

# BALL GROUND, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2008

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, 2008**

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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  
Ashley Holcomb  
Frank Homiller  
Lee Prettyman  
Andrenia Stoner



**CITY OF BALL GROUND**  
[www.cityofballground.com](http://www.cityofballground.com)

**City Manager**  
Eric Wilmarth

**City Attorney**  
Darrell Caudill

**City Clerk**  
Karen Jordan

November 12, 2008

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, 2008, 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, CPAs, 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, 2008, are free of 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 unqualified opinion that the City of Ball Ground, Georgia's financial statements for the fiscal year ended June 30, 2008, 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.

#### HISTORY AND INFORMATION

The City of Ball Ground, Georgia is strategically located just off of I-575 in northeastern Cherokee County. In 2004, Cherokee County was listed as the fifth fastest growing county in Georgia. The City of Ball Ground, Georgia was chartered in 1883 along the Louisville & Nashville Railroad. The railroad officials laid out the town lots and held a sale in April, 1882. Within two years, the City of Ball Ground, Georgia had an estimated

population of 259. Two and one-half miles to the east of the City, near the confluence of Long-Swamp Creek and the Etowah River, is the traditional site of 'Taliwa', the most decisive battle of the war between the Cherokee and Creek Indians in the 1700s. Cherokee history tells that the conflict over territory was determined by a stickball game here. Thus, the name Ball Ground. Today, Ball Ground is growing as homeowners and businesses are pushing into the mountains along the I-575 corridor.

#### GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

The City of Ball Ground, Georgia is governed by a Mayor and five council members. The governmental activities of the City of Ball Ground, Georgia include public safety (police), public works, parks and recreation, planning and zoning, building inspection, code enforcement, municipal court services, and general administrative services.

The City of Ball Ground, Georgia also 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 significant 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.

The City has completed construction of a new City Hall, and moved into the facility in November 2007. A new north-south roadway was constructed to provide a location for future commercial development and was opened to traffic in August 2008.

#### 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 county financial assistance, the City is also responsible for ensuring 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.

*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 and Enterprise Fund are included in the annual appropriated budget. The level of budgetary control, being the level at which expenditures cannot legally exceed the appropriated amount, is established by department within an individual 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.

*Cash Management.* Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, obligations of the U.S. Treasury, and other government agencies.

*Risk Management.* The City of Ball Ground, Georgia is a member of the Georgia Inter-local Risk Management Agency or GIRMA. GIRMA is the risk management pool of local governments in Georgia that funds insurance losses in excess of \$1,000 for auto liability, general liability, errors and omissions, property damage/loss, and other lines of insurance. The City has \$1,000,000 worth of coverage on each of these lines with the exception of property, which is covered at 100% of the value of City holdings.

Workers' Compensation Insurance is provided through the Georgia Workers' Compensation Self-Insurance Fund, which, like GIRMA, is a pooled workers' compensation fund comprised of local governments in Georgia. Both GIRMA and the Georgia Workers' Compensation Self-Insurance Fund are financially healthy and actuarially sound.

*Pension and Deferred Compensation Plans.* The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Plan participation is optional to City employees and the City has a policy of matching contributions based on years of service.

*Acknowledgements.* The preparation of the comprehensive annual financial report, on a timely basis, could not have been accomplished without the efficient and dedicated services 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. Due credit also should be given to the Mayor and the Governing Council for their interest and support in planning and conducting the operations of the City of Ball Ground, Georgia in a responsible and progressive manner. Everyone has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,



Eric Wilmarth  
City Manager



Donna England  
Director of Finance

# 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, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



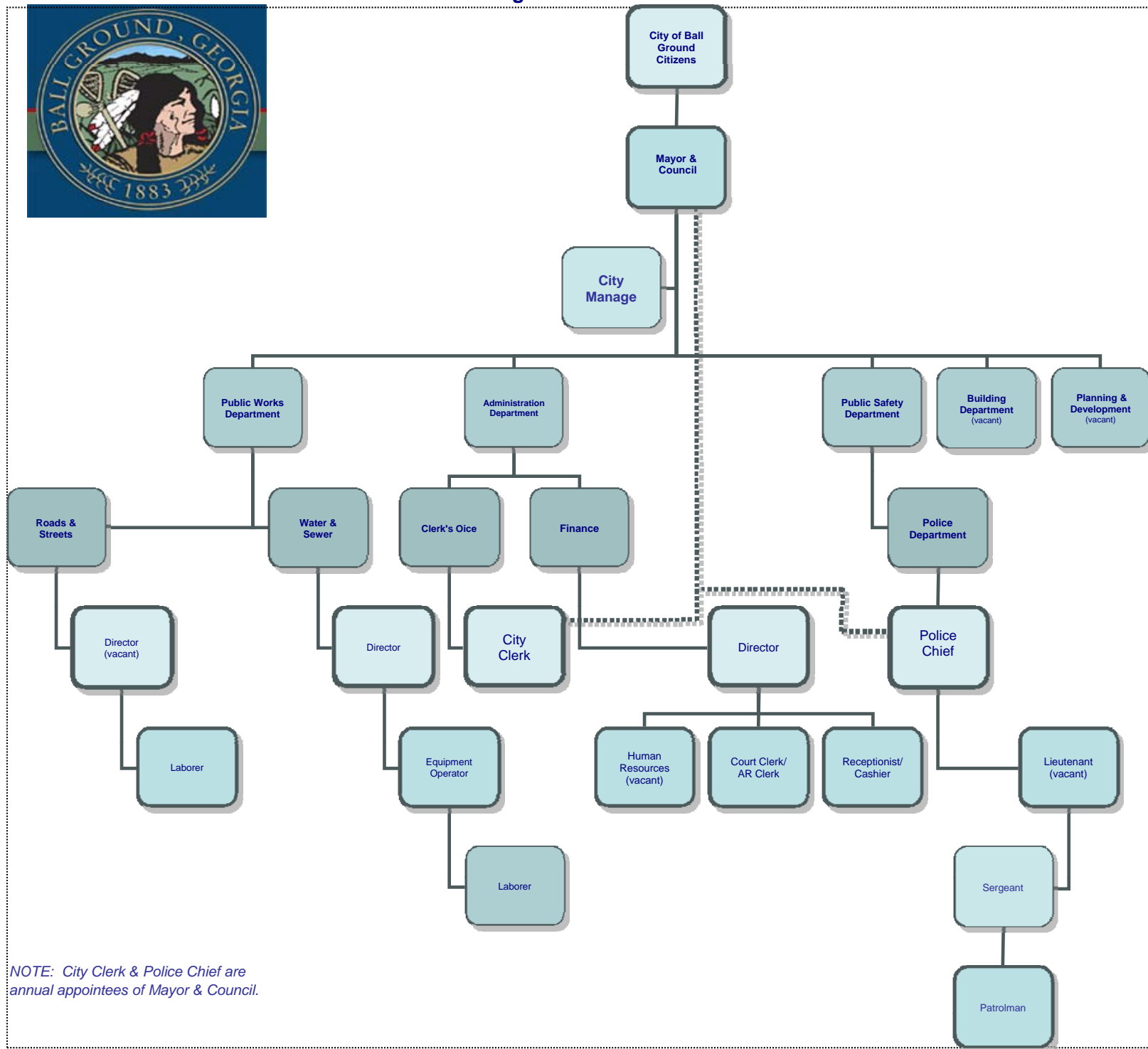
*Oliver S. Cox*

President

*Jeffrey R. Emen*

Executive Director

# City of Ball Ground Organizational Chart



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



## City of Ball Ground, Georgia

Principal Officials  
June 30, 2008

Mayor

A.R. Roberts, III

City Council

Frank Homiller, Mayor Pro-tem

John Byrd

Ashley Holcomb

Lee Prettyman

Andrenia Stoner

City Manager

Eric Wilmarth

City Clerk

Karen Jordan

Finance Director

Donna W. England

Police Chief

Dana Davis

Public Works Director

J.C. Cornett

City Attorney

Darrell Caudill

City Auditors

Mauldin & Jenkins, CPAs, LLC

## **FINANCIAL SECTION**

*The financial section includes the independent auditor's report on the financial statement audit, 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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the **City of Ball Ground, Georgia** (the "City"), as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Ball Ground, Georgia's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, and each major fund of the City of Ball Ground, Georgia, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2008, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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The Management's Discussion and Analysis (on pages 3 through 13) is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 introductory section, Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
November 11, 2008

## **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 For the Fiscal Year Ended June 30, 2008*

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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, 2008. We encourage readers to consider the information presented here in conjunction with the financial statements.

### FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$7,974,580 (net assets). Of this amount, \$317,732 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased \$2,130,553 as a result of fiscal year 2008 operations. The Governmental activities increased by 40%, while the Business-type activities increased 32%.
- The City's business-type activities, revenues (charges for services) decreased \$151,345 over the prior year while expenses increased by \$170,629.
- The General Fund reported an unreserved fund balance this year of \$230,673, which was a decrease of \$53,765 from the prior year.
- The General Fund's revenues were \$111,360 less than budgeted for the fiscal year, while the expenditures were \$95,694 less than budgeted.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City of Ball Ground's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements 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 *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 capital assets, to assess the overall health of the City. The *statement of net assets* include all assets 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 *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only

# CITY OF BALL GROUND, GEORGIA

## *Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2008*

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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 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 can be found on pages 14 & 15 of this report.

**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 focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of Ball Ground maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund and each of the Special Local Option Sales Tax funds, all of which are considered major funds.

The City of Ball Ground adopts an annual appropriated budget for its General fund. A budgetary comparison statement has been provided for the General fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16 - 19 of this report.

## CITY OF BALL GROUND, GEORGIA

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008*

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***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, both of which are considered to be major funds of the City of Ball Ground.

The basic proprietary fund financial statements can be found on pages 21 - 24 of this report.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Ball Ground, assets exceeded liabilities by \$7,974,580 at the close of the most recent fiscal year.

The vast majority of the City of Ball Ground's net assets, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. 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, GEORGIA**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008*

**CITY OF BALL GROUND'S NET ASSETS**

**TABLE 1**

|   | Governmental<br>Activities<br><u>2008</u> | Governmental<br>Activities<br><u>2007</u> | Business<br>Type<br>Activities<br><u>2008</u> | Business<br>Type<br>Activities<br><u>2007</u> | Total<br><u>2008</u> | Total<br><u>2007</u> |
|---|---|---|---|---|----------------------|----------------------|
| Current and other assets                        | \$ 911,005                                | \$2,430,962                               | \$ 142,211                                    | \$ 464,598                                    | \$ 1,053,216         | \$2,895,560          |
| Capital assets                                  | <u>6,042,733</u>                          | <u>2,697,909</u>                          | <u>4,843,413</u>                              | <u>3,517,715</u>                              | <u>10,886,146</u>    | <u>6,215,624</u>     |
| Total   | <u>6,953,738</u>                          | <u>5,128,871</u>                          | <u>4,985,624</u>                              | <u>3,982,313</u>                              | <u>11,939,362</u>    | <u>9,111,184</u>     |
| Long-term debt outstanding                      | 2,054,392                                 | 1,764,847                                 | 1,584,853                                     | 1,370,792                                     | 3,639,245            | 3,135,639            |
| Other liabilities                               | <u>301,899</u>                            | <u>81,221</u>                             | <u>23,638</u>                                 | <u>50,297</u>                                 | <u>325,537</u>       | <u>131,518</u>       |
| Total liabilities                               | <u>2,356,291</u>                          | <u>1,846,068</u>                          | <u>1,608,491</u>                              | <u>1,421,089</u>                              | <u>3,964,782</u>     | <u>3,267,157</u>     |
| Net Assets:                                     |   |   |   |   |                      |                      |
| Invested in capital assets, net of related debt | 3,998,674                                 | 943,843                                   | 3,262,585                                     | 2,148,276                                     | 7,261,259            | 3,092,119            |
| Restricted                                      | 395,790                                   | 2,060,606                                 | -   | -   | 395,790              | 2,060,606            |
| Unrestricted                                    | <u>202,983</u>                            | <u>278,354</u>                            | <u>114,548</u>                                | <u>412,948</u>                                | <u>317,531</u>       | <u>691,302</u>       |
| Total net assets                                | <u>\$4,597,447</u>                        | <u>\$3,282,803</u>                        | <u>\$3,377,133</u>                            | <u>\$2,561,224</u>                            | <u>\$ 7,974,580</u>  | <u>\$5,844,027</u>   |

A portion of the City's net assets (\$395,790) represents resources that are subject to external restrictions on how they may be used. The balance of *unrestricted net assets*, \$317,732, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Ball Ground is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Net assets of the City's governmental activities increased by \$1,314,644 in fiscal year 2008 (\$4,597,447 in FY08 versus \$3,282,803 in FY07). Unrestricted net assets, the portion of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, totaled \$202,983 for governmental activities at June 30, 2008.

The net assets of business-type activities increased by \$815,909 (\$3,377,133 in 2008 compared to \$2,561,224 in 2007).

**CITY OF BALL GROUND, GEORGIA**

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2008*

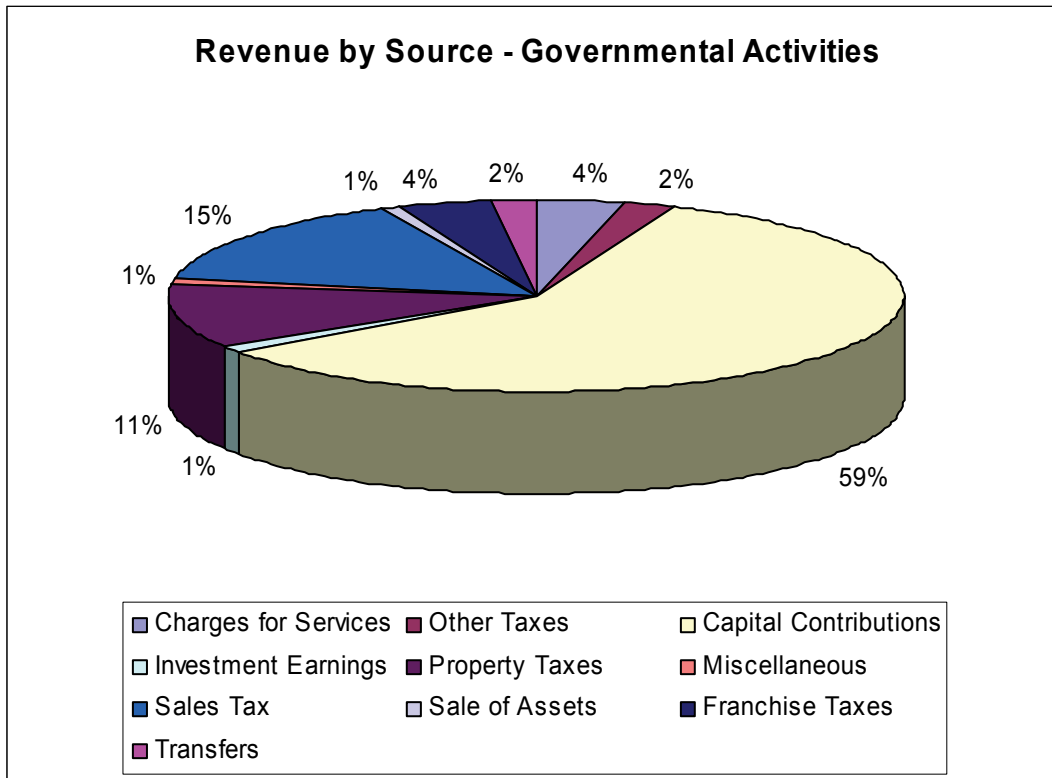
**CITY OF BALL GROUND'S CHANGES IN NET ASSETS**

**TABLE 2**

|   | Governmental<br>Activities<br><u>2008</u> | Governmental<br>Activities<br><u>2007</u> | Business<br>Type<br>Activities<br><u>2008</u> | Business<br>Type<br>Activities<br><u>2007</u> | Total<br><u>2008</u> | Total<br><u>2007</u> |
|---|---|---|---|---|----------------------|----------------------|
| Revenues:                               |   |   |   |   |                      |                      |
| Program revenues                        |   |   |   |   |                      |                      |
| Charges for services                    | \$ 92,815                                 | \$ 131,136                                | \$ 662,048                                    | \$ 813,393                                    | \$ 754,863           | \$ 944,529           |
| Capital grants and<br>Contributions     | 1,345,408                                 | 162,100                                   | 1,121,884                                     | -   | 2,467,292            | 162,100              |
| General revenues:                       |   |   |   |   |                      |                      |
| Property taxes                          | 268,030                                   | 205,635                                   | -   | -   | 268,030              | 205,635              |
| Other taxes                             | 517,767                                   | 632,670                                   | -   | -   | 517,767              | 632,670              |
| Other revenues                          | <u>54,826</u>                             | <u>58,143</u>                             | <u>11,230</u>                                 | <u>28,306</u>                                 | <u>66,056</u>        | <u>86,449</u>        |
| Total revenues                          | <u>2,278,846</u>                          | <u>1,189,684</u>                          | <u>1,795,162</u>                              | <u>841,699</u>                                | <u>4,074,008</u>     | <u>2,031,383</u>     |
| Expenses:                               |   |   |   |   |                      |                      |
| General government                      | 361,569                                   | 228,130                                   | -   | -   | 361,569              | 228,130              |
| Judicial                                | 13,631                                    | 15,429                                    | -   | -   | 13,631               | 15,429               |
| Public safety                           | 269,661                                   | 218,724                                   | -   | -   | 269,661              | 218,724              |
| Public works                            | 209,212                                   | 223,730                                   | -   | -   | 209,212              | 223,730              |
| Health and welfare                      | 9,341                                     | 7,086                                     | -   | -   | 9,341                | 7,086                |
| Culture and recreation                  | 31,483                                    | 17,043                                    | -   | -   | 31,483               | 17,043               |
| Housing and<br>development              | 35,608                                    | 18,037                                    | -   | -   | 35,608               | 18,037               |
| Interest on long-term<br>debt           | 88,175                                    | 15,225                                    | -   | -   | 88,175               | 15,225               |
| Solid waste                             | -   | -   | 38,400  | 29,248  | 38,400               | 29,248               |
| Water and sewerage                      | -   | -   | <u>886,375</u>                                | <u>724,898</u>                                | <u>886,375</u>       | <u>724,898</u>       |
| Total expenses                          | <u>1,018,680</u>                          | <u>743,404</u>                            | <u>924,775</u>                                | <u>754,146</u>                                | <u>1,943,455</u>     | <u>1,497,550</u>     |
| Change in net assets<br>before transfer | 1,260,166                                 | 446,280                                   | 870,387                                       | 87,553  | 2,130,553            | 533,833              |
| Transfers                               | <u>54,478</u>                             | <u>(93,372)</u>                           | <u>(54,478)</u>                               | <u>93,372</u>                                 | -                    | -                    |
| Change in net assets                    | 1,314,644                                 | 352,908                                   | 815,909                                       | 180,925                                       | 2,130,553            | 533,833              |
| Net assets, beginning                   | <u>3,282,803</u>                          | <u>2,929,895</u>                          | <u>2,561,224</u>                              | <u>2,380,299</u>                              | <u>5,844,027</u>     | <u>5,310,194</u>     |
| Net assets, ending                      | <u>\$4,597,447</u>                        | <u>\$3,282,803</u>                        | <u>\$3,377,133</u>                            | <u>\$2,561,224</u>                            | <u>\$7,974,580</u>   | <u>\$5,844,027</u>   |

# CITY OF BALL GROUND, GEORGIA

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008



**Governmental Activities.** Governmental activities increased the City of Ball Ground's net assets by \$1,314,644 thereby accounting for 59 percent of the total growth in net assets. Key elements of this increase are as follows:

Total revenues for the City totaled \$2,278,846, of which 59% or \$1,345,408 was Capital Contributions. This represents infrastructure installed and paid for by the development community and dedicated to the City after completion. Major changes in cash revenue for the City this year are:

- Property taxes increased by \$62,395 over the previous year. This increase is the product of consistent growth in the City.
- Sales and use taxes decreased by \$128,767 due in large part to a slow down in the economy and in part to a smaller allocation from the County than in previous years.

Program expenses for the governmental activities totaled \$1,018,680, which is an increase of \$275,276 over the previous year due mainly to increased expenses in general government, public safety, housing and development and interest on long term debt.

**Business-type Activities.** Net assets for Business-type activities increased \$815,909 for the ending balance of \$3,377,133. Some of the key elements for this increase are as follows:

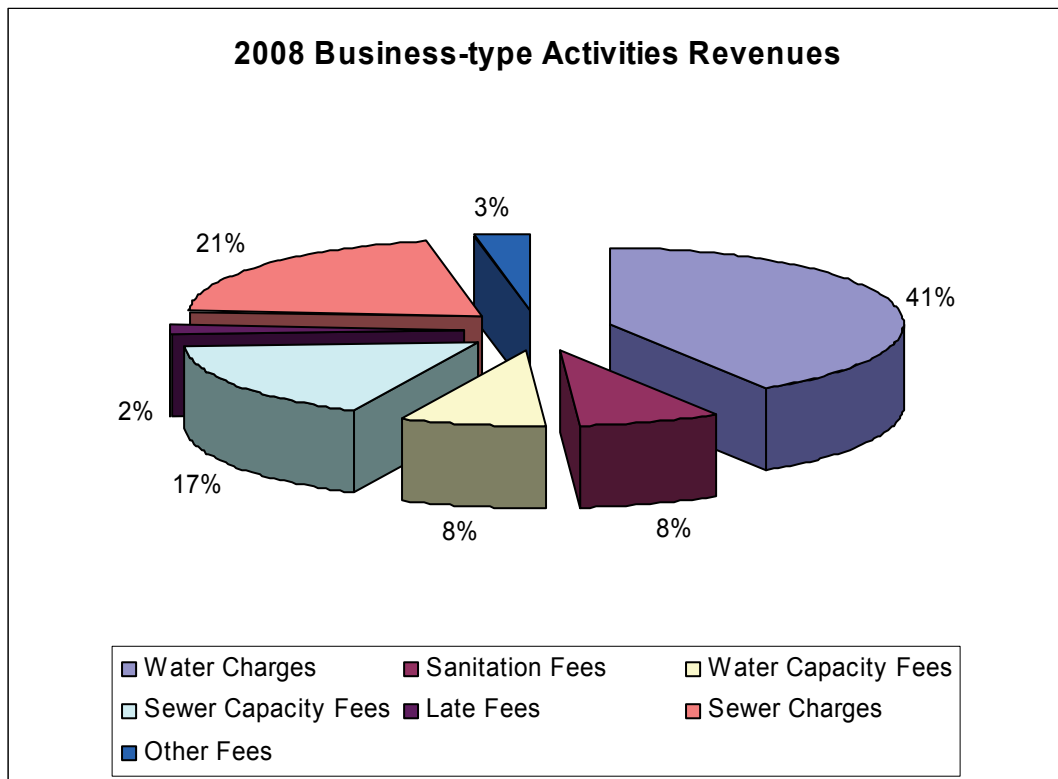
- The reason for the growth in the Water Fund this fiscal year is due to the growth and development happening within the City which provided \$1,121,884 in contributed assets in

# CITY OF BALL GROUND, GEORGIA

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008*

the form of infrastructure installed and paid for by the development community and dedicated to the City

- As you can see in the chart below the water charges were the largest section of revenue, providing 41% or \$271,213 of the cash revenue total of \$663,576.
- Sewer charges accounted for 17% of the revenue this year, compared to 14% one year ago.
- Capacity fees for both water and sewer declined significantly this year due to the slow down in building and development, however, combined, they still accounted for 25% of total revenue.



- The City continues to explore sites for potential ground water sources to allow the system to operate without purchased water, however, 3 test well operations to date have provided no additional water resources..

## 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.

## CITY OF BALL GROUND, GEORGIA

### *Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2008*

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**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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Ball Ground's governmental funds reported combined ending fund balances of \$589,475, a decrease of \$1,755,569 in comparison with the prior year. The largest part of the combined ending fund balance comes from the SPLOST funds and is reserved for capital improvements (\$358,802) as approved by the respective referendums. The decrease in fund balance is due primarily to the expenditure of loan proceeds which had been obtained during the preceding fiscal year, and expended during this fiscal year on construction of a new City Hall.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unreserved, undesignated fund balance was \$230,673. This amount is available for spending at the government's discretion. The unreserved, undesignated fund balance decreased by \$47,381 during the current fiscal year. The primary reason for this decline was the slow down in residential and commercial construction.

The Governmental activities are made up of four funds, the General Fund, SPLOST 1, SPLOST 2, and SPLOST 3.

#### **General Fund Budgetary Highlights**

Revenues:

The budget was not amended during the course of the year:

- Licenses and permits were less than budgeted by \$84,921 due to the slow down in new housing starts.
- Property taxes collected were \$23,990 less than budgeted due to a higher than usual delinquent tax amounts that can be associated with the poor economic times and the poor financial condition of many developers and builders left holding inventory.

Expenditures:

The budget was not amended during the year:

- The Legislative branch exceeded budget by \$7,776 as a result of an increase in liability insurance costs.
- The City Manager exceeded budget by \$563 for travel and education expenses.
- The Clerk of Council exceeded budget by \$2,990 for travel costs.
- General administration exceeded budget by \$7,995 due primarily to legal fees.
- The Community Center exceeded budget by \$3,091 due to utility costs and cleaning costs.

## **CITY OF BALL GROUND, GEORGIA**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008*

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- Parks exceeded budget by \$950 due to electrical and maintenance costs.
- Municipal Court exceeded budget by \$1,461 attributed mostly to legal fees.
- Over all, expenses were \$95,694 less than budgeted after compensating for the above cost over runs..

### **SPLOST 1 Fund Highlights**

SPLOST 1 funds were depleted during the course of the fiscal year and the accounts have been closed. Funds are no longer being received under this referendum.

### **SPLOST 2 Fund Highlights**

SPLOST 2 funds were depleted during the course of the fiscal year and the accounts have been closed. Funds are no longer being received under this referendum.

### **SPLOST 3 Fund Highlights**

Revenue totaled \$409,030 of which \$17,500 was grant funding and \$27,131 was earnings on investments.

The sales tax is used for various projects in the City including roads, streets and sidewalks, continuation of the construction of the City's new City Hall, public safety projects, water system improvements and park improvements. The expenditures for FY08 were \$2,891,128 of which \$1,732,769 was predominantly loan proceeds spent on City Hall Construction.

This fund will be the source of debt service payments on the City Hall construction and this expense will make up the majority of spending in future years.

### **Proprietary funds.**

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 assets of the Water and Sewerage and Solid Waste funds at the end of the year were \$114,749. This is a decrease of \$298,199 from the previous year and is largely attributed to new line construction.

### **Capital Assets and Debt Administration**

City of Ball Ground's investment in capital assets for its governmental and business-type activities as of June 30, 2008, amounts to \$10,886,146 (net of accumulated depreciation). Capital assets investments include land, construction in progress, water and sewerage system, land improvements, buildings, machinery and equipment, infrastructure and vehicles.

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

- City Hall \$1,946,079.

**CITY OF BALL GROUND, GEORGIA**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008*

- Valley Street Construction in Progress \$619,749
- Acceptance of South Mountain Brooke Way, South Mountain Brooke Drive, Taylor Leigh Court, William Court and Howell Bridge East for \$1,302,108
- Water lines, sewer lines, and sewerage lift stations associated with the above streets and developments \$1,104,484.

**City of Ball Ground's Capital Assets  
(net of accumulated depreciation)**

|                               | <u>Governmental Activities</u> |                    | <u>Business-type Activities</u> |                    | <u>Total</u>        |                    |
|-------------------------------|--------------------------------|--------------------|---------------------------------|--------------------|---------------------|--------------------|
|                               | <u>2008</u>                    | <u>2007</u>        | <u>2008</u>                     | <u>2007</u>        | <u>2008</u>         | <u>2007</u>        |
| Land                          | \$ 465,861                     | \$ 490,317         | \$ 45,697                       | \$ 45,697          | \$ 511,558          | \$ 536,014         |
| Construction in progress      | 1,029,818                      | 745,040            | -                               | -                  | 1,029,818           | 745,040            |
| Water and sewerage system     | -                              | -                  | 5,078,893                       | 3,771,345          | 5,078,894           | 3,771,345          |
| Land improvements             | 17,985                         | 17,985             | -                               | -                  | 17,985              | 17,985             |
| Buildings                     | 2,139,283                      | 193,203            | -                               | -                  | 2,139,283           | 193,203            |
| Machinery and equipment       | 85,614                         | 85,614             | 644,690                         | 390,713            | 730,304             | 476,327            |
| Infrastructure                | 4,210,128                      | 2,890,344          | -                               | -                  | 4,210,127           | 2,890,344          |
| Vehicles                      | 144,350                        | 159,350            | -                               | -                  | 144,350             | 159,350            |
| Total                         | 8,093,037                      | 4,581,853          | 5,769,280                       | 4,207,755          | \$13,862,319        | 8,789,608          |
| Less accumulated depreciation | <u>(2,050,304)</u>             | <u>(1,883,944)</u> | <u>(925,867)</u>                | <u>(690,040)</u>   | <u>(2,976,173)</u>  | <u>(2,573,984)</u> |
| Total                         | <u>\$6,042,733</u>             | <u>\$2,697,909</u> | <u>\$4,843,413</u>              | <u>\$3,517,715</u> | <u>\$10,886,146</u> | <u>\$6,215,624</u> |

More detailed information on the City's capital assets can be found in Note 4 to the financial statements.

# CITY OF BALL GROUND, GEORGIA

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008*

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## Long-Term Debt

### City of Ball Ground's Long-term Debt

|                                 |                    |                    |
|---------------------------------|--------------------|--------------------|
| Governmental activities:        | <u>2008</u>        | <u>2007</u>        |
| Capital leases                  | \$2,044,059        | \$1,754,066        |
| Compensated absences            | <u>10,333</u>      | <u>10,781</u>      |
| Total                           | <u>2,054,392</u>   | <u>1,764,847</u>   |
| Business-type activities:       |                    |                    |
| Notes payables                  | 249,802            | 60,692             |
| Bonds payables                  | 1,293,368          | 1,308,747          |
| Capital leases                  | 37,658             | -                  |
| Compensated absences            | 4,025              | <u>1,353</u>       |
| Total                           | <u>1,584,853</u>   | <u>1,370,792</u>   |
| Grand Total – All<br>Activities | <u>\$3,639,245</u> | <u>\$3,135,639</u> |

The City's total long-term debt had a net increase of \$503,606 during the fiscal year. The increase is attributed to the completion of City Hall construction and the Valley Street project.

More detailed information on the City's long-term debt can be found in Note 7 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 England, Finance Director, City of Ball Ground, P. O. Box 285, Ball Ground, Georgia 30107.

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## **BASIC FINANCIAL STATEMENTS**

*The basic financial statements include the government-wide statement of net assets 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 ASSETS**  
**June 30, 2008**

|   | Primary Government         |                             |                     |
|---|----------------------------|-----------------------------|---------------------|
|   | Governmental<br>Activities | Business-type<br>Activities | Total               |
| <u>Assets</u>                                   |                            |                             |                     |
| Cash  | \$ 752,684                 | \$ 89,085                   | \$ 841,769          |
| Taxes receivable                                | 24,814                     | -                           | 24,814              |
| Accounts receivable                             | 20,910                     | 53,848                      | 74,758              |
| Prepays   | -                          | 2,783                       | 2,783               |
| Internal balances                               | 52,256                     | (52,256)                    | -                   |
| Due from other governments                      | 60,341                     | 4,375                       | 64,716              |
| Inventories                                     | -                          | 41,016                      | 41,016              |
| Restricted cash                                 | -                          | 3,360                       | 3,360               |
| Capital assets:                                 |                            |                             |                     |
| Non-depreciable                                 | 1,495,677                  | 45,697                      | 1,541,374           |
| Depreciable, net of accumulated depreciation    | 4,547,056                  | 4,797,716                   | 9,344,772           |
| Total Assets                                    | <u>6,953,738</u>           | <u>4,985,624</u>            | <u>11,939,362</u>   |
| <u>Liabilities</u>                              |                            |                             |                     |
| Accounts payable                                | 240,699                    | 19,420                      | 260,119             |
| Due to other governmental agencies              | 24,212                     | -                           | 24,212              |
| Retainage payable                               | 36,988                     | -                           | 36,988              |
| Customer deposits payable                       | -                          | 3,360                       | 3,360               |
| Unearned revenue                                | -                          | 858                         | 858                 |
| Noncurrent liabilities:                         |                            |                             |                     |
| Compensated absences due within one year        | 9,817                      | 3,824                       | 13,641              |
| Compensated absences due in more than one year  | 516                        | 201                         | 717                 |
| Bonds payable due within one year               | -                          | 16,409                      | 16,409              |
| Bonds payable due in more than one year         | -                          | 1,276,959                   | 1,276,959           |
| Notes payable due within one year               | -                          | 28,728                      | 28,728              |
| Notes payable due in more than one year         | -                          | 221,074                     | 221,074             |
| Capital leases due within one year              | 107,426                    | 17,628                      | 125,054             |
| Capital leases due in more than one year        | 1,936,633                  | 20,030                      | 1,956,663           |
| Total Liabilities                               | <u>2,356,291</u>           | <u>1,608,491</u>            | <u>3,964,782</u>    |
| <u>Net Assets</u>                               |                            |                             |                     |
| Invested in capital assets, net of related debt | 3,998,674                  | 3,262,585                   | 7,261,259           |
| Restricted for:                                 |                            |                             |                     |
| Capital improvements                            | 395,790                    | -                           | 395,790             |
| Unrestricted                                    | 202,983                    | 114,548                     | 317,531             |
| Total Net Assets                                | <u>\$ 4,597,447</u>        | <u>\$ 3,377,133</u>         | <u>\$ 7,974,580</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, 2008**

| <u>Functions/Programs</u>                   | <u>Expenses</u>     | <u>Program Revenues</u>     |   | <u>Net (Expense) Revenue and Changes in Net Assets</u> |                                 |                     |
|---|---------------------|-----------------------------|---|--|---------------------------------|---------------------|
|   |                     | <u>Charges for Services</u> | <u>Capital Grants and Contributions</u> | <u>Primary Government</u>                              |                                 | <u>Total</u>        |
|   |                     |                             |   | <u>Governmental Activities</u>                         | <u>Business-type Activities</u> |                     |
| Primary government:                         |                     |                             |   |  |                                 |                     |
| Governmental activities:                    |                     |                             |   |  |                                 |                     |
| General government                          | \$ 361,569          | \$ 9,735                    | \$ -                                    | \$ (351,834)   | \$ -                            | \$ (351,834)        |
| Judicial                                    | 13,631              | 30,559                      | -                                       | 16,928   | -                               | 16,928              |
| Public safety                               | 269,661             | -                           | -                                       | (269,661)  | -                               | (269,661)           |
| Public works                                | 209,212             | -                           | 1,345,408                               | 1,136,196  | -                               | 1,136,196           |
| Health and welfare                          | 9,341               | -                           | -                                       | (9,341)  | -                               | (9,341)             |
| Culture and recreation                      | 31,483              | 7,477                       | -                                       | (24,006)   | -                               | (24,006)            |
| Housing and development                     | 35,608              | 45,044                      | -                                       | 9,436  | -                               | 9,436               |
| Interest on long-term debt                  | 88,175              | -                           | -                                       | (88,175)   | -                               | (88,175)            |
| Total governmental activities               | <u>1,018,680</u>    | <u>92,815</u>               | <u>1,345,408</u>                        | <u>419,543</u>   | <u>-</u>                        | <u>419,543</u>      |
| Business-type activities:                   |                     |                             |   |  |                                 |                     |
| Water and sewerage                          | 886,375             | 609,065                     | 1,121,884                               | -  | 844,574                         | 844,574             |
| Solid waste                                 | 38,400              | 52,983                      | -                                       | -  | 14,583                          | 14,583              |
| Total business-type activities              | <u>924,775</u>      | <u>662,048</u>              | <u>1,121,884</u>                        | <u>-</u>   | <u>859,157</u>                  | <u>859,157</u>      |
| Total primary government                    | <u>\$ 1,943,455</u> | <u>\$ 754,863</u>           | <u>\$ 2,467,292</u>                     | <u>419,543</u>   | <u>859,157</u>                  | <u>1,278,700</u>    |
| General revenues:                           |                     |                             |   |  |                                 |                     |
| Taxes:                                      |                     |                             |   |  |                                 |                     |
| Property taxes, levied for general purposes |                     |                             |   | 268,030  | -                               | 268,030             |
| Sales tax                                   |                     |                             |   | 364,399  | -                               | 364,399             |
| Franchise taxes                             |                     |                             |   | 94,656   | -                               | 94,656              |
| Other taxes                                 |                     |                             |   | 58,712   | -                               | 58,712              |
| Unrestricted investment earnings            |                     |                             |   | 36,498   | 9,702                           | 46,200              |
| Miscellaneous                               |                     |                             |   | 7,207  | 1,528                           | 8,735               |
| Gain from the sale of capital assets        |                     |                             |   | 11,121   | -                               | 11,121              |
| Transfers                                   |                     |                             |   | <u>54,478</u>  | <u>(54,478)</u>                 | <u>-</u>            |
| Total general revenues and transfers        |                     |                             |   | <u>895,101</u>   | <u>(43,248)</u>                 | <u>851,853</u>      |
| Change in net assets                        |                     |                             |   | 1,314,644  | 815,909                         | 2,130,553           |
| Net assets, beginning of year               |                     |                             |   | <u>3,282,803</u>                                       | <u>2,561,224</u>                | <u>5,844,027</u>    |
| Net assets, ending of year                  |                     |                             |   | <u>\$ 4,597,447</u>                                    | <u>\$ 3,377,133</u>             | <u>\$ 7,974,580</u> |

The accompanying notes are an integral part of this statement.

**CITY OF BALL GROUND, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2008**

|                                      | <u>General</u>    | <u>SPLOST 1</u> | <u>SPLOST 2</u> | <u>SPLOST 3</u>   | Total<br>Governmental<br>Funds |
|--------------------------------------|-------------------|-----------------|-----------------|-------------------|--------------------------------|
| <u>Assets</u>                        |                   |                 |                 |                   |                                |
| Cash                                 | \$ 217,584        | \$ -            | \$ -            | \$ 535,100        | \$ 752,684                     |
| Taxes receivable                     | 24,814            | -               | -               | -                 | 24,814                         |
| Accounts receivable, net             | 20,910            | -               | -               | -                 | 20,910                         |
| Due from other funds                 | 52,256            | -               | -               | 4,375             | 56,631                         |
| Due from other governments           | -                 | -               | -               | 60,341            | 60,341                         |
| Total Assets                         | <u>\$ 315,564</u> | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ 599,816</u> | <u>\$ 915,380</u>              |
| <u>Liabilities and Fund Balances</u> |                   |                 |                 |                   |                                |
| Liabilities:                         |                   |                 |                 |                   |                                |
| Accounts payable                     | \$ 36,673         | \$ -            | \$ -            | \$ 204,026        | \$ 240,699                     |
| Retainage payable                    | -                 | -               | -               | 36,988            | 36,988                         |
| Due to other governmental agencies   | 24,212            | -               | -               | -                 | 24,212                         |
| Due to other funds                   | 4,375             | -               | -               | -                 | 4,375                          |
| Deferred revenue                     | 19,631            | -               | -               | -                 | 19,631                         |
| Total Liabilities                    | <u>84,891</u>     | <u>-</u>        | <u>-</u>        | <u>241,014</u>    | <u>325,905</u>                 |
| Fund balances:                       |                   |                 |                 |                   |                                |
| Reserved for:                        |                   |                 |                 |                   |                                |
| Capital improvements                 | -                 | -               | -               | 358,802           | 358,802                        |
| Unreserved                           | 230,673           | -               | -               | -                 | 230,673                        |
| Total Fund Balances                  | <u>230,673</u>    | <u>-</u>        | <u>-</u>        | <u>358,802</u>    | <u>589,475</u>                 |
| Total Liabilities and Fund Balances  | <u>\$ 315,564</u> | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ 599,816</u> | <u>\$ 915,380</u>              |

**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**  
**June 30, 2008**

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|                                  |  |            |
|----------------------------------|--|------------|
| Total governmental fund balances |  | \$ 589,475 |
|----------------------------------|--|------------|

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.

|                                |                    |           |  |
|--------------------------------|--------------------|-----------|--|
| Cost                           | 8,093,037          |           |  |
| Less: accumulated depreciation | <u>(2,050,304)</u> | 6,042,733 |  |

Other long-term assets are not available to pay current period expenditures and, therefore are deferred in the funds.

|                |  |  |        |
|----------------|--|--|--------|
| Property taxes |  |  | 19,631 |
|----------------|--|--|--------|

Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.

|                      |                    |                    |  |
|----------------------|--------------------|--------------------|--|
| Compensated absences | (10,333)           |                    |  |
| Capital leases       | <u>(2,044,059)</u> | <u>(2,054,392)</u> |  |

|                                       |  |                     |
|---------------------------------------|--|---------------------|
| Net Assets of Governmental Activities |  | <u>\$ 4,597,447</u> |
|---------------------------------------|--|---------------------|

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, 2008**

|   | <u>General</u>    | <u>SPLOST 1</u> | <u>SPLOST 2</u> | <u>SPLOST 3</u>    | Total<br>Governmental<br>Funds |
|---|-------------------|-----------------|-----------------|--------------------|--------------------------------|
| <b>Revenues:</b>  |                   |                 |                 |                    |                                |
| Taxes   | \$ 406,464        | \$ -            | \$ -            | \$ 364,399         | \$ 770,863                     |
| Licenses and permits                                      | 54,779            | -               | -               | -                  | 54,779                         |
| Intergovernmental   | -                 | -               | -               | 17,500             | 17,500                         |
| Charges for services                                      | 7,477             | -               | -               | -                  | 7,477                          |
| Fines and forfeitures                                     | 30,559            | -               | -               | -                  | 30,559                         |
| Investment earnings                                       | 7,353             | 2,014           | -               | 27,131             | 36,498                         |
| Miscellaneous   | <u>7,207</u>      | <u>-</u>        | <u>-</u>        | <u>-</u>           | <u>7,207</u>                   |
| Total revenues  | <u>513,839</u>    | <u>2,014</u>    | <u>-</u>        | <u>409,030</u>     | <u>924,883</u>                 |
| <b>Expenditures:</b>                                      |                   |                 |                 |                    |                                |
| <b>Current:</b>   |                   |                 |                 |                    |                                |
| General government  | 216,965           | 5,877           | -               | 85,931             | 308,773                        |
| Judicial  | 13,631            | -               | -               | -                  | 13,631                         |
| Public safety   | 248,159           | -               | -               | 1,290              | 249,449                        |
| Public works  | 44,733            | 39,081          | -               | 27,421             | 111,235                        |
| Health and welfare  | 9,341             | -               | -               | -                  | 9,341                          |
| Culture and recreation                                    | 11,067            | -               | -               | 15,864             | 26,931                         |
| Housing and development                                   | 35,608            | -               | -               | -                  | 35,608                         |
| <b>Capital outlay:</b>                                    |                   |                 |                 |                    |                                |
| General government  | -                 | -               | -               | 1,732,769          | 1,732,769                      |
| Public works  | -                 | -               | 7,255           | 653,656            | 660,911                        |
| <b>Debt service:</b>                                      |                   |                 |                 |                    |                                |
| Principal   | -                 | 7,008           | -               | 302,999            | 310,007                        |
| Interest and other charges                                | <u>-</u>          | <u>16,977</u>   | <u>-</u>        | <u>71,198</u>      | <u>88,175</u>                  |
| Total expenditures  | <u>579,504</u>    | <u>68,943</u>   | <u>7,255</u>    | <u>2,891,128</u>   | <u>3,546,830</u>               |
| Excess (deficiency) of revenues over (under) expenditures | <u>(65,665)</u>   | <u>(66,929)</u> | <u>(7,255)</u>  | <u>(2,482,098)</u> | <u>(2,621,947)</u>             |
| <b>Other financing sources (uses):</b>                    |                   |                 |                 |                    |                                |
| Capital lease   | -                 | -               | -               | 600,000            | 600,000                        |
| Transfers in  | -                 | -               | -               | 54,478             | 54,478                         |
| Proceeds from sale of capital assets                      | <u>11,900</u>     | <u>-</u>        | <u>-</u>        | <u>200,000</u>     | <u>211,900</u>                 |
| Total other financing sources (uses)                      | <u>11,900</u>     | <u>-</u>        | <u>-</u>        | <u>854,478</u>     | <u>866,378</u>                 |
| Net change in fund balances                               | (53,765)          | (66,929)        | (7,255)         | (1,627,620)        | (1,755,569)                    |
| Fund balances, beginning of year                          | <u>284,438</u>    | <u>66,929</u>   | <u>7,255</u>    | <u>1,986,422</u>   | <u>2,345,044</u>               |
| Fund balances, end of year                                | <u>\$ 230,673</u> | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ 358,802</u>  | <u>\$ 589,475</u>              |

**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, 2008**

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Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net changes in fund balances - total governmental funds: \$ (1,755,569)

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

|                      |                  |           |
|----------------------|------------------|-----------|
| Capital outlay       | \$ 2,434,112     |           |
| Depreciation expense | <u>(188,705)</u> | 2,245,407 |

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.

|                                    |                  |           |
|------------------------------------|------------------|-----------|
| Capital contributions - developers | \$ 1,327,908     |           |
| Sale of capital assets             | <u>(228,491)</u> | 1,099,417 |

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when

|                |  |        |
|----------------|--|--------|
| Property taxes |  | 14,934 |
|----------------|--|--------|

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.

|                                     |                  |           |
|-------------------------------------|------------------|-----------|
| Principal payments - capital leases | \$ 310,007       |           |
| Issuance of capital leases          | <u>(600,000)</u> | (289,993) |

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

|                                |  |            |
|--------------------------------|--|------------|
| Change in compensated absences |  | <u>448</u> |
|--------------------------------|--|------------|

|   |  |                     |
|---|--|---------------------|
| Change in Net Assets of Governmental Activities |  | <u>\$ 1,314,644</u> |
|---|--|---------------------|

The accompanying notes are an integral part of this statement.

**CITY OF BALL GROUND, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2008**

|   | Original<br>Budget | Final<br>Budget   | Actual            | Variance<br>Positive<br>(Negative) |
|---|--------------------|-------------------|-------------------|------------------------------------|
| <b>Revenues</b>   |                    |                   |                   |                                    |
| Property taxes  | \$ 277,086         | \$ 277,086        | \$ 253,096        | \$ (23,990)                        |
| Franchise taxes   | 96,350             | 96,350            | 94,656            | (1,694)                            |
| Business taxes  | 52,563             | 52,563            | 58,712            | 6,149                              |
| Licenses and permits                                      | 139,700            | 139,700           | 54,779            | (84,921)                           |
| Charges for services                                      | 4,000              | 4,000             | 7,477             | 3,477                              |
| Fines and forfeitures                                     | 30,000             | 30,000            | 30,559            | 559                                |
| Intergovernmental revenue                                 | 17,500             | 17,500            | -                 | (17,500)                           |
| Investment earnings                                       | 6,000              | 6,000             | 7,353             | 1,353                              |
| Miscellaneous   | 2,000              | 2,000             | 7,207             | 5,207                              |
| <b>Total revenues</b>                                     | <u>625,199</u>     | <u>625,199</u>    | <u>513,839</u>    | <u>(111,360)</u>                   |
| <b>Expenditures</b>                                       |                    |                   |                   |                                    |
| <b>General government:</b>                                |                    |                   |                   |                                    |
| Legislative   | 13,100             | 13,100            | 20,876            | (7,776)                            |
| Clerk of council  | 61,139             | 61,139            | 64,129            | (2,990)                            |
| Mayor   | 9,700              | 9,700             | 7,182             | 2,518                              |
| City manager  | 22,321             | 22,321            | 22,884            | (563)                              |
| General administration                                    | 59,188             | 59,188            | 67,183            | (7,995)                            |
| General government buildings                              | 34,830             | 34,830            | 34,711            | 119                                |
| <b>Judicial:</b>  |                    |                   |                   |                                    |
| Municipal court   | 12,170             | 12,170            | 13,631            | (1,461)                            |
| <b>Public safety:</b>                                     |                    |                   |                   |                                    |
| Patrol  | 314,926            | 314,926           | 248,159           | 66,767                             |
| <b>Public works:</b>                                      |                    |                   |                   |                                    |
| Highways and streets                                      | 56,951             | 56,951            | 44,733            | 12,218                             |
| <b>Health and welfare:</b>                                |                    |                   |                   |                                    |
| Community center  | 6,250              | 6,250             | 9,341             | (3,091)                            |
| Tree City   | 750                | 750               | 317               | 433                                |
| <b>Culture and recreation:</b>                            |                    |                   |                   |                                    |
| Parks   | 4,800              | 4,800             | 5,750             | (950)                              |
| Library   | 5,000              | 5,000             | 5,000             | -                                  |
| <b>Housing and development:</b>                           |                    |                   |                   |                                    |
| Planning and zoning                                       | 16,600             | 16,600            | 5,516             | 11,084                             |
| Building department                                       | 57,474             | 57,474            | 30,092            | 27,382                             |
| <b>Total expenditures</b>                                 | <u>675,199</u>     | <u>675,199</u>    | <u>579,504</u>    | <u>95,695</u>                      |
| Excess (deficiency) of revenues over (under) expenditures | <u>(50,000)</u>    | <u>(50,000)</u>   | <u>(65,665)</u>   | <u>(15,665)</u>                    |
| <b>Other financing sources (uses):</b>                    |                    |                   |                   |                                    |
| Proceeds from sale of capital assets                      | -                  | -                 | 11,900            | 11,900                             |
| Transfers in  | 50,000             | 50,000            | -                 | (50,000)                           |
| <b>Total other financing sources (uses)</b>               | <u>50,000</u>      | <u>50,000</u>     | <u>11,900</u>     | <u>(38,100)</u>                    |
| <b>Net change in fund balance</b>                         | <u>-</u>           | <u>-</u>          | <u>(53,765)</u>   | <u>(53,765)</u>                    |
| <b>Fund balance, beginning of year</b>                    | <u>284,438</u>     | <u>284,438</u>    | <u>284,438</u>    | <u>-</u>                           |
| <b>Fund balance, end of year</b>                          | <u>\$ 284,438</u>  | <u>\$ 284,438</u> | <u>\$ 230,673</u> | <u>\$ (53,765)</u>                 |

The accompanying notes are an integral part of this statement.

**CITY OF BALL GROUND, GEORGIA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**June 30, 2008**

|   | Business-type Activities - Enterprise Funds |                        |                     |
|---|---|------------------------|---------------------|
|   | <u>Water and<br/>Sewerage</u>               | <u>Solid<br/>Waste</u> | <u>Total</u>        |
| <u>Assets</u>                                   |   |                        |                     |
| Current assets:                                 |   |                        |                     |
| Cash  | \$ 79,763                                   | \$ 9,322               | \$ 89,085           |
| Accounts receivable, net                        | 47,615                                      | 6,233                  | 53,848              |
| Prepaid expenses                                | 2,783                                       | -                      | 2,783               |
| Due from governmental agencies                  | 4,375                                       | -                      | 4,375               |
| Due from other funds                            | 2,435                                       | -                      | 2,435               |
| Inventories                                     | 41,016                                      | -                      | 41,016              |
| Restricted cash, customer deposits              | 3,360                                       | -                      | 3,360               |
| Total current assets                            | <u>181,347</u>                              | <u>15,555</u>          | <u>196,902</u>      |
| Non-current assets:                             |   |                        |                     |
| Capital assets:                                 |   |                        |                     |
| Land  | 45,697                                      | -                      | 45,697              |
| Water and sewerage system                       | 5,078,893                                   | -                      | 5,078,893           |
| Machinery and equipment                         | 644,690                                     | -                      | 644,690             |
| Less accumulated depreciation                   | <u>(925,867)</u>                            | <u>-</u>               | <u>(925,867)</u>    |
| Total capital assets                            | <u>4,843,413</u>                            | <u>-</u>               | <u>4,843,413</u>    |
| Total non-current assets                        | <u>4,843,413</u>                            | <u>-</u>               | <u>4,843,413</u>    |
| Total assets                                    | <u>5,024,760</u>                            | <u>15,555</u>          | <u>5,040,315</u>    |
| <u>Liabilities</u>                              |   |                        |                     |
| Current liabilities:                            |   |                        |                     |
| Accounts payable                                | 15,110                                      | 4,310                  | 19,420              |
| Due to other funds                              | 52,256                                      | 2,435                  | 54,691              |
| Unearned revenue                                | 858   | -                      | 858                 |
| Compensated absences, current                   | 3,824                                       | -                      | 3,824               |
| Current portion of notes payable                | 28,728                                      | -                      | 28,728              |
| Current portion of capital lease                | 17,628                                      | -                      | 17,628              |
| Payable from restricted assets:                 |   |                        |                     |
| Customer deposits payable                       | 3,360                                       | -                      | 3,360               |
| Current portion of bonds payable                | <u>16,409</u>                               | <u>-</u>               | <u>16,409</u>       |
| Total current liabilities                       | <u>138,173</u>                              | <u>6,745</u>           | <u>144,918</u>      |
| Non-current liabilities:                        |   |                        |                     |
| Compensated absences                            | 201   | -                      | 201                 |
| Capital lease payable                           | 20,030                                      | -                      | 20,030              |
| Notes payable                                   | 221,074                                     | -                      | 221,074             |
| Bonds payable                                   | <u>1,276,959</u>                            | <u>-</u>               | <u>1,276,959</u>    |
| Total non-current liabilities                   | <u>1,518,264</u>                            | <u>-</u>               | <u>1,518,264</u>    |
| Total liabilities                               | <u>1,656,437</u>                            | <u>6,745</u>           | <u>1,663,182</u>    |
| <u>Net Assets</u>                               |   |                        |                     |
| Invested in capital assets, net of related debt | 3,262,585                                   | -                      | 3,262,585           |
| Unrestricted                                    | <u>105,738</u>                              | <u>8,810</u>           | <u>114,548</u>      |
| Total net assets                                | <u>\$ 3,368,323</u>                         | <u>\$ 8,810</u>        | <u>\$ 3,377,133</u> |

**CITY OF BALL GROUND, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2008**

|   | Business-type Activities - Enterprise Funds |                 |                     |
|---|---|-----------------|---------------------|
|   | Water and<br>Sewerage                       | Solid<br>Waste  | Total               |
| Operating revenues:                           |   |                 |                     |
| Charges for service                           | \$ 609,065                                  | \$ 52,983       | \$ 662,048          |
| Miscellaneous revenue                         | 1,528                                       | -               | 1,528               |
| Total operating revenues                      | <u>610,593</u>                              | <u>52,983</u>   | <u>663,576</u>      |
| Operating expenses:                           |   |                 |                     |
| Personnel services                            | 242,158                                     | -               | 242,158             |
| Contractual services                          | 291,100                                     | 38,374          | 329,474             |
| Other supplies and expenses                   | 46,790                                      | 26              | 46,816              |
| Depreciation                                  | 236,577                                     | -               | 236,577             |
| Total operating expenses                      | <u>816,625</u>                              | <u>38,400</u>   | <u>855,025</u>      |
| Net operating income (loss)                   | <u>(206,032)</u>                            | <u>14,583</u>   | <u>(191,449)</u>    |
| Non-operating revenue (expenses):             |   |                 |                     |
| Intergovernmental grant                       | 17,500                                      | -               | 17,500              |
| Interest revenue                              | 9,702                                       | -               | 9,702               |
| Interest expense                              | (69,750)                                    | -               | (69,750)            |
| Total non-operating revenue (expenses)        | <u>(42,548)</u>                             | <u>-</u>        | <u>(42,548)</u>     |
| Net income before contributions and transfers | <u>(248,580)</u>                            | <u>14,583</u>   | <u>(233,997)</u>    |
| Capital contributions                         | 1,104,384                                   | -               | 1,104,384           |
| Transfers:                                    |   |                 |                     |
| Transfers in                                  | 9,000                                       | -               | 9,000               |
| Transfers out                                 | (54,478)                                    | (9,000)         | (63,478)            |
| Change in net assets                          | 810,326                                     | 5,583           | 815,909             |
| Total net assets, beginning                   | <u>2,557,997</u>                            | <u>3,227</u>    | <u>2,561,224</u>    |
| Total net assets, ending                      | <u>\$ 3,368,323</u>                         | <u>\$ 8,810</u> | <u>\$ 3,377,133</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, 2008**

|   | Business-type Activities - Enterprise Funds |                 |                  |
|---|---|-----------------|------------------|
|   | Water and<br>Sewerage                       | Solid<br>Waste  | Totals           |
| Cash flows from operating activities:                     |   |                 |                  |
| Receipts from customers                                   | \$ 621,164                                  | \$ 47,469       | \$ 668,633       |
| Payments to suppliers                                     | (380,411)                                   | (31,390)        | (411,801)        |
| Payments to employees                                     | (239,486)                                   | -               | (239,486)        |
| Other receipts  | 1,528                                       | -               | 1,528            |
| Net cash provided by operating activities                 | <u>2,795</u>                                | <u>16,079</u>   | <u>18,874</u>    |
| Cash flows from noncapital financing activities:          |   |                 |                  |
| State grant received                                      | 17,500                                      | -               | 17,500           |
| Transfers in  | 9,000                                       | -               | 9,000            |
| Transfers out   | (54,478)                                    | (9,000)         | (63,478)         |
| Net cash used by noncapital financing activities          | <u>(27,978)</u>                             | <u>(9,000)</u>  | <u>(36,978)</u>  |
| Cash flows from capital and related financing Activities: |   |                 |                  |
| Purchases and construction of capital assets              | (190,037)                                   | -               | (190,037)        |
| Principal paid on capital debt                            | (56,089)                                    | -               | (56,089)         |
| Interest paid on capital debt                             | (69,750)                                    | -               | (69,750)         |
| Net cash used in capital and related financing activities | <u>(315,876)</u>                            | <u>-</u>        | <u>(315,876)</u> |
| Cash flows from investing activities:                     |   |                 |                  |
| Interest income   | 9,702                                       | -               | 9,702            |
| Net cash provided by investing activities                 | <u>9,702</u>                                | <u>-</u>        | <u>9,702</u>     |
| Net decrease in cash                                      | (331,357)                                   | 7,079           | (324,278)        |
| Cash, beginning of year                                   | 414,480                                     | 2,243           | 416,723          |
| Cash, end of year   | <u>\$ 83,123</u>                            | <u>\$ 9,322</u> | <u>\$ 92,445</u> |
| Reconciliation of cash:                                   |   |                 |                  |
| Unrestricted  | 79,763                                      | 9,322           | 89,085           |
| Restricted  | 3,360                                       | -               | 3,360            |
|   | <u>\$ 83,123</u>                            | <u>\$ 9,322</u> | <u>\$ 92,445</u> |

(Continued)

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, 2008**

|   | Business-type Activities - Enterprise Funds |                  |                     |
|---|---|------------------|---------------------|
|   | Water and<br>Sewerage                       | Solid<br>Waste   | Totals              |
| Reconciliation of operating income (loss) to net cash provided by operating activities: |   |                  |                     |
| Operating income (loss)   | \$ (206,032)                                | \$ 14,583        | \$ (191,449)        |
| Adjustments to reconcile operating income to net cash provided by operating activities: |   |                  |                     |
| Depreciation expense  | 236,577                                     | -                | 236,577             |
| Change in assets and liabilities:   |   |                  |                     |
| Account receivable, net   | 11,723                                      | (5,514)          | 6,209               |
| Due from other funds  | (2,435)                                     |                  | (2,435)             |
| Due from other governments  | (4,375)                                     |                  | (4,375)             |
| Inventory   | (14,004)                                    | -                | (14,004)            |
| Prepaid expenses  | 12,803                                      | -                | 12,803              |
| Accounts payable  | (31,685)                                    | 1,386            | (30,299)            |
| Deferred revenue  | 280   | -                | 280                 |
| Compensated absences  | 2,672                                       | -                | 2,672               |
| Interfund payables  | (6,089)                                     | 5,624            | (465)               |
| Customer deposits   | 3,360                                       | -                | 3,360               |
| Net cash used in operating activities   | <u>\$ 2,795</u>                             | <u>\$ 16,079</u> | <u>\$ 18,874</u>    |
| Noncash capital and related financing:  |   |                  |                     |
| Capital contributions from developers   | <u>\$ 1,104,384</u>                         | <u>\$ -</u>      | <u>\$ 1,104,384</u> |
| Borrowing under capital lease   | <u>\$ 213,000</u>                           | <u>\$ -</u>      | <u>\$ 213,000</u>   |

The accompanying notes are an integral part of this statement.

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## **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, 2008**

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**1. SUMMARY OF ACCOUNTING POLICIES:**

The City of Ball Ground, Georgia (“the City”) operates under a 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.

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**

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, 2008, there are no component units 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. 14 (GASB 14), “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.

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

**C. BASIS OF ACCOUNTING**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The statement of net assets and the statement of activities display information about the City, the primary government, as a whole. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City’s water and sewerage and solid waste functions and the other functions of the government. Elimination of these charges would distort the direct costs reported for the various functions concerned. 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,

**CITY OF BALL GROUND, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2008**

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governmental fund financial statements include a 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 assets should be reported as restricted when constraints placed on net asset use 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 assets restricted for capital improvements result from the capital projects funds and the restrictions on their net asset use.

#### **FUND FINANCIAL STATEMENTS**

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.

#### **GOVERNMENTAL FUNDS**

All governmental funds are accounted for using 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.

#### **Revenue Recognition**

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 year or within sixty days of year-end and available to pay obligations of the current period): property taxes, investment earnings, estate taxes, fines and forfeitures and state-levied locally shared taxes (including motor vehicle fees). Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made.

Other revenues, including licenses and permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

**CITY OF BALL GROUND, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2008**

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**Expenditure Recognition**

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, principal and interest on general long-term debt and other long-term liabilities (i.e. compensated absences), which have not matured, are recognized when due for payment. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

**PROPRIETARY FUNDS**

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. 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 year-end. Proprietary type funds have selected to consistently follow Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

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.

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

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.

*SPLOST 1 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 local option sales tax dated September 19, 1995.

*SPLOST 2 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 local option sales tax dated March 7, 2000.

*SPLOST 3 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 local option sales tax dated August 30, 2004. The collection of this tax began in July, 2006.

**CITY OF BALL GROUND, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2008**

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The City reports the following major enterprise funds:

*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 sanitation system including all revenues from sources applicable to these operations and all expenses of the operations.

**D. 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.

**E. 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.

**F. 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.

**G. PREPAIDS**

Payments to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items. Prepaid items reported in the governmental funds are also equally offset by a fund balance reserve, which indicates that they do not constitute available, spendable financial resources even though they are a component of net current assets.

**H. CAPITAL ASSETS**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair 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 is \$5,000 and for other capital assets is \$2,500.

**CITY OF BALL GROUND, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2008**

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

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

**I. 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.

**J. 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 and liabilities 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.

**K. BUDGETS AND BUDGETARY CONTROL**

The City Manager prepares a draft of the annual budget from which the Mayor and City Council prepare 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 year end.

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.

Each fund's appropriated budget is prepared in a detailed line-item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: operating expenditures, capital outlay, and debt service. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to final review by the City Council. During the current fiscal year, there were no amendments made to the original budget.

**CITY OF BALL GROUND, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2008**

**2. SUMMARY OF DEPOSIT BALANCES**

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 and state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2008, the City's bank balances were fully collateralized in compliance with the state requirements.

**3. RECEIVABLES**

Receivables at June 30, 2008, for the City's individual major funds are as follows:

|                                      | <u>General</u>   | <u>Water and<br/>Sewerage</u> | <u>Solid<br/>Waste</u> | <u>Total</u>     |
|--------------------------------------|------------------|-------------------------------|------------------------|------------------|
| Receivables:                         |                  |                               |                        |                  |
| Taxes                                | \$ 24,814        | \$ -                          | \$ -                   | \$ 24,814        |
| Accounts                             | 22,501           | 69,195                        | 7,377                  | 99,073           |
| Gross receivables                    | <u>47,315</u>    | <u>69,195</u>                 | <u>7,377</u>           | <u>123,887</u>   |
| Less allowance for<br>uncollectibles | (1,591)          | (21,580)                      | (1,144)                | (24,315)         |
| Net total receivables                | <u>\$ 45,724</u> | <u>\$ 47,615</u>              | <u>\$ 6,233</u>        | <u>\$ 99,572</u> |

The City bills and collects its own 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.

Property taxes were levied as of November 1, 2007 on property values assessed on October 31, 2007. Secured property tax payments were due on December 31, 2007.

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 2007 City millage levy of 5.121 mills, a property owner would pay \$5.12 per \$1,000 of assessed valuation.

**CITY OF BALL GROUND, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2008**

**4. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2008 was as follows:

**Governmental activities:**

Capital assets, not being depreciated:

|                          |                  |                  |                    |                  |
|--------------------------|------------------|------------------|--------------------|------------------|
| Land                     | \$ 490,317       | \$ 203,256       | \$ (227,712)       | \$ 465,861       |
| Construction in progress | 745,040          | 2,426,492        | (2,141,716)        | 1,029,816        |
| Total                    | <u>1,235,357</u> | <u>2,629,748</u> | <u>(2,369,428)</u> | <u>1,495,677</u> |

Capital assets, being depreciated:

|                            |                  |                  |                 |                  |
|----------------------------|------------------|------------------|-----------------|------------------|
| Land improvements          | 17,985           | -                | -               | 17,985           |
| Buildings and improvements | 193,203          | 1,946,080        | -               | 2,139,283        |
| Machinery and equipment    | 85,614           | 750              | (750)           | 85,614           |
| Infrastructure             | 2,890,344        | 1,327,909        | (8,125)         | 4,210,128        |
| Vehicles                   | 159,350          | -                | (15,000)        | 144,350          |
| Total                      | <u>3,346,496</u> | <u>3,274,739</u> | <u>(23,875)</u> | <u>6,597,360</u> |

Less accumulated depreciation for:

|                            |                    |                  |               |                    |
|----------------------------|--------------------|------------------|---------------|--------------------|
| Land improvements          | (4,641)            | (1,143)          | -             | (5,784)            |
| Buildings and improvements | (129,077)          | (29,734)         | -             | (158,811)          |
| Machinery and equipment    | (45,894)           | (6,884)          | -             | (52,778)           |
| Infrastructure             | (1,624,911)        | (133,994)        | 8,125         | (1,750,780)        |
| Vehicles                   | (79,421)           | (16,950)         | 14,220        | (82,151)           |
| Total                      | <u>(1,883,944)</u> | <u>(188,705)</u> | <u>22,345</u> | <u>(2,050,304)</u> |

Total capital assets, being depreciated, net

|  |                  |                  |                |                  |
|--|------------------|------------------|----------------|------------------|
|  | <u>1,462,552</u> | <u>3,086,034</u> | <u>(1,530)</u> | <u>4,547,056</u> |
|--|------------------|------------------|----------------|------------------|

Governmental activities capital assets, net

|  |                     |                     |                       |                     |
|--|---------------------|---------------------|-----------------------|---------------------|
|  | <u>\$ 2,697,909</u> | <u>\$ 5,715,782</u> | <u>\$ (2,370,958)</u> | <u>\$ 6,042,733</u> |
|--|---------------------|---------------------|-----------------------|---------------------|

**Business-type Activities:**

Capital assets, not being depreciated:

|       |               |          |          |               |
|-------|---------------|----------|----------|---------------|
| Land  | \$ 45,697     | \$ -     | \$ -     | \$ 45,697     |
| Total | <u>45,697</u> | <u>-</u> | <u>-</u> | <u>45,697</u> |

Capital assets, being depreciated:

|                         |                  |                  |              |                  |
|-------------------------|------------------|------------------|--------------|------------------|
| Machinery and equipment | 390,713          | 254,727          | (750)        | 644,690          |
| Infrastructure          | 3,771,345        | 1,307,548        | -            | 5,078,893        |
| Total                   | <u>4,162,058</u> | <u>1,562,275</u> | <u>(750)</u> | <u>5,723,583</u> |

Less accumulated depreciation for:

|                         |                  |                  |            |                  |
|-------------------------|------------------|------------------|------------|------------------|
| Machinery and equipment | (192,403)        | (36,920)         | 750        | (228,573)        |
| Infrastructure          | (497,637)        | (199,657)        | -          | (697,294)        |
| Total                   | <u>(690,040)</u> | <u>(236,577)</u> | <u>750</u> | <u>(925,867)</u> |

Total capital assets, being depreciated, net

|  |                  |                  |          |                  |
|--|------------------|------------------|----------|------------------|
|  | <u>3,472,018</u> | <u>1,325,698</u> | <u>-</u> | <u>4,797,716</u> |
|--|------------------|------------------|----------|------------------|

Business-type activities capital assets, net

|  |                     |                     |             |                     |
|--|---------------------|---------------------|-------------|---------------------|
|  | <u>\$ 3,517,715</u> | <u>\$ 1,325,698</u> | <u>\$ -</u> | <u>\$ 4,843,413</u> |
|--|---------------------|---------------------|-------------|---------------------|

**CITY OF BALL GROUND, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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Depreciation expense was charged to functions/programs of the primary government as follows:

|   |                   |
|---|-------------------|
| Governmental activities:                              |                   |
| General government                                    | \$ 24,858         |
| Public safety   | 20,707            |
| Public works  | 138,588           |
| Culture and recreation                                | <u>4,552</u>      |
| Total depreciation expense - governmental activities  | <u>\$ 188,705</u> |
|   |                   |
| Business-type activities:                             |                   |
| Water and sewerage                                    | <u>\$ 236,577</u> |
| Total depreciation expense - business-type activities | <u>\$ 236,577</u> |

**5. INTERFUND BALANCES AND ACTIVITY**

**A. BALANCES DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at June 30, 2008 consist of the following:

|                  |  |
|------------------|--|
| \$ 52,256        | Due to the General Fund from the Water and Sewerage Fund for operating expenditures                            |
| 4,375            | Due to the SPLOST 3 from the General Fund for grant expenditures reimbursement                                 |
| <u>2,435</u>     | Due to Water and Sewerage Fund from the Solid Waste Fund for revenue collected and deposited during June, 2007 |
| <u>\$ 59,066</u> |  |

**B. TRANSFER TO/FROM OTHER FUNDS**

Transfers to/from other funds at June 30, 2008, consist of the following:

|                  |   |
|------------------|---|
| <u>\$ 9,000</u>  | Transfer to Water and Sewerage Fund from Sanitation Fund for operating expenditures |
| <u>\$ 54,478</u> | Transfer from Water and Sewerage Fund to SPLOST 3 Fund for debt service             |

**6. DUE FROM OTHER GOVERNMENTS**

The following amounts are due from other governments at June 30, 2008:

|   |                  |
|---|------------------|
| <u>Capital Projects Fund:</u>                   |                  |
| Cherokee County- Special Local Option Sales Tax | <u>\$ 60,341</u> |

**CITY OF BALL GROUND, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2008**

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**7. LONG-TERM DEBT**

**Governmental-Type Activities:**

Capital leases in the governmental activities consisted of the following as of June 30, 2008:

The leased assets under capital leases were vehicles and equipment purchased for \$28,596 plus the lease purchase for the city administration building of \$1,700,000.

|  |                    |
|--|--------------------|
| BB&T, purchase of police vehicle, original lease amount of \$28,596 with an interest rate of 3.9%, monthly payments of \$844 until maturity in 2008.                             | <u>\$ 841</u>      |
| RBC Centura, purchase of city administration building, original lease amount of \$1,700,000 with an interest rate of 4.35%, monthly payments of \$11,719 until maturity in 2022. | <u>\$1,459,819</u> |
| Cherokee Bank, construction of Valley Street, original note amount of \$600,000 with an interest rate of 5.10 %, monthly payments of \$4,796.91 until maturity in 2022           | <u>\$ 583,399</u>  |

**Business-Type Activities:**

Capital leases in the Water and Sewage Fund consisted of the following as of June 30, 2008:

|  |                  |
|--|------------------|
| BB&T, purchase of sewer lift stations, original lease amount of \$85,000 with an interest rate 4.0%, monthly payments of \$1,570 until maturity in 2011. | <u>\$ 37,658</u> |
|--|------------------|

Notes payable in the Water and Sewerage Fund consisted of the following as of June 30, 2008:

|  |                   |
|--|-------------------|
| Georgia Environmental Facilities Agency, construction of water line, original note amount of \$120,486 with an interest rate of 4.76%, quarterly payments of \$2,821 until maturity in 2013. | <u>\$ 52,146</u>  |
| United Community Bank, purchase of 1999 dump truck, original note amount of \$22,500 with an interest rate of 5.15 %, monthly payments of \$426.84 until maturity in 2012.                   | <u>\$ 19,142</u>  |
| United Community Bank, purchase Badger Radio Read Meter System, original note amount of \$190,500 with an interest rate of 5.23 %, monthly payments of \$2052.90 until maturity in 2017.     | <u>\$ 178,514</u> |

Revenue Bonds payable in the Water and Sewerage Fund consisted of the following as of June 30, 2008:

|   |                     |
|---|---------------------|
| United States Department of Agriculture, construction of sewer line, original bonds amount of \$1,350,800 with an interest rate of 4.25%, monthly installments of \$5,917 until maturity in 2043. | <u>\$ 1,293,368</u> |
|---|---------------------|

**CITY OF BALL GROUND, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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|   | <u>Beginning<br/>Balance</u> | <u>Additions</u>  | <u>Reductions</u> | <u>Ending<br/>Balance</u> | <u>Due<br/>Within<br/>One Year</u> |
|---|------------------------------|-------------------|-------------------|---------------------------|------------------------------------|
| <b>Governmental activities:</b>                   |                              |                   |                   |                           |                                    |
| Compensated absences                              | \$ 10,781                    | \$ 15,366         | \$ 15,814         | \$ 10,333                 | \$ 9,817                           |
| Capital lease payable                             | 1,754,065                    | 600,000           | 310,006           | 2,044,059                 | 107,426                            |
| Governmental activities<br>long-term liabilities  | <u>\$ 1,764,846</u>          | <u>\$ 615,366</u> | <u>\$ 325,820</u> | <u>\$ 2,054,392</u>       | <u>\$ 117,243</u>                  |
| <b>Business-type activities:</b>                  |                              |                   |                   |                           |                                    |
| Notes payable                                     | \$ 60,692                    | \$ 213,000        | \$ 23,890         | \$ 249,802                | \$ 28,728                          |
| Revenue bonds                                     | 1,308,747                    | -                 | 15,379            | 1,293,368                 | 16,409                             |
| Capital leases payable                            | -                            | 54,478            | 16,820            | 37,658                    | 17,628                             |
| Compensated absences                              | 1,353                        | 6,626             | 4,434             | 4,025                     | 3,824                              |
| Business-type activities<br>long-term liabilities | <u>\$ 1,370,792</u>          | <u>\$ 274,104</u> | <u>\$ 60,523</u>  | <u>\$ 1,584,853</u>       | <u>\$ 66,589</u>                   |

The compensated absences liability will be paid from the General or Water Funds from which employees' salaries 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-type Activities**

**Capital leases.** The City's total capital lease debt service requirements to maturity are as follows:

| <u>Year Ending<br/>June 30,</u>                |                     |
|--|---------------------|
| 2009   | \$ 194,244          |
| 2010   | 197,989             |
| 2011   | 198,185             |
| 2012   | 198,200             |
| 2013   | 198,194             |
| 2014-2018                                      | 990,680             |
| 2019-2022                                      | 798,035             |
| Total minimum lease payments                   | <u>2,775,527</u>    |
| Less amount representing interest              | 731,468             |
| Present value of future minimum lease payments | <u>2,044,059</u>    |
| Less current maturities                        | 107,426             |
| Long term liabilities                          | <u>\$ 1,936,633</u> |

**CITY OF BALL GROUND, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2008**

Business-Type Activities

| Year      | Capital Leases and Notes Payable |           |            |
|-----------|----------------------------------|-----------|------------|
|           | Principal                        | Interest  | Total      |
| 2009      | \$ 46,356                        | \$ 13,530 | \$ 59,886  |
| 2010      | 48,595                           | 11,287    | 59,882     |
| 2011      | 33,378                           | 9,233     | 42,611     |
| 2012      | 33,462                           | 7,579     | 41,041     |
| 2013      | 30,879                           | 5,893     | 36,772     |
| 2014-2018 | 94,790                           | 10,771    | 105,561    |
| Total     | \$ 287,460                       | \$ 58,293 | \$ 345,753 |

| Year      | Revenue Bonds |              |              |
|-----------|---------------|--------------|--------------|
|           | Principal     | Interest     | Total        |
| 2009      | \$ 16,409     | \$ 54,595    | \$ 71,004    |
| 2010      | 16,526        | 54,478       | 71,004       |
| 2011      | 17,242        | 53,762       | 71,004       |
| 2012      | 17,989        | 53,015       | 71,004       |
| 2013      | 18,769        | 52,235       | 71,004       |
| 2014-2018 | 106,774       | 248,246      | 355,020      |
| 2019-2023 | 132,005       | 223,015      | 355,020      |
| 2024-2028 | 163,198       | 191,822      | 355,020      |
| 2029-2033 | 201,762       | 153,258      | 355,020      |
| 2034-2038 | 249,438       | 105,582      | 355,020      |
| 2039-2043 | 308,842       | 46,178       | 355,020      |
| 2044      | 44,414        | 2,678        | 47,092       |
| Total     | \$ 1,293,368  | \$ 1,238,864 | \$ 2,532,232 |

**8. DEFERRED COMPENSATION PLAN**

The City offers its full time employees a deferred compensation plan in accordance with Section 457 of the Internal Revenue Code after one year of service. This plan is considered to be a defined contribution plan, which is administered by A.G. Edwards & Sons, Inc. through BISYs Retirement Services. The employees voluntarily contribute any percentage of their choice up to the Internal Revenue Service mandated maximum. The City matches contributions based on the length of service, up to a maximum of 8%. The City's total payroll for the fiscal year was \$511,519 including \$315,223 payroll covered by these plans. The total amount of contributions made by plan members and the City was \$15,518 and \$15,069, respectively. The City's contribution is 3% of total payroll. There are six participants in the plan and the plan had \$107,886 of assets and reserves as of June 30, 2008.

Under the plan, employees vest after three years of employment. The City has the authority to amend the provisions of the plans. Benefits are payable upon termination of employment, unforeseeable emergency, retirement or death. All amounts of compensation under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts are solely the property and rights of the participants of the

**CITY OF BALL GROUND, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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plans. The City has no liability for losses under the plan that would be considered material but does not have the duty of due care that would be required of an ordinary prudent investor.

The City's deferred compensation plan does not meet the criteria in GASB 32, Governmental Accounting and Financial Reporting Principles, paragraph 26(3)(8), for inclusion in the financial statements of the City of Ball Ground.

**9. COMMITMENTS, CONTINGENCIES, AND SUBSEQUENT EVENTS**

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, 2008.

**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.

**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 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, as well as following 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" established by an actuary. The City has not compiled a record of the claims paid up to the applicable deductible for the prior year or the current fiscal year. The City is unaware of any claims that the City is liable (up to the applicable deductible) which were outstanding and unpaid at June 30, 2008. No provisions have been made in the financial statements for the year ended June 30, 2008 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.

**CITY OF BALL GROUND, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2008**

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**12. RELATED ORGANIZATIONS**

The following related organization is excluded from the financial reporting entity because the City's financial accountability does not extend beyond the City's monetary donations.

Related Organization and Relationship to City

The Cherokee County Fire Service-Station 2 provides fire protection for the City. The City has no significant influence over the management, budget or policies of the fire service as a whole.

**13. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

During fiscal year 2008, one expenditure item exceeded appropriated amounts as shown in the preceding budgetary comparison statement. The management of the City intends to generate future income to offset the current 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 page 20:

General Fund:

|                        | <u>Budget</u> | <u>Actual</u> | Actual (Over)<br><u>Budget</u> |
|------------------------|---------------|---------------|--------------------------------|
| General Administration | \$59,188      | \$67,183      | \$ (7,995)                     |
| Municipal Court        | 12,170        | 13,631        | (1,461)                        |
| Community Center       | 6,250         | 9,341         | (3,091)                        |
| Clerk of Council       | 61,139        | 64,129        | (2,990)                        |
| Legislative            | 13,100        | 20,876        | (7,776)                        |

**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 year ended June 30, 2008 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.

**CITY OF BALL GROUND, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2008**

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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

## **OTHER SUPPLEMENTAL INFORMATION**

*The Special Report is applicable to the 1995, 2000 and 2006 Special 1 Percent Sales and Use Tax required by the State of Georgia.*



**CITY OF BALL GROUND, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE**  
**LOCAL OPTION SALES TAX PROCEEDS**  
**For the Fiscal Year Ended June 30, 2008**

**2006 Issue**

| Project  | Original<br>Estimated<br><u>Cost</u> | Current<br>Estimated<br><u>Cost</u> | Prior<br><u>Years</u> | Expenditures<br>Current<br><u>Year</u> | <u>Total</u>        | Estimated<br>% of<br><u>Completion</u> |
|--|--------------------------------------|-------------------------------------|-----------------------|--|---------------------|--|
| <i>Paid From Capital Projects Fund:</i>                |                                      |                                     |                       |  |                     |  |
| Roads, Streets and Sidewalks                           | \$ 1,000,000                         | \$ 1,000,000                        | \$ 19,786             | \$ 745,148                             | \$ 764,934          | 76.49%                                 |
| Administration - City Hall and<br>Maintenance Facility | 450,000                              | 450,000                             | 266,524               | 418,701                                | 685,225             | 152.27%                                |
| Public Safety  | 340,000                              | 340,000                             | 36,667                | 11,415                                 | 48,082              | 14.14%                                 |
| Water System Improvements                              | 500,000                              | 500,000                             | -                     | -                                      | -                   | 0.00%                                  |
| Recreation - Calvin Farmer Park<br>Improvements        | 100,000                              | 100,000                             | 1,000                 | 15,864                                 | 16,864              | 16.86%                                 |
|  | <u>\$ 2,390,000</u>                  | <u>\$ 2,390,000</u>                 | <u>\$ 323,977</u>     | <u>\$ 1,191,128</u>                    | <u>\$ 1,515,105</u> |  |

**2000 Issue**

| Project   | Original<br>Estimated<br><u>Cost</u> | Current<br>Estimated<br><u>Cost</u> | Prior<br><u>Years</u> | Expenditures<br>Current<br><u>Year</u> | <u>Total</u>        | Estimated<br>% of<br><u>Completion</u> |
|---|--------------------------------------|-------------------------------------|-----------------------|--|---------------------|--|
| <i>Paid From Capital Projects Fund:</i>                           |                                      |                                     |                       |  |                     |  |
| Roads, Streets and Sidewalks                                      | \$ 1,050,000                         | \$ 1,050,000                        | \$ 934,468            | \$ 7,255                               | \$ 941,723          | 89.69%                                 |
| Administration - City Hall and<br>Maintenance Facility            | 300,000                              | 300,000                             | 636,660               | -                                      | 636,660             | 212.22%                                |
| Community Center Renovation<br>and Improvements                   | 150,000                              | 150,000                             | 19,318                | -                                      | 19,318              | 12.88%                                 |
| Streetscape, Parking and Central<br>Plaza Improvements - Downtown | 150,000                              | 150,000                             | 176,508               | -                                      | 176,508             | 117.67%                                |
| Water System Improvements   | 300,000                              | 300,000                             | 436,991               | -                                      | 436,991             | 145.66%                                |
| Recreation - Calvin Farmer Park<br>Improvements                   | 150,000                              | 150,000                             | 29,686                | -                                      | 29,686              | 19.79%                                 |
|   | <u>\$ 2,100,000</u>                  | <u>\$ 2,100,000</u>                 | <u>\$ 2,233,631</u>   | <u>\$ 7,255</u>                        | <u>\$ 2,240,886</u> |  |

**1995 Issue**

| Project                                 | Original<br>Estimated<br><u>Cost</u> | Current<br>Estimated<br><u>Cost</u> | Prior<br><u>Years</u> | Expenditures<br>Current<br><u>Year</u> | <u>Total</u>        | Estimated<br>% of<br><u>Completion</u> |
|---|--------------------------------------|-------------------------------------|-----------------------|--|---------------------|--|
| <i>Paid From Capital Projects Fund:</i> |                                      |                                     |                       |  |                     |  |
| Roads, Streets and Sidewalks            | \$ 819,360                           | \$ 819,360                          | \$ 950,418            | \$ 68,943                              | \$ 1,019,361        | 124.41%                                |
| Water System Improvements               | -                                    | -                                   | 56,708                | -                                      | 56,708              | n/a                                    |
|   | <u>\$ 819,360</u>                    | <u>\$ 819,360</u>                   | <u>\$ 1,007,126</u>   | <u>\$ 68,943</u>                       | <u>\$ 1,076,069</u> |  |

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## **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 source, the property tax.*

##### ***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. The City implemented Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.*



**City of Ball Ground, Georgia**  
**Net Assets by Component**  
**Last Four Fiscal Years**  
**(accrual basis of accounting)**

|  | <b>Fiscal Year</b>  |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | <b>2005</b>         | <b>2006</b>         | <b>2007</b>         | <b>2008</b>         |
| <b>Governmental Activities</b>                   |                     |                     |                     |                     |
| Invested in capital assets, net of related debt  | \$ 1,799,231        | \$ 2,129,514        | \$ 943,843          | \$ 3,998,674        |
| Restricted (1)                                   | 75,500              | 562,207             | 2,060,606           | 395,790             |
| Unrestricted                                     | 634,912             | 238,174             | 278,354             | 202,983             |
| <b>Total governmental activities net assets</b>  | <b>\$ 2,509,643</b> | <b>\$ 2,929,895</b> | <b>\$ 3,282,803</b> | <b>\$ 4,597,447</b> |
| <b>Business-type activities</b>                  |                     |                     |                     |                     |
| Invested in capital assets, net of related debt  | \$ 2,027,547        | \$ 2,152,935        | \$ 2,148,276        | \$ 3,262,585        |
| Restricted                                       | 119,088             | -                   | -                   | -                   |
| Unrestricted                                     | (194,016)           | 227,364             | 412,948             | 114,548             |
| <b>Total business-type activities net assets</b> | <b>\$ 1,952,619</b> | <b>\$ 2,380,299</b> | <b>\$ 2,561,224</b> | <b>\$ 3,377,133</b> |
| <b>Primary government</b>                        |                     |                     |                     |                     |
| Invested in capital assets, net of related debt  | \$ 3,826,778        | \$ 4,282,449        | \$ 3,092,119        | \$ 7,261,259        |
| Restricted                                       | 194,588             | 562,207             | 2,060,606           | 395,790             |
| Unrestricted                                     | 440,896             | 465,538             | 691,302             | 317,531             |
| <b>Total primary government net assets</b>       | <b>\$ 4,462,262</b> | <b>\$ 5,310,194</b> | <b>\$ 5,844,027</b> | <b>\$ 7,974,580</b> |

- (1) Restricted net assets is comprised mostly of SPLOST funds which have been restricted for capital projects. The decrease in restricted net assets is the result of the expenditure of funds to construct the new City Hall.

**City of Ball Ground, Georgia**  
**Changes in Net Assets**  
**Last Four Fiscal Years**  
**(accrual basis of accounting)**

|   | <b>Fiscal Year</b>  |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | <b>2005</b>         | <b>2006</b>         | <b>2007</b>         | <b>2008</b>         |
| <b>Expenses</b>                                 |                     |                     |                     |                     |
| Governmental activities:                        |                     |                     |                     |                     |
| General government                              | \$ 151,130          | \$ 228,652          | \$ 228,130          | \$ 361,569          |
| Judicial  | 8,548               | 15,781              | 15,429              | 13,631              |
| Public safety                                   | 188,556             | 217,386             | 218,724             | 269,661             |
| Public works                                    | 234,436             | 253,824             | 223,730             | 209,212             |
| Health and welfare                              | 6,174               | 617                 | 7,086               | 9,341               |
| Culture and recreation                          | 8,680               | 12,185              | 17,043              | 31,483              |
| Housing and development                         | 7,502               | 3,157               | 18,037              | 35,608              |
| Interest on long-term debt                      | 37                  | 3,898               | 15,225              | 88,175              |
| Total governmental activities expenses          | <u>605,063</u>      | <u>735,500</u>      | <u>743,404</u>      | <u>1,018,680</u>    |
| Business-type activities:                       |                     |                     |                     |                     |
| Water and sewerage                              | 425,077             | 566,861             | 724,898             | 886,375 (1)         |
| Sanitation                                      | -                   | 3,270               | 29,248              | 38,400 (2)          |
| Total business-type activities expenses         | <u>425,077</u>      | <u>570,131</u>      | <u>754,146</u>      | <u>924,775</u>      |
| Total primary government expenses               | <u>\$ 1,030,140</u> | <u>\$ 1,305,631</u> | <u>\$ 1,497,550</u> | <u>\$ 1,943,455</u> |
| <b>Program Revenues</b>                         |                     |                     |                     |                     |
| Governmental activities:                        |                     |                     |                     |                     |
| Charges for service:                            |                     |                     |                     |                     |
| General government                              | \$ 55,056           | \$ -                | \$ -                | \$ 9,735            |
| Judicial  | 33,765              | 33,756              | 23,741              | 30,559              |
| Public safety                                   | 2,270               | 6,102               | 75                  | -                   |
| Culture and recreation                          | -                   | 40,317              | 6,650               | 7,477               |
| Housing and development                         | 32,619              | 110,341             | 100,670             | 45,044 (3)          |
| Capital grants and contributions (4)            | -                   | -                   | 162,100             | 1,345,408           |
| Total governmental activities program revenues  | <u>123,710</u>      | <u>190,516</u>      | <u>293,236</u>      | <u>1,438,223</u>    |
| Business-type activities:                       |                     |                     |                     |                     |
| Charges for services:                           |                     |                     |                     |                     |
| Water and sewerage                              | 327,353             | 686,551             | 781,862             | 609,065             |
| Sanitation                                      | -                   | -                   | 31,531              | 52,983              |
| Capital grants and contributions (4)            | 177,527             | 121,572             | -                   | 1,121,884           |
| Total business-type activities program revenues | <u>504,880</u>      | <u>808,123</u>      | <u>813,393</u>      | <u>1,783,932</u>    |
| Total primary government program revenues       | <u>\$ 628,590</u>   | <u>\$ 998,639</u>   | <u>\$ 1,106,629</u> | <u>\$ 3,222,155</u> |

(continued)

**City of Ball Ground, Georgia**  
**Changes in Net Assets**  
**Last Four Fiscal Years**

|   | Fiscal Year         |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 2005                | 2006                | 2007                | 2008                |
| <b>Net (Expense)/Revenue</b>                            |                     |                     |                     |                     |
| Governmental Activities                                 | \$ (481,353)        | \$ (544,984)        | \$ (450,168)        | \$ 419,543          |
| Business-type activities                                | 79,803              | 242,206             | 59,247              | 859,157             |
|   |                     |                     |                     | -                   |
| Total primary government net expense                    | <u>\$ (401,550)</u> | <u>\$ (302,778)</u> | <u>\$ (390,921)</u> | <u>\$ 1,278,700</u> |
| <br>  |                     |                     |                     |                     |
| <b>General Revenues and Other Changes in Net Assets</b> |                     |                     |                     |                     |
| Governmental activities:                                |                     |                     |                     |                     |
| Taxes   |                     |                     |                     |                     |
| Property taxes  | \$ 160,701          | \$ 189,865          | \$ 205,635          | \$ 268,030          |
| Sales taxes   | 338,622             | 751,780             | 493,166             | 364,399             |
| Other taxes   | 81,865              | 132,277             | 139,504             | 153,368             |
| Unrestricted investment earnings                        | 8,936               | 14,214              | 41,794              | 36,498              |
| Miscellaneous   | 14,625              | 60,151              | 16,349              | 7,207               |
| Gain from the sale of capital assets                    | -                   | -                   | -                   | 11,121              |
| Transfers   | (100,084)           | (183,051)           | (93,372)            | 54,478              |
| Total governmental activities                           | <u>\$ 504,665</u>   | <u>\$ 965,236</u>   | <u>\$ 803,076</u>   | <u>\$ 895,101</u>   |
| Business-type activities                                |                     |                     |                     |                     |
| Investment earnings                                     | \$ 1,023            | \$ 2,170            | \$ 13,348           | \$ 9,702            |
| Miscellaneous   | 3,405               | 253                 | 14,958              | 1,528               |
| Transfers   | 100,084             | 183,051             | 93,372              | (54,478)            |
| Total business-type activities                          | <u>104,512</u>      | <u>185,474</u>      | <u>121,678</u>      | <u>(43,248)</u>     |
| Total primary government                                | <u>\$ 609,177</u>   | <u>\$ 1,150,710</u> | <u>\$ 924,754</u>   | <u>\$ 851,853</u>   |
| <br>  |                     |                     |                     |                     |
| <b>Change in Net Assets</b>                             |                     |                     |                     |                     |
| Governmental activities                                 | \$ 23,312           | \$ 420,252          | \$ 352,908          | \$ 1,314,644        |
| Business-type activities                                | 184,315             | 427,680             | 180,925             | 815,909             |
| Total primary government                                | <u>\$ 207,627</u>   | <u>\$ 847,932</u>   | <u>\$ 533,833</u>   | <u>\$ 2,130,553</u> |

- (1) Water and sewer expenses increased due to increases in fuel costs, purchased water, liability insurance and personnel costs.
- (2) The increase in sanitation for 2008 is due to continued growth in the customer base.
- (3) Housing and development has decreased with the decline of the housing market.
- (4) Capital grants and contributions vary each year depending on contributions and grants from outside parties.

**City of Ball Ground, Georgia**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

|   | Fiscal Year              |                          |                            |                          |                          |                          |                          |                          |                            |                          |
|---|--------------------------|--------------------------|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|--------------------------|
|   | 1999                     | 2000                     | 2001                       | 2002                     | 2003                     | 2004                     | 2005                     | 2006                     | 2007                       | 2008                     |
| General Fund                              |                          |                          |                            |                          |                          |                          |                          |                          |                            |                          |
| Reserved                                  | \$ -                     | \$ -                     | \$ -                       | \$ -                     | \$ -                     | \$ -                     | \$ -                     | \$ -                     | \$ 5,391                   | \$ -                     |
| Unreserved                                | 144,636                  | 115,964                  | 52,694                     | 91,852                   | 141,004                  | 186,974                  | 220,658                  | 233,797                  | 279,047                    | 230,673                  |
| <b>Total general fund</b>                 | <b><u>\$ 144,636</u></b> | <b><u>\$ 115,964</u></b> | <b><u>\$ 52,694</u></b>    | <b><u>\$ 91,852</u></b>  | <b><u>\$ 141,004</u></b> | <b><u>\$ 186,974</u></b> | <b><u>\$ 220,658</u></b> | <b><u>\$ 233,797</u></b> | <b><u>\$ 284,438</u></b>   | <b><u>\$ 230,673</u></b> |
| <br>                                      |                          |                          |                            |                          |                          |                          |                          |                          |                            |                          |
| All Other Governmental Funds              |                          |                          |                            |                          |                          |                          |                          |                          |                            |                          |
| Reserved (1)                              | \$ -                     | \$ -                     | \$ -                       | \$ 166,209               | \$ 217,009               | \$ 19,035                | \$ 75,500                | \$ 562,207               | \$ 2,060,606               | \$ 358,802               |
| Unreserved, reported in:                  |                          |                          |                            |                          |                          |                          |                          |                          |                            |                          |
| Special revenue funds                     | 506,433                  | 748,604                  | 1,148,712                  | -                        | 1,784                    | -                        | -                        | -                        | -                          | -                        |
| Capital projects funds                    | -                        | -                        | -                          | 794,357                  | 750,956                  | 689,710                  | 429,275                  | -                        | -                          | -                        |
| <b>Total all other governmental funds</b> | <b><u>\$ 506,433</u></b> | <b><u>\$ 748,604</u></b> | <b><u>\$ 1,148,712</u></b> | <b><u>\$ 960,566</u></b> | <b><u>\$ 969,749</u></b> | <b><u>\$ 708,745</u></b> | <b><u>\$ 504,775</u></b> | <b><u>\$ 562,207</u></b> | <b><u>\$ 2,060,606</u></b> | <b><u>\$ 358,802</u></b> |

(1) Reserved fund balances consist primarily of SPLOST fund reserves. This amount has decreased due to the completion of construction on the new City Hall.

**City of Ball Ground, Georgia**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

|  | 1999              | 2000              | 2001              | 2002                | 2003            | 2004                | 2005                | 2006             | 2007                | 2008                  |
|--|-------------------|-------------------|-------------------|---------------------|-----------------|---------------------|---------------------|------------------|---------------------|-----------------------|
| <b>Revenues</b>  |                   |                   |                   |                     |                 |                     |                     |                  |                     |                       |
| Taxes  | \$ 370,775        | \$ 590,037        | \$ 786,388        | \$ 471,525          | \$ 559,981      | \$ 584,196          | \$ 649,284          | \$ 1,046,336     | \$ 843,795          | \$ 770,863            |
| Licenses and permits   | 12,847            | 14,490            | 11,367            | 8,881               | 7,856           | 14,091              | 32,619              | 110,341          | 100,670             | 54,779                |
| Intergovernmental  | 64,143            | 19,104            | 761               | 7,500               | 11,484          | -                   | -                   | -                | -                   | 17,500                |
| Charges for service  | -                 | -                 | -                 | -                   | 510             | 291                 | 2,270               | 6,102            | 6,725               | 7,477                 |
| Fines and forfeitures  | 44,455            | 32,703            | 49,638            | 47,358              | 41,868          | 51,170              | 33,765              | 33,756           | 23,741              | 30,559                |
| Interest Income  | -                 | -                 | -                 | 38,984              | 25,707          | 15,499              | 8,936               | 14,214           | 41,794              | 36,498                |
| Contributions  | -                 | -                 | -                 | -                   | 3,351           | -                   | -                   | -                | -                   | -                     |
| Miscellaneous  | 34,871            | 38,220            | 66,871            | 7,451               | 9,435           | 8,243               | 14,625              | 58,087           | 14,061              | 7,207                 |
| Penalties and interest                                       | -                 | -                 | -                 | -                   | -               | -                   | 3,277               | 2,063            | 2,288               | -                     |
| <b>Total revenues</b>  | <b>527,091</b>    | <b>694,554</b>    | <b>915,025</b>    | <b>581,699</b>      | <b>660,192</b>  | <b>673,490</b>      | <b>744,776</b>      | <b>1,270,899</b> | <b>1,033,074</b>    | <b>924,883</b>        |
| <b>Expenditures</b>  |                   |                   |                   |                     |                 |                     |                     |                  |                     |                       |
| General government   | 77,860            | 98,244            | 128,958           | 113,104             | 154,352         | 122,270             | 143,383             | 211,946          | 195,225             | 308,773               |
| Judicial   | -                 | -                 | -                 | 4,540               | 15,915          | 14,243              | 8,548               | 15,781           | 15,429              | 13,631                |
| Public safety  | 129,459           | 140,241           | 187,694           | 185,149             | 199,766         | 174,793             | 173,607             | 179,725          | 193,627             | 249,449               |
| Public works   | 144,095           | 202,077           | 86,425            | 124,111             | 304,045         | 58,230              | 147,198             | 171,456          | 134,249             | 111,235               |
| Health and welfare   | 5,661             | -                 | -                 | 6,400               | 5,855           | 5,028               | 6,174               | 6,107            | 7,314               | 9,341                 |
| Culture and recreation                                       | 11,518            | 12,607            | 6,597             | 5,504               | 8,188           | 5,321               | 5,737               | 8,987            | 12,283              | 26,931                |
| Housing and development                                      | -                 | -                 | -                 | 3,797               | 817             | 591                 | 7,502               | 3,157            | 18,037              | 35,608                |
| Capital outlay   | 11,490            | -                 | 153,011           | 94,839              | -               | 325,400             | 316,181             | 504,742          | 627,007             | 2,393,680 (1)         |
| Debt service:  |                   |                   |                   |                     |                 |                     |                     |                  |                     |                       |
| Interest   | 1,398             | 928               | 33,459            | 1,523               | 2,284           | 449                 | 37                  | 4,208            | 15,225              | 310,007 (2)           |
| Principal  | 14,022            | 15,074            | -                 | -                   | -               | 9,239               | 6,611               | 24,764           | 34,766              | 88,175                |
| <b>Total expenditures</b>                                    | <b>395,503</b>    | <b>469,171</b>    | <b>596,144</b>    | <b>538,967</b>      | <b>691,222</b>  | <b>715,564</b>      | <b>814,978</b>      | <b>1,130,873</b> | <b>1,253,162</b>    | <b>3,546,830</b>      |
| Excess (deficiency) of revenues<br>over (under) expenditures | 131,588           | 225,383           | 318,881           | 42,732              | (31,030)        | (42,074)            | (70,202)            | 140,026          | (220,088)           | (2,621,947)           |
| <b>Other Financing Sources (Uses)</b>                        |                   |                   |                   |                     |                 |                     |                     |                  |                     |                       |
| Transfers in   | 32,908            | 27,029            | 144,657           | 80,927              | 116,091         | 107,401             | 230,871             | -                | -                   | 54,478                |
| Transfers out  | (25,147)          | (38,913)          | (155,679)         | (298,367)           | (80,963)        | (280,362)           | (330,955)           | (183,051)        | (93,372)            | -                     |
| Capital leases   | -                 | -                 | 22,500            | 25,720              | -               | -                   | -                   | 113,596          | 1,700,000           | 600,000               |
| Sale of capital assets                                       | -                 | -                 | -                 | -                   | -               | -                   | -                   | -                | 162,500             | 211,900               |
| <b>Total other financing sources (uses)</b>                  | <b>7,761</b>      | <b>(11,884)</b>   | <b>11,478</b>     | <b>(191,720)</b>    | <b>35,128</b>   | <b>(172,961)</b>    | <b>(100,084)</b>    | <b>(69,455)</b>  | <b>1,769,128</b>    | <b>866,378</b>        |
| <b>Net change in fund balances</b>                           | <b>\$ 139,349</b> | <b>\$ 213,499</b> | <b>\$ 330,359</b> | <b>\$ (148,988)</b> | <b>\$ 4,098</b> | <b>\$ (215,035)</b> | <b>\$ (170,286)</b> | <b>\$ 70,571</b> | <b>\$ 1,549,040</b> | <b>\$ (1,755,569)</b> |
| Debt service as a percentage<br>of noncapital expenditures   | 4%                | 3%                | 8%                | 0%                  | 0%              | 2%                  | 1%                  | 5%               | 8%                  | 35%                   |

(1) - Construction of new City Hall

(2) - Debt payments related to new City Hall

**City of Ball Ground, Georgia**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

| <u>Fiscal Year</u> | <u>Real Property</u> | <u>Personal Property</u> | <u>Motor Vehicles Mobile Homes</u> | <u>Less: Tax-Exempt Property</u> | <u>Total Taxable Assessed Value</u> | <u>Total Direct Tax Rate</u> | <u>Estimated Actual Taxable Value</u> | <u>Assessed Value as a Percentage of Actual Value</u> |
|--------------------|----------------------|--------------------------|------------------------------------|----------------------------------|-------------------------------------|------------------------------|---------------------------------------|---|
| 1999               | \$ 10,701,907        | \$ 230,984               | \$ 1,398,151                       | \$ (32,126)                      | \$ 12,298,916                       | 6.500                        | \$ 30,747,290                         | 40.00   |
| 2000               | 10,639,464           | 409,031                  | 1,833,005                          | (28,595)                         | 12,852,905                          | 6.000                        | 32,132,263                            | 40.00   |
| 2001               | 13,818,520           | 631,189                  | 1,980,802                          | (31,977)                         | 16,398,534                          | 6.250                        | 40,996,335                            | 40.00   |
| 2002               | 16,489,375           | 266,317                  | 1,622,060                          | (1,051,074)                      | 17,326,678                          | 5.892                        | 43,316,695                            | 40.00   |
| 2003               | 18,626,000           | 561,713                  | 1,548,090                          | (68,811)                         | 20,666,992                          | 5.892                        | 51,667,480                            | 40.00   |
| 2004               | 20,337,480           | 499,322                  | 1,760,240                          | (188,540)                        | 22,408,502                          | 6.250                        | 56,021,255                            | 40.00   |
| 2005               | 22,104,080           | 719,220                  | 2,058,590                          | (1,760)                          | 24,880,130                          | 6.250                        | 62,200,325                            | 40.00   |
| 2006               | 24,292,720           | 685,566                  | 2,531,390                          | (182,489)                        | 27,327,187                          | 6.050                        | 68,317,968                            | 40.00   |
| 2007               | 32,637,720           | 880,575                  | 2,346,550                          | (269,514)                        | 35,595,331                          | 5.500                        | 88,988,328                            | 40.00   |
| 2008               | 46,531,920           | 886,520                  | 2,638,110                          | (371,080)                        | 49,685,470                          | 5.121                        | 124,213,675                           | 40.00   |

**Source:** Cherokee County Tax Digest

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

**City of Ball Ground, Georgia**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(rate per \$1,000 of assessed value)**

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| <u>Fiscal Year</u> | <u>City of Ball Ground</u> | <u>Cherokee County</u> | <u>Total Direct &amp; Overlapping Rates</u> |
|--------------------|----------------------------|------------------------|---|
| 1999               | 6.500                      | 26.54                  | 33.04                                       |
| 2000               | 6.000                      | 27.54                  | 33.54                                       |
| 2001               | 6.250                      | 26.771                 | 33.02                                       |
| 2002               | 5.892                      | 26.385                 | 32.28                                       |
| 2003               | 5.892                      | 26.301                 | 32.19                                       |
| 2004               | 6.250                      | 26.12                  | 32.37                                       |
| 2005               | 6.250                      | 25.85                  | 32.10                                       |
| 2006               | 6.050                      | 25.939                 | 31.99                                       |
| 2007               | 5.500                      | 25.997                 | 31.50                                       |
| 2008               | 5.121                      | 26                     | 31.12                                       |

**Source:** Georgia Dept of Revenue

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

**City of Ball Ground, Georgia**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

| <u>Taxpayer</u>               | <u>2008</u>                   |             |   | <u>1999**</u>                 |             |   |
|-------------------------------|-------------------------------|-------------|---|-------------------------------|-------------|---|
|                               | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total Taxable Assessed Value</u> | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total Taxable Assessed Value</u> |
| OCS Enterprises               | \$ 2,402,800                  | 1           | 4.84%   | \$ -                          |             |   |
| Holcomb Crossing              | 699,720                       | 2           | 1.41%   | -                             |             |   |
| Donald Smith                  | 472,680                       | 3           | 0.95%   | -                             |             |   |
| Fitts, Stanley & Kathleen     | 466,400                       | 4           | 0.94%   | -                             |             |   |
| Satnam Waheguru Corp          | 425,000                       | 5           | 0.86%   | -                             |             |   |
| Lantern Walk, LLC             | 398,160                       | 6           | 0.80%   | -                             |             |   |
| Premium Investment Properties | 383,880                       | 7           | 0.77%   | -                             |             |   |
| Brand, Jason & Paula B        | 355,200                       | 8           | 0.71%   | -                             |             |   |
| Gateway Holdings LLC          | 353,800                       | 9           | 0.71%   | -                             |             |   |
| T.H.O. Associates             | 350,440                       | 10          | 0.71%   | -                             |             |   |
| <b>Total</b>                  | <u><u>\$ 6,308,080</u></u>    |             | <u><u>12.70%</u></u>                              | <u><u>\$ -</u></u>            |             | <u><u>0.00%</u></u>                               |

**Source:** Cherokee County Tax Asssors

\*\* Prior year information not available at this time.

**City of Ball Ground, Georgia**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

| <b>Fiscal Year Ended June 30,</b> | <b>Taxes Levied for the Fiscal Year</b> | <b>Collected within the Fiscal Year of the Levy</b> |                           | <b>Collections in Subsequent Years</b> | <b>Total Collections to Date</b> |                           |
|-----------------------------------|---|---|---------------------------|--|----------------------------------|---------------------------|
|                                   |   | <b>Amount</b>                                       | <b>Percentage of Levy</b> |  | <b>Amount</b>                    | <b>Percentage of Levy</b> |
| 1999                              | \$ 79,943                               | (1)   | (1)                       | (1)                                    | (1)                              | (1)                       |
| 2000                              | 77,117                                  | (1)   | (1)                       | (1)                                    | (1)                              | (1)                       |
| 2001                              | 102,491                                 | \$ 82,382   | 80.4%                     | \$ 20,109                              | \$ 102,491                       | 100%                      |
| 2002                              | 102,089                                 | 90,608  | 88.8%                     | 11,481                                 | 102,089                          | 100%                      |
| 2003                              | 121,770                                 | 117,873   | 96.8%                     | 3,897                                  | 121,770                          | 100%                      |
| 2004                              | 140,053                                 | 123,893   | 88.5%                     | 14,804                                 | 138,697                          | 99%                       |
| 2005                              | 155,501                                 | 151,192   | 97.2%                     | 4,131                                  | 155,323                          | 100%                      |
| 2006                              | 165,329                                 | 151,182   | 91.4%                     | 12,272                                 | 163,454                          | 99%                       |
| 2007                              | 195,774                                 | 181,638   | 92.8%                     | 792                                    | 182,430                          | 93%                       |
| 2008                              | 239,881                                 | 224,634   | 93.6%                     | n/a                                    | 224,634                          | 94%                       |

**Source:** City of Ball Ground Finance Department

**(1):** Collection information for the years 1999 - 2000 is not available.

**City of Ball Ground, Georgia**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>Governmental Activities</b> |                      | <b>Business-Type Activities</b> |                       |  | <b>Total Primary Government</b> | <b>Percentage of Personal Income<sup>2</sup></b> | <b>Population</b> | <b>Per Capita</b> |
|--------------------|--------------------------------|----------------------|---------------------------------|-----------------------|--|---------------------------------|--|-------------------|-------------------|
|                    | <b>Capital Leases</b>          | <b>Revenue Bonds</b> | <b>Notes Payable</b>            | <b>Capital Leases</b> |  |                                 |  |                   |                   |
| 1999               | \$ 25,538                      | \$ -                 | \$ 267,574                      | \$ -                  |  | \$ 293,112                      | 0.01%  | 719               | \$ 408            |
| 2000               | 10,464                         | -                    | 320,110                         | -                     |  | 330,574                         | 0.01%  | 730               | 453               |
| 2001               | -                              | -                    | 298,272                         | -                     |  | 298,272                         | 0.01%  | 749               | 398               |
| 2002               | 24,289                         | -                    | 347,026                         | -                     |  | 371,315                         | 0.01%  | 764               | 486               |
| 2003               | 15,851                         |                      | 1,441,906                       | 15,830                |  | 1,473,587                       | 0.03%  | 774               | 1,904             |
| 2004               | 6,611                          | 1,350,800            | 84,033                          | 12,207                |  | 1,453,651                       | 0.03%  | 791               | 1,838             |
| 2005               | 24,018                         | 1,338,084            | 76,618                          | 9,001                 |  | 1,447,721                       | 0.03%  | 811               | 1,785             |
| 2006               | 88,832                         | 1,323,640            | 68,844                          | 5,376                 |  | 1,486,692                       | 0.03%  | 894               | 1,663             |
| 2007               | 1,754,065                      | 1,308,747            | 60,692                          | -                     |  | 3,123,504                       | 0.06%  | 916               | 3,410             |
| 2008               | 2,044,059                      | 1,293,368            | 249,802                         | 37,658                |  | 3,624,887                       | 0.06%  | 1,072             | 3,381             |

**Notes:** Details regarding the city's outstanding debt can be found in the notes to the financial statements.

**City of Ball Ground, Georgia**  
**Pledged Revenue Coverage**  
**Water System Bonds**  
**Last Ten Fiscal Years**

| <b>Water Revenue Bonds</b> |                          |                                      |   |                                  |                 |              |                       |  |
|----------------------------|--------------------------|--------------------------------------|---|----------------------------------|-----------------|--------------|-----------------------|--|
| <b>Fiscal Year</b>         | <b>Operating Revenue</b> | <b>(1) Direct Operating Expenses</b> | <b>Net Revenue Available For Debt Service</b> | <b>Debt Service Requirements</b> |                 |              | <b>Times Coverage</b> |  |
|                            |                          |                                      |   | <b>Principal</b>                 | <b>Interest</b> | <b>Total</b> |                       |  |
| 1999                       | \$ 173,541               | \$ 161,419                           | \$ 12,122                                     | \$ 20,543                        | \$ 14,921       | \$ 35,464    | 0.34                  |  |
| 2000                       | 161,977                  | 140,559                              | 21,418  | 22,960                           | 12,355          | 35,315       | 0.61                  |  |
| 2001                       | 195,964                  | 178,224                              | 17,740  | 24,338                           | 12,819          | 37,157       | 0.48                  |  |
| 2002                       | 212,006                  | 162,629                              | 49,377  | 48,755                           | 7,223           | 55,978       | 0.88                  |  |
| 2003                       | 203,656                  | 182,885                              | 20,771  | 88,699                           | 5,846           | 94,545       | 0.22                  |  |
| 2004                       | 209,420                  | 175,721                              | 33,699  | 11,495                           | 5,011           | 16,506       | 2.04                  |  |
| 2005                       | 330,758                  | 288,617                              | 42,141  | 23,337                           | 112,969         | 136,306      | 0.31                  |  |
| 2006                       | 686,804                  | 360,143                              | 326,661                                       | 14,893                           | 62,328          | 77,221       | 4.23                  |  |
| 2007                       | 796,820                  | 514,018                              | 282,802                                       | 15,728                           | 55,276          | 71,004       | 3.98                  |  |
| 2008                       | 610,593                  | 580,048                              | 30,545  | 16,409                           | 54,595          | 71,004       | 0.43                  |  |

**Note:** (1) Direct operating expenses excludes depreciation

**City of Ball Ground, Georgia**  
**Top Ten Water Customers**  
**For Fiscal Year 2008**

|                                 | <u>Gallons<br/>Used</u> | <u>% of<br/>Total<br/>Gallons</u> | <u>Dollar<br/>Amount</u> | <u>% of<br/>Total<br/>Billed</u> |
|---------------------------------|-------------------------|-----------------------------------|--------------------------|----------------------------------|
| RHS Holdings, LLC               | 931,100                 | 25.1%                             | \$ 6,073                 | 26.4%                            |
| Cherokee Board of Education     | 654,700                 | 17.7%                             | 3,626                    | 15.8%                            |
| Chevron Ball Ground (Howell Br) | 490,000                 | 13.2%                             | 3,290                    | 14.3%                            |
| Danny Jordan, Jordan's Package  | 373,600                 | 10.1%                             | 2,228                    | 9.7%                             |
| Hynes Construction Company      | 253,700                 | 6.8%                              | 1,752                    | 7.6%                             |
| Rick Roberts                    | 224,900                 | 6.1%                              | 1,234                    | 5.4%                             |
| Holcomb Crossing                | 204,500                 | 5.5%                              | 1,194                    | 5.2%                             |
| World Harvest Church            | 191,700                 | 5.2%                              | 1,318                    | 5.7%                             |
| Pat Denney                      | 190,300                 | 5.2%                              | 1,052                    | 4.6%                             |
| Paula Maze                      | 189,700                 | 5.1%                              | 1,248                    | 5.3%                             |
|                                 | <u>3,704,200</u>        | <u>100.0%</u>                     | <u>\$ 23,015</u>         | <u>100.0%</u>                    |

**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.

**For Fiscal Year 2007**

|                                 | <u>Gallons<br/>Used</u> | <u>Total<br/>Gallons</u> | <u>Dollar<br/>Amount</u> | <u>Total<br/>Billed</u> |
|---------------------------------|-------------------------|--------------------------|--------------------------|-------------------------|
| Cherokee Co. Board of Education | 335,300                 | 12.2%                    | \$ 1,784                 | 10.7%                   |
| Walter Hulsey                   | 314,900                 | 11.5%                    | 1,997                    | 11.9%                   |
| Patricia Franklin               | 313,400                 | 11.4%                    | 2,059                    | 12.3%                   |
| DSI Waste Services              | 304,400                 | 11.1%                    | 1,878                    | 11.2%                   |
| Rick Roberts                    | 276,100                 | 10.1%                    | 1,513                    | 9.0%                    |
| RHS Holdings, LLC               | 272,800                 | 9.9%                     | 2,016                    | 12.0%                   |
| AJ's Pit Stop                   | 238,000                 | 8.7%                     | 1,251                    | 7.5%                    |
| Howard Mathis                   | 237,600                 | 8.7%                     | 1,791                    | 10.7%                   |
| Easy Ride Golf Carts            | 235,900                 | 8.6%                     | 1,317                    | 7.9%                    |
| John Hall                       | 217,700                 | 7.8%                     | 1,130                    | 6.8%                    |
|                                 | <u>2,746,100</u>        | <u>100.0%</u>            | <u>\$ 16,736</u>         | <u>100.0%</u>           |

**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.

Prior years information not readily available

**City of Ball Ground, Georgia**  
**Water Customers**  
**Last Ten Fiscal Years**

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| <u>Fiscal<br/>Year</u> | <u>Number<br/>of<br/>Customers</u> | <u>Number<br/>Increase</u> | <u>%<br/>Increase</u> |
|------------------------|------------------------------------|----------------------------|-----------------------|
| 1999                   | 550                                | 21                         | 4.0%                  |
| 2000                   | 558                                | 8                          | 1.5%                  |
| 2001                   | 565                                | 7                          | 1.3%                  |
| 2002                   | 570                                | 5                          | 0.9%                  |
| 2003                   | 579                                | 9                          | 1.6%                  |
| 2004                   | 590                                | 11                         | 1.9%                  |
| 2005                   | 597                                | 7                          | 1.2%                  |
| 2006                   | 638                                | 41                         | 6.9%                  |
| 2007                   | 744                                | 106                        | 16.6%                 |
| 2008                   | 817                                | 73                         | 9.8%                  |

**City of Ball Ground, Georgia**  
**Water & Sewer Rates**  
**June 30, 2008**

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Water Rates - Residential (Inside City limits except new construction)

|                        | Senior   |          |          |
|------------------------|----------|----------|----------|
|                        | Standard | Citizens | Disabled |
| Base Rate              | \$ 12.00 | \$ 9.00  | \$ 9.00  |
| 0 - 3,000 gallons      | 2.30     | 2.30     | 2.30     |
| 3,001 - 5,000 gallons  | 2.50     | 2.50     | 2.50     |
| 5,001 - 8,000 gallons  | 4.15     | 4.15     | 4.15     |
| 8,001 - 10,000 gallons | 4.45     | 4.45     | 4.45     |
| Over 10,000 gallons    | 6.00     | 6.00     | 6.00     |

Water Rates - Residential (Outside City limits & all new construction)

|                        | Senior   |          |          |
|------------------------|----------|----------|----------|
|                        | Standard | Citizens | Disabled |
| Base Rate              | \$ 15.50 | \$ 12.50 | \$ 12.50 |
| 0 - 3,000 gallons      | 3.35     | 3.35     | 3.35     |
| 3,001 - 5,000 gallons  | 4.25     | 4.25     | 4.25     |
| 5,001 - 8,000 gallons  | 5.50     | 5.50     | 5.50     |
| 8,001 - 10,000 gallons | 5.55     | 5.55     | 5.55     |
| Over 10,000 gallons    | 6.50     | 6.50     | 6.50     |

Sewer Rates

|                   |          |
|-------------------|----------|
| Base Rate         | \$ 15.00 |
| Per 1,000 gallons | 4.00     |

**City of Ball Ground, Georgia**  
**Demographic and Economic Statistics(1)**  
**Last Ten Calendar Years**

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| <b>Calendar Year</b> | <b>County Population</b> | <b>Personal Income (in thousands)</b> | <b>Per Capita Personal Income</b> | <b>Median Age</b> | <b>School Enrollment</b> | <b>Unemployment Rate</b> |
|----------------------|--------------------------|---------------------------------------|-----------------------------------|-------------------|--------------------------|--------------------------|
| 1998                 | 135,761                  | \$ 3,573,079                          | \$ 26,319                         | 31.0              | 24,444                   | 2.30                     |
| 1999                 | 142,245                  | 3,932,680                             | 27,647                            | 31.0              | 25,001                   | 1.80                     |
| 2000                 | 141,903                  | 4,419,995                             | 31,148                            | 31.0              | 26,057                   | 1.50                     |
| 2001                 | 156,185                  | 4,914,049                             | 31,463                            | 31.8              | 27,190                   | 3.20                     |
| 2002                 | 157,973                  | 4,728,764                             | 29,934                            | 32.6              | 27,606                   | 3.60                     |
| 2003                 | 164,100                  | 4,879,842                             | 29,737                            | 33.4              | 27,698                   | 3.90                     |
| 2004                 | 170,885                  | 5,227,372                             | 30,590                            | 34.2              | 29,416                   | 3.00                     |
| 2005                 | 184,211                  | 5,176,329                             | 28,100                            | 33.6              | 33,000                   | 3.90                     |
| 2006                 | 192,107                  | 5,398,207                             | 28,100                            | 35.8              | 35,057                   | 4.40                     |
| 2007                 | 195,327                  | 5,965,000                             | 30,171                            | 33.8              | 37,200                   | 4.60                     |

(1) Data was not available for the City. The data presented is for Cherokee County, Georgia where the City is located.

**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**

| <b>Employer</b>                           | <b>2008</b>      |             |  | <b>1999**</b>    |             |  |
|---|------------------|-------------|--|------------------|-------------|--|
|   | <b>Employees</b> | <b>Rank</b> | <b>Percentage of Total City Employment</b> | <b>Employees</b> | <b>Rank</b> | <b>Percentage of Total City Employment</b> |
| Cool Tech HVAC, Inc.                      | 30               | 1           | 10.99%                                     |                  |             |  |
| Cheshire Heating & AC Co. Inc.            | 19               | 2           | 6.96%                                      |                  |             |  |
| D-Lab Screenprinting                      | 18               | 3           | 6.59%                                      |                  |             |  |
| Arrow Exterminators                       | 16               | 4           | 5.86%                                      |                  |             |  |
| The J.O. Conely Corp                      | 12               | 5           | 4.40%                                      |                  |             |  |
| Preferred Commercial Floor Covering, Inc. | 10               | 6           | 3.66%                                      |                  |             |  |
| Little Hearts Depot                       | 9                | 7           | 3.30%                                      |                  |             |  |
| Auto World Auto Parts                     | 7                | 8           | 2.57%                                      |                  |             |  |
| Buddy's Food Mart                         | 7                | 9           | 2.56%                                      |                  |             |  |
| Dollar General                            | 7                | 10          | 2.56%                                      |                  |             |  |
| <b>Total</b>                              | <b>135</b>       |             | <b>49.45%</b>                              | <b>-</b>         |             | <b>0.00%</b>                               |

**Source:** Ball Ground Finance Department

\*\* Prior year information not available at this time.

**City of Ball Ground, Georgia**  
**Full-time-Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

| <b><u>Function/Program</u></b>   | <b><u>1999</u></b> | <b><u>2000</u></b> | <b><u>2001</u></b> | <b><u>2002</u></b> | <b><u>2003</u></b> | <b><u>2004</u></b> | <b><u>2005</u></b> | <b><u>2006</u></b> | <b><u>2007</u></b> | <b><u>2008</u></b> |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 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                | 0.9                | 0.9                |
| Police Records & Court           | 0.9                | 0.9                | 0.9                | 0.9                | 0.9                | 0.9                | 0.9                | 0.9                | 0.9                | 0.9                |
| Financial Administration         | 0.5                | 0.5                | 0.5                | 0.5                | 0.5                | 0.5                | 0.5                | 1.0                | 1.0                | 1.2                |
| Water Administration             | 0.5                | 0.5                | 0.5                | 0.5                | 0.5                | 0.5                | 0.5                | 0.9                | 0.8                | 0.8                |
| 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                | 4.0                | 3.0                | 2.0                | 2.0                | 2.0                | 2.0                | 2.0                | 3.0                |
| Building Inspections             | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | 0.1                | 0.1                |
| Planning & zoning                | -                  | -                  | 0.1                | 0.1                | 0.1                | 0.1                | 0.1                | 0.1                | 0.1                | 0.3                |
| Parks Areas                      | 0.1                | 0.1                | 0.1                | 0.1                | 0.1                | 0.1                | 0.1                | 0.1                | 0.1                | 0.1                |
| Public Works                     | 1.9                | 1.9                | 1.9                | 1.9                | 1.9                | 1.9                | 1.9                | 1.9                | 2.9                | 2.9                |
| Highways & Streets Admin.        | 1.0                | 1.0                | 1.0                | 1.0                | 1.0                | 1.0                | 1.0                | 1.0                | 1.0                | 1.0                |
| Sanitary Administration          | -                  | -                  | -                  | -                  | -                  | -                  | -                  | 0.1                | 0.2                | 0.2                |
| <b>Total</b>                     | <b>14.0</b>        | <b>14.0</b>        | <b>17.0</b>        | <b>16.0</b>        | <b>15.0</b>        | <b>15.0</b>        | <b>15.0</b>        | <b>16.0</b>        | <b>17.1</b>        | <b>18.5</b>        |

**Source:** City of Ball Ground Finance Dept

**City of Ball Ground, Georgia**  
**Operating Indicators by Function**  
**Last Eight Fiscal Years**

| <b>Function</b>                | <u><b>2001</b></u> | <u><b>2002</b></u> | <u><b>2003</b></u> | <u><b>2004</b></u> | <u><b>2005</b></u> | <u><b>2006</b></u> | <u><b>2007</b></u> | <u><b>2008</b></u> |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Public works:                  |                    |                    |                    |                    |                    |                    |                    |                    |
| Street resurfacing (miles)     | 0.5                | 0.9                | 1.6                | 1.1                | 0.7                | 0.4                | 1.3                | 0.5                |
| Police protection:             |                    |                    |                    |                    |                    |                    |                    |                    |
| Number of citations written    | -                  | 534                | 592                | 674                | 316                | 204                | 155                | 190                |
| Number of automobile accidents | -                  | 43                 | 40                 | 40                 | 44                 | 35                 | 31                 | 20                 |
| Number of reported crimes      | -                  | 187                | 202                | 177                | 154                | 201                | 133                | 55                 |

**Source:** City of Ball Ground Courts and Records

**Note:** Indicators are not available for any function prior to 2001 and for police prior to 2002. Indicators are only available for the functions noted above.

**City of Ball Ground, Georgia**  
**Capital Assets Statistics by Function**  
**Last Ten Fiscal Years**

| <b>Function</b>           | <b>Fiscal Year</b> |             |             |             |             |             |             |             |             |             |
|---------------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                           | <u>1999</u>        | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
| Public works:             |                    |             |             |             |             |             |             |             |             |             |
| Miles of streets          | 11                 | 11          | 11          | 11          | 12          | 12          | 12          | 12          | 12          | 13          |
| Police protection:        |                    |             |             |             |             |             |             |             |             |             |
| Number of stations        | 1                  | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Number of police officers | 1                  | 1           | 1           | 5           | 4           | 3           | 3           | 3           | 3           | 4           |
| Building permits issued   | 1                  | 2           | 1           | 3           | 4           | 7           | 12          | 87          | 65          | 39          |
| Recreation and culture:   |                    |             |             |             |             |             |             |             |             |             |
| Number of parks           | 2                  | 2           | 2           | 2           | 3           | 3           | 4           | 4           | 4           | 4           |
| Park acreage              | 17                 | 17          | 24          | 24          | 25          | 25          | 27          | 27          | 27          | 27          |

**Source:** Various city departments.

**Note:** Streets added for this FY were Howell Bridge East, Taylor Leigh Court, William Court, South Mountain Brooke Drive and