200 years
est. 1818

Bicentennial
1818 – 2018







2018

Hall County Government's COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the year ending June 30, 2018

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018



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, 2018

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HALL COUNTY
GEORGIA
We have it all in Hall

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Billy Powell, District 2
Scott Gibbs, District 3
Jeff Stowe, District 4

COUNTY ADMINISTRATOR
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ASSISTANT
COUNTY ADMINISTRATOR
Marty Nix

ASSISTANT
COUNTY ADMINISTRATOR
Lisa Johnsa

COMMISSION CLERK
Lisa A. Ritchie

Hall County Government
BOARD OF COMMISSIONERS

December 10, 2018

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

We are pleased to present the fiscal year 2018 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 2018, 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, 2018, 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 2018. 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, 2018, 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, 2018, are fairly presented in conformity with generally accepted accounting principles (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, 2018. 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, Kathy 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 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 eight years. Between 2010 and 2018, the population changed by 10.9% compared with a state change in population of 7.6%. The fiscal year 2018 (calendar year 2017) estimated population of Hall County is 199,335. 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 40,359 by the U.S. Census Bureau 2017. Other municipalities include Clermont, Flowery Branch, Gillsville, Lula, and Oakwood; as well as, a part of Braselton, Buford, 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 the 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 provides landfill and recycling services, in addition to sewer in north and south Hall County.

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 the financial statements because of their operational and financial relationships to the County. These are the 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 2018, Hall County continued to see signs of strong economic expansion. Local Option Sales Tax collection was 8.5% higher in 2018 than in 2017. The Title Ad Valorem Tax has continued to provide significant revenue to the General Fund for fiscal year 2018. It provided $6.2 million in revenue to the General Fund in fiscal year 2018 compared to $5.49 million in fiscal year 2017. The Tax Digest value realized a 7.4% increase from the prior year. Building permit revenue increased 20.0% from fiscal year 2017 to 2018; additionally, business license revenue has continued to realize positive linear growth of approximately 3.0%. These increases provide the optimism for continued economic growth.

- For 2017 and 2018, *U.S. Site Selection Magazine* has named Gainesville-Hall County as one of the top performing small metro areas in Georgia. *U.S. Site Selection Magazine* also named Georgia the #1 State for Business for the sixth year in a row.

- The County continued to see strong and consistent performance in the local economy. As of June 2018, the unemployment rate is 3.5% compared to last year's rate of 5.1%. This rate is slightly less than the State at 4.2% and the national unemployment rate at 4.0%. The decrease down to 3.5% represents one of the lowest unemployment rates in Georgia, and it is representative of the number of financially strong and diverse industries that can be found in this region of the State.

- The Gateway Centre Industrial Park, located northeast of Gainesville on the Highway 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.

- National surveys consistently rank Gainesville-Hall County as a top location in the United States for small business startups. According to the Georgia Department of Labor, as of 2017, 4,432 business establishments operated in Gainesville-Hall County. Of these, 99% employ fewer than 500 employees and 92.9% have fewer than 50. Thus, making small business development a focal point for community leaders and groups. For example, the Manufacturing Development Center (Business Incubator), that was recently transferred from Lanier Technical College to Brenau University provides a large range of services for startups and provides critical leadership and resources for a small businesses as they navigate the first few years of operations



Aerial view of the Highway 365 Corridor in Northeastern Hall County



The new Lanier Technical College Campus, located on 95-acres just north of Gainesville on Highway 365

Education

- With three higher education institutions located in Hall County – Brenau University, University of North Georgia, and Lanier Technical College – this community is a leader in work force development. Additionally, Lanier Technical College has expanded and is currently relocating its main campus to a 95-acre site north of Gainesville on Georgia Highway 365. The new campus will have 335,000 square feet of teaching space and accommodate 5,000 students. Class will begin on the new campus in January 2019.

- There are more than 35,500 students in grades K-12 between the Hall County and Gainesville City School Systems. Each school system provides rigorous curriculum, including the globally recognized International Baccalaureate (IB) program, STEM (Science, Technology, Engineering, and Math) programs, language curriculum in Spanish, English, and Mandarin Chinese, and programs of choice and career pathways that allow students to focus on their own individual/unique learning interests. Additionally, dual-enrollment has become popular allowing students to get a head start on higher education.

- Hall County and Gainesville School Systems, along with other K-12 institutions and colleges, are participating in work-based learning (WBL) opportunities. Over 700 high school students are participating in WBL, which includes apprenticeships and dual enrollment with local business and industries in the Gainesville-Hall County community. This is a major component of the workforce development initiative within Hall County.

- Hall County has nine private schools including Lakeview Academy, Riverside Military Academy, and Lanier Christian Academy. Riverside Military's Academy annual enrollment averages 530 cadets from 30 states and 25 nations. The annual economic impact that cadets and their families bring to Hall County each year is $35 million.

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 Park, home to the 1996 Atlanta Centennial Olympic Games, continues to host many international rowing and canoe/kayak events in North Hall County. Recent capital investments at the Lake Lanier Olympic Park are leading to additional events like the ICF Dragon Boat World Championships in September 2018.



- 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, and hosts the annual Petit Le Mans race.

- Hall County is home to the Northeast Georgia History Center, located on the Brenau University campus in downtown Gainesville, with a main focus to preserve and share the history of northeast Georgia from the past 150 years.

- 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.



- The Atlanta Botanical Garden - Gainesville features a visitors 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 boasts 1,300 acres of peace and tranquility. The park provides cottages, campsites, picnic shelters, shoreline to Lake Lanier, boat ramps, beaches, and recently committed to adding a 12.5 mile network of hiking and equestrian trails.

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 410-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 to CareChex, an independent healthcare quality rating service. Designated as a Level II Trauma Center, NGMC continues to surpass the $1.5 billion mark in annual local and state economic impact, according to a study conducted by the Georgia Hospital Association.

- Recently announced, Northeast Georgia Medical Center will implement a Graduate Medical Education program beginning in July 2019. This is a mutually beneficial program for the hospital and community, acknowledging that the resident physicians will purchase homes, shop locally, dine in our restaurants, and raise families. According to research conducted by the University of Georgia's Carl Vinson Institute of Government, the NGMC Graduate Medical Education program has the potential to positively enhance the local economy by creating 300 jobs by 2023 and generate an economic impact of $66 million from 2019-2023. Once the program is established and at full capacity, estimated by 2023, the economic impact is estimated to be approximately $18 million per year.

- The Northeast Georgia Medical Center is one of the largest employers in Hall County, with hospitals in the City of Gainesville, the Town of Braselton, and Barrow County, totaling more than 713 beds, more than 700 medical staff, and more than 50 specialties. NGMC announced in summer 2018 an agreement with the owner of Chestatee Regional Hospital to purchase the hospital property in Dahlonega, located just to the north of Hall County. NGMC has made significant investments in new equipment, enhanced services, and is focused on serving this growing region and meeting the needs of the community.



Northeast Georgia Medical Center Braselton Campus, located in South Hall County.

MAJOR INITIATIVES & ACCOMPLISHMENTS

Fiscal year 2018 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 (parks and leisure capital investments, housing initiatives, and property beautification), and initiate new programs to benefit residents, including the following:

General Government

Administration

Under the direction of the Board of Commissioners, and in conjunction with staff, Hall County Administration oversaw the implementation of the 2018 Hall County Strategic Plan. This document was a collaborative effort between County Officials and stakeholders in the community. The Strategic Plan document required significant time, energy, research, and collaboration and will provide a blueprint for significant County initiatives for the next 10 years. Throughout fiscal year 2018, Administration oversaw a department restructure, consolidating the number of departments that report directly to County Administration to 10. This endeavor streamlined communication and has increased organizational efficiency. As part of the reporting department restructuring, Administration also restructured by adding a second Assistant County Administrator to focus on daily operations. This allows the other Assistant County Administrator position to concentrate on capital programs and projects due to the significant exponential growth of the County. Additional strategic accomplishments by Administration include modifying the agenda approval process to better facilitate policy/financial decisions, initiation of a senior management development program, addition of a Deputy Clerk for enhanced record keeping, improvements to communication strategy, implementation of dashboard reporting, and began the process of establishing an internal construction management division to oversee County vertical construction projects.

Financial Services

Financial Services has continued to manage a highly conservative annual operating and capital budget. Fiscal year 2018 resulted in re-establishing the Capital Projects Fund which helps to better manage capital outlays, including the acquisition or construction of capital facilities, vehicle replacement, equipment, and other capital items. The Capital Projects Fund is part of a greater initiative countywide to focus on improving capital infrastructure and investments to better align the demand of County stakeholders to Hall County's ability to provide services in an efficient, effective, and highly professional manner. Additionally, Financial Services implemented a five-year operating forecasting tool that allows County leadership to make more informed business decisions in real time while being cognizant of the future financial impacts of those decisions.

In May 2018, Financial Services fully implemented 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. The project took just over two years to complete and was a collaborative effort between all departments in the County and a third party software provider. The Accounts Payable Division of Financial Services established the workflow system and led all departments through the implementation process, which was considered a huge success.

Public Information

January 2018 marked the beginning of a yearlong celebration of the 200th anniversary of Hall County, culminating with the December 15, 2018 bicentennial date of the County's incorporation (Hall County was established on December 15, 1818). To commemorate the County's bicentennial, the Public Information Office produced a yearlong series on local public television about the history of Hall County, a public celebration and free concert in the fall as part of the annual Mule Camp Market, and a public art sculpture exhibit on the grounds of the Hall

County Government Center. The Bicentennial Sculpture Exhibition celebrates the County's art and culture throughout its 200-year history. Memorial Park Funeral Home had a sculpture of Lyman Hall commissioned and donated. This sculpture directly ties to the event of Hall County's historic founding, as Dr. Lyman Hall, who was a governor, minister, and physician, is the County's namesake and signer of the United States Declaration of Independence.



Lyman Hall Sculpture on the grounds of the Hall County Government Center

Hall County provides government services to numerous stakeholders throughout the greater Hall County community and Northeast Georgia Region. All employees operate the daily business of the government following the organizational values established by the Board of Commissioners. 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.

Judicial Services

This function of Hall County Government includes Superior Court, State Court, Probate Court, Magistrate Court, Juvenile Court, Solicitor's Office, District Attorney, Public Defender, the Clerk of Court, Treatment Services, and Probation Services. During the fiscal year 2018, the Judicial System expanded to a 5th Superior Court judgeship due to Hall County's growing population. The new judgeship required budgetary increases for the Superior Court, District Attorney, Public Defender, the Clerk of Court, and the Sheriff's Office that totaled approximately $1.2 million. The full cost of this new program was not realized in fiscal year 2018 due to the timing of startup costs and on-boarding of staff. Significant capital investment has continued throughout fiscal year 2018 at the downtown Courthouse Complex. A major renovation and remodel of the Courthouse Annex was completed to provide relief to the growing Hall County Main Courthouse. The project was budgeted at $2.5 million and is funded out of SPLOST VII and has provided office space and courtrooms for Probate Court and Juvenile Court. Additionally, the Main Courthouse will have to be slightly modified to provide better functionality to Superior Court, State Court, the Solicitor General's Office, Court Administration, and the Sheriff's Court Services Division, which is currently in process. The Main Courthouse also received a new roof, including enhancements to the roof design to provide a more sustainable water barrier in the future. Final expenditures for this project have been realized at approximately $1.0 million.

Public Works

Engineering/Roads

Hall County is responsible for over 1,100 lane miles of road, which is evaluated on an annual basis and rated using a scoring system to identify resurfacing priorities. In addition to the annual resurfacing projects, the major road project throughout fiscal year 2018 was the Spout Springs Road Widening Project from a rural two-lane road connecting Flowery Branch to Braselton, to a more robust, efficient, and safer stretch of road for Hall County residents and visitors. Right-of-way acquisitions began in fiscal year 2017 and will continue through fiscal year 2019, with a total project budget of $20 million as approved by voters in SPLOST VII. Additional projects included the Sardis Road and Ledan Extension roundabout construction with total expenditures of approximately $430,000; Joe Chandler Road and Hubert Stephens Bridge at Wahoo Creek replacement; the Tumbling Creek Bridge which will provide a safe and efficient crossing over the Norfolk Southern Railroad; and numerous culvert replacements throughout the County.

Water and Sewer System

The County completed installation of sewer along the Highway 365 corridor 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 was SPLOST VII. The Highway 365 corridor has been identified in the Hall County Strategic Plan as a vital artery for continued economic success in Hall County, while also serving as the gateway to Northeast Georgia and Appalachian Mountains. The Gateway Industrial Centre is located inside a 7,000 acre basin along Highway 365 that is the current nucleus for commercial development. Additional capital investments at the Spout Spring Reclamation Facility located in South Hall County commenced during fiscal year 2018, and included a dewatering operation to increase the efficiency and quality of the sewer treatment plan. County leadership spent significant time during fiscal year 2018 strategically identifying future capital investments for the sewer system in the coming years and have determined it necessary to move forward with a Comprehensive Sewer Master Plan. The updated master plan is expected to be complete in the 4th quarter of fiscal year 2019 and will include a 20 year capital investment plan and financial pro forma to help intentionally expand the sewer system.

Public Safety

Fire and Emergency Medical 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 2018 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. Continual capital investment and equipment replacement was the emphasis during fiscal year 2018. Renovations of fire stations built in the late 1980s/early 1990s, roof replacement, resurfacing of fire station parking lots, investment in portable radios, vehicle/apparatus replacement (ambulances, administrative vehicles, and fire heavy rescues/pumpers), and various other lifesaving equipment were the priorities.

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 detention centers (1,134 inmate capacity). The Sheriff's Office's sincere and dedicated commitment to protect "all we serve" is highlighted in the $33.24 million operating budget, which represents the largest program service budget in the General Fund.

During fiscal year 2018, Sheriff Gerald 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, adding ten new full time positions at the Hall County Detention Center will continue the adequate and safe staffing of the facility due to the growing detention center population.

Recreation and Culture

Parks and Leisure

In fiscal year 2018, the Parks & Leisure Services Department continued to maintain and operate one of the largest and most diverse park systems in the state. Consisting of 28 facilities/parks and approximately 1,975 acres, our parks offer something for everyone. Community centers, athletic complexes, green-space, trails, campgrounds, beaches, and a reservoir all offer something unique and make Hall County a great place to work and play.

Fiscal year 2018 focused primarily on the completion of the Healan's Mill stabilization and restoration project. This public-private project, in conjunction with the Healan's-Head's Mill Historic Preservation Trust, is a restoration, preservation, and development venture that will serve as a landmark and tourist/cultural center. Located on the 365 corridor near the Gateway Centre, Healan's Mill was originally built in 1852 and is nationally recognized as a Historic Mill of America. In February 2018, Hall County purchased 95.37 acres of land adjacent to the existing mill property for future development as a heritage/community center with hiking trails. Additionally, the County continued to make various park improvements, including restroom repairs, ball field enhancements, new fencing, and resurfaced tennis courts. One highlight from the year was the re-opening of Platt Park in South Hall County. This park was closed in 2011 due to county budget cuts, but was reopened in July 2018, with the majority of the work and expenditures occurring in fiscal year 2018. Platt Park features basketball courts, picnic tables, upgraded playground equipment, large pavilion with capacity of 80-100 people, and pickleball courts. In fact, this is the first Hall County Park with designated pickleball courts, which is a very popular paddle sport combining elements of tennis, badminton, and table tennis.



Upgraded playground equipment at newly re-opened Platt Park in South Hall County

Agencies and Strategic Partnership

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 were able to partner to provide renovations to the existing Senior Life Center. Hall County's portion of the investment was $1.5 million (SPLOST VII funding) and was used to renovate and expand the physical space of the Senior Life Center. The project included an exterior and interior face lift, updated kitchen and dining room, expanded programming rooms for games, exercise, computer access, relaxation, and meetings. 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.

Since 2014, Hall County has invested $1 million in the Lake Lanier Olympic Park Rowing Venue to assist with capital upgrades and annual operating expenditures. This investment has played a significant role in the additional number of annual events held at this facility. As one of the few remaining facilities from the 1996 Centennial Olympic Games, the Lake Lanier Olympic Park is continuing to have significant impact on our community. This has been confirmed time and again, and most recently with hosting the 2018 ICF Dragon Boat World Championships, which was the largest international sporting event in the area since the 1996 Olympic Games.

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 2018 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, 2018 (end of year three), proceeds collected were 4.4% 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 countywide debt (governmental and business-type activities) by $29.4 million, from $70.7 million to $41.3 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 budgetary 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 Financial Services 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 Financial Services Department in conjunction with the public accounting firm of Bates, Carter and Company, LLP.

Awards and Acknowledgements

In 2018, for the 26th consecutive year, Hall County received a Certificate of Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for fiscal year 2017. 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.

As we pause to celebrate Hall County's 200th anniversary, filled with a rich history of excellence and strong leadership, we look to the future for continued success. Through strong financial performance and prudent planning for future capital investment and operational functions, Hall County is poised to build up its strong past with a dedicated passion for a more successful future. 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
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

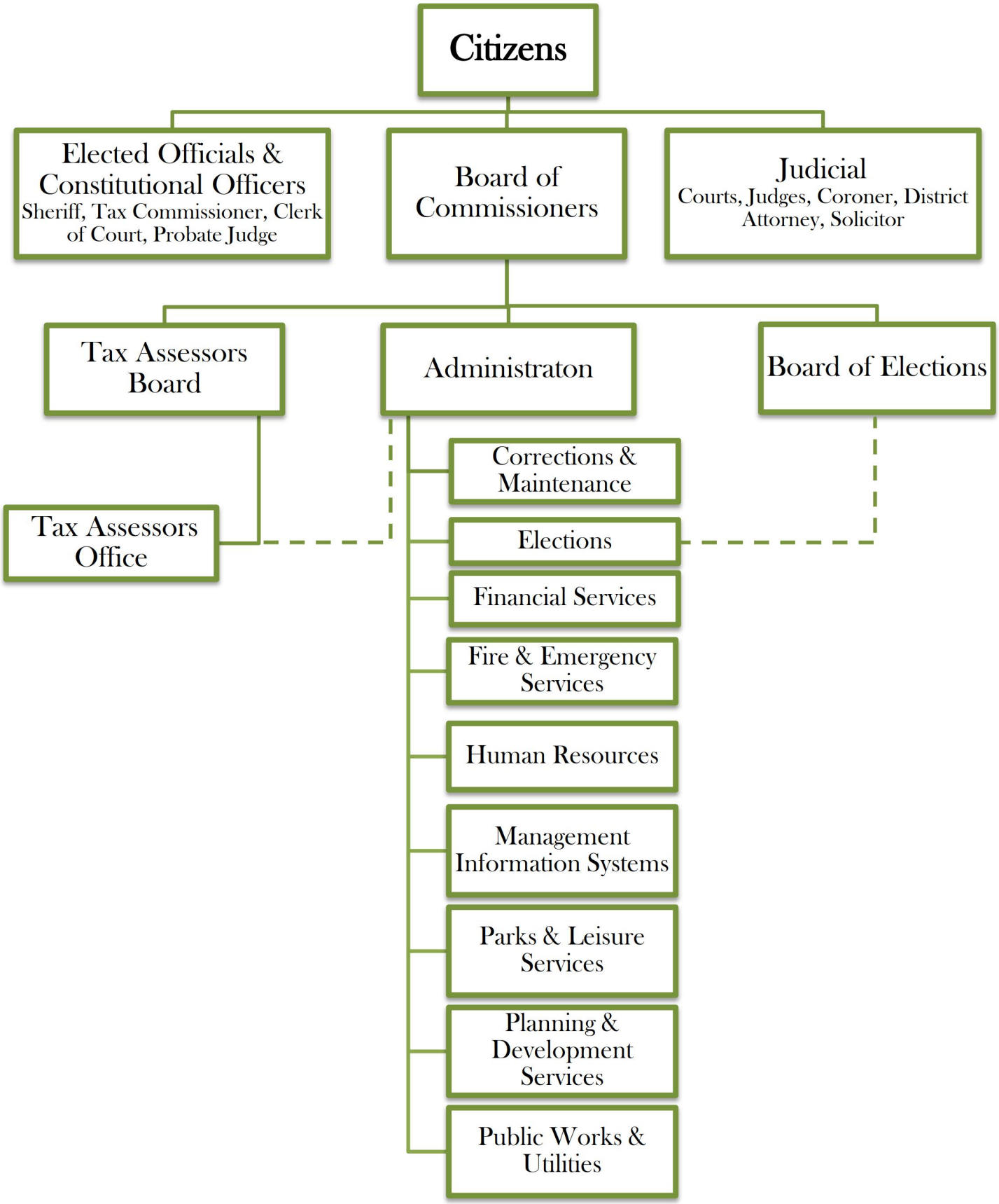
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO


Citizens
Elected Officials & Constitutional Officers
Sheriff, Tax Commissioner, Clerk of Court, Probate Judge
Board of Commissioners
Judicial
Courts, Judges, Coroner, District Attorney, Solicitor
Tax Assessors Board
Administraton
Board of Elections
Tax Assessors Office
Corrections & Maintenance
Elections
Financial Services
Fire & Emergency Services
Human Resources
Management Information Systems
Parks & Leisure Services
Planning & Development Services
Public Works & Utilities

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

Constitutional Officers and Elected/Appointed Officials

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

Administration

Jock Connell
County Administrator



Marty Nix
Assistant County Administrator



Lisa Johnsa
Assistant County Administrator



Katie Crumley
Public Information Officer



Lisa Ritchie
Commission Clerk

Hall County Department Heads

Corrections and Maintenance	**Walt Davis**
Court Services	**Reggie Forrester**
Elections and Voter Registration	**Lori Wurtz**
Financial Services	**Zachary Propes**
Fire and Emergency Services	**Chris Armstrong**
Human Resources	**Bill Moats**
Management Information Systems (MIS)	**James Thomas**
Parks and Leisure Services	**Mike Little**
Planning and Development Services	**Srikanth Yamala**
Public Works and Utilities	**Ken Rearden**
Tax Assessor's Office	**Steve Watson**

BatesCarter
Exceeding expectations. Always.

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GAINESVILLE, GEORGIA 30503
WWW.BATESCARTER.COM

INDEPENDENT AUDITORS' REPORT

December 10, 2018

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, 2018, 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, 2018, which represent 0.90%, 0.76%, and 0.79%, 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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the County recorded OPEB liability according to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Net Pension Liability - ACCG Restated Pension Plan for Hall County Employees, Schedule of Contributions - ACCG Restated Pension Plan for Hall County Employees, Schedule of Notes to Required Supplementary Information - ACCG Restated Pension Plan for Hall County Employees, Schedule of Changes in the Net OPEB Liability and Related Ratios - Hall County, Georgia Postretirement Health and Life Insurance Benefit Plans, Schedule of Employer Contributions - Hall County, Georgia Postretirement Health and Life Insurance Benefit Plans, Schedule of Notes Required Supplementary Information - Hall County, Georgia Postretirement Health and Life Insurance Benefit Plans, 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 which is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, 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 10, 2018, 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 the effectiveness of the HALL COUNTY, GEORGIA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering HALL COUNTY, GEORGIA's internal control over financial reporting and compliance.

Bates, Carter & Co., LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Hall County, Georgia, we offer the readers of Hall County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2018. 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 the 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 and special revenue funds. Capital projects funds have project length budgets, which are adopted for the duration of the project. An annual budget for capital project funds is used for management purposes of these funds to facilitate fiscal control and accounting of activities. 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 programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Hall County maintains seven fiduciary funds 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, 2018 was $455,819,385. Of this amount, $455,621,361 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 $198,024.

- As of June 30, 2018, the County's governmental funds reported combined ending fund balance of $54,558,524, a change of $1,291,448 in comparison with the prior year. The increase in the fund balance for the General Fund and Fire Service Fund was strategic to transition governmental operating funds to three months of 25 percent operating reserves and to have the necessary fund balance in the General Fund to establish the three new special tax districts - Emergency Services, Development Services, and Parks and Leisure - with three months operating reserves in fund balance. SPLOST, Capital Projects, and Non-Major funds decreased by a combined total of $(2,448,872) due to the timing of capital projects being completed and the timing of operating expenditures. The Impact Free Fund increased by $434,662 due to increases in revenue above projections and timing of operating and capital expenditures.

- As of June 30, 2018, the County's General Fund reported a fund balance of $23,916,224; an increase of $2,468,919 in comparison with the prior year. This increase was mainly due to the strategic transition of operating funds to three months or 25 percent operating reserves and to have the necessary fund balance in the General Fund to establish the three new special tax districts – Emergency Services, Development Services, and Parks and Leisure – with three months operating reserves in fund balance.

- As of June 30, 2018, SPLOST VII completed its third full year of collections. Major accomplishments for fiscal year 2018 include new ambulances placed in service, renovations to the Community Service Center located in Gainesville, sewer system enhancements along the Hwy 365 corridor, and road/bridge infrastructure improvements.

- Hall County's total long-term debt changed by $2,218,849. The Net OPEB liability for the County increased by $4,007,697 and the Pension liability for the County decreased by $2,571,379. The County reduced its principal balances of debt by $2,804,577. Additionally, the County realized a $17,198,986 change in accounting estimate that adjusted Net OPEB liability beginning balance due to a change to the OPEB liability in accordance with GASB Standard 75. 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 $455,819,385 at the close of the fiscal year. This represents a change in net position from fiscal year 2017 of $26,110,101.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current and other assets	$ 77,348	$ 74,535	$ 38,444	$ 31,762	$ 115,792	$ 106,297
Capital assets (net of depreciation)	376,531	375,822	121,141	115,942	497,672	491,764
Total assets	453,879	450,357	159,585	147,704	613,464	598,061
Total deferred outflows of resources	695	1,969	30	84	725	2,053
Long-term liabilities outstanding	91,687	105,914	54,051	53,910	145,738	159,824
Other liabilities	11,217	9,132	594	1,449	11,811	10,581
Total liabilities	102,904	115,046	54,645	55,359	157,549	170,405
Total deferred inflows of resources	787	-	34	-	821	-
Net position						
Net investment in capital assets	372,180	373,651	83,442	75,855	455,622	449,506
Restricted	29,487	29,657	1,617	1,488	31,104	31,145
Unrestricted	(50,784)	(66,028)	19,877	15,086	(30,907)	(50,942)
Total net position	$ 350,883	$ 337,280	$ 104,936	$ 92,429	$ 455,819	$ 429,709

Table may not add due to rounding

By far the largest portion of the County's net position (100.0%) at June 30, 2018, 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 (6.8%) represents resources that are subject to external restrictions on how they may be used.

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

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues						
Charges for services	$ 32,866	$ 30,572	$ 10,940	$ 11,137	$ 43,806	$ 41,709
Operating grants and contributions	7,545	5,150	40	-	7,585	5,150
Capital grants and contributions	3,038	4,290	2,202	152	5,240	4,442
General revenue						
Property taxes	69,860	59,514	-	-	69,860	59,514
Sales taxes	58,074	53,536	-	-	58,074	53,536
Other taxes	12,848	12,332	-	-	12,848	12,332
Gain on sale of assets	-	1,343	80	9	80	1,352
Unrestricted investment earnings	55	37	-	-	55	37
Grants and contributions not restricted to a specific program	16	24	-	-	16	24
Total revenue	184,302	166,798	13,262	11,298	197,564	178,096
Expenses:						
General government	26,305	22,488	-	-	26,305	22,488
Judicial	21,283	19,269	-	-	21,283	19,269
Public safety	84,033	79,791	-	-	84,033	79,791
Public works	32,210	28,682	-	-	32,210	28,682
Public health and welfare	3,697	4,113	-	-	3,697	4,113
Recreation and culture	7,950	7,901	-	-	7,950	7,901
Housing and development	4,408	3,966	-	-	4,408	3,966
Interest and paying fees	100	91	-	-	100	91
Solid waste	-	-	7,763	6,935	7,763	6,935
Water and sewer	-	-	4,338	4,163	4,338	4,163
Total expenses	179,986	166,301	12,101	11,098	192,087	177,399
Increase in net position before transfers	4,316	497	1,161	200	5,477	697
Transfers	(8,882)	(7,257)	8,882	7,257	-	-
Increase (Decrease) in net position	(4,566)	(6,760)	10,043	7,457	5,477	697
Prior period adjustment	(894)	(1,530)	4,318	(65)	3,424	(1,595)
Change in accounting principle/estimate	19,063	-	(1,854)	2,891	17,209	2,891
Net position, beginning of year	337,280	345,570	92,429	82,146	429,709	427,716
Net position, end of year	$ 350,883	$ 337,280	$ 104,936	$ 92,429	$ 455,819	$ 429,709

The comparative schedule of changes in net position denotes a change of $25 million in net position.

Revenue increased $19,468 million in fiscal year 2018. The increase in Governmental Activities is attributable to the property tax growth due to real and reassessment (property value) growth in the tax digest, an increase in the General M&O millage rate from 5.716 to 6.700, sales tax increases, title ad valorem tax increases, and a larger distribution from the State for insurance premium taxes. Charges for services realized positive growth due to increases in EMS fees, State Court fines, Landfill tipping and recycling fees, and Parks and Leisure program fees and rental income. Additionally, the County realized an increase in grants and contributions due to increased County-wide grant activity, including housing rehabilitation, accountability courts, FBI contributions to build a new gun range and training facility in coordination with the Hall County Sheriff's Office, and proceeds from land sales associated with the Gateway Industrial Centre. The increase in Business-type Activities is due to residential and commercial growth resulting in new customers being served by the sewer system. Additionally, a 21% increase in connection/tap fees is due to new construction/developments being initiated during fiscal year 2018 which will be used for future capital improvements or debt service payments. Additional increases are due to the continued surges in volume at the landfill and the associated tipping fees which realized an 18% increase from the prior year. Expenses increased by $14.69 million (8.3%) from the previous year. The primary reasons for this increase were cost of living increases of 2.5% for all County employees, the implementation of a 5th Superior Court Judge due to Hall County's growing population, additional full-time positions at the Hall County Jail to adequately and safely staff the growing jail population, increases in indigent defense requirements for Juvenile Court hearings, additional capital funding to re-establish the Capital Programs Fund to better address the County's aging capital, 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.

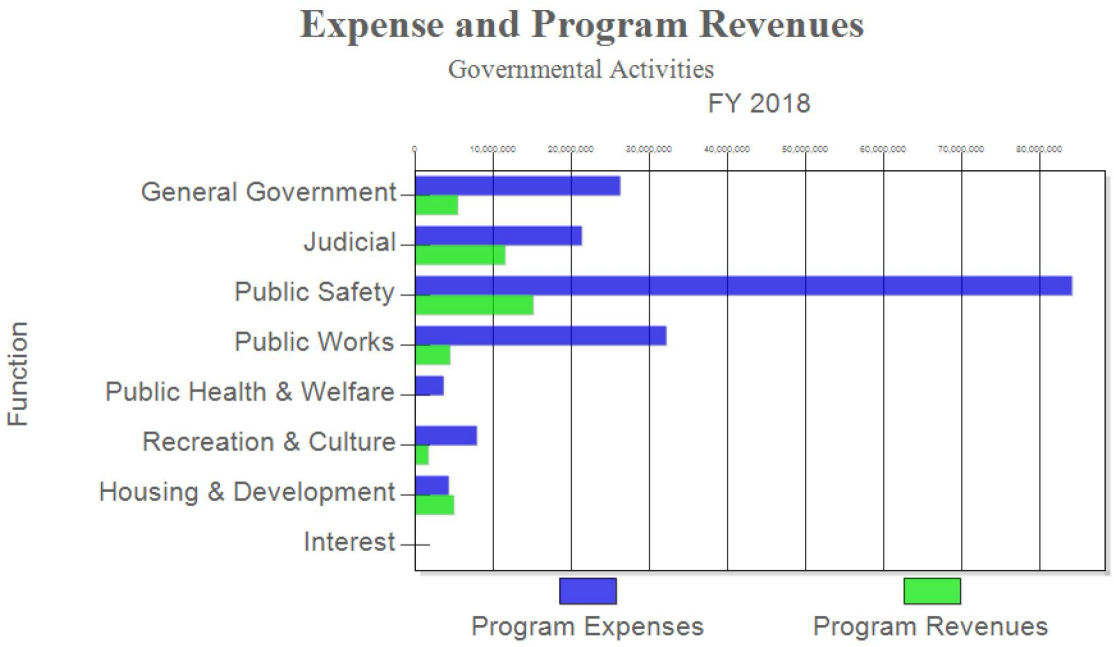
Governmental Activities:

Governmental activities net position overall had a 4.0% increase from fiscal year 2017 to fiscal year 2018. This change is the result of increases in revenue that were greater than the increase in planned expenditures. Additionally, Hall County implemented a goal to strategically increase unassigned fund balance in the General and Fire Services Funds to three months or 25% of annual operating expenditures. The County continued its practice of using available funds as cost effectively as possible.

- Revenues saw an overall increase during 2018. This was attributable to growth in the tax base, the increase of the General Maintenance and Operations millage rate from 5.716 to 6.700, an increase in sales tax allocation, increases in sales and insurance premium taxes distributed from the State, and additional operational/capital grants and contribution revenue.

- Expenses increased $13.69 million from fiscal year 2017. This primarily is due to increased personnel costs (2.5% cost of living adjustment) in General, Fire, Enhanced 911, and Other Nonmajor funds; new/expanded programs as a result of a 5th Superior Court Judge, new positions to adequately and safely staff the Hall County Jail, and Juvenile Court indigent defense increases; and increases due to the timing of capital investment funded through SPLOST funds and the Capital Programs Fund.

The following charts show activities by function:



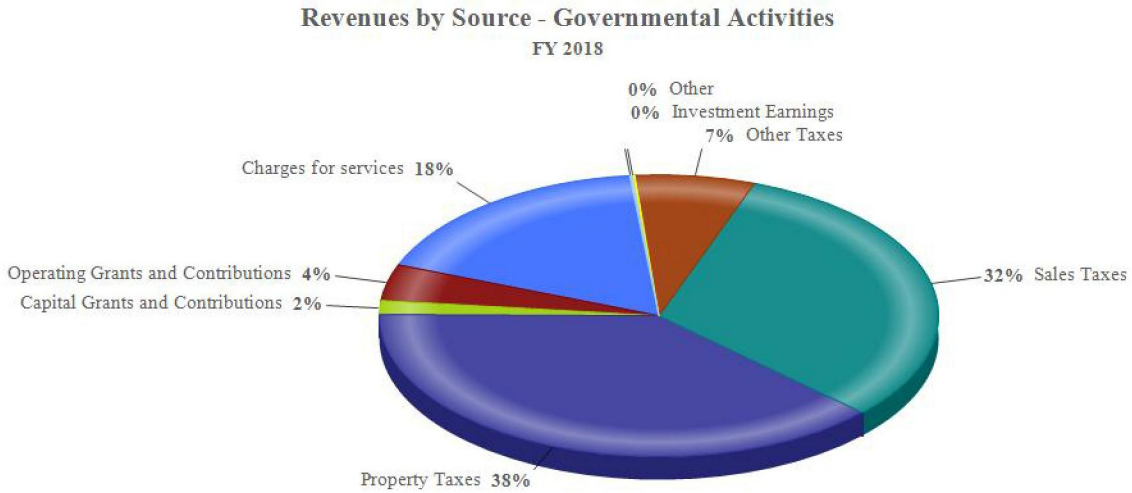


Chart shows all sources of revenue collected for governmental activities not limited to program revenue.

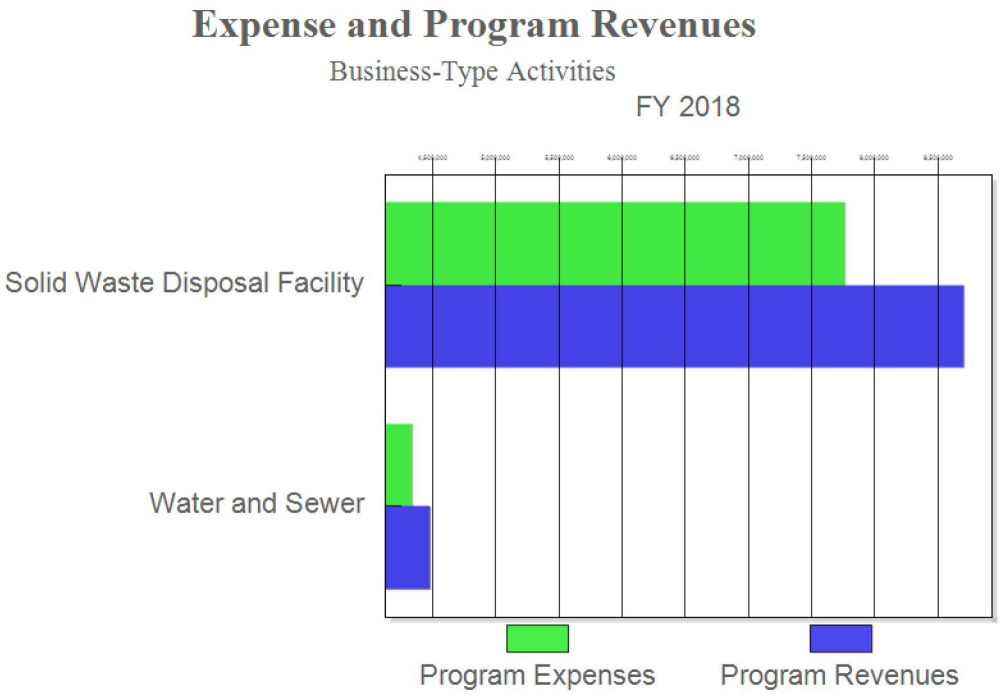
Business-Type Activities:

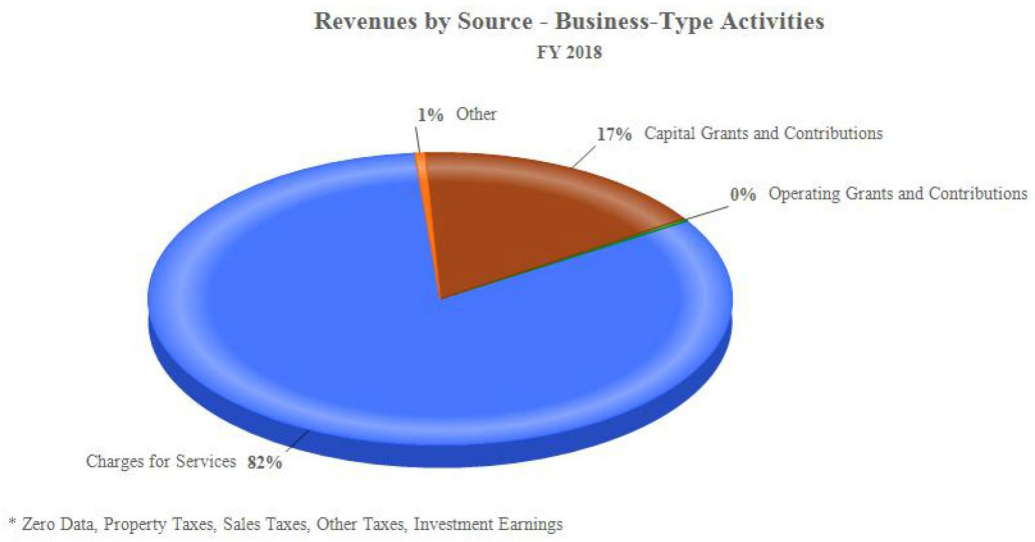
Business–type net position increased by $10.04 million. Key elements of this increase are:

- The Solid Waste Disposal Facility Fund net position increased by $786,875. This was due to an increase in operating financial activity. The operating income of $729,395 was due to an increase in recycling and landfill tipping fee revenues due to increases in collection volume.

- The Water and Sewer Fund net position increased by $9,307,052. The majority of the change is the result of transfers from the General Fund for the early redemption of outstanding debt for the Hall County Facilities Glades Reservoir Project, Series 2010 in August 2018, which was subsequent to year end, to reimburse the Water and Sewer Fund for fiscal year 2018 debt service payments associated with the Hall County Facilities Glades Reservoir Project, and to forgive an intergovernmental due to/from related to the establishment of the original Water Utility Fund from the 2000s. Additionally, transfers from the SPLOST Fund continue to be realized for Mulberry Creek Sewer Phase I and II debt service payments as approved by voters on the SPLOST VII Referendum. Finally, $2.9 million of capital projects from other funding sources being realized as fixed assets in the Water and Sewer Fund have been included as transfers. Additionally, the change in net position increased due continued increases in connection/tap fees from new construction/developments being initiated during fiscal year 2018 which will be used for future capital improvements or debt service payments

The following charts show activities by enterprise operation:





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 $54,558,524, a change of $1,291,448 in comparison to the prior year. The increases in the General and Fire Services Fund Balances were planned as part of the fiscal year 2018 initiative to increase unassigned fund balance in these funds to three months or 25% of operating expenditures and to prepare for the implementation of the three new tax service districts in fiscal year 2019 due to the 2017 Service Delivery Agreement. Additionally, the Impact Fee Fund Balance increased due to the timing and completion of capital projects. The County realized decreases in the SPLOST, Capital Projects, and Other Nonmajor 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 $23,916,224. 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 23.3% of total general fund current operating expenditures which is an increase over last year of 2.4%.

The Capital Projects Fund accounts for the financial resources used for the purchase and construction of major capital facilities, facility and building renovations/improvements, technology enhancements, and vehicle/heavy equipment purchases, other than those accounted for in specific funds. At the end of the current fiscal year, fund balance of the Capital Projects Fund was $1,580,113. The decrease of $(9,422) is nominal and confirms the County's quality in effectively managing capital projects.

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 $1,812,402 to $2,247,064 or 24.0% increase. The increase in this fund comes from a combination of growth in the residential and commercial construction market and the timing of capital projects. Fiscal year 2018 expenditures include quarterly allocations to the Hall County Library System for the purchase of new books, acquisition of land adjacent to the Healan's Head Historic Mill for future park/greenspace use, and continued enhancements to Hall County's most recently opened new park, Cherokee Bluffs. Otherwise, there were no other significant capital projects initiated during fiscal year 2018. 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 three 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. Currently, Hall County is managing two separate SPLOST programs – SPLOST VI and SPLOST VII. Sales tax collections for SPLOST VI ended as of June 30, 2015, and collections for SPLOST VII began as of July 1, 2015. SPLOST VI is continuing to realize annual capital expenditures due to the timing and completion of projects. SPLOST VI funds were approved by voter referendum for 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. For fiscal year 2018, SPLOST VI had a few major projects including the renovation of the Courthouse Annex to allow for more efficient and effective use of the downtown Courthouse Complex for the growing Judicial Branch by relocating the Probate and Juvenile Courts from the Main Courthouse to the Courthouse Annex. Additional expenditures included completion of the McEver and Jim Crow Road intersection improvement project.

SPLOST VII was approved by voter referendum in March 2015 and includes funding for public works projects related to road and traffic improvements; parks and leisure enhancements/improvements; renovations to the main Hall County Library and senior/community center; construction of a new landfill cell; technology infrastructure, including the Enhanced 911 system upgrade; building improvements/rehabilitation; fire and emergency equipment; and water and sewer system projects. At the end of fiscal year 2018, SPLOST Fund reported a fund balance of $15,653,386, which represents a change from last year of $(2,071,357). This decrease is a result of normal timing and completion of various capital projects due to fiscal year 2018 being the third year of the SPLOST VII program. These projects include new ambulances, E911 technology enhancements, sewer improvements along the Highway 365 corridor, road projects including right-of-way acquisition for the Spout Spring Road widening project, construction of new bridges on Joe Chandler Road and Hubert Stephens Road, various building improvements such as replacement of the main courthouse roof, park and recreation facility improvements, and 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 $4,797,243, a 21.1% change from fiscal year 2017. This increase is due to an increase in property taxes from growth in the tax digest and a seven percent increase in the insurance premium tax allocation from the State of Georgia. Additionally, management and staff closely monitored all expenditures throughout fiscal year 2018 to effectively manage the budget. The fund balance represents 21.0% of total fund expenditures.

Governmental Fund Revenue and Expenditure Comparison

($ in thousands)

Revenue	2018	2017	Inc/Dec	%Inc/Dec	Expenditures	2018	2017	Inc/Dec	%Inc/Dec
Taxes	$ 140,757	$ 125,490	$ 15,267	12.2 %	General Government	$ 24,040	$ 19,673	$ 4,367	22 %
License and Permits	3,632	3,226	406	12.6 %	Judicial	19,840	18,252	1,588	9 %
Intergovernmental	10,536	7,619	2,917	38.3 %	Public Health and Welfare	3,454	3,874	(420)	(11)%
Fines and Forfeitures	6,826	6,195	631	10.2 %	Public Safety	75,828	72,370	3,458	5 %
Charges for Services	22,224	20,814	1,410	6.8 %	Public Works	13,316	10,624	2,692	25 %
Investment income	55	27	28	103.7 %	Recreation and Culture	6,502	6,535	(33)	(1)%
Miscellaneous	247	343	(96)	(28.0)%	Housing and Development	4,269	3,927	342	9 %
					Intergovernmental	8,035	7,310	725	10 %
					Capital Outlay	20,216	17,897	2,319	13 %
					Debt Service	534	376	158	42 %
Total Revenues	$ 184,277	$ 163,714	$ 20,563	12.6 %	Total Expenditures	$ 176,034	$ 160,838	$ 15,196	123 %

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

Hall County Governmental Funds

Fund Balance

($ in thousands)

	2018	2017	Incr/(Decr)	% Incr/(Decr)
General Fund	$ 23,916	$ 21,447	$ 2,469	11.5 %
Fire District	4,797	3,961	836	21.1 %
SPLOST	15,653	17,725	(2,072)	(11.7)%
Capital Projects	1,580	1,590	(10)	(0.6)%
Impact Fees	2,247	1,812	435	24.0 %
Non-Major Funds	6,364	6,733	(369)	(5.5)%
Total Fund Balance	$ 54,557	$ 53,268	$ 1,289	2.4 %

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)

	2018	2017	Incr/(Decr)	% Incr/-Decr
Solid Waste Disposal	$ 12,855	$ 13,922	$ (1,067)	(7.7)%
Water and Sewer	92,034	78,408	13,626	17.4 %
Internal Service	5,624	7,806	(2,182)	(28.0)%
Total Net Position	$ 110,513	$ 100,136	$ 10,377	10.4 %

Unrestricted net position of the Solid Waste Disposal Facility and Water and Sewer Fund at the end of the year amounted to $19,830,101. This represents a change of $4,843,449 from unrestricted net position as of June 30, 2017. 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 $102,104,569. In February 2018, the Board of Commissioners amended the General Fund budget to better reflect revenue projects and reduce the planned use of fund balance committed for operations during fiscal year 2018. The final budget was $105,710,760. The actual revenue (inflow) was $108,002,467, which varied from final budget by $2,291,707. The actual expenditures (outflows) were $105,533,548 which varied from the final expenditure budget by $177,212. That represented a change of $10,778,501 from prior year. The net result is a $2,468,919 decrease in the General Fund balance. The expenditure reductions are summarized below and implementation began in fiscal year 2018.

- General M&O millage rate increase to 6.700 (an increase from 5.716 the previous year)
- Sales tax and title ad valorem tax proceeds increase
- Maintained efficient and cost effective operational and service delivery models
- Implemented 5th Superior Court Judgeship as required by State due to growing population
- New positions at the Hall County Jail to adequately and safely staff the facility due to growing inmate population
- Capital purchases were limited to necessary purchases; however, additional funding was realized in the Capital Projects Fund to address the County's aging capital

Actual expenditures came in $177,212 below budget and can be summarized as follows:

- General Government was under budget by $75 thousand
- Judicial was under budget by $46 thousand
- Public Safety over budget by $29 thousand
- Public Works under budget by $3 thousand
- Public Health and Welfare budget to actual resulted in a zero variance.
- Recreation and Culture was over budget by $5 thousand
- Housing and Development was under budget by $19 thousand

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

General Fund
For the Year Ended June 30, 2018

	Budget		Actual	Variance of Final Budget
	Original	Final		
General Government	$ 23,801,069	$ 27,479,811	$ 27,404,617	$ 75,194
Judicial	17,327,780	17,321,691	17,275,628	46,063
Public Safety	45,851,620	45,956,126	45,927,186	28,940
Public Works	4,860,027	4,666,251	4,663,585	2,666
Public Health and Welfare	2,789,170	2,689,455	2,689,454	1
Recreation and Culture	4,936,999	4,967,947	4,962,688	5,259
Housing and Development	2,537,904	2,629,479	2,610,390	19,089
Total Charges to Appropriations	$ 102,104,569	$ 105,710,760	$ 105,533,548	$ 177,212

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, 2018, was $498 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 $2 million. Major projects consisted of the following:

- Joe Chandler Road Bride Replacement - $1.2 million
- Courthouse Annex Building (new elevator and emergency steps) $293 thousand

Business-type assets moved from construction in progress to the assets records during the year totaled approximately $0.46 million. Major projects consisted of the following:

- Sardis Compactor Site = $456 thousand

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Land and Improvements	$ 58,413	$ 57,744	$ 24,715	$ 24,715	$ 83,128	$ 82,459
Construction in Progress	42,791	30,358	13,306	10,783	56,097	41,141
Buildings	137,038	141,028	5,969	6,257	143,007	147,285
Machinery & Equipment	4,072	4,910	2,259	2,621	6,331	7,531
Vehicles	12,082	10,853	730	510	12,812	11,363
Infrastructure	122,135	130,930	74,162	75,373	196,297	206,303
Total Assets	$ 376,531	$ 375,823	$ 121,141	$ 120,259	$ 497,672	$ 496,082

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 $16.0 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	
	2018	2017	2018	2017	2018	2017
Contracts Payable	$ 1,615	$ 1,728	$ 14,430	$ 15,319	$ 16,045	$ 17,047
Capital Leases	1,998	443	-	-	1,998	443
Notes Payable	-	-	23,248	24,767	23,248	24,767
Claims Payable (estimate)	2,775	2,120	-	-	2,775	2,120
Landfill Closure/Postclosure	-	-	1,336	14,662	1,336	14,662
Compensated Absences	4,409	3,949	81	66	4,490	4,015
Net Pension Liability	31,246	33,712	1,336	1,864	32,582	35,576
Net OPEB Obligation	49,644	45,793	2,010	-	51,654	45,793
Totals	$ 91,687	$ 87,745	$ 42,441	$ 56,678	$ 134,128	$ 144,423

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 $7,726,414 and currently the County has no general obligation debt.

ECONOMIC OUTLOOK

With respect to the economy, fiscal year 2018 ended for the County as planned with good budgetary performance. The fiscal year 2019 economic outlook is slightly better for Hall County than in 2018. 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 2019. The County monitors these revenues on a monthly basis.

- Hall County has a strong manufacturing and industrial base that greatly benefits the region. Recently, new and existing business added 900 jobs and $170 million in capital investment, including Kubota Manufacturing (Japanese equipment manufacturer), Mars Wrigley (Candy Company), Tatsumi Intermodal (operations and logistic company), and a new headquarter and manufacturing facility for Mincey Marble (commercial cast marble bath products). Additionally, with the construction of a new Exit 14 off I-985 in South Hall County, additional commercial development is anticipated in the near future.

- As of June 2018, Hall County's unemployment rate was 3.5%, which was below the State of Georgia and National unemployment rates of 4.2% and 4.0%, respectively. Hall County's unemployment rate is one of the lowest in Georgia and is due to the solid base of industry and continued economic growth of the region.

- The County continues to expand its sewer system in North and South Hall. Both areas, especially South Hall, are realizing exponential growth in both residential and commercial market segments. During fiscal year 2019, Hall County will be engaged in a Sewer Master Plan Study to best determine a strategic plan forward for future capital investment and capacity growth.

- To assist in managing the demands of public services due to the significant growth of the Hall County community, Hall County leadership introduced a comprehensive six year capital improvement plan that addresses the County's aging capital assets and articulates a strategic plan moving forward to phase-in capital replacement incrementally and to align capital investment with growth.

- Hall County has implemented the 2017 Service Delivery Agreement adopted by the County and seven of the eight municipalities located within Hall County. This agreement created three new tax service districts – Emergency Services, Development Services, and Parks & Leisure Services – which have joined the General Maintenance and Operation and Fire Services Districts.

- For fiscal year 2019, the County decreased the General M & O millage rate from 6.70 to 5.36. This is due to the implementation of the three new tax service districts mentioned above which were carved out of the General Fund.

- The University of North Georgia has invested a significant amount of resources into its largest campus, which is located in Hall County (Oakwood Campus). Additionally, Lanier Technical College is currently constructing a new campus along the Highway 365 corridor directly across from the Gateway Centre Industrial Park. Finally, Brenau University has recently taken over the operations of the Business Incubator previously operated by Lanier Technical College. The Brenau Business Incubator goals include fostering market success, student learning, wealth building, and job creation. All three higher educational institutions are strategically positioning themselves to better influence workforce development, contribute to economic development, and continue to be a foundational cornerstone for Hall County's strong economy.

- Tourism continues to be a major economic driver for Hall County. Recent reports state that in calendar year 2017, Hall County was the benefactor to $314 million in tourism. Anchored by Lake Lanier, Hall County has a vast offering of leisure activities that include Lake Lanier Island Resort, Don Carter State Park, Lake Lanier Olympic Park, the Atlanta Botanical Gardens Gainesville, Atlanta Falcons (NFL) Headquarters, and numerous agritourism options.

In closing, Hall County's economic outlook is bright for 2019 and beyond. The County is making significant investments in sewer infrastructure, building/facility improvements, public safety initiatives, and technology to accommodate future expected growth. The current economy, revenue forecasting, and careful expenditure planning were taken into consideration when preparing the fiscal year 2019 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 Financial Services, Hall County, P.O. Drawer 1435, Gainesville, Georgia 30503.

HALL COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2018

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
ASSETS				
Cash	$ 54,363,970	$ 18,187,681	$ 72,551,651	$ 5,802,626
Investments	6,750,000	-	6,750,000	12,746
Receivables (net of allowance for uncollectibles)	14,423,552	1,317,316	15,740,868	1,391,892
Internal balances	(47,020)	47,020	-	-
Inventories	766,922	-	766,922	-
Prepaid items	1,071,872	130	1,072,002	30,171
Restricted assets:				
Cash	4	1,250,007	1,250,011	-
Non-current assets:				
Capacity held for resale	-	17,641,407	17,641,407	-
Land held for resale	18,699	-	18,699	-
Capital assets:				
Capital assets not being depreciated	101,204,558	38,021,325	139,225,883	-
Capital assets being depreciated	627,895,740	111,570,446	739,466,186	5,672,478
Less: accumulated depreciation	(352,569,580)	(28,450,634)	(381,020,214)	(5,383,118)
Capital assets, net of depreciation	376,530,718	121,141,137	497,671,855	289,360
TOTAL ASSETS	453,878,717	159,584,698	613,463,415	7,526,795
DEFERRED OUTFLOWS OF RESOURCES				
Pension expense	695,209	29,722	724,931	2,357,628
OPEB expense	-	-	-	85,183
TOTAL DEFERRED OUTFLOWS OF RESOURCES	695,209	29,722	724,931	2,442,811
TOTAL ASSETS & DEFERRED OUTFLOWS	454,573,926	159,614,420	614,188,346	9,969,606
LIABILITIES				
Accounts payable	7,835,273	384,384	8,219,657	399,291
Accrued interest payable	10,954	71,433	82,387	-
Other accrued items	1,904,407	51,421	1,955,828	82
Due to other governments	-	-	-	95,659
Unearned revenue	1,227,919	58,418	1,286,337	-
Amounts held in trust	238,242	28,020	266,262	-
Noncurrent liabilities:				
Due within one year				
Compensated absences payable	2,645,408	48,349	2,693,757	647,182
Estimated claims payable	1,390,830	-	1,390,830	-
Accrued landfill closure / postclosure	-	164,059	164,059	-
Notes payable	-	1,563,237	1,563,237	-
Capital leases payable	760,431	-	760,431	-
Contracts payable	118,576	1,519,785	1,638,361	-
Due in more than one year				
Compensated absences payable	1,763,606	32,233	1,795,839	243,618
Estimated claims payable	1,383,953	-	1,383,953	-
Accrued landfill closure / postclosure	-	12,782,921	12,782,921	-
Notes payable	-	21,684,947	21,684,947	-
Capital leases payable	1,237,538	-	1,237,538	-
Contracts payable	1,495,996	12,909,839	14,405,835	-
Net OPEB liability	49,644,530	2,009,807	51,654,337	10,924,733
Net pension liability	31,246,179	1,335,868	32,582,047	11,602,916
TOTAL LIABILITIES	102,903,842	54,644,721	157,548,563	23,913,481
DEFERRED INFLOWS OF RESOURCES				
Pension expense	786,762	33,636	820,398	1,724,534
OPEB expense	-	-	-	390,959
TOTAL DEFERRED INFLOWS OF RESOURCES	786,762	33,636	820,398	2,115,493
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	103,690,604	54,678,357	158,368,961	26,028,974
NET POSITION				
Net investment in capital assets	372,179,640	83,441,721	455,621,361	289,361
Restricted for:				
Capital outlay projects	17,233,499	-	17,233,499	-
Debt service		1,250,007	1,250,007	
Impact fee projects	2,247,064	-	2,247,064	-
Judicial programs	1,766,196	-	1,766,196	-
Public safety programs	7,604,058	-	7,604,058	-
Health and welfare programs	182,979	-	182,979	1,578,088
Housing and development	139,534	-	139,534	-
Recreation and culture	209,265	-	209,265	-
Street lighting	105,089	-	105,089	-
Stormwater	-	367,214	367,214	-
Unrestricted	(50,784,002)	19,877,121	(30,906,881)	(17,926,817)
TOTAL NET POSITION	$ 350,883,322	$ 104,936,063	$ 455,819,385	$ (16,059,368)

The accompanying notes are an integral part of this statement.

HALL COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	NET (EXPENSE) AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	NET (EXPENSE) AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: TOTAL	NET (EXPENSE) AND CHANGES IN NET POSITION: COMPONENT UNITS
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES								
General government	$ 26,304,650	$ 5,370,195	$ 180,113	$ -	$ (20,754,342)	$ -	$ (20,754,342)	$ -
Judicial	21,282,601	8,950,961	2,664,729	-	(9,666,911)	-	(9,666,911)	-
Public safety	84,033,043	12,884,752	1,165,344	1,038,864	(68,944,083)	-	(68,944,083)	-
Public works	32,209,541	1,047,250	1,380,918	1,999,077	(27,782,296)	-	(27,782,296)	-
Public health and welfare	3,697,119	-	8,432	-	(3,688,687)	-	(3,688,687)	-
Recreation and culture	7,950,045	1,632,998	105,685	-	(6,211,362)	-	(6,211,362)	-
Housing and development	4,407,506	2,979,957	2,037,725	-	610,176	-	610,176	-
Interest	99,552	-	-	-	(99,552)	-	(99,552)	-
Total Governmental Activities	179,984,057	32,866,113	7,542,946	3,037,941	(136,537,057)	-	(136,537,057)	-
BUSINESS-TYPE ACTIVITIES								
Solid waste/recycling	7,762,517	8,665,674	39,673	-	-	942,830	942,830	-
Water and sewer	4,337,673	2,272,821	-	2,202,329	-	137,477	137,477	-
Total Business-Type Activities	12,100,190	10,938,495	39,673	2,202,329	-	1,080,307	1,080,307	-
TOTAL PRIMARY GOVERNMENT	$ 192,084,247	$ 43,804,608	$ 7,582,619	$ 5,240,270	(136,537,057)	1,080,307	(135,456,750)	-
COMPONENT UNITS								
Health Department	$ 17,227,029	$ 1,592,794	$ 17,060,710	$ -	-	-	-	1,426,475
Library System	2,840,005	281,434	353,788	150,752	-	-	-	(2,054,031)
TOTAL COMPONENT UNITS	$ 20,067,034	$ 1,874,228	$ 17,414,498	$ 150,752	-	-	-	(627,556)
GENERAL REVENUES								
Property taxes					69,859,522	-	69,859,522	-
Sales taxes					58,074,431	-	58,074,431	-
Insurance premium taxes					7,676,651	-	7,676,651	-
Real estate recording taxes					2,318,654	-	2,318,654	-
Other taxes					2,852,413	-	2,852,413	-
Total taxes					140,781,671	-	140,781,671	-
Unrestricted investment earnings					55,228	88	55,316	1,285
Grants and contributions not restricted to a specific program					16,141	-	16,141	2,101,560
Gain on sale of capital assets					-	79,930	79,930	-
TRANSFERS					(8,881,831)	8,881,831	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					131,971,209	8,961,849	140,933,058	2,102,845
CHANGES IN NET POSITION					(4,565,848)	10,042,156	5,476,308	1,475,289
NET POSITION, Beginning					337,279,985	92,429,299	429,709,284	(5,698,572)
PRIOR PERIOD ADJUSTMENT					(893,673)	4,318,480	3,424,807	273,353
CHANGE IN ACCOUNTING PRINCIPLE					19,062,858	(1,853,872)	17,208,986	(12,109,438)
NET POSITION, Beginning as restated					355,449,170	94,893,907	450,343,077	(17,534,657)
NET POSITION, Ending					$ 350,883,322	$ 104,936,063	$ 455,819,385	$ (16,059,368)

The accompanying notes are an integral part of this statement.

HALL COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

ASSETS	GENERAL	FIRE DISTRICT	SPLOST	CAPITAL PROJECTS	IMPACT FEES	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash	$ 14,267,887	$ 5,081,670	$ 15,901,751	$ 1,112,169	$ 2,161,374	$ 7,638,288	$ 46,163,139
Investments	6,750,000	-	-	-	-	-	6,750,000
Receivables (net of allowance for uncollectibles)	7,531,146	307,058	2,954,797	1,125,605	86,649	2,287,252	14,292,507
Interfund receivables	127,999	-	186	-	-	105,774	233,959
Prepaid items	479,702	4,247	431,993	1,874	-	42,630	960,446
Inventories	391,243	84,563	-	-	-	21,232	497,038
Restricted assets:							
Cash	-	-	-	4	-	-	4
TOTAL ASSETS	29,547,977	5,477,538	19,288,727	2,239,652	2,248,023	10,095,176	68,897,093
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	1,427,190	86,546	3,629,608	382,749	959	2,009,692	7,536,744
Other accrued items	1,180,234	306,872	5,733	276,790	-	113,311	1,882,940
Interfund payables	47,781	-	-	-	-	192,131	239,912
Unearned revenue	-	-	-	-	-	1,227,919	1,227,919
Deposits held	59,363	-	-	-	-	178,878	238,241
TOTAL LIABILITIES	2,714,568	393,418	3,635,341	659,539	959	3,721,931	11,125,756
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	2,917,185	286,877	-	-	-	-	3,204,062
Unavailable revenue - other	-	-	-	-	-	8,751	8,751
TOTAL DEFERRED INFLOWS OF RESOURCES	2,917,185	286,877	-	-	-	8,751	3,212,813
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	5,631,753	680,295	3,635,341	659,539	959	3,730,682	14,338,569
FUND BALANCES							
Nonspendable:							
Prepaid expenditure	479,702	4,247	431,993	1,874	-	42,630	960,446
Inventories	391,243	84,563	-	-	-	21,232	497,038
Restricted:							
Capital outlay projects	-	-	15,221,393	1,578,239	-	-	16,799,632
Impact fee projects	-	-	-	-	2,247,064	-	2,247,064
Street lighting	-	-	-	-	-	105,089	105,089
Judicial programs	-	-	-	-	-	1,728,828	1,728,828
Public safety programs	-	4,708,433	-	-	-	2,738,216	7,446,649
Health and welfare programs	-	-	-	-	-	182,979	182,979
Parks and recreation programs	-	-	-	-	-	209,265	209,265
Housing and development programs	-	-	-	-	-	139,534	139,534
Assigned:							
Capital equipment and infrastructure	-	-	-	-	-	1,105,519	1,105,519
Parks and recreation programs	-	-	-	-	-	91,202	91,202
Unassigned	23,045,279	-	-	-	-	-	23,045,279
TOTAL FUND BALANCES	23,916,224	4,797,243	15,653,386	1,580,113	2,247,064	6,364,494	54,558,524
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 29,547,977	$ 5,477,538	$ 19,288,727	$ 2,239,652	$ 2,248,023	$ 10,095,176	$ 68,897,093

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, 2018

Total Fund Balances for Governmental Funds (page 3)		$ 54,558,524
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.		376,530,718
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:		5,577,342
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.		
Property taxes	3,204,062	
Assessments	8,751	
		3,212,813
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest	(10,954)	
Compensated absences	(4,409,014)	
Capital leases	(1,997,969)	
Contracts payable	(1,614,572)	
Net pension liability	(31,246,179)	
Net deferred inflows(outflows) - pension expense	(91,553)	
Net OPEB liability	(49,644,530)	
		(89,014,771)
Rounding		(3)
Total net position of governmental activities (page 1)		$ 350,883,322

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, 2018

	GENERAL	FIRE DISTRICT	SPLOST	CAPITAL PROJECTS	IMPACT FEES	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Taxes	$ 83,037,562	$ 24,375,832	$ 33,298,908	$ -	$ -	$ 44,910	$ 140,757,212
Licenses and permits	2,382,849	-	-	-	1,249,166	-	3,632,015
Intergovernmental	1,729,883	18,005	1,119,614	1,120,610	-	6,548,291	10,536,403
Fines and forfeitures	5,229,346	-	-	201,569	-	1,394,641	6,825,556
Charges for services	14,913,951	145,543	-	-	-	7,164,549	22,224,043
Contributions and donations	44,484	-	-	-	-	16,141	60,625
Investment income	55,213	-	-	-	-	15	55,228
Miscellaneous	85,060	2,875	1,139	17,517	-	79,391	185,982
TOTAL REVENUES	107,478,348	24,542,255	34,419,661	1,339,696	1,249,166	15,247,938	184,277,064
EXPENDITURES							
Current Expenditures							
General government	21,274,255	-	2,755,870	9,473	-	-	24,039,598
Judicial	17,275,627	-	-	4,811	-	2,559,748	19,840,186
Public safety	44,999,756	22,813,041	1,877,948	640,601	83,737	5,413,071	75,828,154
Public works	4,663,584	-	4,789,036	298,780	-	3,564,651	13,316,051
Public health and welfare	2,669,374	-	662,171	-	-	122,201	3,453,746
Recreation and culture	4,842,938	-	440,338	27,833	271,857	918,996	6,501,962
Housing and development	2,540,300	-	-	-	-	1,729,044	4,269,344
Intergovernmental	-	-	7,958,865	-	-	75,970	8,034,835
Capital outlay	76,680	-	13,700,849	4,121,182	458,910	1,858,280	20,215,901
Debt service							
Principal	339,079	-	96,400	-	-	-	435,479
Interest	95,328	-	3,600	-	-	-	98,928
TOTAL EXPENDITURES	98,776,921	22,813,041	32,285,077	5,102,680	814,504	16,241,961	176,034,184
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	8,701,427	1,729,214	2,134,584	(3,762,984)	434,662	(994,023)	8,242,880
OTHER FINANCING SOURCES (USES)							
Sale of county property	55,436	-	-	-	-	-	55,436
Capital lease issued	-	-	-	1,874,963	-	-	1,874,963
Transfers in	468,683	-	863,876	2,742,475	-	825,058	4,900,092
Transfers out	(6,756,627)	(892,475)	(5,069,817)	(863,876)	-	(199,128)	(13,781,923)
TOTAL OTHER FINANCING SOURCES (USES)	(6,232,508)	(892,475)	(4,205,941)	3,753,562	-	625,930	(6,951,432)
NET CHANGE IN FUND BALANCES	2,468,919	836,739	(2,071,357)	(9,422)	434,662	(368,093)	1,291,448
FUND BALANCES, Beginning of year	21,447,305	3,960,504	17,724,743	1,589,535	1,812,402	6,732,587	53,267,076
FUND BALANCES, End of year	$ 23,916,224	$ 4,797,243	$ 15,653,386	$ 1,580,113	$ 2,247,064	$ 6,364,494	$ 54,558,524

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, 2018

Net change in fund balances (page 5)		$ 1,291,448
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	20,215,901	
Depreciation expense	(18,995,713)	1,220,188
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	(511,898)	(511,898)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	3,204,062	
Assessments	8,751	3,212,813
Revenues reported in the funds that relate to prior years are not reported as revenue in the statement of activities.		
Property taxes	(3,179,602)	
Assessments	(16,611)	(3,196,213)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, where as these amounts are deferred and amortized in the statement of activities.		
Proceeds from borrowing including premiums and discounts	(1,874,963)	
Principal payments on long-term debt	435,479	
Amortization of bond premiums and discounts	(1,424)	
Accrued interest payable, current year	(10,954)	
Accrued interest payable, prior year	11,754	(1,440,108)
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	(4,409,014)	
Compensated absences, prior year	3,948,762	(460,252)
Internal service funds are used by management to charge the costs of certain activities, such as group health and other types of insurance. The net revenue (expenses) of certain internal service funds is reported with governmental activities.		(1,236,131)
Net pension liability is not available during the current period and therefore is not reported in the funds.		
End of year	(31,246,179)	
Beginning of year	33,712,340	2,466,161
Changes in the ACCG pension plan actuarial assumptions are reported in deferred outflows and inflows.		
End of year - deferred outflows related to pension	695,209	
Beginning of year - deferred outflows related to pension	(1,968,538)	
End of year - deferred inflows related to pension	(786,762)	
Beginning of year - deferred inflows related to pension	-	(2,060,091)
Net OPEB liability is not available during the current period and therefore is not reported in the funds.		
End of year	(49,644,530)	
Beginning of year	45,792,768	(3,851,762)
Rounding		(3)
Changes in net position of governmental activities (page 2)		$ (4,565,848)

The accompanying notes are an integral part of this statement.

HALL COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2018

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			
ASSETS	SOLID WASTE DISPOSAL FACILITY	WATER AND SEWER	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
Current Assets				
Cash	$ 10,586,271	$ 7,601,410	$ 18,187,681	$ 8,200,830
Receivables (net of allowance for uncollectibles)	830,773	486,543	1,317,316	131,046
Interfund receivables	-	-	-	5,953
Prepaid items	130	-	130	111,427
Inventories	-	-	-	269,885
Restricted assets:				
Cash	-	1,250,007	1,250,007	-
TOTAL CURRENT ASSETS	11,417,174	9,337,960	20,755,134	8,719,141
Noncurrent Assets				
Prepaid capacity	-	17,641,407	17,641,407	-
Capital assets				
Capital assets not being depreciated	5,567,204	32,454,121	38,021,325	-
Capital assets being depreciated	30,992,395	80,578,051	111,570,446	-
Less: accumulated depreciation	(17,708,036)	(10,742,598)	(28,450,634)	-
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	18,851,563	102,289,574	121,141,137	-
TOTAL NONCURRENT ASSETS	18,851,563	119,930,981	138,782,544	-
TOTAL ASSETS	30,268,737	129,268,941	159,537,678	8,719,141
DEFERRED OUTFLOWS OF RESOURCES				
Pension expense	29,722	-	29,722	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	29,722	-	29,722	-
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	30,298,459	129,268,941	159,567,400	8,719,141
LIABILITIES				
Current Liabilities				
Accounts payable	122,939	261,445	384,384	298,528
Accrued interest payable	786	70,647	71,433	-
Other accrued items	47,190	4,231	51,421	21,468
Customer deposits	28,020	-	28,020	-
Unearned revenue	58,418	-	58,418	-
Compensated absences payable	44,065	4,284	48,349	-
Accrued landfill closure/postclosure	164,059	-	164,059	-
Estimated claims payable	-	-	-	1,390,830
Notes payable	113,972	1,449,265	1,563,237	-
Contracts payable	-	1,519,785	1,519,785	-
TOTAL CURRENT LIABILITIES	579,449	3,309,657	3,889,106	1,710,826
Noncurrent Liabilities				
Estimated claims payable	-	-	-	1,383,953
Compensated absences payable	29,377	2,856	32,233	-
Accrued landfill closure/postclosure	12,782,921	-	12,782,921	-
Notes payable	672,231	21,012,716	21,684,947	-
Net OPEB liability	2,009,807	-	2,009,807	-
Net pension liability	1,335,868	-	1,335,868	-
Contracts payable	-	12,909,839	12,909,839	-
TOTAL NONCURRENT LIABILITIES	16,830,204	33,925,411	50,755,615	1,383,953
TOTAL LIABILITIES	17,409,653	37,235,068	54,644,721	3,094,779
DEFERRED INFLOWS OF RESOURCES				
Pension expense	33,636	-	33,636	-
TOTAL DEFERRED INFLOWS OF RESOURCES	33,636	-	33,636	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	17,443,289	37,235,068	54,678,357	3,094,779
NET POSITION				
Net investment in capital assets	18,052,714	65,389,007	83,441,721	-
Restricted for:				
Debt service	-	1,250,007	1,250,007	-
Stormwater	-	367,214	367,214	-
Unrestricted	(5,197,544)	25,027,645	19,830,101	5,624,362
TOTAL NET POSITION	$ 12,855,170	$ 92,033,873	104,889,043	$ 5,624,362
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			47,020	
Net position of business-type activities			$ 104,936,063	

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, 2018

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			
	SOLID WASTE DISPOSAL FACILITY	WATER AND SEWER	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
OPERATING REVENUES				
Charges for sales and services:				
Sewer sales	$ -	$ 1,881,794	$ 1,881,794	$ -
Sewer connection fees	-	152,000	152,000	-
Other	-	239,027	239,027	-
Recycling and transfer fees	8,665,674	-	8,665,674	-
Charges to other funds	-	-	-	19,562,737
Employee contributions	-	-	-	6,168,093
Total Operating Revenues	8,665,674	2,272,821	10,938,495	25,730,830
OPERATING EXPENSES				
Salaries and benefits	2,729,737	197,157	2,926,894	48,518
Supplies	452,342	-	452,342	-
Other services and charges	1,313,777	1,146,550	2,460,327	4,812,527
Benefit claims	-	-	-	16,575,637
Insurance premiums	838,731	47,630	886,361	2,381,327
General and administrative	-	-	-	1,877,023
Landfill closure/postclosure costs	702,682	-	702,682	-
Depreciation	1,288,261	1,805,030	3,093,291	-
Professional fees	6,909	-	6,909	-
Repairs and maintenance	368,251	142,113	510,364	1,330,079
Total Operating Expenses	7,700,690	3,338,480	11,039,170	27,025,111
OPERATING INCOME (LOSS)	964,984	(1,065,659)	(100,675)	(1,294,281)
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	-	88	88	6,379
Interest expense	(10,056)	(999,193)	(1,009,249)	-
Intergovernmental income	39,673	-	39,673	-
Gain (loss) on sale of capital assets	-	79,930	79,930	-
Total Nonoperating Revenues (Expenses)	29,617	(919,175)	(889,558)	6,379
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	994,601	(1,984,834)	(990,233)	(1,287,902)
Sewer tap fees	-	1,605,452	1,605,452	-
Developers - In kind	-	596,877	596,877	-
Transfer in	61,829	9,089,557	9,151,386	-
Transfer out	(269,555)	-	(269,555)	-
CHANGE IN NET POSITION	786,875	9,307,052	10,093,927	(1,287,902)
TOTAL NET POSITION, Beginning of year	13,922,167	78,408,341	92,330,508	7,805,937
PRIOR PERIOD ADJUSTMENT	-	4,318,480	4,318,480	(893,673)
CHANGE IN ACCOUNTING PRINCIPLE	(1,853,872)	-		-
TOTAL NET POSITION, Beginning as restated	12,068,295	82,726,821	94,795,116	6,912,264
TOTAL NET POSITION, End of year	$ 12,855,170	$ 92,033,873		$ 5,624,362
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(51,771)	
Change in net position of business-type activities			$ 10,042,156	

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, 2018

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			GOVERNMENTAL
CASH FLOWS FROM OPERATING ACTIVITIES	SOLID WASTE DISPOSAL FACILITY	WATER AND SEWER	TOTAL	ACTIVITIES INTERNAL SERVICE FUNDS
Receipts from customer	$ 8,460,663	$ 2,267,370	$ 10,728,033	$ 7,514,250
Payments to suppliers	(3,889,930)	(1,362,672)	(5,252,602)	(9,996,190)
Payments to employees	(2,568,153)	(193,322)	(2,761,475)	(16,324,776)
Internal activity-payments from (to) other funds	-	-	-	18,253,945
Net cash provided by (used in) operating activities	2,002,580	711,376	2,713,956	(552,771)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(444,693)	(2,932,312)	(3,377,005)	-
Proceeds from the sale of capital assets	-	79,930	79,930	-
Payments from other governments	39,673	-	39,673	-
Tap fees paid by developers	-	1,605,452	1,605,452	-
Transfers in-capital	61,829	9,089,557	9,151,386	-
Transfers out	(269,555)	-	(269,555)	-
Payment made on debt	(112,613)	(2,296,269)	(2,408,882)	-
Interest paid	(10,169)	(1,009,067)	(1,019,236)	-
Net cash provided (used) by capital and related financing activities	(735,528)	4,537,291	3,801,763	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings	-	88	88	6,379
Net cash provided (used) by investing activities	-	88	88	6,379
Net increase (decrease) in cash and cash equivalents	1,267,052	5,248,755	6,515,807	(546,392)
CASH, Beginning of year	9,319,219	3,602,662	12,921,881	8,747,222
CASH, End of year	$ 10,586,271	$ 8,851,417	$ 19,437,688	$ 8,200,830

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, 2018

(CONTINUED)

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	SOLID WASTE DISPOSAL FACILITY	WATER AND SEWER	TOTAL	INTERNAL SERVICE FUNDS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	$ 964,984	$ (1,065,659)	$ (100,675)	$ (1,294,281)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	1,288,261	1,805,030	3,093,291	-
Landfill closure/postclosure costs	702,682	-	702,682	-
(Increase) decrease in:				
Accounts receivable	(214,328)	(5,451)	(219,779)	37,365
Inventory	-	-	-	14,078
Deferred outflow for pension	54,439	-	54,439	-
Prepaid capacity	-	6,360	6,360	-
Prepaid expenses	-	-	-	30,219
Increase (decrease) in:				
Accounts payable	(838,309)	(28,375)	(866,684)	17,111
Compensated absences	12,582	1,819	14,401	-
Amounts held in trust	600	-	600	-
Accrued landfill costs	(71,611)	-	(71,611)	-
Deferred inflows for pension	33,636	-	33,636	-
Net pension liability	(105,436)	-	(105,436)	-
Net OPEB liability	155,935	-	155,935	-
Other accrued items	10,428	2,016	12,444	(6,309)
Deferred revenue	8,717	-	8,717	655,000
Due to other funds	-	(4,364)	(4,364)	(5,954)
Net cash provided by (used in) operating activities	$ 2,002,580	$ 711,376	$ 2,713,956	$ (552,771)
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES				
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, 2018

	AGENCY FUNDS
ASSETS	
Cash	$ 6,767,371
TOTAL ASSETS	$ 6,767,371
LIABILITIES	
Amount held in trust	$ 6,767,371
TOTAL LIABILITIES	$ 6,767,371

The accompanying notes are an integral part of this statement.

HALL COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
June 30, 2018

	HEALTH DEPARTMENT	LIBRARY SYSTEM	TOTAL
ASSETS			
Cash	$ 5,166,520	$ 636,106	$ 5,802,626
Investments	-	12,746	12,746
Receivables (net of allowance for uncollectibles)	1,353,880	38,012	1,391,892
Prepaid items	-	30,171	30,171
Capital assets:			
Capital assets being depreciated	1,137,736	4,534,742	5,672,478
Less: accumulated depreciation	(909,908)	(4,473,210)	(5,383,118)
Capital assets, net of depreciation	227,828	61,532	289,360
TOTAL ASSETS	6,748,228	778,567	7,526,795
DEFERRED OUTFLOWS OF RESOURCES			
Pension expense	2,026,361	331,267	2,357,628
OPEB expense	-	85,183	85,183
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,026,361	416,450	2,442,811
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	8,774,589	1,195,017	9,969,606
LIABILITIES			
Accounts payable	388,434	10,857	399,291
Other accrued items	82	-	82
Due to other governments	95,659	-	95,659
Noncurrent liabilities:			
Due within one year			
Compensated absences payable	614,000	33,182	647,182
Due in more than one year			
Compensated absences payable	193,845	49,773	243,618
Net pension liability	9,608,712	1,994,204	11,602,916
Net OPEB liability	8,579,935	2,344,798	10,924,733
TOTAL LIABILITIES	19,480,667	4,432,814	23,913,481
DEFERRED INFLOWS OF RESOURCES			
Pension expense	1,474,889	249,645	1,724,534
OPEB expense	-	390,959	390,959
TOTAL DEFERRED INFLOWS OF RESOURCES	1,474,889	640,604	2,115,493
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	20,955,556	5,073,418	26,028,974
NET POSITION			
Net investment in capital assets	227,829	61,532	289,361
Restricted for:			
Program income	1,578,088		1,578,088
Unrestricted	(13,986,884)	(3,939,933)	(17,926,817)
TOTAL NET POSITION	$ (12,180,967)	$ (3,878,401)	$ (16,059,368)

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, 2018

		.....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	$ 17,227,029	$ 1,592,794	$ 17,060,710	$ -	$ 1,426,475	$ -	$ 1,426,475
Library System	2,840,005	281,434	353,788	150,752	-	(2,054,031)	(2,054,031)
TOTAL COMPONENT UNITS	$ 20,067,034	$ 1,874,228	$ 17,414,498	$ 150,752	1,426,475	(2,054,031)	(627,556)
GENERAL REVENUES							
Unrestricted investment earnings					-	1,285	1,285
Grants and contributions not restricted to a specific program					-	2,101,560	2,101,560
TOTAL GENERAL REVENUES AND TRANSFERS					-	2,102,845	2,102,845
CHANGES IN NET POSITION					1,426,475	48,814	1,475,289
NET POSITION, Beginning					(4,408,307)	(1,290,265)	(5,698,572)
PRIOR PERIOD ADJUSTMENT					273,353	-	273,353
CHANGE IN ACCOUNTING PRINCIPLE					(9,472,488)	(2,636,950)	(12,109,438)
NET POSITION, Beginning as restated					(13,607,442)	(3,927,215)	(17,534,657)
NET POSITION, Ending					$ (12,180,967)	$ (3,878,401)	$ (16,059,368)

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 and Sewer enterprise fund. 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 2018, the County supplemented the Health Department's budget in the amount of $729,245. 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 2018, the County supplemented the Library's budget in the amount of $2,001,585. 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 principle:

The County has recorded OPEB liability according to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." As a result of the implementation, governmental activities net position was increased by $19,062,858 and business-type activities net position was decreased by $1,863,872 due to a change in accounting principle.

The government reports the following major governmental funds:

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

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

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

The *Capital Projects Fund* accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlay including the acquisition or construction of capital facilities, vehicle replacement, heavy equipment, and other capital assets.

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

Additionally, the County reports the following fund types:

The *Internal Service Funds* account for group insurance, risk management, and fleet maintenance 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 and Sewer enterprise fund, and of the County's Internal Service funds are charges to customers for sales and services. The Water and Sewer enterprise fund 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 September 15 of each year. The taxes for the 2017 digest year were payable on November 15, 2017. Interest and penalties are assessed on taxes not paid by this date. The taxes are subject to lien after February 15, 2018.

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 2018 was $(38,360). None of these costs were capitalized in 2018.

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 fiscal year 2018.

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 can have two items that qualify for reporting in this category. These two items consist of unavilable revenue and deferred inflows related to pension expense. These two items only arise under the modified accrual basis of accounting. 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. The deferred inflows related to 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 inflows will be recognized in pension expense using a systematic and rational method over a closed five-year period, beginning with the current reporting period.

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.

Other Post-employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Hall County, Georgia Postretirement Health and Life Insurance Benefit Plans (the Plan) and additions to/deductions 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.

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, 2018, are as follows:

	Governmental Activities	Business-type Activities
Net investment in capital assets:		
Cost of capital assets	$ 729,100,298	$ 149,591,771
Less accumulated depreciation	(352,569,580)	(28,450,634)
Book value	376,530,718	121,141,137
Plus construction proceeds	4	-
Less capital related debt (including accounts payable)	(4,351,082)	(37,699,416)
Total net investment in capital assets	$ 372,179,640	$ 83,441,721

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 $145,738,092 of restricted net position, of which $7,721,880 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. $ 4,708,433

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. 15,221,393

Capital Projects Fund
Capital outlay projects - For funds received from issuance of bonds, intergovernmental grants, and transfers from other funds that have not been spent. 1,578,239

Impact Fees Fund
Impact Fee projects - For funds received from impact fees that have not been spent. 2,247,064

Nonmajor Special Revenue Funds	
Street lighting -	
Special Assessments Fund - To account for funds received from special assessments for street lighting.	105,089
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.	1,519,058
Law Library Fund - To account for funds collected from fines and forfeitures to be used for the operation of the Law Library.	209,770
Public Safety programs -	
Emergency E911 Telephone Services Fund - To account for funds to operate the E911 center as restricted by the OCGA-46-5.	272,568
Multiple Grant Fund - To account for funds received from grants restricted by grantors for various public safety purposes	9,820
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.	2,455,828
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.	182,979
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.	209,015
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.	139,534
Total Restricted Fund Balance	$ 28,859,040
Assigned:	
Nonmajor Capital Projects Funds	
Allen Creek Soccer Complex - For encumbrances.	91,202
State Road Fund - For road infrastructure & maintenance.	1,105,519
Total Assigned Fund Balance	$ 1,196,721

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.

Authorization of Budget Adjustments and Amendments: Because a budget is not a fixed revenue and spending plan, they require adjustments from time to time. The Director of Financial Services is authorized to approve any transfer of appropriations in any fund among the various accounts within a department or agency so long as the total budget for each department or agency is not increased.

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 10, 2018, 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 balance 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, 2018, 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	6,750,000	6,750,000	-	N/A
Total Debt Securities	$ 6,750,011	$ 6,750,011	$ -	
Maximum Investment		00.00 %	- %	

1. Standard & Poors

Cash per financial statements (page 1)	
Cash	$ 72,551,651
Restricted cash	1,250,011
less cash equivalents that are investments	(11)
Cash held by Fiduciary Funds (page 11)	6,767,371
Deposits	$ 80,569,022
Investments per financial statements	
Investments	$ 6,750,000
Investments included in cash equivalents	11
Investments as listed above	$ 6,750,011

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, 2018, 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, 2018, 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	Capital Projects	Impact Fees	Nonmajor Governmental Funds	Internal Service Funds
Receivables:							
Property Taxes	$ 2,917,185	$ 286,877	$ -	$ -	$ -	$ 8,751	$ -
Accounts	3,107,027	8,648	2,500	83,089	2,484	605,605	131,046
Intergovernmental	3,469,546	11,533	2,952,297	1,042,516	84,165	1,672,896	-
Total Gross Receivables	9,493,758	307,058	2,954,797	1,125,605	86,649	2,287,252	131,046
Less: Allowance for Uncollectibles	(1,962,612)	-	-	-	-	-	-
Total Net Receivables	$ 7,531,146	$ 307,058	$2,954,797	$ 1,125,605	$ 86,649	$ 2,287,252	$ 131,046

Property taxes receivable at June 30, 2018, consist of the following:

DIGEST YEAR	GENERAL FUND (2)	FIRE DISTRICT
2018 (1)	$ 24,434	$ 5,641
2017	373,554	74,790
2016	184,499	25,367
2015	98,351	15,456
2014	106,154	11,392
2013	102,897	10,583
2010	122,370	12,270
2009	177,740	15,707
2008	271,894	21,919
2007	389,894	30,507
2006	393,366	24,639
2005 and prior	672,032	38,606
Total	$ 2,917,185	$ 286,877

(1) 2018 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, 2018.

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	Water and Sewer	Total
Receivables:			
Property Taxes	$ 144,811	$ -	$ 144,811
Accounts	646,554	3,242	649,796
Intergovernmental	39,408	483,301	522,709
Total Gross Receivables	830,773	486,543	1,317,316
Less: Allowance for Uncollectibles	-	-	-
Total Net Receivables	$ 830,773	$ 486,543	$ 1,317,316

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)	$ 2,917,185	$ -
Delinquent property taxes receivable (Fire District Fund)	286,877	-
Assessments (Special Assessment Fund)	8,751	-
Jail Phone Commissions (Restricted Programs Fund)	-	300,000
Grant drawdowns prior to meeting all eligibility requirements (Grants Fund)	-	927,919
Total unavailable/unearned revenue for governmental funds	$ 3,212,813	$ 1,227,919

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	$ 268,072	$ 27,278
Intergovernmental	1,085,808	10,734
Total Gross Receivables	1,353,880	38,012
Less: Allowance for Uncollectibles	-	-
Total Net Receivables	$ 1,353,880	$ 38,012

NOTE 6 - CAPITAL ASSETS

PRIMARY GOVERNMENT

Capital asset activity for the year ended June 30, 2018, was as follows:

Governmental Activities:	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Non-Depreciable Assets:					
Land and improvements	$ 22,952,346	$ 669,533	$ -	$ -	$ 23,621,879
Infrastructure land and improvements	34,791,203	-	-	-	34,791,203
Construction in progress	30,357,859	14,821,697	(396,158)	(1,991,922)	42,791,476
Total non-depreciable capital assets	88,101,408	15,491,230	(396,158)	(1,991,922)	101,204,558
Depreciable Assets:					
Buildings and improvements	195,651,134	537,806	-	292,766	196,481,706
Machinery and equipment	40,754,455	425,360	(412,333)	-	40,767,482
Vehicles	32,344,117	3,761,505	(1,777,791)	-	34,327,831
Infrastructure	354,686,941	-	(67,376)	1,699,156	356,318,721
Total depreciable capital assets	623,436,647	4,724,671	(2,257,500)	1,991,922	627,895,740
Less Accumulated Depreciation for:					
Buildings and improvements	(54,622,991)	(4,820,691)	-	-	(59,443,682)
Machinery and equipment	(35,844,816)	(1,261,048)	409,883	-	(36,695,981)
Vehicles	(21,490,872)	(2,419,893)	1,664,501	-	(22,246,264)
Infrastructure	(223,756,948)	(10,494,081)	67,376	-	(234,183,653)
Total accumulated depreciation	(335,715,627)	(18,995,713)	2,141,760	-	(352,569,580)
Total depreciable capital assets, net	287,721,020	(14,271,042)	(115,740)	1,991,922	275,326,160
Governmental activities capital assets, net	$ 375,822,428	$ 1,220,188	$ (511,898)	$ -	$ 376,530,718

Additions to governmental activities capital assets for fiscal year ending June 30, 2018, consist of the following:

Capital Outlay	$ 20,215,901
Total	$ 20,215,901
Non-depreciable capital assets additions	$ 15,491,230
Depreciable capital assets additions	4,724,671
Total	$ 20,215,901

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	10,783,013	2,979,248	-	(456,220)	13,306,041
Total non-depreciable capital assets	35,498,297	2,979,248	-	(456,220)	38,021,325
Depreciable Assets:					
Land improvements	144,988	-	-	-	144,988
Buildings and improvements	10,448,282	-	-	-	10,448,282
Machinery and equipment	5,489,173	70,788	-	-	5,559,961
Vehicles	1,291,087	326,969	(14,515)	-	1,603,541
Water and sewer infrastructure	92,760,579	596,875	-	456,220	93,813,674
Total depreciable capital assets	110,134,109	994,632	(14,515)	456,220	111,570,446
Less Accumulated Depreciation for:					
Land improvements	(144,988)	-	-	-	(144,988)
Buildings	(4,190,796)	(288,009)	-	-	(4,478,805)
Machinery and equipment	(2,867,744)	(432,856)	-	-	(3,300,600)
Vehicles	(780,997)	(106,812)	14,515	-	(873,294)
Water and sewer lines and system	(17,387,334)	(2,265,613)	-	-	(19,652,947)
Total accumulated depreciation	(25,371,859)	(3,093,290)	14,515	-	(28,450,634)
Total depreciable capital assets, net	84,762,250	(2,098,658)	-	456,220	83,119,812
Business-type activities capital assets, net	$ 120,260,547	$ 880,590	$ -	$ -	$ 121,141,137

As discussed in Note 19, a prior period adjustment was recorded to increase the beginning balance of water and sewer infrastructure for donated sewer lines in previous years.

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

Governmental Activities:	
General Government	$ 778,326
Judicial	718,992
Public Safety	5,133,199
Public Works	10,755,957
Public Health and Welfare	243,374
Recreation and Culture	1,340,509
Housing and Development	25,356
Total depreciation expense-governmental activities	$ 18,995,713
Business-type Activities:	
Water and Sewer	$ 1,805,029
Solid Waste	1,288,261
Total depreciation expense-business-type activities	$ 3,093,290

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, 2018, 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	$ 3,391,564	$ 207,583	$ -	SPLOST/Grant Fund
Fire Station #18 Design	65,000	32,148	-	32,852	SPLOST
E-911 System Upgrade	13,000,000	11,927,415	1,072,585	-	SPLOST
Murrayville Park Upgrades	1,500,000	41,789	-	1,458,211	SPLOST
RMS/JMS Software Project	3,100,000	1,874,963	1,225,037	-	Capital Projects Fund
Fire Station #1 Relocation Design	50,000	6,906	-	43,094	SPLOST
Health Department Expansion	400,000	98,517	7,402	294,081	SPLOST
Paperless Workflow/Software	345,000	319,752	22,832	2,416	SPLOST
Sheriff's Gun Training Range	1,700,000	1,132,046	438,547	129,407	Capital Projects Fund
Various Road Projects	28,529,141	23,966,376	4,562,765	-	SPLOST/State Road Fund
	$ 52,288,288	$ 42,791,476	$ 7,536,751	$ 1,960,061	
Business-type Activities:					
Glades Reservoir	$ 7,352,796	$ 7,348,150	$ -	$ 4,646	SPLOST/Revenue Bonds
Cell II Phase II Cell Addition Design	280,000	61,828	-	218,172	SPLOST
North Hall County Sewer System	3,775,000	3,633,482	141,518	-	SPLOST
North Oconee Water Reclamation	750,000	419,686	-	330,314	SPLOST
Various Sewer Expansion Projects	1,100,000	612,311	289,298	198,391	SPLOST
White Sulphur Rd Sewer	1,328,032	1,230,084	97,948	-	SPLOST
Gateway Sewer Lines	1,740,789	500	1,740,289	-	SPLOST
Water and Sewerage Projects	$ 16,326,617	$ 13,306,041	$ 2,269,053	$ 751,523	

DISCRETELY PRESENTED COMPONENT UNITS

Activity for the *Health Department* for the year ended June 30, 2018, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Depreciable Assets:				
Machinery and equipment	$ 1,040,870	$ 96,866	$ -	$ 1,137,736
Less Accumulated Depreciation	(814,535)	(95,373)	-	(909,908)
Capital Assets, net	$ 226,335	$ 1,493	$ -	$ 227,828

Activity for the *Library* for the year ended June 30, 2018, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Depreciable Assets:				
Machinery and equipment	$ 594,763	$ -	$ -	$ 594,763
Books and collections	4,088,441	271,719	(420,181)	3,939,979
Total depreciable capital assets	4,683,204	271,719	(420,181)	4,534,742
Less Accumulated Depreciation for:				
Machinery and equipment	(570,338)	(7,571)	-	(577,909)
Books and collections	(3,911,135)	(404,347)	420,181	(3,895,301)
Total accumulated depreciation	(4,481,473)	(411,918)	420,181	(4,473,210)
Total depreciable capital assets, net	201,731	(282,307)	-	61,532
Capital Assets, net	$ 201,731	$ (282,307)	$ -	$ 61,532

NOTE 7 - LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Governmental Activities:						
Contracts Payable	$ 1,745,000	$ -	$ (115,000)	$ 1,630,000	$ 120,000	$ 1,510,000
Less: original issue discount	(16,852)	-	1,424	(15,428)	(1,424)	(14,004)
Total contracts payable	1,728,148	-	(113,576)	1,614,572	118,576	1,495,996
Capital leases	443,485	1,874,963	(320,479)	1,997,969	760,431	1,237,538
Estimated claims payable	2,119,784	13,771,684	(13,701,821)	2,774,783	1,390,830	1,383,953
Net OPEB liability	45,792,768	5,037,781	(1,186,019)	49,644,530	-	49,644,530
Net pension liability	33,712,340	1,904,433	(4,370,594)	31,246,179	-	31,246,179
Compensated absences	3,948,762	1,405,599	(945,347)	4,409,014	2,645,408	1,763,606
Governmental activities long-term liabilities	$ 87,745,287	$ 23,994,460	$ (20,637,836)	$ 91,687,047	$ 4,915,245	$ 86,771,802
Business-type Activities:						
Contracts payable	$ 15,210,000	$ -	$ (850,000)	$ 14,360,000	$ 1,480,000	$ 12,880,000
Plus: original issue premium	109,408	-	(39,784)	69,624	39,785	29,839
Total contracts payable	15,319,408	-	(889,784)	14,429,624	1,519,785	12,909,839
Notes payable	24,767,282	-	(1,519,098)	23,248,184	1,563,237	21,684,947
Compensated absences	66,181	38,713	(24,312)	80,582	48,349	32,233
Net OPEB liability	1,863,872	193,950	(48,015)	2,009,807	-	2,009,807
Net pension liability	1,441,304	81,420	(186,856)	1,335,868	-	1,335,868
Landfill closure/postclosure	12,315,909	-	631,071	12,946,980	164,059	12,782,921
Business-type activities long-term liabilities	$ 55,773,956	$ 314,083	$ (2,036,994)	$ 54,051,045	$ 3,295,430	$ 50,755,615
Total primary government long-term liabilities	$ 143,519,243	$ 24,308,543	$ (22,674,830)	$ 145,738,092	$ 8,210,675	$ 137,527,417

The County implemented GASB 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018 and as a result had a change in accounting principle in the net OPEB liability of ($19,062,858) for governmental activities and $1,863,872 for business-type activities that is included in the beginning balances.

As discussed in Note 19, the County had a prior period adjustment related to estimated claims payable and as a result had a change of $893,673 included in the beginning balance for governmental 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, 2018, are as follows:

June 30,	Principal	Interest	Total
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	140,000	49,459	189,459
2024-2028	800,000	150,019	950,019
2029	180,000	8,100	188,100
	$ 1,630,000	$ 459,737	$ 2,089,737

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
Construction in progress	$ 1,874,963
Machinery and equipment	691,809
Vehicles	211,659
Less accumulated depreciation	(453,589)
	$ 2,324,842

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, 2018, are as follows:

Year Ending June 30,	Governmental Activities
2019	$ 817,731
2020	717,731
2021	632,159
2022	632,159
Thereafter	474,119
Total minimum lease payments	3,273,899
Less: capital proceeds not yet expended	(1,125,036)
Less: amount representing interest (1.85% - 2.95%)	(150,894)
Present value of minimum lease payments	$ 1,997,969

On December 28, 2017, the County entered into a $3,000,000 capital lease agreement with U.S. Bancorp Government Leasing and Finance, Inc to finance the implementation of a records management software to be utilized by the Sheriff's department. As of June 30, 2018, capital lease proceeds of $1,874,963 have been recognized and included in the RMS/JMS Software Project balance in construction in progress at year end (see Note 6). The remaining capital lease proceeds will be recognized in fiscal year 2019 when the project is completed.

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, 2018 was 0.20%. Interest payments are paid monthly, and the bonds mature in full on April 1, 2027. The outstanding balance at June 30, 2018 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, 2018 is $2,205,000.

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

June 30,	Principal	Interest[1]	Total
2019	$ 1,480,000	$ 112,850	$ 1,592,850
2020	2,165,000	68,839	2,233,839
2021	1,140,000	21,730	1,161,730
2022	1,245,000	19,418	1,264,418
2023	1,370,000	16,893	1,386,893
2024-2027	6,960,000	36,909	6,996,909
Total	$ 14,360,000	$ 276,639	$ 14,636,639

[1]*Based on the variable rate at June 30, 2018. 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 includes 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 3.0%. At June 30, 2018, the outstanding balance was $6,075,695. 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 includes 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 3.0%. At June 30, 2018, the outstanding balance was $16,386,286. 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, 2018, the outstanding balance was $786,203. 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, 2018, are as follows:

June 30,	Principal	Interest	Total
2019	$ 1,563,237	$ 662,866	$ 2,226,103
2020	1,608,438	617,667	2,226,105
2021	1,655,740	570,363	2,226,103
2022	1,703,717	522,385	2,226,102
2023	1,753,369	472,733	2,226,102
2024-2028	9,147,683	1,573,480	10,721,163
2029-2033	5,816,000	352,372	6,168,372
Total	$ 23,248,184	$ 4,771,866	$ 28,020,050

COMPONENT UNITS

Activity for the *Health Department* for the year ended June 30, 2018, was as follows:

Governmental activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	$ 853,108	$ 640,267	$ (685,530)	$ 807,845	$ 614,000	$ 193,845
Net pension liability	11,737,875	-	(2,129,163)	9,608,712	-	9,608,712
Net OPEB liability	9,472,488	160,686	(1,053,239)	8,579,935	-	8,579,935
Total Governmental activities	$ 22,063,471	$ 800,953	$ (3,867,932)	$ 18,996,492	$ 614,000	$18,382,492

The *Health Department* implemented GASB 75, "Accounting and Financial Reporting for Postemployement Benefits Other Than Pensions" in fiscal year 2018 and as a result had a change in accounting principle in the net OPEB liability of $9,472,488.

Activity for the *Library* for the year ended June 30, 2018, was as follows:

Governmental activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	$ 79,559	$ 102,550	$ (99,154)	$ 82,955	$ 33,182	$ 49,773
Net pension liability	2,279,532	207,882	(493,210)	1,994,204	-	1,994,204
Net OPEB liability	2,723,969	100,643	(479,814)	2,344,798	-	2,344,798
Total Governmental activities	$ 5,083,060	$ 411,075	$ (1,072,178)	$ 4,421,957	$ 33,182	$ 4,388,775

The *Library* implemented GASB 75, "Accounting and Financial Reporting for Postemployement Benefits Other Than Pensions" in fiscal year 2018 and as a result had a change in accounting principle in the net OPEB liability of $2,723,969.

NOTE 8 - INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of June 30, 2018, is as follows:

	Due From		
Due To	General Fund	Other nonmajor governmental funds	Total
General Fund	$ -	$ 127,999	$ 127,999
SPLOST	-	186	186
Other nonmajor governmental funds	41,828	63,946	105,774
Internal service funds	5,953	-	5,953
Total	$ 47,781	$ 192,131	$ 239,912

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, 2018, are as follows:

	Transfers In						
Transfers Out	General Fund	SPLOST	Capital Projects Fund	Other Nonmajor Governmental Funds	Solid Waste Fund	Water and Sewer	Total Transfers Out
General Fund	$ -	$ -	$ 1,850,000	$ 825,058	$ -	$ 4,081,569	$ 6,756,627
Fire District	-	-	892,475	-	-	-	892,475
SPLOST	-	-	-	-	61,829	5,007,988	5,069,817
Capital Projects Fund	-	863,876	-	-	-	-	863,876
Other nonmajor governmental funds	199,128	-	-	-	-	-	199,128
Solid Waste Fund	269,555	-	-	-	-	-	269,555
Total - Transfers in	$ 468,683	$ 863,876	$ 2,742,475	$ 825,058	$ 61,829	$ 9,089,557	$ 14,051,478

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 $14,701,513, which has been recorded as capacity held for resale. This asset will be expensed as it is sold to developers and other users. At June 30, 2018, the County has sold 4,900 gallons of the capacity, and the remaining capacity is valued at $14,654,107.

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, 2018, 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, 2018, 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, 2017, (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		331
Terminated plan participants entitled to but not yet receiving benefits		252
Active employees participating in the Plan		121
Total number of Plan participants		704
Covered compensation for active participants	$	8,340,771
Contributions as a percentage of its covered-employee payroll		54.64 %

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, 2017, 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, 2017 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	2.00-4.50%, average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation.

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

The actuarial assumptions used in the 2017 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, 2017	$ 52,479,679	$ 17,326,035	$ 35,153,644
Changes for the year:			
Service cost	50,974	-	50,974
Interest	3,631,284	-	3,631,284
Difference between expected and actual experience	169,154	-	169,154
Contribution-employer	-	4,557,450	(4,557,450)
Net investment income	-	2,172,950	(2,172,950)
Assumption Change	107,458	-	107,458
Benefit payments	(4,786,023)	(4,786,023)	-
Administrative expense	-	(42,274)	42,274
Other charges	-	(157,659)	157,659
Net changes	(827,153)	1,744,444	(2,571,597)
Balances at June 30, 2018	$ 51,652,526	$ 19,070,479	$ 32,582,047

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	$ 37,016,392	$ 32,582,047	$ 28,735,987

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, 2018, the County recognized pension expense of $4,134,019. At June 30, 2018, 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	$ 30,702	$ -
Net difference between projected and actual earnings on pension plan investments	694,229	820,398
TOTAL	$ 724,931	$ 820,398

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

Year Ended June 30,	
2019	$ 175,651
2020	96,617
2021	(162,637)
2022	(205,098)
2023	-
Thereafter	-
	$ (95,467)

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 $2,644,147 ($2,644,147 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 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%

Participant counts as of January 1, 2017, (the most recent actuarial valuation date) and covered compensation (base on covered earnings for the preceding year) are shown below:

	Count	Total OPEB Liability
Inactive employees or beneficiaries currently receiving benefits	286	$ 8,543,013
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	1,634	43,111,324
Total	1,920	$ 51,654,337

Covered compensation for active participants	$ 71,708,653
Contributions as a percentage of its covered-employee payroll	1.72 %

Contributions

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 2018, the County contributed $1,234,034 to the plan. In fiscal year 2018, no member contributions were made.

Net OPEB Liability

The County's net OPEB liability is reported herein as of June 30, 2018 for the employer fiscal year and reporting period of July 1, 2017 to June 30, 2018. The values shown for this fiscal year and reporting period are based on a measurement date of July 1, 2017 and the corresponding measurement period of July 1, 2016 to July 1, 2017. The measurement of the total OPEB liability is based on a valuation date of July 1, 2017.

The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

Expected Return on Assets:	N/A
Discount Rate:	3.56%
Salary Scale:	3.00%
Healthcare Cost Trend Rate:	6.52% for Pre-Medicare and 6.49% for Post-Medicare for fiscal year end 2018, decreasing 0.20% per year to an ultimate rate of 4.50%
Mortality:	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2017
Actuarial Cost Method:	Entry Age Actuarial Cost Method

The discount rate has been set to equal to 3.56% and represents the Municipal GO AA 20-year yield curve rate as of June 30, 2017.

Change in the Net OPEB Liability

	OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balances at July 1, 2017	$ 47,646,640	$ -	$ 47,646,640
Changes for the year:			
Service cost	3,444,655	-	3,444,655
Interest	1,797,076	-	1,797,076
Contribution-employer	-	1,234,034	(1,234,034)
Assumption Change	-	-	-
Benefit payments	(1,234,034)	(1,234,034)	-
Administrative expense	-	-	-
Other charges	-	-	-
Net changes	4,007,697	-	4,007,697
Balances at June 30, 2018*	$ 51,654,337	$ -	$ 51,654,337

*Measurement date is as of July 1, 2017

The following presents the County's net OPEB liability of the employer as of the measurement date calculated using the discount rate of 3.56%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56%) or 1-percentage-point higher (4.56%) than the current rate:

	1 % Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
County's net OPEB liability	$ 57,541,399	$ 51,654,337	$ 46,423,098

The following presents the County's net OPEB liability of the employer as of the measurement date calculated using the Pre-Medicare trend rate of 6.52%, as well as what the County's net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower (5.52%) or 1-percentage-point higher (7.52%) than the current rate:

	1 % Decrease (5.52%)	Current Trend Rate (6.52%)	1% Increase (7.52%)
County's net OPEB liability	$ 45,101,501	$ 51,654,337	$ 59,537,172

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, under GASB 75 the County's OPEB expense is $5,241,731. At June 30, 2018, the County reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

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 fully 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, 2018, the County included in accrued expenses $755,974 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, 2017	$ 603,796	$ 12,143,882	$ (12,061,567)	$ 686,111
Year ended June 30, 2018	$ 686,111	$ 13,771,684	$ (13,701,821)	$ 755,974

WORKERS' COMPENSATION

Gallagher Fund

The County participates in a self-insured workers' compensation plan from Arthur J. Gallagher & Company (Gallagher Fund). The members of the Gallagher Fund are assessable if the losses that the Gallagher Fund must pay exceed the assets of the pool. At June 30, 2018, 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 Gallagher 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 Gallagher 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 Gallagher 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 retention option with a $500,000 retention. Under this plan, Hall County is responsible for all payments up to $500,000, per occurrence, on workers compensation claims. Once an individual claim exceeds the retention, the plan will pay all costs in excess of the retention. As of June 30, 2018, an actuary determined that approximately $1,748,809 in reported but unpaid and incurred but not reported claims were outstanding relating to fiscal year 2018 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 also participates in the Association of County Commissioners of Georgia (ACCG) Group Self Insurance Workers' Compensation Fund (ACCG Fund), a self-insured pool cooperative arrangement among its members to finance workers' compensation coverage, to administrate claims from the period of July 1, 2001 to January 1, 2016, when it began participation in another self-insured plan with Arthur J. Gallagher & Company (Gallagher Fund). The ACCG 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.

HALL COUNTY, GEORGIA participated in the large deductible option with a $300,000 deductible. Under this plan, Hall County is responsible for all payments up to $300,000, 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, 2018, an actuary determined that approximately $270,000 in reported but unpaid and incurred but not reported claims were outstanding relating to fiscal year 2018 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 these workers' compensation plans 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, 2017	$ 1,030,000	$ 1,378,210	$ (974,537)	$ 1,433,673
Year ended June 30, 2018	$ 1,433,673	$ 1,930,030	$ (1,344,894)	$ 2,018,809

The County had a prior period adjustment related to estimated claims payable (see Note 19) and as a result had a change of $893,673 included in the beginning balance for fiscal year 2018.

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 2018, 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	$ 1,000,000	$ 2,000,000
Public Officials Liability	$ 1,000,000	$ 2,000,000
Automobile Liability	$ 1,000,000	None
Employee Benefits Liability	$ 1,000,000	$ 1,000,000
Employment Practices Liability	$ 1,000,000	$ 2,000,000
Crime Liability	$ 1,000,000	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 contract payable debt obligations for the State Patrol building and Spout Springs Reclamation Plant 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.

GEORGIA DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL DISABILITIES (DBHDD) - REGION ONE ADVISORY COUNCIL

The Regional Board for Georgia Department of Behavioral Health and Developmental Disabilities (DBHDD) - Region One Advisory Council 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	$ 185,002
SPLOST	10,669,278
Capital Projects	3,181,872
Nonmajor governmental funds	2,088,541
Total governmental activities	$ 16,124,693
Enterprise Funds	
Solid Waste	$ 58,648
Water and Sewer	8,430
Total Enterprise funds	$ 67,078

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 indigent care agreement with the Hospital Authority of Hall County under which the County in effect guaranteed 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 the 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, 2018, the outstanding balance of this debt was $196,195,000.

In October 2012, the County entered into an indigent care 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, 2018, 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 $11,500,000. 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, 2018, the outstanding balance on this debt was $2,685,000.

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, 2018, the County has recorded a liability for the Allen Creek Landfill of $5,425,457, 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, 2018, the County has recorded a liability for the Candler Road landfill of $7,521,523, which represents the estimated closure and postclosure costs based on 37% of landfill capacity used to date. The County will recognize the remaining estimated cost of closure and postclosure care of $12,271,843 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2018. The County expects to close the landfill in the year 2033. The estimated costs are subject

to changes such as the effects of inflation, revision of laws and other variables. The revised liability for the closure, postclosure and remediation costs has been estimated by the Hall County Engineering Department.

The County is also required to demonstrate financial assurance that the closure and postclosure care cost can be paid in the future. The County has fulfilled this requirement for the period ended June 30, 2018, 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 $5,425,457. The County has accrued the difference between the estimated liability this year and the amount accrued as of June 30, 2017, 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 $10,985,457.

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 $7,521,523, which represents the estimated closure and postclosure costs based on 37% of landfill capacity used to date. The County will recognize the remaining estimated cost of closure and postclosure care of $12,271,843 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, 2018, the County paid $154,112 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, 2018, the County collected $44,910 of which $17,964 was required to be spent to promote tourism, conventions, and trade shows. The County actually spent $115,000. This was 640% 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, 2018, the County abated property taxes totaling $485,543. These abatements include the following agreements that exceed ten-percent (10%) of the total amount abated:

- 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 $277,147.

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 increase the liability related to workers compensation insurance decreased governmental net position by $893,673. This adjustment was necessary to properly disclose the correct amount of workers compensation liability in accordance with the plan's actuary report.

A prior period adjustment to increase sewer lines and systems asset related to donated sewer lines from private developers increased business-type net position by $4,318,480. This adjustment was necessary to properly disclose the amount of sewer lines that had been donated from fiscal year 2008 to fiscal year 2017 based on information provided by County engineers.

HALL COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NET PENSION LIABILITY -
ACCG HALL COUNTY DEFINED BENEFIT PLAN
For the Year Ended June 30, 2018
"Unaudited"

For the Year Ended June 30,	2018	2017	2016	2015
Net pension liability	$ 32,582,047	$ 35,153,644	$ 33,843,595	$ 30,720,425
Covered payroll	$ 8,340,711	$ 9,150,653	$ 8,918,269	$ 9,598,157
Net pension liability as a percentage of its covered payroll	390.64%	384.17%	379.49%	320.07%
Total pension liability	$ 51,652,526	$ 52,479,679	$ 50,698,055	$ 48,249,039
Fiduciary net position	$ 19,070,479	$ 17,326,035	$ 16,854,460	$ 17,528,614
Plan fiduciary net position as a percentage of the total pension liability	36.90%	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, 2018
"Unaudited"

For the Year Ended June 30,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	$ 4,557,450	$ 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
Contributions in relation to the contractually required contribution	4,557,450	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
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ (224,616)	$ (368,329)	$ 867,776	$ 1,040,300	$ 785,016	$ (459,451)
County's covered payroll	$ 8,340,711	$ 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
Contributions as a percentage of covered payroll	54.64%	50.79%	48.69%	42.79%	38.43%	34.40%	20.98%	16.83%	16.96%	23.66%

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, 2018
"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, 2018 reported in that schedule:

Valuation Date	December 31, 2017
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	2.0%-4.5%, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation.

HALL COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
HALL COUNTY, GEORGIA POSTRETIREMENT HEALTH AND LIFE INSURANCE BENEFIT PLANS
For the Year Ended June 30, 2018
"Unaudited"

Fiscal Year Ending June 30		2018
Total OPEB liability		
Service cost	$	3,444,655
Interest		1,797,076
Benefit payments, including refunds of employee contributions		(1,234,034)
Net changes in total OPEB liability	$	4,007,697
Total OPEB liability - beginning	$	47,646,640
Total OPEB liability - ending (a)		51,654,337
Plan fiduciary net position		
Contributions - employer	$	1,234,034
Benefit payments, including refunding of employee contributions		(1,234,034)
Net change is plan fiduciary net position	$	-
Plan fiduciary net position - beginning	$	-
Plan fiduciary net position - ending (b)		-
Net OPEB liability - ending (a)-(b)	$	51,654,337
Plan fiduciary net position as a percentage of the total OPEB liability		0.00 %
Covered-employee payroll	$	71,708,653
Net OPEB liability as a percentage of covered-employee payroll		1.72 %

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 EMPLOYER CONTRIBUTIONS
HALL COUNTY, GEORGIA POSTRETIREMENT HEALTH AND LIFE INSURANCE BENEFIT PLANS
For the Year Ended June 30, 2018
"Unaudited"

Fiscal Year Ending June 30,		2018
Actuarially Determined Contribution	$	1,234,034
Contributions in relation to the Actuarially Determined Contribution		1,234,034
Contribution deficiency (excess)	$	-
Expected covered-employee payroll	$	71,708,653
Contributions as a percentage of covered-employee payroll		1.72 %

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 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
HALL COUNTY, GEORGIA POSTRETIREMENT HEALTH AND LIFE INSURANCE BENEFIT PLANS
For the Year Ended June 30, 2018
"Unaudited"

Method and Assumptions Used in Calculations of Actuarially Determined Contributions

The County has elected to make an annual contribution equal to the benefit payments. The County share of net benefits is the difference between the expected benefit payments and the retiree contributions. It is sometimes referred to as "pay-as-you-go."

The expected benefit payments are actuarially determined to reflect the age difference between the overall covered group and the retiree group.

Actuarially determined contributions, which are based on the expected "pay-as-you-go" cost, and actual contributions are from the measurement periods ending June 30 of the year prior to the year-end of the reporting periods shown. This is the first valuation under GASB 75 for the reported Plan.

HALL COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2018
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 21,447,305	$ 21,447,305	$ 21,447,305	$ -
RESOURCES (INFLOWS)				
Taxes	80,278,131	82,616,955	83,037,562	420,607
Licenses and permits	1,874,722	2,121,119	2,382,849	261,730
Intergovernmental	1,113,667	1,113,667	1,729,883	616,216
Fines and forfeitures	4,044,410	5,065,380	5,229,346	163,966
Charges for services	13,968,789	13,968,789	14,913,951	945,162
Contributions and donations	-	-	44,484	44,484
Investment income	550	550	55,213	54,663
Miscellaneous	124,300	124,300	85,060	(39,240)
Sale of county property	150,000	150,000	55,436	(94,564)
Transfers in	550,000	550,000	468,683	(81,317)
Total Resources (Inflows)	102,104,569	105,710,760	108,002,467	2,291,707
AMOUNTS AVAILABLE FOR APPROPRIATION	123,551,874	127,158,065	129,449,772	2,291,707
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
General Government				
Administration	1,036,047	1,332,027	1,331,998	29
Elections	496,119	479,899	477,943	1,956
Financial administration	842,869	847,784	847,783	1
Business license	163,627	158,116	155,555	2,561
Purchasing	317,042	304,210	297,777	6,433
Data processing/MIS	820,562	771,656	761,685	9,971
Human resources	570,906	552,606	552,606	-
Tax commissioner	1,725,167	1,790,210	1,735,292	54,918
Tax assessor-real property	1,599,188	1,799,790	1,799,789	1
Risk management	9,520,889	8,755,332	8,755,332	-
Buildings	2,493,547	2,303,264	2,303,264	-
General services	4,051,994	8,221,805	8,222,481	(676)
Agencies	163,112	163,112	163,112	-
Total General Government	23,801,069	27,479,811	27,404,617	75,194
Judicial				
Judicial administration	350,099	338,984	330,258	8,726
Superior court	3,093,620	2,976,244	2,976,244	-
Clerk of superior court	2,199,684	2,243,757	2,239,409	4,348
District attorney	1,680,784	1,703,388	1,672,443	30,945
State court	1,513,988	1,560,657	1,560,885	(228)
Magistrate court	1,166,770	1,182,676	1,182,676	-
Probate court	691,661	668,813	668,813	-
Juvenile court	1,621,538	1,720,560	1,720,551	9
Probation services	991,920	1,013,530	1,013,530	-
Public defender	1,585,349	1,513,642	1,510,442	3,200
Solicitor	1,434,111	1,427,599	1,427,598	1
Other judicial	998,256	971,841	972,779	(938)
Total Judicial	17,327,780	17,321,691	17,275,628	46,063
Public Safety				
Sheriff	16,499,494	17,555,567	17,555,184	383
Detention center	16,160,957	15,683,519	15,683,488	31
Correctional institute	2,947,589	3,026,819	3,026,818	1
Emergency medical services	7,561,929	7,580,881	7,579,468	1,413
Coroner	183,956	207,671	207,671	-
E-911	855,115	366,338	365,658	680
Agencies	9,451	9,451	9,451	-
Animal shelter	1,328,582	1,320,151	1,314,530	5,621
Emergency management	304,547	205,729	184,918	20,811
Total Public Safety	45,851,620	45,956,126	45,927,186	28,940
Public Works				
Highways and streets	2,693,120	2,680,075	2,680,074	1
Maintenance and shop	867,649	855,447	853,610	1,837
Engineering	1,299,258	1,130,729	1,129,901	828
Total Public Works	4,860,027	4,666,251	4,663,585	2,666

HALL COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2018
(Required Supplementary Information)

CONTINUED.....	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Public Health and Welfare				
Health department	826,345	801,490	801,489	1
Public welfare	1,273,550	1,198,690	1,198,690	-
Community Center	524,625	524,625	524,625	-
Agencies	164,650	164,650	164,650	-
Total Public Health and Welfare	2,789,170	2,689,455	2,689,454	1
Recreation and Culture				
Parks	2,468,254	2,543,947	2,543,947	-
Library	2,101,423	2,089,104	2,087,130	1,974
Agriculture center	240,573	245,147	241,862	3,285
Other recreation and culture	126,749	89,749	89,749	-
Total Recreation and Culture	4,936,999	4,967,947	4,962,688	5,259
Housing and development				
Conservation	105,476	107,575	106,773	802
Building inspection	476,643	474,616	475,183	(567)
Planning and zoning	762,688	824,120	824,119	1
Code enforcement	511,175	552,224	552,224	-
Agencies	432,900	432,900	432,990	(90)
County agent	249,022	238,044	219,101	18,943
Total Housing and Development	2,537,904	2,629,479	2,610,390	19,089
TOTAL CHARGES TO APPROPRIATIONS	102,104,569	105,710,760	105,533,548	177,212
CHANGE IN FUND BALANCE	-	-	2,468,919	2,468,919
FUND BALANCE, End of year	$ 21,447,305	$ 21,447,305	$ 23,916,224	$ 2,468,919

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, 2018
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 3,960,504	$ 3,960,504	$ 3,960,504	$ -
RESOURCES (INFLOWS)				
Taxes	23,933,831	23,933,831	24,375,832	442,001
Intergovernmental	11,215	11,215	18,005	6,790
Charges for services	177,581	177,581	145,543	(32,038)
Miscellaneous	-	-	2,875	2,875
Total Resources (Inflows)	24,122,627	24,122,627	24,542,255	419,628
AMOUNTS AVAILABLE FOR APPROPRIATION	28,083,131	28,083,131	28,502,759	419,628
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	24,122,627	24,122,627	23,705,516	417,111
TOTAL CHARGES TO APPROPRIATIONS	24,122,627	24,122,627	23,705,516	417,111
CHANGE IN FUND BALANCE	-	-	836,739	836,739
FUND BALANCE, End of year	$ 3,960,504	$ 3,960,504	$ 4,797,243	$ 836,739

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, 2018

	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	$ -	$ 90,728	$ -	$ 117,389	$ 4,905,379	$ 209,770	$ 106,500	$ 5,429,766	$ 2,208,522	$ 7,638,288
Receivables (net of allowance for uncollectibles)	452,382	132,561	1,552,554	8,751	138,036	-	2,968	2,287,252	-	2,287,252
Due from other funds	-	-	68,875	-	36,899	-	-	105,774	-	105,774
Prepaid items	26,494	-	15,611	-	525	-	-	42,630	-	42,630
Inventories	-	-	-	-	21,232	-	-	21,232	-	21,232
TOTAL ASSETS	$ 478,876	$ 223,289	$ 1,637,040	$ 126,140	$ 5,102,071	$ 209,770	$ 109,468	$ 7,886,654	$ 2,208,522	$ 10,095,176
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	$ 34,176	$ 7,330	$ 573,962	$ 12,300	$ 262,507	$ -	$ 16,414	$ 906,689	$ 1,103,003	$ 2,009,692
Other accrued items	57,312	6,944	27,018	-	20,185	-	1,852	113,311	-	113,311
Due to other funds	88,326	-	82,710	-	21,095	-	-	192,131	-	192,131
Unearned revenue	-	-	927,919	-	300,000	-	-	1,227,919	-	1,227,919
Deposits held	-	-	-	-	178,878	-	-	178,878	-	178,878
TOTAL LIABILITIES	179,814	14,274	1,611,609	12,300	782,665	-	18,266	2,618,928	1,103,003	3,721,931
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue -other	-	-	-	8,751	-	-	-	8,751	-	8,751
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	8,751	-	-	-	8,751	-	8,751
TOTAL LIABILITIES, AND DEFERRED INFLOWS OF RESOURCES	179,814	14,274	1,611,609	21,051	782,665	-	18,266	2,627,679	1,103,003	3,730,682
FUND BALANCES										
Nonspendable:										
Prepaid expenditure	26,494	-	15,611	-	525	-	-	42,630	-	42,630
Inventories	-	-	-	-	21,232	-	-	21,232	-	21,232
Restricted:										
Special assessments	-	-	-	105,089	-	-	-	105,089	-	105,089
Judicial programs	-	-	-	-	1,519,058	209,770	-	1,728,828	-	1,728,828
Public safety programs	272,568	-	9,820	-	2,455,828	-	-	2,738,216	-	2,738,216
Health and welfare programs	-	-	-	-	182,979	-	-	182,979	-	182,979
Recreation and culture programs	-	209,015	-	-	250	-	-	209,265	-	209,265
Housing and development programs	-	-	-	-	139,534	-	-	139,534	-	139,534
Assigned:										
Capital equipment and infrastructure	-	-	-	-	-	-	-	-	1,105,519	1,105,519
Recreation and culture programs	-	-	-	-	-	-	91,202	91,202	-	91,202
TOTAL FUND BALANCES	299,062	209,015	25,431	105,089	4,319,406	209,770	91,202	5,258,975	1,105,519	6,364,494
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 478,876	$ 223,289	$ 1,637,040	$ 126,140	$ 5,102,071	$ 209,770	$ 109,468	$ 7,886,654	$ 2,208,522	$ 10,095,176

HALL COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	SPECIAL REVENUE FUNDS									CAPITAL PROJECTS FUND	
	EMERGENCY TELEPHONE SERVICE	PARKS FUND	MULTIPLE GRANTS FUND	SPECIAL ASSESSMENTS	RESTRICTED PROGRAMS FUND	HOTEL/ MOTEL TAX	LAW LIBRARY	ALLEN CREEK SOCCER COMPLEX	SUBTOTAL SPECIAL REVENUE FUNDS	STATE ROAD FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES											
Taxes	$ -	$ -	$ -	$ -	$ -	$ 44,910	$ -	$ -	$ 44,910	$ -	$ 44,910
Intergovernmental	3,551	-	3,676,241	-	847,715	-	-	21,707	4,549,214	1,999,077	6,548,291
Fines and forfeitures	-	-	-	-	1,197,305	-	197,336	-	1,394,641	-	1,394,641
Charges for services	3,342,837	738,384	532,614	1,051,237	1,386,679	-	-	112,798	7,164,549	-	7,164,549
Contributions and donations	-	-	-	-	16,141	-	-	-	16,141	-	16,141
Interest income	-	-	-	-	-	-	15	-	15	-	15
Miscellaneous	18,750	440	33,635	-	26,566	-	-	-	79,391	-	79,391
TOTAL REVENUES	3,365,138	738,824	4,242,490	1,051,237	3,474,406	44,910	197,351	134,505	13,248,861	1,999,077	15,247,938
EXPENDITURES											
Current Expenditures											
Judicial	-	-	1,450,990	-	993,056	-	115,702	-	2,559,748	-	2,559,748
Public safety	3,745,475	-	118,410	-	1,549,186	-	-	-	5,413,071	-	5,413,071
Public works	-	-	284,099	964,706	-	-	-	-	1,248,805	2,315,846	3,564,651
Public health and welfare	-	-	31,221	-	90,980	-	-	-	122,201	-	122,201
Recreation and culture	-	578,068	1,673	-	-	115,000	-	224,255	918,996	-	918,996
Housing and development	-	-	1,729,044	-	-	-	-	-	1,729,044	-	1,729,044
Intergovernmental	-	-	75,970	-	-	-	-	-	75,970	-	75,970
Capital outlay	-	-	551,083	-	612,633	-	-	-	1,163,716	694,564	1,858,280
TOTAL EXPENDITURES	3,745,475	578,068	4,242,490	964,706	3,245,855	115,000	115,702	224,255	13,231,551	3,010,410	16,241,961
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(380,337)	160,756	-	86,531	228,551	(70,090)	81,649	(89,750)	17,310	(1,011,333)	(994,023)
OTHER FINANCING SOURCES (USES)											
Transfers in	365,658	-	-	-	299,560	70,090	-	89,750	825,058	-	825,058
Transfers out	-	-	-	(199,128)	-	-	-	-	(199,128)	-	(199,128)
TOTAL OTHER FINANCING SOURCES (USES)	365,658	-	-	(199,128)	299,560	70,090	-	89,750	625,930	-	625,930
NET CHANGE IN FUND BALANCES	(14,679)	160,756	-	(112,597)	528,111	-	81,649	-	643,240	(1,011,333)	(368,093)
FUND BALANCES, Beginning 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
FUND BALANCES, End of year	$ 299,062	$ 209,015	$ 25,431	$ 105,089	$ 4,319,406	$ -	$ 209,770	$ 91,202	$ 5,258,975	$ 1,105,519	$ 6,364,494

HALL COUNTY, GEORGIA
EMERGENCY TELEPHONE SYSTEM SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2018

	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)				
Intergovernmental	-	-	3,551	3,551
Charges for services	3,495,059	3,495,059	3,342,837	(152,222)
Miscellaneous	19,430	19,430	18,750	(680)
Transfer in	855,115	698,338	365,658	(332,680)
Total Resources (Inflows)	4,369,604	4,212,827	3,730,796	(482,031)
AMOUNTS AVAILABLE FOR APPROPRIATION	4,683,345	4,526,568	4,044,537	(482,031)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	4,369,604	4,212,827	3,745,475	467,352
TOTAL CHARGES TO APPROPRIATIONS	4,369,604	4,212,827	3,745,475	467,352
CHANGE IN FUND BALANCE	-	-	(14,679)	(14,679)
FUND BALANCE, End of year	$ 313,741	$ 313,741	$ 299,062	$ (14,679)

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, 2018

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 48,259	$ 48,259	$ 48,259	$ -
RESOURCES (INFLOWS)				
Charges for services	601,200	601,200	738,384	137,184
Miscellaneous	1,000	1,000	440	(560)
Transfer in	100,001	50,001	-	(50,001)
Total Resources (Inflows)	702,201	652,201	738,824	86,623
AMOUNTS AVAILABLE FOR APPROPRIATION	750,460	700,460	787,083	86,623
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Recreation and culture	702,201	652,201	578,068	74,133
TOTAL CHARGES TO APPROPRIATIONS	702,201	652,201	578,068	74,133
CHANGE IN FUND BALANCE	-	-	160,756	160,756
FUND BALANCE, End of year	$ 48,259	$ 48,259	$ 209,015	$ 160,756

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

HALL COUNTY, GEORGIA
MULTIPLE GRANTS SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2018

	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	2,422,497	6,049,091	3,676,241	(2,372,850)
Charges for services	656,300	656,300	532,614	(123,686)
Miscellaneous	33,550	33,550	33,635	85
Total Resources (Inflows)	3,112,347	6,738,941	4,242,490	(2,496,451)
AMOUNTS AVAILABLE FOR APPROPRIATION	3,137,778	6,764,372	4,267,921	(2,496,451)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
General government	-	198,874	-	198,874
Judicial	1,107,807	1,860,066	1,750,990	109,076
Public safety	158,853	438,210	217,509	220,701
Public works	-	2,124,044	512,053	1,611,991
Public health and welfare	67,405	67,405	31,221	36,184
Recreation and culture	-	-	1,673	(1,673)
Housing and development	1,778,282	2,050,342	1,729,044	321,298
TOTAL CHARGES TO APPROPRIATIONS	3,112,347	6,738,941	4,242,490	2,496,451
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, 2018

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 217,686	$ 217,686	$ 217,686	$ -
RESOURCES (INFLOWS)				
Charges for services	957,308	1,163,835	1,051,237	(112,598)
Total Resources (Inflows)	957,308	1,163,835	1,051,237	(112,598)
AMOUNTS AVAILABLE FOR APPROPRIATION	1,174,994	1,381,521	1,268,923	(112,598)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public works	957,308	964,707	964,706	1
Transfers out	-	199,128	199,128	-
TOTAL CHARGES TO APPROPRIATIONS	957,308	1,163,835	1,163,834	1
CHANGE IN FUND BALANCE	-	-	(112,597)	(112,597)
FUND BALANCE, End of year	$ 217,686	$ 217,686	$ 105,089	$ (112,597)

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, 2018

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 3,791,295	$ 3,791,295	$ 3,791,295	$ -
RESOURCES (INFLOWS)				
Intergovernmental	782,541	803,541	847,715	44,174
Fines and forfeitures	978,497	1,019,297	1,197,305	178,008
Charges for services	479,669	480,769	1,386,679	905,910
Contributions and donations	2,000	3,921	16,141	12,220
Miscellaneous	5,500	35,500	26,566	(8,934)
Transfer in	310,422	310,422	299,560	(10,862)
Total Resources (Inflows)	2,558,629	2,653,450	3,773,966	1,120,516
AMOUNTS AVAILABLE FOR APPROPRIATION	6,349,924	6,444,745	7,565,261	1,120,516
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	1,029,940	1,517,685	1,440,625	77,060
Public safety	2,297,732	2,069,307	1,714,250	355,057
Public health and welfare	123,568	153,568	90,980	62,588
TOTAL CHARGES TO APPROPRIATIONS	3,451,240	3,740,560	3,245,855	494,705
CHANGE IN FUND BALANCE	(892,611)	(1,087,110)	528,111	1,615,221
FUND BALANCE, End of year	$ 2,898,684	$ 2,704,185	$ 4,319,406	$ 1,615,221

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, 2018

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ -	$ -	$ -	$ -
RESOURCES (INFLOWS)				
Taxes	26,000	26,000	44,910	18,910
Transfer in	89,000	89,000	70,090	(18,910)
Total Resources (Inflows)	115,000	115,000	115,000	-
AMOUNTS AVAILABLE FOR APPROPRIATION	115,000	115,000	115,000	-
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Recreation and culture	115,000	115,000	115,000	-
TOTAL CHARGES TO APPROPRIATIONS	115,000	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, 2018

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 128,121	$ 128,121	$ 128,121	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	98,716	116,000	197,336	81,336
Investment income	-	-	15	15
Total Resources (Inflows)	98,716	116,000	197,351	81,351
AMOUNTS AVAILABLE FOR APPROPRIATION	226,837	244,121	325,472	81,351
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	98,716	116,000	115,702	298
TOTAL CHARGES TO APPROPRIATIONS	98,716	116,000	115,702	298
CHANGE IN FUND BALANCE	-	-	81,649	81,649
FUND BALANCE, End of year	$ 128,121	$ 128,121	$ 209,770	$ 81,649

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, 2018

	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	24,060	24,060	21,707	(2,353)
Charges for services	112,755	112,755	112,798	43
Transfer in	126,749	126,749	89,750	(36,999)
Total Resources (Inflows)	263,564	263,564	224,255	(39,309)
AMOUNTS AVAILABLE FOR APPROPRIATION	354,766	354,766	315,457	(39,309)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Recreation and culture	263,564	263,564	224,255	39,309
TOTAL CHARGES TO APPROPRIATIONS	263,564	263,564	224,255	39,309
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, 2018

	GROUP INSURANCE	RISK MANAGEMENT	FLEET MAINTENANCE	TOTAL
ASSETS				
Current Assets				
Cash	$ 5,273,909	$ 2,866,581	$ 60,340	$ 8,200,830
Receivables (net of allowance for uncollectibles)	129,498	620	928	131,046
Interfund receivables	-	4,619	1,334	5,953
Inventories	269,885	-	-	269,885
Prepaid items	5,094	106,333	-	111,427
TOTAL CURRENT ASSETS	5,678,386	2,978,153	62,602	8,719,141
TOTAL ASSETS	5,678,386	2,978,153	62,602	8,719,141
LIABILITIES				
Current Liabilities				
Accounts payable	157,928	77,998	62,602	298,528
Other accrued items	20,775	693	-	21,468
Estimated claims payable	755,974	634,856	-	1,390,830
TOTAL CURRENT LIABILITIES	934,677	713,547	62,602	1,710,826
Noncurrent Liabilities				
Estimated claims payable	-	1,383,953	-	1,383,953
TOTAL NONCURRENT LIABILITIES	-	1,383,953	-	1,383,953
TOTAL LIABILITIES	934,677	2,097,500	62,602	3,094,779
NET POSITION				
Unrestricted	4,743,709	880,653	-	5,624,362
TOTAL NET POSITION	$ 4,743,709	$ 880,653	$ -	$ 5,624,362

HALL COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2018

	GROUP INSURANCE	RISK MANAGEMENT	FLEET MAINTENANCE	TOTAL
OPERATING REVENUES				
Charges for sales and services:				
Charges to other funds	$ 15,507,016	$ 2,746,929	$ 1,308,792	$ 19,562,737
Charges to others	6,168,093	-	-	6,168,093
Total Operating Revenues	21,675,109	2,746,929	1,308,792	25,730,830
OPERATING EXPENSES				
Salaries and benefits	-	48,518	-	48,518
Other services and charges	4,768,883	43,644	-	4,812,527
Benefit claims	14,774,119	1,801,518	-	16,575,637
General and administrative	1,757,583	119,440	-	1,877,023
Insurance premiums	1,057,571	1,323,756	-	2,381,327
Repairs and maintenance	21,287	-	1,308,792	1,330,079
Total Operating Expenses	22,379,443	3,336,876	1,308,792	27,025,111
OPERATING INCOME (LOSS)	(704,334)	(589,947)	-	(1,294,281)
NONOPERATING REVENUES (EXPENSES)				
Miscellaneous revenue	-	6,379	-	6,379
Total Nonoperating Revenues (Expenses)	-	6,379	-	6,379
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(704,334)	(583,568)	-	(1,287,902)
CHANGE IN NET POSITION	(704,334)	(583,568)	-	(1,287,902)
TOTAL NET POSITION, Beginning of year	5,448,043	2,357,894	-	7,805,937
PRIOR PERIOD ADJUSTMENT	-	(893,673)	-	(893,673)
TOTAL NET POSITION, Beginning of year restated	-	1,464,221	-	6,912,264
TOTAL NET POSITION, End of year	$ 4,743,709	$ 880,653	$ -	$ 5,624,362

HALL COUNTY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	GROUP INSURANCE	RISK MANAGEMENT	FLEET MAINTENANCE	TOTAL
Receipts from customer	$ 6,150,653	$ 55,733	$ 1,307,864	$ 7,514,250
Payments to suppliers	(7,551,353)	(1,197,313)	(1,247,524)	(9,996,190)
Payments to employees	(14,710,507)	(1,614,269)	-	(16,324,776)
Internal activity-payments from (to) other funds	15,507,016	2,746,929	-	18,253,945
Net cash provided by (used in) operating activities	(604,191)	(8,920)	60,340	(552,771)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings	-	6,379	-	6,379
Net cash provided (used) by investing activities	-	6,379	-	6,379
Net increase (decrease) in cash and cash equivalents	(604,191)	(2,541)	60,340	(546,392)
CASH, Beginning of year	5,878,100	2,869,122	-	8,747,222
CASH, End of year	$ 5,273,909	$ 2,866,581	$ 60,340	$ 8,200,830
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	$ (704,334)	$ (589,947)	$ -	$ (1,294,281)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
(Increase) decrease in:				
Accounts receivable, net	(17,440)	55,733	(928)	37,365
Inventory	14,078	-	-	14,078
Prepaid expenses	16,011	14,208	-	30,219
Increase (decrease) in:				
Accounts payable	23,881	(69,372)	62,602	17,111
Other accrued items	(6,250)	(59)	-	(6,309)
Claims payable	69,863	585,137	-	655,000
Interfund payables	-	(4,620)	(1,334)	(5,954)
Net cash provided by (used in) operating activities	$ (604,191)	$ (8,920)	$ 60,340	$ (552,771)

HALL COUNTY, GEORGIA
ALL AGENCY FUNDS
ALL AGENCY FUNDS
June 30, 2018

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	JUVENILE COURT	SHERIFF	INMATE FUND	TOTAL
ASSETS								
Cash	$ 3,442,398	$ 1,221,159	$ 186,711	$ 164,437	$ 54,549	$ 1,551,991	$ 146,126	$ 6,767,371
TOTAL ASSETS	$ 3,442,398	$ 1,221,159	$ 186,711	$ 164,437	$ 54,549	$ 1,551,991	$ 146,126	$ 6,767,371
LIABILITIES								
Amounts held for others	$ 3,442,398	$ 1,221,159	$ 186,711	$ 164,437	$ 54,549	$ 1,551,991	$ 146,126	$ 6,767,371
TOTAL LIABILITIES	$ 3,442,398	$ 1,221,159	$ 186,711	$ 164,437	$ 54,549	$ 1,551,991	$ 146,126	$ 6,767,371

HALL COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2018

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	JUVENILE COURT	SHERIFF	INMATE FUND	TOTAL
ASSETS								
Cash								
Balance, July 1, 2017	$ 3,504,209	$ 3,856,355	$ 175,635	$ 100,694	$ 64,308	$ 1,453,514	$ 124,393	$ 9,279,108
Additions	198,250,408	15,211,140	753,990	1,387,222	44,185	1,093,575	1,868,034	218,608,554
Deductions	(198,312,219)	(17,846,336)	(742,914)	(1,323,479)	(53,944)	(995,098)	(1,846,301)	(221,120,291)
Balance, June 30, 2018	3,442,398	1,221,159	186,711	164,437	54,549	1,551,991	146,126	6,767,371
TOTAL ASSETS	$ 3,442,398	$ 1,221,159	$ 186,711	$ 164,437	$ 54,549	$ 1,551,991	$ 146,126	$ 6,767,371
LIABILITIES								
Due to County								
Balance, July 1, 2017	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additions	78,551,760	8,580,630	560,780	623,303	17,231	335,706	170,251	88,839,661
Deductions	(78,551,760)	(8,580,630)	(560,780)	(623,303)	(17,231)	(335,706)	(170,251)	(88,839,661)
Balance, June 30, 2018	-	-	-	-	-	-	-	-
Amounts held for others								
Balance, July 1, 2017	3,504,209	3,856,355	175,635	100,694	64,308	1,453,514	124,393	9,279,108
Additions	119,698,648	6,630,510	193,210	763,919	26,954	757,869	1,697,783	129,768,893
Deductions	(119,760,459)	(9,265,706)	(182,134)	(700,176)	(36,713)	(659,392)	(1,676,050)	(132,280,630)
Balance, June 30, 2018	3,442,398	1,221,159	186,711	164,437	54,549	1,551,991	146,126	6,767,371
Total Liabilities								
Balance, July 1, 2017	3,504,209	3,856,355	175,635	100,694	64,308	1,453,514	124,393	9,279,108
Additions	198,250,408	15,211,140	753,990	1,387,222	44,185	1,093,575	1,868,034	218,608,554
Deductions	(198,312,219)	(17,846,336)	(742,914)	(1,323,479)	(53,944)	(995,098)	(1,846,301)	(221,120,291)
Balance, June 30, 2018	3,442,398	1,221,159	186,711	164,437	54,549	1,551,991	146,126	6,767,371
TOTAL LIABILITIES	$ 3,442,398	$ 1,221,159	$ 186,711	$ 164,437	$ 54,549	$ 1,551,991	$ 146,126	$ 6,767,371

HALL COUNTY, GEORGIA
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended June 30, 2018

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	AMOUNT EXPENDED YEAR 1 2010	YEAR 2 2011	YEAR 3 2012
SPLOST VI (effective July 1, 2009)					
COUNTY PROJECTS					
Road Projects	$ 68,000,000	$ 45,250,145	$ 2,896,885	$ 8,236,752	$ 5,661,060 (2)
Water and Sewer Projects	53,037,000	37,845,937	11,123,975	(2,401,069) (1)	2,653,244
Landfill	4,000,000	2,477,089	-	-	-
Recreational Facilities	21,000,000	14,242,429	2,872,270	(112,473)	4,773,381
Courthouse and Administration Building	17,000,000	13,975,000	-	1,578,434	2,316,737
Fire and Emergency Projects	4,000,000	3,205,000	-	-	-
Public Safety Facilities	10,000,000	10,192,753	-	-	-
Public Health Facility	5,000,000	482,600	-	-	-
Animal Care Facility	5,000,000	2,966,591	661,541	461,613	460,031
Post Office	3,000,000	50,000	-	-	-
Library Facility	3,000,000	2,587,935	78,247	909,947	836,840
Welcome Center	1,500,000	-	-	-	-
Airport	500,000	12,500	-	-	-
Subtotal County Projects	195,037,000	133,287,979	17,632,918	8,673,204	16,701,293
MUNICIPAL PROJECTS					
City of Braselton					
Sidewalks	32,000	21,212	3,176	3,221	3,581
City of Buford					
Road Paving	141,000	93,464	14,019	14,216	15,806
City of Clermont					
Municipal Buildings	550,000	364,578	54,726	55,495	61,702
Parks	150,000	99,430	14,925	15,135	16,828
Streets & Sidewalks	250,000	165,717	24,876	25,225	28,046
Subtotal	950,000	629,725	94,527	95,855	106,576
City of Flowery Branch					
Cinnamon Cove Lift Station & Force Main Line	1,300,000	861,729	129,368	131,186	145,857
9 Police Cars (over 6 years)	200,000	132,574	19,902	20,182	22,440
Road Resurfacing and Sidewalks	500,000	331,434	49,757	50,456	56,099
City Administration Real Estate/Buildings	500,000	331,434	49,757	50,456	56,099
Subtotal	2,500,000	1,657,172	248,784	252,280	280,495
City of Gainesville					
Previously Incurred Debt	7,500,000	4,971,515	746,329	723,625	874,871
New Public Safety Facility	13,000,000	8,617,293	1,293,637	1,254,283	1,516,443
Fire Station Replacement	6,500,000	4,308,647	646,818	627,141	758,221
Transportation	2,500,000	1,657,172	248,776	241,208	291,624
Downtown Streetscape	3,000,000	1,988,606	298,532	289,450	349,948
Parks & Recreation	3,000,000	1,988,606	298,532	289,450	349,948
Subtotal	35,500,000	23,531,839	3,532,624	3,425,157	4,141,055
City of Gillsville					
Road Improvements	40,000	26,515	3,980	4,036	4,488
Community Park Upgrades	95,000	62,973	9,454	9,586	10,659
Downtown Improvements	105,000	69,601	10,449	10,596	11,780
Subtotal	240,000	159,088	23,883	24,218	26,927
City of Lula					
Road Resurfacing	300,000	198,861	29,854	30,274	33,660
Parks & Recreation	300,000	198,861	29,854	30,274	33,660
Water System and Sewer Projects	1,300,000	861,729	129,370	131,187	145,859
Subtotal	1,900,000	1,259,451	189,078	191,735	213,179
City of Oakwood					
Infrastructure Projects	1,500,000	994,303	149,269	151,366	168,296
Transportation Project	200,000	132,574	19,902	20,182	22,439
Transportation Project	1,200,000	795,442	119,415	121,093	134,636
Sewer Project	800,000	530,295	79,610	80,729	89,758
Subtotal	3,700,000	2,452,614	368,196	373,370	415,129
Subtotal Municipal Projects	44,963,000	29,804,566	4,474,287	4,380,052	5,202,748
TOTAL SPLOST VI	$ 240,000,000	$ 163,092,545	$ 22,107,205	$ 13,053,256	$ 21,904,041

(1) Expenditures for Water and Sewer projects have been offset by proceeds from revenue bonds.
(2) Expenditures for projects have been offset by revenues from other sources. For some years, such revenues exceed expenditures.

HALL COUNTY, GEORGIA
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended June 30, 2018

(cont.)

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	AMOUNT EXPENDED YEAR 4 2013	YEAR 5 2014	YEAR 6 2015	YEAR 7 2016
SPLOST VI (effective July 1, 2009)						
COUNTY PROJECTS						
Road Projects	$ 68,000,000	$ 45,250,145	$ 5,259,299	$ 7,740,375	$ 6,133,241	$ 3,854,052
Water and Sewer Projects	53,037,000	37,845,937	6,201,707 (2)	12,729,359	7,828,946	825,386
Landfill	4,000,000	2,477,089	1,676	10,515	1,988,598	473,168
Recreational Facilities	21,000,000	14,242,429	2,084,964	222,648	2,390,250	362,570
Courthouse and Administration Building	17,000,000	13,975,000	2,847,134	320,157	2,134,772	186,353
Fire and Emergency Projects	4,000,000	3,205,000	615,112	505,000	664,728 (2)	694,049
Public Safety Facilities	10,000,000	10,192,753	725	797,950	3,298,330	5,475,947
Public Health Facility	5,000,000	482,600	850	111,384	107,021	85,555
Animal Care Facility	5,000,000	2,966,591	460,031	741,064	460,575	-
Post Office	3,000,000	50,000	-	-	-	-
Library Facility	3,000,000	2,587,935	700,038	58,091	4,772	-
Welcome Center	1,500,000	-	-	-	-	-
Airport	500,000	12,500	-	-	-	-
Subtotal County Projects	195,037,000	133,287,979	18,171,536	23,236,543	25,011,233	11,957,080
MUNICIPAL PROJECTS						
City of Braselton						
Sidewalks	32,000	21,212	3,551	3,781	3,854	-
City of Buford						
Road Paving	141,000	93,464	15,672	17,162	17,010	-
City of Clermont						
Municipal Buildings	550,000	364,578	61,178	65,865	66,404	-
Parks	150,000	99,430	16,685	17,963	18,110	-
Streets & Sidewalks	250,000	165,717	27,808	29,938	30,183	-
Subtotal	950,000	629,725	105,671	113,766	114,697	-
City of Flowery Branch						
Cinnamon Cove Lift Station & Force Main Line	1,300,000	861,729	144,619	153,992	156,972	-
9 Police Cars (over 6 years)	200,000	132,574	22,249	23,691	24,150	-
Road Resurfacing and Sidewalks	500,000	331,434	55,623	59,228	60,374	-
City Administration Real Estate/Buildings	500,000	331,434	55,623	59,228	60,374	-
Subtotal	2,500,000	1,657,172	278,114	296,139	301,870	-
City of Gainesville						
Previously Incurred Debt	7,500,000	4,971,515	831,904	849,066	944,825	-
New Public Safety Facility	13,000,000	8,617,293	1,441,967	1,471,714	1,637,696	-
Fire Station Replacement	6,500,000	4,308,647	720,983	735,857	818,848	-
Transportation	2,500,000	1,657,172	277,301	283,022	314,942	-
Downtown Streetscape	3,000,000	1,988,606	332,762	339,626	377,930	-
Parks & Recreation	3,000,000	1,988,606	332,762	339,626	377,930	-
Subtotal	35,500,000	23,531,839	3,937,679	4,018,911	4,472,171	-
City of Gillsville						
Road Improvements	40,000	26,515	4,450	4,873	4,830	-
Community Park Upgrades	95,000	62,973	10,568	11,573	11,471	-
Downtown Improvements	105,000	69,601	11,680	12,791	12,678	-
Subtotal	240,000	159,088	26,698	29,237	28,979	-
City of Lula						
Road Resurfacing	300,000	198,861	33,374	35,551	36,225	-
Parks & Recreation	300,000	198,861	33,374	35,551	36,225	-
Water System and Sewer Projects	1,300,000	861,729	144,620	154,053	156,974	-
Subtotal	1,900,000	1,259,451	211,368	225,154	229,423	-
City of Oakwood						
Infrastructure Projects	1,500,000	994,303	166,866	177,651	181,120	-
Transportation Project	200,000	132,574	22,249	23,687	24,149	-
Transportation Project	1,200,000	795,442	133,493	142,121	144,896	-
Sewer Project	800,000	530,295	88,995	94,747	96,597	-
Subtotal	3,700,000	2,452,614	411,603	438,205	446,762	-
Subtotal Municipal Projects	44,963,000	29,804,566	4,990,356	5,142,355	5,614,766	-
TOTAL SPLOST VI	$ 240,000,000	$ 163,092,545	$ 23,161,892	$ 28,378,898	30,625,999	$ 11,957,080

(1) Expenditures for Water and Sewer projects have been offset by proceeds from revenue bonds.
(2) Expenditures for projects have been offset by revenues from other sources. For some years, such re

HALL COUNTY, GEORGIA
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended June 30, 2018

(cont.)

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	AMOUNT EXPENDED YEAR 8 2017	AMOUNT EXPENDED YEAR 9 2018	TOTAL
SPLOST VI (effective July 1, 2009)					
COUNTY PROJECTS					
Road Projects	$ 68,000,000	$ 45,250,145	$ 1,837,043	$ 2,699,197 (2)	$ 44,317,904
Water and Sewer Projects	53,037,000	37,845,937	41,628	(1,157,239) (2)	37,845,937
Landfill	4,000,000	2,477,089	3,132	-	2,477,089
Recreational Facilities	21,000,000	14,242,429	30,912	7,553	12,632,075
Courthouse and Administration Building	17,000,000	13,975,000	225,848	2,022,408	11,631,843
Fire and Emergency Projects	4,000,000	3,205,000	250,465	-	2,729,354
Public Safety Facilities	10,000,000	10,192,753	245,931	-	9,818,883
Public Health Facility	5,000,000	482,600	163,452	5,389	473,651
Animal Care Facility	5,000,000	2,966,591	-	9,420	3,254,275
Post Office	3,000,000	50,000	-	-	-
Library Facility	3,000,000	2,587,935	-	-	2,587,935
Welcome Center	1,500,000	-	-	-	-
Airport	500,000	12,500	-	-	-
Subtotal County Projects	195,037,000	133,287,979	2,798,411	3,586,728	127,768,946
MUNICIPAL PROJECTS					
City of Braselton					
Sidewalks	32,000	21,212	-	-	21,164
City of Buford					
Road Paving	141,000	93,464	-	-	93,885
City of Clermont					
Municipal Buildings	550,000	364,578	-	-	365,370
Parks	150,000	99,430	-	-	99,646
Streets & Sidewalks	250,000	165,717	-	-	166,076
Subtotal	950,000	629,725	-	-	631,092
City of Flowery Branch					
Cinnamon Cove Lift Station & Force Main Line	1,300,000	861,729	-	-	861,994
9 Police Cars (over 6 years)	200,000	132,574	-	-	132,614
Road Resurfacing and Sidewalks	500,000	331,434	-	-	331,537
City Administration Real Estate/Buildings	500,000	331,434	-	-	331,537
Subtotal	2,500,000	1,657,172	-	-	1,657,682
City of Gainesville					
Previously Incurred Debt	7,500,000	4,971,515	-	-	4,970,620
New Public Safety Facility	13,000,000	8,617,293	-	-	8,615,740
Fire Station Replacement	6,500,000	4,308,647	-	-	4,307,868
Transportation	2,500,000	1,657,172	-	-	1,656,873
Downtown Streetscape	3,000,000	1,988,606	-	-	1,988,248
Parks & Recreation	3,000,000	1,988,606	-	-	1,988,248
Subtotal	35,500,000	23,531,839	-	-	23,527,597
City of Gillsville					
Road Improvements	40,000	26,515	-	-	26,657
Community Park Upgrades	95,000	62,973	-	-	63,311
Downtown Improvements	105,000	69,601	-	-	69,974
Subtotal	240,000	159,088	-	-	159,942
City of Lula					
Road Resurfacing	300,000	198,861	-	-	198,938
Parks & Recreation	300,000	198,861	-	-	198,938
Water System and Sewer Projects	1,300,000	861,729	-	-	862,063
Subtotal	1,900,000	1,259,451	-	-	1,259,938
City of Oakwood					
Infrastructure Projects	1,500,000	994,303	-	-	994,568
Transportation Project	200,000	132,574	-	-	132,608
Transportation Project	1,200,000	795,442	-	-	795,654
Sewer Project	800,000	530,295	-	-	530,436
Subtotal	3,700,000	2,452,614	-	-	2,453,266
Subtotal Municipal Projects	44,963,000	29,804,566	-	-	29,804,566
TOTAL SPLOST VI	$ 240,000,000	$ 163,092,545	$ 2,798,411	$ 3,586,728	$ 157,573,512

(1) Expenditures for Water and Sewer projects have been offset by proceeds from revenue bonds.
(2) Expenditures for projects have been offset by revenues from other sources. For some years, such re

HALL COUNTY, GEORGIA
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended June 30, 2018

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	AMOUNT EXPENDED YEAR 1 2016	YEAR 2 2017	YEAR 3 2018	TOTAL
SPLOST VII (effective July 1, 2015)						
COUNTY PROJECTS						
Road Projects	$ 46,650,000	$ 46,650,000	$ 3,600,263	$ 5,448,383 (1)	$ 7,476,946	$ 16,525,592
Water and Sewer Projects	21,835,772	21,835,772	2,315,896	4,413,150	5,014,545	11,743,591
Landfill	3,250,000	3,250,000	-	-	61,829	61,829
County Building Renovations	5,850,000	5,850,000	563,218	1,308,545	2,120,633	3,992,396
Various Park Projects	4,900,000	4,900,000	510,003	665,944	397,460	1,573,407
Sheriff Capital Equipment	2,785,379	2,785,379	351,941	1,064,255	692,253	2,108,449
Public Safety Facilities	8,400,000	8,400,000	-	-	37,868	37,868
Fire and Emergency Projects	4,000,000	4,000,000	82,001	790,931	1,463,945	2,336,877
Public Safety Capital Enhancements	18,910,000	18,910,000	2,025,911	9,073,055	5,810,356	16,909,322
Library Renovations	2,500,000	2,500,000	100,000	105,194	99,975	305,169
Gainesville- Hall Co Senior Center	1,500,000	1,500,000	-	850,000	650,000	1,500,000
Subtotal County Projects	120,581,151	120,581,151	9,549,233	23,719,457	23,825,810	57,094,500
MUNICIPAL PROJECTS						
City of Braselton						
Streets, Sidewalks, Stormwater	1,270,589	1,270,589	237,847	245,615	270,083	753,545
Town of Rest Haven						
Road and Street Maintenance	22,555	22,555	4,511	4,135	4,511	13,157
City of Buford						
Roads and Streets	111,249	111,249	86,498	21,506	23,649	131,653
Sewer Infrastructure	600,000	600,000	46,651	115,991	127,546	290,188
Subtotal	711,249	711,249	133,149	137,497	151,195	421,841
City of Clermont						
Municipal Buildings	350,000	350,000	65,522	67,662	74,401	207,585
Parks	150,000	150,000	28,081	28,998	31,886	88,965
Roads, Streets & Sidewalks	157,888	157,888	29,557	30,523	33,563	93,643
Subtotal	657,888	657,888	123,160	127,182	139,851	390,193
City of Flowery Branch						
Admin Building and Plaza	1,616,652	1,616,652	302,639	312,523	343,656	958,819
Roads, Streets and Bridges	1,113,935	1,113,935	208,530	215,341	236,792	660,663
Water and Sewer Infrastructure	1,308,000	1,308,000	244,859	252,856	278,045	775,760
Public Safety Vehicles	231,000	231,000	43,243	44,656	49,104	137,003
Subtotal	4,269,587	4,269,587	799,272	825,376	907,598	2,532,245
City of Gainesville						
Fire Station Construction and Equipment	5,500,000	5,500,000	1,029,629	1,063,256	1,169,175	3,262,060
Roads, Bridges, Storm Water	12,914,482	12,914,482	2,417,659	2,496,619	2,745,325	7,659,603
Youth Sports Athletic Complex	6,750,000	6,750,000	1,263,636	1,304,906	1,434,897	4,003,438
Park Improvements	250,000	250,000	46,801	48,330	53,144	148,275
Subtotal	25,414,482	25,414,482	4,757,725	4,913,111	5,402,541	15,073,377
City of Gillsville						
Roads and Streets	116,718	116,718	21,850	22,564	24,812	69,225
Park Improvements	38,906	38,906	7,283	7,521	8,271	23,075
Subtotal	155,624	155,624	29,133	30,085	33,082	92,300
City of Lula						
Roads, Streets & Trails	654,752	654,752	122,572	126,575	139,185	388,332
Water & Sewer Infrastructure	1,000,000	1,000,000	187,204	193,318	212,576	593,098
Parks and Streetscape	300,000	300,000	56,161	57,995	63,773	177,929
Subtotal	1,954,752	1,954,752	365,938	377,889	415,534	1,159,360
City of Oakwood						
Roads, Streets, Bridges and Trails	1,684,678	1,684,678	315,379	325,679	358,122	999,180
Sewer Infrastructure	1,000,000	1,000,000	187,204	193,318	212,576	593,098
Public Safety Equipment	300,000	300,000	56,161	57,996	63,773	177,929
Subtotal	2,984,678	2,984,678	558,745	576,993	634,471	1,770,208
Subtotal Municipal Projects	37,418,849	37,418,849	7,009,480	7,237,883	7,958,866	22,206,226
TOTAL SPLOST VII	$ 158,000,000	$ 158,000,000	$ 16,558,713	30,957,340	$ 31,784,676	$ 79,300,726

(1) Expenditures for Road projects have been offset by revenues from other sources.

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, 2018

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

	Expenditures	$ 32,285,077
	Transfers out	5,069,817
Subtotal		37,354,894
Less items not included as expenditures on SPLOST schedule below:		
Revenue from sale of capital assets used for expenditures first before SPLOST funds		(1,119,614)
Transfer in from Capital Projects Funds used for road & sewer expenditures before SPLOST funds		(863,876)
Subtotal of adjustments		(1,983,490)
Expenditures reported on SPLOST schedule below		**$ 35,371,404**

Schedule of Projects Constructed With Special Purpose Local Option Sales Tax (pages 85-88)

	SPLOST VI	3,586,728
	SPLOST VII	31,784,676
Total		**$ 35,371,404**

STATISTICAL SECTION

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

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

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

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

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

	Fiscal Year									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	$ 390,642	$ 393,603	$ 386,017	$ 383,004	$ 371,931	$ 374,649	$ 374,656	$ 373,613	$ 373,651	$ 372,180
Restricted:										
Capital outlay	13,680	13,200	13,864	21,649	27,476	25,080	25,231	24,268	19,314	17,233
Debt service	10,695	-	-	-	-	-	-	-	-	-
Impact fee projects	4,106	3,032	2,798	2,554	2,580	2,734	818	877	1,812	2,247
Other programs	4,796	5,563	4,522	5,178	5,149	4,993	6,620	7,034	8,531	10,007
Unrestricted:	7,004	(11,948)	(27,797)	(28,884)	(23,270)	(26,017)	(50,407)	(60,222)	(66,028)	(50,784)
Total governmental activities net position	$ 430,923	$ 403,450	$ 379,404	$ 383,501	$ 383,866	$ 381,439	$ 356,918	$ 345,570	$ 337,280	$ 350,883
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	$ 47,183	$ 61,405	$ 52,028	$ 53,303	$ 57,143	$ 65,004	$ 89,274	$ 69,996	$ 75,855	$ 83,442
Restricted	-	-	-	-	-	-	1,446	1,341	1,489	1,617
Unrestricted	10,494	8,197	12,472	11,414	12,714	11,704	(5,691)	10,809	15,085	19,877
Total business-type activities net position	$ 57,677	$ 69,602	$ 64,500	$ 64,717	$ 69,857	$ 76,708	$ 85,029	$ 82,146	$ 92,429	$ 104,936
PRIMARY GOVERNMENT										
Net investment in capital assets	$ 437,825	$ 455,008	$ 438,045	$ 436,307	$ 429,074	$ 439,653	$ 463,930	$ 443,609	$ 449,506	$ 455,622
Restricted	33,277	21,795	21,184	29,381	35,205	32,807	34,115	33,520	31,146	31,104
Unrestricted	17,498	(3,751)	(15,325)	(17,470)	(10,556)	(14,313)	(56,098)	(49,413)	(50,943)	(30,907)
Total primary government net position	$ 488,600	$ 473,052	$ 443,904	$ 448,218	$ 453,723	$ 458,147	$ 441,947	$ 427,716	$ 429,709	$ 455,819

In 2011, the County implemented GASB 54.
In 2013, the County implemented GASB 63 & 65.
In 2015, the County implemented GASB 68.
In 2018, the County implemented GASB 75.

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

	Fiscal Year									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
EXPENSES										
Governmental activities:										
General government	$ 20,350	$ 17,275	$ 20,541	$ 18,012	$ 17,530	$ 19,784	$ 20,106	$ 23,850	$ 22,488	$ 26,305
Judicial	16,738	18,404	17,954	16,303	16,878	17,333	17,645	26,150	19,269	21,283
Public safety	71,870	78,047	77,796	67,123	64,887	67,570	70,289	77,850	79,791	84,033
Public works	25,211	27,153	29,633	22,222	23,382	24,162	24,792	22,896	28,682	32,209
Public health and welfare	3,905	3,501	3,304	2,704	2,727	2,558	2,947	2,777	4,113	3,697
Recreation and culture	7,267	7,602	7,794	6,007	5,934	6,718	7,344	7,940	7,901	7,950
Housing and development	5,057	5,389	5,979	2,947	4,800	4,388	4,013	4,076	3,966	4,407
Interest on long-term debt	671	330	492	488	319	197	39	97	91	100
Total governmental activities expenses	151,069	157,701	163,493	135,806	136,457	142,710	147,175	165,636	166,301	179,984
Business-type activities:										
Solid Waste	5,905	5,568	6,059	6,154	6,030	6,146	5,473	6,819	6,935	7,763
Water and sewer utilities	1,581	2,921	1,792	2,973	2,858	3,833	3,454	3,757	4,163	4,338
Total business-type activities expenses	7,486	8,489	7,851	9,127	8,888	9,979	8,927	10,576	11,098	12,101
Total primary government expenses	$158,555	$166,190	$171,344	$144,933	$145,345	$152,689	$156,102	$176,212	$177,399	$192,085
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	$ 4,985	$ 4,786	$ 5,366	$ 5,016	$ 4,903	$ 5,191	$ 4,601	$ 5,125	$ 5,368	$ 5,370
Judicial	6,627	5,939	5,511	6,087	6,589	7,089	7,524	8,290	8,541	8,951
Public safety	14,691	17,514	17,556	16,883	13,289	11,486	14,999	11,509	11,307	12,885
Public works	890	986	941	939	946	953	1,328	1,021	1,048	1,047
Public health and welfare	-	-	-	-	-	-	-	-	-	-
Recreation and culture	953	1,008	1,052	1,167	1,183	1,244	1,334	1,485	1,493	1,633
Housing and development	910	507	405	493	1,626	2,107	2,327	2,551	2,815	2,980
Total charges for services	29,056	30,740	30,831	30,585	28,536	28,070	32,113	29,981	30,572	32,866
Operating grants and contributions	4,317	5,402	6,094	3,604	4,615	4,868	6,246	4,198	5,152	7,543
Capital grants and contributions	12,847	4,977	4,632	2,897	3,639	1,647	4,248	2,292	4,290	3,038
Total governmental activities program revenues	46,220	41,119	41,557	37,086	36,790	34,585	42,607	36,471	40,014	43,447
Business-type activities:										
Charges for services:										
Solid Waste	5,466	5,175	5,120	5,041	6,463	6,615	6,330	7,241	7,681	8,666
Water and sewer utilities	961	925	1,072	1,395	1,388	1,625	2,080	2,669	3,457	2,273
Total charges for services	6,427	6,100	6,192	6,436	7,851	8,240	8,410	9,910	11,138	10,939
Operating grants and contributions	-	-	-	-	-	-	-	-	-	40
Capital grants and contributions	1,104	87	236	227	68	61	85	95	152	2,202
Total business-type activities program revenues	7,531	6,187	6,428	6,663	7,919	8,301	8,495	10,005	11,290	13,181
Total primary government program revenues	$ 53,751	$ 47,306	$ 47,985	$ 43,749	$ 44,709	$ 42,886	$ 52,085	$ 46,476	$ 51,304	$ 56,628

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

(Continued)

	Fiscal Year									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Net (expense)/revenue										
Governmental activities	$ (104,849)	$ (116,582)	$ (121,936)	$ (98,720)	$ (99,667)	$ (108,125)	$ (103,585)	$ (129,165)	$ (126,287)	$ (136,537)
Business-type activities	45	(2,302)	(1,423)	(2,464)	(969)	(1,678)	(432)	(572)	192	1,080
Total primary government net expense	$ (104,804)	$ (118,884)	$ (123,359)	$ (101,184)	$ (100,636)	$ (109,803)	$ (104,017)	$ (129,737)	$ (126,095)	$ (135,457)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property taxes	$ 50,679	$ 53,395	$ 52,313	$ 49,371	$ 48,405	$ 54,676	$ 55,748	$ 57,723	$ 59,514	$ 69,860
Sales taxes	45,246	41,938	42,483	47,271	46,720	47,499	50,539	52,096	53,536	58,074
Insurance premium tax	5,325	5,249	5,105	5,433	5,804	6,032	6,364	6,815	7,168	7,677
Real estate and recording taxes	1,318	1,074	1,013	1,147	1,359	1,371	1,608	1,850	2,317	2,319
Other taxes	1,502	1,478	1,820	1,860	2,061	2,256	2,751	2,842	2,845	2,852
Total taxes	104,070	103,134	102,734	105,082	104,349	111,834	117,010	121,326	125,380	140,782
Unrestricted grants and contributions	2,107	6	-	1	1	11	79	179	24	16
Investment earnings	553	108	66	-	-	1	17	26	37	55
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital assets	71	15	203	417	3,228	1,899	-	-	1,343	-
Transfers	(4,286)	(14,196)	3,697	(2,682)	(6,922)	(8,518)	(9,811)	(3,714)	(7,257)	(8,882)
Total governmental activities	102,515	89,067	106,700	102,818	100,656	105,227	107,295	117,817	119,527	131,971
Business-type activities:										
Investment earnings	65	33	17	1	-	-	-	-	-	-
Gain on sale of capital assets	(541)	-	-	-	4	10	106	-	9	80
Transfers	4,286	14,196	(3,697)	2,682	6,922	8,518	9,811	3,714	7,257	8,882
Total business-type activities	3,810	14,229	(3,680)	2,683	6,926	8,528	9,917	3,714	7,266	8,962
Total primary government	$ 106,325	$ 103,296	$ 103,020	$ 105,501	$ 107,582	$ 113,755	$ 117,212	$ 121,531	$ 126,793	$ 140,933
CHANGE IN NET POSITION										
Governmental activities	$ (2,334)	$ (27,515)	$ (15,236)	$ 4,098	$ 989	$ (2,898)	$ 3,710	$ (11,348)	$ (6,760)	$ (4,566)
Business-type activities	3,855	11,927	(5,103)	219	5,957	6,850	9,485	3,142	7,458	10,042
Total primary government	$ 1,521	$ (15,588)	$ (20,339)	$ 4,317	$ 6,946	$ 3,952	$ 13,195	$ (8,206)	$ 698	$ 5,476

In 2011, the County implemented GASB 54.
In 2013, the County implemented GASB 63 & 65.
In 2015, the County implemented GASB 68.
In 2018, the County implemented GASB 75.

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

	Fiscal Year									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
General fund										
Reserved	$ 47	$ 591	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	6,580	7,457	-	-	-	-	-	-	-	-
Nonspendable	-	-	624	631	402	413	508	671	634	871
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	23,045
Total general fund	6,627	8,048	9,311	14,907	22,743	22,438	23,766	21,767	21,447	23,916
All other governmental funds										
Reserved:	35,907	32,974	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	4,827	5,450	-	-	-	-	-	-	-	-
Capital projects funds	202	(17,823)	-	-	-	-	-	-	-	-
Total unreserved	5,029	(12,373)	-	-	-	-	-	-	-	-
Nonspendable	-	-	6,914	9,868	8,481	6,998	12	125	177	586
Restricted	-	-	27,586	24,675	28,113	25,911	32,657	32,262	29,435	28,860
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	197	197	1,695	2,632	3,734	1,818	2,208	1,197
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	$40,936	$20,601	$34,697	$34,740	$38,289	$35,541	$36,403	$34,205	$31,820	$ 30,643

In 2011, the County implemented GASB 54.
In 2013, the County implemented GASB 63 & 65.
In 2015, the County implemented GASB 68.
In 2018, the County implemented GASB 75.

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									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
REVENUES										
Taxes (see table 5)	$ 103,539	$ 102,949	$ 102,599	$ 104,954	$ 104,613	$ 111,990	$ 116,789	$ 121,108	$ 125,490	$ 140,757
Licenses and permits	2,238	1,658	1,357	1,487	1,795	2,305	2,332	2,666	3,226	3,632
Intergovernmental	8,852	8,798	6,449	4,851	7,466	5,966	8,329	6,485	7,619	10,536
Fines and forfeitures	4,732	4,844	3,772	4,005	4,339	4,843	5,630	5,009	5,792	6,826
Charges for services	21,765	24,205	25,547	25,004	22,363	20,502	23,566	22,063	21,244	22,224
Investment earnings	419	94	232	186	1	219	296	27	37	55
Miscellaneous	194	108	540	210	744	439	624	302	343	247
Total revenues	141,739	142,656	140,496	140,697	141,321	146,264	157,566	157,660	163,751	184,277
EXPENDITURES										
General government	18,233	15,419	17,737	15,867	17,840	19,400	19,960	20,276	19,673	24,040
Judicial	15,368	14,970	14,888	15,178	16,009	16,383	16,900	17,979	18,251	19,840
Public safety	62,684	61,495	62,322	60,390	59,457	62,876	64,868	70,664	72,370	75,828
Public works	12,635	11,275	10,994	6,275	7,863	8,445	8,528	12,182	10,624	13,316
Public health and welfare	3,604	3,131	2,888	2,301	2,329	2,212	2,627	2,556	3,874	3,454
Recreation and culture	6,247	6,132	6,314	4,925	4,904	5,423	5,994	6,555	6,535	6,502
Housing and development	4,635	4,932	5,475	2,705	4,633	3,670	3,934	4,017	3,927	4,269
Intergovernmental	2,400	4,786	4,946	5,282	5,064	5,814	5,614	7,009	7,311	8,035
Capital Outlay	10,205	13,790	17,321	15,499	7,966	14,355	14,097	17,861	17,897	20,216
Principal on long-term debt	10,344	11,030	3,138	3,703	3,807	3,927	4,070	280	285	435
Interest on long-term debt	847	430	561	666	559	440	282	96	91	99
Issuance costs	-	-	248	-	-	-	-	-	-	-
Total expenditures	147,202	147,390	146,832	132,791	130,431	142,945	146,874	159,475	160,838	176,034
Excess of revenues over (under) expenditures	(5,463)	(4,734)	(6,336)	7,906	10,890	3,319	10,692	(1,815)	2,913	8,243
OTHER FINANCING SOURCES (USES)										
Transfers in	1,124	647	7,460	1,647	1,636	5,593	2,102	2,693	1,778	4,900
Transfers out	(5,411)	(14,843)	(3,763)	(4,328)	(8,558)	(14,111)	(11,912)	(5,415)	(9,035)	(13,782)
Issuance of bond debt	103	-	15,390	-	-	-	-	-	-	-
Premium on bonds issued	-	-	1,004	-	-	-	-	-	-	-
Proceeds from installment sale	-	-	-	-	-	-	-	-	-	-
Proceeds from capital leases	-	-	-	-	-	-	657	267	-	1,875
Sale of capital assets	71	15	1,603	417	7,417	2,146	649	73	1,639	55
Total other financing sources (uses)	(4,113)	(14,181)	21,694	(2,264)	495	(6,372)	(8,504)	(2,382)	(5,618)	(6,952)
Net change in fund balances	$ (9,576)	$ (18,915)	$ 15,358	$ 5,642	$ 11,385	$ (3,053)	$ 2,188	$ (4,197)	$ (2,705)	$ 1,291
Debt service as a percentage of noncapital expenditures	8.2%	8.6%	2.9%	3.7%	3.6%	3.4%	3.3%	0.3%	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, 2018	Next Year Year ending June 30, 2019
Revenues		
Property taxes	$ 47,873,777	$ 42,697,436
Commissions	3,369,210	3,392,163
Other taxes	30,043,048	33,720,640
Penalties and interest	637,000	506,000
Licenses and permits	3,247,428	3,434,623
Charges for services	10,990,058	6,376,423
Fines and forfeitures	3,994,731	4,622,592
Intergovernmental	1,076,667	771,711
Miscellaneous	267,650	201,600
Other financing sources	650,000	275,000
Use of fund balance	-	-
TOTAL REVENUES	$ 102,149,569	$ 95,998,188
Expenditures		
General government	$ 10,199,638	$ 11,597,194
Judicial	17,383,050	18,702,385
Public health & welfare	2,624,520	2,560,370
Public safety	45,187,807	40,169,775
Public works	4,860,027	977,134
Recreation & culture	1,593,829	843,013
Housing and development	4,810,250	2,494,970
Agencies	815,113	1,087,035
Non-departmental	13,133,048	12,272,070
Other financing uses	1,542,287	5,294,242
TOTAL EXPENDITURES	$ 102,149,569	$ 95,998,188

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
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
2018	$ 69,835	$ 33,299	$ 24,776	$ 7,677	$ 2,319	$ 2,851	$ 140,757

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

Tax Year	Real Property				Personal Property				Less Exemptions:		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (3)	Assessed Value as a Percentage of Actual Value
	Residential Property	Agricultural Property (1)	Commercial & Industrial	Public Utilities	Inventory & Equipment (4)	Motor Vehicles	Mobile Homes	Other (2)	Real Property	Personal Property				
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%
2017	$ 4,450,098	$ 529,736	$ 1,420,293	$ 164,853	$ 854,550	$ 176,446	$ 23,142	$ 107,296	$ 357,616	$ 269,746	$ 7,099,052	6.25	$ 17,747,630	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*	*2008* / *2009*	*2009* / *2010*	*2010* / *2011*	*2011* / *2012*	*2012* / *2013*	*2013* / *2014*	*2014* / *2015*	*2015* / *2016*	*2016* / *2017*	*2017* / *2018*
Unincorporated Districts										
County-Unincorporated	6.250	6.250	6.250	6.250	6.250	6.250	5.989	5.735	5.716	6.700
Hall Co. Schools	16.420	16.420	16.420	17.670	18.490	19.250	18.900	18.800	18.800	18.500
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	0.200	0.150	0.100	0.050	0.000	0.000
Fire District Unincorporated	1.510	1.510	1.510	1.650	1.650	2.400	2.400	2.650	2.650	2.650
Total Hall County Unincorporated	**24.430**	**24.430**	**24.430**	**25.820**	**26.590**	**28.050**	**27.389**	**27.235**	**27.166**	**27.850**
Incorporated Districts										
County - Incorporated except for City of Gainesville	6.250	6.250	6.250	6.250	6.250	6.250	5.989	5.735	5.716	6.700
County - Incorporated - City of Gainesville	6.250	6.250	6.250	6.250	6.250	6.250	5.989	5.735	5.716	6.700
Hall Co. Schools	16.420	16.420	16.420	17.670	18.490	19.250	18.900	18.800	18.800	18.500
State of Georgia	0.250	0.250	0.250	0.250	0.200	0.150	0.100	0.050	0.000	0.000
Fire District Incorporated	2.710	2.710	2.710	3.080	3.080	3.080	3.830	4.080	4.080	4.080
Braselton CID	0.000	0.000	0.000	5.000	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	5.000	0.000	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	2.920	2.920	3.060	3.060	3.020	2.980	2.980	2.864
Gainesville City Schools (1) (2)	7.810	7.710	7.390	7.390	7.590	7.590	7.480	6.890	6.850	6.850
City of Oakwood	2.480	2.480	2.480	2.480	2.658	2.658	4.000	4.000	4.174	4.174
City of Flowery Branch	2.837	2.837	2.837	2.837	2.837	2.837	3.337	3.337	3.264	3.264
Buford City Schools	13.250	13.200	13.150	13.100	13.050	13.000	12.950	12.900	12.850	12.800

(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*	*7.300*	*7.300*	*7.650*	*7.650*	*7.550*	*7.450*	*7.450*	*7.160*
Gainesville City Schools	*19.525*	*19.275*	*18.475*	*18.475*	*18.975*	*18.975*	*18.700*	*17.225*	*17.125*	*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 2017			Tax Year 2008		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Wrigley Manufacturing Company	$ 55,871	1	0.79%	$ 57,486	1	1.06%
Georgia Power Company	55,740	2	0.79%	41,756	2	0.77%
Jackson EMC	43,463	3	0.61%	35,239	3	0.65%
Elringklinger USA Inc	39,600	4	0.56%	-		0.00%
Fieldale Farms Corp	35,741	5	0.50%	15,423	6	0.28%
Lanier Village Estates	26,660	6	0.38%			0.00%
VR Tree Park Limited Partnership	23,500	7	0.33%			0.00%
Performance Food Group, Inc	20,334	8	0.29%			0.00%
Kelsey Hayes Company	16,983	9	0.24%			0.00%
K I K Piedmont LLC	16,284	10	0.23%	7,610	10	0.14%
Bellsouth			0.00%	20,199	4	0.37%
Tree Lake Associates	-		0.00%	13,398	5	0.25%
Unisia Steering Systems, Inc	-		0.00%	13,742	7	0.25%
S K F USA Inc	-		0.00%	11,477	8	0.21%
Northfolk Southern Corporation				8,985	9	
Totals	$ 334,176		4.71%	$ 225,315		3.98%

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	
2009	$ 56,078	$ 1,024	$ 2,173	$ 59,275	$ 56,497	100.75%	$ 2,593	$ 59,090	99.69%	$ 185
2010	$ 55,032	$ 625	$ 1,772	$ 57,429	$ 55,057	100.05%	$ 2,236	$ 57,293	99.76%	$ 136
2011	$ 52,269	$ (48)	$ 1,545	$ 53,766	$ 51,691	98.89%	$ 1,983	$ 53,674	99.83%	$ 92
2012	$ 50,167	$ 542	$ 1,274	$ 51,983	$ 50,393	100.45%	$ 1,518	$ 51,911	99.86%	$ 72
2013	$ 52,699	$ 1,142	$ 1,272	$ 55,113	$ 53,856	102.20%	$ 1,204	$ 55,060	99.90%	$ 53
2014	$ 55,089	$ 458	$ 1,214	$ 56,761	$ 55,310	100.40%	$ 1,398	$ 56,708	99.91%	$ 53
2015	$ 57,243	$ 248	$ 767	$ 58,258	$ 56,949	99.49%	$ 1,248	$ 58,197	99.90%	$ 61
2016	$ 54,964	$ 804	$ 512	$ 56,280	$ 55,582	101.12%	$ 862	$ 56,444	99.42%	$ 94
2017	$ 65,415	$ 1,067	$ 428	$ 66,910	$ 66,669	101.92%	$ 182	$ 66,851	97.99%	$ 300
2018	$ 1,331	$ -	$ 77	$ 1,408	$ 1,362	102.33%	$ -	$ 1,362	96.73%	$ 46

Taxes levied include real and personal property, motor vehicle, mobile home, timber, and heavy equipment taxes.
Property taxes levied during the calendar year 2017 are recorded as revenues in the financial statements in 2018 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 2018 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									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Taxable sales	$ 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	$ 8,121,429
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	1,205	3,690	3,581	4,334	3,938	4,877	4,507	4,578	4,913	5,403
City of Clermont	20	99	96	107	106	114	114	123	127	140
City of Lula	61	197	192	213	211	225	229	366	378	416
City of Flowery Branch	85	260	252	280	278	296	302	799	825	908
City of Braselton	1	3	3	4	4	4	4	238	246	270
City of Gillsville	0	25	24	27	27	29	29	29	30	33
City of Oakwood	127	385	373	415	412	438	447	589	577	634
City of Buford	0	15	14	16	16	17	17	133	137	151
City of Resthaven	0	0	0	0	0	0	0	5	4	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 2013.

(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 5) 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	
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	$	31,642,523	
2018	$	19,670,706	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, 2018

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)
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
2018	$ -	$ 1,615	$ 1,998	$ 14,430	$ 23,248	$ -	$ 41,291	0.51%	$ 209

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 Liability	Net Pension Liability	Total	Landfill Closure/ Postclosure	Compensated Absences	Net OPEB Liability	Net Pension Liability	Total	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
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
2018	$ 4,409	$ 2,775	$ 49,645	$ 31,246	$ 88,075	$ 12,947	$ 81	$ 2,010	$ 1,336	$ 16,374	$ 104,449	1.29%	$ 524

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.

In 2015, the County implemented GASB 68.
In 2018, the County implemented GASB 75.

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)
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%	$ -
2018	$ -	$ -	$ -	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, 2018
(amounts expressed in thousands)

Governmental Unit	*General Obligation Bonded Debt Outstanding*	*Percentage Applicable to Government*	*Amount Applicable to Government*
Hall County Direct Debt [7]	$ 3,613	100%	$ 3,613
Overlapping:			
Hall County Board of Education[1]	49,976	100%	49,976.00
City of Gainesville [2]	17,808	100%	17,808
City of Gainesville Schools [3]	23,006	100%	23,006
City of Oakwood [4]	3,129	100%	3,129
City of Buford[5]	76,528	21%	16,071
Town of Braselton[6]	14,811	15%	2,222
City of Flowery Branch	3,731	100%	3,731
Total overlapping debt	188,989		115,943
Total direct and overlapping debt	$ 192,602		$ 119,556

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 $44,361,151 of general obligation bonds, $2,615,000 qualified zone academy bonds, and $3,000,000 of lease-purchase/installment sale debt tax, some of which is intergovernmental contract debt; all of this debt is intended to be paid from SPLOST.

[2] The City of Gainesville debt is comprised of intergovernmental contract debt; $78,265,000 of such debt is comprised of notes to the Georgia Environmental Facilities Authority incurred for improvements to Gainesville's water and sewer system and is intended to be paid from revenues of the system, even though the notes are general obligations of the City of Gainesville; the balance of $17,808,252 is governmental activities capital lease debt.

[3] The Gainesville School District debt is comprised of $21,000,599 of general obligation bonds and $2,004,945 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.

[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									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Assessed value of property	$ 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	$ 7,726,414
Debt limit (10% of total assessed value)	751,098	764,978	743,266	706,094	666,816	660,628	698,757	738,323	715,500	772,641
Amount of Debt applicable to limit:										
General obligation bonds	10,405	-	-	-	-	-	-	-	-	-
Less: Resources restricted to paying principal	10,848	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	(443)	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 751,541	$ 764,978	$ 743,266	$ 706,094	$ 666,816	$ 660,628	$ 698,757	$ 738,323	$ 715,500	$ 772,641
Total net debt applicable to the limit as a percentage of debt limit	-0.06%	0.00%	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

Fiscal Year	Sales Tax Increment	Debt Service Principal	Debt Service Interest	Coverage
	Sales Tax Increment Bonds [1]			
2009	$ 25,791	$ 10,165	$ 968	2.32
2010	$ 23,893	$ 10,405	$ 248	2.24
2011	$ -	$ -	$ -	-
2012	$ -	$ -	$ -	-
2013	$ -	$ -	$ -	-
2014	$ -	$ -	$ -	-
2015	$ -	$ -	$ -	-
2016	$ -	$ -	$ -	-
2017	$ -	$ -	$ -	-
2018	$ -	$ -	$ -	-

[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)
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%
2018	199,335	$ 8,126,290	$ 41,219	37.0	78.2%	23.5%	27,087	3.50%

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)	2018 Employees	2018 Rank	2018 Percentage of Total County Employment	2009 Employees	2009 Rank	2009 Percentage of Total County Employment
Northeast Georgia Medical Center	8,331	1	11.21%	4,700	1	5.36%
Fieldale Farms	2,550	2	3.43%	2,520	2	2.87%
Victory Processing LLC	1,730	3	2.33%			
Kubota Manufacturing of America	1,695	4	2.28%	860	7	0.98%
Pilgrims	1,380	5	1.86%	1,560	3	1.78%
Gold Creek Foods	1,300	6	1.75%			
Mar-Jac Poultry, Inc	1,280	7	1.72%	1,270	4	1.45%
ZF Gainesville, LLC	1,045	8	1.41%			
Cottrell, Inc	1,040	9	1.40%	490	10	0.56%
Wal-Mart	970	10	1.30%	722	8	0.82%
All other employers	53,009		71.32%	75,536		86.17%
Total	74,330		100.00%	87,658		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									
Function	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018***
General government	136	125	116	99	94	96	110	116	116	156.5
Public safety										
Sheriff										
Officers	423	423	496	468	439	429	419	381	365	405
Civilians	59	59	31	18	17	17	31	54	70	62.5
Fire and EMS										
Firefighters & EMT's	317	316	371	227	305	382	386	361	365	368
Civilians	16	16	11	27	27	10	9	13	9	9
Other public safety	105	118	-	-	-	-	-	112	112	120.5
Court system	208	207	189	190	193	191	230	249	249	350.5
Public works	96	90	99	63	60	63	65	64	64	67.0
Health and welfare	-	-	18	16	30	36	37	1	1	-
Recreation and culture	43	41	44	32	32	31	37	31	31	72
Housing and development	40	30	-	6	6	6	7	25	25	34
Solid Waste	29	29	27	27	29	30	28	26	26	55.5
Water & Sewer	-	-	-	-	-	-	-	-	-	-
Total	1,472	1,454	1,402	1,173	1,232	1,291	1,359	1,433	1,433	1,701

*In FY2018 full-time and part-time positions were included, to get to a true full-time equivalent position count. In prior years, only full-time positions have been included. This explains the large increase in the total position count.

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Physical arrests	9,426	8,664	8,358	7,369	7,557	11,946	-	13,841	11,460	11,407
Traffic violations	13,501	13,767	8,498	9,579	7,178	10,845	-	13,805	13,969	18,085
Fire										
Number of calls answered	26,655	28,048	23,329	23,461	22,965	23,920	25,553	23,394	24,172	24,218
Inspections	1,240	1,262	806	781	1,033	1,074	1,118	2,440	3,661	4,048
Highways and streets										
Street resurfacing (miles)	52	49	26	14	22	23	21	21	21	21
Potholes repaired	406	531	689	1,139	1,856	1,379	1,673	1,047	644	1,213
Sanitation										
Refuse collected (tons/day)	284	196	182	165	216	226	183	290	318	377
Recyclables collected (tons/day)	15	10	9	9	14	17	20	22	5	8
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)	2,050	205	211	237	275	294	3,071	280	296	386

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety										
Sheriff headquarters &/or precincts	3	3	3	3	3	3	3	3	3	3
Fire Stations	15	15	15	15	15	16	16	16	16	16
Solid Waste										
Compactor Sites	13	13	13	13	12	12	12	12	12	12
Highways and streets										
Streets (miles)	1,052	1,052	1,056	1,060	1,060	1,060	1,060	1,086	1,056	1,060
Streetlights*	316	324	320	322	324	324	325	327	329	345
Traffic signals	35	35	38	38	38	38	38	39	44	44
Culture and recreation										
Parks acreage	1,359	1,359	1,459	1,459	1,580	1,580	1,580	1,607	1,611	1,745
Parks	20	20	20	20	22	22	22	23	22	23
Tennis courts	34	34	34	34	37	37	37	36	36	36
Community centers	4	4	4	4	4	4	4	3	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	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
(thousands of gallons)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sewer										
Sanitary sewers (miles)	32	32	32	60	60	60	65	75	81	92
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	2,050	2,050	2,050	2,750	2,940	1,900	1,850	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, 2018

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					
Passed through the Prosecuting Attorneys' Council of Georgia					
-Victims of Crime Assistance (District Attorney's Office)	16.575	C14-8-109, C16-8-001	102,126	-	24,091
-Victims of Crime Assistance (Solicitor's Office)	16.575	C14-8-109, C16-8-001	146,012	-	38,227
-Victims of Crime Assistance (District Attorney's Office)	16.575	C16-8-207	102,126	-	77,924
-Victims of Crime Assistance (Solicitor's Office)	16.575	C16-8-207	146,012	-	107,854
			496,276	-	248,096
Passed through the Criminal Justice Coordinating Council					
-Recovery Act-Edward Byrne Memorial Justice Assistance Grant	16.804	2014-VV-BX-0058, Q15-8-005	163,161	-	15,082
-Recovery Act-Edward Byrne Memorial Justice Assistance Grant	16.804	2014-VV-BX-0058, Q15-8-006	164,308	-	15,469
			327,469	-	30,551
-Edward Byrne Memorial Justice Assistance Grant	16.738	B14-8-016	47,496	-	10,850
-Substance Abuse and Mental Health Services	93.243	E17-8-007	30,000	-	1,513
TOTAL US DEPARTMENT OF JUSTICE			**901,241**	**-**	**291,010**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Community Home Investment Program (CHIP 2011)	14.239	2011-814	304,470	-	285,112
Community Home Investment Program (CHIP 2012)	14.239	2012-843	306,000	-	169,405
			610,470	-	454,517
Passed-through the Georgia Department of Community Affairs					
-Neighborhood Stabilization Program -NSP1 Program Income	14.218	08-ns-5064	2,646,541	-	312,447
-Neighborhood Stabilization Program -NSP3 Program Income	14.218	11-ns-6005	1,134,632	-	220,166
			3,781,173	-	532,613
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			**4,391,643**	**-**	**987,130**
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	73,046	-	67,454
-Highway Planning and Construction	20.205	PI0015465-PLN	226,891	-	169,594
-Highway Planning and Construction (Regional Freight)	20.205	PI0015225	175,000	-	62,470
-Highway Planning and Construction (Green St.)	20.205	PI0015224	80,000	-	49,680
-Highway Planning and Construction (Gainesville)	20.205	PI0015846-PLN	96,000	-	46,554
-Highway Planning and Construction (Dawsonville Hwy-McEver)	20.205	PI0015845-PLN	160,000	-	125,688
-Highway Planning and Construction (Oakwood)	20.205	PI0015847-PLN	80,000	-	48,879
-Highway Planning and Construction (South Hall)	20.205	PI0015848-PLN	135,000	-	62,978
			952,891	-	565,843
Passed-through the Federal Highway Governor's Office of Highway Safety					
-Highway Enforcement of Aggressive Traffic (HEAT)	20.600	GA-2017-402PT-144	249,694	19,968	35,251
-Highway Enforcement of Aggressive Traffic (HEAT)	20.600	GA-2018-402PT-005	127,830	56,002	109,695
			377,524	75,970	144,946
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			**1,403,461**	**75,970**	**778,243**

(cont.)

FEDERAL EMERGENCY MANAGEMENT AGENCY					
Passed-through the Georgia Emergency Management Agency					
-Homeland Security Grant Program (K-9)	97.067	EMW-2017-SS-00007-S01/SHO17-0058	3,000	-	1,065
-Homeland Security Grant Program (Trench Rescue)	97.067	EMW-2017-SS-00015-S01/SH017-088	103,250	-	3,720
-Homeland Security Grant Program (Hazmat)	97.067	EMW-2017-SS-00015-S01/ SH017-040	36,000	-	5,070
-Homeland Security Grant Program (CBRNE)	97.067	EMW-2017-SS-00015-S01/SH017-030	18,200	-	2,000
			160,450	-	11,855
-GEMA Hazard Mitigation	97.039	PDMC-PL-2013-3	13,500	-	13,500
-Emergency Management Performace Grants	97.042	OEM17-071/EMA-2017-EP-00001	31,221	-	31,221
-Assistance to Firefighters Grant	97.044	EMW-2016-FP-00178	23,129	-	23,129
-Presidential Disaster Declaration DR-4338	97.036	FEMA-DR-4338-DR-GA/	507,995	-	507,995
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY			**736,295**	**-**	**587,700**

(cont.)

UNITED STATES DEPARTMENT OF TREASURY					
Equitable Sharing Program	16.922	GA0690000/GA0690010	116,297	-	33,099
TOTAL UNITED STATES DEPARTMENT OF TREASURY			**116,297**	**-**	**33,099**
APPALACHIAN REGIONAL COMMISSION					
Appalachian Regional Commission Grant	23.002	GA-18884 -17	300,000	-	300,000
TOTAL APPALACHIAN REGIONAL COMMISSION			**300,000**	**-**	**300,000**
GRAND TOTAL			**$ 7,848,937**	**$ 75,970**	**$ 2,977,182**

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 minimus 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 10, 2018

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, 2018, 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 10, 2018. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our report includes a reference to other auditors who audited the financial statements of the Hall County Health Department as described in our report on HALL COUNTY, GEORGIA's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Bates, Carter & Co., LLP

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

December 10, 2018

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, 2018. 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, 2018. 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, 2018.

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, 2018

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 14.218; Appalachian Area Development, CFDA 23.002
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, 2018.

III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.


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