

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**

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal.....	i-iii
Certificate of Achievement for Excellence in Financial Reporting	iv
Organizational Chart	v
Principal Officials	vi

II. FINANCIAL SECTION

Independent Auditors' Report.....	1 and 2
Management's Discussion and Analysis.....	3-13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets.....	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	19
General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual.....	20
Statement of Net Assets – Proprietary Funds	21
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds.....	22
Statement of Cash Flows – Proprietary Funds.....	23 and 24
Notes to Financial Statements.....	25-38
Schedules:	
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds.....	39

**CITY OF BALL GROUND, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

TABLE OF CONTENTS

III. STATISTICAL SECTION (Unaudited)

Net Assets by Component – Last Four Fiscal Years.....	40
Changes in Net Assets – Last Four Fiscal Years	41 and 42
Fund Balances of Governmental Funds – Last Ten Fiscal Years	43
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	44
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years.....	45
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	46
Principal Property Taxpayers – Current Year and Nine Years Ago	47
Property Tax Levies and Collections – Last Ten Fiscal Years	48
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	49
Pledged Revenue Coverage Water System Bonds – Last Ten Fiscal Years	50
Top Ten Water Customers	51
Water Customers	52
Water & Sewer Rates	53
Demographic and Economic Statistics – Last Ten Calendar Years	54
Principal Employers - Current Year and Nine Years Ago	55
Full-time Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years	56
Operating Indicators by Function – Last Seven Fiscal Years	57
Capital Assets Statistics by Function – Last Ten Fiscal Years	58

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

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.



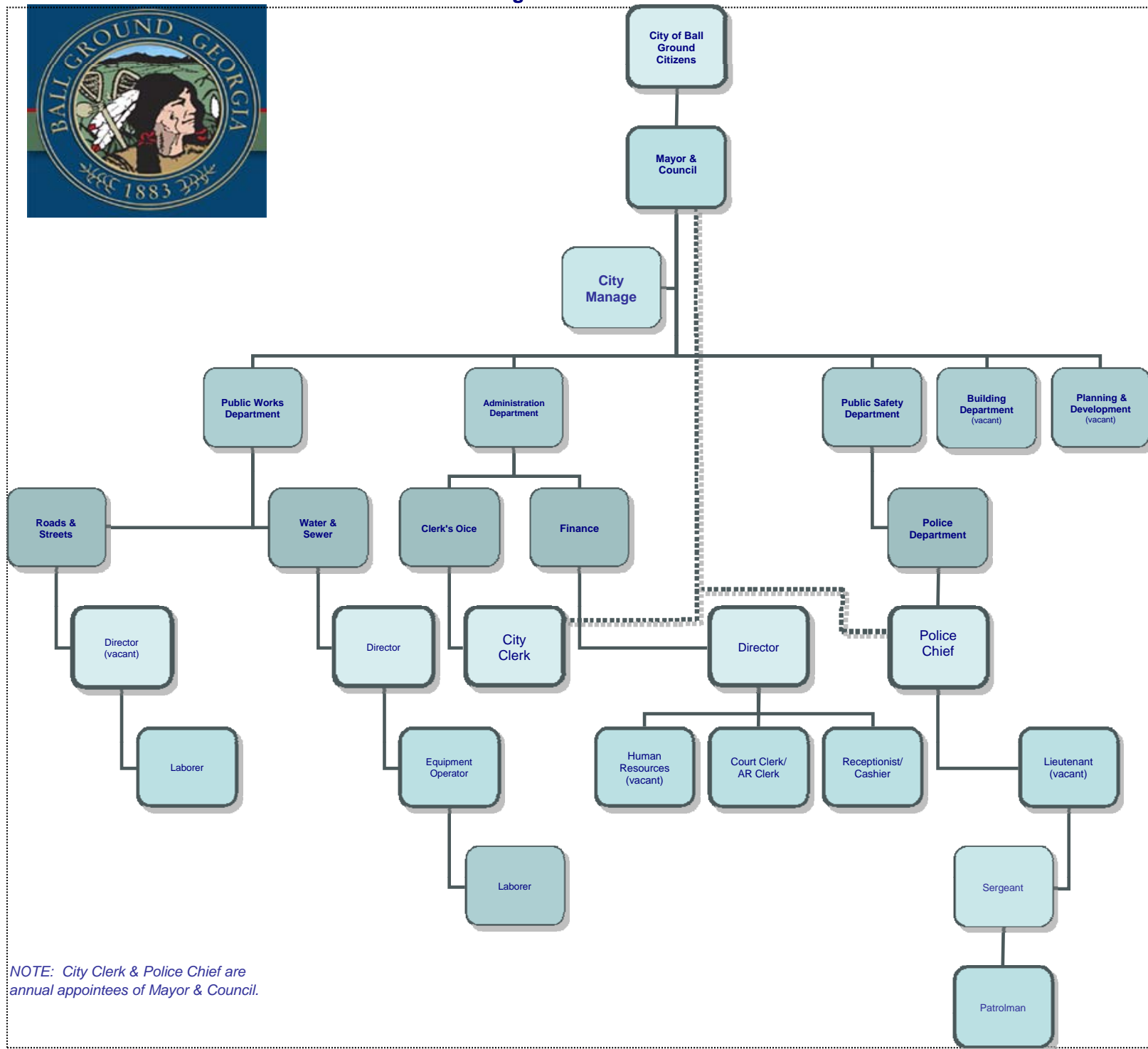
Oliver S. Cox

President

Jeffrey R. Emen

Executive Director

City of Ball Ground Organizational Chart



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

