



City of Ball Ground, Georgia
Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2018

BALL GROUND, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

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, 2018**

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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 10, 2018

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, 2018, 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, 2018, 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, 2018, 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 Sewer Authority. The City has a contract with the City of Canton for its sewer treatment. 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 installed the nucleus of a SCADA system with Mission Communications that enables employees to monitor wells, tanks and the primary lift station remotely. This system had reduced overtime hours and has helped us design float level strategies to improve pump life and reduce electrical costs. Additionally it has been effective in monitoring well production, potable water tank levels, allowing us to respond quicker to substantial leaks. This has resulted in costs savings in sewer treatment and has greatly reduced our needs for purchased water. Two more sewer lift stations are scheduled to receive this technology during the next reporting period.

Looking forward to 2019 we will continue to evaluate electrical consumption and initiate implementation of cost reduction strategies. We will also continue our phased conversion of City owned facilities and lighting to LED. Other new initiatives will include new ordinances making the City of Ball Ground the sole residential solid waste service provider in the City as well as the creation of a Storm Water Utility that will be implemented along with a storm water fee.

The City of Ball Ground staff, DDA and Main Street components have continued efforts matching property owners with buyers and tenants. This has led to the complete restoration of two blighted and unsafe commercial properties in the core downtown, as well as the removal of two blighted residential units being replaced with quality residential in fill.

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, 2017. This was the eleventh 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**

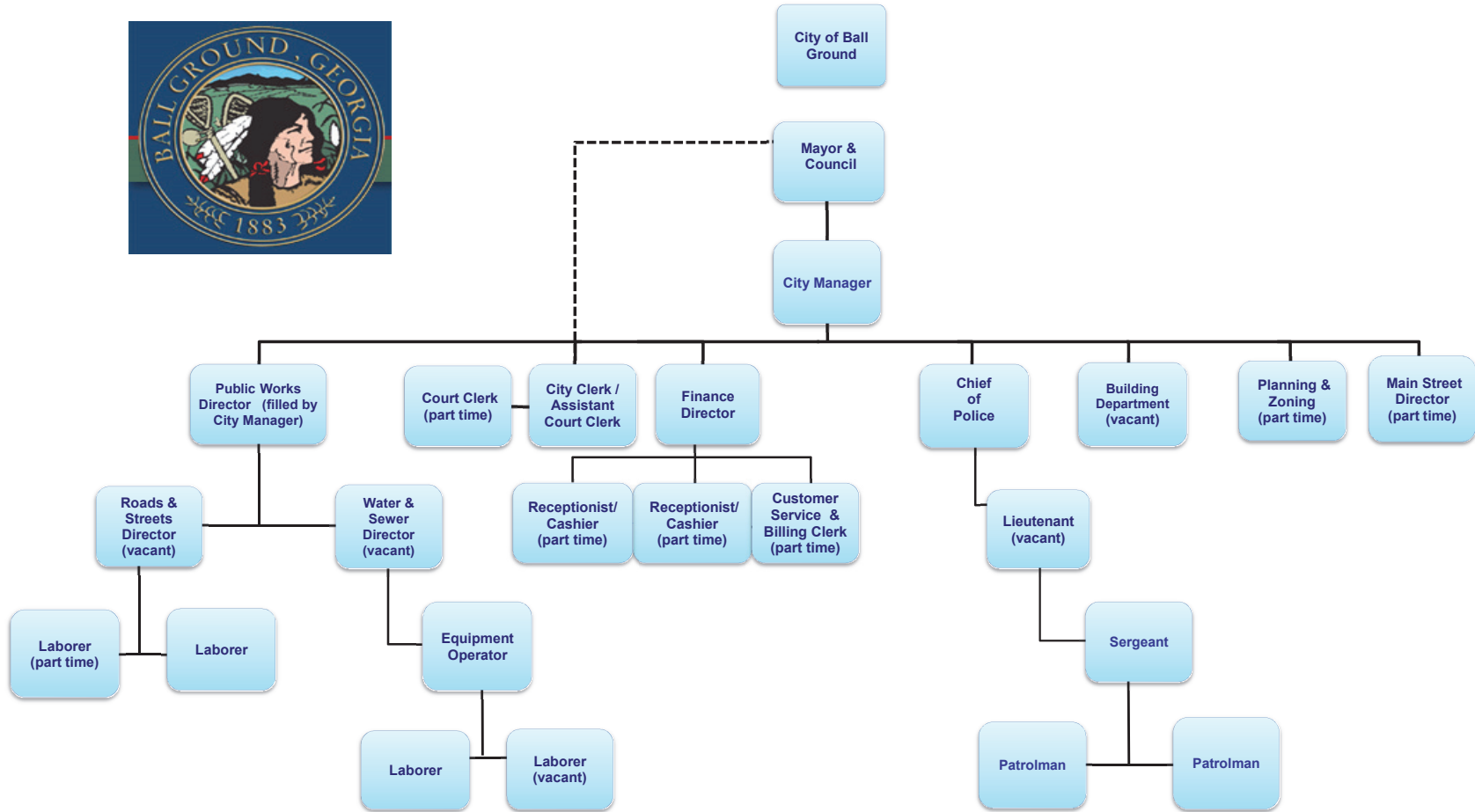
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

City of Ball Ground
Organizational Chart
June 30, 2018



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

City of Ball Ground, Georgia

Principal Officials
June 30, 2018

Mayor
A.R. Roberts, III

City Council
Frank Homiller, Mayor Pro-tem
John Byrd
Mickey O'Malley
Lee Prettyman
Andrenia Stoner

City Manager
Eric W. Wilmarth

City Clerk
Karen Jordan

Finance Director
Donna W. England

Police Chief
R. Bryon Reeves

Public Works Director
Eric W. Wilmarth

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, and each major fund of the **City of Ball Ground, Georgia** (the "City"), as of and for the fiscal year ended June 30, 2018, 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, and each major fund of the City of Ball Ground, Georgia, as of June 30, 2018, 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 4-15, the schedule of changes in the City's net pension liability and related ratios on page 50, and the schedule of City contributions on page 51 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 10, 2018 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 10, 2018

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, 2018

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, 2018. 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 \$10,190,282 includes property and equipment, net of accumulated depreciation, and is increased for outstanding debt related to the purchase or construction of capital assets as compared to \$10,114,400 in fiscal year 2017.
 - 2) Restricted net position of \$355,108 represents the portion to be used for capital projects (\$278,489), fire protection services (\$67,619), and sewer projects (\$9,000). This is an increase of \$293,279 or 474% from the previous year (\$61,829).
 - 3) Unrestricted net position of \$897,971 represents the portion available to maintain the City's continuing obligations to citizens and creditors. This is a decrease of \$41,226 from the previous year's balance (\$939,197).
- The City's total assets, \$14,494,799 and deferred outflows of resources, \$77,960 exceeded its liabilities of \$3,129,398 by \$11,443,361 (total net position) for the fiscal year reported as compared to \$11,115,426 as total net position in fiscal year 2017. The total assets are 4.63 times the total liabilities.
- The City's capital assets, net of accumulated depreciation, decreased by \$129,947 primarily due to depreciation expense.
- The City's total liabilities decreased by \$157,828 or 4.80% as a result of net effect of the increase in current liabilities of \$3,586 and a decrease of noncurrent liabilities of \$161,414 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 \$894,130 an increase of \$266,424 in comparison with the prior year. Of this amount, \$528,865 is unassigned and available for spending.
- At the end of the current year the unassigned fund balance for the governmental funds was \$528,855 or 26% of the governmental funds expenditures as compared to 25% in the prior fiscal year.

City of Ball Ground, Georgia
Management's Discussion and Analysis
June 30, 2018

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, with the difference between the three 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 16 and 17 of this report.

City of Ball Ground, Georgia
Management's Discussion and Analysis
June 30, 2018

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 three 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 and the Special Purpose Local Option Sales Tax ("SPLOST") Fund. All three are presented as major funds.

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 18 through 23 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 24 through 27 of this report.

City of Ball Ground, Georgia
Management's Discussion and Analysis
June 30, 2018

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 by \$11,443,361 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 2018	Governmental Activities 2017	Business-type Activities 2018	Business-type Activities 2017	Total 2018	Total 2017
Current and other assets	\$ 939,463	\$ 690,768	\$ 472,830	\$ 430,125	\$ 1,412,293	\$ 1,120,893
Capital assets	8,898,241	8,785,590	4,184,265	4,426,862	13,082,506	13,212,452
Total assets	9,837,704	9,476,358	4,657,095	4,856,987	14,494,799	14,333,345
Deferred charges	71,541	69,306	6,419	-	77,960	69,306
Total deferred outflow of resources	71,541	69,306	6,419	-	77,960	69,306
Long-term debt outstanding	1,425,899	1,495,676	1,597,949	1,689,586	3,023,848	3,185,262
Other liabilities	42,562	39,024	62,988	62,939	105,550	101,963
Total liabilities	1,468,461	1,534,700	1,660,937	1,752,525	3,129,398	3,287,225
Net Position:						
Net investment in capital assets	7,575,317	7,368,453	2,614,965	2,745,947	10,190,282	10,114,400
Restricted	346,108	61,829	9,000	-	355,108	61,829
Unrestricted	519,359	580,682	378,612	358,515	897,971	939,197
Total net position	\$ 8,440,784	\$ 8,010,964	\$ 3,002,577	\$ 3,104,462	\$ 11,443,361	\$ 11,115,426

Total net position of the City's governmental activities increased by \$429,820 in fiscal year 2018 (\$8,440,784 in the current fiscal year versus \$8,010,964 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 \$101,885. The City's total net position, which includes both the governmental and business-type activities, increased \$327,935. 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 \$897,971 which is an decrease of \$41,225 from the prior year. These funds may be used to meet the government's ongoing obligations to citizens and creditors. Only the \$355,108 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, 2018

CITY OF BALL GROUND'S STATEMENT OF NET POSITION
TABLE II

	Governmental Activities 2018	Governmental Activities 2017	Business-type Activities 2018	Business-type Activities 2017	Total 2018	Total 2017
Revenues:						
Charges for services	\$ 138,523	\$ 178,395	\$ 965,540	\$ 956,024	\$ 1,104,063	\$ 1,134,419
Capital grants and contributions	1,005,043	529,323	152,000	164,500	1,157,043	693,823
General revenues:					-	-
Property taxes	712,772	636,121	-	-	712,772	636,121
Other taxes	276,163	256,299	-	-	276,163	256,299
Other revenues	85,485	56,348	2,193	3,183	87,678	59,531
Total revenues	<u>2,217,986</u>	<u>1,656,486</u>	<u>1,119,733</u>	<u>1,123,707</u>	<u>3,337,719</u>	<u>2,780,193</u>
Expenses:						
General government	349,860	350,428	-	-	349,860	350,428
Judicial	15,999	13,819	-	-	15,999	13,819
Public safety	627,020	688,478	-	-	627,020	688,478
Public works	443,263	441,150	-	-	443,263	441,150
Health and welfare	12,956	8,930	-	-	12,956	8,930
Culture and recreation	254,016	209,371	-	-	254,016	209,371
Housing and development	37,998	35,280	-	-	37,998	35,280
Interest on long-term debt	47,054	48,025	-	-	47,054	48,025
Solid waste	-	-	155,194	165,030	155,194	165,030
Water and sewerage	-	-	1,066,424	1,155,508	1,066,424	1,155,508
Total expenses	<u>1,788,166</u>	<u>1,795,481</u>	<u>1,221,618</u>	<u>1,320,538</u>	<u>3,009,784</u>	<u>3,116,019</u>
Change in net position before transfers	429,820	(138,995)	(101,885)	(196,831)	327,935	(335,826)
Transfers	-	-	-	-	-	-
Change in net position	429,820	(138,995)	(101,885)	(196,831)	327,935	(335,826)
Net position, beginning of year	8,010,964	8,149,959	3,104,462	3,301,293	11,115,426	11,451,252
Net position, end of year	<u>\$ 8,440,784</u>	<u>\$ 8,010,964</u>	<u>\$ 3,002,577</u>	<u>\$ 3,104,462</u>	<u>\$ 11,443,361</u>	<u>\$ 11,115,426</u>

Governmental Activities. The City of Ball Ground's net position in governmental activities was increased by \$429,820 which resulted from an increase in total assets of \$361,346, an increase of in deferred outflows of resources of \$2,235, and a decrease in total liabilities of \$66,239. 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 fiscal year 2018. The City received a CDBG grant for the construction of a new Senior Center of \$263,144, an ARC grant for LCI study of \$67,670 and for the advance funding of the safety grant from Georgia DOT for the construction of a safer railroad crossing on Groover Street of \$205,000.

The addition of the capital assets was offset by the increase in depreciation expense.

**City of Ball Ground, Georgia
Management’s Discussion and Analysis
June 30, 2018**

Increase in Deferred Outflows of Resources

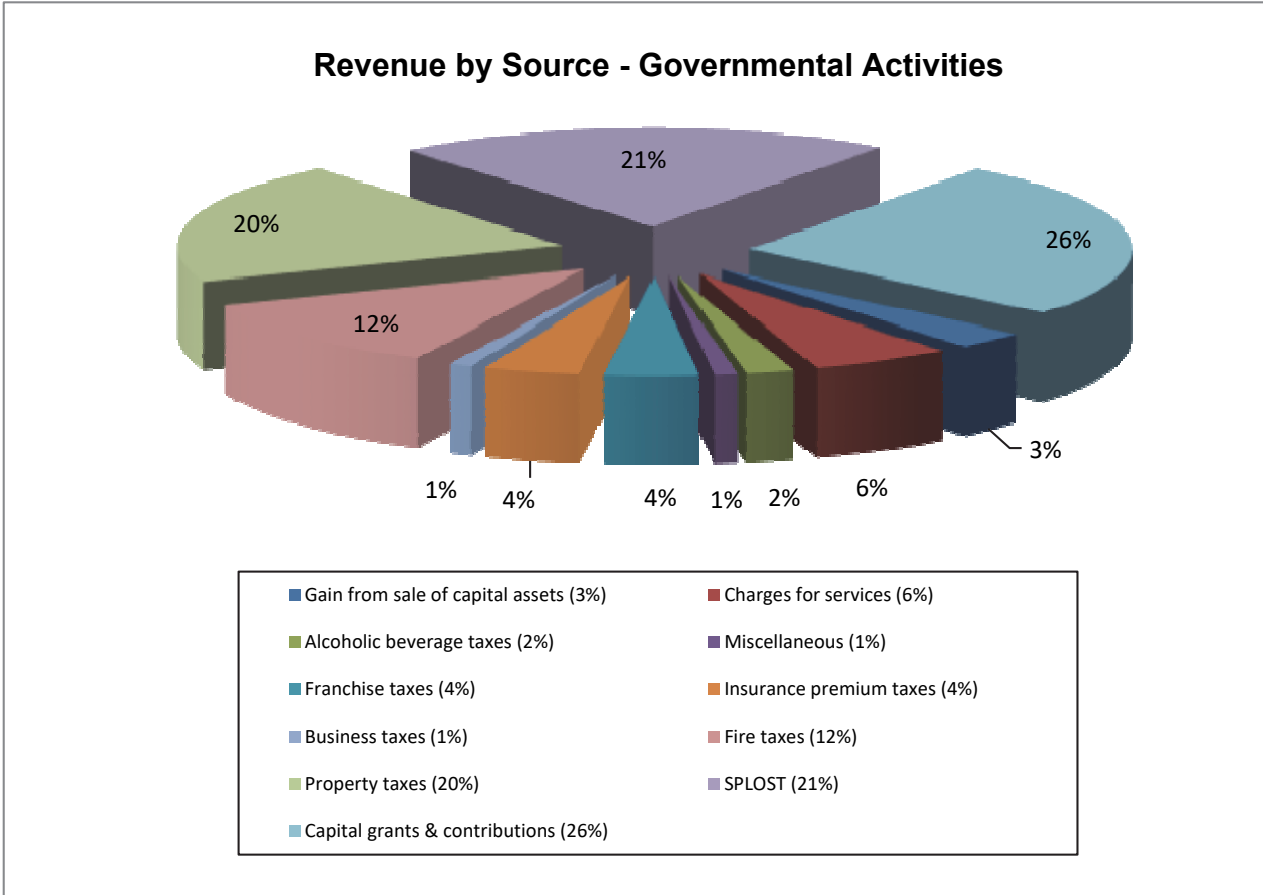
The increase in deferred outflows of resources was due to the creation of the City’s defined benefit Pension Plan on July 1, 2017. The pension related items of \$8,138 in fiscal year 2018 was an increase; however, these items were offset by a decrease of deferred charges of a prepayment penalty is a direct result of the amortization of the prepayment penalty as it is recognized each year which netted an increase of \$2,235.

Decrease in Total Liabilities

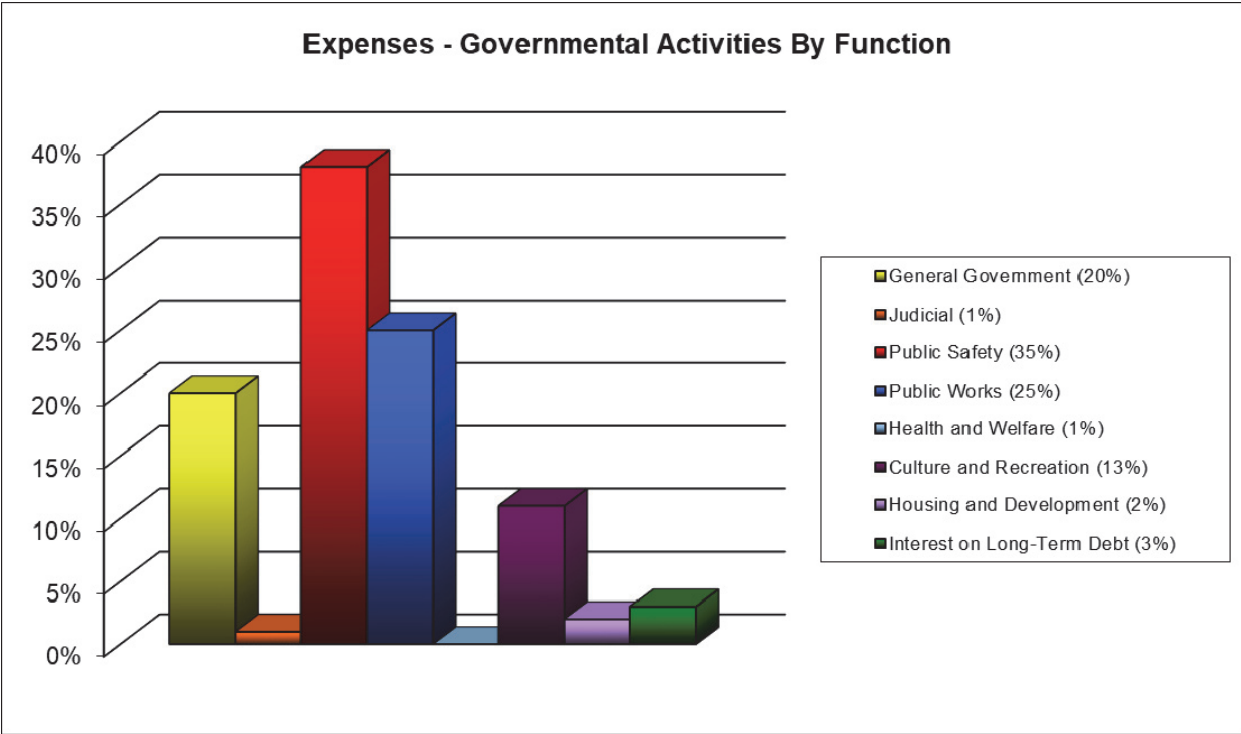
The total liabilities decreased by \$66,239 as compared to the prior year; however, the cause of the decrease is due to the net effect of a decrease in noncurrent liabilities \$69,777 and an increase in current liabilities of \$3,538. The noncurrent liabilities were reduced primarily due to the continued principal payments to existing debt.

Increase in Revenue

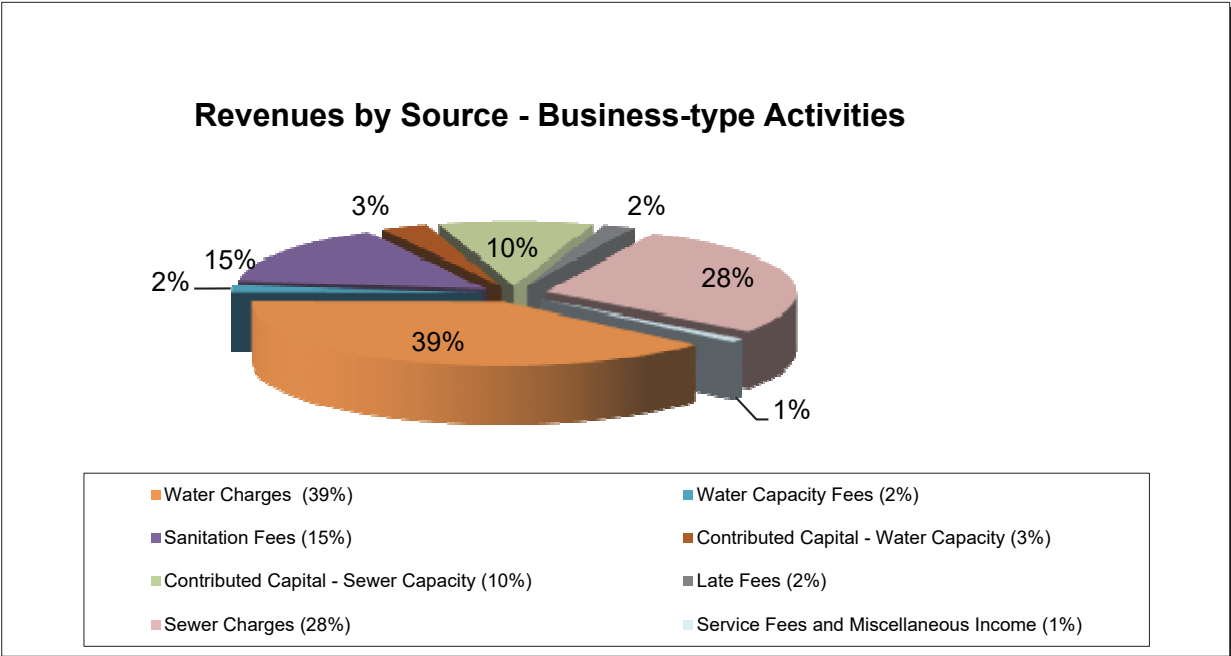
The governmental activities program revenues increased for fiscal year 2018 by \$435,848 as compared to fiscal year 2017 primarily due to the increase in capital grants and contribution revenues. During fiscal year 2018, the City received \$1,005,043 in capital grants and contributions as compared to \$529,323 in the prior fiscal year.



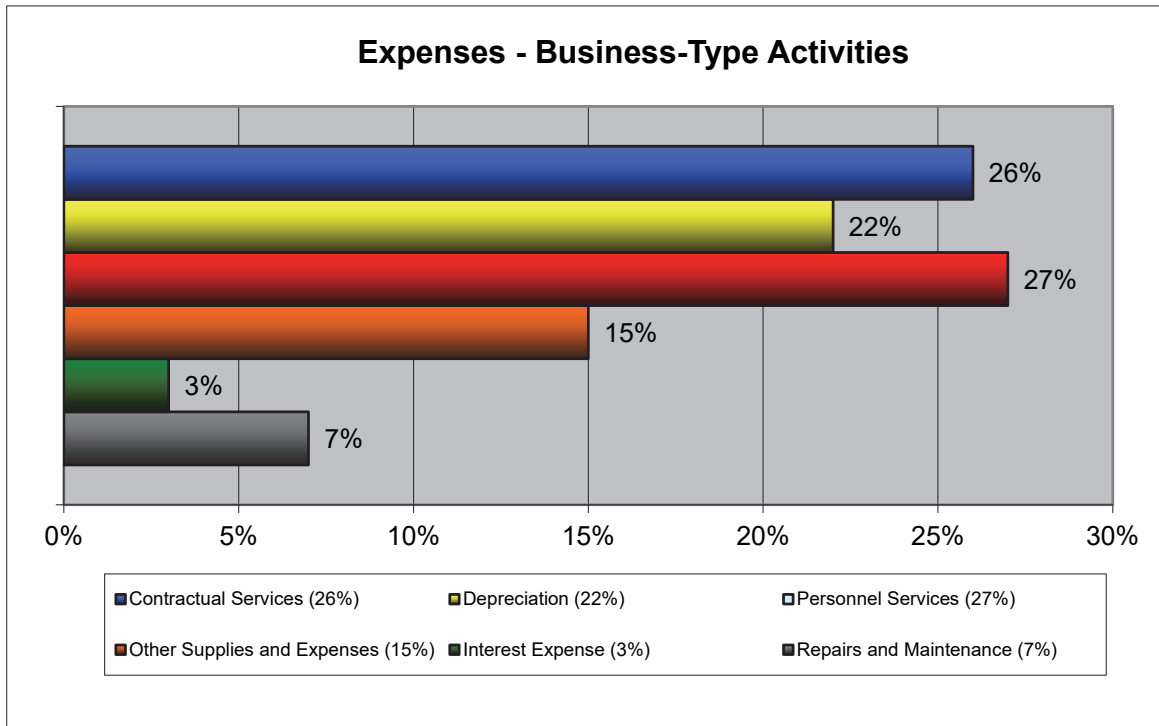
**City of Ball Ground, Georgia
Management's Discussion and Analysis
June 30, 2018**



Along with the increase in revenues of \$561,500 the governmental activities had a net decrease in expenses of \$7,315. When comparing the expenses of fiscal year 2018 to that of the prior year, the expenses there were slight change by function which netted to a decrease overall of \$7,315.



**City of Ball Ground, Georgia
Management's Discussion and Analysis
June 30, 2018**



Business-type Activities. The overall operating revenues increased slightly by \$8,479 in the current year as compared to the prior year. As in the prior year, the continued development of subdivisions resulted in more water (24) and sewer (16) customers and more sanitation (30) customers which contributed to the increased operating revenues.

Although the operating revenues were slightly increased in the enterprise funds for fiscal year 2018, the water and sewer service charges decreased slightly (\$1,514) and solid waste service charges increased (\$9,991) 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 decreased by 1,888,300 gallons as compared to the previous fiscal year. The reduction in the number of gallons consumed is a direct result of water conservation measures mandated by the EPD. The EPD required the City implement new water conservation measures and one of which required increasing the rates for the higher tiers of the City's water rates. Although the water consumed decreased, the water services billed increased by \$17,441.

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

- During the current fiscal year, the number of water customers increased by 24; the number of sewer customers increased by 16; and the number of sanitation customers increased by 30. Although the numbers may not seem substantial, the percentage increases are as follows: water 1.5%, sewer 2.2%, and sanitation 3.8%.

City of Ball Ground, Georgia
Management's Discussion and Analysis
June 30, 2018

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 governmental funds are comprised of the following: General Fund, District Fire Tax Fund and SPLOST Fund.

As of the end of the current fiscal year, the City of Ball Ground's governmental funds reported combined ending fund balances of \$894,130, an increase of \$266,424 in comparison with the prior year. The increase in fund balances is largely due to the advance of \$205,000 of capital grants received.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance was \$528,865. This amount is available for spending at the City's discretion. The unassigned fund balance increased by \$78,317 (17.4%) during the current fiscal year.

General Fund Budgetary Highlights

Revenues:

Actual revenues were less than budgeted revenues by \$8,700. Listed below is a brief summary of factors that attributed to the decreased revenues in fiscal year 2018.

- Property taxes exceeded budget by \$3,119 due to an increase in real estate transfer and intangible taxes.
- Business taxes exceeded budget by \$7,030 due to the increase in business occupation taxes.
- License and permits were less than budgeted by \$22,599 due to slower new developments within the City.
- Charges for services revenue exceeded budget by \$3,574 due to the increase in park and park facilities usage fees.
- Investment earnings exceeded budget by \$695 because the City maintained higher balances in the interest bearing accounts.
- Miscellaneous revenue exceeded budget by \$11,226 due to the payment of outstanding right of way fees and reimbursement for damaged property.

City of Ball Ground, Georgia
Management's Discussion and Analysis
June 30, 2018

Expenditures:

Actual expenditures were less than budgeted expenditures by \$48,878. A brief summary of the largest variance of budget shortfall in Planning and Zoning of \$3,760 is explained below:

- 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 \$259,015 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 ending fund balance of the fund increased by \$6,093 due to 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 Fund Highlights

Revenue totaled \$468,899 which was \$31,879 more than anticipated.

The sales tax was used for various projects in the City. Expenditures for the current year were \$412,494 of which \$109,947 was used for public works projects and costs such as roads, streets, storm drain and other infrastructure improvements; \$70,160 was used for public safety (\$41,487 2018 police vehicle, \$17,214 2018 tag reader, \$11,459 police department building remodel), \$34,464 was used for culture and recreation (parks), \$197,923 was used for debt service payments.

This fund was the source of debt service payments on leases funding City Hall, Valley Street, 2018, police vehicle, 2016 police vehicle expenditure, 2014 police vehicle expenditures, 2015 tag reader, and 2015 John Deere ZTRK mower. The debt service payments for the current year were \$102,632 (City Hall), \$54,802 (Valley Street), \$12,898 (2016 police vehicle), \$4,928 (2014 police vehicle #1 purchased in 2014), \$8,893 (2014 police vehicle #2 purchased in 2015), \$6,626 (2015 tag reader), \$4,299 (2015 John Deere ZTRK mower), and \$2,845 (2018 police vehicle) for a total of \$197,923 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 \$378,612 an increase of \$20,098 (5.6%) from the previous year.

**City of Ball Ground, Georgia
Management's Discussion and Analysis
June 30, 2018**

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, 2018, amounted to \$13,082,506 (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:

- *Senior Center, \$331,599*
- *2018 Ford Explorer police vehicle, \$42,222*
- *City Hall remodel, \$27,050*
- *Food Court – City Park improvement, \$21,631*
- *2018 3-camera Vigilant tag reader, \$17,214*
- *New LED lights at Field#2 – Calvin Farmer Park, \$16,040*
- *Storm drain improvement on Valley Street, \$14,823*
- *Storm drain install at Lion's Field, \$11,725*
- *Police Department remodel, \$11,459*
- *Public Works Office remodel, \$9,000*
- *Sewer pump at Old Dawsonville Lift Station, \$8,746*
- *Resurface and crack repairs to outdoor basketball court, \$8,725*
- *Storm drain installation from Civic Drive to Community Building parking lot, \$8,142*
- *Rebuild of Flygt Sewer Pump, \$7,837*
- *Well pump, \$6,852*

CITY OF BALL GROUND'S CAPITAL ASSETS						
(Net of accumulated depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 634,645	\$ 638,631	\$ 269,077	\$ 269,077	\$ 903,722	\$ 907,708
Construction in progress	389,596	262,257	34,485	34,485	424,081	296,742
Land improvements	1,157,737	1,136,106	-	-	1,157,737	1,136,106
Buildings	2,653,283	2,283,175	82,105	73,105	2,735,388	2,356,280
Machinery and equipment	225,200	206,678	757,759	734,571	982,959	941,249
Infrastructure	9,194,132	9,134,676	6,320,558	6,320,558	15,514,690	15,455,234
Vehicles	196,582	154,360	-	-	196,582	154,360
Total	14,451,175	13,815,883	7,463,984	7,431,796	21,915,159	21,247,679
Less accumulated depreciation	(5,552,934)	(5,030,293)	(3,279,719)	(3,004,934)	(8,832,653)	(8,035,227)
Total	<u>\$ 8,898,241</u>	<u>\$ 8,785,590</u>	<u>\$ 4,184,265</u>	<u>\$ 4,426,862</u>	<u>\$ 13,082,506</u>	<u>\$ 13,212,452</u>

More detailed information on the City's capital assets can be found in Note 4 on pages 37 through 39 in the financial statements.

**City of Ball Ground, Georgia
Management's Discussion and Analysis
June 30, 2018**

City of Ball Ground's Long-Term Debt

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Governmental activities:		
Capital leases	\$ 82,478	\$ 64,524
Notes payable	1,300,933	1,419,135
Compensated absences	19,452	12,017
Net pension liability	23,036	-
Total	<u>1,425,899</u>	<u>1,495,676</u>
Business-type activities:		
Bonds payable	1,183,990	1,255,060
Notes payable	385,310	420,262
Capital leases	-	5,593
Compensated absences	10,252	8,671
Net pension liability	18,397	-
Total	<u>1,597,949</u>	<u>1,689,586</u>
Grand Total - All Activities	<u>\$ 3,023,848</u>	<u>\$ 3,185,262</u>

More detailed information on the City's long-term debt can be found in Note 7 on pages 40 through 43 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, 2018**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
<u>Assets</u>				
Cash	\$ 627,989	\$ 298,901	\$ 926,890	\$ 11,257
Taxes receivable, net	6,689	-	6,689	-
Accounts receivable, net	30,732	102,286	133,018	-
Intergovernmental receivable	79,271	-	79,271	-
Prepaid items	88,714	11,145	99,859	-
Inventories	-	36,098	36,098	-
Restricted cash	106,068	24,400	130,468	-
Capital assets:				
Non-depreciable	1,024,241	303,562	1,327,803	-
Depreciable, net of accumulated depreciation	7,874,000	3,880,703	11,754,703	-
Total assets	<u>9,837,704</u>	<u>4,657,095</u>	<u>14,494,799</u>	<u>11,257</u>
<u>Deferred Outflows of Resources</u>				
Deferred charges - prepayment penalty	63,403	-	63,403	-
Pension related items	8,138	6,419	14,557	-
Total deferred outflows of resources	<u>71,541</u>	<u>6,419</u>	<u>77,960</u>	<u>-</u>
<u>Liabilities</u>				
Liabilities:				
Accounts payable	39,441	42,644	82,085	-
Accrued interest payable	3,121	1,031	4,152	-
Customer deposits payable	-	15,400	15,400	-
Unearned revenue	-	3,913	3,913	-
Noncurrent liabilities:				
Compensated absences, due within one year	18,480	9,739	28,219	-
Compensated absences, due in more than one year	972	513	1,485	-
Bonds payable, due within one year	-	73,103	73,103	-
Bonds payable, due in more than one year	-	1,110,887	1,110,887	-
Notes payable, due within one year	121,485	35,748	157,233	-
Notes payable, due in more than one year	1,179,448	349,562	1,529,010	-
Capital leases, due within one year	35,103	-	35,103	-
Capital leases, due in more than one year	47,375	-	47,375	-
Net pension liability	23,036	18,397	41,433	-
Total liabilities	<u>1,468,461</u>	<u>1,660,937</u>	<u>3,129,398</u>	<u>-</u>
<u>Net Position</u>				
Net investment in capital assets	7,575,317	2,614,965	10,190,282	-
Restricted for:				
Fire protection services	67,619	-	67,619	-
Sewer projects	-	9,000	9,000	-
Capital projects	278,489	-	278,489	-
Downtown development	-	-	-	11,257
Unrestricted	519,359	378,612	897,971	-
Total net position	<u>\$ 8,440,784</u>	<u>\$ 3,002,577</u>	<u>\$ 11,443,361</u>	<u>\$ 11,257</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, 2018

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Downtown Development Authority
	Expenses	Charges for Services	Capital Grants and Contributions	Primary Government		Total	
				Governmental Activities	Business-type Activities		
Primary government:							
Governmental activities:							
General government	\$ 349,860	\$ 16,788	\$ -	\$ (333,072)	\$ -	\$ (333,072)	\$ -
Judicial	15,999	61,148	-	45,149	-	45,149	-
Public safety	627,020	148	153,270	(473,602)	-	(473,602)	-
Public works	443,263	-	513,010	69,747	-	69,747	-
Health and welfare	18,981	-	263,144	244,163	-	244,163	-
Culture and recreation	247,991	25,448	75,619	(146,924)	-	(146,924)	-
Housing and development	37,998	34,991	-	(3,007)	-	(3,007)	-
Interest on long-term debt	47,054	-	-	(47,054)	-	(47,054)	-
Total governmental activities	1,788,166	138,523	1,005,043	(644,600)	-	(644,600)	-
Business-type activities:							
Water and sewerage	1,066,424	793,154	152,000	-	(121,270)	(121,270)	-
Solid waste	155,194	172,386	-	-	17,192	17,192	-
Total business-type activities	1,221,618	965,540	152,000	-	(104,078)	(104,078)	-
Total primary government	\$ 3,009,784	\$ 1,104,063	\$ 1,157,043	(644,600)	(104,078)	(748,678)	-
Component unit:							
Downtown Development Authority	17,139	-	-	-	-	-	(17,139)
	\$ 17,139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (17,139)
General revenues:							
Taxes:							
Property taxes				712,772	-	712,772	-
Franchise taxes				99,633	-	99,633	-
Alcoholic beverage taxes				49,714	-	49,714	-
Business taxes				27,031	-	27,031	-
Insurance premium taxes				95,438	-	95,438	-
Financial institution taxes				4,347	-	4,347	-
Unrestricted investment earnings				945	226	1,171	-
Miscellaneous				28,526	1,967	30,493	500
Gain from the sale of capital assets				56,014	-	56,014	-
Total general revenues				1,074,420	2,193	1,076,613	500
Change in net position				429,820	(101,885)	327,935	(16,639)
Net position, beginning of fiscal year				8,010,964	3,104,462	11,115,426	27,896
Net position, ending of fiscal year				\$ 8,440,784	\$ 3,002,577	\$ 11,443,361	\$ 11,257

The accompanying notes are an integral part of this statement.

CITY OF BALL GROUND, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

	General	District Fire Tax	SPLOST	Total Governmental Funds
<u>Assets</u>				
Cash	\$ 627,989	\$ -	\$ -	\$ 627,989
Taxes receivable	4,005	2,684	-	6,689
Accounts receivable	30,732	-	-	30,732
Intergovernmental receivable	37	181	79,053	79,271
Prepaid items	23,809	64,754	948	89,511
Restricted cash	-	-	106,068	106,068
Due from other funds	111,632	-	-	111,632
Total Assets	<u>\$ 798,204</u>	<u>\$ 67,619</u>	<u>\$ 186,069</u>	<u>\$ 1,051,892</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 36,525	\$ -	\$ 2,916	\$ 39,441
Due to other funds	-	-	111,632	111,632
Total Liabilities	<u>36,525</u>	<u>-</u>	<u>114,548</u>	<u>151,073</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	4,005	2,684	-	6,689
Total Deferred Inflows of Resources	<u>4,005</u>	<u>2,684</u>	<u>-</u>	<u>6,689</u>
Fund balances:				
Nonspendable:				
Prepaid items	23,809	64,754	948	89,511
Restricted:				
Capital projects	205,000	-	70,573	275,573
Fire protection services	-	181	-	181
Unassigned	528,865	-	-	528,865
Total Fund Balances	<u>757,674</u>	<u>64,935</u>	<u>71,521</u>	<u>894,130</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 798,204</u>	<u>\$ 67,619</u>	<u>\$ 186,069</u>	<u>\$ 1,051,892</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, 2018**

Total governmental fund balances	\$	894,130
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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	\$ 14,451,175	
Less: accumulated depreciation	<u>(5,552,934)</u>	8,898,241

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

Property taxes		6,689
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Lease payments made in advance of the due date are not recognized as expenditures in the governmental funds, however, are recognized as a reduction of the lease balance in the statement of net position.

(797)

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	8,138	
Net pension liability	<u>(23,036)</u>	(14,898)

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	(19,452)	
Accrued interest payable	(3,121)	
Capital leases	(82,478)	
Notes Payable	(1,300,933)	
Deferred charges - prepayment penalty	<u>63,403</u>	(1,342,581)

Net position of governmental activities	\$	<u>8,440,784</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, 2018**

	General	District Fire Tax	SPLOST	Total Governmental Funds
Revenues:				
Taxes	\$ 730,732	\$ 259,015	\$ -	\$ 989,747
Licenses and permits	51,601	-	-	51,601
Intergovernmental	535,814	-	468,747	1,004,561
Charges for services	25,774	-	-	25,774
Fines and forfeitures	61,148	-	-	61,148
Investment earnings	945	-	152	1,097
Contributions	330	-	-	330
Miscellaneous	28,526	-	-	28,526
Total revenues	1,434,870	259,015	468,899	2,162,784
Expenditures:				
Current:				
General government	295,051	-	-	295,051
Judicial	15,999	-	-	15,999
Public safety	330,703	252,922	-	583,625
Public works	49,754	-	43,149	92,903
Health and welfare	16,557	-	-	16,557
Culture and recreation	139,770	-	10,761	150,531
Housing and development	37,998	-	-	37,998
Capital outlay:				
General government	39,033	-	-	39,033
Public safety	8,570	-	70,160	78,730
Public works	583	-	66,798	67,381
Health and welfare	333,230	-	-	333,230
Culture and recreation	9,202	-	23,703	32,905
Housing and development	91,473	-	-	91,473
Debt service:				
Principal	-	-	156,430	156,430
Interest and fiscal charges	-	-	41,493	41,493
Total expenditures	1,367,923	252,922	412,494	2,033,339
Excess of revenues over expenditures	66,947	6,093	56,405	129,445
Other financing sources:				
Capital leases	-	-	56,979	56,979
Proceeds from sale of capital assets	80,000	-	-	80,000
Total other financing sources	80,000	-	56,979	136,979
Net change in fund balances	146,947	6,093	113,384	266,424
Fund balances (deficit), beginning of fiscal year	610,727	58,842	(41,863)	627,706
Fund balances, end of fiscal year	<u>\$ 757,674</u>	<u>\$ 64,935</u>	<u>\$ 71,521</u>	<u>\$ 894,130</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, 2018**

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

Net change in fund balances - total governmental funds: \$ 266,424

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	\$ 642,752	
Depreciation expense	<u>(526,115)</u>	116,637

The net effect of various miscellaneous transactions involving capital assets and other assets (i.e., donations and disposals) is to increase net position.

Sale of land held for resale	\$ (20,000)	
Net book value of capital assets sold	<u>(3,986)</u>	(23,986)

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

Property taxes		(812)
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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	\$ 39,025	
Prepaid lease payments not recognized in the fund but recognized in the statement of activities	(797)	
Principal payments - notes payable	118,202	
Issuance of capital lease	(56,979)	
Amortization of deferred charges	<u>(5,903)</u>	93,548

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	\$ (7,435)	
Change in accrued interest	342	
Pension expense	<u>(14,898)</u>	(21,991)

Change in net position - governmental activities \$ 429,820

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, 2018**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues				
Property taxes	\$ 441,450	\$ 451,450	\$ 454,569	\$ 3,119
Franchise taxes	111,000	111,000	99,633	(11,367)
Business taxes	169,500	169,500	176,530	7,030
Licenses and permits	74,200	74,200	51,601	(22,599)
Intergovernmental	-	535,670	535,814	144
Charges for services	22,200	22,200	25,774	3,574
Fines and forfeitures	54,500	61,500	61,148	(352)
Investment earnings	250	250	945	695
Contributions	500	500	330	(170)
Miscellaneous	17,300	17,300	28,526	11,226
Total revenues	890,900	1,443,570	1,434,870	(8,700)
Expenditures				
General government:				
Legislative	15,200	15,200	12,824	2,376
Clerk of Council	77,135	80,049	80,131	(82)
Mayor	21,680	23,160	17,429	5,731
City manager	25,210	27,211	24,472	2,739
Elections	8,150	8,150	273	7,877
General administration	194,195	142,887	132,771	10,116
General government buildings	45,850	72,850	66,184	6,666
Judicial:				
Municipal court	17,750	17,750	15,999	1,751
Public safety:				
Patrol	321,172	342,015	339,273	2,742
Public works:				
Highways and streets	47,707	52,207	50,337	1,870
Health and welfare:				
Community center	12,300	12,300	7,093	5,207
Senior center	-	343,000	342,694	306
Culture and recreation:				
Parks	90,100	125,100	123,568	1,532
Library	3,500	5,500	5,085	415
Tree City	3,500	20,500	20,319	181
Housing and development:				
Planning and zoning	18,350	108,322	112,082	(3,760)
Building department	2,500	4,000	29	3,971
Main Street department	16,600	16,600	17,360	(760)
Total expenditures	920,899	1,416,801	1,367,923	48,878
Excess (deficiency) of revenues over expenditures	(29,999)	26,769	66,947	40,178
Other financing sources:				
Transfers in	30,000	30,000	-	(30,000)
Proceeds from sale of capital assets	-	80,000	80,000	-
Total other financing sources	30,000	110,000	80,000	(30,000)
Net change in fund balance	1	136,769	146,947	10,178
Fund balance, beginning of fiscal year	610,727	610,727	610,727	-
Fund balance, end of fiscal year	\$ 610,728	\$ 747,496	\$ 757,674	\$ 10,178

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, 2018**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues				
Property taxes	\$ 256,000	\$ 256,000	\$ 259,015	\$ 3,015
Total revenues	<u>256,000</u>	<u>256,000</u>	<u>259,015</u>	<u>3,015</u>
Expenditures				
Public safety:				
Fire protection services	256,000	256,000	252,922	3,078
Total expenditures	<u>256,000</u>	<u>256,000</u>	<u>252,922</u>	<u>3,078</u>
Net change in fund balance	-	-	6,093	6,093
Fund balance, beginning of fiscal year	58,842	58,842	58,842	-
Fund balance, end of fiscal year	<u>\$ 58,842</u>	<u>\$ 58,842</u>	<u>\$ 64,935</u>	<u>\$ 6,093</u>

The accompanying notes are an integral part of this statement.

CITY OF BALL GROUND, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018**

	Business-type Activities - Enterprise Funds		
	Water and Sewerage	Solid Waste	Total
<u>Assets</u>			
Current assets:			
Cash	\$ 254,513	\$ 44,388	\$ 298,901
Accounts receivable, net	83,953	18,333	102,286
Prepaid items	10,454	691	11,145
Inventories	36,098	-	36,098
Restricted cash, customer deposits	24,400	-	24,400
Total current assets	<u>409,418</u>	<u>63,412</u>	<u>472,830</u>
Non-current assets:			
Capital assets:			
Non-depreciable	303,562	-	303,562
Depreciable, net of accumulated depreciation	3,880,703	-	3,880,703
Total capital assets	<u>4,184,265</u>	<u>-</u>	<u>4,184,265</u>
Total non-current assets	<u>4,184,265</u>	<u>-</u>	<u>4,184,265</u>
Total assets	<u>4,593,683</u>	<u>63,412</u>	<u>4,657,095</u>
<u>Deferred Outflows of Resources</u>			
Pension related items	<u>6,419</u>	<u>-</u>	<u>6,419</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	31,631	11,013	42,644
Accrued interest payable	1,031	-	1,031
Unearned revenue	3,913	-	3,913
Compensated absences, current	9,739	-	9,739
Current portion of notes payable	35,748	-	35,748
Payable from restricted assets:			
Customer deposits payable	15,400	-	15,400
Current portion of bonds payable	73,103	-	73,103
Total current liabilities	<u>170,565</u>	<u>11,013</u>	<u>181,578</u>
Non-current liabilities:			
Compensated absences	513	-	513
Notes payable	349,562	-	349,562
Bonds payable	1,110,887	-	1,110,887
Net pension liability	18,397	-	18,397
Total non-current liabilities	<u>1,479,359</u>	<u>-</u>	<u>1,479,359</u>
Total liabilities	<u>1,649,924</u>	<u>11,013</u>	<u>1,660,937</u>
<u>Net Position</u>			
Net investment in capital assets	2,614,965	-	2,614,965
Restricted	9,000	-	9,000
Unrestricted	326,213	52,399	378,612
Total net position	<u>\$ 2,950,178</u>	<u>\$ 52,399</u>	<u>\$ 3,002,577</u>

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, 2018**

	Business-type Activities - Enterprise Funds		
	Water and Sewerage	Solid Waste	Total
Operating revenues:			
Charges for service	\$ 793,154	\$ 172,386	\$ 965,540
Miscellaneous revenue	1,967	-	1,967
Total operating revenues	<u>795,121</u>	<u>172,386</u>	<u>967,507</u>
Operating expenses:			
Personnel services	293,998	36,884	330,882
Contractual services	366,225	118,310	484,535
Other supplies and expenses	86,948	-	86,948
Depreciation	275,032	-	275,032
Total operating expenses	<u>1,022,203</u>	<u>155,194</u>	<u>1,177,397</u>
Net operating income (loss)	<u>(227,082)</u>	<u>17,192</u>	<u>(209,890)</u>
Non-operating revenue (expenses):			
Interest revenue	215	11	226
Interest expense	(44,221)	-	(44,221)
Total non-operating revenue (expenses)	<u>(44,006)</u>	<u>11</u>	<u>(43,995)</u>
Net income (loss) before capital contributions	<u>(271,088)</u>	<u>17,203</u>	<u>(253,885)</u>
Capital contributions - water capacity sales	35,000	-	35,000
Capital contributions - sewer capacity sales	117,000	-	117,000
Total capital contributions	<u>152,000</u>	<u>-</u>	<u>152,000</u>
Change in net position	(119,088)	17,203	(101,885)
Net position, beginning of fiscal year	3,069,266	35,196	3,104,462
Net position, end of fiscal year	<u>\$ 2,950,178</u>	<u>\$ 52,399</u>	<u>\$ 3,002,577</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, 2018**

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water and Sewerage</u>	<u>Solid Waste</u>	<u>Totals</u>
Cash flows from operating activities:			
Receipts from customers	\$ 790,350	\$ 170,820	\$ 961,170
Payments to employees	(279,369)	(36,884)	(316,253)
Payments to suppliers	<u>(463,085)</u>	<u>(118,468)</u>	<u>(581,553)</u>
Net cash provided by operating activities	<u>47,896</u>	<u>15,468</u>	<u>63,364</u>
Cash flows from capital and related financing activities:			
Principal paid on capital debt	(111,615)	-	(111,615)
Interest paid on capital debt	(44,187)	-	(44,187)
Capital contributions - tap sales	152,000	-	152,000
Purchases of capital assets	<u>(32,435)</u>	<u>-</u>	<u>(32,435)</u>
Net cash used in capital and related financing activities	<u>(36,237)</u>	<u>-</u>	<u>(36,237)</u>
Cash flows from investing activities:			
Interest received	<u>215</u>	<u>11</u>	<u>226</u>
Net cash provided by investing activities	<u>215</u>	<u>11</u>	<u>226</u>
Net increase in cash	11,874	15,479	27,353
Cash, beginning of fiscal year	<u>267,039</u>	<u>28,909</u>	<u>295,948</u>
Cash, end of fiscal year	<u>\$ 278,913</u>	<u>\$ 44,388</u>	<u>\$ 323,301</u>
Reconciliation of cash:			
Unrestricted	\$ 254,513	\$ 44,388	\$ 298,901
Restricted	<u>24,400</u>	<u>-</u>	<u>24,400</u>
	<u>\$ 278,913</u>	<u>\$ 44,388</u>	<u>\$ 323,301</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, 2018**

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water and Sewerage</u>	<u>Solid Waste</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (227,082)	\$ 17,192	\$ (209,890)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	275,032	-	275,032
Change in assets and liabilities:			
Increase in accounts receivable, net	(3,996)	(1,566)	(5,562)
Increase in inventory	(10,887)	-	(10,887)
(Increase) decrease in prepaid items	1,788	(691)	1,097
Increase in pension related deferred outflows	(6,419)	-	(6,419)
Increase in accounts payable	257	533	790
Increase in unearned revenue	1,025	-	1,025
Increase in compensated absences	1,581	-	1,581
Increase in net pension liability	18,397	-	18,397
Decrease in customer deposits	(1,800)	-	(1,800)
Net cash provided by operating activities	<u>\$ 47,896</u>	<u>\$ 15,468</u>	<u>\$ 63,364</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, 2018

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 a capital projects fund (SPLOST Fund), while the proprietary funds include the enterprise funds, Water and Sewerage Fund and Solid Waste Fund.

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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.

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.

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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

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

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 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, 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.

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.

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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

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.

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, 2018, 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 non-spendable fund balance, which indicates that they do not constitute available, spendable financial resources even though they are a component of net current position.

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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.

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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 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 two 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; and (2) 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.

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.

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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

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.

- 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.

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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

Q. FUND BALANCE (Continued)

Fund balances are classified as follows (continued):

- 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.

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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, 2018, the City's bank balances of \$1,113,880 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, 2018, for the City's individual major funds are as follows:

	<u>General</u>	<u>District Fire Tax</u>	<u>SPLOST</u>	<u>Water and Sewerage</u>	<u>Solid Waste</u>	<u>Total</u>
Receivables:						
Taxes	\$ 4,005	2,684	\$ -	\$ -	\$ -	\$ 6,689
Accounts	30,732	-	-	100,282	21,850	152,864
Intergovernmental	37	181	79,053	-	-	79,271
Gross receivables	<u>34,774</u>	<u>2,865</u>	<u>79,053</u>	<u>100,282</u>	<u>21,850</u>	<u>238,824</u>
Less allowance for uncollectibles	-	-	-	(16,329)	(3,517)	(19,846)
Net total receivables	<u>\$ 34,774</u>	<u>2,865</u>	<u>\$ 79,053</u>	<u>\$ 83,953</u>	<u>\$ 18,333</u>	<u>\$ 218,978</u>

The City contracted with Cherokee County to bill and collect the City's 2017 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 October 19, 2017. Secured property tax payments were due on December 20, 2017. 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 2017 City millage levy of 4.739 mills, a property owner would pay \$4.74 per \$1,000 of assessed valuation.

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 4. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 638,631	\$ -	\$ (3,986)	\$ 634,645
Construction in progress	262,257	127,339	-	389,596
Total	<u>900,888</u>	<u>127,339</u>	<u>(3,986)</u>	<u>1,024,241</u>
Capital assets, being depreciated:				
Land improvements	1,136,106	21,631	-	1,157,737
Buildings and improvements	2,283,175	370,108	-	2,653,283
Machinery and equipment	206,678	21,996	(3,474)	225,200
Infrastructure	9,134,676	59,456	-	9,194,132
Vehicles	154,360	42,222	-	196,582
Total	<u>12,914,995</u>	<u>515,413</u>	<u>(3,474)</u>	<u>13,426,934</u>
Less accumulated depreciation for:				
Land improvements	(265,357)	(80,789)	-	(346,146)
Buildings and improvements	(517,195)	(56,096)	-	(573,291)
Machinery and equipment	(119,791)	(22,465)	3,474	(138,782)
Infrastructure	(4,034,347)	(343,926)	-	(4,378,273)
Vehicles	(93,603)	(22,839)	-	(116,442)
Total	<u>(5,030,293)</u>	<u>(526,115)</u>	<u>3,474</u>	<u>(5,552,934)</u>
Total capital assets, being depreciated, net	<u>7,884,702</u>	<u>(10,702)</u>	<u>-</u>	<u>7,874,000</u>
Governmental activities capital assets, net	<u>\$ 8,785,590</u>	<u>\$ 116,637</u>	<u>\$ (3,986)</u>	<u>\$ 8,898,241</u>

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 4. CAPITAL ASSETS (Continued)

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 269,077	\$ -	\$ -	\$ 269,077
Construction in progress	34,485	-	-	34,485
Total	<u>303,562</u>	<u>-</u>	<u>-</u>	<u>303,562</u>
Capital assets, being depreciated:				
Machinery and equipment	734,571	23,435	(247)	757,759
Buildings	73,105	9,000	-	82,105
Infrastructure	6,320,558	-	-	6,320,558
Total	<u>7,128,234</u>	<u>32,435</u>	<u>(247)</u>	<u>7,160,422</u>
Less accumulated depreciation for:				
Machinery and equipment	(565,127)	(33,117)	247	(597,997)
Buildings	(21,579)	(7,424)	-	(29,003)
Infrastructure	(2,418,228)	(234,491)	-	(2,652,719)
Total	<u>(3,004,934)</u>	<u>(275,032)</u>	<u>247</u>	<u>(3,279,719)</u>
Total capital assets, being depreciated, net	<u>4,123,300</u>	<u>(242,597)</u>	<u>-</u>	<u>3,880,703</u>
Governmental activities capital assets, net	<u>\$ 4,426,862</u>	<u>\$ (242,597)</u>	<u>\$ -</u>	<u>\$ 4,184,265</u>

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 4. CAPITAL ASSETS (Continued)

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

Governmental Activities:	
General government	\$ 45,925
Public safety	29,946
Public works	350,360
Health and welfare	2,424
Culture and recreation	97,460
	526,115
Total depreciation expense - governmental activities	\$ 526,115
Business-type Activities:	
Water and sewerage	\$ 275,032
Total depreciation expense - business-type activities	\$ 275,032

NOTE 5. INTERFUND BALANCES AND ACTIVITY

Balances reported as due to/from other funds at June 30, 2018 consist of the following:

<u>\$ 111,632</u>	Borrowing owed to the General Fund by the SPLOST Fund for property acquisition
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The City has advance funded several SPLOST projects with General Fund dollars. As the City continues to collect the sales tax dollars, these balances will be repaid to the General Fund within the next fiscal year.

NOTE 6. INTERGOVERNMENTAL REVENUE AND RECEIVABLE

The following amounts are due from other governments at June 30, 2018:

Due from Cherokee County:

SPLOST Fund - Special Purpose Local Option Sales Tax	\$ 79,053
General Fund – taxes	37
District Fire Tax Fund – taxes	181

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 6. INTERGOVERNMENTAL REVENUE AND RECEIVABLE (Continued)

The following amounts are a breakdown of intergovernmental revenues as of June 30, 2018 as referenced on the Statement of Revenues, Expenditures, and Changes in Fund Balances on page 20:

General Fund:

Georgia DOT – LMIG Funds	\$ 205,000
Atlanta Regional Commission – LCI Funds	67,670
Community Development Block Grant Funds	<u>263,144</u>
	<u>\$ 535,814</u>

SPLOST Fund:

Special Purpose Local Option Sales Tax	<u>\$ 468,747</u>
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NOTE 7. LONG-TERM DEBT

Governmental Activities:

Capital leases in the governmental activities consisted of the following as of June 30, 2018:

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>\$ 38,315</u>
BB&T, purchase of 2014 police vehicle, original lease amount of \$33,052 with an interest rate of 3.62%, monthly payments of \$741 until maturity in 2019.	<u>\$ 5,850</u>
Regions, purchase of 2016 police vehicle, original lease amount of \$37,043 with an interest rate of 2.85%, monthly payments of \$,1075 until maturity in 2019.	<u>\$ 17,929</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>\$ 15,492</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>\$ 4,892</u>

Notes payable in the governmental activities consisted of the following as of June 30, 2018:

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>\$ 237,709</u>
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>\$ 1,063,224</u>

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7. LONG-TERM DEBT (Continued)

Business-type Activities:

Revenue Bonds payable in the Water and Sewerage Fund consisted of the following as of June 30, 2018:

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. \$ 1,183,990

Notes payable in the Water and Sewerage Fund consisted of the following as of June 30, 2018:

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. \$ 241,925

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. \$ 143,385

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 12,017	\$ 21,994	\$ 14,559	\$ 19,452	\$ 18,480
Net pension liability	-	26,845	3,809	23,036	-
Notes payable	1,419,135	-	118,202	1,300,933	121,485
Capital lease payable	64,524	56,979	39,025	82,478	35,103
Governmental activities long-term liabilities	<u>\$ 1,495,676</u>	<u>\$ 105,818</u>	<u>\$ 175,595</u>	<u>\$ 1,425,899</u>	<u>\$ 175,068</u>
 Business-type Activities:					
Compensated absences	\$ 8,671	\$ 13,822	\$ 12,241	\$ 10,252	\$ 9,739
Net pension liability	-	21,179	2,782	18,397	-
Notes payable	420,262	-	34,952	385,310	35,748
Capital lease payable	5,593	-	5,593	-	-
Revenue bonds	1,255,060	-	71,070	1,183,990	73,103
Business-type activities long-term liabilities	<u>\$ 1,689,586</u>	<u>\$ 35,001</u>	<u>\$ 126,638</u>	<u>\$ 1,597,949</u>	<u>\$ 118,590</u>

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7. LONG-TERM DEBT (Continued)

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.

Payments of interest and principal related to the notes, bonds and capital leases payable for the next five years and until maturity are as follows:

Governmental Activities
Notes Payable

Year Ending June 30,	Principal	Interest	Total Debt Service
2019	\$ 121,485	\$ 35,949	\$ 157,434
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
2024-2028	442,843	70,315	513,163
2029-2031	238,984	9,045	248,029
	<u>\$ 1,300,933</u>	<u>\$ 224,588</u>	<u>\$ 1,525,526</u>

Business-type Activities
Notes Payable

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2019	\$ 35,748	\$ 8,802	\$ 44,550
2020	36,545	8,005	44,550
2021	37,396	7,154	44,550
2022	38,252	6,298	44,550
2023	39,129	5,421	44,550
2024-2028	174,867	13,638	188,505
2029	23,373	342	23,715
	<u>\$ 385,310</u>	<u>\$ 49,660</u>	<u>\$ 434,970</u>

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7. LONG-TERM DEBT (Continued):

Capital leases. 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 \$183,025 of equipment and improvements under capital lease, with \$79,881 of accumulated depreciation expense as of June 30, 2018. 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
2019	\$ 37,030
2020	22,434
2021	16,324
2022	13,601
Total minimum lease payments	\$ 89,389
Less amount representing interest	(6,911)
Present value of future minimum lease payments	\$ 82,478

The following table represents the debt service requirements for the City's revenue bonds as of June 30, 2018.

Year Ending June 30,	Principal	Interest	Total Debt Service
2019	\$ 73,103	\$ 32,493	\$ 105,596
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
2024-2028	445,538	82,442	527,980
2029-2032	351,510	18,077	369,587
Total	\$ 1,183,990	\$ 241,557	\$ 1,425,547

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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, 2018, the date of the most recent actuarial valuation, pension plan membership consisted of the following:

Active employees	11
Active elected officials	6
	17
	17

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, 2018, the City's recommended contribution rate was 5.50% of annual payroll; actual contributions came to 5.50%.

City contributions to the Plan were \$17,382 for the fiscal year ended June 30, 2018. Employees of the City of Ball Ground contributed \$14,379 to the Plan.

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2017.

Actuarial assumptions. The total pension liability in the January 1, 2017 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, 2018 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, 2017 are summarized in the table on the following page.

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
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	<u>100%</u>	

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

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.

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 8. DEFINED BENEFIT PENSION PLAN (Continued):

Net Pension Liability of the City (Continued)

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, 2018 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2017	\$ -	\$ -	\$ -
Changes for the year:			
Contributions—employer	-	2,693	(2,693)
Contributions—employee	-	3,830	(3,830)
Net investment income	-	68	(68)
Current year plan changes	45,650	-	45,650
Administrative expense	-	(2,374)	2,374
Net changes	45,650	4,217	41,433
Balances at 6/30/2018	\$ 45,650	\$ 4,217	\$ 41,433

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.

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%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's net pension liability	\$ 48,365	\$ 41,433	\$ 35,632

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, 2017 and the current sharing pattern of costs between employer and employee.

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 8. DEFINED BENEFIT PENSION PLAN (Continued):

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the fiscal year ended June 30, 2018, the City recognized pension expense of \$44,054. At June 30, 2018, the City reported deferred outflows of resources related to pensions from the following sources:

Net difference between projected and actual earnings on pension plan investments	\$	72
City contributions subsequent to the measurement date		14,485
Total	\$	14,557

City contributions subsequent to the measurement date of \$14,485 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:		
2019	\$	18
2020		18
2021		18
2022		18
Total	\$	72

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, 2018.

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.

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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, 2018. No provisions have been made in the financial statements for the fiscal year ended June 30, 2018 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 13. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

During fiscal year 2018, 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 22 and 23.

	Budget	Actual	Actual (Over) Budget
General Fund:			
Planning and zoning	\$ 108,322	\$ 112,082	\$ (3,760)

CITY OF BALL GROUND, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 14. 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**

	2018
Total pension liability	
Changes of benefit terms	\$ 45,650
Net change in total pension liability	45,650
Total pension liability - beginning	-
Total pension liability - ending (a)	\$ 45,650
Plan fiduciary net position	
Contributions - employer	\$ 2,693
Contributions - employee	3,830
Net investment income	68
Administrative expenses	(2,374)
Net change in plan fiduciary net position	4,217
Plan fiduciary net position - beginning	-
Plan fiduciary net position - ending (b)	\$ 4,217
City's net pension liability - ending (a) - (b)	\$ 41,433
Plan fiduciary net position as a percentage of the total pension liability	9.24%
Covered payroll	\$ 585,071
City's net pension liability as a percentage of covered payroll	7.08%

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

	2018
Actuarially determined contribution	\$ 17,382
Contributions in relation to the actuarially determined contribution	17,382
Contribution deficiency (excess)	\$ -
Covered payroll	\$ 582,321
Contributions as a percentage of covered payroll	2.98%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	July 1, 2016
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, 2018**

		<u>Assets</u>	
Cash			\$ 11,257
Total Assets			<u>\$ 11,257</u>
		<u>Fund Balances</u>	
Restricted:			
Downtown development			\$ 11,257
Total Fund Balances			<u>\$ 11,257</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, 2018**

Revenues:		
Miscellaneous	\$	500
Total revenues		<u>500</u>
Expenditures:		
Current:		
Housing and development		<u>17,139</u>
Total expenditures		<u>17,139</u>
Net change in fund balances		(16,639)
Fund balances, beginning of fiscal year		<u>27,896</u>
Fund balances, end of fiscal year	\$	<u><u>11,257</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, 2018
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	\$ 1,326,203	\$ 1,156,394	\$ 169,049	\$ 1,325,443	99.94%
Fire Facilities, Vehicles and Equipment	250,000	170,795	170,793	-	170,793	100.00%
City Hall Debt Service	662,400	597,400	493,788	102,631	596,419	99.84%
Public Safety - Law Enforcement Facilities, Vehicles, Equipment	200,000	291,272	175,961	106,350	282,311	96.92%
Community Center	100,000	18,717	-	-	-	0.00%
Water / Sewer System Improvements	100,000	27,000	26,677	-	26,677	98.80%
Park and Recreation Facilities	<u>99,500</u>	<u>203,773</u>	<u>127,480</u>	<u>34,464</u>	<u>161,944</u>	79.47%
Total 2012 SPLOST Issue	<u>\$ 2,070,000</u>	<u>\$ 2,635,160</u>	<u>\$ 2,151,093</u>	<u>\$ 412,494</u>	<u>\$ 2,563,587</u>	

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 4,567,443	\$ 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
Restricted for capital projects (1)	161,222	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
Unrestricted	311,599	371,900	398,223	465,235	592,944	532,471	639,405	483,272	513,797	519,359
Total governmental activities net position	<u>\$ 5,040,264</u>	<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>
Business-type activities										
Net investment in capital assets	\$ 3,072,767	\$ 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
Restricted	-	-	-	-	-	-	-	-	-	9,000
Unrestricted	47,994	57,805	65,539	99,434	324,273	314,484	292,132	307,420	358,514	378,612
Total business-type activities net position	<u>\$ 3,120,761</u>	<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>
Primary government										
Net investment in capital assets	\$ 7,640,210	\$ 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
Restricted for capital projects (1)	161,222	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
Restricted for sewer projects (3)	-	-	-	-	-	-	-	-	-	9,000
Unrestricted	359,593	429,705	463,762	564,669	912,633	846,955	931,537	790,692	872,311	897,971
Total primary government net position	<u>\$ 8,161,025</u>	<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>

(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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 301,015	\$ 259,317	\$ 264,145	\$ 279,953	\$ 285,118	\$ 294,574	\$ 327,737	\$ 333,299	\$ 350,428	\$ 349,860
Judicial	26,357	22,818	7,055	4,958	5,027	6,708	13,424	14,706	13,819	15,999
Public safety	270,723	246,354	239,428	205,975	228,956	215,644	393,339	613,481	688,478	627,020
Public works	245,068	369,767	284,986	277,993	293,165	292,784	389,150	457,800	441,150	443,263
Health and welfare	8,072	6,799	6,585	6,316	6,334	7,643	9,574	15,209	8,930	18,981
Culture and recreation	9,156	7,641	53,058 (1)	8,874	63,354 (2)	82,705	168,878 (4)	223,815	209,371	247,991
Housing and development	21,348	21,135	18,096	16,024	13,164	12,508	24,910	48,190	35,280	37,998
Interest on long-term debt	92,035	87,078	102,181	102,697	93,246	89,579	85,431	119,387	48,025	47,054
Total governmental activities expenses	973,774	1,020,909	975,534	902,790	988,364	1,002,145	1,412,443	1,825,887	1,795,481	1,788,166
Business-type activities:										
Water and sewerage	874,290	833,624	779,241	1,033,736	772,407	937,832	942,247	1,086,474	1,155,508	1,066,424
Sanitation	61,901	75,339	73,711	80,967	88,772	109,533	124,953	121,509	165,030	155,194
Total business-type activities expenses	936,191	908,963	852,952	1,114,703	861,179	1,047,365	1,067,200	1,207,983	1,320,538	1,221,618
Total primary government expenses	\$ 1,909,965	\$ 1,929,872	\$ 1,828,486	\$ 2,017,493	\$ 1,849,543	\$ 2,049,510	\$ 2,479,643	\$ 3,033,870	\$ 3,116,019	\$ 3,009,784
Program Revenues										
Governmental activities:										
Charges for Service:										
General government	\$ 9,215	\$ 10,555	\$ 13,900	\$ 10,800	\$ 12,734	\$ 13,128	\$ 12,755	\$ 14,855	\$ 18,470	\$ 16,788
Judicial	46,034	36,393	24,057	12,482	9,375	15,438	40,761	40,030	65,648	61,148
Public safety	-	-	260	125	45	10	105	185	377	148
Culture and recreation	6,955	4,795	5,800	6,300	17,997	17,648	25,829	24,607	24,358	25,448
Housing and development	23,425	15,493	1,130	1,305	42,297	48,261	75,004	85,160	69,542	34,991
Capital grants and contributions	491,166	781,892	425,249	386,772	625,308	1,336,032 (3)	1,344,012	1,491,553	529,323	1,005,043
Total governmental activities program revenues	576,795	849,128	470,396	417,784	707,756	1,430,517	1,498,466	1,656,390	707,718	1,143,566
Business-type activities:										
Charges for services:										
Water and Sewerage	604,731	627,069	563,774	573,854	586,818	640,881	655,447	745,093	793,629	793,154
Sanitation	72,969	81,769	84,266	90,614	95,722	106,952	120,024	143,612	162,395	172,386
Capital grants and contributions	-	99,310	-	-	221,500	223,850	1,060,937	500,907	164,500	152,000
Total business-type activities program revenues	677,700	808,148	648,040	664,468	904,040	971,683	1,836,408	1,389,612	1,120,524	1,117,540
Total primary government program revenues	\$ 1,254,495	\$ 1,657,276	\$ 1,118,436	\$ 1,082,252	\$ 1,611,796	\$ 2,402,200	\$ 3,334,874	\$ 3,046,002	\$ 1,828,242	\$ 2,261,106

(continued)

City of Ball Ground, Georgia

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

(Unaudited)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue										
Governmental Activities	\$ (396,979)	\$ (171,781)	\$ (505,138)	\$ (485,006)	\$ (280,608)	\$ 428,372	\$ 86,023	\$ (169,497)	\$ (1,087,763)	\$ (644,600)
Business-type activities	(258,491)	(100,815)	(204,912)	(450,235)	42,861	(75,702)	769,208	181,629	(200,014)	(104,078)
Total primary government net expense	<u>\$ (655,470)</u>	<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>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 320,395	\$ 317,148	\$ 313,052	\$ 298,419	\$ 321,873	\$ 354,239	\$ 532,160	\$ 582,945	\$ 636,121	\$ 712,772
Sales taxes	329,302	-	-	-	-	-	-	-	-	-
Other taxes	155,739	154,695	162,714	202,160	225,307	228,953	243,623	251,678	256,299	276,163
Unrestricted Investment Earnings	5,662	4,185	2,546	1,819	984	1,471	1,042	841	755	945
Miscellaneous	28,698	459	1,284	267	930	11,809	14,030	11,991	23,592	28,526
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>\$ 839,796</u>	<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>
Business-type activities										
Investment earnings	\$ 1,092	\$ 324	\$ 176	\$ 77	\$ 203	\$ 291	\$ 168	\$ 187	\$ 179	\$ 226
Miscellaneous	1,027	48	3,373	6,191	533	2,944	19,989	55	3,004	1,967
Gain on Sale of Capital Assets	-	-	-	-	-	-	4,284	-	-	-
Transfers	-	18,841	9,450	135	(16,086)	-	(32,685)	-	-	-
Total business-type activities	<u>2,119</u>	<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>
Total primary government	<u>\$ 841,915</u>	<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>
Change in Net Position										
Governmental activities	\$ 442,817	\$ 285,865	\$ (34,992)	\$ 20,232	\$ 284,572	\$ 1,024,844	\$ 909,563	\$ 680,661	\$ (138,995)	\$ 429,820
Business-type activities	(256,372)	(81,602)	(191,913)	(443,832)	27,511	(72,467)	760,964	181,871	(196,831)	(101,885)
Total primary government	<u>\$ 186,445</u>	<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>

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)

	<u>2009</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>
General Fund										
Reserved	\$ -	\$ 8,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	255,296	330,244	-	-	-	-	-	-	-	-
Nonspendable - prepaids	-	-	8,324	14,379	14,792	19,029	18,433	20,222	18,547	23,809
Nonspendable - advances	-	-	-	124,635	50,713	50,713	111,632	151,632	141,632	-
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
Total general fund	\$ 255,296	\$ 338,374	\$ 334,851	\$ 386,444	\$ 409,939	\$ 556,997	\$ 564,318	\$ 514,117	\$ 610,727	\$ 757,674
All Other Governmental Funds										
Reserved (1)	\$ 161,222	\$ 175,402	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Nonspendable - prepaid items	-	-	-	-	-	-	39,178	51,945	58,425	65,702
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
Assigned - capital projects	-	-	-	-	4,584	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	(8,239)	(41,863)	-
Total all other governmental funds	\$ 161,222	\$ 175,402	\$ 190,785	\$ 119,205	\$ 117,995	\$ 139,804	\$ 167,987	\$ 44,935	\$ 16,979	\$ 136,456

(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

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

(Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 759,707	\$ 493,991	\$ 454,873	\$ 518,074	\$ 547,839	\$ 606,785	\$ 785,891	\$ 832,703	(2) \$ 899,089	\$ 989,747
Licenses and permits	32,640	26,048	15,030	12,105	51,397	61,211	87,654	100,015	88,012	51,601
Intergovernmental	491,166	781,892	425,196	358,460	422,037	1,301,847	500,101	415,146	437,950	1,004,561
Charges for service	6,955	4,795	6,060	6,425	18,042	17,836	26,039	24,792	24,735	25,774
Fines and forfeitures	46,034	36,393	24,057	12,482	9,375	15,438	40,761	40,030	65,648	61,148
Investment earnings	5,662	4,185	2,599	1,851	1,122	1,656	1,278	1,065	928	1,097
Penalties & interest	-	-	-	-	-	-	-	-	-	-
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	28,698	459	1,284	267	930	8,381	10,420	8,135	19,867	24,164
Total revenues	1,370,862	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
Expenditures										
General government	277,066	217,405	221,073	235,933	241,378	260,506	282,469	292,255	305,054	295,051
Judicial	26,357	22,818	7,055	4,958	5,027	6,708	13,424	14,706	13,819	15,999
Public safety	239,502	211,995	218,967	193,703	214,984	203,437	375,170	591,168	(2) 663,835	583,625
Public works	45,422	200	54,774	75,927	51,215	44,739	104,254	115,393	79,187	92,903
Health and welfare	8,072	6,799	6,585	6,316	6,334	7,260	8,364	13,337	7,058	10,532
Culture and recreation	4,604	2,388	9,419	34,644	168,177	63,261	72,075	126,563	112,291	156,556
Housing and development	21,348	21,135	18,096	16,024	13,164	12,508	24,910	48,190	35,280	37,998
Capital outlay	744,487	541,941	208,294	198,939	154,933	1,278,299	536,466	261,732	203,777	642,752
Debt service										
Interest	112,131	87,078	87,097	88,724	84,447	85,890	76,759	64,081	45,104	41,493
Issuance costs	-	-	57,982	-	-	-	-	54,802	-	-
Principal	92,035	119,905	94,029	91,818	92,432	100,681	102,490	1,610,403	148,139	156,430
Total expenditures	1,571,024	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
Excess (deficiency) of revenues over (under) expenditures	(200,162)	116,099	(54,272)	(37,322)	22,285	(12,707)	(54,676)	(1,705,688)	(2,390)	129,445
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	24,964	-	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	2,241	-	-	3,335	-	150,000	-	2,703	34,001	80,000
Total other financing sources (uses)	27,205	(18,841)	77,376	17,335	-	181,574	51,002	1,571,613	71,044	136,979
Net change in fund balances	\$ (172,957)	\$ 97,258	\$ 23,104	\$ (19,987)	\$ 22,285	\$ 168,867	\$ (3,674)	\$ (134,075)	\$ 68,654	\$ 266,424
Debt service as a percentage of noncapital expenditures	25%	30%	23%	24%	20%	24%	17%	57%	14%	14%

(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
2009	2008	\$ 53,260,560	\$ 1,155,316	\$ 2,636,990	\$ (697,943)	\$ 56,418,483	5.121	\$ 141,046,207	40.00
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 (2)	171,915,303	40.00
2018	2017	76,250,280	2,339,470	1,811,140	(1,310,231)	79,090,659	8.037 (2)	197,726,648	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

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

(Unaudited)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 4,567,443	\$ 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
Restricted for capital projects (1)	161,222	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
Unrestricted	311,599	371,900	398,223	465,235	592,944	532,471	639,405	483,272	513,797	519,359
Total governmental activities net position	<u>\$ 5,040,264</u>	<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>
Business-type activities										
Net investment in capital assets	\$ 3,072,767	\$ 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
Restricted	-	-	-	-	-	-	-	-	-	9,000
Unrestricted	47,994	57,805	65,539	99,434	324,273	314,484	292,132	307,420	358,514	378,612
Total business-type activities net position	<u>\$ 3,120,761</u>	<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>
Primary government										
Net investment in capital assets	\$ 7,640,210	\$ 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
Restricted for capital projects (1)	161,222	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
Restricted for sewer projects (3)	-	-	-	-	-	-	-	-	-	9,000
Unrestricted	359,593	429,705	463,762	564,669	912,633	846,955	931,537	790,692	872,311	897,971
Total primary government net position	<u>\$ 8,161,025</u>	<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>

(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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue										
Governmental Activities	\$ (396,979)	\$ (171,781)	\$ (505,138)	\$ (485,006)	\$ (280,608)	\$ 428,372	\$ 86,023	\$ (169,497)	\$ (1,087,763)	\$ (644,600)
Business-type activities	(258,491)	(100,815)	(204,912)	(450,235)	42,861	(75,702)	769,208	181,629	(200,014)	(104,078)
Total primary government net expense	<u>\$ (655,470)</u>	<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>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 320,395	\$ 317,148	\$ 313,052	\$ 298,419	\$ 321,873	\$ 354,239	\$ 532,160	\$ 582,945	\$ 636,121	\$ 712,772
Sales taxes	329,302	-	-	-	-	-	-	-	-	-
Other taxes	155,739	154,695	162,714	202,160	225,307	228,953	243,623	251,678	256,299	276,163
Unrestricted Investment Earnings	5,662	4,185	2,546	1,819	984	1,471	1,042	841	755	945
Miscellaneous	28,698	459	1,284	267	930	11,809	14,030	11,991	23,592	28,526
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>\$ 839,796</u>	<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>
Business-type activities										
Investment earnings	\$ 1,092	\$ 324	\$ 176	\$ 77	\$ 203	\$ 291	\$ 168	\$ 187	\$ 179	\$ 226
Miscellaneous	1,027	48	3,373	6,191	533	2,944	19,989	55	3,004	1,967
Gain on Sale of Capital Assets	-	-	-	-	-	-	4,284	-	-	-
Transfers	-	18,841	9,450	135	(16,086)	-	(32,685)	-	-	-
Total business-type activities	<u>2,119</u>	<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>
Total primary government	<u>\$ 841,915</u>	<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>
Change in Net Position										
Governmental activities	\$ 442,817	\$ 285,865	\$ (34,992)	\$ 20,232	\$ 284,572	\$ 1,024,844	\$ 909,563	\$ 680,661	\$ (138,995)	\$ 429,820
Business-type activities	(256,372)	(81,602)	(191,913)	(443,832)	27,511	(72,467)	760,964	181,871	(196,831)	(101,885)
Total primary government	<u>\$ 186,445</u>	<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>

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

**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			State of	Cherokee County Schools				
					General Maintenance and Operations	Fire District Special District	Parks County Wide	Total BOC Rate	Georgia	Maintenance and Operations	Bonded Debt	Total	
2009	2008	5.121	0.000	5.121	4.381	2.742	0.000	7.123	0.25	18.450	0.400	18.850	31.344
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

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

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			State of	Cherokee County Schools				
					General Maintenance and Operations	Fire District Special District	Parks County Wide	Total BOC Rate	Georgia	Maintenance and Operations	Bonded Debt	Total	
2009	2008	5.121	0.000	5.121	4.381	2.742	0.000	7.123	0.25	18.450	0.400	18.850	31.344
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

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	2017 Tax Digest Year			2008 Tax Digest Year		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Latimer Properties LLC	\$ 1,487,080	1	1.88%	\$ 437,560	10	0.78%
Georgia Power Company	952,880	2	1.20%			
Holcomb Crossing LLC	779,240	3	0.99%	687,080	4	1.22%
Atlanta Gas Light	520,520	4	0.66%			
CBD Investments, LLC	446,560	5	0.56%			
Stanley Fitts Jr & Kathleen M Fitts	436,600	6	0.55%	463,400	9	0.82%
Donald C Smith III	400,840	7	0.51%	465,760	8	0.83%
Ball Ground Medical Park I, LLC	370,960	8	0.47%			
Southern Sky Development LLC	338,240	9	0.43%	718,760	3	1.27%
North Ball Ground LLC	313,520	10	0.40%			
OCS Enterprise	-		-	1,685,800	1	2.99%
Cherry Grover Properties	-		-	699,720	2	1.24%
Mt. Express Oil Company	-		-	583,040	5	1.03%
Ball Ground Investments LLC	-		-	571,000	6	1.01%
Valley Station LLC	-		-	469,520	7	0.83%
	-		-			
	-		-			
Total	<u>\$ 6,046,440</u>		<u>7.64%</u>	<u>\$ 6,781,640</u>		<u>12.02%</u>

Source: Cherokee County Tax Asssors

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
2009	2008	\$ 292,559	\$ 247,780	84.69%	\$ 44,769	\$ 292,549	99.997%
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%	14,307	262,309	100.004%
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%	n/a	362,733	99.171%

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	Capital Leases	Revenue Bonds	Notes Payable	Capital Leases				
2009	\$ -	\$ 1,956,892	\$ 1,276,998	\$ 221,848	\$ 19,931	\$ 3,475,669	0.06%	1,331	\$ 2,611
2010	-	1,836,987	1,259,629	188,685	1,565	3,286,866	0.05%	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	0.04%	1,472	2,069
2014	-	1,687,736	1,181,833	-	295,000	3,164,569	5.68% (A)	1,510	2,096
2015	-	1,636,248	1,160,653	-	304,065	3,100,966	6.04%	1,563	1,984
2016	1,534,145	60,610	1,140,488	451,769	14,929	3,201,941	5.13%	1,705	1,878
2017	1,419,135	64,524	1,255,060	420,262	5,593	3,164,574	6.16%	1,869	1,693
2018	1,300,933	82,478	1,183,990	385,310	-	2,952,711	4.73%	2,000	1,476

Source: Notes to the Financial Statements, Pages 40 - 43
Demographic and Economic Statistics, Page 71
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, 2018

(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	\$ 1,300,933	100.000%	\$ 1,300,933
Capital lease payable	<u>82,478</u>	100.000%	<u>82,478</u>
Total direct debt	<u>\$ 1,383,411</u>		<u>\$ 1,383,411</u>
Overlapping General Obligation Debt:			
Cherokee County School System	<u>\$ 553,510,222</u>	0.821%	<u>\$ 4,545,394</u>
Total Overlapping Debt			
Total overlapping debt	<u>\$ 553,510,222</u>		<u>\$ 4,545,394</u>
Total direct and overlapping debt	<u>\$ 554,893,633</u>		<u>\$ 5,928,805</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 *	\$ 56,418	\$ 59,491	\$ 54,334	\$ 54,067	\$ 46,671	\$ 44,073	\$ 53,579	\$ 1,811	\$ 68,766	\$ 79,091
Debt Limit: 10% of assessed value	\$ 5,642	\$ 5,949	\$ 5,433	\$ 5,407	\$ 4,667	\$ 4,407	\$ 5,358	\$ 181	\$ 6,877	\$ 7,909
Less: Debt applicable to debt limit	1,957	1,837	1,941	1,849	1,757	1,688	1,636	1,595	1,484	1,383
Legal Debt Margin	\$ 3,685	\$ 4,112	\$ 3,492	\$ 3,558	\$ 2,910	\$ 2,719	\$ 3,722	\$ (1,414)	\$ 5,393	\$ 6,526

* 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		
2009	\$ 605,758	\$ 555,737	\$ 50,021	\$ 16,370	\$ 54,634	\$ 71,004	0.70	
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	

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 2018

	<u>Gallons Used</u>	<u>% of Total Gallons</u>	<u>Dollar Amount</u>	<u>(unaudited) % of Total Billed</u>
199 Howell Bridge Road *	1,698,200	3.0%	\$ 11,802.23	1.3%
1380 Howell Bridge Road	1,032,200	1.9%	5,195.15	0.6%
155 Howell Bridge Road*	960,700	1.7%	6,781.53	0.7%
145 Old Canton Road	522,700	0.9%	3,392.28	0.4%
109 Holcomb Crossing	365,000	0.7%	2,542.90	0.3%
611 S. Sharp Mountain Church Lane	268,200	0.5%	2,020.30	0.2%
260 Valley Street	260,400	0.5%	1,164.78	0.1%
Lantern Walk Subdivision Irrigation*	253,800	0.5%	1,847.12	0.2%
7381 Ball Ground Highway	218,300	0.4%	1,601.83	0.2%
8615 Ball Ground Highway	212,000	0.4%	1,333.26	0.1%
	<u>5,791,500</u>	10.4%	<u>\$ 37,681.38</u>	<u>4.1%</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>
2009	841	24	2.9%
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%

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

City of Ball Ground, Georgia

Water & Sewer Rates June 30, 2018

(unaudited)

Water Rates - Residential (Inside City limits)

	Standard	Senior	
		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)

	Standard	Senior	
		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
2008	210,529	\$ 7,078,403	\$ 33,700	33.8	36,500	8.20
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

Calendar Year	City Population	Median Household Income	Per Capita Personal Income	Median Age	Ball Ground Elementary	Unemployment Rate
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

(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	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Awnex, Inc. (previously Awntek)	85	1	12.55%	12	5	3.92%
Cherokee County Board of Education	67	2	9.89%	-		-
FRN, Inc	27	3	3.99%	-		-
Wheeler House	22	4	3.25%	-		-
Ball Ground Post Office	20	5	2.95%	-		-
Cheshire Heating & AC	20	6	2.95%	20	2	6.54%
Cool Tech HVAC Inc	18	7	2.66%	30	1	9.80%
Bagwell & Spears	15	8	2.21%	-		-
Southeastern Protection Services	15	9	2.21%	-		-
City of Ball Ground	13	10	1.92%	-		-
D-Lab Screenprinting	-		-	16	3	5.23%
Vandiver Plumbing	-		-	13	4	-
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	302		44.58%	140		41.50%

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>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	0.9	1.2	1.2	1.2	1.2
Police Records & Court	0.9	0.9	0.9	-	-	-	-	-	-	-
Financial Administration	1.2	1.2	1.2	1.2	1.2	1.2	1.4	1.4	1.4	1.4
Water Administration	0.8	0.8	0.8	-	-	-	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	2.0	1.0	1.0	2.0	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	0.3	0.2	0.2	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	2.9	2.4	2.4	2.4	2.4	4.1	3.4	3.4
Highways & Streets Administration	1.0	-	-	-	-	-	-	-	-	-
Sanitary Administration	0.2	0.2	0.2	0.2	0.2	0.2	0.6	0.6	0.6	0.6
Total	17.5	16.5	16.5	14.2	13.2	13.6	16.2	18.9	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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Works:										
Street resurfacing (miles)	0.3	0.3	0.2	1.0	0.6	0.7	1.6	0.5	0.8	0.5
Police protection:										
Number of citations written	288	230	196	110	99	174	216	307	548	553
Number of automobile accidents	29	39	31	49	35	25	43	49	67	49
Number of reported crimes	165	114	82	42	80	68	70	87	81	106

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Works:										
Miles of streets	14	14	14	14	14	14	16	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	3	2	3	3	4	4	4
Building permits issued	20	18	-	2	40	47	67	73	35	29
Recreation and culture:										
Number of parks	4	4	4	4	5	5	5	5	5	5
Park acreage	27	27	27	27	30	30	32	32	32	32

Source: Various City of Ball Ground Departments