

City of Ball Ground, Georgia
Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2019

BALL GROUND, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

Prepared by:

City of Ball Ground Finance Department
Donna W. England, Finance Director

City of Ball Ground, Georgia
PO Box 285 – Ball Ground, Georgia 30107

**CITY OF BALL GROUND, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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INTRODUCTORY SECTION

The introductory section includes a transmittal letter from the City Manager and Finance Director, a certificate of achievement for excellence in financial reporting, a general government organization chart, and a list of principal officials

Mayor
A. R. Roberts, III

Council Members
John Byrd
Frank Homiller
Mickey O'Malley
Lee Prettyman
Andrenia Stoner



CITY OF BALL GROUND
www.cityofballground.com

City Manager
Eric Wilmarth

City Attorney
Darrell Caudill

City Clerk
Karen Jordan

We Roll Out the Red Carpet Not the Red Tape.™

December 19, 2019

To The Honorable Mayor, Members of the City Council and
Citizens of Ball Ground, Georgia:

The Comprehensive Annual Financial Report of the City of Ball Ground, Georgia (the "City"), for the fiscal year ended June 30, 2019, is hereby submitted as mandated by both local and state government. These ordinances and statutes require that the City issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. This report was prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain the maximum understanding of the City of Ball Ground, Georgia's financial affairs are included.

The City of Ball Ground, Georgia's financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Ball Ground, Georgia for the fiscal year ended June 30, 2019, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; 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 the City of Ball Ground, Georgia's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of the report.

The financial reporting entity for the City of Ball Ground, Georgia includes all funds of the primary government, the City of Ball Ground, Georgia. The City provides a full range of services including police, building inspections, zoning, code enforcement, municipal court, the construction and maintenance of streets and infrastructure, recreational activities and cultural events, water and sewer service, and sanitation.

Management's discussion and analysis immediately follows the independent auditor's report and provides a narrative and overview of the basic financial statements and should be read in conjunction with the transmittal letter.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

The City of Ball Ground, Georgia is governed by a Mayor and five Council Members. The City Council consists of five members elected at large for staggered four-year terms. The Mayor is the sixth voting member of council, who along with the remaining council members is elected on a non-partisan basis. The City Council provides responsive, progressive leadership and a vision for the community by setting policies, passing ordinances, adopting the budget, and hiring the City Manager. The City Manager carries out the policies and ordinances of the City Council, oversees the day-to-day operations of the City, prepares the budget, and supervises the various department heads.

The City of Ball Ground, Georgia operates its own water and sewer system. The water system is supplied by wells within the City along with water purchased from the Cherokee County Water and Sewerage Authority (CCWSA). Waste water treatment services are provided via contract with the Cherokee County Water and Sewerage Authority (CCWSA). The City of Ball Ground owns 130,000 gallons per day of capacity in the CCWSA Riverbend Water Water Treatment Facility. Along with this capacity the City owns 65,000 gallons per day in the CCWSA surface water treatment plant, which is available for purchase at wholesale rates. The City also has an existing contract for residential garbage pickup. This contract affords a significant savings to residential customers, as the City is not required to invest in assets and reserve equipment needed to provide this service.

The City of Ball Ground, Georgia is primed for future economic development, given its strategic location. The infrastructure improvements completed over the past several years emphasize the additional economic possibilities for the City of Ball Ground, Georgia. The growth of its revenue base will continue to improve the quality of life and financial stability of the City of Ball Ground, Georgia.

FINANCIAL INFORMATION

Accounting System Internal Controls. The management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgment by management.

As a recipient of federal, state, and local financial assistance, the City is also responsible for certifying that an adequate internal control structure is in place to ensure compliance with

applicable laws and regulations related to federal assistance programs. This internal control structure is subject to periodic evaluation by management of the City.

Relevant Financial Policies. The City of Ball Ground has established a policy requiring an annual review of all debt with comparison to current market rates and trends. If current rates appear to be favorable for cost savings, proposals for refinance are accepted. No refinancing opportunities presented themselves.

The City of Ball Ground has established a policy requiring an annual review of all assessed fees and billing rates. During this review cycle it was determined that a small increase in consumption charges for water and sewer were warranted. This increase was implemented at the beginning of the fiscal year with the intent to implement similar increases over the coming years.

Budgeting Controls. In addition to internal controls, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, District Fire Tax Fund, and Enterprise Funds are included in the annual appropriated budget. Expenditures may not legally exceed appropriations at the department level within each fund. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Major Initiatives. During this reporting period the City continued efforts to expand our new SCADA system with Mission Communications. We now have remote monitoring of 3 sewer lift stations, the drinking water production facility and two water storage locations. Our system to date has assisted with the lowering of our unaccounted for or “non-revenue” water, seeing a reduction for 43% down to 29% and these efforts will continue. Additionally, by installation of technology at two more sewer lift stations we were able to track and compare sewer station run times with rainfall data, allowing crews to narrow down areas of possible infiltration of storm water into the system. This allowed crews to respond quicker, make repairs quicker, thereby reducing treatment costs.

During this period the City also began a GIS mapping initiative that serves as a central data collection and storage tool for the City. In addition to the traditional mapping of utility infrastructure such as water, sewer, hydrants, valves and other items, this map also incorporates zoning, tax assessment data and the ability to evaluate year to year changes. For example one of the layer maps will show every tax parcel color coded and labeled indicating the percentage of change in the assessed value from year to year. That tool alone this year allowed the City to recognize and challenge the tax assessor on several issues, which have since been corrected, that will yield the City at least \$7,000 per year moving forward.

We have begun a semi-annual dialogue with the tax assessor’s office, making sure they have current data on activities in the downtown area which is severely under assessed on the tax digest. For example we were able to convey data to the tax assessor on a downtown building that sold for \$159,900 that was on the tax digest for \$29,500, and another parcel of property that was on the digest for \$6,700 and sold for \$97,500. With the City proactively tracking property sales and conveying the information to the assessor, we believe we can get the downtown digest corrected to the point where it will increase revenue substantially for the City.

Long-Term Financial Planning. The City of Ball Ground does not anticipate major changes in either revenue sources or expenditures in the future. The City has taken a conservative approach to budgeting and finance, with an emphasis on estimating expenses on the high-end and estimating revenues on the low-end. We anticipate being able to manage through the current financial challenges by using expenditure control to maintain current capital assets rather than the purchase or construction of new capital assets.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ball Ground for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the twelfth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate. The City is committed to this effort and will strive to maintain and surpass these standards on future reports.

ACKNOWLEDGEMENTS

The preparation of the comprehensive annual financial report, on a timely basis, could not have been accomplished without the dedication and cooperation of the entire City staff. We would like to express our appreciation to each member who assisted and contributed to the preparation of this report. We also extend our appreciation to our independent auditors, Mauldin & Jenkins, LLC, for the professional guidance and assistance in producing a technically sound document. **Most importantly, we express our appreciation to the Mayor and City Council for their dedication, leadership, vision, and support in planning and conducting the affairs of the City of Ball Ground in a responsible and progressive manner, which ensures that Ball Ground is a well-rounded, vibrant community to call home.**

Respectfully submitted,

Signed: 
Title: City Manager

Signed: 
Title: Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Ball Ground
Georgia**

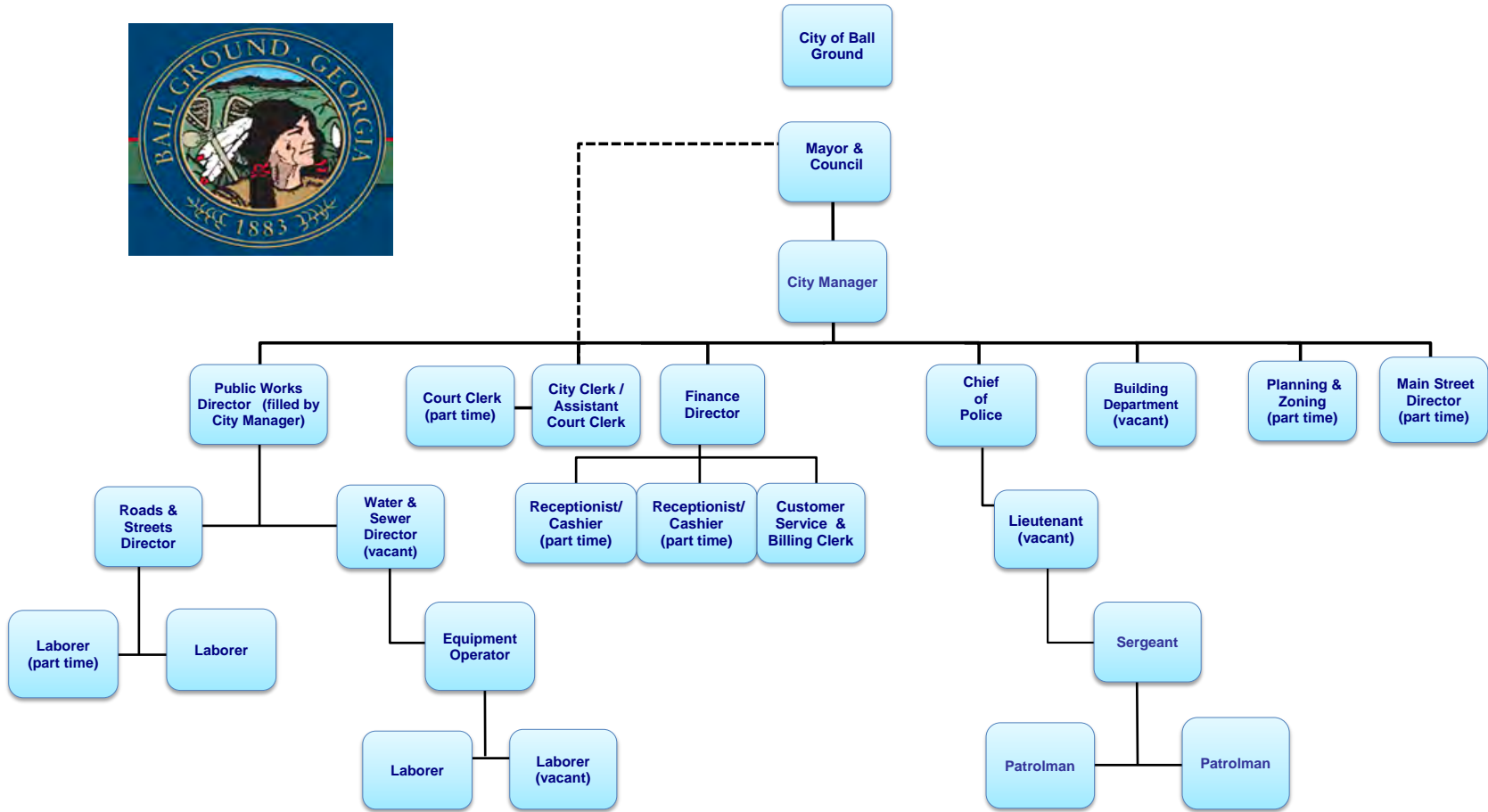
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morvill

Executive Director/CEO

City of Ball Ground
Organizational Chart
June 30, 2019



NOTE: City Clerk & Police Chief are annual appointees of Mayor & Council.

City of Ball Ground, Georgia

Principal Officials
June 30, 2019

Councilmembers

Frank Homiller, Mayor Pro-tem



John Byrd



Mayor

A.R. Roberts, III



Councilmembers
Andrenia Stoner



Councilmembers

Mickey O'Malley



Lee Prettyman



City Manager & Public

Works Director

Eric W. Wilmarth

City Clerk

Karen Jordan

Finance Director

Donna W. England

Police Chief

R. Bryon Reeves

City Attorney

Darrell Caudill

City Auditors

Mauldin & Jenkins, LLC

FINANCIAL SECTION

The financial section includes the independent auditor's report on the financial statements, the MD&A which provides a narrative introduction, overview and analysis of the financial statements, the basic financial statements including footnotes, and supplementary information.





INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the City Council
Ball Ground, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Ball Ground, Georgia** (the "City"), as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ball Ground, Georgia, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the District Fire Tax Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-16, the schedule of changes in the City's net pension liability and related ratios on page 54, and the schedule of City contributions on page 55 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

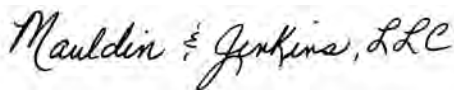
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ball Ground, Georgia's basic financial statements. The other supplementary information and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information 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 19, 2019 on our consideration of the City of Ball Ground, 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 solely 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 City'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 City of Ball Ground, Georgia's internal control over financial reporting and compliance.



Atlanta, Georgia
December 19, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) is a narrative introduction, overview and analysis of the basic financial statements prepared by the City's Finance Director.



City of Ball Ground, Georgia
Management's Discussion and Analysis
June 30, 2019

This discussion and analysis of the City of Ball Ground, Georgia's (the "City") financial performance is prepared by management to provide an overview of the City's financial activities for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- Total Net Position is comprised of the following:
 - 1) Net investment in capital assets of \$10,639,870 includes property and equipment, net of accumulated depreciation, and is decreased for outstanding debt related to the purchase or construction of capital assets as compared to \$10,190,282 in fiscal year 2018.
 - 2) Restricted net position of \$101,645 represents the portion to be used for fire protection services (\$76,145), and sewer projects (\$25,500). This is a decrease of \$253,463 or 71% from the previous year (\$355,108).
 - 3) Unrestricted net position of \$1,008,512 represents the portion available to maintain the City's continuing obligations to citizens and creditors. This is an increase of \$110,541 from the previous year's balance (\$897,971).
- The City's total assets, \$14,618,781 and deferred outflows of resources, \$96,728 exceeded its liabilities and deferred inflows of resources of \$2,965,482 by \$11,750,027, (total net position) for the fiscal year reported as compared to \$11,443,361 as total net position in fiscal year 2018. The total assets are 4.93 times the total liabilities.
- The City's capital assets, net of accumulated depreciation, increased by \$226,251 primarily due to the Valley Streetscape project started during the fiscal year.
- The City's total liabilities decreased by \$163,978 or less than 5.24% as a result of net effect of the increase in current liabilities of \$27,431 and a decrease of noncurrent liabilities of \$190,612 as compared to the prior fiscal year.
- As of the close of the current fiscal year, the City of Ball Ground's governmental funds reported combined ending fund balances of \$602,845 a decrease of \$291,285 in comparison with the prior year. Of this amount, \$447,526 is unassigned and available for spending. The significant decline in fund balance is due primarily to the \$205,000 that was received in the prior fiscal year as a prepayment of a Georgia DOT safety grant.
- At the end of the current year the unassigned fund balance for the governmental funds was \$447,526 or 16.7% of the governmental funds expenditures as compared to 21% in the prior fiscal year.

City of Ball Ground, Georgia
Management's Discussion and Analysis
June 30, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis (MD&A) document introduces the City's basic financial statements. The City of Ball Ground's basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The City also includes additional information in this report to supplement the basic financial statements.

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements are designed to provide readers with a broad overview of the City of Ball Ground's finances, in a manner similar to a private-sector business.

The first of these government-wide statements is the *Statement of Net Position*. This statement of net position presents information that includes all of the City's assets, deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between these items reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, the reader needs to consider other non-financial factors, such as changes in the City's property tax base and the condition of the City's infrastructure, in addition to the financial information in this report in order to assess the overall health of the City. The *Statement of Net Position* includes all assets, deferred outflows of resources, and liabilities using the accrual basis of accounting which is the accounting method used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The second government-wide statement is the *Statement of Activities* which reports how the City's net position changed during the most recent fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Ball Ground that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Ball Ground include public safety (police), public works, parks and recreation, planning and zoning, building inspection, code enforcement, municipal court services, and general administrative services. The business-type activities of the City include water and sewer and solid waste services.

The government-wide financial statements include the primary government for the City of Ball Ground and one legally separate entity, the Downtown Development Authority, for which the City is financially accountable. It is included in the financial statements as a discretely presented component unit.

The government-wide financial statements can be found on pages 17 and 18 of this report.

City of Ball Ground, Georgia
Management's Discussion and Analysis
June 30, 2019

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. The City of Ball Ground, 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 City can be divided into two categories: governmental funds and proprietary 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 financial statements, governmental fund financial statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's financing requirements and the commitment of spendable resources for the near-term. 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 government'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*.

The City of Ball Ground maintains four individual governmental funds. 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, District Fire Tax Fund the Special Purpose Local Option Sales Tax ("SPLOST") 5 Fund and the SPLOST 4 (non-major).

The City of Ball Ground adopts an annual appropriated budget for its General Fund and District Fire Tax Fund. A budgetary comparison statement has been provided for the General Fund and the District Fire Tax Fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 19 through 24 of this report.

Proprietary funds. The City of Ball Ground maintains only one type of proprietary fund called an enterprise fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer and solid waste operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations and the solid waste operations. The water and sewerage fund is considered to be a major fund for the City of Ball Ground.

The basic proprietary fund financial statements can be found on pages 25 through 28 of this report.

City of Ball Ground, Georgia
Management's Discussion and Analysis
June 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Ball Ground, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$11,750,027 at the close of the most recent fiscal year.

The vast majority of the City of Ball Ground's net position, reflects its investment in capital assets (e.g., land improvements, buildings and improvements, machinery and equipment, infrastructure and vehicles), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Ball Ground'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 cannot be used to liquidate these liabilities.

CITY OF BALL GROUND'S NET POSITION
TABLE I

	Governmental Activities 2019	Governmental Activities 2018	Business-type Activities 2019	Business-type Activities 2018	Total 2019	Total 2018
Current and other assets	\$ 766,728	\$ 939,463	\$ 543,296	\$ 472,830	\$ 1,310,024	\$ 1,412,293
Capital assets	9,370,118	8,898,241	3,938,639	4,184,265	13,308,757	13,082,506
Total assets	10,136,846	9,837,704	4,481,935	4,657,095	14,618,781	14,494,799
Deferred charges	79,873	71,541	16,855	6,419	96,728	77,960
Total deferred outflow of resources	79,873	71,541	16,855	6,419	96,728	77,960
Long-term debt outstanding	1,289,672	1,425,899	1,546,804	1,597,949	2,836,476	3,023,848
Other liabilities	52,891	42,562	76,053	62,988	128,944	105,550
Total liabilities	1,342,563	1,468,461	1,622,857	1,660,937	2,965,420	3,129,398
Deferred charges	35	-	27	-	62	-
Total deferred outflow of resources	35	-	27	-	62	-
Net Position:						
Net investment in						
capital assets	8,201,750	7,575,317	2,438,120	2,614,965	10,639,870	10,190,282
Restricted	76,145	346,108	25,500	9,000	101,645	355,108
Unrestricted	596,226	519,359	412,286	378,612	1,008,512	897,971
Total net position	\$ 8,874,121	\$ 8,440,784	\$ 2,875,906	\$ 3,002,577	\$ 11,750,027	\$ 11,443,361

Total net position of the City's governmental activities increased by \$433,337 in fiscal year 2019 (\$8,874,121 in the current fiscal year versus \$8,440,784 in the prior fiscal year). The business-type activities, which includes the water and sewerage fund and solid waste fund ended the year with a decrease in net position of \$126,671. The City's total net position, which includes both the governmental and business-type activities, increased \$306,666. Unrestricted net position, the portion of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, totaled \$1,008,512 which is an increase of \$110,541 from the prior year. These funds may be used to meet the government's ongoing obligations to citizens and creditors. Only the \$101,645 portion of the City's net position is subject to external restrictions on how it may be used.

City of Ball Ground, Georgia
Management's Discussion and Analysis
June 30, 2019

CITY OF BALL GROUND'S CHANGES IN NET POSITION
TABLE II

	Governmental Activities 2019	Governmental Activities 2018	Business-type Activities 2019	Business-type Activities 2018	Total 2019	Total 2018
Revenues:						
Charges for services	\$ 171,603	\$ 138,523	\$ 997,480	\$ 965,540	\$ 1,169,083	\$ 1,104,063
Capital grants and contributions	1,107,983	1,005,043	219,450	152,000	1,327,433	1,157,043
General revenues:						
Property taxes	832,606	712,772	-	-	832,606	712,772
Other taxes	335,417	277,108	-	-	335,417	277,108
Other revenues	43,615	84,540	1,163	2,193	44,778	86,733
Total revenues	2,491,224	2,217,986	1,218,093	1,119,733	3,709,317	3,337,719
Expenses:						
General government	359,166	349,860	-	-	359,166	349,860
Judicial	14,540	15,999	-	-	14,540	15,999
Public safety	695,399	627,020	-	-	695,399	627,020
Public works	594,262	443,263	-	-	594,262	443,263
Health and welfare	26,016	18,981	-	-	26,016	18,981
Culture and recreation	236,311	247,991	-	-	236,311	247,991
Housing and development	88,344	37,998	-	-	88,344	37,998
Interest on long-term debt	43,849	47,054	-	-	43,849	47,054
Solid waste	-	-	167,277	155,194	167,277	155,194
Water and sewerage	-	-	1,177,487	1,066,424	1,177,487	1,066,424
Total expenses	2,057,887	1,788,166	1,344,764	1,221,618	3,402,651	3,009,784
Change in net position before transfers	433,337	429,820	(126,671)	(101,885)	306,666	327,935
Transfers	-	-	-	-	-	-
Change in net position	433,337	429,820	(126,671)	(101,885)	306,666	327,935
Net position, beginning of year	8,440,784	8,010,964	3,002,577	3,104,462	11,443,361	11,115,426
Net position, end of year	\$ 8,874,121	\$ 8,440,784	\$ 2,875,906	\$ 3,002,577	\$ 11,750,027	\$ 11,443,361

Governmental Activities. The City of Ball Ground's net position in governmental activities was increased by \$433,337 which resulted from an increase in total assets of \$299,142, an increase of in deferred outflows of resources of \$8,332, and a decrease in total liabilities of \$125,898. Significant elements that contributed to the increase of net position are discussed below.

Increase in Total Assets

The single largest factor which resulted in the large increase of net position was the increase in grant funding for the fiscal year 2019. The City was awarded a Georgia DOT TE transportation enhancement grant for the construction of Valley Streetscapes for \$560,000; however, the project was not completed at year end. The City received \$387,828 in funding during the fiscal year. In addition, last fiscal year the City received an ARC grant for LCI study of \$75,000 of that \$67,670 last fiscal year and \$7,330 during the current fiscal year to close out the project. During fiscal year 2018, the City received a prepayment of the safety grant from Georgia DOT for the construction of a safer railroad crossing on Groover Street of \$205,000. During fiscal year 2019, the City received another \$80,000 as part of the safety grant. The construction of the railroad crossing on

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Groover Street was completed during the fiscal year however safety grant projects were in construction in progress at year end.

The addition of the capital assets was offset by the increase in depreciation expense of \$23,106.

Increase in Deferred Outflows of Resources

The increase in deferred outflows of resources was due to the implementation of a GMEBS Pension Plan on July 1, 2017. The pension related items of \$22,288 in fiscal year 2019 was an increase however these items were offset by a decrease of deferred charges of a prepayment penalty is a direct result of the amortization of the prepayment penalty as it is recognized each year which netted an increase of \$8,332.

Decrease in Total Liabilities

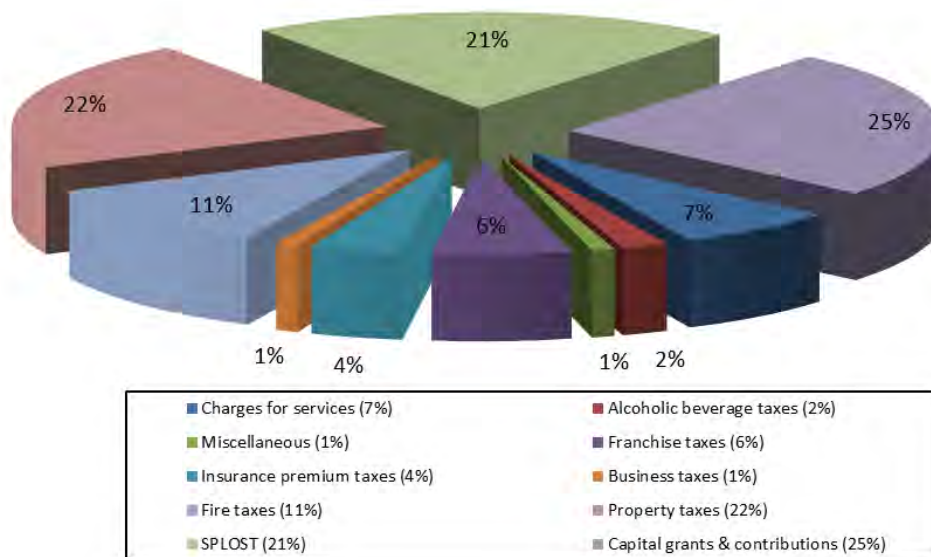
The total liabilities decreased by \$125,898 as compared to the prior year; however, the cause of the decrease is due to the net effect of a decrease in noncurrent liabilities \$136,227 and an increase in current liabilities of \$10,329.

The noncurrent liabilities were reduced primarily due to the continued principal payments to existing debt.

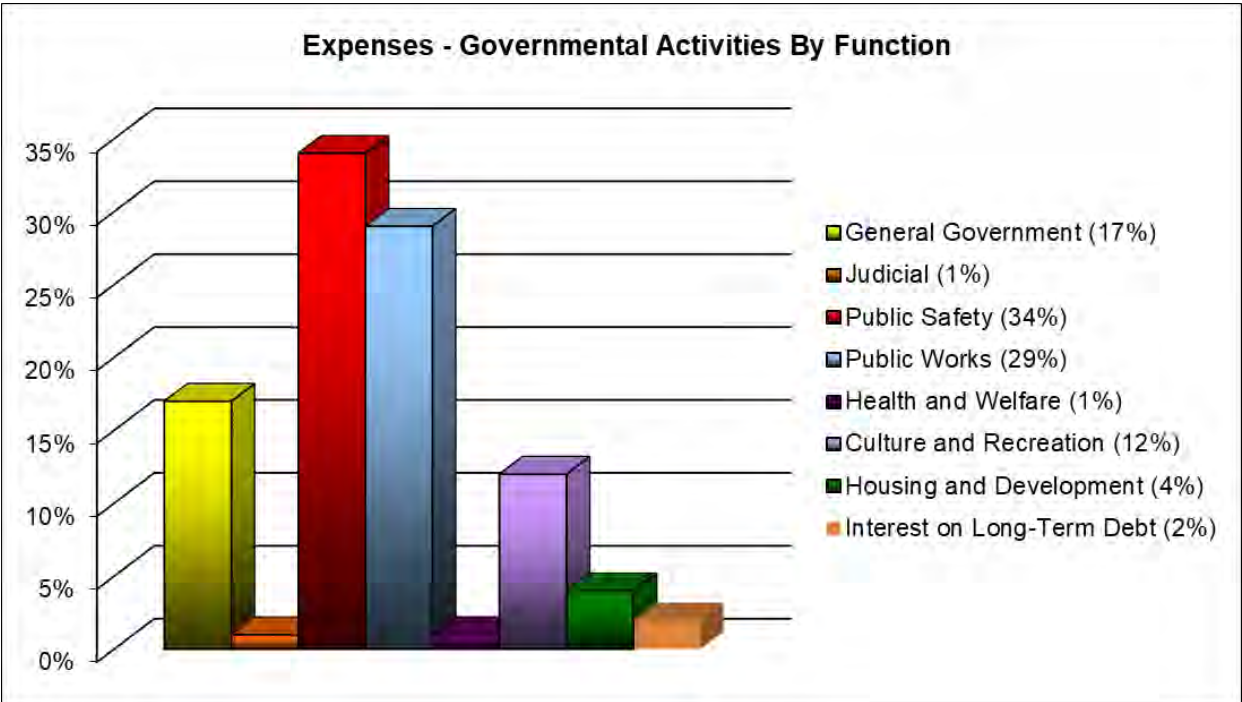
Increase in Revenue

The governmental activities revenues increased for fiscal year 2019 by \$273,238 as compared to fiscal year 2018. The capital grants and contribution revenues increased in the current fiscal year by \$102,940 primarily due to the Georgia DOT Valley Streetscapes funds. During fiscal year 2019, the City received \$1,107,983 in capital grants and contributions, as compared to \$1,005,043 in the prior fiscal year.

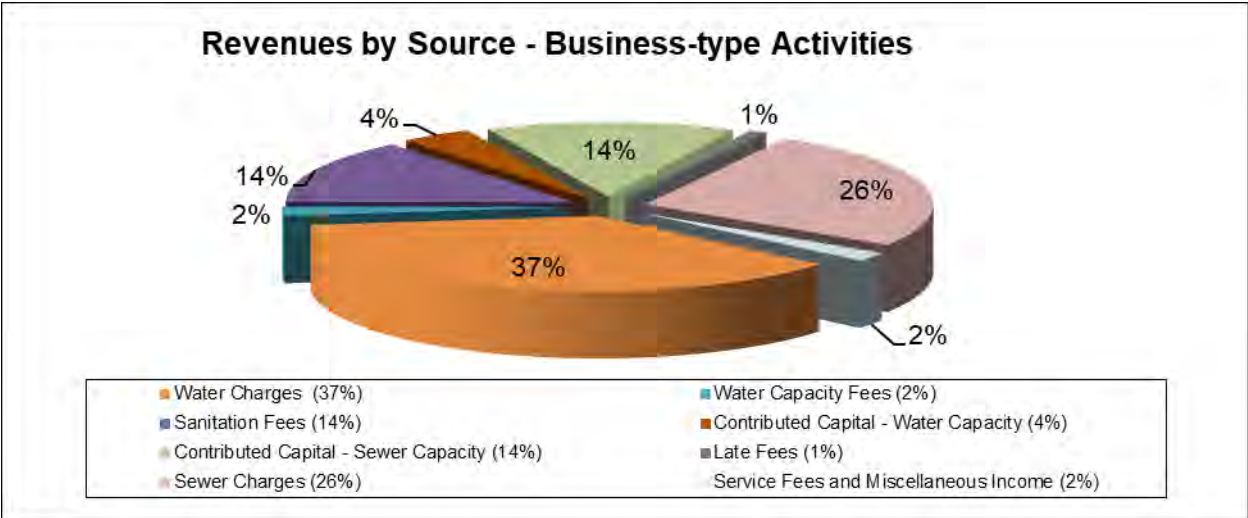
Revenue by Source - Governmental Activities



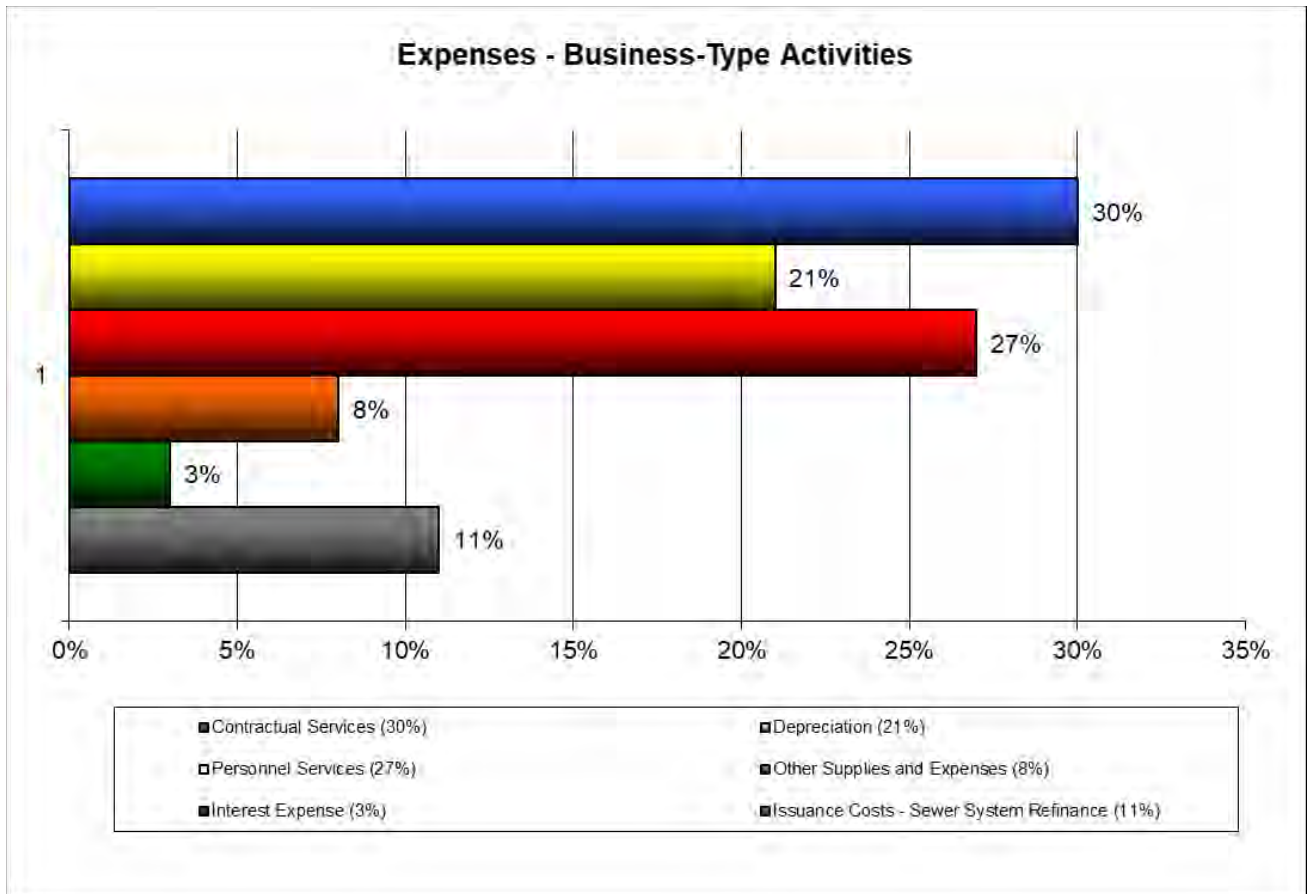
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Along with the increase in revenues of \$273,238, the governmental activities had an increase in expenses of \$269,721. When comparing the expenses of fiscal year 2019 to that of the prior year, the expenses there were slightly higher in each function however the biggest increase was in public works due to the non-capital expenses associated with the Valley Streetscapes Project.



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Business-type Activities. The overall operating revenues increased by \$31,940 in current year as compared to the prior year. As in the prior year, the continued development of subdivisions resulted in more water (23) and sewer (24) customers and more sanitation (55) customers which contributed to the increased operating revenues.

Although the operating revenues were slightly increased in the enterprise funds for fiscal year 2019, the water and sewer service charges increased (\$24,567) and solid waste service charges increased (\$7,373) as compared to the previous fiscal year.

In the current fiscal year, the number of new water and sewer customers increased; however, the number of gallons of water consumed during this fiscal year increased by 763,400 gallons as compared to the previous fiscal year. The increase in the number of gallons consumed was a direct result of more water customers while still maintaining water conservation measures as mandated by EPD. The water sales increased by \$32,879 as a direct result from the increase in the number of gallons consumed increased.

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Some highlights of the business-type operations were as follows:

- During the current fiscal year, the number of water customers increased by 23, the number of sewer customers increased by 24, and the number of sanitation customers increased by 55. Although the numbers may not seem substantial, the percentage increases are as follows: water 2.0%, sewer 3.16%, and sanitation 6.79%.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, an unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The major governmental funds are comprised of the following: General Fund, District Fire Tax Fund and SPLOST 5 Fund.

As of the end of the current fiscal year, the City of Ball Ground's governmental funds reported combined ending fund balances of \$602,845, a decrease of \$291,285 in comparison with the prior year. The decrease in fund balances is largely due to the expenditures associated with capital projects and the timing of the receipts of capital grants funds. In fiscal year 2018, the City received a prepayment of Safety grant funds from Georgia DOT (\$205,000) however the railroad crossing was completed in the current fiscal year.

Also during the current fiscal year, another large Georgia DOT project, Valley Streetscapes, was started but not completed. The City paid the preliminary expenditures as part of the City's cost match upfront however will not be reimbursed for the overage of the match until fiscal year 2020.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance was \$475,650. This amount is available for spending at the City's discretion. The unassigned fund balance decreased by \$53,215 (10.0%) during the current fiscal year.

General Fund Budgetary Highlights

Revenues:

Actual revenues exceeded budgeted revenues by \$166,294. Listed below is a brief summary of factors that attributed to the revenues collected in excess of budgeted revenues in fiscal year 2019.

- Franchise taxes exceeded budget by \$36,755 resulted from an increase in all of the franchise taxes however the largest increase was in electrical and telephone franchise fees. The franchise tax increases are a direct result in the increase in the City's population.
- Business taxes exceeded budget by \$12,162 due to the increase in business occupation taxes.

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- Intergovernmental, an unbudgeted revenue line exceeded budget by \$87,330 due to receiving Georgia DOT Safety Grant funds. At the time of budget preparation the City had not been awarded the grant.
- Charges for services revenue exceeded budget by \$7,804 due to the increase in City gym usage fees.
- Fines and forfeitures exceeded budget by \$29,353 due to an increase in safety and traffic violations.
- Investment earnings exceeded budget by \$3,194 because the City maintained higher balances in the interest bearing accounts.
- Miscellaneous revenue exceeded budget by \$21,221 due to the payment of outstanding right of way fees and reimbursement for damaged property. Also the City received payment for 28,804 cubic yards of dirt from the City's borrow site.

Expenditures:

Actual expenditures exceeded budgeted expenditures by \$343,142. A brief summary of the largest variance of budget shortfall in Public Works – Highways and streets of \$335,540 is explained below:

- Public works – Highways and streets exceeded budget by \$335,540 due to starting of a Georgia DOT project- Safety Grant Project for the Railroad Crossing at Groover Street. The grant was awarded late in the previous fiscal year; however, the project was delayed due to the Railroad Company's schedule. The project cost was \$314,724 and the Safety Grant had not been awarded at the time the FY2019 budget was being prepared.
- General government - City manager – Retirement line was an unbudgeted due to the startup of the City's new pension plan and unavailability of the expenditures by department at the time of the budget preparation. The GMEBS retirement expenditures made up the \$2,147 of the budget overrun of \$2,826.
- Public safety – Patrol line exceeded the budget by \$31,108 which was a direct result of two factors: salaries and retirement expenditures. Salaries expenditures made up \$22,069 and retirement expenditures \$9,057 of the budget overrun. Overtime pay exceeded budgeted amounts whereas retirement expenditures by department was not available at the time of budget preparation.
- Culture and recreation – Parks line overran budget by \$27,714 due to unbudgeted but necessary repairs and maintenance \$9,648 and capital repairs and maintenance of \$8,256. Some examples of the unbudgeted repairs were the replacement of the HVAC at Field 2 concession stand, repair of the lights at the basketball court, and repairs to the public restrooms at the city's parks. The much needed installation of HVAC in restrooms of the City Gym contributed to the repairs and maintenance capital line of \$8,256. Also natural gas exceeded budget by \$6,362 due to the constant usage of the City gym.
- Housing and development - Planning and zoning – Professional services exceeded budget by \$31,142 due to unanticipated zoning matters which required securing legal counsel (\$6,222). The other unbudgeted expenditures were costs related to close out of the LCI study which began in last fiscal year (\$3,162). However the largest factor of the budget overrun was the purchase of the GIS software, the building of the core GIS layers (\$23,890). This construction in progress project was not a budgeted project.
- Housing and development - Main Street department – exceeded budget by \$12,105 which was due to the contract labor for City events. Additional events were sponsored and the cost to host various events increased resulting in an \$11,528 overrun and the cost to advertise the City events exceeded budget by \$1,851.

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- Planning and Zoning – Professional services exceeded budget by \$2,580 due to unanticipated zoning matters which required securing legal counsel. The other unbudgeted expenditures were costs related to the LCI study such as meals and refreshments for the monthly LCI committee meetings and town meetings.

District Tax Fund Highlights

Revenues of \$290,712 exceed anticipated collections of \$256,000. The taxes collected by the City are payable to the County through an intergovernmental agreement for the County to provide fire protection services to the citizens of the City of Ball Ground. The increase in the fund balance of \$8,260 was a direct result of the timing of the service contract with the County. The agreement with the County is for the twelve months ending September 30 of each year.

SPLOST 5 Fund Highlights

Revenue totaled \$914,567 which was \$362,840 less than anticipated due to the timing of the reimbursements for Georgia DOT projects. However, the monthly SPLOST distribution exceeded expectations by \$65,709.

The sales tax was used for various projects in the City. Expenditures for the current year were \$941,743 of which \$250,236 was used for public works projects and costs such as roads, streets, storm drain and other infrastructure improvements. However, \$517,849 was used for capital projects such as the Valley Streetscapes project and paving city streets; \$14,001 was used for culture and recreation (parks), \$159,657 was used for debt service payments.

This fund, along with SPLOST 4 Fund, was the source of debt service payments on leases funding City Hall, Valley Street, 2018, police vehicle, 2016 police vehicle, 2014 police vehicle #2 expenditures, 2018 tag reader, and 2015 John Deere ZTRK mower. The debt service payments for the current year were \$102,631 (City Hall), \$54,809 (Valley Street), \$12,896 (2016 police vehicle), \$5,946 (2014 police vehicle #2 purchased in 2015), \$4,458 (2018 tag reader), \$4,297 (2015 John Deere ZTRK mower), and \$11,381 (2018 police vehicle) for a total of \$196,418 debt service payments.

Proprietary Funds Highlights

The City of Ball Ground's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Combined unrestricted net position of the Water and Sewerage Fund and the Solid Waste Fund at the end of the year was \$412,286 an increase of \$107,073 (20.6%) from the previous year.

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Management's Discussion and Analysis
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Capital Assets and Debt Administration

The City of Ball Ground's investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounted to \$13,308,757 (net of accumulated depreciation). Capital assets investments include land, construction in progress, land improvements, buildings, machinery and equipment, infrastructure and vehicles.

Major additions of capital assets this fiscal year were the following:

- *Grogan Street overlay, \$22,429*
- *Howell Bridge extension reconstruction, \$55,339*
- *Storm drain repair on Old Dawsonville Road, \$23,361*
- *Blackwell Street curb and gutter, \$12,539*
- *Storm drain improvement – Sharp Mtn. Church Lane, \$23,229*
- *Storm drain improvement – McHan Street, \$14,579*
- *Byrd Hill overlay, \$47,322*
- *Kilby Street overlay, \$11,905*
- *Surface repair to City tennis courts, \$9,661*
- *HVAC in restrooms in City gym, \$8,256*
- *Diesel sewer pump – Howell Bridge lift station, \$34,300*
- *HOMA pump #2 panel box – Howell Bridge lift station, \$8,300*
- *2019 Kubota utility vehicle, \$11,250*

CITY OF BALL GROUND'S CAPITAL ASSETS
(Net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 634,645	\$ 634,645	\$ 269,077	\$ 269,077	\$ 903,722	\$ 903,722
Construction in progress	1,170,444	389,596	-	34,485	1,170,444	424,081
Land improvements	1,167,398	1,157,737	-	-	1,167,398	1,157,737
Buildings	2,653,283	2,653,283	82,105	82,105	2,735,388	2,735,388
Machinery and equipment	245,086	225,200	806,159	757,759	1,051,245	982,959
Infrastructure	9,404,835	9,194,132	6,339,633	6,320,558	15,744,468	15,514,690
Vehicles	196,582	196,582	-	-	196,582	196,582
Total	15,472,273	14,451,175	7,496,974	7,463,984	22,969,247	21,915,159
Less accumulated depreciation	(6,102,155)	(5,552,934)	(3,558,335)	(3,279,719)	(9,660,490)	(8,832,653)
Total	\$ 9,370,118	\$ 8,898,241	\$ 3,938,639	\$ 4,184,265	\$ 13,308,757	\$ 13,082,506

More detailed information on the City's capital assets can be found in Note 4 on pages 39 and 40 in the financial statements.

**City of Ball Ground, Georgia
Management's Discussion and Analysis
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City of Ball Ground's Long-Term Debt

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Governmental activities:		
Financed purchases	\$ 46,507	\$ 82,478
Notes payable	1,179,446	1,300,933
Compensated absences	17,324	19,452
Net pension liability	<u>43,406</u>	<u>23,036</u>
Total	<u>1,286,683</u>	<u>1,425,899</u>
Business-type activities:		
Bonds payable	1,110,887	1,183,990
Notes payable	389,632	385,310
Compensated absences	12,412	10,252
Net pension liability	<u>32,825</u>	<u>18,397</u>
Total	<u>1,545,756</u>	<u>1,597,949</u>
Grand Total - All Activities	<u>\$ 2,832,439</u>	<u>\$ 3,023,848</u>

More detailed information on the City's long-term debt can be found in Note 7 on pages 42 through 46 in the notes to the financial statements.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Donna W. England, Finance Director, City of Ball Ground, P. O. Box 285, Ball Ground, Georgia 30107.



BASIC FINANCIAL STATEMENTS

The basic financial statements include the government-wide statement of net position and government-wide statement of activities which include all of the primary government's governmental activities and business-type activities. In addition, the basic financial statements include the fund financial statements and the notes to the financial statements.

CITY OF BALL GROUND, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
<u>Assets</u>				
Cash	\$ 350,072	\$ 348,378	\$ 698,450	\$ 10,952
Taxes receivable, net	7,695	-	7,695	-
Accounts receivable, net	23,084	117,337	140,421	-
Intergovernmental receivable	267,267	-	267,267	-
Prepaid items	99,098	10,813	109,911	-
Inventories	-	25,768	25,768	-
Restricted cash	19,512	41,000	60,512	-
Capital assets:				
Non-depreciable	1,805,089	269,077	2,074,166	-
Depreciable, net of accumulated depreciation	7,565,029	3,669,562	11,234,591	-
Total assets	<u>10,136,846</u>	<u>4,481,935</u>	<u>14,618,781</u>	<u>10,952</u>
<u>Deferred Outflows of Resources</u>				
Deferred charges - prepayment penalty	57,585	-	57,585	-
Pension related items	22,288	16,855	39,143	-
Total deferred outflows of resources	<u>79,873</u>	<u>16,855</u>	<u>96,728</u>	<u>-</u>
<u>Liabilities</u>				
Liabilities:				
Accounts payable	52,154	54,724	106,878	-
Accrued liabilities	737	-	737	-
Accrued interest payable	2,989	1,048	4,037	-
Customer deposits payable	-	15,500	15,500	-
Unearned revenue	-	5,829	5,829	-
Noncurrent liabilities:				
Compensated absences, due within one year	16,475	11,791	28,266	-
Compensated absences, due in more than one year	849	621	1,470	-
Bonds payable, due within one year	-	75,111	75,111	-
Bonds payable, due in more than one year	-	1,035,776	1,035,776	-
Notes payable, due within one year	124,771	46,641	171,412	-
Notes payable, due in more than one year	1,054,675	342,991	1,397,666	-
Financed purchases, due within one year	20,058	-	20,058	-
Financed purchases, due in more than one year	26,449	-	26,449	-
Net pension liability, due in more than one year	43,406	32,825	76,231	-
Total liabilities	<u>1,342,563</u>	<u>1,622,857</u>	<u>2,965,420</u>	<u>-</u>
<u>Deferred Inflows of Resources</u>				
Pension related items	35	27	62	-
Total deferred outflows of resources	<u>35</u>	<u>27</u>	<u>62</u>	<u>-</u>
<u>Net Position</u>				
Net investment in capital assets	8,201,750	2,438,120	10,639,870	-
Restricted for:				
Fire protection services	76,145	-	76,145	-
Sewer projects	-	25,500	25,500	-
Downtown development	-	-	-	10,952
Unrestricted	596,226	412,286	1,008,512	-
Total net position	<u>\$ 8,874,121</u>	<u>\$ 2,875,906</u>	<u>\$ 11,750,027</u>	<u>\$ 10,952</u>

The accompanying notes are an integral part of this statement.

CITY OF BALL GROUND, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Capital Grants and Contributions	Primary Government		Total	
				Governmental Activities	Business-type Activities		
Primary government:							
Governmental activities:							
General government	\$ 359,166	\$ 18,300	\$ -	\$ (340,866)	\$ -	\$ (340,866)	\$ -
Judicial	14,540	83,453	-	68,913	-	68,913	-
Public safety	695,399	210	-	(695,189)	-	(695,189)	-
Public works	594,262	-	1,107,983	513,721	-	513,721	-
Health and welfare	26,016	-	-	(26,016)	-	(26,016)	-
Culture and recreation	236,311	28,574	-	(207,737)	-	(207,737)	-
Housing and development	88,344	41,066	-	(47,278)	-	(47,278)	-
Interest on long-term debt	43,849	-	-	(43,849)	-	(43,849)	-
Total governmental activities	2,057,887	171,603	1,107,983	(778,301)	-	(778,301)	-
Business-type activities:							
Water and sewerage	1,177,487	817,721	219,450	-	(140,316)	(140,316)	-
Solid waste	167,277	179,759	-	-	12,482	12,482	-
Total business-type activities	1,344,764	997,480	219,450	-	(127,834)	(127,834)	-
Total primary government	\$ 3,402,651	\$ 1,169,083	\$ 1,327,433	(778,301)	(127,834)	(906,135)	-
Component unit:							
Downtown Development Authority	305	-	-	-	-	-	(305)
	\$ 305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (305)
General revenues:							
Taxes:							
Property taxes				832,606	-	832,606	-
Franchise taxes				145,255	-	145,255	-
Alcoholic beverage taxes				50,650	-	50,650	-
Business taxes				31,346	-	31,346	-
Insurance premium taxes				102,997	-	102,997	-
Financial institution taxes				5,169	-	5,169	-
Unrestricted investment earnings				3,694	813	4,507	-
Miscellaneous				39,921	350	40,271	-
Total general revenues				1,211,638	1,163	1,212,801	-
Change in net position				433,337	(126,671)	306,666	(305)
Net position, beginning of fiscal year				8,440,784	3,002,577	11,443,361	11,257
Net position, ending of fiscal year				\$ 8,874,121	\$ 2,875,906	\$ 11,750,027	\$ 10,952

The accompanying notes are an integral part of this statement.

CITY OF BALL GROUND, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	District Fire Tax	SPLOST 5	Non-major SPLOST 4	Total Governmental Funds
Assets					
Cash	\$ 350,072	\$ -	\$ -	\$ -	\$ 350,072
Taxes receivable	4,675	3,020	-	-	7,695
Accounts receivable	23,084	-	-	-	23,084
Intergovernmental receivable	352	447	266,468	-	267,267
Prepaid items	25,472	72,678	948	-	99,098
Restricted cash	-	-	19,512	-	19,512
Due from other funds	132,161	-	-	-	132,161
Advances to other funds	55,704	-	-	-	55,704
Total Assets	<u>\$ 591,520</u>	<u>\$ 76,145</u>	<u>\$ 286,928</u>	<u>\$ -</u>	<u>\$ 954,593</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts payable	\$ 29,388	\$ -	\$ 22,766	\$ -	\$ 52,154
Due to other funds	-	-	132,161	-	132,161
Accrued liabilities	737	-	-	-	737
Advances from other funds	-	-	55,704	-	55,704
Total Liabilities	<u>30,125</u>	<u>-</u>	<u>210,631</u>	<u>-</u>	<u>240,756</u>
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	4,569	2,950	-	-	7,519
Unavailable revenue - intergovernmental	-	-	103,473	-	103,473
Total Deferred Inflows of Resources	<u>4,569</u>	<u>2,950</u>	<u>103,473</u>	<u>-</u>	<u>110,992</u>
Fund balances:					
Nonspendable:					
Prepaid items	25,472	72,678	948	-	99,098
Advances to other funds	55,704	-	-	-	55,704
Restricted:					
Fire protection services	-	517	-	-	517
Unassigned	475,650	-	(28,124)	-	447,526
Total Fund Balances	<u>556,826</u>	<u>73,195</u>	<u>(27,176)</u>	<u>-</u>	<u>602,845</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 591,520</u>	<u>\$ 76,145</u>	<u>\$ 286,928</u>	<u>\$ -</u>	<u>\$ 954,593</u>

The accompanying notes are an integral part of this statement.

CITY OF BALL GROUND, GEORGIA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2019

Total governmental fund balances	\$	602,845
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.

Cost	\$ 15,472,273	
Less: accumulated depreciation	<u>(6,102,155)</u>	9,370,118

Some receivables are not available to pay current period expenditures and, therefore, are deferred inflows of resources in the governmental funds.

Property taxes	7,519	
	<u>103,473</u>	110,992

The deferred outflows of resources and the net pension liability related to the City's pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the governmental funds.

Deferred outflows of resources related to pensions	22,288	
Deferred inflows of resources related to pensions	(35)	
Net pension liability	<u>(43,406)</u>	(21,153)

Long-term liabilities and related items are not due and payable in the current period and are not reported in the governmental funds.

Compensated absences	(17,324)	
Accrued interest payable	(2,989)	
Financed purchases	(46,507)	
Notes Payable	(1,179,446)	
Deferred charges - prepayment penalty	57,585	<u>(1,188,681)</u>

Net position of governmental activities	\$	<u><u>8,874,121</u></u>
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The accompanying notes are an integral part of this statement.

CITY OF BALL GROUND, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General	District Fire Tax	SPLOST 5	Non-major SPLOST 4	Total Governmental Funds
Revenues:					
Taxes	\$ 876,481	\$ 290,712	\$ -	\$ -	\$ 1,167,193
Licenses and permits	59,261	-	-	-	59,261
Intergovernmental	87,330	-	913,805	2,580	1,003,715
Charges for services	28,889	-	-	-	28,889
Fines and forfeitures	83,453	-	-	-	83,453
Investment earnings	3,694	-	762	33	4,489
Miscellaneous	39,921	-	-	-	39,921
Total revenues	<u>1,179,029</u>	<u>290,712</u>	<u>914,567</u>	<u>2,613</u>	<u>2,386,921</u>
Expenditures:					
Current:					
General government	312,952	-	-	-	312,952
Judicial	14,540	-	-	-	14,540
Public safety	373,261	282,452	-	-	655,713
Public works	82,750	-	250,236	37,373	370,359
Health and welfare	17,513	-	-	-	17,513
Culture and recreation	121,405	-	14,001	-	135,406
Housing and development	88,344	-	-	-	88,344
Capital outlay:					
General government	46,916	-	-	-	46,916
Public works	319,196	-	517,849	-	837,045
Culture and recreation	3,000	-	-	-	3,000
Debt service:					
Principal	-	-	130,129	27,329	157,458
Interest and fiscal charges	-	-	29,528	9,432	38,960
Total expenditures	<u>1,379,877</u>	<u>282,452</u>	<u>941,743</u>	<u>74,134</u>	<u>2,678,206</u>
Net change in fund balances	(200,848)	8,260	(27,176)	(71,521)	(291,285)
Fund balances, beginning of fiscal year	757,674	64,935	-	71,521	894,130
Fund balances (deficit), end of fiscal year	<u>\$ 556,826</u>	<u>\$ 73,195</u>	<u>\$ (27,176)</u>	<u>\$ -</u>	<u>\$ 602,845</u>

The accompanying notes are an integral part of this statement.

CITY OF BALL GROUND, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds: \$ (291,285)

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 expense in the current period.

Capital outlay	\$ 1,021,098	
Depreciation expense	<u>(549,221)</u>	471,877

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

Property taxes	830	
Intergovernmental grants	<u>103,473</u>	104,303

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments - capital leases	\$ 36,768	
Principal payments - notes payable	121,487	
Amortization of deferred charges	<u>(5,818)</u>	152,437

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:

Change in compensated absences	\$ 2,128	
Change in accrued interest	132	
Pension expense	<u>(6,255)</u>	<u>(3,995)</u>

Change in net position - governmental activities \$ 433,337

The accompanying notes are an integral part of this statement.

CITY OF BALL GROUND, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues				
Property taxes	\$ 552,350	\$ 552,350	\$ 541,064	\$ (11,286)
Franchise taxes	108,500	108,500	145,255	36,755
Business taxes	178,000	178,000	190,162	12,162
Licenses and permits	78,500	78,500	59,261	(19,239)
Intergovernmental	-	-	87,330	87,330
Charges for services	21,085	21,085	28,889	7,804
Fines and forfeitures	54,100	54,100	83,453	29,353
Investment earnings	500	500	3,694	3,194
Contributions	1,000	1,000	-	(1,000)
Miscellaneous	18,700	18,700	39,921	21,221
Total revenues	1,012,735	1,012,735	1,179,029	166,294
Expenditures				
General government:				
Legislative	16,450	16,450	14,927	1,523
Clerk of Council	80,764	80,764	80,418	346
Mayor	24,260	24,260	20,829	3,431
City manager	25,408	25,408	28,234	(2,826)
Elections	8,150	8,150	4,067	4,083
General administration	243,194	243,194	168,123	75,071
General government buildings	44,450	44,450	43,270	1,180
Judicial:				
Municipal court	17,750	17,750	14,540	3,210
Public safety:				
Patrol	342,153	342,153	373,261	(31,108)
Public works:				
Highways and streets	66,406	66,406	401,946	(335,540)
Health and welfare:				
Community center	10,000	10,000	9,612	388
Senior center	8,000	8,000	7,901	99
Culture and recreation:				
Parks	92,500	92,500	120,214	(27,714)
Library	3,500	3,500	3,500	-
Tree City	3,500	3,500	691	2,809
Housing and development:				
Planning and zoning	22,350	22,350	53,492	(31,142)
Building department	10,000	10,000	4,847	5,153
Main Street department	17,900	17,900	30,005	(12,105)
Total expenditures	1,036,735	1,036,735	1,379,877	(343,142)
Net change in fund balance	(24,000)	(24,000)	(200,848)	(176,848)
Fund balance, beginning of fiscal year	757,674	757,674	757,674	-
Fund balance, end of fiscal year	\$ 733,674	\$ 733,674	\$ 556,826	\$ (176,848)

The accompanying notes are an integral part of this statement.

CITY OF BALL GROUND, GEORGIA

DISTRICT FIRE TAX FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET TO ACTUAL (GAAP BASIS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues				
Property taxes	\$ 256,000	\$ 256,000	\$ 290,712	\$ 34,712
Total revenues	256,000	256,000	290,712	34,712
Expenditures				
Public safety:				
Fire protection services	256,000	256,000	282,452	(26,452)
Total expenditures	256,000	256,000	282,452	(26,452)
Net change in fund balance	-	-	8,260	8,260
Fund balance, beginning of fiscal year	64,935	64,935	64,935	-
Fund balance, end of fiscal year	\$ 64,935	\$ 64,935	\$ 73,195	\$ 8,260

The accompanying notes are an integral part of this statement.

CITY OF BALL GROUND, GEORGIA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2019

	Business-type Activities - Enterprise Funds		
	Water and Sewerage	Solid Waste	Total
Assets			
Current assets:			
Cash	\$ 291,312	\$ 57,066	\$ 348,378
Accounts receivable, net	97,568	19,769	117,337
Prepaid items	10,059	754	10,813
Inventories	25,768	-	25,768
Restricted cash, customer deposits	41,000	-	41,000
Total current assets	465,707	77,589	543,296
Non-current assets:			
Capital assets:			
Non-depreciable	269,077	-	269,077
Depreciable, net of accumulated depreciation	3,669,562	-	3,669,562
Total capital assets	3,938,639	-	3,938,639
Total non-current assets	3,938,639	-	3,938,639
Total assets	4,404,346	77,589	4,481,935
Deferred Outflows of Resources			
Pension related items	16,855	-	16,855
Liabilities			
Current liabilities:			
Accounts payable	42,039	12,685	54,724
Accrued interest payable	1,048	-	1,048
Unearned revenue	5,829	-	5,829
Compensated absences, current	11,791	-	11,791
Current portion of notes payable	46,641	-	46,641
Payable from restricted assets:			
Customer deposits payable	15,500	-	15,500
Current portion of bonds payable	75,111	-	75,111
Total current liabilities	197,959	12,685	210,644
Non-current liabilities:			
Compensated absences	621	-	621
Notes payable	342,991	-	342,991
Bonds payable	1,035,776	-	1,035,776
Net pension liability	32,825	-	32,825
Total non-current liabilities	1,412,213	-	1,412,213
Total liabilities	1,610,172	12,685	1,622,857
Deferred Inflows of Resources			
Pension related items	27	-	27
Net Position			
Net investment in capital assets	2,438,120	-	2,438,120
Restricted	25,500	-	25,500
Unrestricted	347,382	64,904	412,286
Total net position	\$ 2,811,002	\$ 64,904	\$ 2,875,906

The accompanying notes are an integral part of this statement.

CITY OF BALL GROUND, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds		
	Water and Sewerage	Solid Waste	Total
Operating revenues:			
Charges for service	\$ 817,721	\$ 179,759	\$ 997,480
Miscellaneous revenue	350	-	350
Total operating revenues	<u>818,071</u>	<u>179,759</u>	<u>997,830</u>
Operating expenses:			
Personnel services	316,447	41,876	358,323
Contractual services	455,445	125,063	580,508
Other supplies and expenses	80,874	338	81,212
Depreciation	282,159	-	282,159
Total operating expenses	<u>1,134,925</u>	<u>167,277</u>	<u>1,302,202</u>
Net operating income (loss)	<u>(316,854)</u>	<u>12,482</u>	<u>(304,372)</u>
Non-operating revenue (expenses):			
Interest revenue	790	23	813
Interest expense	(42,562)	-	(42,562)
Total non-operating revenue (expenses)	<u>(41,772)</u>	<u>23</u>	<u>(41,749)</u>
Net income (loss) before capital contributions	<u>(358,626)</u>	<u>12,505</u>	<u>(346,121)</u>
Capital contributions	8,200	-	8,200
Capital contributions - water capacity sales	46,250	-	46,250
Capital contributions - sewer capacity sales	165,000	-	165,000
Total capital contributions	<u>219,450</u>	<u>-</u>	<u>219,450</u>
Change in net position	(139,176)	12,505	(126,671)
Net position, beginning of fiscal year	<u>2,950,178</u>	<u>52,399</u>	<u>3,002,577</u>
Net position, end of fiscal year	<u>\$ 2,811,002</u>	<u>\$ 64,904</u>	<u>\$ 2,875,906</u>

The accompanying notes are an integral part of this statement.

CITY OF BALL GROUND, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds		
	Water and Sewerage	Solid Waste	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 806,472	\$ 178,323	\$ 984,795
Payments to employees	(309,198)	(41,876)	(351,074)
Payments to suppliers	(516,256)	(123,792)	(640,048)
Net cash provided by (used in) operating activities	<u>(18,982)</u>	<u>12,655</u>	<u>(6,327)</u>
Cash flows from capital and related financing activities:			
Principal paid on capital debt	(114,331)	-	(114,331)
Interest paid on capital debt	(42,545)	-	(42,545)
Capital contributions - tap sales	219,450	-	219,450
Proceeds from sale of capital assets	36,392	-	36,392
Purchases of capital assets	(27,375)	-	(27,375)
Net cash provided by capital and related financing activities	<u>71,591</u>	<u>-</u>	<u>71,591</u>
Cash flows from investing activities:			
Interest received	790	23	813
Net cash provided by investing activities	<u>790</u>	<u>23</u>	<u>813</u>
Net increase in cash	53,399	12,678	66,077
Cash, beginning of fiscal year	278,913	44,388	323,301
Cash, end of fiscal year	<u>\$ 332,312</u>	<u>\$ 57,066</u>	<u>\$ 389,378</u>
Reconciliation of cash:			
Unrestricted	\$ 291,312	\$ 57,066	\$ 348,378
Restricted	41,000	-	41,000
	<u>\$ 332,312</u>	<u>\$ 57,066</u>	<u>\$ 389,378</u>

The accompanying notes are an integral part of this statement.

(Continued)

CITY OF BALL GROUND, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds		
	Water and Sewerage	Solid Waste	Totals
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (316,854)	\$ 12,482	\$ (304,372)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	282,159	-	282,159
Change in assets and liabilities:			
Increase in accounts receivable, net	(13,615)	(1,436)	(15,051)
Increase in inventory	10,330	-	10,330
(Increase) decrease in prepaid items	395	(63)	332
Increase in pension related deferred outflows	(10,436)	-	(10,436)
Increase in accounts payable	10,408	1,672	12,080
Increase in unearned revenue	1,916	-	1,916
Increase in compensated absences	2,160	-	2,160
Increase in net pension liability	14,428	-	14,428
Increase in pension related deferred inflows	27	-	27
Decrease in customer deposits	100	-	100
Net cash provided by operating activities	<u>\$ (18,982)</u>	<u>\$ 12,655</u>	<u>\$ (6,327)</u>
Noncash capital related activities			
Capital assets acquired through financed purchases	<u>\$ 45,550</u>	<u>\$ -</u>	<u>\$ 45,550</u>

The accompanying notes are an integral part of this statement.



NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements are a required component of the basic financial statements of the City. The notes present required and essential information for the fair presentation of the statements that have not been disclosed on the face of the financial statements.

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the City have been prepared in conformity with the accounting principles generally accepted in the United States of America (GAAP) as applied to governmental 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 City's accounting policies are described below.

A. THE REPORTING ENTITY

The City of Ball Ground, Georgia ("the City") operates under a City Council-Manager form of government and provides the following services to its citizens: public safety (police), public works, parks and recreation, planning and zoning, building inspection, code enforcement, municipal court services, and general administrative services. In addition, the City also offers water, sewer, and sanitation services to the City's residents and the surrounding area.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The City's financial statements include the City's accounts of all operations. As of June 30, 2017, there is one component unit included in the financial statements of the City. The criteria for including organizations within the City's reporting entity, as set forth in Governmental Accounting Standards Board's Statement No. 61 (GASB 61), "The Financial Reporting Entity", is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government, or the possibility that the component unit will provide a financial benefit to, or impose a financial burden on, the primary government. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City.

The Downtown Development Authority (the "DDA") was created by resolution on September 25, 2005 pursuant to the Official Code of Georgia Annotated (OCGA) Section 36-42-8.1 9a) for the purpose of promoting the redevelopment of the downtown area of the City. The seven members of the DDA's governing body are appointed by the City Council. Although a legally separate entity, the City is financially accountable for the activities of the DDA as the City can impose its will by significantly influencing the programs, projects, and activities of the DDA. Financial information with regard to the DDA can be obtained from the City of Ball Ground, 215 Valley Street, Ball Ground, Georgia 30107. The DDA does not issue separate financial statements.

B. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The City's funds are grouped into two broad fund classifications, Governmental and Proprietary. The governmental funds include the General Fund, a special revenue fund (District Fire Tax Fund), and two capital projects funds (SPLOST 4 and SPLOST 5 Funds), while the proprietary funds include the enterprise funds, Water and Sewerage Fund and Solid Waste Fund.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

C. GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the City, the primary government, as a whole. For the most part, the effect of interfund activity has been removed from these statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions. These statements distinguish between activities that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

Net position should be reported as restricted when constraints placed on use of net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for capital improvements result from the capital projects funds and the restrictions on their net position use. The net position restricted for fire protection services results from the restriction on the use of the tax.

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION (Continued)

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e., collectible within the current fiscal year or within sixty days of fiscal year-end and available to pay obligations of the current fiscal year): property taxes, sales tax, intergovernmental grants and investment earnings. Other revenues, including licenses and permits, and certain charges for services are recorded as revenue when received in cash because they are generally not measurable prior to receipt.

In accordance with GASB Statement No. 33 “*Accounting and Financial Reporting for Non-exchange Transactions*,” the corresponding assets (receivables) in non-exchange transactions are recognized in the period when the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and other long-term liabilities, which have not matured are recorded when due for payment. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

The City reports the following major governmental funds:

General Fund: This is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

District Fire Tax Fund: This is a special revenue fund to be used to account for monies received from a restricted property tax levy for fire protection services.

SPLOST 5 Fund: This is a capital projects fund to account for financial resources to be used for the acquisition or construction of major capital projects as approved on a referendum for a special purpose local option sales tax dated November 2, 2017. The collection of this tax began in July, 2018.

Additionally, the City reports the following fund type:

Capital Project fund (SPLOST 4 Fund): This fund accounts for financial resources to be used for the acquisition or construction of major capital projects as approved on a referendum for a special purpose local option sales tax dated November 2, 2010. The collection of this tax began in July, 2012.

The City reports the following major enterprise fund:

Water and Sewerage Fund: This fund accounts for the development, operation and maintenance of the utility system that provides water and sewerage service, and for the development of an infrastructure system capable of providing sewerage service.

Solid Waste Fund: This fund accounts for the operation of the City’s garbage collection services.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION (Continued)

All proprietary funds are accounted for using the accrual basis of accounting and the economic resources measurement focus. These funds account for operations that are primarily financed by user charges. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds. Unbilled utility receivables are recorded at each fiscal year-end. In accounting and reporting for its proprietary operations, the government applies all GASB pronouncements.

Proprietary Funds distinguish operating revenues and expenses from non-operating 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 of the City's enterprise funds are charges for water and sewer usage, and sanitation pickup. Operating expenses for the enterprise funds include all costs to operate the water and sewer system and the contracted operations of sanitation services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City because it is at present considered unnecessary to assure effective budgetary control or to facilitate effective cash planning and control.

F. CASH

Cash includes amounts in demand deposits. Statutes authorize the City to invest in U.S. Government obligations, U.S. Government agency obligations, State of Georgia obligations, obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated "AA" or better by Moody's, Investors Service, Inc., negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association, repurchase agreements when collateralized by U.S. Government or agency obligations, and pooled investment programs sponsored by the State of Georgia for the investment of local government funds. Any investment or deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of state or U.S. obligations. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

G. RECEIVABLES AND PAYABLES

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds is reported as “due to/from other funds.” 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, represent long-term borrowing arrangements with established repayment schedules, and are offset by non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

H. INVENTORIES

Inventories consist of supplies and are stated at cost. Inventories are accounted for on the first-in, first-out (FIFO) method of accounting for inventory. The City uses the consumption method of accounting for inventories under which materials and supplies are recorded as inventory when purchased and are recorded as an expense when used.

I. PREPAID ITEMS

Payments to vendors for services that will benefit periods beyond June 30, 2019, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. Prepaid items reported in the governmental funds are also equally offset by a nonspendable fund balance, which indicates that they do not constitute available, spendable financial resources even though they are a component of net current position.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

J. CAPITAL ASSETS

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. General infrastructure assets acquired prior to July 1, 2003 consist of the road network assets that were acquired or that received substantial improvements subsequent to July 1, 1980 and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The threshold for capitalization for infrastructure and other capital assets is \$5,000.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Land improvements	10-20 years
Infrastructure	20-30 years
Buildings	50 years
Building improvements	20 years
Vehicles	2-15 years
Machinery and equipment	3-15 years

K. COMPENSATED ABSENCES

The liability for compensated absences in the government-wide and proprietary fund statements consists of unpaid, accumulated annual leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. 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.

L. 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category not related to pensions. It is the deferred charge on early lease retirement reported in the government-wide statement of net position. A deferred charge on early lease retirement results from the prepayment penalty incurred at the time of refunding. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item not related to pensions, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

The City also has deferred inflows and outflows of resources related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. For the current year, the City has three items that fall into this category: (1) the difference between projected investment return on pension investments and actual return on those investments is deferred and amortized against pension expense over a five year period; (2) experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of Plan members; and (3) contributions made by the City to the pension plan before year end but subsequent to the measurement date of the City's net pension liability. These contributions will reduce the City's net pension liability in the subsequent fiscal year.

M. USE OF 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, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

N. LONG-TERM OBLIGATIONS

In the government-wide financial statement 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, business-type activities, or proprietary fund type statement of net position. Bond premiums, if any, are deferred and amortized over the term of the bond using the effective interest method.

Proprietary fund type loans payable are reported as liabilities at their outstanding value.

In the fund financial statements, governmental fund types report the face amount of the debt issued as other financing sources and issuance costs as expenditures.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

O. 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 City of Ball Ground Retirement Plan (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 (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. BUDGETS AND BUDGETARY CONTROL

The City Manager prepares a draft of the annual budget from which the Mayor prepares a proposed budget. The City then advertises in a local newspaper giving notice regarding a public hearing in which local citizens may give their input regarding the proposed budget. The City also places a copy of the proposed budget on file for public inspection prior to the actual approval. Once all of these steps have been taken, the Mayor and City Council then formally adopt the annual balanced budget in a legally permissible manner. The legal level of control of the budget of the City is at the department level. All appropriations lapse at fiscal year-end. During the current fiscal year, there were amendments made to the original budget.

Budgets have been legally adopted for all funds. Budgets are adopted on a basis consistent with generally accepted accounting principles and on the same basis of accounting used by each fund to which the budget applies. Budgets are adopted annually for all governmental funds, with the exception of the capital projects funds, for which project-length budgets are adopted.

Q. FUND BALANCE

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, current liabilities, and deferred inflows of resources. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City 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 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 such as inventory and prepaids);
 - (b) Legally or contractually required to be maintained intact; or
 - (c) Long-term advances of current resources made to another fund, to be repaid over a period extending beyond one fiscal year.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Q. FUND BALANCE (Continued)

- Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the:
 - (a) Enabling legislation adopted by the City;
 - (b) Through external parties (creditors, grantors, or laws or regulations of other governments); or
 - (c) Constitutional provisions.
- 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 City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment. These self-imposed limitations must be set in place prior to the end of the fiscal year.
- Assigned – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City Manager or the City Finance Director or the City Manager’s designee to assign fund balances. With the exception of the General Fund, amounts in all other governmental funds that are not *nonspendable, restricted, or committed* will be considered to be *assigned*. Also, at the fiscal year end, any appropriation of existing fund balance to eliminate a projected budgetary deficit in the next fiscal year’s budget is considered to be an assignment of fund balance.
- Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative fund balances in other funds are reported as unassigned.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City’s policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Position – Net position represents the difference between assets, deferred outflows of resources, and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF DEPOSIT BALANCES AND INVESTMENTS

Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. The Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State.

As of June 30, 2019, the City's bank balances of \$884,794 were either fully covered by standard FDIC insurance or held at a bank participating in the Secure Deposit Program and thus collateralized in compliance with the state requirements.

NOTE 3. RECEIVABLES

Receivables at June 30, 2019, for the City's individual major funds are as follows:

	General	District Fire Tax	SPLOST 5	Water and Sewerage	Solid Waste	Total
Receivables:						
Taxes	\$ 4,675	3,020	\$ -	\$ -	\$ -	\$ 7,695
Accounts	23,084	-	-	115,152	23,345	161,581
Intergovernmental	352	447	266,468	-	-	267,267
Gross receivables	<u>28,111</u>	<u>3,467</u>	<u>266,468</u>	<u>115,152</u>	<u>23,345</u>	<u>436,543</u>
Less allowance for uncollectibles	-	-	-	(17,584)	(3,576)	(21,160)
Net total receivables	<u>\$ 28,111</u>	<u>3,467</u>	<u>\$ 266,468</u>	<u>\$ 97,568</u>	<u>\$ 19,769</u>	<u>\$ 415,383</u>

The City contracted with Cherokee County to bill and collect the City's 2018 real and personal property taxes. Ad valorem tax on motor vehicles and mobile homes are collected by the Cherokee County Tax Commissioner and remitted to the City. City property tax revenues are recognized when levied to the extent that they result in current receivables.

Property taxes were levied as of July 19, 2018. Secured property tax payments were due on November 15, 2018. The City has not established a date for liens.

Assessed values are established by the Cherokee County Tax Assessor's office and are currently calculated at 40% of the market value. Based on the 2018 City millage levy of 5.0 mills, a property owner would pay \$5.00 per \$1,000 of assessed valuation.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Transfers	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 634,645	\$ -	\$ -	\$ 634,645
Construction in progress	389,596	872,320	(91,472)	1,170,444
Total	<u>1,024,241</u>	<u>872,320</u>	<u>(91,472)</u>	<u>1,805,089</u>
Capital assets, being depreciated:				
Land improvements	1,157,737	9,661	-	1,167,398
Buildings and improvements	2,653,283	-	-	2,653,283
Machinery and equipment	225,200	19,886	-	245,086
Infrastructure	9,194,132	119,231	91,472	9,404,835
Vehicles	196,582	-	-	196,582
Total	<u>13,426,934</u>	<u>148,778</u>	<u>91,472</u>	<u>13,667,184</u>
Less accumulated depreciation for:				
Land improvements	(346,146)	(81,112)	-	(427,258)
Buildings and improvements	(573,291)	(62,659)	-	(635,950)
Machinery and equipment	(138,782)	(25,498)	-	(164,280)
Infrastructure	(4,378,273)	(354,040)	-	(4,732,313)
Vehicles	(116,442)	(25,912)	-	(142,354)
Total	<u>(5,552,934)</u>	<u>(549,221)</u>	<u>-</u>	<u>(6,102,155)</u>
Total capital assets, being depreciated, net	<u>7,874,000</u>	<u>(400,443)</u>	<u>91,472</u>	<u>7,565,029</u>
Governmental activities capital assets, net	<u>\$ 8,898,241</u>	<u>\$ 471,877</u>	<u>\$ -</u>	<u>\$ 9,370,118</u>

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS (Continued)

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 269,077	\$ -	\$ -	\$ 269,077
Construction in progress	34,485	-	(34,485)	-
Total	303,562	-	(34,485)	269,077
Capital assets, being depreciated:				
Machinery and equipment	757,759	53,850	(5,450)	806,159
Buildings	82,105	-	-	82,105
Infrastructure	6,320,558	19,075	-	6,339,633
Total	7,160,422	72,925	(5,450)	7,227,897
Less accumulated depreciation for:				
Machinery and equipment	(597,997)	(39,944)	3,543	(634,398)
Buildings	(29,003)	(7,873)	-	(36,876)
Infrastructure	(2,652,719)	(234,342)	-	(2,887,061)
Total	(3,279,719)	(282,159)	3,543	(3,558,335)
Total capital assets, being depreciated, net	3,880,703	(209,234)	(1,907)	3,669,562
Business-type activities capital assets, net	\$ 4,184,265	\$ (209,234)	\$ (36,392)	\$ 3,938,639

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

Governmental Activities:	
General government	\$ 46,028
Public safety	35,745
Public works	358,040
Health and welfare	8,503
Culture and recreation	100,905
Total depreciation expense - governmental activities	\$ 549,221
 Business-type Activities:	
Water and sewerage	\$ 282,159
Total depreciation expense - business-type activities	\$ 282,159

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 5. INTERFUND BALANCES AND ACTIVITY

Balances reported as interfund balances at June 30, 2019 consist of the following:

Short term borrowing owed to the General Fund by the SPLOST 5 Fund amounted to \$132,161 as of June 30, 2019. These costs were incurred for capital project costs incurred in advance of SPLOST receipts.

Balances reported as an advance from the General Fund to the SPLOST 5 Fund were \$55,704. These advances were related to capital projects advance funded in anticipation of the SPLOST receipts. These costs will not be repaid within the fiscal year ending June 30, 2020 and thus, have been reported as long-term advances.

NOTE 6. INTERGOVERNMENTAL REVENUE AND RECEIVABLE

The following amounts are due from other governments at June 30, 2019:

Due from Cherokee County:

SPLOST 5 Fund - Special Purpose Local Option Sales Tax	\$ 87,312
General Fund – taxes	352
District Fire Tax Fund – taxes	447

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 6. INTERGOVERNMENTAL REVENUE AND RECEIVABLE (Continued)

The following amounts are a breakdown of intergovernmental revenues as of June 30, 2019 as referenced on the Statement of Revenues, Expenditures, and Changes in Fund Balances on page 21:

General Fund:

Georgia DOT – LMIG Funds	\$ 80,000
Atlanta Regional Commission – LCI Funds	<u>7,330</u>
	<u>\$ 87,330</u>

SPLOST Fund:

Special Purpose Local Option Sales Tax	\$ 495,709
Georgia DOT – Valley Streetscapes	387,829
Georgia DOT – LMIG Funds	<u>30,267</u>
	<u>\$ 913,805</u>

NOTE 7. LONG-TERM DEBT

Governmental Activities:

Direct borrowings, reported as financed purchases in the governmental activities consisted of the following as of June 30, 2019:

BB&T, purchase of 2018 police vehicle, original lease amount of \$41,487 with an interest rate of 4.63%, monthly payments of \$949 until maturity in 2022.	<u>\$ 28,501</u>
Regions, purchase of 2016 police vehicle, original lease amount of \$37,043 with an interest rate of 2.85%, monthly payments of \$1,075 until maturity in 2019.	<u>\$ 5,348</u>
Kansas State Bank of Manhattan, purchase of 2018 police 3-camera Vigilant Car Detector License Plate Reader, original lease amount of \$15,492 with an interest rate of 5.47%, annual payments of \$4,458 until maturity in 2022.	<u>\$ 11,944</u>
Deere Credit, Inc., purchase of 2015 997 ZTRAK with 60" rear discharge deck, original lease amount of \$15,920 with an interest rate of 4.00%, monthly payments of \$358 until maturity in 2020.	<u>\$ 714</u>

The direct borrowings above are all secured by the leased assets and the full faith and taxing authority of the City.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

Direct borrowings in the form of notes payable in the governmental activities consisted of the following as of June 30, 2019:

Regions, refinance of Valley Street, original lease amount of \$341,367 with an interest rate of 2.350%, monthly payments of \$4,567 until maturity in 2023.	<u>\$ 188,032</u>
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Regions, refinance of city administration building, original lease amount of \$1,211,623 with an interest rate of 2.95%, monthly payments of \$8,553 until maturity in 2031.	<u>\$ 991,414</u>
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The direct borrowings above are all secured by the leased assets and the full faith and taxing authority of the City.

Business-type Activities:

Revenue Bonds payable in the Water and Sewerage Fund consisted of the following as of June 30, 2019:

Regions, refinance water and sewer system, original bonds (Series 2016) amount of \$1,290,000 with an interest rate of 2.785%, monthly installments of \$8,800 until maturity in 2032.	<u>\$ 1,110,887</u>
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The revenue bonds of the City carry a requirement that the City maintain a coverage ratio of 1.10 as of the close of each fiscal year. In the event in which the City fails to maintain the required coverage ratio or fails to make the required debt service payments, the bonds can be accelerated and made due and payable immediately.

Direct borrowings in the form of notes payable in the Water and Sewerage Fund consisted of the following as of June 30, 2019:

Regions, refinance public works facility, original lease amount of \$281,525 with an interest rate of 2.85%, monthly payments of \$2,156 until maturity in 2029.	<u>\$ 222,795</u>
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GEFA, construction of north sewer line expansion, original note \$173,200 with an interest rate of 1.52%, monthly payments of \$1,557 until maturity in 2027.	<u>\$ 126,767</u>
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Lease One Magnolia, purchase of sewer pump, original lease amount of \$34,300 with an interest rate of 4.50%, monthly payments of \$639 until maturity in 2024.	<u>\$ 29,112</u>
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Lease One Magnolia, purchase of utility vehicle, original lease amount of \$11,250 with an interest rate of 4.460%, monthly payments of \$334 until maturity in 2022.	<u>\$ 10,958</u>
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The direct borrowings above are all secured by the leased assets and the revenues of the City's water and sewerage system.

Additionally, the GEFA note carries a requirement that the City maintain a coverage ratio of 1.05 as of the close of each fiscal year. In the event in which the City fails to maintain the required coverage ratio or fails to make the required debt service payments, the note can be accelerated and made due and payable immediately.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (Continued)

Long-term liability activity for the year ended June 30, 2019 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated absences	\$ 19,452	\$ 21,994	\$ 24,122	\$ 17,324	\$ 16,457
Net pension liability	23,036	20,370	-	43,406	-
Notes payable from direct borrowings	1,300,933	-	121,487	1,179,446	124,771
Financed purchases payable from direct borrowings	82,478	-	35,971	46,507	20,058
Governmental activities long-term liabilities	<u>\$ 1,425,899</u>	<u>\$ 42,364</u>	<u>\$ 181,580</u>	<u>\$ 1,286,683</u>	<u>\$ 161,286</u>
Business-type Activities:					
Compensated absences	\$ 10,252	\$ 13,592	\$ 11,432	\$ 12,412	\$ 11,791
Net pension liability	18,397	14,428	-	32,825	-
Notes payable from direct borrowings	385,310	45,550	41,228	389,632	46,641
Revenue bonds	<u>1,183,990</u>	<u>-</u>	<u>73,103</u>	<u>1,110,887</u>	<u>75,111</u>
Business-type activities long-term liabilities	<u>\$ 1,597,949</u>	<u>\$ 73,570</u>	<u>\$ 125,763</u>	<u>\$ 1,545,756</u>	<u>\$ 133,543</u>

The compensated absences liability will be paid from the General Fund or the Water and Sewerage Fund from which employees' salaries are paid. The net pension liability will be paid from the General Fund or the Water and Sewerage Fund from which contributions to the City's pension plan are paid.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (Continued)

Notes payable – Payments of interest and principal related to the notes, bonds and financed purchases payable for the next five years and until maturity are as follows:

Governmental Activities Notes Payable			
Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 124,771	\$ 32,663	\$ 157,434
2021	128,325	29,109	157,434
2022	131,892	25,542	157,434
2023	112,633	21,965	134,598
2024	83,323	19,310	102,633
2025-2029	456,321	56,835	513,156
2030-2031	142,181	3,214	145,395
	<u>\$ 1,179,446</u>	<u>\$ 188,638</u>	<u>\$ 1,368,084</u>

Business-type Activities Notes Payable			
Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 46,641	\$ 9,598	\$ 56,239
2021	47,954	8,275	56,229
2022	48,959	6,956	55,915
2023	46,565	5,661	52,226
2024	41,290	4,540	45,830
2025-2029	158,223	9,444	167,667
	<u>\$ 389,632</u>	<u>\$ 44,474</u>	<u>\$ 434,106</u>

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (Continued):

Revenue bonds – The following table represents the debt service requirements for the City’s revenue bonds as of June 30, 2019.

Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 75,111	\$ 30,485	\$ 105,596
2021	77,343	28,253	105,596
2022	79,555	26,041	105,596
2023	81,830	23,766	105,596
2024	84,114	21,482	105,596
2025-2029	458,340	69,640	527,980
2030-2032	254,594	9,397	263,991
Total	<u>\$ 1,110,887</u>	<u>\$ 209,064</u>	<u>\$ 1,319,951</u>

Financed purchases - Governmental The City has entered into lease agreements as lessee for financing the acquisition of equipment and building improvements used in governmental activities. The lease agreements qualify as capital leases for accounting purposes (titles transfer at end of lease terms) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The City’s governmental activities had \$112,759 of equipment and improvements under capital lease, with \$46,124 of accumulated depreciation expense as of June 30, 2019. The related annual amortization of the capital lease assets is included with depreciation expense for capital assets.

The City’s total capital lease debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Governmental Activities
2020	\$ 22,434
2021	16,324
2022	13,607
Total minimum lease payments	<u>\$ 52,365</u>
Less amount representing interest	<u>(5,858)</u>
Present value of future minimum lease payments	<u>\$ 46,507</u>

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PENSION PLAN

Plan Description

The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Ball Ground Retirement Plan), covering all of the City's full-time employees effective July 1, 2017. The City's pension plan is administered through the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and death benefits to plan members and beneficiaries. The Plan includes all full-time employees of the City as well as the City's elected officials and there is no waiting period to commence participating in the Plan. Benefits vest after five years of service for employees and eight years of service for elected officials. City employees may retire at age 65 with five years of service to obtain normal retirement benefits. For elected officials, this is age 65 with eight years of service. The benefit is calculated based on total years of service and a 1.50% multiplier times their final average earnings for the 5 highest consecutive years of service. An employee may elect early retirement at age 55 at a reduced benefit provided they have 10 years of service. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

Plan Membership. As of January 1, 2019, the date of the most recent actuarial valuation, pension plan membership consisted of the following:

Active employees	12
Active elected officials	6
	<u>18</u>

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members (2.50%), as determined by the City Council. For the fiscal year ended June 30, 2019, the City's recommended contribution rate was 5.08% of annual payroll; actual contributions came to 5.08%.

City contributions to the Plan were \$24,975 for the fiscal year ended June 30, 2019. Employees of the City of Ball Ground contributed \$14,587 to the Plan.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PENSION PLAN (Continued):

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2018.

Actuarial assumptions. The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation		2.75%
Salary increases		3.25% - 8.25%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation	

Mortality rates for the January 1, 2019 valuation were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

The RP-2000 mortality tables were determined to contain sufficient provision appropriate to reasonably reflect future mortality improvement, based on a four-year review of mortality experience for the period January 1, 2010 to June 30, 2014. Mortality experience will be reviewed periodically and updated if necessary.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2018 are summarized in the table on the following page.

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.71%
International equity	20%	7.71
Real estate	10%	5.21
Global fixed income	5%	3.36
Domestic fixed income	20%	2.11
Cash	—%	
Total	100%	

* Rates shown are net of the 2.75% assumed rate of inflation.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PENSION PLAN (Continued):

Net Pension Liability of the City (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City 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 of the projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended June 30, 2019 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2018	\$ 45,650	\$ 4,217	\$ 41,433
Changes for the year:			
Service cost	31,881	-	31,881
Interest	5,815	-	5,815
Differences between expected and actual experience	21,382	-	21,382
Contributions—employer	-	19,745	(19,745)
Contributions—employee	-	14,587	(14,587)
Net investment income	-	1,321	(1,321)
Administrative expense	-	(11,373)	11,373
Net changes	59,078	24,280	34,798
Balances at 6/30/2019	\$ 104,728	\$ 28,497	\$ 76,231

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PENSION PLAN (Continued):

Net Pension Liability of the City (Continued)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.50 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
City's net pension liability	\$ 92,099	\$ 76,231	\$ 62,930

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2018 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the fiscal year ended June 30, 2019, the City recognized pension expense of \$35,249. At June 30, 2019, the City reported deferred outflows of resources related to pensions from the following sources:

	Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (62)
Differences between expected and actual experience	18,330	-
Contributions made subsequent to the measurement date for the Plan.	20,813	-
Total	\$ 39,143	\$ (62)

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PENSION PLAN (Continued):

Pension Expense and Deferred Outflows of Resources Related to Pensions (Continued)

City contributions subsequent to the measurement date of \$20,813 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2020	\$ 3,039
2021	3,039
2022	3,039
2023	3,041
2024	3,055
2025 and thereafter	3,055
Total	<u>\$ 18,268</u>

NOTE 9. COMMITMENTS AND CONTINGENCIES

There are no suits pending on unasserted claims that would result in material liabilities to the City. The City has entered into various agreements and contracts in the normal course of business. Such agreements do not give rise to assets or liabilities considered to be material at June 30, 2019.

NOTE 10. VOLUNTEER FIRE FIGHTER'S COMPENSATION

Volunteer fire fighters for the City of Ball Ground, Georgia receive as their compensation a \$20 credit on their monthly water bill.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; and workers compensation for which the City carries the following insurance coverages.

There were no significant reductions of insurance coverage compared to the prior fiscal year. Settled claims have not exceeded the commercial excess coverage in any of the past three fiscal years.

Risk Pools

The City joined the Georgia Interlocal Risk Management Agency (GIRMA). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by City's management based on the anticipated needs. The City is required to pay all premiums, applicable deductibles and assessments billed by GIRMA, and to follow loss reduction and prevention procedures established by GIRMA. GIRMA's responsibility includes paying claims, and representing the City in defense and settlement of claims. GIRMA's basis for estimating the liabilities for unpaid claims is "IBNR" ("Incurred but not reported") established by an actuary. The City has not compiled a record of the claims paid up to the applicable deductible for the prior fiscal year or the current fiscal year. The City is unaware of any claim for which the City is liable (up to the applicable deductible) that was outstanding and unpaid at June 30, 2019. No provisions have been made in the financial statements for the fiscal year ended June 30, 2019 for any estimate of potential unpaid claims.

The City has elected to be a member of the Georgia Municipal Association Workers' Compensation Self-Insurance Fund (GMAWCSIF), a risk management agency created under Georgia law. As a participant in the GMAWCSIF, the City has no legal obligation to pay its own workers' compensation claims. The City is required to make an annual contribution to the fund in an amount that is determined on the basis of actuarial projections of losses. With payment of the City's annual contribution, the City has effectively transferred the risk and responsibility for payment of its workers' compensation claims. However, the enabling statute creating the GMAWCSIF permits the fund to levy an assessment upon its members to make up any deficiency the fund may have in surplus or reserves. No amount has been recorded in the financial statements for this contingency, as management believes the likelihood for assessment is remote.

NOTE 12. EXCESS OF EXPENDITURES OVER APPROPRIATIONS AND BUDGET DEFICITS

As of June 30, 2019 the City's SPLOST 5 Fund is reporting a deficit fund balance of \$27,176. This deficit will be offset by the future recognition of intergovernmental revenues which are deemed unavailable as of June 30, 2019.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 12. EXCESS OF EXPENDITURES OVER APPROPRIATIONS AND BUDGET DEFICITS (Continued)

During fiscal year 2019, one budgetary department exceeded appropriated amounts as shown in the budgetary comparison statement for the General Fund. The management of the City intends to generate future income to offset the current fiscal year's excess expenditures. The following department had expenditures in the General Fund that exceeded budgeted amounts by a minimum of \$1,000 as indicated in the City's Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual on pages 23 and 24.

	Budget	Actual	Over Expended Budget
General Fund:			
City manager	\$ 25,408	\$ 28,234	\$ (2,826)
Patrol	342,153	373,261	(31,108)
Highway and streets	63,406	401,946	(338,540)
Parks	92,500	120,214	(27,714)
Planning and zoning	22,350	53,492	(31,142)
Main Street department	17,900	30,005	(12,105)
District Fire Tax Fund	256,000	282,452	(26,452)

NOTE 13. JOINT VENTURE

The City, along with cities and counties in the ten (10) county Atlanta Metropolitan area, is represented by board members of the Atlanta Regional Commission (ARC). Representation in a regional development center (RDC) is provided for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RDCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RDC. The City paid no annual dues to the ARC for the fiscal year ended June 30, 2017 because currently all dues are paid on the City's behalf by Cherokee County. An RDC Board membership includes the Chief Elected Official of each County and the Chief Elected Official of a municipality within the County.

The County board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public Board member from a County.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RDCs as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of an RDC beyond its resources, (O.C.G.A. 50-8-39.1). Separate financial statements may be obtained from:

Atlanta Regional Commission
 40 Courtland Street NE
 Atlanta, GA 30303

REQUIRED SUPPLEMENTARY INFORMATION

This section of the CAFR includes the required schedules that report information regarding the City of Ball Ground's Defined Benefit Pension Plan. These schedules include:

*Schedule of Changes in the City's Net Pension Liability and Related Ratios
Schedule of City Contributions*



CITY OF BALL GROUND, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS

	<u>2019</u>	<u>2018</u>
Total pension liability		
Service cost	\$ 31,881	\$ -
Interest	5,815	-
Difference between expected and actual experience	21,382	-
Changes of benefit terms	-	45,650
Net change in total pension liability	<u>59,078</u>	<u>45,650</u>
Total pension liability - beginning	<u>45,650</u>	<u>-</u>
Total pension liability - ending (a)	<u>\$ 104,728</u>	<u>\$ 45,650</u>
Plan fiduciary net position		
Contributions - employer	\$ 19,745	\$ 2,693
Contributions - employee	14,587	3,830
Net investment income	1,321	68
Administrative expenses	(11,373)	(2,374)
Net change in plan fiduciary net position	<u>24,280</u>	<u>4,217</u>
Plan fiduciary net position - beginning	<u>4,217</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ 28,497</u>	<u>\$ 4,217</u>
City's net pension liability - ending (a) - (b)	<u>\$ 76,231</u>	<u>\$ 41,433</u>
Plan fiduciary net position as a percentage of the total pension liability	27.21%	9.24%
Covered payroll	\$ 548,487	\$ 485,261
City's net pension liability as a percentage of covered payroll	13.90%	8.54%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF BALL GROUND, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 24,975	\$ 17,382
Contributions in relation to the actuarially determined contribution	<u>24,975</u>	<u>17,382</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 491,634	\$ 342,165
Contributions as a percentage of covered payroll	5.08%	5.08%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	January 1, 2018
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.50%
Projected Salary Increases	2.75% plus service based merit increases
Cost-of-living Adjustment	0.00%
Amortization Method	The amortization of the unfunded actuarial accrued liability is level dollar over 30 years for the initial unfunded accrued liability, 15 years for actuarial gains and losses, 10 years for temporary retirement incentive programs, 20 years for other changes to plan provisions, and 30 years for actuarial assumptions and cost methods. The total amortization must be within a corridor of the 10-year and the 30-year amortization of the unfunded/(surplus) actuarial accrued liability. In a year when the 10-year or 30-year corridor applies, the following year, the prior year bases are combined into one 10-year or 30-year base.
Remaining Amortization Period	None remaining

(2) The schedule will present 10 years of information once it is accumulated.



OTHER SUPPLEMENTARY INFORMATION

This section of the CAFR includes the Special Report that is applicable to the 2012 Special 1 Percent Sales and Use Tax required by the State of Georgia as well as the governmental fund level statements for the City's discretely presented component unit, the Downtown Development Authority.

CITY OF BALL GROUND, GEORGIA

BALANCE SHEET
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2019

		<u>Assets</u>	
Cash		\$	10,952
Total Assets		\$	<u>10,952</u>
		<u>Fund Balances</u>	
Restricted:			
Downtown development		\$	10,952
Total Fund Balances		\$	<u>10,952</u>

CITY OF BALL GROUND, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Expenditures:

Current:

Housing and development	\$	305
Total expenditures		<u>305</u>

Net change in fund balances (305)

Fund balances, beginning of fiscal year		<u>11,257</u>
Fund balances, end of fiscal year	\$	<u><u>10,952</u></u>

CITY OF BALL GROUND, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE
LOCAL OPTION SALES TAX PROCEEDS
For the Fiscal Year Ended June 30, 2019

2012 Issue

Project	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated % of Completion
			Prior Fiscal Years	Current Fiscal Year	Total	
Transportation Facilities and Improvements (<i>Roads, Streets, and Sidewalks</i>)	\$ 658,100	\$ 1,372,666	\$ 1,325,443	\$ 47,223	\$ 1,372,666	100.00%
Fire Facilities, Vehicles and Equipment	250,000	170,793	170,793	-	170,793	100.00%
City Hall Debt Service	662,400	616,104	596,419	19,685	616,104	100.00%
Public Safety - Law Enforcement Facilities, Vehicles, Equipment	200,000	289,537	282,311	7,226	289,537	100.00%
Community Center	100,000	-	-	-	-	0.00%
Water / Sewer System Improvements	100,000	26,677	26,677	-	26,677	100.00%
Park and Recreation Facilities	99,500	161,944	161,944	-	161,944	100.00%
Total 2012 SPLOST Issue	\$ 2,070,000	\$ 2,637,721	\$ 2,563,587	\$ 74,134	\$ 2,637,721	

2017 Issue

Project	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated % of Completion
			Prior Fiscal Years	Current Fiscal Year	Total	
City Hall debt service	\$ 615,816	\$ 615,816	\$ -	\$ 82,946	\$ 82,946	13.47%
Valley Street debt service	276,000	276,000	-	45,668	45,668	16.55%
Water / Sewer System Improvements <i>including capacity purchases</i>	200,000	200,000	-	-	-	0.00%
Public Safety - Law Enforcement Facilities, Vehicles, Equipment	400,000	400,000	-	27,461	27,461	6.87%
Transportation facilities and improvements	1,100,000	1,100,000	-	250,099	-	0.00%
Community center, parks, and recreation	374,692	374,692	-	14,001	14,001	3.74%
				<i>Plus non-SPLOST funded outlays included in the SPLOST 5 Fund</i>	521,568	
Total 2017 SPLOST Issue	\$ 2,966,508	\$ 2,966,508	\$ -	\$ 941,743	\$ 170,076	

STATISTICAL SECTION (Unaudited)

This part of the City of Ball Ground'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 City's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources (property taxes and charges for water and sewerage services).

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

City of Ball Ground, Georgia

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

(Unaudited)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 4,778,827	\$ 4,690,885	\$ 4,715,685	\$ 4,828,536	\$ 5,853,460	\$ 6,687,758	\$ 7,593,181	\$ 7,368,453	\$ 7,575,317	\$ 8,200,953
Restricted for capital projects (1)	175,402	190,785	119,205	113,411	173,804	97,770	14,747	66,885	278,489	-
Restricted for fire protection services (2)	-	-	-	-	-	44,365	58,759	61,829	67,619	76,145
Unrestricted	371,900	398,223	465,235	592,944	532,471	639,405	483,272	513,797	519,359	596,226
Total governmental activities net position	<u>\$ 5,326,129</u>	<u>\$ 5,279,893</u>	<u>\$ 5,300,125</u>	<u>\$ 5,534,891</u>	<u>\$ 6,559,735</u>	<u>\$ 7,469,298</u>	<u>\$ 8,149,959</u>	<u>\$ 8,010,964</u>	<u>\$ 8,440,784</u>	<u>\$ 8,873,324</u>
Business-type activities										
Net investment in capital assets	\$ 2,981,354	\$ 2,781,707	\$ 2,303,980	\$ 2,106,652	\$ 2,043,974	\$ 2,827,290	\$ 2,993,873	\$ 2,745,948	\$ 2,614,965	\$ 2,438,120
Restricted	-	-	-	-	-	-	-	-	9,000	25,500
Unrestricted	57,805	65,539	99,434	324,273	314,484	292,132	307,420	358,514	378,612	412,286
Total business-type activities net position	<u>\$ 3,039,159</u>	<u>\$ 2,847,246</u>	<u>\$ 2,403,414</u>	<u>\$ 2,430,925</u>	<u>\$ 2,358,458</u>	<u>\$ 3,119,422</u>	<u>\$ 3,301,293</u>	<u>\$ 3,104,462</u>	<u>\$ 3,002,577</u>	<u>\$ 2,875,906</u>
Primary government										
Net investment in capital assets	\$ 7,760,181	\$ 7,472,592	\$ 7,019,665	\$ 6,935,188	\$ 7,897,434	\$ 9,515,048	\$ 10,587,054	\$ 10,114,401	\$ 10,190,282	\$ 10,639,073
Restricted for capital projects (1)	175,402	190,785	119,205	113,411	173,804	97,770	14,747	66,885	278,489	-
Restricted for fire protection services (2)	-	-	-	-	-	41,250	58,759	61,829	67,619	76,145
Restricted for sewer projects (3)	-	-	-	-	-	-	-	-	9,000	25,500
Unrestricted	429,705	463,762	564,669	912,633	846,955	931,537	790,692	872,311	897,971	1,008,512
Total primary government net position	<u>\$ 8,365,288</u>	<u>\$ 8,127,139</u>	<u>\$ 7,703,539</u>	<u>\$ 7,965,816</u>	<u>\$ 8,918,193</u>	<u>\$ 10,588,720</u>	<u>\$ 11,451,252</u>	<u>\$ 11,115,426</u>	<u>\$ 11,443,361</u>	<u>\$ 11,749,230</u>

(1) Restricted net position for capital projects is comprised mostly of SPLOST funds which are restricted to expenditure on the specific projects included in the voter approved referendum.

(2) Restricted net position for fire protection services results from the levy of a property tax to fund contractual payments to Cherokee County to provide fire protection services in the City.

(3) Restricted net position for the purchase of sewer capacity.

City of Ball Ground, Georgia

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

(Unaudited)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 259,317	\$ 264,145	\$ 279,953	\$ 285,118	\$ 294,574	\$ 327,737	\$ 333,299	\$ 350,428	\$ 349,860	\$ 359,166
Judicial	22,818	7,055	4,958	5,027	6,708	13,424	14,706	13,819	15,999	14,540
Public safety	246,354	239,428	205,975	228,956	215,644	393,339	613,481	688,478	627,020	695,399
Public works	369,767	284,986	277,993	293,165	292,784	389,150	457,800	441,150	443,263	594,262
Health and welfare	6,799	6,585	6,316	6,334	7,643	9,574	15,209	8,930	18,981	26,016
Culture and recreation	7,641	53,058 (1)	8,874	63,354 (2)	82,705	168,878 (4)	223,815	209,371	247,991	236,311
Housing and development	21,135	18,096	16,024	13,164	12,508	24,910	48,190	35,280	37,998	88,344
Interest on long-term debt	87,078	102,181	102,697	93,246	89,579	85,431	119,387	48,025	47,054	44,646
Total governmental activities expenses	<u>1,020,909</u>	<u>975,534</u>	<u>902,790</u>	<u>988,364</u>	<u>1,002,145</u>	<u>1,412,443</u>	<u>1,825,887</u>	<u>1,795,481</u>	<u>1,788,166</u>	<u>2,058,684</u>
Business-type activities:										
Water and sewerage	833,624	779,241	1,033,736	772,407	937,832	942,247	1,086,474	1,155,508	1,066,424	1,177,487
Sanitation	75,339	73,711	80,967	88,772	109,533	124,953	121,509	165,030	155,194	167,277
Total business-type activities expenses	<u>908,963</u>	<u>852,952</u>	<u>1,114,703</u>	<u>861,179</u>	<u>1,047,365</u>	<u>1,067,200</u>	<u>1,207,983</u>	<u>1,320,538</u>	<u>1,221,618</u>	<u>1,344,764</u>
Total primary government expenses	<u>\$ 1,929,872</u>	<u>\$ 1,828,486</u>	<u>\$ 2,017,493</u>	<u>\$ 1,849,543</u>	<u>\$ 2,049,510</u>	<u>\$ 2,479,643</u>	<u>\$ 3,033,870</u>	<u>\$ 3,116,019</u>	<u>\$ 3,009,784</u>	<u>\$ 3,403,448</u>
Program Revenues										
Governmental activities:										
Charges for Service:										
General government	\$ 10,555	\$ 13,900	\$ 10,800	\$ 12,734	\$ 13,128	\$ 12,755	\$ 14,855	\$ 18,470	\$ 16,788	\$ 18,300
Judicial	36,393	24,057	12,482	9,375	15,438	40,761	40,030	65,648	61,148	83,453
Public safety	-	260	125	45	10	105	185	377	148	210
Culture and recreation	4,795	5,800	6,300	17,997	17,648	25,829	24,607	24,358	25,448	28,574
Housing and development	15,493	1,130	1,305	42,297	48,261	75,004	85,160	69,542	34,991	41,066
Capital grants and contributions	781,892	425,249	386,772	625,308	1,336,032 (3)	1,344,012	1,491,553	529,323	1,005,043	1,107,983
Total governmental activities program revenues	<u>849,128</u>	<u>470,396</u>	<u>417,784</u>	<u>707,756</u>	<u>1,430,517</u>	<u>1,498,466</u>	<u>1,656,390</u>	<u>707,718</u>	<u>1,143,566</u>	<u>1,279,586</u>
Business-type activities:										
Charges for services:										
Water and Sewerage	627,069	563,774	573,854	586,818	640,881	655,447	745,093	793,629	793,154	817,721
Sanitation	81,769	84,266	90,614	95,722	106,952	120,024	143,612	162,395	172,386	179,759
Capital grants and contributions	99,310	-	-	221,500	223,850	1,060,937	500,907	164,500	152,000	219,450
Total business-type activities program revenues	<u>808,148</u>	<u>648,040</u>	<u>664,468</u>	<u>904,040</u>	<u>971,683</u>	<u>1,836,408</u>	<u>1,389,612</u>	<u>1,120,524</u>	<u>1,117,540</u>	<u>1,216,930</u>
Total primary government program revenues	<u>\$ 1,657,276</u>	<u>\$ 1,118,436</u>	<u>\$ 1,082,252</u>	<u>\$ 1,611,796</u>	<u>\$ 2,402,200</u>	<u>\$ 3,334,874</u>	<u>\$ 3,046,002</u>	<u>\$ 1,828,242</u>	<u>\$ 2,261,106</u>	<u>\$ 2,496,516</u>

(continued)

City of Ball Ground, Georgia

**Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)**

(Unaudited)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense)/Revenue										
Governmental Activities	\$ (171,781)	\$ (505,138)	\$ (485,006)	\$ (280,608)	\$ 428,372	\$ 86,023	\$ (169,497)	\$ (1,087,763)	\$ (644,600)	\$ (779,098)
Business-type activities	(100,815)	(204,912)	(450,235)	42,861	(75,702)	769,208	181,629	(200,014)	(104,078)	(127,834)
Total primary government net expense	<u>\$ (272,596)</u>	<u>\$ (710,050)</u>	<u>\$ (935,241)</u>	<u>\$ (237,747)</u>	<u>\$ 352,670</u>	<u>\$ 855,231</u>	<u>\$ 12,132</u>	<u>\$ (1,287,777)</u>	<u>\$ (748,678)</u>	<u>\$ (906,932)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 317,148	\$ 313,052	\$ 298,419	\$ 321,873	\$ 354,239	\$ 532,160	\$ 582,945	\$ 636,121	\$ 712,772	\$ 832,606
Other taxes	154,695	162,714	202,160	225,307	228,953	243,623	251,678	256,299	276,163	335,417
Unrestricted Investment Earnings	4,185	2,546	1,819	984	1,471	1,042	841	755	945	3,694
Miscellaneous	459	1,284	267	930	11,809	14,030	11,991	23,592	28,526	39,921
Gain on Sale of Capital Assets	-	-	2,708	-	-	-	2,703	32,001	56,014	-
Transfers	(18,841)	(9,450)	(135)	16,086	-	32,685	-	-	-	-
Total governmental activities	<u>\$ 457,646</u>	<u>\$ 470,146</u>	<u>\$ 505,238</u>	<u>\$ 565,180</u>	<u>\$ 596,472</u>	<u>\$ 823,540</u>	<u>\$ 850,158</u>	<u>\$ 948,768</u>	<u>\$ 1,074,420</u>	<u>\$ 1,211,638</u>
Business-type activities										
Investment earnings	\$ 324	\$ 176	\$ 77	\$ 203	\$ 291	\$ 168	\$ 187	\$ 179	\$ 226	\$ 813
Miscellaneous	48	3,373	6,191	533	2,944	19,989	55	3,004	1,967	350
Gain on Sale of Capital Assets	-	-	-	-	-	4,284	-	-	-	-
Transfers	18,841	9,450	135	(16,086)	-	(32,685)	-	-	-	-
Total business-type activities	<u>19,213</u>	<u>12,999</u>	<u>6,403</u>	<u>(15,350)</u>	<u>3,235</u>	<u>(8,244)</u>	<u>242</u>	<u>3,183</u>	<u>2,193</u>	<u>1,163</u>
Total primary government	<u>\$ 476,859</u>	<u>\$ 483,145</u>	<u>\$ 511,641</u>	<u>\$ 549,830</u>	<u>\$ 599,707</u>	<u>\$ 815,296</u>	<u>\$ 850,400</u>	<u>\$ 951,951</u>	<u>\$ 1,076,613</u>	<u>\$ 1,212,801</u>
Change in Net Position										
Governmental activities	\$ 285,865	\$ (34,992)	\$ 20,232	\$ 284,572	\$ 1,024,844	\$ 909,563	\$ 680,661	\$ (138,995)	\$ 429,820	\$ 432,540
Business-type activities	(81,602)	(191,913)	(443,832)	27,511	(72,467)	760,964	181,871	(196,831)	(101,885)	(126,671)
Total primary government	<u>\$ 204,263</u>	<u>\$ (226,905)</u>	<u>\$ (423,600)</u>	<u>\$ 312,083</u>	<u>\$ 952,377</u>	<u>\$ 1,670,527</u>	<u>\$ 862,532</u>	<u>\$ (335,826)</u>	<u>\$ 327,935</u>	<u>\$ 305,869</u>

The large increases in the recreation function are related to the following:

- (1) An EPD assessment on the City's soccer field construction.
- (2) Repairs made to the City's newly acquired recreation gymnasium.
- (3) The City received over \$900,000 in on-behalf payments from the County's bond proceeds for construction of various City owned park improvements.
- (4) The City's newly constructed recreational facility and related equipment has depreciation applied for the first year.

City of Ball Ground, Georgia

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 8,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	330,244	-	-	-	-	-	-	-	-	-
Nonspendable - prepaids	-	8,324	14,379	14,792	19,029	18,433	20,222	18,547	23,809	25,472
Nonspendable - advances	-	-	124,635	50,713	50,713	111,632	151,632	141,632	-	55,704
Restricted	-	-	-	-	34,000	10,211	14,747	-	205,000	-
Unassigned	-	326,527	247,430	344,434	453,255	424,042	327,516	450,548	528,865	475,650
Total general fund	\$ 338,374	\$ 334,851	\$ 386,444	\$ 409,939	\$ 556,997	\$ 564,318	\$ 514,117	\$ 610,727	\$ 757,674	\$ 556,826
All Other Governmental Funds										
Reserved (1)	\$ 175,402	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Nonspendable - prepaid items	-	-	-	-	-	39,178	51,945	58,425	65,702	73,626
Restricted - capital projects	-	190,785	119,205	113,411	139,804	87,559	-	-	70,573	-
Restricted - fire protection (2)	-	-	-	-	-	41,250	1,229	417	181	517
Assigned - capital projects	-	-	-	4,584	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	(8,239)	(41,863)	-	(28,124)
Total all other governmental funds	\$ 175,402	\$ 190,785	\$ 119,205	\$ 117,995	\$ 139,804	\$ 167,987	\$ 44,935	\$ 16,979	\$ 136,456	\$ 46,019

(1) Reserved fund balances consist primarily of SPLOST fund reserves.

(2) This restricted fund balance was created in 2015 due to the inclusion of the District Fire Tax Fund's fire protection services contract with Cherokee County.

Note: In 2011 the City implemented GASB Statement No. 54 which changed the classifications of fund balance reporting.

City of Ball Ground, Georgia

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 493,991	\$ 454,873	\$ 518,074	\$ 547,839	\$ 606,785	\$ 785,891	(2) \$ 832,703	\$ 899,089	\$ 989,747	\$ 1,167,193
Licenses and permits	26,048	15,030	12,105	51,397	61,211	87,654	100,015	88,012	51,601	59,261
Intergovernmental	781,892	425,196	358,460	422,037	1,301,847	(1) 500,101	415,146	437,950	1,004,561	1,003,715
Charges for service	4,795	6,060	6,425	18,042	17,836	26,039	24,792	24,735	25,774	28,889
Fines and forfeitures	36,393	24,057	12,482	9,375	15,438	40,761	40,030	65,648	61,148	83,453
Investment earnings	4,185	2,599	1,851	1,122	1,656	1,278	1,065	928	1,097	4,489
Contributions	-	-	-	-	34,000	85,951	61,200	71,200	330	-
Rental income	-	-	-	3,634	3,428	3,610	3,856	3,725	4,362	-
Miscellaneous	459	1,284	267	930	8,381	10,420	8,135	19,867	24,164	39,921
Total revenues	1,347,763	929,099	909,664	1,054,376	2,050,582	1,541,705	1,486,942	1,611,154	2,162,784	2,386,921
Expenditures										
General government	217,405	221,073	235,933	241,378	260,506	282,469	292,255	305,054	295,051	312,952
Judicial	22,818	7,055	4,958	5,027	6,708	13,424	14,706	13,819	15,999	14,540
Public safety	211,995	218,967	193,703	214,984	203,437	375,170	(2) 591,168	663,835	583,625	655,713
Public works	200	54,774	75,927	51,215	44,739	104,254	115,393	79,187	92,903	370,359
Health and welfare	6,799	6,585	6,316	6,334	7,260	8,364	13,337	7,058	10,532	17,513
Culture and recreation	2,388	9,419	34,644	168,177	63,261	72,075	126,563	112,291	156,556	135,406
Housing and development	21,135	18,096	16,024	13,164	12,508	24,910	48,190	35,280	37,998	88,344
Capital outlay	541,941	208,294	198,939	154,933	1,278,299	(1) 536,466	261,732	203,777	642,752	886,961
Debt service										
Interest	87,078	87,097	88,724	84,447	85,890	76,759	64,081	45,104	41,493	38,960
Issuance costs	-	57,982	-	-	-	-	54,802	-	-	-
Principal	119,905	94,029	91,818	92,432	100,681	102,490	1,610,403	148,139	156,430	157,458
Total expenditures	1,231,664	983,371	946,986	1,032,091	2,063,289	1,596,381	3,192,630	1,613,544	2,033,339	2,678,206
Excess (deficiency) of revenues over (under) expenditures	116,099	(54,272)	(37,322)	22,285	(12,707)	(54,676)	(1,705,688)	(2,390)	129,445	(291,285)
Other Financing Sources (Uses)										
Transfers in	-	-	14,000	8,584	19,162	-	-	16,000	-	-
Transfers out	(18,841)	(9,450)	-	(8,584)	(19,162)	-	-	(16,000)	-	-
Capital leases	-	1,475,757	-	-	31,574	51,002	15,920	37,043	56,979	-
Issuance of note payable	-	-	-	-	-	-	1,552,990	-	-	-
Payment to refinance lease	-	(1,388,931)	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	3,335	-	150,000	-	2,703	34,001	80,000	-
Total other financing sources (uses)	(18,841)	77,376	17,335	-	181,574	51,002	1,571,613	71,044	136,979	-
Net change in fund balances	\$ 97,258	\$ 23,104	\$ (19,987)	\$ 22,285	\$ 168,867	\$ (3,674)	\$ (134,075)	\$ 68,654	\$ 266,424	\$ (291,285)
Debt service as a percentage of noncapital expenditures	30%	23%	24%	20%	24%	17%	57%	14%	14%	12%

(1) The City received over \$900,000 in on-behalf payments from the County's bond proceeds for construction of various City owned park improvements.

(2) Taxes increased in 2015 due to the inclusion of the District Fire Tax Fund's - Fire Tax revenue (3.436 mills) which was levied to fund fire protection services expenditures.

City of Ball Ground, Georgia

Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years

(unaudited)

Fiscal Year	Digest Year	Real Property	Personal Property	Motor Vehicles Mobile Homes	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2010	2009	\$ 55,641,920	\$ 1,956,239	\$ 3,374,900	\$ (1,481,987)	\$ 59,491,072	5.121	\$ 148,727,680	40.00
2011	2010	51,267,281	1,233,922	3,057,420	(1,280,470)	54,333,553	5.194	135,833,883	40.00
2012	2011	51,000,995	1,231,007	3,112,820	(1,277,555)	54,067,267	5.194	135,168,168	40.00
2013	2012	43,470,287	730,053	3,402,700	(985,546)	46,671,054	6.000	116,677,618	40.00
2014	2013	42,171,395	697,227	2,002,530	(797,482)	44,073,670	6.000	110,184,175	40.00
2015	2014	50,186,520	742,086	3,393,280	(743,234)	53,578,652	8.811 (1)	133,946,630	40.00
2016	2015	56,487,320	1,165,260	2,622,520	(726,961)	59,548,139	8.575 (2)	148,870,348	40.00
2017	2016	66,304,560	1,215,404	2,181,020	(934,863)	68,766,121	8.290	171,915,303	40.00
2018	2017	76,250,280	2,339,470	1,811,140	(1,310,231)	79,090,659	8.037	197,726,648	40.00
2019	2018	86,551,570	3,903,673	1,491,660	(2,060,900)	89,886,003	8.269	224,715,008	40.00

- (1) The increase in the millage rate is due to the inclusion of the Fire District Tax levy (3.436 mills) to fund contractual payments for Fire Protection Services to Cherokee County.
 (2) The decrease in the total millage rate is due to the decrease of the City's mill rate from (5.375 mills to 5.139 mills) however the Fire District Tax levy (3.436 mills) remained the same as the previous year. The Fire District Tax levy is to fund contractual payments for Fire Protection Services to Cherokee County.

Source: Cherokee County Tax Digest

Notes: Property in the county is reassessed once every three years. The county assesses property at approximately 40 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of assessed value.

City of Ball Ground, Georgia

Direct and Overlapping Property Tax Rates
Last Ten Years
(rate per \$1,000 of assessed value)

(unaudited)

Fiscal Year	Tax Digest Year	Direct Rate			Overlapping Rate								Total Rates Direct & Overlapping
		City of Ball Ground	Fire District Special District (1)	Total	Cherokee County			Cherokee County Schools					
					General Maintenance and Operations	Fire District Special District	Parks County Wide	Total BOC Rate	State of Georgia	Maintenance and Operations	Bonded Debt	Total	
2010	2009	5.121	0.000	5.121	4.381	2.742	0.580	7.703	0.25	18.450	0.400	18.850	31.924
2011	2010	5.194	0.000	5.194	4.720	2.950	0.628	8.298	0.25	19.450	0.400	19.850	33.592
2012	2011	5.194	0.000	5.194	5.365	3.129	0.641	9.135	0.25	19.450	0.400	19.850	34.429
2013	2012	6.000	0.000	6.000	5.825	3.394	0.780	9.999	0.20	19.450	0.400	19.850	36.049
2014	2013	6.000	0.000	6.000	5.798	3.373	0.776	9.947	0.15	19.450	0.400	19.850	35.947
2015	2014	5.375	3.436	8.811	5.728	0.000	0.744	6.472	0.10	19.450	0.000	19.850	35.233
2016	2015	5.139	3.436	8.575	5.720	0.000	0.744	6.464	0.50	19.450	0.000	19.850	35.389
2017	2016	4.916	3.374	8.290	5.680	0.000	0.609	6.289	0.00	19.450	0.000	19.850	34.429
2018	2017	4.739	3.298	8.037	5.483	0.000	0.581	6.064	0.00	18.950	0.500	19.450	33.551
2019	2018	5.000	3.269	8.269	5.366	0.000	0.503	5.869	0.00	18.950	0.500	19.450	33.588

Note: Overlapping rates are those of local and county governments that apply to property owners within the City of Ball Ground.

(1) 2014 the cities within Cherokee County became responsible for the collection of the Special District Fire Tax. However the Cherokee County Board of Commissioners continued to be responsible for setting the millage rate for this tax. All prior years Cherokee County billed and collected this tax on the behalf of the cities.

City of Ball Ground, Georgia

Principal Property Taxpayers Current Year and Ten Years Ago

(unaudited)

Taxpayer	2018 Tax Digest Year			2009 Tax Digest Year		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Universal Alloy Corp	\$ 2,850,767	1	3.17%			
Latimer Properties LLC	1,567,320	2	1.74%	\$ 589,320	5	0.99%
Georgia Power Company	997,680	3	1.11%	477,960	9	0.80%
Holcomb Crossing LLC	779,200	4	0.87%	674,400	4	1.13%
Atlanta Gas Light	539,520	5	0.60%			
American Petro Inc	480,920	6	0.54%			
CBD Investments	446,560	7	0.50%			
Donald C Smith III	400,960	8	0.45%			
Ball Ground Medical Park, LLC	374,560	9	0.42%			
SSH Properties LLC	357,680	10	0.40%			
OCS Enterprise	-		-	1,581,160	1	2.66%
Cherry Grover Properties	-		-	938,360	2	1.58%
Southern Sky Development	-		-	718,760	3	1.21%
Mt. Express Oil	-		-	579,080	6	0.97%
Ball Ground Investments LLC	-		-	563,480	7	0.95%
North Ball Ground LLC	-		-	488,640	8	0.82%
Howell Valley Corner LLC	-		-	464,400	10	0.78%
Total	\$ 8,795,167		9.78%	\$ 7,075,560		11.89%

Source: Cherokee County Tax Assessors

City of Ball Ground, Georgia

Property Tax Levies and Collections Last Ten Fiscal Years

(unaudited)

Fiscal Year Ended June 30,	Digest Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2010	2009	\$ 286,896	\$ 245,626	85.61%	\$ 41,260	\$ 286,886	99.997%
2011	2010	281,566	248,035	88.09%	33,521	281,556	99.996%
2012	2011	266,377	246,088	92.38%	20,280	266,368	99.997%
2013	2012	262,298	248,002	94.55%	14,285	262,287	99.996%
2014	2013	253,417	238,649	94.17%	14,763	253,412	99.998%
2015	2014	269,026	260,939	96.99%	8,059	268,998	99.990%
2016	2015	292,030	282,904	96.87%	8,699	291,603	99.854%
2017	2016	326,953	324,087	99.12%	2,471	326,558	99.879%
2018	2017	365,764	362,733	99.17%	2,309	362,733	99.171%
2019	2018	441,566	438,594	99.33%	n/a	438,594	99.327%

Source: City of Ball Ground Finance Department

City of Ball Ground, Georgia

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income ²	City Population	Per Capita
	Notes Payable	Financed Purchases	Revenue Bonds	Notes Payable	Financed Purchases				
2010	\$ -	\$ 1,836,987	\$ 1,259,629	\$ 188,685	\$ 1,565	\$ 3,286,866	0.06%	1,370	\$ 2,399
2011	-	1,941,093	1,241,817	154,183	-	3,337,093	0.05%	1,433	2,329
2012	-	1,849,275	1,223,233	118,282	-	3,190,790	0.05%	1,433	2,227
2013	-	1,756,843	1,203,844	85,309	-	3,045,996	0.05%	1,472	2,069
2014	-	1,687,736	1,181,833	-	295,000	3,164,569	0.04%	(A) 1,510	2,096
2015	-	1,636,248	1,160,653	-	304,065	3,100,966	5.68%	1,563	1,984
2016	1,534,145	60,610	1,140,488	451,769	14,929	3,201,941	6.04%	1,705	1,878
2017	1,419,135	64,524	1,255,060	420,262	5,593	3,164,574	5.13%	1,869	1,693
2018	1,300,933	82,478	1,183,990	385,310	-	2,952,711	4.73%	2,000	1,476
2019	1,179,446	46,507	1,110,887	389,632	-	2,726,472	4.31%	2,047	1,332

Source: Notes to the Financial Statements, Pages 42-46
Demographic and Economic Statistics, Page 75
Census on Population and Housing from 2010 census publications

(A) 2014 is the first year the City was able to provide Personal Income information for the City of Ball Ground, all prior year Personal Income represents Cherokee County as a whole.

City of Ball Ground, Georgia

Direct and Overlapping Governmental Activities Debt June 30, 2019

(Unaudited)

	<u>Net General Obligation Debt Outstanding</u>	<u>Percentage Applicable to the City(1)</u>	<u>Amount Applicable to the City(1)</u>
Direct debt:			
Notes payable	\$ 1,179,446	100.000%	\$ 1,179,446
Financed purchases payable	46,507	100.000%	46,507
	<u>1,225,953</u>		<u>1,225,953</u>
Total direct debt	<u>\$ 1,225,953</u>		<u>\$ 1,225,953</u>
Overlapping General Obligation Debt:			
Cherokee County - general obligation debt	\$ 62,034,037	0.867%	\$ 537,835
Cherokee County - financed purchases	1,414,475	0.867%	12,263
Cherokee County - RRDA bonds	10,693,205	0.867%	92,710
Cherokee County School System	553,510,222	0.867%	4,798,934
Total overlapping debt	<u>\$ 627,651,939</u>		<u>\$ 5,441,742</u>
Total direct and overlapping debt	<u>\$ 628,877,892</u>		<u>\$ 6,667,695</u>

Source: The overlapping debt numbers were obtained from Cherokee County's 2016 Comprehensive Annual Financial Report.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Ball Ground, Georgia. 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.

(1) 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 City's boundaries and dividing it by the county's total taxable assessed value.

City of Ball Ground, Georgia

Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

(unaudited)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed Value *	\$ 59,491	\$ 54,334	\$ 54,067	\$ 46,671	\$ 44,073	\$ 53,579	\$ 68,885	\$ 68,766	\$ 79,091	\$ 89,886
Debt Limit: 10% of assessed value	\$ 5,949	\$ 5,433	\$ 5,407	\$ 4,667	\$ 4,407	\$ 5,358	\$ 6,889	\$ 6,877	\$ 6,877	\$ 8,989
Less: Debt applicable to debt limit	1,837	1,941	1,849	1,757	1,688	1,636	1,595	1,484	1,383	1,226
Legal Debt Margin	\$ 4,112	\$ 3,492	\$ 3,558	\$ 2,910	\$ 2,719	\$ 3,722	\$ 5,294	\$ 5,393	\$ 5,494	\$ 7,763

* Source: Cherokee County Tax Digest

City of Ball Ground, Georgia

Pledged Revenue Coverage Water System Bonds Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Operating Revenue	Water Revenue Bonds					Times Coverage
		(1) Direct Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			
				Principal	Interest	Total	
2010	\$ 627,117	\$ 512,191	\$ 114,926	\$ 17,926	\$ 53,078	\$ 71,004	1.62
2011	567,147	454,231	112,916	18,703	59,560	78,263	1.44
2012	580,045	464,021	116,024	18,584	52,387	70,971	1.63
2013	587,351	489,523	97,828	19,389	51,615	71,004	1.38
2014	857,795 (2)	638,085	219,710	22,011	48,893	70,904	3.10
2015	810,458 (2)	626,952	183,506	21,180	49,824	71,004	2.58
2016	874,648 (2)	741,448	133,200	20,165	50,531	70,696	1.88
2017	961,133 (2)	773,061	188,072	44,274	42,192	86,466 (3)	2.18
2018	947,121 (2)	747,171	199,950	71,070	34,526	105,596 (3)	1.89
2019	1,029,321 (2)	852,766	176,555	73,103	32,493	105,596 (3)	1.67

Note: (1) Direct operating expenses excludes depreciation.

Note: (2) Revenue from the sales of water and sewer capacity is counted in the operating revenue for calculation of debt service requirements.

Note: (3) Refinanced USDA loan in FY2017. Lowered interest rate and shortened the term of the bond.

City of Ball Ground, Georgia

Top Ten Water Customers
For Fiscal Year 2019

	Gallons Used	% of Total Gallons	Dollar Amount	(unaudited) % of Total Billed
199 Howell Bridge Road *	1,450,300	2.6%	\$ 10,193.48	1.1%
155 Howell Bridge Road*	1,232,400	2.2%	8,794.99	0.9%
1380 Howell Bridge Road	963,300	1.7%	7,274.88	0.8%
145 Old Canton Road	604,900	1.1%	4,121.33	0.4%
109 Holcomb Crossing	465,500	0.8%	3,158.11	0.3%
Lantern Walk Subdivision Irrigation*	360,200	0.6%	2,063.19	0.2%
155 Billy Lane	240,200	0.4%	1,549.51	0.2%
137 Leo Taylor Lane	224,500	0.4%	1,678.59	0.2%
510 Gilmer Ferry Road	209,700	0.4%	1,343.78	0.1%
270 Gilmer Ferry Road	150,100	0.3%	1,117.88	0.1%
	<u>5,901,100</u>	10.5%	<u>\$ 41,295.74</u>	<u>4.3%</u>

*multiple account #

**accounts not open full year

Note: Difference in dollar amounts billed as compared to gallons used is caused by the tiered rate system and the timing of the water use. Spikes in water usage will cause higher dollar amounts to be billed.

City of Ball Ground, Georgia

Water Customers Last Ten Fiscal Years

(unaudited)

<u>Fiscal Year</u>	<u>Number of Customers</u>	<u>Number Increase</u>	<u>% Increase</u>
2010	854	13	1.5%
2011	847	-7	-0.8%
2012	851	4	0.5%
2013	872	21	2.5%
2014	935	63	7.2%
2015	971	36	3.9%
2016	1,031	60	6.2%
2017	1,085	54	5.2%
2018	1,109	24	2.2%
2019	1,132	23	2.1%

Note: Customer decline is due to unit vacancy and foreclosures.

City of Ball Ground, Georgia

Water & Sewer Rates

June 30, 2019

(unaudited)

Water Rates - Residential (Inside City limits)

	Senior		
	Standard	Citizens	Disabled
Base Rate	\$ 18.00	\$ 15.00	\$ 15.00
0 - 3,000 gallons	2.40	2.40	2.40
3,001 - 5,000 gallons	2.60	2.60	2.60
5,001 - 8,000 gallons	5.25	5.25	5.25
8,001 - 10,000 gallons	5.65	5.65	5.65
Over 10,000 gallons	7.10	7.10	7.10

Water Rates - Residential (Outside City limits)

	Senior		
	Standard	Citizens	Disabled
Base Rate	\$ 21.50	\$ 18.50	\$ 18.50
0 - 3,000 gallons	3.45	3.45	3.45
3,001 - 5,000 gallons	4.35	4.35	4.35
5,001 - 8,000 gallons	6.10	6.10	6.10
8,001 - 10,000 gallons	6.65	6.65	6.65
Over 10,000 gallons	7.60	7.60	7.60

Sewer Rates

Base Rate	\$ 16.50
Per 1,000 gallons	\$ 5.20

City of Ball Ground, Georgia

Demographic and Economic Statistics (1) Last Ten Calendar Years

(unaudited)

Calendar Year	County Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2009	215,084	\$ 6,582,430	\$ 30,604	34.0	37,000	8.90
2010	214,346	6,430,594	30,001	34.2	38,636	10.10
2011	218,286	6,595,948	30,217	34.1	39,337	7.30
2012	221,315	7,338,805	33,160	36.3	39,560	6.90
2013	1,510	55,726	36,905	39.4	570	4.15
2014	1,563	51,332	32,842	39.7	557	4.30
2015	1,705	62,379	36,586	39.4	500	4.15
2016	1,869	63,254	36,718	40.9	526	4.60
2017	2,000	72,232	37,310	41.9	563	3.30
2018	2,047	77,570	29,835	41.9	565	2.90

(1) 2013 is the first year in which this information has been available on the local level.

Sources: Georgia Department of Labor, Bureau of the Census, Atlanta Regional Commission, Cherokee County School District and the Cherokee County Development Authority.

City of Ball Ground, Georgia
Principal Employers
Current Year and Nine Years Ago

(unaudited)

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Awnex, Inc. (previously Awntek)	118	1	13.52%	12	5	3.92%
Universal Alloy Corporation	116	2	13.29%	-	-	-
Cherokee County Board of Education	67	3	7.67%	-	-	-
FRN, Inc	27	4	3.09%	-	-	-
Wheeler House	22	5	2.52%	-	-	-
Ball Ground Post Office	21	6	2.41%	-	-	-
Cool Tech HVAC Inc	18	7	2.06%	30	1	9.80%
Cheshire Heating & AC	16	8	1.83%	20	2	6.54%
Southeastern Protection Services	15	9	1.72%	-	-	-
Blue Ridge Mountain Recovery Center	14	10	1.60%	-	-	-
D-Lab Screenprinting	-	-	-	16	3	5.23%
Vandiver Plumbing	-	-	-	13	4	4.25%
Power Pro Tech Service	-	-	-	11	6	3.59%
Arrow Exterminating	-	-	-	10	7	3.27%
Preferred Commercial Floor Covering, Inc.	-	-	-	10	8	3.27%
Trench Inc	-	-	-	10	9	3.27%
Chevron Ball Ground	-	-	-	8	10	2.61%
	-	-	-	-	-	-
Total	434		49.71%	140		45.75%

Source: Ball Ground Finance Department

City of Ball Ground, Georgia

Full-time-Equivalent City Government Employees by Function/Program Last Ten Fiscal Years

(unaudited)

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government:										
Governing Body	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Chief Executive (Mgr. Or Admin.)	0.9	0.9	0.9	0.9	0.9	1.2	1.2	1.2	1.2	1.2
Police Records & Court	0.9	0.9	-	-	-	-	-	-	-	-
Financial Administration	1.2	1.2	1.2	1.2	1.2	1.4	1.4	1.4	1.4	1.4
Water Administration	0.8	0.8	-	-	-	0.7	0.7	0.7	0.7	0.7
Human Resources	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Public Safety:										
Police Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Police Patrol	2.0	2.0	2.0	1.0	1.0	2.0	3.0	3.0	3.0	3.0
Building Inspections	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Planning & Zoning	0.3	0.3	0.2	0.2	0.6	0.6	0.6	0.6	0.6	0.6
Parks Areas	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Public Works	2.9	2.9	2.4	2.4	2.4	2.4	4.1	3.4	3.4	3.4
Highways & Streets Administration	-	-	-	-	-	-	-	-	-	-
Sanitary Administration	0.2	0.2	0.2	0.2	0.2	0.6	0.6	0.6	0.6	0.6
Total	16.5	16.5	14.2	13.2	13.6	16.2	18.9	18.2	18.2	18.2

Source: City of Ball Ground Finance Department

Note: 2009 removed one patrol officer and 2010 removed one Highway and Streets Labor position

City of Ball Ground, Georgia

Operating Indicators by Function Last Ten Fiscal Years

(unaudited)

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Works:										
Street resurfacing (miles)	0.3	0.2	1.0	0.6	0.7	1.6	0.5	0.8	0.5	0.6
Police protection:										
Number of citations written	230	196	110	99	174	216	307	548	553	624
Number of automobile accidents	39	31	49	35	25	43	49	67	49	60
Number of reported crimes	114	82	42	80	68	70	87	81	106	82

Source: City of Ball Ground Public Works and Police Department Records

City of Ball Ground, Georgia

Capital Assets Statistics by Function Last Ten Fiscal Years

(unaudited)

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Works:										
Miles of streets	14	14	14	14	14	16	18	18	18	18
Police protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of police officers	3	3	3	2	3	3	4	4	4	4
Building permits issued	18	-	2	40	47	67	73	35	29	35
Recreation and culture:										
Number of parks	4	4	4	5	5	5	5	5	5	5
Park acreage	27	27	27	30	30	32	32	32	32	32

Source: Various City of Ball Ground Departments