.8% and the national unemployment rate at 4.4%. This increase from the prior year is not uncommon as unemployment rates often fluctuate from month to month.
- Three Gainesville-Hall County higher education institutions – Brenau University, University of North Georgia, and Lanier Technical College – are at a record high enrollment with over 16,000 students. Additionally, Lanier Technical College is expanding and relocating its main campus to a 95-acre site north of Gainesville on Georgia Hwy 365. The new campus will have 335,000 square feet of teaching space and accommodate 5,000 students. Expected completion date is fall 2018 with classes starting January 2019.
- 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, the Georgia Poultry Laboratory Network, and Tatsumi Internodal USA, Inc.
- Hall County is one of the North Georgia's major retail centers with corridors along Dawsonville Highway (State Route 53) at the North Lake Square Shopping Center, New Holland Market Place, located at Exit 24 and I-985, and Lakeshore Mall. In addition to having one of the largest Kroger stores in the Southeast (New Holland), Hall County is home to major retailers including Best Buy, Belk, Sam's Club, Super Target, Kohl's, Dick's Sporting Goods, Office Max, Hobby Lobby, HomeGoods, Academy Sports, and Sears. Additionally, Hall County offers a full spectrum of popular automobile brand dealers.
- The general fund millage rate decreased slightly in fiscal year 2017 to 5.716 mills from 5.735 mills in fiscal year 2016.

Tourism

- Lake Sidney Lanier, a 38,000-acre reservoir with 692 miles of shoreline, is a multi-purpose lake that provides drinking water for 60% of Georgians and recreation for 7.5 million visitors annually.
- Lake Lanier Islands, located in south Hall County, offers 1,500 scenic acres of land hosting attractions including golfing, beaches, cruises, outdoor recreational sports, fishing, horseback riding, zip line canopy tours, and many more adventures.
- 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 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. The site is a cultural center for the community, hosting exciting exhibitions, events, and educational programs.
- Don Carter State Park, which is the newest state park in Georgia and Hall County's first state park, boasts 1,300 acres of peace and tranquility. The park provides cottages, campsites, picnic shelters, shoreline to Lake Lanier, boat ramps, and beaches.

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

- Northeast Georgia Medical Center was named Georgia's #1 Hospital for heart, stroke, and women's services and among the top ten in the Nation according CareChex, an independent healthcare quality rating service. Designated as a Level II Trauma Center, NGMC continues to surpass the $1 billion mark in annual local and state economic impact, according to a study conducted by the Georgia Hospital Association.
- The Northeast Georgia Medical Center Braselton expanded in September 2016 by adding new labor and delivery services. In addition to the 100-bed hospital, the Braselton campus has two 100,000-square-foot medical office buildings. The first is attached to the main hospital and includes numerous physician offices, cardiac and vascular labs, and cardiopulmonary rehabilitation. The second medical office building on the campus houses an urgent care center, imaging center, physical and occupational therapy, radiation, medical oncology, endoscopy, and lab services.
- The three physician groups in Hall County – The Longstreet Clinic, Northeast Georgia Physicians Group, and Northeast Georgia Diagnostic Clinic – continue to add new physicians and services and are each listed in Atlanta's "Top 25 Physicians Group Practices" by the Atlanta Business Chronical.

MAJOR INITIATIVES & ACCOMPLISHMENTS

Fiscal year 2017 proved to be somewhat challenging as Hall County found itself realizing the impact of positive economic improvements throughout the North Georgia and Metro Atlanta regions. Hall County Government has a consistent history of maximizing available revenues, while minimizing the tax burden on property owners and citizenry. Even more impressive has been Hall County's ability to provide and improve upon necessary services to its citizens, including enhancements to public safety (Sheriff, Fire Services, and Emergency Management), major infrastructure improvements (roads, bridges, intersection enhancements, and sewer utilities), quality of life (park and leisure capital investments, housing initiatives, and property beautification), and initiate new programs to benefit residents, including the following:

General Government

<u>Administration</u>

Under the direction of the Board of Commissioners, and in conjunction with staff, Hall County Administration oversaw the implementation of two major plan documents during the fiscal year – the 2017 Hall County Comprehensive Plan and the 2017 Service Delivery Strategy. Both documents required significant time, energy, research, negotiation, and collaboration among inter-county jurisdictions/municipalities. The Comprehensive Plan is a policy document that presents the community's primary goals for achieving long-range vision for growth and development in the unincorporated portions of the County. Hall County Planning and Zoning staff worked diligently to interview community stakeholders, conduct research, hold public hearings, and develop a high quality and functional plan that can be utilized by county leadership as a blueprint for development in the years ahead. The Service Delivery Plan is a required negotiated document by the State of Georgia that must be reviewed and adopted by the majority of the jurisdictions within the County every ten years. The purpose of this process is to ensure the equitable distribution of property tax collection between incorporated and unincorporated property tax payers. As part of the 2017 agreement, new special tax districts will be implemented to appropriately manage the millage rate differentials and allocate property taxes generated for specific service provided. Both plan documents were approved by the Georgia Department of Community Affairs, and Hall County is operating these plans in accordance with local ordinances, state law, and compliance standards.

Financial Services

Financial Services has continued to manage a highly conservative annual operating and capital budget. Fiscal year 2017 resulted in a mid-year budget adjustment that consequently reduced the spending plan of approximately $1 million in the General Fund. This strategic budget adjustment allowed the County to provide critical service delivery in the areas of public safety and judicial services, while limiting the impact to fund balance.

Financial Services oversees, in conjunction with County Administration, the Grants Division of Hall County Government. Federal and State grants present a unique opportunity for local governments to leverage financial assets and expand upon, or provide critical program services that might not present themselves otherwise. Our grants division administers two highly important federal housing programs – the Neighborhood Stabilization Program (NSP) and Community HOME Investment Program (CHIP) – in conjunction with the Georgia Department of Community Affairs. Both programs have allowed the County to address housing issues, including rehabilitating vacant homes, revitalizing dilapidated and/or blighted residential structures, and providing/preserving affordable housing to eligible low-to-moderate-income homebuyers. These housing programs have been transformational to our community, allowing the County to partner and collaborate with other local jurisdictions to ultimately improve property values, community aesthetics, and the lives of our citizens.

Throughout fiscal year 2017, Financial Services has been diligently working to implement a new automated accounts payable invoice approval and payment process. This electronic mechanism for invoice workflow, approval, payment, and record retention is part of Hall County's commitment to improving service delivery by building capacity for future growth through means of technology enhancement.

Human Resources

In March 2016, the Human Resources Department 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. In early fiscal year 2017, Human Resources implemented the ADP benefits module, which provides County employees with opportunities to engage in their future health and retirement. The benefits module is also interactive and allows for a "hands-on" approach to wellness management. Offering these services in a web-based environment has improved our internal efficiencies, reduced risk of error, and eliminated redundancies.

Fiscal year 2017 also realized a cost of living adjustment (COLA) of 3% for all county employees. Since 2010, salary increases, including pay scale adjustments based on general economic inflationary measures and the consumer price index, have been nonexistent. For the second straight year, the Board of Commissioners, Administration, and Executive Staff have been committed to addressing salary and retention issues as the economy improves and unemployment decreases.

Public Information

Hall County's Public Information Office has continued to capitalize on its successful rebranding effort 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 County continues to identify opportunities to consistently utilize the same logo. Specifically, the phase-in of improved Hall County vehicle stickers for all non-public safety county vehicles was initiated during 2017. The new stickers better identify Hall County vehicles with a consistent logo and specifically identify what service area the vehicle represents (Engineering, Building Maintenance, Tax Assessor, etc.). In the coming years, it is the expectation of the Board of Commissioners and County leadership that the Hall County logo will become a singular identifying mark throughout our community that will help to foster the Hall County brand of a community where people come to live, work, and play.

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.

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 Public Information Office also facilitated the implementation of Hall County's second public art show with a new sampling of local artwork that went on display in 2017. A total of 23 pieces were placed within the Hall County Government Center on Browns Bridge Road. The galleries include oil still-life paintings by featured artist Sharon Farkas. The third floor is home to three large-scale works by Nancy Barbosa. An assortment of works by local artists Nancy Hunt, James Tanner, Gregor Sebba, Carol Reidy, Nichole Dale, Betsi Burgess and Scott Rogers are on display on the government center's 4th floor.



Various pieces of public art on display on the 2nd floor of the Hall County Government Center

Also in 2017, Hall County Government's Public Information Office launched yet another avenue of communication between County officials and citizens. A new feature on the County's website now solicits comments from website visitors. Citizens can find the Citizen Comment Card at www.hallcounty.org. In addition, physical comment boxes have been placed throughout the Hall County Government Center and at all three community centers.

Public Works

Building Maintenance

The Building Maintenance Division oversees the County's $206 million investment in County Buildings, including the Courthouse, Jail, Correctional Institute (prison), Sheriffs Headquarters and two precincts, Animal Shelter, Administrative/Government Complex, five Libraries, Emergency Management Complex, 16 Fire Stations, 12 trash Compactor Sites, 29 Park and Recreation Facilities, Health Clinic/Pharmacy and various other County buildings. Building Maintenance is focused on the continuation of services by installing backup generators, including mobile

generators, at numerous operating facilities throughout the County. Other initiatives include energy efficiency upgrades through the installation of LED light fixtures, Energy Star heating and cooling systems, low energy equipment/appliances, and water efficient products.

Building Maintenance is successfully overseeing multiple in-house building enhancements. Most notably, during fiscal year 2017, was the remodel and re-opening of fire station seven located on East Crescent Drive near I-985 exit 24, which services primarily the East Hall area of the County. Fire station seven was originally constructed in 1983 and served as fire administration headquarters until 2004. Currently, it houses 10-12 firefighters, 24 hours a day, 365 days a year. Enhancements included a new floor plan with new kitchen and day room, expanded bunkroom (or living quarters), tank-less water heaters, new windows for increased energy efficiency, upgrades to bathroom fixtures, new Energy Star appliances, and a new heating/cooling system. Other capital building projects included the refurbishment of the Old Correctional Institute into the New Building Maintenance Headquarters and Workshop. This investment effectively consolidated the Building Maintenance Division into one singular building with adequate storage and a shop room for completion of special projects and in-house design/construction. The Courthouse Annex build-out is being managed by Building Maintenance Staff and includes the transformation of the old Administrative Offices (County Administration, Financial Services, and Human Resources) into a functional space for the Juvenile Court, Probate Court, and Deed/Records Division of the Clerk of Court. Included in this three level re-construction will be three Juvenile Court Rooms, Multiple Juvenile Probation hearing rooms, Probate Court Hearing Room, Judges Chambers for Juvenile and Probate Court, a more secure operating facility for Juvenile and Probate offices and hearings, and expanded deed/record storage for the Clerk of Court. This project is the first step in re-allocating space for the whole Judicial System due to the addition of a 5th Superior Court Judge, as mandated by the State of Georgia, and is expected to be completed in the first quarter of calendar year 2018.

Roads/Traffic Engineering



Joe Chandler Road Bridge Replacement Project

The County has worked diligently to identify aging road infrastructure. Annually, Hall County analyzes road resurfacing projects based on a scoring matrix that helps staff prioritize work load. Additionally, during fiscal year 2017 the County began work on the replacement of Joe Chandler Road Bridge, which crosses the North Oconee River. This bridge replacement has a total estimated budget of $1.2 million, is funded through the SPLOST program, and has a scheduled completion date of fall 2017. Joe Chandler Bridge was built in 1953 and was replaced due to aging structural issues causing the weight load to be inadequate. The Georgia Department of Transportation rates Hall County bridges every two years and Joe Chandler Bridge fell below the necessary load rating requirements for a school bus.

Sewer System

The County completed installation of sewer within the Gateway Industrial Centre in North Hall County. Gateway Industrial Centre is located inside a 7,000 acre basin along Hwy 365 that is the current priority for sewer infrastructure investment which will provide growth opportunities for the County in the years ahead. An agreement has been reached with the City of Gainesville to provide sewer treatment and customer billing services, while Hall County will operate the system. During fiscal year 2017 sewer infrastructure construction commenced along Hwy 365 from the White Sulphur Road on the South to State Route 52 on the North. Elements of the project include 14,600 linear feet of gravity sewer pipe, 15,000 linear feet of sewer force main pipe, two pump stations, and railroad jack and bore. Funding for this infrastructure project is SPLOST VII. This project has a planned budget of approximately $5 million. Expected project completion date is scheduled for 3rd quarter fiscal year 2018.

Solid Waste Collection & Landfill

Solid Waste and the Landfill divisions continue to develop their operations by upgrading and replacing their crucial equipment. Fiscal year 2017 realized a $1 million investment in aging heavy equipment at the Landfill, including a trash compactor that ensures Landfill space is maximized and that life expectancy targets of 30-35 years are maintained. An average of 290 tons of solid waste is processed daily at the Candler Road Landfill, which operates a highly efficient and effective operation 6 days a week, while consistently receiving scores of 100 on its compliance inspection.

Hall County Government operates 12 compactor sites that collects household garbage and transports the waste to the landfill for disposal. Public Works Staff worked throughout 2017 to relocate the Sardis Compactor site from Sardis Road to Brackett Drive, less than 1 mile away. The new Sardis compactor site, which will continue to operate as the busiest compactor site in the County, has introduced a new design and layout, with trash compactors being above ground and multiple lanes to insure traffic is continuously flowing while trash and recyclables are unloaded.



New above ground trash compactor at the Sardis Road Compactor Site located on Bark Camp Road

Public Safety

Emergency Telephone Service (E-911)

As part of SPLOST VII, a comprehensive overhaul of the Enhanced 911 and emergency management response system continued with the implementation of the new radio system in February 2017. The new radio system has doubled the 911 operators' capacity to communicate with first responders (EMS, Fire Services, and Sheriff personnel) in the field. Additionally, the new technology increases and improves communication and increases the level of safety for all Hall County citizens. In early summer 2017, the new Computer Automated Dispatch (or CAD) software was installed at the Hall County 911 Center along with the installation of mobile data terminals in the vehicles for first responders. These two upgrades allow first responders to see the information a 911 call taker is typing into his or her computer from their patrol car, fire engine or ambulance in real time. The upgrades also include an Automatic Vehicle Locator (or AVL) which pinpoints the first responder located closest to the emergency situation, decreasing response times and increasing the quality of our emergency response overall.

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, fiscal year 2017 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. Capital purchases included four new ambulances, an aerial ladder truck, mobile data terminals installed on operating apparatus to better synchronize dispatch and E-911 call information, and LUCAS (CPR device) machines. Fiscal year 2017 realized the continuation of a strategic plan to renovate aging fire stations over the next five years, starting with fire station seven (see building maintenance section on page vii). Currently, Hall County operates 16 fire stations, with two additional stations planned as part of the SPLOST VII program.

Law Enforcement

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, the A.D.V.A.N.C.E. (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's sincere and dedicated commitment to protect "all we serve" is highlighted in the $31.8 million operating budget, which represents the largest program service budget in the General Fund.

During fiscal year 2017, Sheriff Couch and his leadership continued to address an aging fleet through SPLOST VII, which has committed to a five 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. Additionally, capital improvements at the Hall County Jail included replacement of aging kitchen equipment, HVAC chiller, installation of energy-efficient exterior lights for improved security, and a new jail visitation building.

Recreation and Culture

Parks and Leisure

In fiscal year 2017, 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.

County parks received a significant level of federal investment throughout fiscal year 2017. Tennis courts were resurfaced at Alberta Banks Park, Hog Mountain Park, Spout Springs Park, Sardis Sports Complex, East Hall Community Center, and Laurel Park. The tennis court resurfacing project was coordinated with the Hall County Board of Education and costs were split evenly between both jurisdictions. At Alberta Banks Park, renovations to the Bobby Baily Tennis Center, including refurbished bathrooms and concessions were completed. New security lights were installed at Hog Mountain Park that provide lighting from dusk until dawn on a daily basis. Riverforks Park and Campground, which provides 63 campsites, a 40,000-square-foot beach, and a 112-acre park along the beautiful shores of Lake Lanier, realized a significant capital investment. Renovated bathrooms and shower rooms, new and replaced signage, new beach sand was installed, and landscaping/trail enhancements were completed. At the North Hall Community Center, 2.3 miles of walking trails were completed, providing a serene wooded hiking experience for all visitors. At Laurel Park, all bathrooms were fully renovated, improvements to the maintenance building, and new paint/enhancements to water features at the splash pad were completed. The Chicopee Woods Agricultural Center, which is a 66-acre complex, accommodating activities such as equestrian events, rodeos, animal expositions, archery competitions, company functions, and festivals, located on Calvary Church Road, completed numerous improvements including a new roof, enhanced lighting, and landscaping.



Refurbished Splash Pad at Laurel Park in North Hall County



Renovated Bobby Baily Tennis Center at Alberta Banks Park in South Hall County

Agencies and Strategic Partnership

The Hall County Board of Commissioners is committed to investing in our community and working with other agencies and jurisdictions when appropriate to collaborate and increase our footprint of impact. Hall County has worked closely with Elachee Nature Science Center during 2017 to provide funding for necessary capital improvements, which includes fencing, a new front entrance gatehouse, and HVAC replacements. Elachee Nature Science Center is a 1,500-acre facility within the Chicopee Woods Area Park that includes a visitor center, classroom complex, 13 miles of hiking trails, and an aquatic studies center.

Hall County and the City of Gainesville have been engaged in numerous enhancements focused on quality of life in the downtown area. With funding assistance from the SPLOST program, Hall County and Gainesville have been able to partner to provide renovations to the existing Senior Life Center. Hall County's portion of the investment is $1.5 million and will assist in expanding the physical space of the Senior Life Center. The purpose of the Senior Life Center is to promote personal enrichment through activities that encourage health and well-being, support independence, and inspire active involvement in the Center and greater Gainesville/Hall County Community.

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 2017 were funded through SPLOST. 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, two 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, 2017 (end of year two), proceeds collected were 2.7% higher than projections.

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 needed 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 AA-/Stable. Moody's Investors Service rating for the County is Aa2. In December 2016, Fitch Ratings upgraded Hall County's general obligation bond rating from AA- to AA. All three ratings represent the County's commitment to sound fiscal management and is a direct reflection of the County's financial strength, operating effectiveness, conservative budgeting, and strong economic development, including future opportunities. 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 $28.4 million, from $70.7 million to $42.3 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 2017, for the 25th consecutive year, Hall County received a Certificate of Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for Fiscal Year 2016. 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,



Jock A. Connell
Interim County Administrator



Zachary T. Propes, CPA
Director of Financial Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

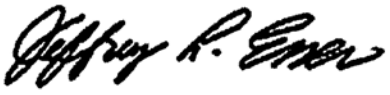
Presented to

Hall County

Georgia

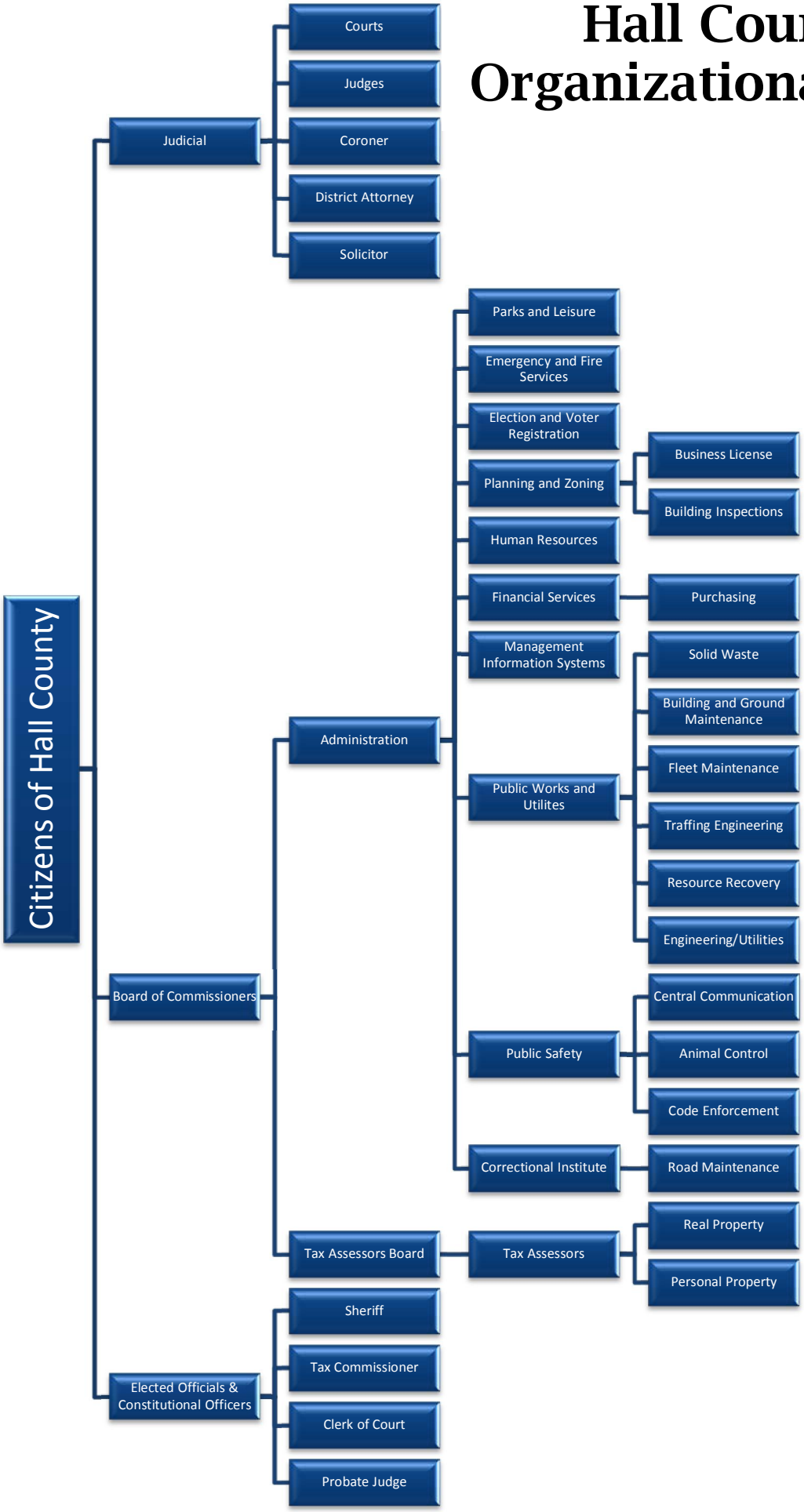
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016



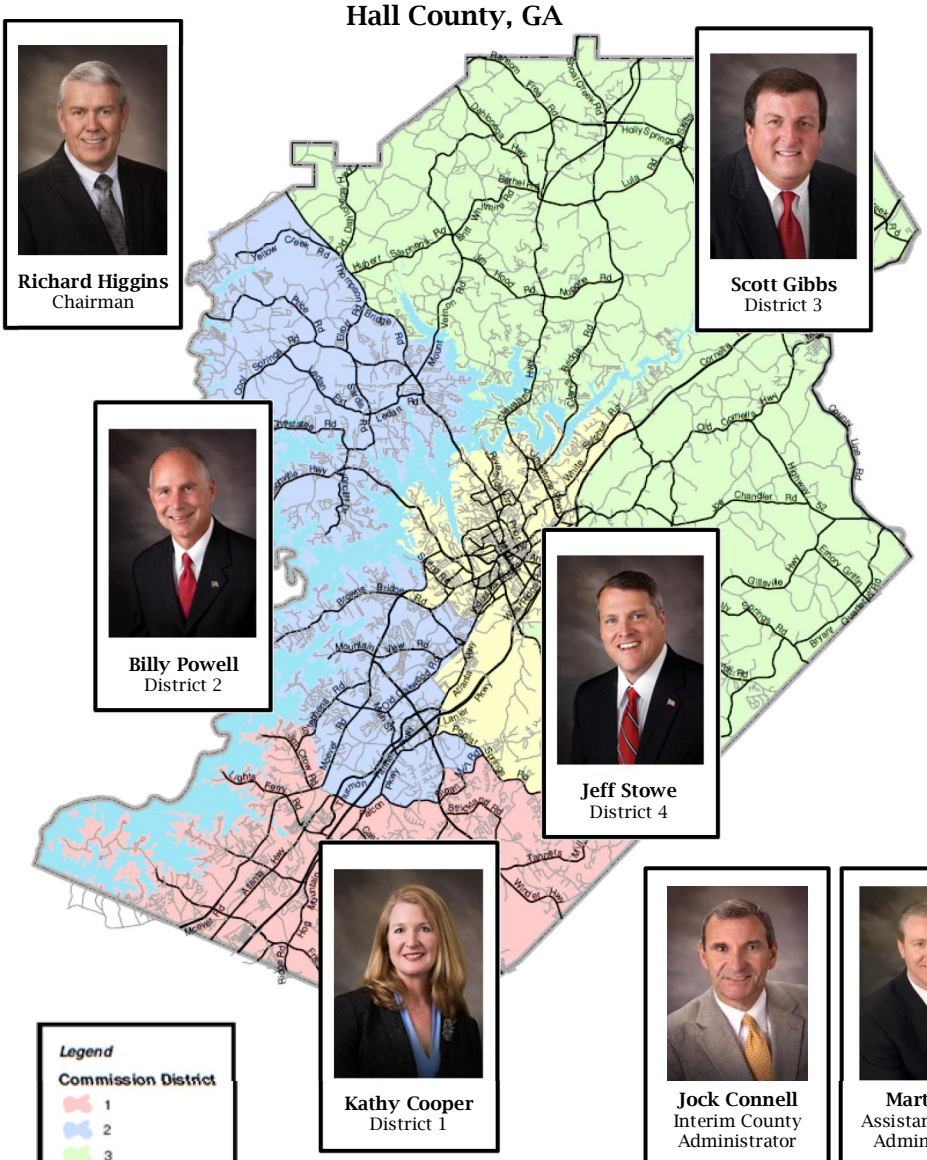
Executive Director/CEO

Hall County Organizational Chart



Officials of Hall County

Board of Commissioners District Map
Hall County, GA



Richard Higgins
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	**John Breakfield**
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

Jock Connell
Interim County Administrator



Marty Nix
Assistant County Administrator



Lisa Johnsa
Interim Assistant County Administrator



Katie Crumley
Public Information Officer



Lisa Ritchie
Commission Clerk

Hall County Department Heads and Management

Ambulance Services (EMS)	**Mark Arnold (Interim)**
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	**Vacant**
Emergency Management Agency (EMA)	**Casey Ramsey (Interim)**
Engineering	**Kevin McInturff**
Financial Services	**Zachary Propes**
Fire Services	**Mark Arnold**
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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INDEPENDENT AUDITORS' REPORT

December 12, 2017

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, 2017, 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, 2017, which represent 0.88%, 0.77%, and 0.77%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. 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 soley on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of HALL COUNTY, GEORGIA, as of June 30, 2017, 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 a decrease in landfill closure/postclosure liability due to a change in estimate by the County engineer's 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 12, 2017, 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.

Batts, 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, 2017. 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 14-57 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 65-79 of this report.

- Hall County's net position at June 30, 2017 was $429,709,284. Of this amount, $449,506,176 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 $(19,796,892).

- As of June 30, 2017, the County's governmental funds reported combined ending fund balance of $53,267,076, a change of $(2,704,731) in comparison with the prior year. The decrease in the fund balance for the General Fund was due to a planned use of fund balance to satisfy operating requirements as part of the FY 2017 budget plan. Increases to the Fire, Capital Projects, Impact Fees, and Non-Major funds are due to increases in revenue above projections and timing of operating and capital expenditures. The SPLOST fund decreased by $(6,187,311) due to the second full year of SPLOST VII activity and the timing of projects being completed. Major accomplishments for FY 2017 include new ambulances placed in service, E911 system upgrade, sewer system enhancements, and road/bridge infrastructure improvements.

- As of June 30, 2017, the County's General Fund reported a fund balance of $21,447,305; a decrease of $(320,136) in comparison with the prior year. This decrease was mainly due to a planned use of fund balance to satisfy operating requirements as part of the FY 2017 budget. However, the reduction in fund balance was mitigated due to a mid-year budget amendment and quality fiscal stewardship from County Department Heads and Officials.

- Hall County's total long-term debt changed by $(2,628,529). The Net OPEB and Pension liability for the County increased by $4,285,805. The County reduced its principal balances of debt by $7,165,252. Additionally, the County realized a $2,891,366 change in accounting estimate that increased the Landfill Closure/Postclosure liability beginning balance due to a change to the engineering estimation methodology. 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 $429,709,284 at the close of the fiscal year. This represents a change in net position from fiscal year 2016 of $1,993,936.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	$ 74,535	$ 79,530	$ 31,762	$ 30,988	$ 106,297	$ 110,518
Capital assets (net of depreciation)	375,822	376,023	115,942	114,733	491,764	490,756
Total assets	450,357	455,553	147,704	145,721	598,061	601,274
Total deferred outflows of resources	1,969	4,165	84	178	2,053	4,343
Long-term liabilities outstanding	105,914	102,334	53,910	63,010	159,824	165,344
Other liabilities	9,132	11,814	1,449	743	10,581	12,557
Total liabilities	115,046	114,148	55,359	63,753	170,405	177,901
Net position						
Net investment in capital assets	373,651	373,613	75,855	69,996	449,506	443,609
Restricted	29,657	32,387	1,488	1,341	31,145	33,728
Unrestricted	(66,028)	(60,430)	15,086	10,809	(50,942)	(49,621)
Total net position	$ 337,280	$ 345,570	$ 92,429	$ 82,146	$ 429,709	$ 427,716

Table may not add due to rounding

By far the largest portion of the County's net position (104.6%) at June 30, 2017, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), net of any related outstanding debt used to acquire those assets and accumulated depreciation. The County uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves are not used to liquidate these liabilities. An additional portion of the County's net position (7.2%) represents resources that are subject to external restrictions on how they may be used.

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

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues						
Charges for services	$ 30,572	$ 29,981	$ 11,137	$ 9,911	$ 41,709	$ 39,892
Operating grants and contributions	5,150	4,199	-	-	5,150	4,199
Capital grants and contributions	4,290	2,293	152	95	4,442	2,388
General revenue						
Property taxes	59,514	57,723	-	-	59,514	57,723
Sales taxes	53,536	52,096	-	-	53,536	52,096
Other taxes	12,332	11,506	-	-	12,332	11,506
Gain on sale of assets	1,343	-	9	-	1,352	-
Unrestricted investment earnings	37	26	-	-	37	26
Grants and contributions not restricted to a specific program	24	179	-	-	24	179
Total revenue	166,798	158,003	11,298	10,006	178,096	168,009
Expenses:						
General government	22,488	23,850	-	-	22,488	23,850
Judicial	19,269	26,151	-	-	19,269	26,151
Public safety	79,791	77,850	-	-	79,791	77,850
Public works	28,682	22,896	-	-	28,682	22,896
Public health and welfare	4,113	2,777	-	-	4,113	2,777
Recreation and culture	7,901	7,940	-	-	7,901	7,940
Housing and development	3,966	4,076	-	-	3,966	4,076
Interest and paying fees	91	97	-	-	91	97
Solid waste	-	-	6,935	6,820	6,935	6,820
Water and sewer utilities	-	-	4,163	3,757	4,163	3,757
Total expenses	166,301	165,637	11,098	10,577	177,399	176,214
Increase in net position before transfers	497	(7,634)	200	(571)	697	(8,205)
Transfers	(7,257)	(3,714)	7,257	3,714	-	-
Increase (Decrease) in net position	(6,760)	(11,348)	7,457	3,143	697	(8,205)
Prior period adjustment	(1,530)	-	(65)	-	(1,595)	-
Change in accounting principle/estimate	-	-	2,891	(6,026)	2,891	(6,026)
Net position, beginning of year	345,570	356,918	82,146	85,029	427,716	441,947
Net position, end of year	$ 337,280	$ 345,570	$ 92,429	$ 82,146	$ 429,709	$ 427,716

The comparative schedule of changes in net position denotes a change of $2 million in net position.

Revenue increased $10,087 million in fiscal year 2017. The increase in Governmental Activities is attributable to the property tax growth due to real growth in the tax digest, sales tax increases, and a larger distribution from the State for insurance premium taxes. Additionally, the County realized a large amount of donated roads and land for infrastructure related projects through Public Works. The increase in Business-type Activities is due to residential and commercial growth resulting in new customers being served by the sewer system and a full operating year of a new rate structure (implemented January 2016). Additional increases are due to surges in volume at the landfill and the associated tipping fees. Expenses increased by $1.19 million (0.7%) from the previous year. The primary reasons for this increase were cost of living increases of 3.0% for all County employees, increased capital expenditures from SPLOST due to timing and completion of projects, and the capital equipment and maintenance of heavy equipment/operating facilities for the landfill and sewer system.

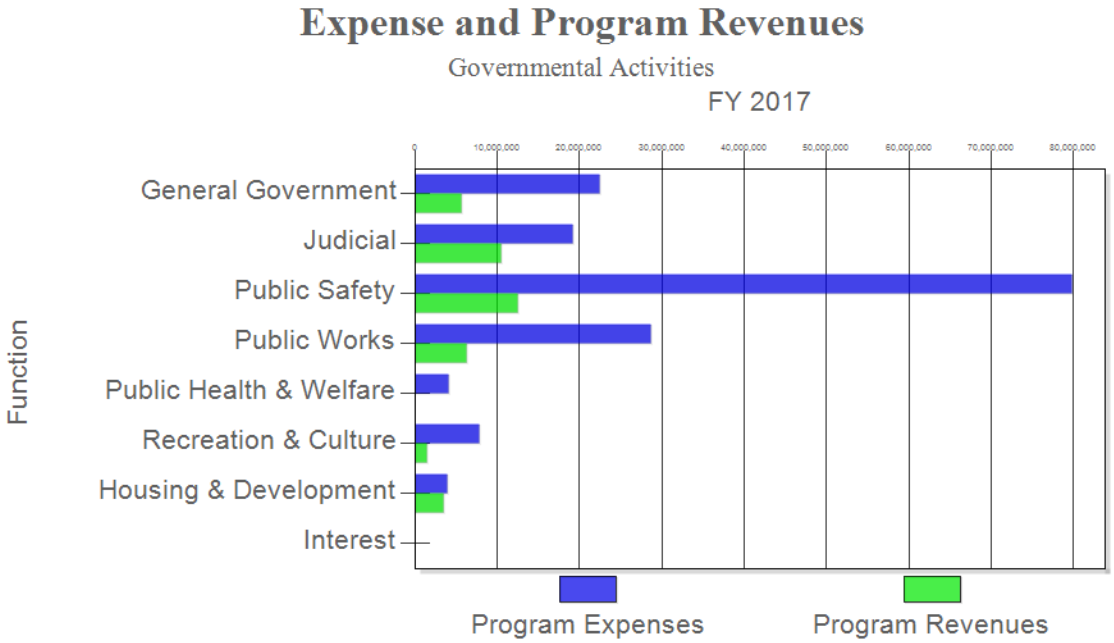
Governmental Activities:

Governmental activities net position overall had a (2.4)% decrease from fiscal year 2016 to fiscal year 2017. This change is the result of transfers from Governmental Funds to the Sewer/Waste Water Utility Fund to pay down approximately $6.8 million in sewer infrastructure debt. Additionally, a prior period adjustment of $1.5 million to decrease net position was required to properly disclose deferred outflows related to pension plan investments. The County continued its practice of using available funds as cost effectively as possible.

- Revenues saw an overall increase during 2017. This was attributable to slight growth in the tax base, increases in sales and insurance premium taxes distributed from the State, and additional operational/capital grants and contribution revenue, specifically donated infrastructure.

- Expenses increased $0.66 million from fiscal year 2016. This primarily is due to increased personnel costs (3% cost of living adjustment) in General, Fire, Enhanced 911, and Other Non-major funds, and from capital outlays funded through SPLOST funds.

The following charts show activities by function:



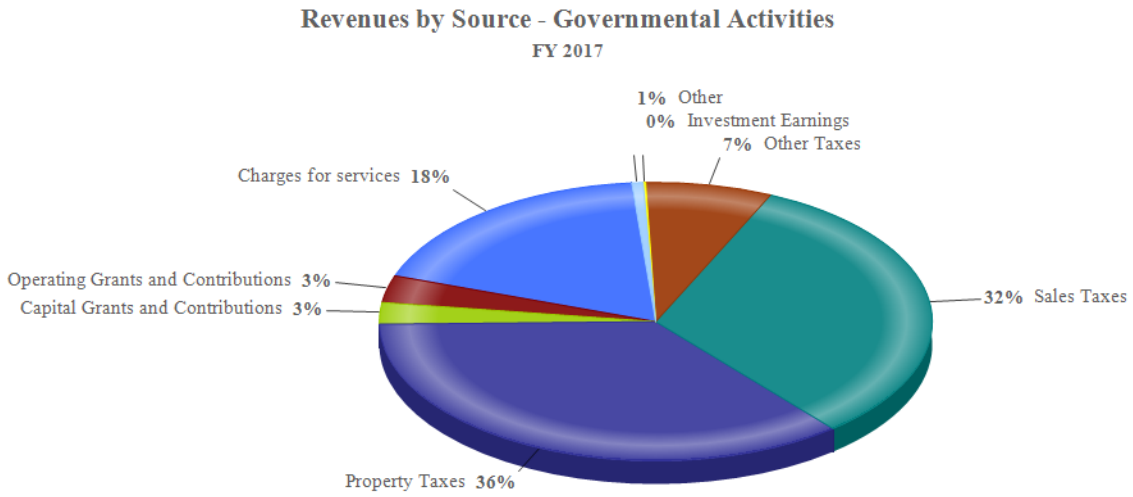


Chart shows all sources of revenue collected for governmental activities not limited to program revenue.

Business-Type Activities:

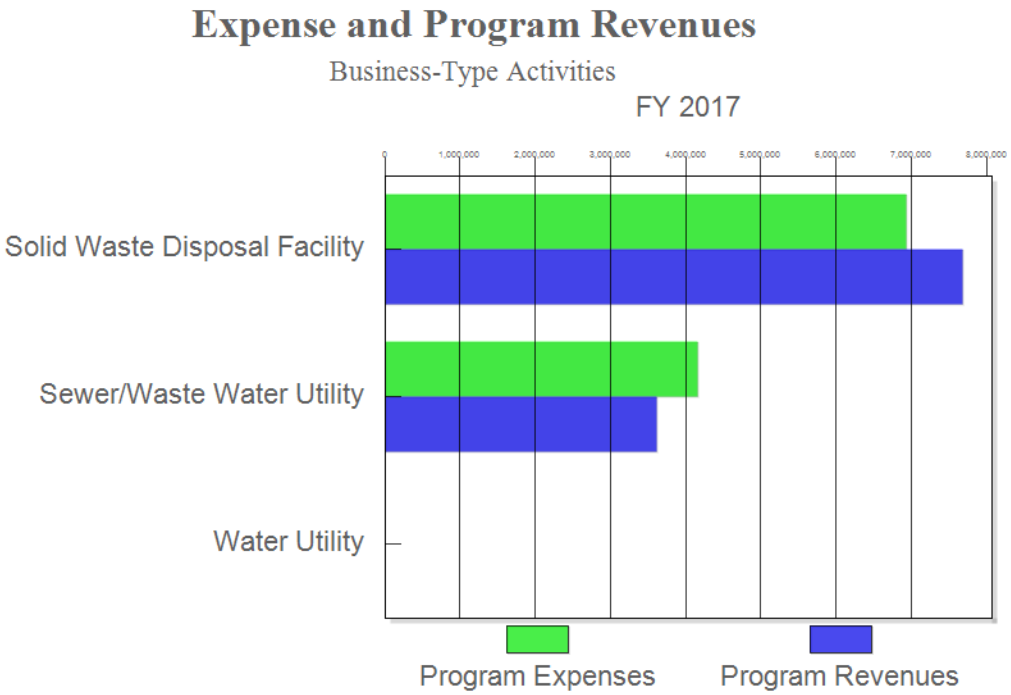
Business–type net position increased by $74.57 million. Key elements of this increase are:

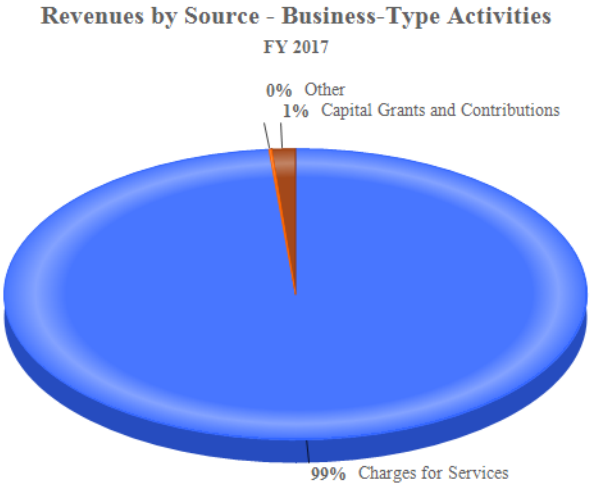
- The Solid Waste Disposal Facility Fund net position increased by $444,732. This was due to an increase in operating and nonoperating FY2017 financial activity. The operating income of $729,395 was due to an increase in recycling and transfer revenue from increases in collection volume. The Solid Waste Fund also had a Change in Accounting Estimate of $2,891,366 due to a major modification to the estimation methodology for the landfill closure/postclosure liability.

- The Sewer/Wastewater Utility Fund net position increased by $19,073,449. The majority of the change is the result of combining the Water Utility Fund with the Sewer/Wastewater Utility Fund and necessary allocations between the two funds to appropriately transfer the assets. Additionally, operating income increased $254,748 from the prior year due to customer growth within the Sewer System and a full year of operating the System with a modified rate structure (implemented in January 2016).

- The Water Utility Fund net position increased by $12,088,492. This increase is a result of combining the Water Utility Fund with the Sewer/Wastewater Utility Fund and necessary allocations between the two funds to appropriately transfer the assets.

The following charts show activities by enterprise operation:





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

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $53,267,076, a change of $(2,704,731) in comparison to the prior year. The decreases in the General and SPLOST Fund Balances were planned as part of the FY 2017 operating and capital budget due to operating requirements and completion of capital projects. The County realized increases in the Fire, Capital Projects, Impact Fees, and Other Non-major Funds due to various economic and operational factors as highlighted in the subsequent paragraphs. 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 $21,447,305. 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 22.2% of total general fund current operating expenditures which is an increase over last year of 1.3%.

The Capital Projects Fund accounts for the financial resources used for the purchase and construction of major capital facilities, other than those accounted for in specific funds. At the end of the current fiscal year, fund balance of the Capital Projects Fund was $1,589,535. This increase of $1,233,844 is due to timing and completion of capital projects that have been delayed for various reasons.

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 $876,937 to $1,812,402 or 106.7%. The increase in this fund comes from a combination of growth in the residential and commercial construction market and the timing of capital projects. The only significant expenditures during the year were quarterly allocations to the Hall County Library System for the purchase of new books, otherwise there were no other significant capital projects initiated during FY 2017 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 2017, SPLOST Fund reported a fund balance of $17,724,743, which represents a change from last year of $(6,187,311). This decrease is a result of normal timing and completion of various capital projects due to FY 2017 being the second year of the SPLOST VII program. Often, there is an increase in expenditures from the first to second year of a SPLOST program due to projects being initiated/designed in the first year and completed in the second year. These projects include new ambulances, E-911 technology enhancements, sewer improvements, road projects, various building improvements, park and recreation facility improvements, 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 $3,960,504, a 14.5% change from fiscal year 2016. This increase is due to increased revenue in the Fire District fund and a closely managed expenditure budget. The fund balance represents 17.7% of total fund expenditures.

Governmental Fund Revenue and Expenditure Comparison

($ in thousands)

Revenue	2017	2016	Inc/Dec	%Inc/Dec
Taxes	$ 125,490	$ 121,108	$ 4,382	3.6 %
License and Permits	3,226	2,666	560	21.0 %
Intergovernmental	7,619	6,485	1,134	17.5 %
Fines and Forfeitures	5,792	5,009	783	15.6 %
Charges for Services	21,244	22,063	(819)	(3.7)%
Investment income	37	27	10	37.0 %
Miscellaneous	343	301	42	14.0 %
Total Revenues	$ 163,751	$ 157,659	$ 6,092	3.9 %

Expenditures	2017	2016	Inc/Dec	%Inc/Dec
General Government	$ 19,673	$ 20,276	$ (603)	(3)%
Judicial	18,252	17,979	273	2 %
Public Health and Welfare	3,874	2,556	1,318	52 %
Public Safety	72,370	70,664	1,706	2 %
Public Works	10,624	12,182	(1,558)	(13)%
Recreation and Culture	6,535	6,555	(20)	- %
Housing and Development	3,927	4,017	(90)	(2)%
Intergovernmental	7,310	7,009	301	4 %
Capital Outlay	17,897	17,861	36	- %
Debt Service	376	376	-	- %
Total Expenditures	$ 160,838	$ 159,475	$ 1,363	42 %

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

Hall County Governmental Funds

Fund Balance

($ in thousands)

	2017	2016	Incr/(Decr)	% Incr/-Decr
General Fund	$ 21,447	$ 21,767	$ (320)	(1.5)%
Fire District	3,961	3,458	503	14.5 %
SPLOST	17,725	23,912	(6,187)	(25.9)%
Capital Projects	1,590	356	1,234	346.6 %
Impact Fees	1,812	877	935	106.6 %
Non-Major Funds	6,733	5,602	1,131	20.2 %
Total Fund Balance	$ 53,268	$ 55,972	$ (2,704)	(4.8)%

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)

	2017	2016	Incr/(Decr)	% Incr/-Decr
Solid Waste Disposal	$ 13,922	$ 10,651	$ 3,271	30.7 %
Sewer/Waste Water Utility	78,408	59,335	19,073	32.1 %
Water Utility	-	12,088	(12,088)	(100.0)%
Internal Service	7,806	6,868	938	13.7 %
Total Fund Balance	$ 100,136	$ 88,942	$ 11,194	12.6 %

Unrestricted net position of the Solid Waste Disposal Facility, Sewer/Wastewater Utility, and Water Utility Funds at the end of the year amounted to $238,472. This represents a change of $5,979,543 from unrestricted net position as of June 30, 2016. 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 $96,950,428. In January 2017, the Board of Commissioners amended the budget to $96,439,306 to better reflect revenue projects and reduce the planned use of fund balance committed for operations during FY 2017. The final budget was $95,088,057. The actual revenue (inflow) was $94,576,354, which varied from final budget by $(511,703). The actual expenditures (outflows) were $94,896,490 which varied from the final expenditure budget by $191,567. That represented a change of $141,443 from prior year. The net result is a $(320,136) decrease in the General Fund balance. The expenditure reductions are summarized below and implementation began in fiscal year 2017.

- Reduced operating costs when possible
- Curtailed travel and training
- Reduced overtime when possible
- Capital purchases were limited to necessary purchases
- Implemented a hiring freeze for all non-essential vacant positions until fiscal year end

Actual expenditures came in $191,567 below budget and can be summarized as follows:

- General Government was under budget by $22.0 thousand
- Judicial was under budget by $61 thousand
- Public Safety under budget by $23 thousand
- Public Works under budget by $21 thousand
- Public Health and Welfare budget to actual resulted in a zero variance.
- Recreation and Culture was under budget by $22.2 thousand
- Housing and Development was under budget by $42 thousand

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

General Fund
For the Year Ended June 30, 2017

	Budget			Variance of
	Original	Final	Actual	Final Budget
General Government	$ 24,007,449	$ 19,865,179	$ 19,843,166	$ 22,013
Judicial	15,951,091	16,125,263	16,064,062	61,201
Public Safety	42,282,984	44,555,343	44,532,209	23,134
Public Works	4,986,733	4,482,151	4,461,203	20,948
Public Health and Welfare	2,207,719	2,693,336	2,693,303	33
Recreation and Culture	4,873,008	4,800,494	4,778,262	22,232
Housing and Development	2,641,444	2,566,291	2,524,285	42,006
Total Charges to Appropriations	$ 96,950,428	$ 95,088,057	$ 94,896,490	$ 191,567

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, 2017, was $492 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, bridges, and sewer infrastructure.

Governmental assets moved from construction in progress to the asset records during the year totaled approximately $8 million. Major projects consisted of the following:

- Sheriff's Administration Building - $5.78 million
- Jail Visitation Building - $161 thousand

Business-type assets moved from construction in progress to the assets records during the year totaled approximately $8.21 million. Major projects consisted of the following:

- Gateway Centre Industrial Park Sewer Lines - $8.21 million

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Land and Improvements	$ 57,744	$ 57,478	$ 24,715	$ 24,715	$ 82,459	$ 82,193
Construction in Progress	30,358	25,659	10,783	16,184	41,141	41,843
Buildings	141,028	139,664	6,257	6,545	147,285	146,209
Machinery & Equipment	4,910	6,115	2,621	1,876	7,531	7,991
Vehicles	10,853	8,803	510	408	11,363	9,211
Infrastructure	130,930	138,303	71,055	65,005	201,985	203,308
Total Assets	$ 375,823	$ 376,022	$ 115,941	$ 114,733	$ 491,764	$ 490,755

Additional information on the County's capital assets can be found in Note 6 on pages 31 through 34 of this report.

Long–Term Debt. The $17.0 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	
	2017	2016	2017	2016	2017	2016
Contracts Payable	$ 1,728	$ 1,908	$ 15,319	$ 18,584	$ 17,047	$ 20,492
Capital Leases	443	619	-	-	443	619
Notes Payable	-	-	24,767	28,314	24,767	28,314
Claims Payable (estimate)	1,226	1,634	-	-	1,226	1,634
Landfill Closure/Postclosure	-	-	12,316	14,662	12,316	14,662
Compensated Absences	3,949	3,838	66	63	4,015	3,901
Net Pension Liability	33,712	32,456	1,441	1,388	35,153	33,844
Net OPEB Obligation	64,856	61,880	-	-	64,856	61,880
Totals	$ 105,914	$ 102,335	$ 53,909	$ 63,011	$ 159,823	$ 165,346

Additional information regarding Hall County's long-term debt can be found in Note 7 on pages 34 through 38 of this report. State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the County is $715,500,000 and currently the County has no general obligation debt.

ECONOMIC OUTLOOK

With respect to the economy, fiscal year 2017 ended for the County as planned with good budgetary performance. The fiscal year 2018 economic outlook is slightly better for Hall County than in 2017. It is expected that Hall County will continue to see consistent improvement in the local economy and steady real estate growth trends in the next few years.

- Sales tax and other revenue sources are expected to be slightly higher in 2018. 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. Additionally, the South Hall Sewer System, is realizing exponential growth in both residential and commercial market segments.

- The County increased the M & O millage rate from 5.716 to 6.70. This represents the first millage rate increase since FY 2016 and appropriately re-aligns the County's revenue with program service obligations.

- 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 is currently constructing a new campus on the Highway 365 corridor directly across from the Gateway Centre Industrial Park. Both higher educational institutions are strategically positioning themselves to better influence workforce development and continue to be a foundational corner-stone for Hall County's strong economy.

In closing, Hall County's economic outlook is bright for 2018 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 2018 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, 2017

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
ASSETS				
Cash	$ 57,979,402	$ 11,671,874	$ 69,651,276	$ 4,367,446
Investments	3,750,000	-	3,750,000	11,594
Receivables (net of allowance for uncollectibles)	11,642,821	1,097,537	12,740,358	1,690,853
Internal balances	(94,427)	94,427	-	-
Inventories	804,229	-	804,229	-
Prepaid items	434,296	129	434,425	17,815
Restricted assets:				
Cash	4	1,250,007	1,250,011	-
Non-current assets:				
Capacity held for resale	-	17,647,767	17,647,767	-
Land held for resale	18,699	-	18,699	-
Capital assets:				
Capital assets not being depreciated	88,101,408	35,498,297	123,599,705	-
Capital assets being depreciated	623,436,647	105,815,629	729,252,276	5,724,074
Less: accumulated depreciation	(335,715,627)	(25,371,859)	(361,087,486)	(5,296,008)
Capital assets, net of depreciation	375,822,428	115,942,067	491,764,495	428,066
TOTAL ASSETS	450,357,452	147,703,808	598,061,260	6,515,774
DEFERRED OUTFLOWS OF RESOURCES				
Pension expense	1,968,538	84,161	2,052,699	3,605,315
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,968,538	84,161	2,052,699	3,605,315
TOTAL ASSETS & DEFERRED OUTFLOWS	452,325,990	147,787,969	600,113,959	10,121,089
LIABILITIES				
Accounts payable	5,221,749	1,251,068	6,472,817	270,267
Accrued interest payable	11,754	81,420	93,174	-
Other accrued items	1,758,802	38,977	1,797,779	-
Due to other governments	-	-	-	307,911
Unearned revenue	1,883,500	49,701	1,933,201	-
Amounts held in trust	255,728	27,420	283,148	-
Noncurrent liabilities:				
Due within one year				
Compensated absences payable	2,369,257	39,709	2,408,966	678,823
Estimated claims payable	837,311	-	837,311	-
Accrued landfill closure / postclosure	-	161,121	161,121	-
Notes payable	-	1,519,098	1,519,098	-
Capital leases payable	178,119	-	178,119	-
Contracts payable	113,576	889,785	1,003,361	-
Due in more than one year				
Compensated absences payable	1,579,505	26,472	1,605,977	253,844
Estimated claims payable	388,800	-	388,800	-
Accrued landfill closure / postclosure	-	12,154,788	12,154,788	-
Notes payable	-	23,248,184	23,248,184	-
Capital leases payable	265,366	-	265,366	-
Contracts payable	1,614,572	14,429,623	16,044,195	-
Net OPEB obligation	64,855,626	-	64,855,626	-
Net pension liability	33,712,340	1,441,304	35,153,644	14,017,407
TOTAL LIABILITIES	115,046,005	55,358,670	170,404,675	15,528,252
DEFERRED INFLOWS OF RESOURCES				
Pension expense	-	-	-	291,409
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	291,409
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	115,046,005	55,358,670	170,404,675	15,819,661
NET POSITION				
Net investment in capital assets	373,650,799	75,855,377	449,506,176	428,065
Restricted for:				
Capital outlay projects	19,314,278	-	19,314,278	-
Debt service		1,250,007	1,250,007	
Impact fee projects	1,812,402	-	1,812,402	-
Judicial programs	1,799,062	-	1,799,062	-
Public safety programs	6,128,571	-	6,128,571	-
Health and welfare programs	177,621	-	177,621	1,597,087
Housing and development	159,171	-	159,171	-
Recreation and culture	48,509	-	48,509	-
Street lighting	217,686	-	217,686	-
Stormwater	-	238,472	238,472	-
Unrestricted	(66,028,114)	15,085,443	(50,942,671)	(7,723,724)
TOTAL NET POSITION	$ 337,279,985	$ 92,429,299	$ 429,709,284	$ (5,698,572)

The accompanying notes are an integral part of this statement.

HALL COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

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	$ 22,488,226	$ 5,367,549	$ 343,652	$ -	$ (16,777,025)	$ -	$ (16,777,025)	$ -
Judicial	19,269,042	8,540,603	1,996,692	-	(8,731,747)	-	(8,731,747)	-
Public safety	79,791,124	11,307,449	1,272,136	-	(67,211,539)	-	(67,211,539)	-
Public works	28,682,297	1,047,634	887,649	4,289,570	(22,457,444)	-	(22,457,444)	-
Public health and welfare	4,112,811	-	8,848	-	(4,103,963)	-	(4,103,963)	-
Recreation and culture	7,900,837	1,493,200	30,038	-	(6,377,599)	-	(6,377,599)	-
Housing and development	3,965,632	2,815,250	613,102	-	(537,280)	-	(537,280)	-
Interest	91,430	-	-	-	(91,430)	-	(91,430)	-
Total Governmental Activities	166,301,399	30,571,685	5,152,117	4,289,570	(126,288,027)	-	(126,288,027)	-
BUSINESS-TYPE ACTIVITIES								
Solid waste/recycling	6,934,752	7,680,888	-	-	-	746,136	746,136	-
Water and sewer	4,163,184	3,457,050	-	152,075	-	(554,059)	(554,059)	-
Total Business-Type Activities	11,097,936	11,137,938	-	152,075	-	192,077	192,077	-
TOTAL PRIMARY GOVERNMENT	$ 177,399,335	$ 41,709,623	$ 5,152,117	$ 4,441,645	(126,288,027)	192,077	(126,095,950)	-
COMPONENT UNITS								
Health Department	$ 16,050,410	$ 1,691,083	$ 15,532,875	$ -	-	-	-	1,173,548
Library System	2,812,430	265,259	379,638	133,150	-	-	-	(2,034,383)
TOTAL COMPONENT UNITS	$ 18,862,840	$ 1,956,342	$ 15,912,513	$ 133,150	-	-	-	(860,835)
GENERAL REVENUES								
Property taxes					59,513,756	-	59,513,756	-
Sales taxes					53,536,369	-	53,536,369	-
Insurance premium taxes					7,168,251	-	7,168,251	-
Real estate recording taxes					2,317,901	-	2,317,901	-
Other taxes					2,845,859	-	2,845,859	-
Total taxes					125,382,136	-	125,382,136	-
Unrestricted investment earnings					37,397	12	37,409	1,294
Grants and contributions not restricted to a specific program					23,607	-	23,607	2,072,061
Gain on sale of capital assets					1,342,613	8,545	1,351,158	-
TRANSFERS					(7,257,196)	7,257,196	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					119,528,557	7,265,753	126,794,310	2,073,355
CHANGES IN NET POSITION					(6,759,470)	7,457,830	698,360	1,212,520
NET POSITION, Beginning					345,569,817	82,145,531	427,715,348	(6,911,092)
PRIOR PERIOD ADJUSTMENT					(1,530,362)	(65,428)	(1,595,790)	-
CHANGE IN ACCOUNTING ESTIMATE					-	2,891,366	2,891,366	-
NET POSITION, Beginning as restated					344,039,455	84,971,469	429,010,924	(6,911,092)
NET POSITION, Ending					$ 337,279,985	$ 92,429,299	$ 429,709,284	$ (5,698,572)

The accompanying notes are an integral part of this statement.

HALL COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

ASSETS	GENERAL	FIRE DISTRICT	SPLOST	CAPITAL PROJECTS	IMPACT FEES	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash	$ 15,531,268	$ 4,160,631	$ 17,808,219	$ 2,178,092	$ 1,693,027	$ 7,860,942	$ 49,232,179
Investments	3,750,000	-	-	-	-	-	3,750,000
Receivables (net of allowance for uncollectibles)	6,569,294	300,791	2,796,146	-	122,828	1,685,351	11,474,410
Interfund receivables	162,758	-	-	-	-	-	162,758
Prepaid items	257,290	2,151	-	-	-	33,208	292,649
Inventories	376,821	113,804	-	-	-	29,641	520,266
Restricted assets:							
Cash	-	-	-	4	-	-	4
TOTAL ASSETS	26,647,431	4,577,377	20,604,365	2,178,096	1,815,855	9,609,142	65,432,266
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	1,317,766	73,493	2,876,844	110,202	3,453	558,570	4,940,328
Other accrued items	919,470	242,739	2,778	478,359	-	87,680	1,731,026
Interfund payables	-	-	-	-	-	158,394	158,394
Unearned revenue	-	-	-	-	-	1,883,501	1,883,501
Deposits held	83,929	-	-	-	-	171,799	255,728
TOTAL LIABILITIES	2,321,165	316,232	2,879,622	588,561	3,453	2,859,944	8,968,977
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	2,878,961	300,641	-	-	-	-	3,179,602
Unavailable revenue - other	-	-	-	-	-	16,611	16,611
TOTAL DEFERRED INFLOWS OF RESOURCES	2,878,961	300,641	-	-	-	16,611	3,196,213
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	5,200,126	616,873	2,879,622	588,561	3,453	2,876,555	12,165,190
FUND BALANCES							
Nonspendable:							
Prepaid expenditure	257,290	2,151	-	-	-	31,686	291,127
Inventories	376,821	113,804	-	-	-	29,641	520,266
Restricted:							
Capital outlay projects	-	-	17,724,743	1,589,535	-	-	19,314,278
Impact fee projects	-	-	-	-	1,812,402	-	1,812,402
Street lighting	-	-	-	-	-	217,686	217,686
Judicial programs	-	-	-	-	-	1,742,439	1,742,439
Public safety programs	-	3,844,549	-	-	-	2,117,780	5,962,329
Health and welfare programs	-	-	-	-	-	177,621	177,621
Parks and recreation programs	-	-	-	-	-	48,509	48,509
Housing and development programs	-	-	-	-	-	159,171	159,171
Assigned:							
Capital equipment and infrastructure	-	-	-	-	-	2,116,852	2,116,852
Parks and recreation programs	-	-	-	-	-	91,202	91,202
Unassigned	20,813,194	-	-	-	-	-	20,813,194
TOTAL FUND BALANCES	21,447,305	3,960,504	17,724,743	1,589,535	1,812,402	6,732,587	53,267,076
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 26,647,431	$ 4,577,377	$ 20,604,365	$ 2,178,096	$ 1,815,855	$ 9,609,142	$ 65,432,266

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, 2017

Total Fund Balances for Governmental Funds (page 3)		$ 53,267,076
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.		375,822,428
Land held for resale used in the governmental activities is not a financial resource and therefore is not reported in the funds.		18,699
Internal service funds are used by the County to charge the cost of group health and other types of insurance to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position. Internal service fund net position is:		7,707,146
Revenues in the statement of activities that do not provide current financial resources are reported as unearned revenues in the funds.		
Property taxes	3,179,602	
Assessments	16,611	
		3,196,213
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest	(11,754)	
Compensated absences	(3,948,762)	
Capital leases	(443,485)	
Contracts payable	(1,728,148)	
Net pension liability	(33,712,340)	
Net deferred inflows(outflows) - pension expense	1,968,538	
Net OPEB obligation	(64,855,626)	
		(102,731,577)
Total net position of governmental activities (page 1)		$ 337,279,985

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, 2017

	GENERAL	FIRE DISTRICT	SPLOST	CAPITAL PROJECTS	IMPACT FEES	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Taxes	$ 72,050,235	$ 22,715,647	$ 30,697,372	$ -	$ -	$ 27,018	$ 125,490,272
Licenses and permits	2,155,124	-	-	-	1,070,934	-	3,226,058
Intergovernmental	1,369,240	20,218	66,267	603,860	-	5,559,320	7,618,905
Fines and forfeitures	4,823,656	-	-	2,460	-	966,261	5,792,377
Charges for services	13,255,262	163,228	-	-	-	7,825,182	21,243,672
Contributions and donations	6,537	-	-	-	-	23,657	30,194
Investment income	37,390	-	-	-	-	8	37,398
Miscellaneous	212,137	-	-	9,000	-	91,448	312,585
TOTAL REVENUES	93,909,581	22,899,093	30,763,639	615,320	1,070,934	14,492,894	163,751,461
EXPENDITURES							
Current Expenditures							
General government	19,622,253	-	50,572	-	-	-	19,672,825
Judicial	16,060,450	-	-	-	-	2,191,500	18,251,950
Public safety	43,230,895	22,153,860	723,784	2,460	35,160	6,223,618	72,369,777
Public works	4,370,003	-	4,067,544	324,354	-	1,862,013	10,623,914
Public health and welfare	2,658,279	-	1,015,192	-	-	200,763	3,874,234
Recreation and culture	4,642,754	-	771,139	32,065	92,021	997,150	6,535,129
Housing and development	2,427,454	-	-	-	-	1,499,199	3,926,653
Intergovernmental	-	-	7,237,884	-	-	72,684	7,310,568
Capital outlay	307,794	242,230	15,446,205	471,599	8,288	1,420,515	17,896,631
Debt service							
Principal	190,540	-	94,649	-	-	-	285,189
Interest	85,748	-	4,977	-	-	-	90,725
TOTAL EXPENDITURES	93,596,170	22,396,090	29,411,946	830,478	135,469	14,467,442	160,837,595
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	313,411	503,003	1,351,693	(215,158)	935,465	25,452	2,913,866
OTHER FINANCING SOURCES (USES)							
Sale of county property	189,557	-	-	1,449,042	-	-	1,638,599
Transfers in	477,216	-	-	-	-	1,300,320	1,777,536
Transfers out	(1,300,320)	-	(7,539,004)	-	-	(195,408)	(9,034,732)
TOTAL OTHER FINANCING SOURCES (USES)	(633,547)	-	(7,539,004)	1,449,042	-	1,104,912	(5,618,597)
NET CHANGE IN FUND BALANCES	(320,136)	503,003	(6,187,311)	1,233,884	935,465	1,130,364	(2,704,731)
FUND BALANCES, Beginning of year	21,767,441	3,457,501	23,912,054	355,651	876,937	5,602,223	55,971,807
FUND BALANCES, End of year	$ 21,447,305	$ 3,960,504	$ 17,724,743	$ 1,589,535	$ 1,812,402	$ 6,732,587	$ 53,267,076

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, 2017

Net change in fund balances (page 5)		$ (2,704,731)
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	17,896,631	
Depreciation expense	(19,617,433)	(1,720,802)
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	(295,986)	(295,986)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	3,179,602	
Donated assets	1,816,197	
Assessments	16,611	5,012,410
Revenues reported in the funds that relate to prior years are not reported as revenue in the statement of activities.		
Property taxes	(3,287,739)	
Assessments	(19,617)	(3,307,356)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, where as these amounts are deferred and amortized in the statement of activities.		
Principal payments on long-term debt	285,189	
Principal payments on long-term debt included as intergovernmental expense	70,816	
Amortization of bond premiums and discounts	(1,424)	
Accrued interest payable, current year	(11,754)	
Accrued interest payable, prior year	12,472	355,299
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	(3,948,762)	
Compensated absences, prior year	3,838,310	(110,452)
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.		909,902
Net pension liability is not available during the current period and therefore is not reported in the funds.		
End of year	(33,712,340)	
Beginning of year	32,456,003	(1,256,337)
Changes in the ACCG pension plan actuarial assumptions are reported in deferred outflows.		
End of year	1,968,538	
Beginning of year	(2,634,202)	(665,664)
Net OPEB obligation is not available during the current period and therefore is not reported in the funds.		
End of year	(64,855,626)	
Beginning of year	61,879,870	(2,975,756)
Rounding		3
Changes in net position of governmental activities (page 2)		$ (6,759,470)

The accompanying notes are an integral part of this statement.

HALL COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2017

	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	$ 9,319,219	$ 2,352,655	$ -	$ 11,671,874	$ 8,747,222
Receivables (net of allowance for uncollectibles)	616,445	481,092	-	1,097,537	168,411
Prepaid items	129	-	-	129	141,646
Inventories	-	-	-	-	283,963
Restricted assets:					
Cash	-	1,250,007	-	1,250,007	-
TOTAL CURRENT ASSETS	9,935,793	4,083,754	-	14,019,547	9,341,242
Noncurrent Assets					
Prepaid capacity	-	17,647,767	-	17,647,767	-
Capital assets					
Capital assets not being depreciated	5,948,843	29,549,454	-	35,498,297	-
Capital assets being depreciated	30,180,580	75,635,049	-	105,815,629	-
Less: accumulated depreciation	(16,434,291)	(8,937,568)	-	(25,371,859)	-
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	19,695,132	96,246,935	-	115,942,067	-
TOTAL NONCURRENT ASSETS	19,695,132	113,894,702	-	133,589,834	-
TOTAL ASSETS	29,630,925	117,978,456	-	147,609,381	9,341,242
DEFERRED OUTFLOWS OF RESOURCES					
Pension expense	84,161	-	-	84,161	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	84,161	-	-	84,161	-
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	29,715,086	117,978,456	-	147,693,542	9,341,242
LIABILITIES					
Current Liabilities					
Accounts payable	961,248	289,820	-	1,251,068	281,417
Accrued interest payable	899	80,521	-	81,420	-
Other accrued items	36,762	2,215	-	38,977	27,777
Interfund payables	-	4,364	-	4,364	-
Customer deposits	27,420	-	-	27,420	-
Unearned revenue	49,701	-	-	49,701	-
Compensated absences payable	36,516	3,193	-	39,709	-
Accrued landfill closure/postclosure	161,121	-	-	161,121	-
Estimated claims payable	-	-	-	-	837,311
Notes payable	112,613	1,406,485	-	1,519,098	-
Contracts payable	-	889,785	-	889,785	-
TOTAL CURRENT LIABILITIES	1,386,280	2,676,383	-	4,062,663	1,146,505
Noncurrent Liabilities					
Estimated claims payable	-	-	-	-	388,800
Compensated absences payable	24,344	2,128	-	26,472	-
Accrued landfill closure/postclosure	12,154,788	-	-	12,154,788	-
Notes payable	786,203	22,461,981	-	23,248,184	-
Net pension liability	1,441,304	-	-	1,441,304	-
Contracts payable	-	14,429,623	-	14,429,623	-
TOTAL NONCURRENT LIABILITIES	14,406,639	36,893,732	-	51,300,371	388,800
TOTAL LIABILITIES	15,792,919	39,570,115	-	55,363,034	1,535,305
NET POSITION					
Net investment in capital assets	18,796,316	57,059,061	-	75,855,377	-
Restricted for:					
Debt service	-	1,250,007	-	1,250,007	-
Stormwater	-	238,472	-	238,472	-
Unrestricted	(4,874,149)	19,860,801	-	14,986,652	7,805,937
TOTAL NET POSITION	$ 13,922,167	$ 78,408,341	$ -	92,330,508	$ 7,805,937
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				98,791	
Net position of business-type activities				$ 92,429,299	

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, 2017

	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	$ -	$ 3,213,319	$ -	$ 3,213,319	$ -
Other	-	243,731	-	243,731	-
Recycling and transfer fees	7,680,813	-	-	7,680,813	-
Charges for services-other	75	-	-	75	-
Charges to other funds	-	-	-	-	15,848,183
Employee contributions	-	-	-	-	6,159,629
Total Operating Revenues	7,680,888	3,457,050	-	11,137,938	22,007,812
OPERATING EXPENSES					
Salaries and benefits	2,524,818	170,187	-	2,695,005	260,413
Supplies	399,423	-	-	399,423	-
Other services and charges	1,046,369	1,062,478	-	2,108,847	4,494,813
Benefit claims	-	-	-	-	11,996,908
Insurance premiums	583,579	22,938	-	606,517	1,251,938
General and administrative	-	-	-	-	3,065,697
Landfill closure/postclosure costs	569,911	-	-	569,911	-
Depreciation	1,251,283	1,713,412	-	2,964,695	-
Professional fees	11,712	-	-	11,712	-
Repairs and maintenance	564,398	152,542	-	716,940	-
Total Operating Expenses	6,951,493	3,121,557	-	10,073,050	21,069,769
OPERATING INCOME (LOSS)	729,395	335,493	-	1,064,888	938,043
NONOPERATING REVENUES (EXPENSES)					
Investment earnings-pledged as security for revenue bonds	-	12	-	12	-
Interest expense	(11,400)	(1,041,627)	-	(1,053,027)	-
Gain (loss) on sale of capital assets	8,545	-	-	8,545	-
Total Nonoperating Revenues (Expenses)	(2,855)	(1,041,615)	-	(1,044,470)	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	726,540	(706,122)	-	20,418	938,043
Sewer connection fees	-	152,075	-	152,075	-
Transfer in	-	19,627,496	-	19,627,496	-
Transfer out	(281,808)	-	(12,088,492)	(12,370,300)	-
CHANGE IN NET POSITION	444,732	19,073,449	(12,088,492)	7,429,689	938,043
TOTAL NET POSITION, Beginning of year	10,651,497	59,334,892	12,088,492	82,074,881	6,867,894
PRIOR PERIOD ADJUSTMENT	(65,428)	-	-	(65,428)	-
CHANGE IN ACCOUNTING ESTIMATE	2,891,366	-	-	2,891,366	-
TOTAL NET POSITION, Beginning as restated	13,477,435	59,334,892	12,088,492	84,900,819	6,867,894
TOTAL NET POSITION, End of year	$ 13,922,167	$ 78,408,341	$ -		$ 7,805,937
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				28,141	
Change in net position of business-type activities				$ 7,457,830	

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, 2017

	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	$ 7,750,011	$ 3,434,723	$ -	$ 11,184,734	$ 6,184,135
Payments to suppliers	(1,836,967)	(1,175,166)	-	(3,012,133)	(7,702,087)
Payments to employees	(2,507,732)	(175,386)	-	(2,683,118)	(12,653,940)
Internal activity-payments from (to) other funds	-	-	(2,003,555)	(2,003,555)	15,848,183
Net cash provided by (used in) operating activities	3,405,312	2,084,171	(2,003,555)	3,485,928	1,676,291
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in	-	-	1,913,016	1,913,016	-
Transfers out	-	(1,913,016)	-	(1,913,016)	-
Net Cash provided (used) by non-capital financing activities	-	(1,913,016)	1,913,016	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(1,730,106)	(2,457,693)	-	(4,187,799)	-
Proceeds from the sale of capital assets	22,815	-	-	22,815	-
Connection fees paid by customers	-	152,075	-	152,075	-
Transfers in-capital	-	7,539,003	-	7,539,003	-
Transfers out	(281,808)	-	-	(281,808)	-
Payment made on debt	(111,271)	(6,699,800)	-	(6,811,071)	-
Interest paid	(11,511)	(1,029,077)	-	(1,040,588)	-
Net cash provided (used) by capital and related financing activities	(2,111,881)	(2,495,492)	-	(4,607,373)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings	-	12	-	12	-
Net cash provided (used) by investing activities	-	12	-	12	-
Net increase (decrease) in cash and cash equivalents	1,293,431	(2,324,325)	(90,539)	(1,121,433)	1,676,291
CASH, Beginning of year	8,025,788	5,926,987	90,539	14,043,314	7,070,931
CASH, End of year	$ 9,319,219	$ 3,602,662	$ -	$ 12,921,881	$ 8,747,222

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, 2017

(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)	$ 729,395	$ 335,493	$ -	$ 1,064,888	$ 938,043
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	1,251,283	1,713,412	-	2,964,695	-
Landfill closure/postclosure costs	569,911	-	-	569,911	-
(Increase) decrease in:					
Accounts receivable	62,540	(22,327)	-	40,213	-
Inventory	-	-	-	-	24,506
Deferred inflows for pension	28,459	-	-	28,459	-
Net pension obligation	53,712	-	-	53,712	55,856
Prepaid capacity	-	28,620	-	28,620	-
Prepaid expenses	29,871	5,184	-	35,055	-
Increase (decrease) in:					
Accounts payable	763,051	24,624	-	787,675	993,393
Compensated absences	3,202	(154)	-	3,048	-
Amounts held in trust	1,200	-	-	1,200	61,112
Accrued landfill costs	(24,408)	-	-	(24,408)	-
Other accrued items	(68,287)	(5,045)	(27,741)	(101,073)	12,707
Deferred revenue	5,383	-	-	5,383	82,315
Due to other governments	-	-	-	-	(1,641)
Due to other funds	-	4,364	(1,975,814)	(1,971,450)	(490,000)
Net cash provided by (used in) operating activities	$ 3,405,312	$ 2,084,171	$ (2,003,555)	$ 3,485,928	$ 1,676,291
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES					
Capital assets acquired through capital leases/trade in	$ (351,450)	$ -	$ -	$ (351,450)	$ -
Net book value of disposals	$ (365,720)	$ -	$ -	$ (365,720)	$ -
Net book value of capital assets transferred	$ -	$ 18,205,701	$ (18,205,701)	$ -	$ -
Balance of contracts payable transferred	$ -	$ (4,204,193)	$ 4,204,193	$ -	$ -
Amortization of original issue premium & bond refunding	$ -	$ 39,784	$ -	$ 39,784	$ -

The accompanying notes are an integral part of this statement.

HALL COUNTY, GEORGIA
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2017

	AGENCY FUNDS
ASSETS	
Cash	$ 9,279,108
TOTAL ASSETS	$ 9,279,108
LIABILITIES	
Amount held in trust	$ 9,279,108
TOTAL LIABILITIES	$ 9,279,108

The accompanying notes are an integral part of this statement.

HALL COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
June 30, 2017

	HEALTH DEPARTMENT	LIBRARY SYSTEM	TOTAL
ASSETS			
Cash	$ 3,848,136	$ 519,310	$ 4,367,446
Investments	-	11,594	11,594
Receivables (net of allowance for uncollectibles)	1,656,960	33,893	1,690,853
Prepaid items	-	17,815	17,815
Capital assets:			
Capital assets being depreciated	1,040,870	4,683,204	5,724,074
Less: accumulated depreciation	(814,535)	(4,481,473)	(5,296,008)
Capital assets, net of depreciation	226,335	201,731	428,066
TOTAL ASSETS	5,731,431	784,343	6,515,774
DEFERRED OUTFLOWS OF RESOURCES			
Pension expense	3,047,856	557,459	3,605,315
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,047,856	557,459	3,605,315
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	8,779,287	1,341,802	10,121,089
LIABILITIES			
Accounts payable	261,591	8,676	270,267
Due to other governments	307,911	-	307,911
Noncurrent liabilities:			
Due within one year			
Compensated absences payable	647,000	31,823	678,823
Due in more than one year			
Compensated absences payable	206,108	47,736	253,844
Net pension liability	11,737,875	2,279,532	14,017,407
TOTAL LIABILITIES	13,160,485	2,367,767	15,528,252
DEFERRED INFLOWS OF RESOURCES			
Pension expense	27,109	264,300	291,409
TOTAL DEFERRED INFLOWS OF RESOURCES	27,109	264,300	291,409
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	13,187,594	2,632,067	15,819,661
NET POSITION			
Net investment in capital assets	226,334	201,731	428,065
Restricted for:			
Program income	1,597,087		1,597,087
Unrestricted	(6,231,728)	(1,491,996)	(7,723,724)
TOTAL NET POSITION	$ (4,408,307)	$ (1,290,265)	$ (5,698,572)

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, 2017

		.....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	$ 16,050,410	$ 1,691,083	$ 15,532,875	$ -	$ 1,173,548	$ -	$ 1,173,548
Library System	2,812,430	265,259	379,638	133,150	-	(2,034,383)	(2,034,383)
TOTAL COMPONENT UNITS	$ 18,862,840	$ 1,956,342	$ 15,912,513	$ 133,150	1,173,548	(2,034,383)	(860,835)
GENERAL REVENUES							
Unrestricted investment earnings					-	1,294	1,294
Grants and contributions not restricted to a specific program					-	2,072,061	2,072,061
TOTAL GENERAL REVENUES AND TRANSFERS					-	2,073,355	2,073,355
CHANGES IN NET POSITION					1,173,548	38,972	1,212,520
NET POSITION, Beginning					(5,581,855)	(1,329,237)	(6,911,092)
NET POSITION, Ending					$ (4,408,307)	$ (1,290,265)	$ (5,698,572)

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 fiscal year 2017, the County supplemented the Health Department's budget in the amount of $711,929. 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 four 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 fiscal year 2017, the County supplemented the Library's budget in the amount of $1,966,867. 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 with the exception of federal and state grant revenue, which has a 12 month availability period. 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 a decreased landfill closure/postclosure liability due to a major modification in the liability estimation methodology (see Note 14). As a result of this change, business-type net position was increased by $2,891,366 due to a change in accounting estimate.

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. In fiscal year 2017, the activity in the Water Utility Fund was transferred to the Sewer/Waste Water Utility Fund.

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 2016 digest year were payable on December 1, 2016. Interest and penalties are assessed on taxes not paid by this date. The taxes are subject to lien after March 1, 2017.

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 2017 was $(38,361). None of these costs were capitalized in 2017.

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 acquisition 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 2017.

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 can have 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 differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability and changes of assumptions about future economic or demographic factors or of other inputs. These deferred outflows will be recognized in pension expense using a systematic and rational method over a closed five-year period, beginning in the current reporting period.

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) Hall County Defined Benefit Plan (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, 2017, are as follows:

Net investment in capital assets	Governmental Activities	Business-type Activities
Cost of capital assets	$ 711,538,055	$ 141,313,926
Less accumulated depreciation	(335,715,627)	(25,371,859)
Book value	375,822,428	115,942,067
Plus construction proceeds	4	-
Less capital related debt	(2,171,633)	(40,086,690)
Net investment in capital assets	$ 373,650,799	$ 75,855,377

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 $31,145,779 of restricted net position, of which $6,051,919 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.	$ 3,844,549
SPLOST Fund	
Capital outlay projects - For funds received from the imposition of the Special Purpose Local Option Sales Tax (SPLOST) restricted by the voter approved referendum.	17,724,743
Capital Projects Fund	
Capital outlay projects - For funds received from issuance of bonds that have not been spent.	1,589,535
Impact Fees Fund	
Impact Fee projects - For funds received from impact fees that have not been spent.	1,812,402
Nonmajor Special Revenue Funds	
Street lighting -	
Special Assessments Fund - To account for funds received from special assessments for street lighting.	217,686
Judicial Programs -	
Restricted Programs Fund - To account for funds collected from fines and forfeitures to be used for drug abuse, treatment and education programs, and victims assistance programs.	1,614,318
Law Library Fund - To account for funds collected from fines and forfeitures to be used for the operation of the Law Library.	128,121
Public Safety programs -	
Emergency E911 Telephone Services Fund - For fund to operate the E911 center as restricted by the OCGA-46-5.	309,036
Restricted Programs Fund - To account for funds collected from fines and forfeitures to be used for drug abuse, treatment and education programs, and victims assistance programs.	1,808,744
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, and victims assistance programs.	177,621

Parks and Recreation programs -	
Parks Fund - For proceeds from leases on Lake Lanier restricted by contract with the Army Corps of Engineers for recreation programs.	48,259
Restricted Programs Fund - To account for funds donated for scholarships.	250
Housing and Development programs -	
Restricted Programs Fund - To account for funds received from grants restricted by grantors for housing programs.	159,171
Total Restricted Fund Balance	$ 29,434,435
Assigned:	
Nonmajor Capital Projects Funds	
Allen Creek Soccer Complex - For encumbrances.	91,202
State Road Fund - For road infrastructure & maintenance.	2,116,852
Total Assigned Fund Balance	$ 2,208,054

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 12, 2017, these deposits were fully insured and collateralized.

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. State statutes require collateral pledged in the amount of 110% of deposits.

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. State statutes require collateral pledged in the amount of 110% of deposits under the single bank pooled method or at least 100% of amounts greater than 20% of the daily pool balnce held by any one covered depository under the multibank pooled method.

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

As of June 30, 2017, the County had the following investments:

	INVESTMENT MATURITIES (in Years)/FMV Level			
Investment Type:	Fair Value	Less Than 1/ FMV Level 2	1-5	Rating (1)
Federated Treasury Obligations	$ 11	$ 11	$ -	AAA
Corporate Bonds	3,750,000	3,750,000	-	N/A
Total Debt Securities	$ 3,750,011	$ 3,750,011	$ -	
Maximum Investment		100.00 %	- %	

1. Standard & Poors

Cash per financial statements (page 1)	
Cash	$ 69,651,276
Restricted cash	1,250,011
less cash equivalents that are investments	(11)
Cash held by Fiduciary Funds (page 11)	9,279,108
Deposits	$ 80,180,384
Investments per financial statements	
Investments	$ 3,750,000
Investments included in cash equivalents	11
Investments as listed above	$ 3,750,011

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk 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, 2017, 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, 2017, 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	$ 2,878,961	$ 300,641	$ -	$ -	$ 16,611	$ -
Accounts	2,170,277	150	33,133	1,284	603,440	168,411
Intergovernmental	2,859,606	-	2,763,013	121,544	1,065,300	-
Total Gross Receivables	7,908,844	300,791	2,796,146	122,828	1,685,351	168,411
Less: Allowance for Uncollectibles	(1,339,550)	-	-	-	-	-
Total Net Receivables	$ 6,569,294	$ 300,791	$ 2,796,146	$ 122,828	$ 1,685,351	$168,411

Property taxes receivable at June 30, 2017, consist of the following:

DIGEST YEAR	GENERAL FUND (2)	FIRE DISTRICT
2017 (1)	$ 27,390	$ 5,153
2016	375,996	75,985
2015	178,440	33,665
2014	159,296	19,082
2013	117,013	13,182
2012	143,462	15,479
2011	183,803	16,999
2010	270,691	24,477
2009	378,120	31,483
2008	387,343	25,744
2007	238,434	15,921
2006 and prior	418,973	23,471
Total	$ 2,878,961	$ 300,641

(1) 2017 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, 2017.

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	$ 119,649	$ -	$ 119,649
Accounts	496,796	19,650	516,446
Intergovernmental	-	461,442	461,442
Total Gross Receivables	616,445	481,092	1,097,537
Less: Allowance for Uncollectibles	-	-	-
Total Net Receivables	$ 616,445	$ 481,092	$ 1,097,537

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)	$ 2,878,961	$ -
Delinquent property taxes receivable (Fire District Fund)	300,641	-
Assessments (Special Assessment Fund)	16,611	-
Jail Phone Commissions (Restricted Programs Fund)	-	900,001
Grant drawdowns prior to meeting all eligibility requirements (Grants Fund)	-	983,500
Total unavailable/unearned revenue for governmental funds	$ 3,196,213	$ 1,883,501

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

	Health Department	Library System
Receivables:		
Accounts	$ 691,306	$ 33,893
Intergovernmental	965,654	-
Total Gross Receivables	1,656,960	33,893
Less: Allowance for Uncollectibles	-	-
Total Net Receivables	$ 1,656,960	$ 33,893

NOTE 6 - CAPITAL ASSETS

PRIMARY GOVERNMENT

Capital asset activity for the year ended June 30, 2017, was as follows:

Governmental Activities:	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Non-Depreciable Assets:					
Land and improvements	$ 22,998,046	$ -	$ (45,700)	$ -	$ 22,952,346
Infrastructure land and improvements	34,480,403	310,800	-	-	34,791,203
Construction in progress	25,659,410	12,360,313	(123,391)	(7,538,473)	30,357,859
Total non-depreciable capital assets	83,137,859	12,671,113	(169,091)	(7,538,473)	88,101,408
Depreciable Assets:					
Buildings and improvements	189,714,701	-	-	5,936,433	195,651,134
Machinery and equipment	39,309,358	1,453,347	(8,250)	-	40,754,455
Vehicles	30,990,128	4,082,972	(2,728,983)	-	32,344,117
Infrastructure	352,468,830	1,505,396	(889,324)	1,602,040	354,686,941
Total depreciable capital assets	612,483,017	7,041,715	(3,626,557)	7,538,473	623,436,647
Less Accumulated Depreciation for:					
Buildings and improvements	(50,050,270)	(4,572,721)	-	-	(54,622,991)
Machinery and equipment	(33,194,226)	(2,658,840)	8,250	-	(35,844,816)
Vehicles	(22,187,570)	(1,905,390)	2,602,088	-	(21,490,872)
Infrastructure	(214,165,791)	(10,480,482)	889,324	-	(223,756,948)
Total accumulated depreciation	(319,597,857)	(19,617,433)	3,499,662	-	(335,715,627)
Total depreciable capital assets, net	292,885,160	(12,575,718)	(126,895)	7,538,473	287,721,020
Governmental activities capital assets, net	$ 376,023,019	$ 95,395	$ (295,986)	$ -	$ 375,822,428

Additions to governmental activities capital assets for fiscal year ending June 30, 2017, consist of the following:

Capital Outlay	$ 17,896,631
Donated land	310,800
Donated roads	1,505,396
Rounding	1
Total	$ 19,712,828
Non-depreciable capital assets additions	$ 12,671,113
Depreciable capital assets additions	7,041,715
Total	$ 19,712,828

Business-type Activities:	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Non-Depreciable Assets:					
Land and improvements	$ 24,715,284	$ -	$ -	$ -	$ 24,715,284
Construction in progress	16,183,533	2,806,677	-	(8,207,197)	10,783,013
Total non-depreciable capital assets	40,898,817	2,806,677	-	(8,207,197)	35,498,297
Depreciable Assets:					
Land improvements	144,988	-	-	-	144,988
Buildings and improvements	10,448,282	-	-	-	10,448,282
Machinery and equipment	5,074,229	1,533,474	(1,118,530)	-	5,489,173
Vehicles	1,091,987	199,100	-	-	1,291,087
Water and sewer infrastructure	80,234,902	-	-	8,207,197	88,442,099
Total depreciable capital assets	96,994,388	1,732,574	(1,118,530)	8,207,197	105,815,629
Less Accumulated Depreciation for:					
Land improvements	(144,988)	-	-	-	(144,988)
Buildings	(3,902,787)	(288,009)	-	-	(4,190,796)
Machinery and equipment	(3,198,437)	(422,116)	752,809	-	(2,867,744)
Vehicles	(684,191)	(96,806)	-	-	(780,997)
Water and sewer lines and system	(15,229,570)	(2,157,764)	-	-	(17,387,334)
Total accumulated depreciation	(23,159,973)	(2,964,695)	752,809	-	(25,371,859)
Total depreciable capital assets, net	73,834,415	(1,232,121)	(365,721)	8,207,197	80,443,770
Business-type activities capital assets, net	$ 114,733,232	$ 1,574,556	$ (365,721)	$ -	$ 115,942,067

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

Governmental Activities:	
General Government	$ 721,250
Judicial	715,561
Public Safety	5,832,961
Public Works	10,753,952
Public Health and Welfare	238,577
Recreation and Culture	1,330,862
Housing and Development	24,270
Total depreciation expense-governmental activities	$ 19,617,433
Business-type Activities:	
Sewer/Waste Water Utility	$ 1,713,412
Solid Waste	1,251,283
Total depreciation expense-business-type activities	$ 2,964,695

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, 2017, 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	$ 3,599,147	$ 3,185,027	$ 414,120	$ -	SPLOST/Grant Fund
Courthouse Annex Renovation	2,495,255	310,545	888,019	1,296,691	SPLOST
E-911 System Upgrade	13,000,000	7,356,319	5,599,416	44,265	SPLOST/Impact Fee Fund
Health Department Expansion	400,000	95,879	6,869	297,252	SPLOST
Paperless Workflow/Software	225,000	189,712	35,288	-	SPLOST
Sheriff's Gun Training Range	1,700,000	100,970	30,850	1,568,180	FBI Grant
Various Road Projects	28,336,042	19,119,407	9,216,635	-	SPLOST/State Road Fund
	$ 49,755,444	$ 30,357,859	$ 16,191,197	$ 3,206,388	
Business-type Activities:					
Glades Reservoir	$ 10,479,682	$ 7,354,707	$ 109,019	$ 3,015,956	SPLOST/Revenue Bonds
New Sardis Compactor Site	460,000	443,468	16,532	-	Landfill Fund
North Hall County Sewer System	3,430,387	1,785,839	1,286,974	357,574	SPLOST
North Oconee Water Reclamation	750,000	419,686	-	330,314	SPLOST
Various Sewer Expansion Projects	500,000	363,993	55,250	80,757	SPLOST
White Sulphur Rd Sewer	1,220,212	415,320	762,960	41,932	SPLOST
Water and Sewerage Projects	$ 16,840,281	$ 10,783,013	$ 2,230,735	$ 3,826,533	

DISCRETELY PRESENTED COMPONENT UNITS

Activity for the *Health Department* for the year ended June 30, 2017, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Depreciable Assets:				
Machinery and equipment	$ 1,005,295	$ 35,575	$ -	$ 1,040,870
Less Accumulated Depreciation	(751,394)	(63,141)	-	(814,535)
Capital Assets, net	$ 253,901	$ (27,566)	$ -	$ 226,335

Activity for the *Library* for the year ended June 30, 2017, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Depreciable Assets:				
Machinery and equipment	$ 602,584	$ -	$ (7,821)	$ 594,763
Books and collections	4,024,533	268,147	(204,239)	4,088,441
Total depreciable capital assets	4,627,117	268,147	(212,060)	4,683,204
Less Accumulated Depreciation for:				
Machinery and equipment	(557,253)	(20,906)	7,821	(570,338)
Books and collections	(3,717,348)	(398,026)	204,239	(3,911,135)
Total accumulated depreciation	(4,274,601)	(418,932)	212,060	(4,481,473)
Total depreciable capital assets, net	352,516	(282,307)	-	201,731
Capital Assets, net	$ 352,516	$ (282,307)	$ -	$ 201,731

NOTE 7 - LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2017, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Governmental Activities:						
Contracts Payable	$ 1,925,816	$ -	$ (180,816)	$ 1,745,000	$ 115,000	$ 1,630,000
Less: original issue discount	(18,276)	-	1,424	(16,852)	(1,424)	(15,428)
Total contracts payable	1,907,540	-	(179,392)	1,728,148	113,576	1,614,572
Capital leases	618,674	-	(175,189)	443,485	178,119	265,366
Estimated claims payable	1,633,796	12,628,419	(13,036,104)	1,226,111	837,311	388,800
Net OPEB obligation	61,879,870	4,362,101	(1,386,345)	64,855,626	-	64,855,626
Net pension liability	32,456,003	5,713,672	(4,457,335)	33,712,340	-	33,712,340
Compensated absences	3,838,310	735,306	(624,854)	3,948,762	2,369,257	1,579,505
Governmental activities long-term liabilities	$ 102,334,193	$ 23,439,498	$ (19,859,219)	$ 105,914,472	$ 3,498,263	$ 102,416,209
Business-type Activities:						
Contracts payable	$ 18,435,000	$ -	$ (3,225,000)	$ 15,210,000	$ 850,000	$ 14,360,000
Plus: original issue premium	149,193	-	(39,785)	109,408	39,785	69,623
Total contracts payable	18,584,193	-	(3,264,785)	15,319,408	889,785	14,429,623
Notes payable	28,313,568	-	(3,546,286)	24,767,282	1,519,098	23,248,184
Compensated absences	63,133	12,518	(9,470)	66,181	39,709	26,472
Net pension liability	1,387,592	244,277	(190,565)	1,441,304	-	1,441,304
Landfill closure/postclosure	11,770,406	569,911	(24,408)	12,315,909	161,121	12,154,788
Business-type activities long-term liabilities	$ 60,118,892	$ 826,706	$ (7,035,514)	$ 53,910,084	$ 2,609,713	$ 51,300,371
Total primary government long-term liabilities	$ 162,453,085	$ 24,266,204	$ (26,894,733)	$ 159,824,556	$ 6,107,976	$ 153,716,580

The County changed the landfill closure/post closure liability estimation methodology (see Note 14) and as a result had a change in accounting estimate of $2,891,366 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 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 mature on 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, 2017, are as follows:

June 30	Principal	Interest	Total
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	135,000	55,196	190,196
2023-2027	765,000	183,503	948,503
2028-2029	355,000	24,075	379,075
	$ 1,745,000	$ 534,571	$ 2,279,571

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, $165,076 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	(288,513)
	$ 614,955

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, 2017, are as follows:

Year Ending June 30	Governmental Activities
2018	$ 185,572
2019	185,572
2020	85,572
Total minimum lease payments	456,716
Less: amount representing interest (1.85% - 2.95%)	(13,231)
Present value of minimum lease payments	$ 443,485

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 Reclamation Plant. 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, 2017 was 1.29%. Interest payments are paid monthly, and the bonds mature in full on April 1, 2027. The outstanding balance at June 30, 2017 is $12,155,000.

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 outstanding balance at June 30, 2017 is $3,055,000.

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

June 30	Principal	Interest[1]	Total
2018	$ 850,000	$ 282,684	$ 1,132,684
2019	1,480,000	244,434	1,724,434
2020	2,165,000	196,093	2,361,093
2021	1,140,000	137,724	1,277,724
2022	1,245,000	123,072	1,368,072
2023-2027	8,330,000	341,005	8,671,005
Total	$ 15,210,000	$ 1,325,012	$ 16,535,012

[1]*Based on the variable rate at June 30, 2017. Includes letter of credit, remarketing, & trustees fees.*

Notes Payable

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, 2017, the outstanding balance was $6,560,803. 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, 2017, the outstanding balance was $17,307,663. 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, 2017, the outstanding balance was $898,816. 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, 2017, are as follows:

June 30	Principal	Interest	Total
2017	$ 1,519,098	$ 707,005	$ 2,226,103
2018	1,563,237	662,866	2,226,103
2019	1,608,438	617,667	2,226,105
2020	1,655,740	570,363	2,226,103
2021	1,703,717	522,385	2,226,102
2022-2026	9,003,237	1,840,707	10,843,944
2027-2031	7,595,110	557,582	8,152,692
2032-2033	118,705	295	119,000
Total	$ 24,767,282	$ 5,478,870	$ 30,246,152

COMPONENT UNITS

Activity for the *Health Department* for the year ended June 30, 2017, was as follows:

Governmental activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	$ 852,446	$ 647,912	$ (647,250)	$ 853,108	$ 647,000	$ 206,108
Net pension liability	9,988,762	3,261,359	(1,512,246)	11,737,875	-	11,737,875
Total Governmental activities	$ 10,841,208	$ 3,909,271	$ (2,159,496)	$ 12,590,983	$ 647,000	$ 11,943,983

Activity for the *Library* for the year ended June 30, 2017, was as follows:

Governmental activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	$ 74,767	$ 97,593	$ (92,801)	$ 79,559	$ 31,823	$ 47,736
Net pension liability	1,858,547	593,930	(172,945)	2,279,532	-	2,279,532
Compensated absences	$ 1,933,314	$ 691,523	$ (265,746)	$ 2,359,091	$ 31,823	$ 2,327,268

NOTE 8 - INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of June 30, 2017, is as follows:

	Due From		
	Other nonmajor governmental funds	Sewer/ Wastewater Utility Fund	Total
Due To			
General Fund	$ 158,394	$ 4,364	$ 162,758
Total	$ 158,394	$ 4,364	$ 162,758

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, 2017, are as follows:

	Transfers In			
Transfers Out	General Fund	Other Nonmajor Governmental Funds	Sewer/ Wastewater Utility Fund	Total Transfers Out
General Fund	$ -	$ 1,300,320	$ -	$ 1,300,320
SPLOST	-	-	7,539,004	7,539,004
Other nonmajor governmental funds	195,408	-	-	195,408
Solid Waste Fund	281,808	-	-	281,808
Water Utility Fund	-	-	12,088,492	12,088,492
Total - Transfers in	$ 477,216	$ 1,300,320	$ 19,627,496	$ 21,405,032

Transfers are used to 1) supplement operating budgets, 2) help fund construction projects and debt service, 3) reimburse unrestricted revenue, 4) reimburse pension costs, and 5) 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 $14,660,467, 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, 2017, the County has sold 4,300 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. At June 30, 2017, 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, 2017, 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) Hall County Defined Benefit Plan (Plan), which is a defined benefit pension plan. Effective July 1, 1998, the Plan is frozen to new participation.

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 were eligible to participate in the Plan after completing three years of service. Benefits vested 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.

Participant counts as of January 1, 2016, (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		332
Terminated plan participants entitled to but not yet receiving benefits		253
Active employees participating in the Plan		134
Total number of Plan participants		719
Covered compensation for active participants	$	9,150,653
Net pension liability as a percentage of its covered-employee payroll		38.42 %

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, 2016, 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, 2016 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. Revised to 7.25% as of December 31, 2016.

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 2016 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%	3.07%
Domestic large equities	30.00	1.97
Domestic mid equities	5.00	0.86
Domestic small equities	5.00	0.30
REIT	5.00	0.52
International	15.00	0.47
Multi cap	5.00	0.51
Global allocation	5.00	0.58
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 7.25%. 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, 2016	$ 50,698,055	$ 16,854,460	$ 33,843,595
Changes for the year:			
Service cost	51,502	-	51,502
Interest	3,620,940	-	3,620,940
Difference between expected and actual experience	1,864,131	-	1,864,131
Contribution-employer	-	4,647,900	(4,647,900)
Net investment income	-	927,833	(927,833)
Assumption Change	1,082,751	-	1,082,751
Benefit payments	(4,837,700)	(4,837,700)	-
Administrative expense	-	(49,671)	49,671
Other charges	-	(216,787)	216,787
Net changes	1,781,624	471,575	1,310,049
Balances at June 30, 2017	$ 52,479,679	$ 17,326,035	$ 35,153,644

The following presents the County's net pension liability calculated using the discount rate of 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1 % Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's net pension liability	$ 40,298,015	$ 35,153,644	$ 31,242,488

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, 2017, the County recognized pension expense of $6,652,073. At June 30, 2017, 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
Changes of assumptions	$ 406,032	$ -
Net difference between projected and actual earnings on pension plan investments	1,646,667	-
TOTAL	$ 2,052,699	$ -

Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2018	$ 1,406,799
2019	301,718
2020	301,718
2021	42,465
2022	-
Thereafter	-

DEFINED CONTRIBUTION PLAN

Plan Description

The County contributes to the Northwest Plan Services (NWPS) 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 the NWPS website at www.nwp401k.com.

All full-time County employees are eligible to participate in the Plan A after the first of the month following 30 days of full time employment. 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 for elected officials. For all other employees, benefits are 50% vested after 5 years of service, 75% after 6 years of service, and are fully vested after 7 years of service. The County contributes 2% of an eligible employee's salary as a "base" contribution, agreeing to match 100% of an eligible employee's contributions to Plan A. The match is limited to an additional 2%. 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 $2,554,417 ($2,554,417 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 2017, the County contributed $1,386,345 to the plan. In fiscal year 2017, total member contributions were $812,111.

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:

	2017	2016
Annual required contribution	$ 4,298,315	$ 4,083,242
Interest on note OPEB obligation	2,475,195	2,359,203
Adjustment to annual required contribution	(2,411,409)	(2,298,406)
Annual OPEB cost	4,362,101	4,144,039
Employer contributions made with interest	(1,386,345)	(1,244,252)
Increase (decrease) in net OPEB obligation	2,975,756	2,899,787
Net OPEB obligation, Beginning of year	61,879,870	58,980,083
Net OPEB obligation, End of year	$ 64,855,626	$ 61,879,870

The County performs actuarial valuations every two years. The data for 2017 is projected based on rates from 2016 applied to 2017 salaries.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 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
2017	$ 4,362,101	$ 1,386,345	31.8%	$ (64,855,626)
2016	$ 4,144,039	$ 1,244,252	30.0%	$ (61,879,870)
2015	$ 3,642,000	$ 1,393,435	38.3%	$ (58,980,083)

Funded Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was $42,345,871, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $42,345,871. The covered payroll (annual payroll of active employees covered by the benefits) was $73,293,753, and the ratio of the UAAL to the covered payroll was 58%.

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	7.06% 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, 2017, the County included in accrued expenses $686,111 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, 2016	$ 663,150	$ 12,895,706	$ (12,955,060)	$ 603,796
Year ended June 30, 2017	$ 603,796	$ 12,143,882	$ (12,061,567)	$ 686,111

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, 2017, 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, 2017, an actuary determined that approximately $540,000 is reported but unpaid and incurred but not reported claims were outstanding relating to fiscal year 2017 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, 2016	$ 1,030,000	$ 959,477	$ (959,477)	$ 1,030,000
Year ended June 30, 2017	$ 1,030,000	$ 484,537	$ (974,537)	$ 540,000

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 2017, 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.

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	$ 4,909
SPLOST	21,384,190
Capital Projects	3,509,432
Nonmajor governmental funds	203,386
Total governmental activities	$ 25,101,917
Enterprise Funds	
Solid waste	$ 16,653
Sewer/waste water utility	3,061
Total Enterprise funds	$ 19,714

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. During January 2017, a portion of these bonds were refinanced through the issuance of Series 2017B Bonds in a par amount of $140,540,000. At June 30, 2017, the outstanding balance of this debt was $199,725,000.

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, 2017, the outstanding balance of this debt was $206,925,000.

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 Commission is unable to meet debt service requirements. At June 30, 2017, the outstanding balance on this debt was $2.7 million.

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, 2017, the County has recorded a liability for the Allen Creek Landfill of $5,333,619, 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, 2017, the County has recorded a liability for the Candler Road landfill of $6,982,290, which represents the estimated closure and postclosure costs based on 35% of landfill capacity used to date. The County will recognize the remaining estimated cost of closure and postclosure care of $12,661,425 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2017. 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 2017, 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 updated estimation used in fiscal year 2016 was adjusted by the Hall County Engineering Department. The resulting change in accounting estimate decreased the Candler Road Landfill closure/postclosure liability by $2,891,366.

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, 2017, 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 $5,333,619. The County has accrued the difference between the estimated liability this year and the amount accrued as of June 30, 2016, 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 $10,893,619.

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 $6,982,290, which represents the estimated closure and postclosure costs based on 35% of landfill capacity used to date. The County will recognize the remaining estimated cost of closure and postclosure care of $12,661,425 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, 2017, the County paid $154,072 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, 2017, the County collected $27,018 of which $10,807 was required to be spent to promote tourism, conventions, and trade shows. The County actually spent $115,000. This was 1,064% 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 - TAX ABATEMENTS

The Gainesville and Hall County Development Authority (the Authority) can enter into agreements for industrial projects to encourage the creation of jobs and new capital investment through an "Investment Assistance Program." Each agreement provides a property tax benefit to the company through a schedule of discounted valuation that reduces, for ad valorem tax purposes, the fair market value of real and personal property that is held by the Authority and leased to the company. Georgia case law and the Authority's enabling legislation provide the Authority with the power to enter into such agreements with private companies.

The Authority may accept title to real and personal property assets from a company in return for job creation and capital investment, and provide a tax benefit to the company through a lease agreement with the Authority. In considering eligibility for providing this benefit to a company, the Authority reviews and gives strong consideration to the recommendation from the Investment Assistance Committee of the Gainesville-Hall County Economic Development Council. The Investment Assistance Committee is a 16-member advisory committee of representatives from the City of Gainesville School District, the Hall County School District, Hall County, the cities of Gainesville, Flowery Branch, Oakwood and Lula and the Authority. The Investment Assistance Committee has a set of eligibility criteria for considering economic development projects that includes the following criteria:

1. Eligible businesses can include new and existing industrial businesses.
2. But for an incentive agreement, the company would not create the jobs and investment in the community.
3. The investment should be at least $10,000,000 in real and personal property.
4. The average wage of the business' employees should be above the average wage of goods producing employees in Hall County.
5. The business should offer medical benefits to all employees.
6. The impacts to job retention will be considered for each expansion project.
7. As a condition of assistance, a business will be required to work with the Gainesville and Hall County Development Authority to convey title to the Authority.

In return for a property tax benefit, a company is required to commit to creating jobs and capital investment within a defined period as part of a performance and accountability agreement with the Authority that includes provisions for the company to pay back a prorated portion of the benefit if they fail to meet the performance criteria by a specified date. The Authority monitors compliance with performance and accountability agreements to ensure the companies meet their commitments.

For the fiscal year ended June 30, 2017, the County abated property taxes totaling $461,767. These abatements include the following agreements that exceed ten-percent (10%) of the total amount abated:

- A 75 percent property tax abatement to a manufacturer of custom-built gearboxes for the wind power industry for constructing a manufacturing facility and to purchase machinery and equipment for production in the County. The abatement amounted to $135,079.

- A 100 percent property tax abatement to an industrial baking company for constructing a bakery and distribution operational center in the County. The abatement amounted to $129,420.

- A 100 percent property tax abatement to a manufacturer of agricultural, construction, and recreational equipment for constructing a manufacturing facility and to purchase machinery and equipment for production in the County. The abatement amounted to $46,373.

Such agreements in effect resulted in an estimated $616 million in new capital investment and more than 2,100 new jobs. The Authority recently commissioned an economic impact analysis of the jobs and capital investment created in Hall County as a result of incentive agreements, and the study estimated an annual economic benefit to Hall County of $985 million of direct and indirect economic benefits to the community as a result of economic development projects supported by the incentive agreements in place in Hall County.

NOTE 19 - PRIOR PERIOD ADJUSTMENT

A prior period adjustment to deferred outflows related to pensions decreased governmental net position by $1,530,362 and business-type net position by $65,428. This adjustment was necessary to properly disclose deferred outflows related to pension plan investments and match employer contributions to the actuary valuation.

HALL COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NET PENSION LIABILITY -
ACCG HALL COUNTY DEFINED BENEFIT PLAN
For the Year Ended June 30, 2017
"Unaudited"

For the Year Ended June 30,	2017	2016	2015
Net pension liability	$ 35,153,644	$ 33,843,595	$ 30,720,425
Covered-employee payroll	$ 9,150,653	$ 8,918,269	$ 9,598,157
Net pension liability as a percentage of its covered-employee payroll	38.42%	37.95%	32.01%
Total pension liability	$ 52,479,679	$ 50,698,055	$ 48,249,039
Fiduciary net position	$ 17,326,035	$ 16,854,460	$ 17,528,614
Plan fiduciary net position as a percentage of the total pension liability	33.00%	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 HALL COUNTY DEFINED BENEFIT PLAN
For the Year Ended June 30, 2017
"Unaudited"

For the Year Ended June 30,	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	$ 4,647,900	$ 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
Contributions in relation to the contractually required contribution	4,647,900	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
Contribution deficiency (excess)	$ -	$ -	$ -	$ (224,616)	$ (368,329)	$ 867,776	$ 1,040,300	$ 785,016	$ (459,451)	$ (440,888)
County's covered-employee payroll	$ 9,150,653	$ 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
Contributions as a percentage of covered-employee payroll	50.79%	48.69%	42.79%	38.43%	34.40%	20.98%	16.83%	16.96%	23.66%	18.31%

HALL COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
ACCG HALL COUNTY DEFINED BENEFIT PLAN
For the Year Ended June 30, 2017
"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 June 30, 2017 reported in that schedule:

Valuation Date	December 31, 2016
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. Revised to 7.25% as of December 31, 2016.

HALL COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS -
OTHER POST-EMPLOYMENT BENEFITS
For the Year Ended June 30, 2017
"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	$ 67,030,973	58.84 %
2016	$ -	$ 42,345,871	0.00 %	$ 42,345,871	$ 73,293,753	57.78 %

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, 2017
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 21,767,441	$ 21,767,441	$ 21,767,441	$ -
RESOURCES (INFLOWS)				
Taxes	71,667,482	71,828,646	72,050,235	221,589
Licenses and permits	1,825,287	2,131,217	2,155,124	23,907
Intergovernmental	1,204,088	1,235,535	1,369,240	133,705
Fines and forfeitures	4,044,146	4,730,243	4,823,656	93,413
Charges for services	14,636,027	13,369,306	13,255,262	(114,044)
Contributions and donations	-	-	6,537	6,537
Investment income	25,503	25,465	37,390	11,925
Miscellaneous	122,273	87,295	212,137	124,842
Sale of county property	250,000	159,295	189,557	30,262
Transfers in	194,412	477,216	477,216	-
Total Resources (Inflows)	93,969,218	94,044,218	94,576,354	532,136
AMOUNTS AVAILABLE FOR APPROPRIATION	115,736,659	115,811,659	116,343,795	532,136
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
General Government				
Legislative	1,069,855	1,097,994	1,096,865	1,129
Elections	714,104	516,946	512,259	4,687
Financial administration	757,592	748,555	747,030	1,525
Business license	164,303	157,320	156,184	1,136
Purchasing	270,578	271,015	268,243	2,772
Data processing/MIS	815,503	712,411	710,691	1,720
Human resources	524,862	479,900	478,146	1,754
Tax commissioner	1,689,716	1,527,088	1,515,112	11,976
Tax assessor-real property	1,630,720	1,608,365	1,607,126	1,239
Risk management	9,263,984	8,058,394	8,057,668	726
Buildings	2,214,266	2,274,422	2,271,360	3,062
General services	4,737,894	2,258,697	2,268,410	(9,713)
Agencies	154,072	154,072	154,072	-
Total General Government	24,007,449	19,865,179	19,843,166	22,013
Judicial				
Judicial administration	342,601	354,335	349,499	4,836
Superior court	2,765,226	2,583,458	2,582,321	1,137
Clerk of superior court	2,072,933	2,098,020	2,096,804	1,216
District attorney	1,398,630	1,447,671	1,447,757	(86)
State court	1,472,512	1,548,181	1,537,644	10,537
Magistrate court	1,127,905	1,159,880	1,152,774	7,106
Probate court	699,410	656,923	651,254	5,669
Juvenile court	1,569,580	1,630,449	1,642,588	(12,139)
Probation services	802,740	888,533	876,411	12,122
Public defender	1,418,497	1,412,923	1,398,332	14,591
Solicitor	1,298,250	1,351,901	1,344,285	7,616
Other judicial	982,807	992,989	984,393	8,596
Total Judicial	15,951,091	16,125,263	16,064,062	61,201
Public Safety				
Sheriff	15,649,686	16,095,770	16,089,214	6,556
Detention center	14,031,437	15,543,659	15,541,322	2,337
Correctional institute	2,807,395	3,023,855	3,011,614	12,241
Emergency medical services	7,060,913	7,546,120	7,548,304	(2,184)
Coroner	161,532	180,028	179,096	932
E-911	1,101,773	664,193	664,193	-
Agencies	9,451	9,451	9,451	-
Animal shelter	1,254,018	1,264,431	1,262,430	2,001
Emergency management	206,779	227,836	226,585	1,251
Total Public Safety	42,282,984	44,555,343	44,532,209	23,134
Public Works				
Highways and streets	2,545,877	2,530,463	2,527,395	3,068
Maintenance and shop	1,291,436	848,516	841,361	7,155
Engineering	1,149,420	1,103,172	1,092,447	10,725
Total Public Works	4,986,733	4,482,151	4,461,203	20,948

HALL COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2017
(Required Supplementary Information)

CONTINUED.....	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Public Health and Welfare				
Health department	823,845	797,048	797,018	30
Public welfare	750,700	1,263,114	1,263,111	3
Community Center	467,024	467,024	467,024	-
Agencies	166,150	166,150	166,150	-
Total Public Health and Welfare	2,207,719	2,693,336	2,693,303	33
Recreation and Culture				
Parks	2,396,607	2,353,977	2,347,646	6,331
Library	2,098,842	2,092,445	2,078,017	14,428
Agriculture center	247,559	227,695	226,493	1,202
Other recreation and culture	130,000	126,377	126,106	271
Total Recreation and Culture	4,873,008	4,800,494	4,778,262	22,232
Housing and development				
Conservation	102,444	101,770	100,650	1,120
Building inspection	453,988	447,323	445,395	1,928
Planning and zoning	782,155	703,211	701,806	1,405
Code enforcement	508,827	521,072	515,364	5,708
Agencies	579,938	579,938	552,922	27,016
County agent	214,092	212,977	208,148	4,829
Total Housing and Development	2,641,444	2,566,291	2,524,285	42,006
TOTAL CHARGES TO APPROPRIATIONS	96,950,428	95,088,057	94,896,490	191,567
CHANGE IN FUND BALANCE	(2,981,210)	(1,043,839)	(320,136)	723,703
FUND BALANCE, End of year	$ 18,786,231	$ 20,723,602	$ 21,447,305	$ 723,703

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, 2017
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 3,457,501	$ 3,457,501	$ 3,457,501	$ -
RESOURCES (INFLOWS)				
Taxes	22,006,986	22,246,584	22,715,647	469,063
Intergovernmental	10,000	10,000	20,218	10,218
Charges for services	169,433	142,433	163,228	20,795
Total Resources (Inflows)	22,186,419	22,399,017	22,899,093	500,076
AMOUNTS AVAILABLE FOR APPROPRIATION	25,643,920	25,856,518	26,356,594	500,076
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	22,186,419	22,399,017	22,396,090	2,927
TOTAL CHARGES TO APPROPRIATIONS	22,186,419	22,399,017	22,396,090	2,927
CHANGE IN FUND BALANCE	-	-	503,003	503,003
FUND BALANCE, End of year	$ 3,457,501	$ 3,457,501	$ 3,960,504	$ 503,003

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
June 30, 2017

	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	$ -	$ -	$ 306,318	$ 228,518	$ 4,991,002	$ 128,611	$ 90,214	$ 5,744,663	$ 2,116,279	$ 7,860,942
Receivables (net of allowance for uncollectibles)	477,281	128,172	867,643	16,611	143,402	-	15,148	1,648,257	37,094	1,685,351
Prepaid items	4,705	-	26,953	-	1,550	-	-	33,208	-	33,208
Inventories	-	-	-	-	29,641	-	-	29,641	-	29,641
TOTAL ASSETS	$ 481,986	$ 128,172	$ 1,200,914	$ 245,129	$ 5,165,595	$ 128,611	$ 105,362	$ 7,455,769	$ 2,153,373	$ 9,609,142
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	$ 29,775	$ 14,043	$ 169,572	$ 10,832	$ 284,590	$ 490	$ 12,747	$ 522,049	$ 36,521	$ 558,570
Other accrued items	39,906	6,040	22,411	-	17,910	-	1,413	87,680	-	87,680
Due to other funds	98,564	59,830	-	-	-	-	-	158,394	-	158,394
Unearned revenue	-	-	983,500	-	900,001	-	-	1,883,501	-	1,883,501
Deposits held	-	-	-	-	171,799	-	-	171,799	-	171,799
TOTAL LIABILITIES	168,245	79,913	1,175,483	10,832	1,374,300	490	14,160	2,823,423	36,521	2,859,944
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue -other	-	-	-	16,611	-	-	-	16,611	-	16,611
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	16,611	-	-	-	16,611	-	16,611
TOTAL LIABILITIES, AND DEFERRED INFLOWS OF RESOURCES	168,245	79,913	1,175,483	27,443	1,374,300	490	14,160	2,840,034	36,521	2,876,555
FUND BALANCES										
Nonspendable:										
Prepaid expenditure	4,705	-	25,431	-	1,550	-	-	31,686	-	31,686
Inventories	-	-	-	-	29,641	-	-	29,641	-	29,641
Restricted:										
Special assessments	-	-	-	217,686	-	-	-	217,686	-	217,686
Judicial programs	-	-	-	-	1,614,318	128,121	-	1,742,439	-	1,742,439
Public safety programs	309,036	-	-	-	1,808,744	-	-	2,117,780	-	2,117,780
Health and welfare programs	-	-	-	-	177,621	-	-	177,621	-	177,621
Recreation and culture programs	-	48,259	-	-	250	-	-	48,509	-	48,509
Housing and development programs	-	-	-	-	159,171	-	-	159,171	-	159,171
Assigned:										
Capital equipment and infrastructure	-	-	-	-	-	-	-	-	2,116,852	2,116,852
Recreation and culture programs	-	-	-	-	-	-	91,202	91,202	-	91,202
TOTAL FUND BALANCES	313,741	48,259	25,431	217,686	3,791,295	128,121	91,202	4,615,735	2,116,852	6,732,587
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 481,986	$ 128,172	$ 1,200,914	$ 245,129	$ 5,165,595	$ 128,611	$ 105,362	$ 7,455,769	$ 2,153,373	$ 9,609,142

HALL COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	SPECIAL REVENUE FUNDS									CAPITAL PROJECTS FUND	
REVENUES	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
Taxes	$ -	$ -	$ -	$ -	$ -	$ 27,018	$ -	$ -	$ 27,018	$ -	$ 27,018
Intergovernmental	-	-	2,286,596	-	769,312	-	-	30,038	3,085,946	2,473,374	5,559,320
Fines and forfeitures	-	-	-	-	792,782	-	173,479	-	966,261	-	966,261
Charges for services	3,451,512	692,372	729,745	1,049,645	1,812,257	-	-	89,651	7,825,182	-	7,825,182
Contributions and donations	-	-	-	-	23,657	-	-	-	23,657	-	23,657
Interest income	-	-	-	-	-	-	8	-	8	-	8
Miscellaneous	9,880	30	38,820	-	42,718	-	-	-	91,448	-	91,448
TOTAL REVENUES	3,461,392	692,402	3,055,161	1,049,645	3,440,726	27,018	173,487	119,689	12,019,520	2,473,374	14,492,894
EXPENDITURES											
Current Expenditures											
Judicial	-	-	1,292,433	-	775,651	-	123,416	-	2,191,500	-	2,191,500
Public safety	4,125,585	-	90,278	-	2,007,755	-	-	-	6,223,618	-	6,223,618
Public works	-	-	-	911,534	-	-	-	-	911,534	950,479	1,862,013
Public health and welfare	-	-	54,405	-	146,358	-	-	-	200,763	-	200,763
Recreation and culture	-	644,143	-	-	500	115,000	-	237,507	997,150	-	997,150
Housing and development	-	-	1,499,199	-	-	-	-	-	1,499,199	-	1,499,199
Intergovernmental	-	-	72,684	-	-	-	-	-	72,684	-	72,684
Capital outlay	-	-	59,418	-	220,168	-	-	8,288	287,874	1,132,641	1,420,515
TOTAL EXPENDITURES	4,125,585	644,143	3,068,417	911,534	3,150,432	115,000	123,416	245,795	12,384,322	2,083,120	14,467,442
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(664,193)	48,259	(13,256)	138,111	290,294	(87,982)	50,071	(126,106)	(364,802)	390,254	25,452
OTHER FINANCING SOURCES (USES)											
Transfers in	664,193	-	13,256	-	408,783	87,982	-	126,106	1,300,320	-	1,300,320
Transfers out	-	-	-	(195,408)	-	-	-	-	(195,408)	-	(195,408)
TOTAL OTHER FINANCING SOURCES (USES)	664,193	-	13,256	(195,408)	408,783	87,982	-	126,106	1,104,912	-	1,104,912
NET CHANGE IN FUND BALANCES	-	48,259	-	(57,297)	699,077	-	50,071	-	740,110	390,254	1,130,364
FUND BALANCES, Beginning of year	313,741	-	25,431	274,983	3,092,218	-	78,050	91,202	3,875,625	1,726,598	5,602,223
FUND BALANCES, End of year	$ 313,741	$ 48,259	$ 25,431	$ 217,686	$ 3,791,295	$ -	$ 128,121	$ 91,202	$ 4,615,735	$ 2,116,852	$ 6,732,587

HALL COUNTY, GEORGIA
EMERGENCY TELEPHONE SYSTEM SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2017

	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	3,268,583	3,474,377	3,451,512	(22,865)
Miscellaneous	11,000	11,000	9,880	(1,120)
Transfer in	1,101,773	895,979	664,193	(231,786)
Total Resources (Inflows)	4,381,356	4,381,356	4,125,585	(255,771)
AMOUNTS AVAILABLE FOR APPROPRIATION	4,695,097	4,695,097	4,439,326	(255,771)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	4,381,356	4,402,792	4,125,585	277,207
TOTAL CHARGES TO APPROPRIATIONS	4,381,356	4,402,792	4,125,585	277,207
CHANGE IN FUND BALANCE	-	(21,436)	-	21,436
FUND BALANCE, End of year	$ 313,741	$ 292,305	$ 313,741	$ 21,436

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, 2017

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ -	$ -	$ -	$ -
RESOURCES (INFLOWS)				
Charges for services	580,700	642,663	692,372	49,709
Miscellaneous	1,000	30	30	-
Total Resources (Inflows)	581,700	642,693	692,402	49,709
AMOUNTS AVAILABLE FOR APPROPRIATION	581,700	642,693	692,402	49,709
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Recreation and culture	631,700	642,693	644,143	(1,450)
TOTAL CHARGES TO APPROPRIATIONS	631,700	642,693	644,143	(1,450)
CHANGE IN FUND BALANCE	(50,000)	-	48,259	48,259
FUND BALANCE, End of year	$ (50,000)	$ -	$ 48,259	$ 48,259

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, 2017

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 25,431	$ 25,431	$ 25,431	$ -
RESOURCES (INFLOWS)				
Intergovernmental	2,041,729	2,775,349	2,286,596	(488,753)
Charges for services	880,066	880,066	729,745	(150,321)
Miscellaneous	34,000	34,000	38,820	4,820
Transfer in	-	-	13,256	13,256
Total Resources (Inflows)	2,955,795	3,689,415	3,068,417	(620,998)
AMOUNTS AVAILABLE FOR APPROPRIATION	2,981,226	3,714,846	3,093,848	(620,998)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	1,152,755	1,407,990	1,292,433	115,557
Public safety	40,468	225,955	222,380	3,575
Public health and welfare	68,405	68,405	54,405	14,000
Housing and development	1,694,167	1,987,065	1,499,199	487,866
TOTAL CHARGES TO APPROPRIATIONS	2,955,795	3,689,415	3,068,417	620,998
CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, End of year	$ 25,431	$ 25,431	$ 25,431	$ -

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, 2017

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 274,983	$ 274,983	$ 274,983	$ -
RESOURCES (INFLOWS)				
Charges for services	942,260	1,106,942	1,049,645	(57,297)
Total Resources (Inflows)	942,260	1,106,942	1,049,645	(57,297)
AMOUNTS AVAILABLE FOR APPROPRIATION	1,217,243	1,381,925	1,324,628	(57,297)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public works	942,260	911,534	911,534	-
Transfers out	-	195,408	195,408	-
TOTAL CHARGES TO APPROPRIATIONS	942,260	1,106,942	1,106,942	-
CHANGE IN FUND BALANCE	-	-	(57,297)	(57,297)
FUND BALANCE, End of year	$ 274,983	$ 274,983	$ 217,686	$ (57,297)

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, 2017

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 3,092,218	$ 3,092,218	$ 3,092,218	$ -
RESOURCES (INFLOWS)				
Intergovernmental	777,941	781,513	769,312	(12,201)
Fines and forfeitures	889,060	899,060	792,782	(106,278)
Charges for services	535,856	535,856	1,812,257	1,276,401
Contributions and donations	30,000	40,860	23,657	(17,203)
Miscellaneous	1,000	19,621	42,718	23,097
Transfer in	285,894	285,894	408,783	122,889
Total Resources (Inflows)	2,519,751	2,562,804	3,849,509	1,286,705
AMOUNTS AVAILABLE FOR APPROPRIATION	5,611,969	5,655,022	6,941,727	1,286,705
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	955,707	974,707	775,651	199,056
Public safety	2,071,459	2,537,838	2,227,923	309,915
Public health and welfare	151,744	172,689	146,358	26,331
Recreation and culture	-	-	500	(500)
TOTAL CHARGES TO APPROPRIATIONS	3,178,910	3,685,234	3,150,432	534,802
CHANGE IN FUND BALANCE	(659,159)	(1,122,430)	699,077	1,821,507
FUND BALANCE, End of year	$ 2,433,059	$ 1,969,788	$ 3,791,295	$ 1,821,507

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, 2017

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ -	$ -	$ -	$ -
RESOURCES (INFLOWS)				
Taxes	-	30,000	27,018	(2,982)
Transfer in	-	85,000	87,982	2,982
Total Resources (Inflows)	-	115,000	115,000	-
AMOUNTS AVAILABLE FOR APPROPRIATION	-	115,000	115,000	-
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Recreation and culture	-	115,000	115,000	-
TOTAL CHARGES TO APPROPRIATIONS	-	115,000	115,000	-
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, 2017

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 78,050	$ 78,050	$ 78,050	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	-	125,000	173,479	48,479
Investment income	-	-	8	8
Total Resources (Inflows)	-	125,000	173,487	48,487
AMOUNTS AVAILABLE FOR APPROPRIATION	78,050	203,050	251,537	48,487
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	-	125,000	123,416	1,584
TOTAL CHARGES TO APPROPRIATIONS	-	125,000	123,416	1,584
CHANGE IN FUND BALANCE	-	-	50,071	50,071
FUND BALANCE, End of year	$ 78,050	$ 78,050	$ 128,121	$ 50,071

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, 2017

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 91,202	$ 91,202	$ 91,202	$ -
RESOURCES (INFLOWS)				
Intergovernmental	30,370	30,370	30,038	(332)
Charges for services	129,873	129,873	89,651	(40,222)
Transfer in	130,000	130,000	126,106	(3,894)
Total Resources (Inflows)	290,243	290,243	245,795	(44,448)
AMOUNTS AVAILABLE FOR APPROPRIATION	381,445	381,445	336,997	(44,448)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Recreation and culture	290,243	290,243	245,795	44,448
TOTAL CHARGES TO APPROPRIATIONS	290,243	290,243	245,795	44,448
CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, End of year	$ 91,202	$ 91,202	$ 91,202	$ -

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, 2017

ASSETS	GROUP INSURANCE	RISK MANAGEMENT	TOTAL
Current Assets			
Cash	$ 5,878,100	$ 2,869,122	$ 8,747,222
Receivables (net of allowance for uncollectibles)	112,058	56,353	168,411
Inventories	283,963	-	283,963
Prepaid items	21,105	120,541	141,646
TOTAL CURRENT ASSETS	6,295,226	3,046,016	9,341,242
TOTAL ASSETS	6,295,226	3,046,016	9,341,242
LIABILITIES			
Current Liabilities			
Accounts payable	134,047	147,370	281,417
Other accrued items	27,025	752	27,777
Estimated claims payable	686,111	151,200	837,311
TOTAL CURRENT LIABILITIES	847,183	299,322	1,146,505
Noncurrent Liabilities			
Estimated claims payable	-	388,800	388,800
TOTAL NONCURRENT LIABILITIES	-	388,800	388,800
TOTAL LIABILITIES	847,183	688,122	1,535,305
NET POSITION			
Unrestricted	5,448,043	2,357,894	7,805,937
TOTAL NET POSITION	$ 5,448,043	$ 2,357,894	$ 7,805,937

HALL COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2017

	GROUP INSURANCE	RISK MANAGEMENT	TOTAL
OPERATING REVENUES			
Charges for sales and services:			
Charges to other funds	$ 13,326,718	$ 2,521,465	$ 15,848,183
Charges to others	6,159,629	-	6,159,629
Total Operating Revenues	19,486,347	2,521,465	22,007,812
OPERATING EXPENSES			
Salaries and benefits	-	260,413	260,413
Other services and charges	4,460,236	34,577	4,494,813
Benefit claims	11,512,371	484,537	11,996,908
General and administrative	3,065,697	-	3,065,697
Insurance premiums	-	1,251,938	1,251,938
Total Operating Expenses	19,038,304	2,031,465	21,069,769
OPERATING INCOME (LOSS)	448,043	490,000	938,043
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	448,043	490,000	938,043
CHANGE IN NET POSITION	448,043	490,000	938,043
TOTAL NET POSITION, Beginning of year	5,000,000	1,867,894	6,867,894
TOTAL NET POSITION, End of year	$ 5,448,043	$ 2,357,894	$ 7,805,937

HALL COUNTY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2017

	GROUP INSURANCE	RISK MANAGEMENT	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customer	$ 6,240,488	$ (56,353)	$ 6,184,135
Payments to suppliers	(7,471,273)	(230,814)	(7,702,087)
Payments to employees	(11,417,348)	(1,236,592)	(12,653,940)
Internal activity-payments from (to) other funds	13,326,718	2,521,465	15,848,183
Net cash provided by (used in) operating activities	678,585	997,706	1,676,291
Net increase (decrease) in cash and cash equivalents	678,585	997,706	1,676,291
CASH, Beginning of year	5,199,515	1,871,416	7,070,931
CASH, End of year	$ 5,878,100	$ 2,869,122	$ 8,747,222
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	$ 448,043	$ 490,000	$ 938,043
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
(Increase) decrease in:			
Inventory	80,859	(56,353)	24,506
Net pension obligation	55,856	-	55,856
Increase (decrease) in:			
Accounts payable	(5,363)	998,756	993,393
Amounts held in trust	4,168	56,944	61,112
Other accrued items	12,707	-	12,707
Claims payable	82,315	-	82,315
Due to other governments	-	(1,641)	(1,641)
Interfund payables	-	(490,000)	(490,000)
Net cash provided by (used in) operating activities	$ 678,585	$ 997,706	$ 1,676,291

HALL COUNTY, GEORGIA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
ALL AGENCY FUNDS
June 30, 2017

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	JUVENILE COURT	SHERIFF	INMATE FUND	TOTAL
ASSETS								
Cash	$ 3,504,209	$ 3,856,355	$ 175,635	$ 100,694	$ 64,308	$ 1,453,514	$ 124,393	$ 9,279,108
TOTAL ASSETS	$ 3,504,209	$ 3,856,355	$ 175,635	$ 100,694	$ 64,308	$ 1,453,514	$ 124,393	$ 9,279,108
LIABILITIES								
Amounts held for others	$ 3,504,209	$ 3,856,355	$ 175,635	$ 100,694	$ 64,308	$ 1,453,514	$ 124,393	$ 9,279,108
TOTAL LIABILITIES	$ 3,504,209	$ 3,856,355	$ 175,635	$ 100,694	$ 64,308	$ 1,453,514	$ 124,393	$ 9,279,108

HALL COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2017

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	JUVENILE COURT	SHERIFF	INMATE FUND	TOTAL
ASSETS								
Cash								
Balance, July 1, 2016	$ 3,751,023	$ 2,194,103	$ 175,518	$ 152,978	$ 59,320	$ 1,280,106	$ 136,308	$ 7,749,356
Additions	275,465,021	13,918,196	678,199	1,084,189	43,518	1,162,716	2,055,684	294,407,523
Deductions	(275,711,835)	(12,255,944)	(678,082)	(1,136,473)	(38,530)	(989,308)	(2,067,599)	(292,877,771)
Balance, June 30, 2017	3,504,209	3,856,355	175,635	100,694	64,308	1,453,514	124,393	9,279,108
TOTAL ASSETS	$ 3,504,209	$ 3,856,355	$ 175,635	$ 100,694	$ 64,308	$ 1,453,514	$ 124,393	$ 9,279,108
LIABILITIES								
Due to County								
Balance, July 1, 2016	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additions	183,201,620	8,228,925	551,599	471,428	10,983	353,196	134,750	192,952,501
Deductions	(183,201,620)	(8,228,925)	(551,599)	(471,428)	(10,983)	(353,196)	(134,750)	(192,952,501)
Balance, June 30, 2017	-	-	-	-	-	-	-	-
Amounts held for others								
Balance, July 1, 2016	3,751,023	2,194,103	175,518	152,978	59,320	1,280,106	136,308	7,749,356
Additions	92,263,401	5,689,271	126,600	612,761	32,535	809,520	1,920,934	101,455,022
Deductions	(92,510,215)	(4,027,019)	(126,483)	(665,045)	(27,547)	(636,112)	(1,932,849)	(99,925,270)
Balance, June 30, 2017	3,504,209	3,856,355	175,635	100,694	64,308	1,453,514	124,393	9,279,108
Total Liabilities								
Balance, July 1, 2016	3,751,023	2,194,103	175,518	152,978	59,320	1,280,106	136,308	7,749,356
Additions	275,465,021	13,918,196	678,199	1,084,189	43,518	1,162,716	2,055,684	294,407,523
Deductions	(275,711,835)	(12,255,944)	(678,082)	(1,136,473)	(38,530)	(989,308)	(2,067,599)	(292,877,771)
Balance, June 30, 2017	3,504,209	3,856,355	175,635	100,694	64,308	1,453,514	124,393	9,279,108
TOTAL LIABILITIES	$ 3,504,209	$ 3,856,355	$ 175,635	$ 100,694	$ 64,308	$ 1,453,514	$ 124,393	$ 9,279,108

HALL COUNTY, GEORGIA
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended June 30, 2017

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	EXPENDITURES PRIOR YEARS	EXPENDITURES CURRENT YEAR
SPLOST V (effective July 1, 2004)				
Road Projects	$ 40,300,000	$ 40,300,000	$ 34,165,937	$ 56,459
Water and Sewer Projects	1,000,000	8,743,053	5,670,580	3,072,473
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	$ 160,991,997	$ 141,646,644	$ 3,128,932

HALL COUNTY, GEORGIA
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended June 30, 2017

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	YEAR 8 2017	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	$ 1,837,043	$ 41,618,707
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	41,628	43,661,672
Landfill	4,000,000		-	-	-	1,676	10,515	1,988,598	473,168	3,132	2,477,089
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	30,912	12,624,522
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	225,848	9,609,435
Fire and Emergency Projects	4,000,000	4,000,000	-	-	-	615,112	505,000	664,728	694,049	250,465	2,729,354
Public Safety Facilities	10,000,000	10,043,464	-	-	-	725	1,076,215	3,298,330	5,475,947	245,931	10,097,148
Public Health Facility	5,000,000	5,000,000	-	-	-	850	111,384	107,021	85,555	163,452	468,262
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	2,798,411	128,840,715
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 Upgrades	95,000	95,000	9,454	9,586	10,659	10,568	11,573	11,471	-	-	63,311
Downtown Improvements	105,000	105,000	10,449	10,596	11,780	11,680	12,791	12,678	-	-	69,974
Subtotal	240,000	240,000	23,883	24,218	26,927	26,698	29,237	28,979	-	-	159,942
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	$ 2,798,411	$ 158,645,281

HALL COUNTY, GEORGIA
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended June 30, 2017

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	AMOUNT EXPENDED YEAR 1 2016	YEAR 2 2017	TOTAL
SPLOST VII (effective July 1, 2015)					
COUNTY PROJECTS					
Road Projects	$ 46,650,000	$ 46,650,000	$ 3,600,263	$ 5,448,383	$ 9,048,646
Water and Sewer Projects	21,835,772	21,835,772	2,315,896	4,413,150	6,729,046
Landfill	3,250,000	3,250,000	-	-	-
County Building Renovations	5,850,000	5,850,000	563,218	1,308,545	1,871,763
Various Park Projects	4,900,000	4,900,000	510,003	665,944	1,175,947
Sheriff Capital Equipment	2,785,379	2,785,379	351,941	1,064,255	1,416,196
Public Safety Facilities	8,400,000	8,400,000	-	-	-
Fire and Emergency Projects	4,000,000	4,000,000	82,001	790,931	872,932
Public Safety Capital Enhancements	18,910,000	18,910,000	2,025,911	9,073,055	11,098,966
Library Renovations	2,500,000	2,500,000	100,000	105,194	205,194
Gainesville- Hall Co Senior Center	1,500,000	1,500,000	-	850,000	850,000
Subtotal County Projects	120,581,151	120,581,151	9,549,233	23,719,457	33,268,690
MUNICIPAL PROJECTS					
City of Braselton					
Streets, Sidewalks, Stormwater	1,270,589	1,270,589	237,847	245,615	483,462
Town of Rest Haven					
Road and Street Maintenance	22,555	22,555	4,511	4,135	8,646
City of Buford					
Roads and Streets	111,249	111,249	86,498	21,506	108,004
Sewer Infrastructure	600,000	600,000	46,651	115,991	162,642
Subtotal	711,249	711,249	133,149	137,497	270,646
City of Clermont					
Municipal Buildings	350,000	350,000	65,522	67,662	133,184
Parks	150,000	150,000	28,081	28,998	57,079
Roads, Streets & Sidewalks	157,888	157,888	29,557	30,523	60,080
Subtotal	657,888	657,888	123,160	127,182	250,342
City of Flowery Branch					
Admin Building and Plaza	1,616,652	1,616,652	302,639	312,523	615,162
Roads, Streets and Bridges	1,113,935	1,113,935	208,530	215,341	423,871
Water and Sewer Infrastructure	1,308,000	1,308,000	244,859	252,856	497,715
Public Safety Vehicles	231,000	231,000	43,243	44,656	87,899
Subtotal	4,269,587	4,269,587	799,272	825,376	1,624,647
City of Gainesville					
Fire Station Construction and Equipment	5,500,000	5,500,000	1,029,629	1,063,256	2,092,885
Roads, Bridges, Storm Water	12,914,482	12,914,482	2,417,659	2,496,619	4,914,278
Youth Sports Athletic Complex	6,750,000	6,750,000	1,263,636	1,304,906	2,568,542
Park Improvements	250,000	250,000	46,801	48,330	95,131
Subtotal	25,414,482	25,414,482	4,757,725	4,913,111	9,670,836
City of Gillsville					
Roads and Streets	116,718	116,718	21,850	22,564	44,414
Park Improvements	38,906	38,906	7,283	7,521	14,804
Subtotal	155,624	155,624	29,133	30,085	59,218
City of Lula					
Roads, Streets & Trails	654,752	654,752	122,572	126,575	249,147
Water & Sewer Infrastructure	1,000,000	1,000,000	187,204	193,318	380,522
Parks and Streetscape	300,000	300,000	56,161	57,995	114,156
Subtotal	1,954,752	1,954,752	365,938	377,889	743,826
City of Oakwood					
Roads, Streets, Bridges and Trails	1,684,678	1,684,678	315,379	325,679	641,058
Sewer Infrastructure	1,000,000	1,000,000	187,204	193,318	380,522
Public Safety Equipment	300,000	300,000	56,161	57,996	114,157
Subtotal	2,984,678	2,984,678	558,745	576,993	1,135,737
Subtotal Municipal Projects	37,418,849	37,418,849	7,009,480	7,237,883	14,247,360
TOTAL SPLOST VII	$ 158,000,000	$ 158,000,000	$ 16,558,713	$ 30,957,340	$ 47,516,050

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, 2017

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

Expenditures	$	29,411,946
Transfers out		7,539,004
Subtotal		36,950,950
Less items not included as expenditures on SPLOST schedule below:		
Revenue from DOT used for expenditures first before SPLOST funds		(66,267)
Subtotal of adjustments		(66,267)
Expenditures reported on SPLOST schedule below	**$**	**36,884,683**

Schedule of Projects Constructed With Special Purpose Local Option Sales Tax (pages 80-82)

SPLOST V	3,128,932
Revised SPLOST V	3,128,932
SPLOST VI	2,798,411
Revised SPLOST VI	2,798,411
SPLOST VII	30,957,340
Revised SPLOST VII	30,957,340
Total	**$ 36,884,683**

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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General Fund Budget - Chart of Current Year and Next Year's Budgets	4A
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Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax and another significant local revenue source, sales taxes.

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Taxable Sales and Sales Taxes	10
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Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

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Demographic and Economic Information

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

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Operating Information

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

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Operating Indicators by Function 19
Capital Asset Statistics by Function 20

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

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

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

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	$ 125,119	$ 390,642	$ 393,603	$ 386,017	$ 383,004	$ 371,931	$ 374,649	$ 374,656	$ 373,613	$ 373,651
Restricted:										
Capital outlay	8,761	13,680	13,200	13,864	21,649	27,476	25,080	25,231	24,268	19,314
Debt service	2,706	10,695	-	-	-	-	-	-	-	-
Impact fee projects	5,898	4,106	3,032	2,798	2,554	2,580	2,734	818	877	1,812
Other programs	6,355	4,796	5,563	4,522	5,178	5,149	4,993	6,620	7,034	8,531
Unrestricted:	346,120	7,004	(11,948)	(27,797)	(28,884)	(23,270)	(26,017)	(50,407)	(60,222)	(66,028)
Total governmental activities net position	$ 494,959	$ 430,923	$ 403,450	$ 379,404	$ 383,501	$ 383,866	$ 381,439	$ 356,918	$ 345,570	$ 337,280
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	$ 41,859	$ 47,183	$ 61,405	$ 52,028	$ 53,303	$ 57,143	$ 65,004	$ 89,274	$ 69,996	$ 75,855
Restricted	-	-	-	-	-	-	-	1,446	1,341	1,489
Unrestricted	10,883	10,494	8,197	12,472	11,414	12,714	11,704	(5,691)	10,809	15,085
Total business-type activities net position	$ 52,742	$ 57,677	$ 69,602	$ 64,500	$ 64,717	$ 69,857	$ 76,708	$ 85,029	$ 82,146	$ 92,429
PRIMARY GOVERNMENT										
Net investment in capital assets	$ 166,978	$ 437,825	$ 455,008	$ 438,045	$ 436,307	$ 429,074	$ 439,653	$ 463,930	$ 443,609	$ 449,506
Restricted	23,720	33,277	21,795	21,184	29,381	35,205	32,807	34,115	33,520	31,146
Unrestricted	357,003	17,498	(3,751)	(15,325)	(17,470)	(10,556)	(14,313)	(56,098)	(49,413)	(50,943)
Total primary government net position	$ 547,701	$ 488,600	$ 473,052	$ 443,904	$ 448,218	$ 453,723	$ 458,147	$ 441,947	$ 427,716	$ 429,709

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									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
EXPENSES										
Governmental activities:										
General government	$ 16,964	$ 20,350	$ 17,275	$ 20,541	$ 18,012	$ 17,530	$ 19,784	$ 20,106	$ 23,850	$ 22,488
Judicial	15,846	16,738	18,404	17,954	16,303	16,878	17,333	17,645	26,150	19,269
Public safety	68,089	71,870	78,047	77,796	67,123	64,887	67,570	70,289	77,850	79,791
Public works	18,153	25,211	27,153	29,633	22,222	23,382	24,162	24,792	22,896	28,682
Public health and welfare	3,511	3,905	3,501	3,304	2,704	2,727	2,558	2,947	2,777	4,113
Recreation and culture	8,351	7,267	7,602	7,794	6,007	5,934	6,718	7,344	7,940	7,901
Housing and development	5,564	5,057	5,389	5,979	2,947	4,800	4,388	4,013	4,076	3,966
Interest on long-term debt	643	671	330	492	488	319	197	39	97	91
Total governmental activities expenses	137,121	151,069	157,701	163,493	135,806	136,457	142,710	147,175	165,636	166,301
Business-type activities:										
Solid Waste	5,717	5,905	5,568	6,059	6,154	6,030	6,146	5,473	6,819	6,935
Water and sewer utilities	2,108	1,581	2,921	1,792	2,973	2,858	3,833	3,454	3,757	4,163
Total business-type activities expenses	7,825	7,486	8,489	7,851	9,127	8,888	9,979	8,927	10,576	11,098
Total primary government expenses	$ 144,946	$ 158,555	$ 166,190	$ 171,344	$ 144,933	$ 145,345	$ 152,689	$ 156,102	$ 176,212	$ 177,399
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	$ 5,020	$ 4,985	$ 4,786	$ 5,366	$ 5,016	$ 4,903	$ 5,191	$ 4,601	$ 5,125	$ 5,368
Judicial	6,899	6,627	5,939	5,511	6,087	6,589	7,089	7,524	8,290	8,541
Public safety	9,915	14,691	17,514	17,556	16,883	13,289	11,486	14,999	11,509	11,307
Public works	930	890	986	941	939	946	953	1,328	1,021	1,048
Public health and welfare	-	-	-	-	-	-	-	-	-	-
Recreation and culture	1,013	953	1,008	1,052	1,167	1,183	1,244	1,334	1,485	1,493
Housing and development	1,668	910	507	405	493	1,626	2,107	2,327	2,551	2,815
Total charges for services	25,445	29,056	30,740	30,831	30,585	28,536	28,070	32,113	29,981	30,572
Operating grants and contributions	6,762	4,317	5,402	6,094	3,604	4,615	4,868	6,246	4,198	5,152
Capital grants and contributions	17,946	12,847	4,977	4,632	2,897	3,639	1,647	4,248	2,292	4,290
Total governmental activities program revenues	50,153	46,220	41,119	41,557	37,086	36,790	34,585	42,607	36,471	40,014
Business-type activities:										
Charges for services:										
Solid Waste	5,767	5,466	5,175	5,120	5,041	6,463	6,615	6,330	7,241	7,681
Water and sewer utilities	290	961	925	1,072	1,395	1,388	1,625	2,080	2,669	3,457
Total charges for services	6,057	6,427	6,100	6,192	6,436	7,851	8,240	8,410	9,910	11,138
Operating grants and contributions	5	-	-	-	-	-	-	-	-	-
Capital grants and contributions	12,374	1,104	87	236	227	68	61	85	95	152
Total business-type activities program revenues	18,436	7,531	6,187	6,428	6,663	7,919	8,301	8,495	10,005	11,290
Total primary government program revenues	$ 68,589	$ 53,751	$ 47,306	$ 47,985	$ 43,749	$ 44,709	$ 42,886	$ 52,085	$ 46,476	$ 51,304

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

(Continued)

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Net (expense)/revenue										
Governmental activities	$ (86,968)	$ (104,849)	$ (116,582)	$ (121,936)	$ (98,720)	$ (99,667)	$ (108,125)	$ (103,585)	$ (129,165)	$ (126,287)
Business-type activities	10,611	45	(2,302)	(1,423)	(2,464)	(969)	(1,678)	(432)	(572)	192
Total primary government net expense	$ (76,357)	$ (104,804)	$ (118,884)	$ (123,359)	$ (101,184)	$ (100,636)	$ (109,803)	$ (104,017)	$ (129,737)	$ (126,095)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property taxes	$ 48,977	$ 50,679	$ 53,395	$ 52,313	$ 49,371	$ 48,405	$ 54,676	$ 55,748	$ 57,723	$ 59,514
Sales taxes	51,438	45,246	41,938	42,483	47,271	46,720	47,499	50,539	52,096	53,536
Insurance premium tax	5,198	5,325	5,249	5,105	5,433	5,804	6,032	6,364	6,815	7,168
Real estate and recording taxes	2,259	1,318	1,074	1,013	1,147	1,359	1,371	1,608	1,850	2,317
Other taxes	1,560	1,502	1,478	1,820	1,860	2,061	2,256	2,751	2,842	2,845
Total taxes	109,432	104,070	103,134	102,734	105,082	104,349	111,834	117,010	121,326	125,380
Unrestricted grants and contributions	2,029	2,107	6	-	1	1	11	79	179	24
Investment earnings	2,076	553	108	66	-	-	1	17	26	37
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital assets	1,816	71	15	203	417	3,228	1,899	-	-	1,343
Transfers	1,828	(4,286)	(14,196)	3,697	(2,682)	(6,922)	(8,518)	(9,811)	(3,714)	(7,257)
Total governmental activities	117,181	102,515	89,067	106,700	102,818	100,656	105,227	107,295	117,817	119,527
Business-type activities:										
Investment earnings	194	65	33	17	1	-	-	-	-	-
Gain on sale of capital assets	-	(541)	-	-	-	4	10	106	-	9
Transfers	(1,828)	4,286	14,196	(3,697)	2,682	6,922	8,518	9,811	3,714	7,257
Total business-type activities	(1,634)	3,810	14,229	(3,680)	2,683	6,926	8,528	9,917	3,714	7,266
Total primary government	$115,547	$ 106,325	$ 103,296	$ 103,020	$ 105,501	$ 107,582	$ 113,755	$ 117,212	$ 121,531	$ 126,793
CHANGE IN NET POSITION										
Governmental activities	$ 30,213	$ (2,334)	$ (27,515)	$ (15,236)	$ 4,098	$ 989	$ (2,898)	$ 3,710	$ (11,348)	$ (6,760)
Business-type activities	8,977	3,855	11,927	(5,103)	219	5,957	6,850	9,485	3,142	7,458
Total primary government	$ 39,190	$ 1,521	$ (15,588)	$ (20,339)	$ 4,317	$ 6,946	$ 3,952	$ 13,195	$ (8,206)	$ 698

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									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
General fund										
Reserved	$ 1,019	$ 47	$ 591	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	8,269	6,580	7,457	-	-	-	-	-	-	-
Nonspendable	-	-	-	624	631	402	413	508	671	634
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	20,813
Total general fund	9,288	6,627	8,048	9,311	14,907	22,743	22,438	23,766	21,767	21,447
All other governmental funds										
Reserved:	35,156	35,907	32,974	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	6,391	4,827	5,450	-	-	-	-	-	-	-
Capital projects funds	1,122	202	(17,823)	-	-	-	-	-	-	-
Total unreserved	7,513	5,029	(12,373)	-	-	-	-	-	-	-
Nonspendable	-	-	-	6,914	9,868	8,481	6,998	12	125	177
Restricted	-	-	-	27,586	24,675	28,113	25,911	32,657	32,262	29,435
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	197	197	1,695	2,632	3,734	1,818	2,208
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	$42,669	$40,936	$20,601	$34,697	$34,740	$38,289	$35,541	$36,403	$34,205	$ 31,820

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									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
REVENUES										
Taxes (see table 5)	$ 108,924	$ 103,539	$ 102,949	$ 102,599	$ 104,954	$ 104,613	$ 111,990	$ 116,789	$ 121,108	$ 125,490
Licenses and permits	3,107	2,238	1,658	1,357	1,487	1,795	2,305	2,332	2,666	3,226
Intergovernmental	10,447	8,852	8,798	6,449	4,851	7,466	5,966	8,329	6,485	7,619
Fines and forfeitures	5,564	4,732	4,844	3,772	4,005	4,339	4,843	5,630	5,009	5,792
Charges for services	17,028	21,765	24,205	25,547	25,004	22,363	20,502	23,566	22,063	21,244
Investment earnings	1,967	419	94	232	186	1	219	296	27	37
Miscellaneous	371	194	108	540	210	744	439	624	302	343
Total revenues	147,408	141,739	142,656	140,496	140,697	141,321	146,264	157,566	157,660	163,751
EXPENDITURES										
General government	17,043	18,233	15,419	17,737	15,867	17,840	19,400	19,960	20,276	19,673
Judicial	15,069	15,368	14,970	14,888	15,178	16,009	16,383	16,900	17,979	18,251
Public safety	62,946	62,684	61,495	62,322	60,390	59,457	62,876	64,868	70,664	72,370
Public works	7,643	12,635	11,275	10,994	6,275	7,863	8,445	8,528	12,182	10,624
Public health and welfare	3,287	3,604	3,131	2,888	2,301	2,329	2,212	2,627	2,556	3,874
Recreation and culture	7,691	6,247	6,132	6,314	4,925	4,904	5,423	5,994	6,555	6,535
Housing and development	5,189	4,635	4,932	5,475	2,705	4,633	3,670	3,934	4,017	3,927
Intergovernmental	2,477	2,400	4,786	4,946	5,282	5,064	5,814	5,614	7,009	7,311
Capital Outlay	26,631	10,205	13,790	17,321	15,499	7,966	14,355	14,097	17,861	17,897
Principal on long-term debt	10,171	10,344	11,030	3,138	3,703	3,807	3,927	4,070	280	285
Interest on long-term debt	1,280	847	430	561	666	559	440	282	96	91
Issuance costs	-	-	-	248	-	-	-	-	-	-
Total expenditures	159,427	147,202	147,390	146,832	132,791	130,431	142,945	146,874	159,475	160,838
Excess of revenues over (under) expenditures	(12,019)	(5,463)	(4,734)	(6,336)	7,906	10,890	3,319	10,692	(1,815)	2,913
OTHER FINANCING SOURCES (USES)										
Transfers in	7,164	1,124	647	7,460	1,647	1,636	5,593	2,102	2,693	1,778
Transfers out	(5,336)	(5,411)	(14,843)	(3,763)	(4,328)	(8,558)	(14,111)	(11,912)	(5,415)	(9,035)
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	1,846	71	15	1,603	417	7,417	2,146	649	73	1,639
Total other financing sources (uses)	3,808	(4,113)	(14,181)	21,694	(2,264)	495	(6,372)	(8,504)	(2,382)	(5,618)
Net change in fund balances	$ (8,211)	$ (9,576)	$ (18,915)	$ 15,358	$ 5,642	$ 11,385	$ (3,053)	$ 2,188	$ (4,197)	$ (2,705)
Debt service as a percentage of noncapital expenditures	8.6%	8.2%	8.6%	2.9%	3.7%	3.6%	3.4%	3.3%	0.3%	0.3%

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

	Current Year Year Ending June 30, 2017	Next Year Year ending June 30, 2018
Revenues		
Property taxes	$ 39,320,290	$ 47,873,777
Commissions	3,351,039	3,369,210
Other taxes	30,026,865	30,043,048
Penalties and interest	742,419	637,000
Licenses and permits	3,512,187	3,247,428
Charges for services	10,170,322	10,990,058
Fines and forfeitures	4,759,387	3,994,731
Intergovernmental	1,230,326	1,076,667
Miscellaneous	277,212	267,650
Other financing sources	579,171	650,000
Use of fund balance	2,470,090	-
TOTAL REVENUES	$ 96,439,308	$ 102,149,569
Expenditures		
General government	$ 8,248,295	$ 10,199,638
Judicial	16,257,175	17,383,050
Public health & welfare	2,527,186	2,624,520
Public safety	44,562,359	45,187,807
Public works	4,566,801	4,860,027
Recreation & culture	4,674,117	4,810,250
Housing and development	1,465,281	1,593,829
Agencies	909,611	815,113
Non-departmental	12,080,171	13,133,048
Other financing uses	1,148,311	1,542,287
TOTAL EXPENDITURES	$ 96,439,308	$ 102,149,569

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
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
2017	$ 59,622	$ 30,698	$ 22,839	$ 7,168	$ 2,318	$ 2,845	$ 125,490

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

Tax Year	Real Property: Residential Property	Real Property: Agricultural Property (1)	Real Property: Commercial & Industrial	Real Property: Public Utilities	Personal Property: Inventory & Equipment (4)	Personal Property: Motor Vehicles	Personal Property: Mobile Homes	Personal Property: Other (2)	Less Exemptions: Real Property	Less Exemptions: Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (3)	Assessed Value as a Percentage of Actual Value
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%
2016	$ 4,114,593	$ 517,970	$ 1,293,012	$ 153,750	$ 767,885	$ 231,413	$ 23,106	$ 53,266	$ 370,114	$ 241,029	$ 6,543,852	6.25	$ 16,359,630	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*	*2007* *2008*	*2008* *2009*	*2009* *2010*	*2010* *2011*	*2011* *2012*	*2012* *2013*	*2013* *2014*	*2014* *2015*	*2015* *2016*	*2016* *2017*
Unincorporated Districts										
County-Unincorporated	6.260	6.250	6.250	6.250	6.250	6.250	6.250	5.989	5.735	5.716
Hall Co. Schools	15.750	16.420	16.420	16.420	17.670	18.490	19.250	18.900	18.800	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	0.200	0.150	0.100	0.050	0.000
Fire District Unincorporated	1.510	1.510	1.510	1.510	1.650	1.650	2.400	2.400	2.650	2.650
Total Hall County Unincorporated	**23.770**	**24.430**	**24.430**	**24.430**	**25.820**	**26.590**	**28.050**	**27.389**	**27.235**	**27.166**
Incorporated Districts										
County - Incorporated except for City of Gainesville	6.260	6.250	6.250	6.250	6.250	6.250	6.250	5.989	5.735	5.716
County - Incorporated - City of Gainesville	6.260	6.250	6.250	6.250	6.250	6.250	6.250	5.989	5.735	5.716
Hall Co. Schools	15.750	16.420	16.420	16.420	17.670	18.490	19.250	18.900	18.800	18.800
State of Georgia	0.250	0.250	0.250	0.250	0.250	0.200	0.150	0.100	0.050	0.000
Fire District Incorporated	2.720	2.710	2.710	2.710	3.080	3.080	3.080	3.830	4.080	4.080
Braselton CID	0.000	0.000	0.000	0.000	5.000	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	5.000	0.000	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)	2.660	2.660	2.660	2.920	2.920	3.060	3.060	3.020	2.980	2.980
Gainesville City Schools (1) (2)	6.960	7.810	7.710	7.390	7.390	7.590	7.590	7.480	6.890	6.850
City of Oakwood	2.480	2.480	2.480	2.480	2.480	2.658	2.658	4.000	4.000	4.174
City of Flowery Branch	2.837	2.837	2.837	2.837	2.837	2.837	2.837	3.337	3.337	3.264
Buford City Schools	13.300	13.250	13.200	13.150	13.100	13.050	13.000	12.950	12.900	12.850

(1) Note: City of Gainesville taxes on 100% of assessed value, Hall County taxes on 40% of assessed value.
The millage rate shown below is 2.5 times the rates shown above in order to put on a comparable basis to the remaining rates.

City of Gainesville	*6.650*	*6.650*	*6.650*	*7.300*	*7.300*	*7.650*	*7.650*	*7.550*	*7.450*	*7.450*
Gainesville City Schools	*17.400*	*19.525*	*19.275*	*18.475*	*18.475*	*18.975*	*18.975*	*18.700*	*17.225*	*17.125*

(2) 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 2016			Tax Year 2007		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Wrigley Manufacturing Company	$ 57,474	1	0.88%	$ 54,394	1	1.00%
Georgia Power Company	52,090	2	0.80%	36,592	2	0.67%
Bellsouth	44,463	3	0.68%	17,437	4	0.32%
Jackson EMC	41,739	4	0.64%	29,159	3	0.54%
Fieldale Farms Corp	30,225	5	0.46%	14,316	6	0.26%
Lanier Village Estates	26,660	6	0.41%			0.00%
Kelsey Hayes Company	15,708	7	0.24%			0.00%
KIK Piedmont, LLC	15,040	8	0.23%			0.00%
Performance Food Group, Inc	14,789	9	0.23%			0.00%
Tree Lake Associates	12,616	10	0.19%	12,832	7	0.24%
UNISIA Steering Systems			0.00%	14,375	5	0.26%
SKF USA, Inc.	-		0.00%	11,314	8	0.21%
Miltons Food Service	-		0.00%	7,856	9	0.14%
Cool Springs, LLC	-		0.00%	6,710	10	0.12%
Totals	$ 310,804		4.75%	$ 204,985		3.77%

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	
2008	$ 52,882	$ 3,041	$ 1,737	$ 57,660	$ 55,223	104.43%	$ 2,249	$ 57,472	99.67%	$ 188
2009	$ 56,078	$ 1,033	$ 1,680	$ 58,791	$ 56,497	100.75%	$ 2,104	$ 58,601	99.68%	$ 190
2010	$ 55,032	$ 632	$ 1,434	$ 57,098	$ 55,057	100.05%	$ 1,895	$ 56,952	99.74%	$ 146
2011	$ 52,269	$ (55)	$ 1,321	$ 53,535	$ 51,691	98.89%	$ 1,747	$ 53,438	99.82%	$ 97
2012	$ 50,167	$ 523	$ 1,133	$ 51,823	$ 50,393	100.45%	$ 1,338	$ 51,731	99.82%	$ 92
2013	$ 52,699	$ 1,105	$ 1,131	$ 54,935	$ 53,856	102.20%	$ 1,015	$ 54,871	99.88%	$ 64
2014	$ 55,089	$ 445	$ 1,067	$ 56,601	$ 55,310	100.40%	$ 1,198	$ 56,508	99.84%	$ 93
2015	$ 57,243	$ 423	$ 650	$ 58,316	$ 56,949	99.49%	$ 1,241	$ 58,190	99.78%	$ 126
2016	$ 54,963	$ 748	$ 295	$ 2,249	$ 55,777	101.36%	$ 172	$ 2,236	99.42%	$ 13
2017	$ 1,877	$ -	$ 112	$ 1,989	$ 1,949	103.84%	$ -	$ 1,949	97.99%	$ 40

Taxes levied include real and personal property, motor vehicle, mobile home, timber, and heavy equipment taxes.
Property taxes levied during the calendar year 2016 are recorded as revenues in the financial statements in 2017 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 2017 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									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Taxable sales	$ 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	$ 5,983,893
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	1,369	1,205	3,690	3,581	4,334	3,938	4,877	4,507	4,578	4,913
City of Clermont	22	20	99	96	107	106	114	114	123	127
City of Lula	75	61	197	192	213	211	225	229	366	378
City of Flowery Branch	97	85	260	252	280	278	296	302	799	825
City of Braselton	1	1	3	3	4	4	4	4	238	246
City of Gillsville	0	0	25	24	27	27	29	29	29	30
City of Oakwood	144	127	385	373	415	412	438	447	589	577
City of Buford	0	0	15	14	16	16	17	17	133	137
City of Resthaven	0	0	0	0	0	0	0	0	5	4

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	
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	$	30,204,640	
2017	$	18,014,321	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, 2017

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)
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
2017	$ -	$ 1,728	$ 443	$ 15,319	$ 24,767	$ -	$ 42,257	0.60%	$ 218

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)
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
2017	$ 3,949	$ 1,226	$ 64,856	$ 33,712	$ 103,743	$ 12,316	$ 66	$ 1,441	$ 13,823	$ 117,566	1.66%	$ 598

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 NET 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)
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%	$ -
2017	$ -	$ -	$ -	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, 2017
(amounts expressed in thousands)

Governmental Unit	*General Obligation Bonded Debt Outstanding*	*Percentage Applicable to Government*	*Amount Applicable to Government*
Hall County Direct Debt [7]	$ 2,171	100%	$ 2,171
Overlapping:			
Hall County Board of Education[1]	29,445	100%	29,445.00
City of Gainesville [2]	19,267	100%	19,267
City of Gainesville Schools [3]	27,601	100%	27,601
City of Oakwood [4]	3,741	100%	3,741
City of Buford[5]	39,053	21%	8,201
Town of Braselton[6]	8,150	15%	1,223
City of Flowery Branch	3,731	100%	3,731
Total overlapping debt	130,988		93,209
Total direct and overlapping debt	$ 133,159		$ 95,380

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 $23,830,000 of general obligation bonds and $3,000,000 of lease-purchase/installment sale debt tax, some of which is intergovernmental contract debt; which is intended to be paid from a 1% educational sales tax, and $2,615,000 qualified zone academy bonds which are intended to be paid from general fund sources.

[2] The City of Gainesville debt is comprised of $19,267,127 governmental activities capital lease debt.

[3] The Gainesville School District debt is comprised of $24,000,642 of general obligation bonds, $980,000 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									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Assessed value of property	$ 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	$ 7,154,995
Debt limit (10% of total assessed value)	722,860	751,098	764,978	743,266	706,094	666,816	660,628	698,757	738,323	715,500
Amount of Debt applicable to limit:										
General obligation bonds	20,703	10,405	-	-	-	-	-	-	-	-
Less: Resources restricted to paying principal	11,290	10,848	-	-	-	-	-	-	-	-
Total net debt applicable to limit	9,413	(443)	-	-	-	-	-	-	-	-
Legal debt margin	$ 713,447	$ 751,541	$ 764,978	$ 743,266	$ 706,094	$ 666,816	$ 660,628	$ 698,757	$ 738,323	$ 715,500
Total net debt applicable to the limit as a percentage of debt limit	1.30%	-0.06%	0.00%	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	$ -	$ -	$ -	-
2017	$ -	$ -	$ -	-

[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)
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%
2017	196,637	$ 7,082,820	$ 36,597	36.5	78.0%	22.7%	27,479	4.20%

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]	2017 Employees	2017 Rank	2017 Percentage of Total County Employment	2008 Employees	2008 Rank	2008 Percentage of Total County Employment
Northeast Georgia Medical Center	7,900	1	11.00%	4,700	1	5.40%
Fieldale Farms	2,550	2	3.55%	2,520	2	2.90%
Pilgrims	1,380	3	1.92%	1,560	3	1.79%
Victory Processing LLC	1,310	4	1.82%			
Kubota Manufacturing of America	1,300	5	1.81%	860	7	0.99%
Mar-Jac Poultry, Inc	1,250	6	1.74%	1,270	4	1.46%
ZF Gainesville, LLC	1,150	7	1.60%			
Cottrell, Inc	990	8	1.38%	490	10	0.56%
Gold Creek Foods	980	9	1.36%			
Wal-Mart	970	10	1.35%	722	8	0.83%
All other employers	52,066		72.47%	74,871		86.07%
Total	71,846		100.00%	86,993		100.00%

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.

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

	Full-time Equivalent Employees as of June 30									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Function										
General government	137	136	125	116	99	94	96	110	116	116
Public safety										
Sheriff										
Officers	423	423	423	496	468	439	429	419	381	365
Civilians	59	59	59	31	18	17	17	31	54	70
Fire and EMS										
Firefighters & EMT's	317	317	316	371	227	305	382	386	361	365
Civilians	16	16	16	11	27	27	10	9	13	9
Other public safety	104	105	118	-	-	-	-	-	112	112
Court system	202	208	207	189	190	193	191	230	249	249
Public works	96	96	90	99	63	60	63	65	64	64
Health and welfare	-	-	-	18	16	30	36	37	1	1
Recreation and culture	43	43	41	44	32	32	31	37	31	31
Housing and development	40	40	30	-	6	6	6	7	25	25
Solid Waste	29	29	29	27	27	29	30	28	26	26
Water & Sewer	-	-	-	-	-	-	-	-	-	-
Total	1,466	1,472	1,454	1,402	1,173	1,232	1,291	1,359	1,433	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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Physical arrests	9,200	9,426	8,664	8,358	7,369	7,557	11,946	-	13,841	11,460
Traffic violations	13,240	13,501	13,767	8,498	9,579	7,178	10,845	-	13,805	13,969
Fire										
Number of calls answered	25,331	26,655	28,048	23,329	23,461	22,965	23,920	25,553	23,394	24,172
Inspections	1,395	1,240	1,262	806	781	1,033	1,074	1,118	2,440	3,661
Highways and streets										
Street resurfacing (miles)	43	52	49	26	14	22	23	21	21	21
Potholes repaired	532	406	531	689	1,139	1,856	1,379	1,673	1,047	644
Sanitation										
Refuse collected (tons/day)	274	284	196	182	165	216	226	183	290	318
Recyclables collected (tons/day)	14	15	10	9	9	14	17	20	22	5
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)	1,950	2,050	205	211	237	275	294	3,071	280	296

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public safety										
Sheriff headquarters &/or precincts	3	3	3	3	3	3	3	3	3	3
Fire Stations	15	15	15	15	15	15	16	16	16	16
Solid Waste										
Compactor Sites	13	13	13	13	13	12	12	12	12	12
Highways and streets										
Streets (miles)	1,052	1,052	1,052	1,056	1,060	1,060	1,060	1,060	1,086	1,056
Streetlights*	312	316	324	320	322	324	324	325	327	329
Traffic signals	35	35	35	38	38	38	38	38	39	44
Culture and recreation										
Parks acreage	1,359	1,359	1,359	1,459	1,459	1,580	1,580	1,580	1,607	1,611
Parks	20	20	20	20	20	22	22	22	23	22
Tennis courts	34	34	34	34	34	37	37	37	36	36
Community centers	4	4	4	4	4	4	4	4	3	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 (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)	32	32	32	32	60	60	60	65	75	81
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 (thousands of gallons)	1,950	1,950	2,050	2,050	2,050	2,750	2,940	1,900	1,850	1,850

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, 2017

FEDERAL GRANTOR/ PASS-THRU GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT/ CONTRACT NUMBER	PROGRAM OR AWARD AMOUNT	SUB-RECIPIENT EXPENDITURES	EXPENDITURES
U.S. DEPARTMENT OF JUSTICE					
-State Criminal Alien Assistance Program (SCAAP)	16.606	2016-AP-BX-0563	$ 53,474	$ -	$ 53,474
-Edward Byrne Memorial Justice Assistance Grant	16.738	2015-DJ-BX-0439	14,064	-	2,468
-Edward Byrne Memorial Justice Assistance Grant	16.738	2016-DJ-BX-1193	15,715	-	15,715
Passed through the Criminal Justice Coordinating Council					
-Edward Byrne Memorial Justice Assistance Grant	16.738	B14-8-016	47,496	-	18,492
			77,275	-	36,675
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	-	32,728
-Victims of Crime Assistance (Solicitor's Office)	16.575	C13-8-103, C14-8-108, C15-8-153	141,980	-	40,525
-Victims of Crime Assistance (District Attorney's Office)	16.575	C14-8-109, C16-8-001	102,126	-	78,035
-Victims of Crime Assistance (Solicitor's Office)	16.575	C14-8-109, C16-8-001	146,012	-	100,429
			489,164	-	251,717
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	-	85,388
-Recovery Act-Edward Byrne Memorial Justice Assistance Grant	16.804	2014-VV-BX-0058, Q15-8-006	162,500	-	80,552
			325,000	-	165,940
TOTAL US DEPARTMENT OF JUSTICE			**944,913**	**-**	**507,806**
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	-	536,290
-Neighborhood Stabilization Program -NSP3 Program Income	14.256	11-ns-6005	1,134,632	-	193,455
			3,781,173	-	729,745
Community Home Investment Program (CHIP 2011)	14.239	2011-814	304,470	-	74,950
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			**4,085,643**	**-**	**804,695**
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	-	70,783
-Highway Planning and Construction	20.205	PI0011801	226,891	-	226,891
-Highway Planning and Construction	20.205	PI0015225	175,000	-	111,352
-Highway Planning and Construction	20.205	PI0015224	80,000	-	27,920
			553,114	-	436,946
Passed-through the Georgia Governor's Office of Highway Safety					
-State and Community Highway Safety	20.600	GA-2017-402PT-144	249,694	72,684	186,611
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			**802,808**	**72,684**	**623,557**
FEDERAL EMERGENCY MANAGEMENT AGENCY					
Passed-through the Georgia Emergency Management Agency					
-Presidential Disaster Declaration	97.036	FEMA-DR-4215-DR-GA	30,000	-	30,000
-Presidential Disaster Declaration	97.036	FEMA-DR-4284-DR-GA	6,870	-	6,870
			36,870	-	36,870
-Emergency Management Performace Grants	97.042	OEM16-071	54,405	-	54,405
-Homeland Security Grant Program	97.067	EMW-2016-SS-00007-S01/SHO16-073	3,000	-	2,254
-Homeland Security Grant Program	97.067	EMW-2016-SS-00007-S01/SHO16-021	9,000	-	8,207
			12,000	-	10,461
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY			**103,275**	**-**	**101,736**
UNITED STATES DEPARTMENT OF TREASURY					
-Equitable Sharing Program	16.922	GA0690000/GA0690010	298,374	-	227,223
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY			**298,374**	**-**	**227,223**
GRAND TOTAL			**$ 6,235,013**	**$ 72,684**	**$ 2,265,017**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
1. This schedule is prepared on the modified accrual basis of accounting.
2. The County did not elect to use the 10% de minimis cost rate as covered in 2 CFR §200.414 Indirect (F&A) costs.

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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 12, 2017

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, 2017, 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 12, 2017. 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 deficienc* 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.

Batts, Lantz 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 12, 2017

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, 2017. 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, 2017. 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, 2017.

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, 2017

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 – Yes.

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, 2017.

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, 2017.

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