CITY OF ASHBURN, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2010

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Ashburn, Georgia — June 30, 2010

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Ashburn, Georgia — June 30, 2010

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor
Members of the City Council
City of Ashburn, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ashburn, Georgia as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Ashburn, 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 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ashburn, Georgia, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof 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 15, 2010, on our consideration of City of Ashburn, 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 is important for assessing the results of our audit.

The City of Ashburn has not presented management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be a part of, the basic financial statement.

The Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (GAAP Budgetary Basis) - General Fund as described in the table of contents on pages 38 and 39 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires 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 Ashburn, Georgia's basic financial statements. The combining and individual non-major fund schedules listed in the table of contents as Supplementary Information, and the Schedule of Projects Constructed with Special Sales Tax Proceeds, as required by the Official Code of Georgia Annotated Section, 48-8-121, as described in the table of contents on pages 40 through 66 and page 68, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund schedules listed in the table of contents as Supplementary Information, and the Schedule of Projects Constructed with Special Sales Tax Proceeds, as required by the Official Code of Georgia Annotated Section, 48-8-121, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Herring CPA Group, P.C.
Tifton, Georgia
November 15, 2010

STATEMENT OF NET ASSETS

City of Ashburn
Ashburn, Georgia

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Downtown Development Authority
ASSETS				
Cash	$ 576,454	$ 534,962	$ 1,111,416	$ 4,053
Taxes receivable-delinquent, Net	52,581	0	52,581	0
Other taxes receivable	30,745	0	30,745	0
Accounts receivable, Net	46,432	198,960	245,392	0
Due from other governments	48,106	0	48,106	0
Inventory	60,519	94,682	155,201	9,767
Prepaid items	34,871	19,615	54,486	0
Reserved assets	68,339	0	68,339	0
Non-Depreciable Assets	237,366	24,600	261,966	29,473
Capital assets - net	2,571,727	6,230,671	8,802,398	20,973
TOTAL ASSETS	$ 3,727,140	$ 7,103,490	$10,830,630	$ 64,266

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF NET ASSETS

City of Ashburn
Ashburn, Georgia

June 30, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Downtown Development Authority
LIABILITIES				
Accounts payable	$ 69,425	$ 13,895	$ 83,320	$ 0
Salaries and wages payable	15,587	23,274	38,861	0
Payroll deductions payable	0	678	678	0
Employee benefits	4,533	0	4,533	0
Employer's share of employee benefits-current	0	451	451	0
Sales tax payable	0	3,144	3,144	0
Compensated absences	33,056	0	33,056	0
Accrued interest payable	0	11,660	11,660	0
Notes payable - current	0	293,967	293,967	5,516
Capital lease - current	161,815	3,200	165,015	0
Landfill postclosure costs - current	9,195	0	9,195	0
Notes payable - non-current	0	3,729,415	3,729,415	23,426
Capital lease - non-current	256,868	0	256,868	0
Landfill postclosure costs - non-current	86,385	0	86,385	0
Consumers' deposits payable	10,200	138,245	148,445	0
Total Liabilities	$ 647,064	$ 4,217,929	$ 4,864,993	$ 28,942
NET ASSETS				
Invested in capital assets, net of related debt	$ 2,390,410	$ 2,228,689	$ 4,619,099	$ 21,504
Restricted for:				
Debt Retirement	0	9,000	9,000	0
Public Works	5,635	0	5,635	0
Economic Development	6,044	0	6,044	0
Capital Projects	114,152	0	114,152	0
Public Safety	6,237	0	6,237	0
Unrestricted	557,598	647,872	1,205,470	13,820
TOTAL NET ASSETS	$ 3,080,076	$ 2,885,561	$ 5,965,637	$ 35,324

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

City of Ashburn
Ashburn, Georgia

	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities:			
General government	$ 544,936	$ 86,981	$ 0
Public safety	2,096,945	1,385,760	7,038
Public works	1,072,140	567,921	0
Health/ welfare	210,714	0	183,265
Culture/ recreation	19,896	0	14,449
Economic development	64,985	90,338	0
Interest on long term debt	19,218	0	0
Total Governmental Activities	4,028,834	2,131,000	204,752
Business-Type Activities:			
Water and Sewer	1,225,591	1,348,104	0
Gas	1,168,261	1,316,131	0
Total Business-Type Activities	2,393,852	2,664,235	0
Total Primary Government	$ 6,422,686	$ 4,795,235	$ 204,752
Component Unit:			
Downtown Development Authority	$ 20,680	$ 19,180	$ 0
General Revenues :			
Property taxes			
Franchise taxes			
Sales tax			
Financial institutions taxes			
Alcoholic beverage excise taxes			
Insurance premium taxes			
Penalties and interest on delinquent taxes			
Interest			
Other revenue			
Total General Revenues			
Transfer in (out)			
Total General Revenues and Transfers			
Change in Net Assets			
NET ASSETS - July 1, 2009			
NET ASSETS - June 30, 2010			

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2010

Program Revenues			Net (Expenses) Revenues and Changes in Net Assets Primary Government			Component Unit
Capital Grants and Contributions	Total		Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
$ 125,104	$ 212,085		$ (332,851)	$ 0	$ (332,851)	$ 0
163,962	1,556,760		(540,185)	0	(540,185)	0
98,942	666,863		(405,277)	0	(405,277)	0
0	183,265		(27,449)	0	(27,449)	0
2,964	17,413		(2,483)	0	(2,483)	0
0	90,338		25,353	0	25,353	17,923
0	0		(19,218)	0	(19,218)	0
390,972	2,726,724		(1,302,110)	0	(1,302,110)	17,923
0	1,348,104		0	122,513	122,513	0
0	1,316,131		0	147,870	147,870	0
0	2,664,235		0	270,383	270,383	0
$ 390,972	$ 5,390,959		$ (1,302,110)	$ 270,383	$ (1,031,727)	$ 17,923
$ 0	19,180		0	0	0	$ (1,500)
		$	744,000	$ 0	$ 744,000	$ 0
			271,648	0	271,648	0
			199,519	0	199,519	0
			3,455	0	3,455	0
			65,874	0	65,874	0
			245,003	0	245,003	0
			20,460	0	20,460	0
			2,214	806	3,020	0
			34,531	0	34,531	0
			1,586,704	806	1,587,510	0
			43,225	(43,225)	0	0
			1,629,929	(42,419)	1,587,510	0
			327,819	227,964	555,783	16,423
			2,752,257	2,657,597	5,409,854	18,901
		$	3,080,076	$ 2,885,561	$ 5,965,637	$ 35,324

The accompanying notes to the financial statements are an integral part of this statement.

BALANCE SHEET
GOVERNMENTAL FUNDS

City of Ashburn
Ashburn, Georgia

	General Fund	Other Governmental Funds	Totals
ASSETS			
Cash	$ 512,623	$ 63,831	$ 576,454
Taxes receivable	60,899	0	60,899
Other taxes receivable	30,745	0	30,745
Accounts receivable (Net of allowance for uncollectibles of 1,500)	46,432	0	46,432
Due from other governments	43,504	4,602	48,106
Due from other funds	4,602	0	4,602
Inventories-material and supplies	60,519	0	60,519
Prepaid items	34,871	0	34,871
Restricted assets	68,339	0	68,339
TOTAL ASSETS	$ 862,534	$ 68,433	$ 930,967

The accompanying notes to the financial statements are an integral part of this statement.

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2010

	General Fund	Other Governmental Funds	Totals
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	$ 69,425	$ 0	$ 69,425
Due to other fund	0	4,602	4,602
Salaries and wages payable	15,587	0	15,587
Employee benefits	4,533	0	4,533
Customer deposit payable	10,200	0	10,200
Deferred revenue	51,822	101	51,923
Total Liabilities	151,567	4,703	156,270
Fund Balances:			
Unassigned	$ 547,238	$ 0	$ 547,238
Nonspendable Fund Balance	95,390	0	95,390
Comitted Fund Balance	68,339	0	68,339
Restricted:			
Special Revenue Fund - Public Works	0	5,635	5,635
Economic Development	0	6,045	6,045
Capital Projects	0	45,813	45,813
Special Revenue Fund - Public Safety	0	6,237	6,237
Total Fund Balance	710,967	63,730	774,697
TOTAL LIABILITIES AND FUND BALANCE	$ 862,534	$ 68,433	$ 930,967

The accompanying notes to the financial statements are an integral part of this statement.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 774,697
Total net assets reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets total:		2,809,093
Property taxes which are not available to pay for current-period expenditures are reported as deferred income in the Governmental Fund Financial Statements		
Deferred revenue	51,923	
Reserve for allowance for uncollectibles	(8,318)	43,605
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long term-are reported in the statement of net assets.		
Balances at June 30, 2010 are:		
Capital Lease	418,683	
Compensated Absences	33,056	
Landfill Postclosure Cost	95,580	
		(547,319)
TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES		$3,080,076

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

	General Fund	Other Governmental Funds	Total
Revenues:			
Taxes	$ 1,529,499	$ 90,338	$ 1,619,837
Licenses and permits	34,826	0	34,826
Penalties and interest on taxes	20,460	0	20,460
Intergovernmental revenues	0	570,808	570,808
State contract	0	2,964	2,964
Charges for services	661,558	0	661,558
Fines and forfeitures	1,265,148	0	1,265,148
E911 Charges	35,525	0	35,525
Interest	2,214	0	2,214
Other revenue	34,531	21,952	56,483
Total Revenues	3,583,761	686,062	4,269,823
Expenditures:			
Current:			
General government	417,053	67,245	484,298
Public safety	1,948,405	64,012	2,012,417
Public works	1,000,024	39,357	1,039,381
Health/ welfare	13,000	197,714	210,714
Culture/ recreation	19,475	421	19,896
Economic development	0	64,985	64,985
Capital Outlay:	28,435	52,611	81,046
Debt Service:			
Principal	0	153,618	153,618
Interest	0	19,218	19,218
Total Expenditures	3,426,392	659,181	4,085,573
Excess (Deficiency) of Revenues Over Expenditures before Transfers	157,369	26,881	184,250

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

	General Fund	Other Governmental Funds	Total
Other Financing Sources (Uses)			
Transfer in			
Gas Fund	$ 50,000	$ 0	$ 50,000
Hotel/Motel Fund	19,309	-	19,309
Transfer out			
Hotel/Motel Fund	0	(19,309)	(19,309)
Capital Projects Fund - To Water Fund	0	(1,894)	(1,894)
Capital Projects Fund - To Gas Fund	0	(4,881)	(4,881)
Net Transfers	69,309	(26,084)	43,225
Proceeds of long-term debt	15,000	0	15,000
Total Other Financing Sources	84,309	(26,084)	58,225
Net Changes in Fund Balance	241,678	797	242,475
FUND BALANCE - July 1, 2009	469,289	62,933	532,222
FUND BALANCE - June 30, 2010	$ 710,967	$ 63,730	$ 774,697

The accompanying notes to the financial statements are an integral part of this statement.

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

City of Ashburn
Ashburn, Georgia

Year Ended June 30, 2010

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 242,475
The changes in net assets reported for governmental activities in the Statement of Activities are different because:		
Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period:		81,046
Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues at the fund financial reporting level.		
Deferred revenue	51,923	
Reserve for allowance for uncollectibles	(8,318)	43,605
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but they do not require the use of current financial resources. Therefore, this amount of depreciation expense is not reported as expenditures in the governmental funds:		(160,293)
Loan proceeds provide current finacial resources to governmental funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Activities. This is the amount of loan proceeds received this year by the government funds:		(15,000)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Activities. This is the amount of principal paid on long-term debt this year by the government funds:		153,618
Under the modified accrual basis of accounting used in the governmnetal funds, expenditures are recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes of two balances.		
Long term compensated absences	(8,437)	
Landfill Postclosure Cost	(9,195)	(17,632)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		$ 327,819

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

City of Ashburn
Ashburn, Georgia — June 30, 2010

	Water and Sewer Fund	Gas Fund	Total
ASSETS			
Current Assets:			
Cash	$ 59,916	$ 475,046	$ 534,962
Accounts receivable - net	132,786	66,174	198,960
Inventories-materials and supplies	30,466	64,216	94,682
Prepaid items	7,628	11,987	19,615
Total Current Assets	230,796	617,423	848,219
Non-Current Assets:			
Non-Depreciatable Assets	15,850	8,750	24,600
Capital assets-net	5,996,143	234,528	6,230,671
Total Non-Current Assets	6,011,993	243,278	6,255,271
TOTAL ASSETS	$ 6,242,789	$ 860,701	$ 7,103,490
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 2,755	$ 11,140	$ 13,895
Salaries and wages payable	10,913	12,361	23,274
Payroll deductions payable	448	230	678
Accrued interest payable	11,654	6	11,660
Employer's share of employee benefits-current	0	451	451
Sales tax payable	0	3,144	3,144
Notes payable - current	293,967	0	293,967
Capital lease payable - current	0	3,200	3,200
Consumers' deposits payable	92,415	45,830	138,245
Total Current Liabilities	412,152	76,362	488,514

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

City of Ashburn
Ashburn, Georgia

June 30, 2010

	Water and Sewer Fund	Gas Fund	Total
Long-Term Liabilities:			
Notes payable - non-current	$ 3,729,415	$ 0	$ 3,729,415
Bonds payable - non-current	0	0	0
Total Long-Term Liabilities	3,729,415	0	3,729,415
TOTAL LIABILITIES	4,141,567	76,362	4,217,929
NET ASSETS			
Invested in capital assets, net of related debt	1,988,611	240,078	2,228,689
Restricted for debt retirement	9,000	0	9,000
Unrestricted	103,611	544,261	647,872
TOTAL NET ASSETS	$ 2,101,222	$ 784,339	$ 2,885,561

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES, AND

CHANGES IN NET ASSETS-PROPRIETARY FUNDS

City Of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

	Water and Sewer Fund	Gas Fund	Total
Operating Revenues:			
Charges for services	$ 640,681	$ 1,282,120	$ 1,922,801
Other	707,423	34,011	741,434
Total Operating Revenues	1,348,104	1,316,131	2,664,235
Operating Expenses:			
Personal services-salaries and wages	137,373	272,104	409,477
Group insurance	21,945	49,571	71,516
Social security and medicare contributions	10,286	26,243	36,529
Retirement	4,000	20,000	24,000
Retirement contributions	260	520	780
Workers' compensation	11,753	21,048	32,801
Professional services	33,523	17,313	50,836
Technical services	11,413	0	11,413
Repair and maintenance	37,420	75,230	112,650
Rental of uniforms	1,139	3,101	4,240
Insurance, other than employee benefits	26,996	31,231	58,227
Communications	823	2,568	3,391
Advertising	31	4,200	4,231
Travel	1,493	6,573	8,066
Dues and fees	0	0	0
Gas and Oil	7,014	15,177	22,191
General supplies and materials	30,400	8,265	38,665
Energy	77,256	4,366	81,622
Supplies/ inventory purchased for resale	0	562,903	562,903
Other supplies	2,277	1,435	3,712
Waste Management Services	412,818	0	412,818
Tank Expense	0	6,106	6,106
Postage	0	1,458	1,458
Depreciation	217,708	38,592	256,300
Total Operating Expenses	1,045,928	1,168,004	2,213,932
Operating Income	302,176	148,127	450,303

(Continued on next page)

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES, AND

CHANGES IN NET ASSETS-PROPRIETARY FUNDS

City Of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

	Water and Sewer Fund	Gas Fund	Total
Non-Operating Revenues (Expenses):			
Interest revenues	$ 482	$ 324	$ 806
Interest expense	(179,663)	(257)	(179,920)
Total Non-Operating Revenues (Expenses)	(179,181)	67	(179,114)
Income (Loss) before Transfers	122,995	148,194	271,189
Transfers in	1,894	4,881	6,775
Transfers out	0	(50,000)	(50,000)
Change in Net Assets	124,889	103,075	227,964
NET ASSETS - July 1, 2009	1,976,333	681,264	2,657,597
NET ASSETS - June 30, 2010	$ 2,101,222	$ 784,339	$ 2,885,561

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

	Water and Sewer Fund	Gas Fund	Total
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 1,335,360	$1,348,580	$2,683,940
Cash Payments for Goods and Services	(711,637)	(934,846)	(1,646,483)
Cash Payment to Employees	(136,779)	(272,138)	(408,917)
Net Cash Provided by Operating Activities	486,944	141,596	628,540
Cash Flows from Non-Capital Financing Activities:			
Transfers to Other Funds	0	(50,000)	(50,000)
Net Cash Used by Non-Capital Financing Activities	0	(50,000)	(50,000)
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Capital Assets	(1,894)	0	(1,894)
Transfer from Special Purpose Local Option Sales Tax	1,894	4,881	6,775
Principal Paid on Notes	(281,374)	(4,624)	(285,998)
Interest Paid	(182,690)	(257)	(182,947)
Net Cash Used by Capital and Related Financing Activities	(464,064)	0	(464,064)
Cash Flows from Investing Activities:			
Interest on Investments	482	324	806
Net Cash Provided by Investing Activities	482	324	806
Net Increase (Decrease) in Cash and Restricted Cash	23,362	91,920	115,282
Cash and Restricted Cash - July 1, 2009	36,554	383,126	419,680
Cash and Restricted Cash - June 30, 2010	$ 59,916	$ 475,046	$ 534,962

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

	Water and Sewer Fund	Gas Fund	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	$ 302,176	$ 148,127	$ 450,303
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	217,708	38,592	256,300
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(23,051)	(21,484)	(44,535)
(Increase) Decrease in Inventories	(15,403)	(25,324)	(40,727)
(Increase) Decrease in Prepaid Items	4,537	1,699	6,236
Increase (Decrease) in Accounts Payable	(2,853)	1,144	(1,709)
Increase (Decrease) in Employer's Share Benefits	3,028	(62)	2,966
Increase (Decrease) in Salaries and Wages Payable	361	(716)	(355)
Increase (Decrease) in Sales Tax Payable	0	819	819
Increase (Decrease) in Accrued Interest Payable	0	(11)	(11)
Increase (Decrease) in Customers' Deposits	790	(1,155)	(365)
Increase (Decrease) in Payroll Deductions Payable	(349)	(34)	(383)
Change in Assets and Liabilities	(32,940)	(45,124)	(78,064)
Net Cash Provided by Operating Activities	$ 486,944	$ 141,596	$ 628,540

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUND

City of Ashburn
Ashburn, Georgia

June 30, 2010

	Pending Fund
ASSETS	
Cash	$ 8,820
LIABILITIES	
Due to other Governments	$ 8,820

The accompanying notes to the financial statements are an integral part of this statement.

1. Summary of Significant Accounting Policies

General Matters

The City of Ashburn, Georgia was incorporated on December 26, 1890, by an act of the General Assembly of Georgia. The City operates under a Mayor-Council form of government.

The accounting principles of the City of Ashburn conform to generally accepted accounting principles as applied to governments. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The following is a summary of more significant policies:

Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific restrictions on, the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has (a) a separately elected governing board, (b) a governing body appointed by a higher level of government, or (c) a jointly appointed board.

The Downtown Development Authority was established to encourage economic growth and development in downtown Ashburn. Its governing board is appointed by the City and the City has assumed financial responsibility for its operations. The Downtown Development Authority's financial data is discreetly presented in these financial statements. The Downtown Development Authority does not issue stand alone financial statements.

Excluded from the Reporting Entity:

Turner County Board of Education and Turner County Health Department

These potential component units have separate elected and/or appointed boards and provide services to residents, generally within the geographic boundaries of the government. These are excluded from the reporting entity because the government is not financially accountable for them, nor does the exclusion of these units from the reporting entity cause the financial statements to be misleading or incomplete.

Turner County Landfill

This potential component unit is funded jointly by the City of Ashburn, Turner County, and the City of Sycamore. The Turner County Landfill is considered a component unit of Turner County; the government does not select management or staff, set user fees, establish budgets or control any aspects of its daily activities.

Basis of Presentation

Government-wide Statements: The statements of net assets and the statements of activities display information about the primary government. These statements include the financial activities of the overall government, except the fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the city. Governmental activities generally are

financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between expense and program revenues for the different business-type activities of the city and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program of function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes are presented as general revenues.

Fund Financial Statement: The fund financial statements provide information about the City's funds, including the fiduciary funds. Separate statements for each fund category-*governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

In the Fund Financial Statements, there are five classifications of fund balance:

1. Nonspendable Fund Balance – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. Inventories and prepaid amounts are considered nonspendable.

2. Restricted Fund Balance – The restricted fund balance classification occurs when constraints are placed on the use of resources either externally imposed by creditors or imposed by law through constitutional provisions or enabling legislation.

3. Committed Fund Balance – The committed fund balance classification occurs when amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.

4. Assigned Fund Balance – The assigned fund balance classification occurs when amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed.

5. Unassigned Fund Balance – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Operating expenses result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Non-operating expenses result from non-exchange transactions or ancillary activities.

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.

The City reports the following major enterprise funds:

Water/Sewer Fund. This fund accounts for the operation, maintenance, and development of the City's water Services.

Gas Fund. This fund accounts for the operation, maintenance, and development of the City's gas services.

The City reports the following fund type:

Agency Fund. This fund accounts for monies held on behalf of the courts that the police have confiscated and do not have the legal authority to spend.

Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, fiduciary, and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, includes property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, these are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

All governmental and business-type activities and enterprise funds of the City follow FASB statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles, except that encumbrances are treated as budgeted expenditures in the year of the incurrence of the commitment to purchase. Annual appropriated budgets are adopted for the general, special revenue, and enterprise funds. Unencumbered annual appropriations lapse at fiscal year end. The legal level of control for each legally adopted annual operating budget is at the department level. The City budgets the capital projects fund on a project basis with the term of the project being longer than the City's fiscal year. Since any comparison of budgetary information would not be meaningful, none has been presented for the capital projects fund.

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting-under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation-is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

Cash and Investments

Cash includes amounts in demand deposits as well as investments in negotiable certificates of deposit and in Georgia Fund 1, which is the combined state general fund and local government investment pool managed by the Office of Treasury and Fiscal Services.

The City is allowed to invest in (1) obligations of the State of Georgia or other states; (2) obligations issued by the U.S. government; (3) obligations fully insured or guaranteed by the U.S government or by a government agency of the United States; (4) obligations of any corporation of the U.S government; (5) prime banker acceptances; (6) the Local Government Pool established by the State of Georgia; (7) repurchase agreements; (8) obligations of other political subdivisions of the State of Georgia; and (9) certificates of deposits or deposit accounts with eligible depository institutions (any commercial bank or trust company, mutual savings bank, savings and loan association, or building and loan association existing under the laws of Georgia or the United States and domiciled in Georgia.)

For fiscal year ended June 30, 2010 all investments were in certificates of deposit with local banks and are stated at cost, which approximates market value.

Inventories

Inventories are valued at cost (first-in, first-out). Inventories in the General and Enterprise Funds consist of expendable supplies and items needed for repairs or improvements to the utility system. Inventories are accounted for under the consumption method.

Short-term Inter-fund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. The property tax levy date is September 15, 2009. The city clerk opened the books for payment of taxes on October 20, 2009 and they remained open until December 20, 2009. The City bills and collects its own property taxes based on the Turner County tax valuation in the tax digest approved by the State of Georgia. Collections of property taxes are made throughout the year, with the majority being collected in December. City property tax revenues are recognized when levied to the extent that they result in current receivables.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2010 are recorded as prepaid items. Prepaid expenses in the general and proprietary funds consist solely of insurance premiums.

Capital Assets

Purchased or constructed assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. General infrastructure assets consist of the road network assets that are acquired or that received substantial improvements and other major infrastructure network – bridges – have not yet been reported. 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.

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

Asset Class	Estimated Useful Lives	Capitalization Threshold
Infrastructure	30	$500,000
Building and Improvements	50-100	$25,000
Vehicles	2-15	$5,000
Office equipment	3-15	$5,000
Computer equipment	3-15	$5,000
Fire Equipment	10-35	$5,000
Utility System Addition	50-100	$10,000

Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Compensated Absences

The liability for vested or accumulated unpaid vacation pay amounts has been accrued in the government-wide and proprietary fund statements. 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.

Accumulated sick pay benefits have not been recorded as a liability because the payment of the benefits is contingent upon future illness of an employee. It is not expected that any unrecorded sick pay benefits will exceed a normal year's accumulation.

Other Post Employment Benefits

There are no Other Post Employment Benefits as of June 30, 2010.

Prior Period Adjustment

For the Year Ended June 30, 2009, Net Assets were overstated by $2,846. The Net Assets as of June 30, 2009 were adjusted to correct the overstatement.

2. Legal Compliance - Budgets:

The City's procedures for establishing the budgetary data reflected in the financial statements are as follows:

a. Prior to July 1, the City Manager submits to the Mayor and Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them for the General Fund, Special Revenue Funds, and the Enterprise Funds.

b. Public hearings are conducted to obtain taxpayer comments.

c. The budget is formally approved by action of the Council at the first regular meeting in July of the year to which it applies.

d. All budget transfers must be approved by the City Manager and/or the Mayor and Council depending on the type and/or amount of expenditure.

The legal level of control for each legally adopted annual operating budget is at the department level.

Budgets for the General Fund and Special Revenue Funds are adopted on the modified accrual basis except that encumbrances are treated as budgeted expenditures in the year of the incurrence of the commitment to purchase. There were no encumbrances outstanding for the year ended June 30, 2010.

Budgeted amounts are as adopted by the Council. Unencumbered appropriations lapse at year end.

3. Excess of Expenditures over Appropriations:

The following cost center had expenditures in excess of appropriations for the fiscal year ended June 30, 2010:

General administration – The $13,603 excess of expenditures over appropriations is attributable to development, salaries, repairs, and general supplies expenses being under budgeted.

Police Department – The $214,752 excess of expenditures over appropriations is attributable to salaries, repairs, processing fees, capital outlays, Peace Officer training, indigent defense fund, and other miscellaneous expenses being under budgeted.

Fire Department – The $19,817 excess of expenditures over appropriations is attributable to salaries and repair expenses being under budgeted.

Solid Waste and Recycling – The $5,989 excess of expenditures over appropriations is attributable to post closure costs expenses being under budgeted.

The council has directed the budget officer to closely monitor the budget on a monthly basis, and bring to the council's attention on any excess expenditure in order that corrective action can be taken in a timely manner.

4. Summary of Deposits and Investment Balances:

	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Assets and Liabilities
Pooled Cash and Investments		
unrestricted	1,111,415	8,820
restricted	68,339	0
Total	1,179,754	8,820

Georgia Fund 1	AAAM rate	24 day WAM

The financial institution with which the City has depository accounts did have adequate collateral pledged to the City. The financial institution has a written agreement approved by its board of directors, so their pledge of collateral is valid against the FDIC. The Georgia Fund 1 is managed by the Office of Treasury and Fiscal Services and has a dollar for dollar value.

"Georgia Fund 1", created by OCGA 36-83-8, is a stable net asset value investment pool that follows Standard and Poor's criteria for AAA rated money market funds. However, the State of Georgia Office of Treasury operates Georgia Fund 1 in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of

capital, investments income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share.

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less are considered cash equivalents.

5. Capital Assets:

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balances	Increase	Decrease	Ending Balances
Governmental Activities:				
Capital Assets not being depreciated:				
Land	237,366	0	0	237,366
Capital Assets being depreciated:				
Building and Improvements	1,727,049	0	0	1,727,049
Machinery and Equipment	2,162,581	81,046	0	2,243,627
Total Capital Assets being depreciated	3,889,630	81,046	0	3,970,676
Less Accumulated Depreciation:				
Buildings and Improvements	336,185	38,562	0	374,747
Machinery and Equipment	902,471	121,731	0	1,024,202
Total Accumulated Depreciation	1,238,656	160,293	0	1,398,949
Net Capital Assets being Depreciated	2,650,974	(79,247)	0	2,571,727
Total Capital Assets, Net	2,888,340	(79,247)	0	2,809,093

Depreciation expense of the general fund was charged to governmental functions as follows:

General Government	56,228
Public Safety	61,067
Public Works	32,759
Recreation	10,239
Total	160,293

	Beginning Balances	Increase	Decrease	Ending Balances
Business Type Activities:				
Capital Assets not being depreciated:				
Land	24,600	0	0	24,600
Capital Assets being depreciated:				
Building and Improvements	7,237,528	0	0	7,237,528
Machinery and Equipment	4,070,220	1,894	0	4,072,114
Total Capital Assets being depreciated	11,307,748	1,894	0	11,309,642
Less Accumulated Depreciation:				
Buildings and Improvements	3,538,028	140,697	0	3,678,725
Machinery and Equipment	1,284,643	115,603	0	1,400,246
Total Accumulated Depreciation	4,822,671	256,300	0	5,078,971
Net Capital Assets being depreciated	6,485,077	(254,406)	0	6,230,671
Total Capital Assets, Net	6,509,677	(254,406)	0	6,255,271

Depreciation of all exhaustible capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method.

6. Receivables:

Receivables at June 30, 2010, consist of the following:

	General	Other Governmental	Enterprise	Total
Accounts	$ 46,432	$ 0	$ 198,960	$ 245,392
Taxes	83,326	0	0	83,326
Due from other governments	48,106	0	0	48,106
Gross Receivables	$ 177,864	$ 0	$ 198,960	$ 376,824

Taxes receivable are stated net of allowance for uncollectible accounts of $8,318 for the Government Wide Statement and Governmental Fund. Accounts receivable are stated net of allowance for uncollectible accounts of $1,500 for the Government Wide and the General Fund and $4,800 for the Enterprise Funds.

7. Inter-fund Receivables and Payables

The Special Revenue Fund has a $4,602 inter-fund payable to the General Fund. The amount owed is due to the General Fund paying expenditures for the Boys and Girls Club which is a Special Revenue Fund. The Boys and Girls Club will be reimbursed for these expenses by another organization.

No eliminations have been made between funds.

8. Restricted Assets:

The city has designated $68,339 for capital asset acquisitions in the general fund.

9. Property:

A summary of proprietary fund type property, plant, and equipment at June 30, 2010 follows:

	Estimated Useful Lives	Water/ Sewer Fund	Gas Fund	Total Enterprise Fund
Land		$ 15,850	$ 8,750	$ 24,600
Buildings	10-40 years	215,383	104,551	319,934
Utility System	10-50 years	6,523,083	396,439	6,919,522
Machinery and Equipment	3-20 years	3,069,840	505,441	3,575,281
Site Improvements	45 years	493,854	0	493,854
Total		10,318,010	1,015,181	11,333,191
Less Accumulated Depreciation		(4,306,017)	(771,903)	(5,077,920)
Total		$6,011,993	$243,278	$6,255,271

Depreciation of all exhaustible capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method.

10. Capital Leases

Capital lease obligations consist of a building and equipment lease-purchases accounted for in the Gas Fund and General fund.

The City is obligated to GMA (BB&T Governmental Finance) under a capital lease dated February 2, 2007 covering a Skid Steer, Street Sweeper, and other equipment. The assets are recorded as capital leases and have a cost of $261,850. The obligation consists of $4,829.03 monthly payments until February 12, 2012 including interest at 4.02%.

The City is obligated to GMA (BB&T Governmental Finance) under a capital lease dated February 2, 2007 covering a Ford truck. The asset is recorded as a capital lease and had a cost of $17,820. This asset has been capitalized in the Gas fund. The obligation consists of $406.76 monthly payments until January 15, 2011 including interest at 4.50%.

The City is obligated to GMA (BB&T Governmental Finance) under a capital lease dated March 24, 2008 covering a Dodge Charger police car. The asset is recorded as a capital lease and had a cost of $24,400. This asset has been capitalized in the General fund. The obligation consists of $713.57 monthly payments until April 15, 2011 including interest at 3.24%.

The City is obligated to GMA (BB&T Governmental Finance) under a capital lease dated March 20, 2009 covering a Dodge Charger police car. The asset is recorded as a capital lease and had a cost of $25,160. This asset has been capitalized in the General fund. The obligation consists of $562.02 monthly payments until February 20, 2013 including interest at 3.60%.

The City is obligated to GMA (BB&T Governmental Finance) under a capital lease dated November 28, 2007 covering an International 4400 fire truck. The asset is recorded as a capital lease and had a cost of $200,000. This asset has been capitalized in the General fund. The obligation consists of $2,034 monthly payments until December 15, 2017 including interest at 4.06%.

The City is obligated to Heritage Bank under a capital lease dated March 22, 2007 covering the City Hall building. The asset is recorded as a capital lease and had a cost of $340,000. The obligation consists of $6,419.28 monthly payments until March 22, 2012 including interest at 4.94%.

The City is obligated to USDA under a capital lease dated September 28, 2009 covering a Dodge Charger police car. The asset is recorded as a capital lease and had a cost of $29,509. This asset has been capitalized in the General fund. The obligation consists of 5 annual payments of $3,405 until September 28, 2014 including interest at 4.375%.

The future minimum payments under capitalized leases consist of the following:

Fiscal year ending June 30:	General Long-Term Debt	Enterprise Fund
2011	178,684	3,254
2012	132,975	0
2013	34,322	0
2014	29,827	0
2015	24,922	0
2016 – 2020	69,959	0
Total minimum lease payments	470,689	3,254
Amounts representing interest	(52,006)	(54)
Present value of net minimum lease payments	$ 418,683	$ 3,200

The city leases a building and equipment with historical cost and accumulated depreciation of the following:

		Accumulated Depreciation
General Capital Assets	$ 778,087	$ 130,534
Enterprise Funds	319,196	195,986
Total	$1,097,283	$ 326,520

11. Long-Term Debt:

Notes Payable:

A summary of notes payable by the City as they existed at June 30, 2010, is presented as follows:

	Current	Long-Term	Total
Georgia Environmental Facilities Authority Note B - (Original amount $3,070,000) Payable in quarterly installments of $62,991.88 beginning on November 1, 2000. Interest rate is 5.4%.Loan for WW treatment plant.	150,376	1,786,707	1,937,083
Georgia Environmental Facilities Authority Note A- (Original amount $3,000,000) Payable in quarterly installments of $53,024.21 beginning on August 1, 2004 (contingent upon the full $3,000,000 being drawn) Interest rate is 3.37%. Loan for wastewater treatment plant.	143,591	1,942,708	2,086,299
Total Notes Payable	$293,967	$3,729,415	$4,023,382

The annual requirements to amortize the debt outstanding for the proprietary fund at June 30, 2010 including interest payments of $1,041,454 are as follows:

Year Ending June 30,	Principal Due	Interest Due	Total
2011	293,967	170,097	464,064
2012	307,153	156,911	464,064
2013	320,963	143,101	464,064
2014	335,432	128,632	464,064
2015	350,582	113,482	464,064
2016-2020	2,106,315	320,057	2,426,372
2021-2022	308,970	9,174	318,144
Total	$ 4,023,382	$ 1,041,454	$ 5,064,836

Changes in Long-Term Obligations

The following is a summary of changes in long-term obligations of the City's governmental funds for the fiscal year ended June 30, 2010:

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Due in One year
Obligations under capital lease	$ 557,301	$ 15,000	$ 153,618	$ 418,683	$ 161,815
Compensated absences Payable	41,493	0	8,437	33,056	33,056
Closure and post closure care	104,775	0	9,195	95,580	9,195
Total	$ 703,569	$ 15,000	$ 171,250	$ 547,319	$ 204,066

Compensated absences and closure and post closure care are paid by the general fund.
The following is a summary of changes in long-term obligations of the City's enterprise funds for the fiscal year ended June 30, 2010:

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Due in One year
Obligations under capital lease	$ 7,823	$ 0	$ 4,624	$ 3,200	3,200
Notes payable	4,304,756	0	281,374	4,023,382	293,967
Total	$4,312,579	$ 0	$285,998	$4,026,582	$297,167

12. Pension Plan

The following information is prepared in accordance with Statement No. 27 of the Government Accounting Standards Board. The pension liability at transition was determined in accordance with GASB 27, pars. 29-37. The City has funded their required pension contributions from the year ended June 30, 1988 until June 30, 2010; therefore, there is no NPO as of the transition date. There has been no liability previously reported for this plan.

The City of Ashburn contributes to the Georgia Municipal Employees Benefit System, an agent multiple-employer defined benefit pension plan of the public employee retirement system that acts as a common investment and administrative agent for Georgia cities. The Georgia Municipal Employees Benefit System issues a publicly available financial report that includes financial statements. The report may be obtained by writing to GMA 201 Pryor Street S.W., Atlanta, Georgia 30303. The City's payroll for employees covered by the system for the year ended December 31, 2008 was $1,388,785. All full-time (over 30 hours) City employees are eligible to participate in the System. Benefits vest after 10 years of service. City employees who retire at or after age 65 with 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1% of their average salary during their last 5 years of employment up to employee's break point plus 1.75% of average earnings for the last 5 years which exceed employee's break point times employee's years and months of credited service. The break point for employees hired prior to September 1, 1980 is based on employee's year of birth; the break point for employees hired on or after September 1, 1980 is based on employee's year of termination of employment.

Employees may retire early at age 55 with 10 years of credited service. Benefits will be reduced to compensate for longer life expectancy after retirement. The System also provides death and disability benefits. These benefit provisions and all other requirements are established by State statute and City ordinance. Employees are not required to contribute to this plan; the City contributes 100% of the amounts necessary to fund the System, using the actuarial basis specified by statute.

The total pension expense for the year ended June 30, 2010 was $73,651 or 4.98% of covered payroll. The Board of Trustees of the Georgia Municipal Employees Benefit System has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the plan. The annual recommended contribution is the sum of 1) the normal cost, 2) the level dollar amortization of the unfunded actuarial accrued liability, and 3) interest on these amounts from the valuation date to the date contributions are paid. The City makes contributions to the plan based on employee salaries and the amortization of past service cost. For the plan year beginning January 1, 2010, the minimum funding requirement is $73,651. This amount consists of (a) normal cost of $48,109, (b) administrative expense of $11,281, (c) amortization of the unfunded frozen initial liability of $14,261, (d) interest of $0, and a full funding credit of $(0). The amounts were developed by the plan administrators.

(A) Significant Actuarial Assumptions:

The significant actuarial assumptions used to compute the actuarial accrued liability and the annual recommended contribution of the plan meet the Actuarial Standard of Practice No. 4, Measuring Pension Obligations, establishing generally accepted actuarial principles and practices.

The significant actuarial assumptions used in the current valuation are:

- Rate of return on investment	8.0% per year
- Projected salary increases for	
-- Inflation	5.0% per year
-- Merit or seniority	0.5% per year
Postretirement benefit increases	not applicable

(B) Funding Policy and Annual Contributions:

The funding policy for the plan is to contribute an amount equal to the recommended contribution in each year. The recommended contribution meets the guidelines for calculating an annual required contribution set forth in Paragraphs 9-10 of Statement No. 27. These contributions are determined under the projected unit credit actuarial cost method and the assets valuation method for developing the actuarial value of assets. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1982 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan year.

One hundred percent of the annual recommended contribution was made for the year ended June 30, 2010. There were no net pension obligations.

(C) Funded Status:

The table below sets forth required supplementary information to be disclosed in the schedule of funding progress. The items presented are based on the January 1, 2010 actuarial valuation:

• actuarial value of assets	$ 2,352,502
• actuarial accrued liability	2,191,744
• funded ratio	107.33%
• total unfunded actuarial liability	
• Unfunded (Surplus) actuarial accrued liability	(160,758)
• annual covered payroll	1,453,707
• ratio of unfunded (excess) to annual covered payroll	(11.00)%

(D) Effect of Plan Changes on the Actuarial Accrued Liability:

The effect on the actuarial accrued liability of any current-year changes in actuarial assumptions or benefit provisions is:

The plan provisions valued and the actuarial assumptions are the same as those used in the preceding valuation.

(E) Effect of Plan Changes on Recommended Contributions:

The effect on the recommended contributions of any current-year changes in actuarial assumptions, benefit provisions, or actuarial funding method is:

The plan provisions valued and the actuarial assumptions and cost methods are the same as those used to determine the contribution requirement for the preceding year.

(F) Historical Trend Information:

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. The table below sets forth required supplementary information to be disclosed in the plan's financial statements. The items presented are based on the January 1 actuarial valuation:

	2008	2009	2010
- Actuarial value of assets	2,305,286	2,305,286	2,352,502
- Actuarial accrued liability	2,013,513	2,013,513	2,191,744
- Funded ratio	114.49%	89.38%	107.33%

	2008	2009	2010
- Total unfunded actuarial liability (funding excess)	(291,773)	221,331	(160,758)
- Annual covered payroll	1,271,879	1,388,785	1,453,707
- Ratio of unfunded (excess) to annual covered payroll	(22.4)%	15.94%	(11.00)%
Actual contribution as a percentage of covered payroll	4.98%	6.17%	4.98%

Three-year Trend Information -

Fiscal year ending	6/30/08	6/30/09	6/30/10
Annual pension cost	32,361	49,310	48,109
Percentage of APC contributed	100%	100%	100%
Net pension obligation	0	0	0

Sources of Valuation Data

Asset Data: The Georgia Municipal Employees Benefit System has supplied all asset data used in the valuation. The market value of assets is based on current values as of two months preceding the valuation date and is assumed to be current through that date.

Participant Data: The primary source of participant data for the current valuation is a census of all participants which was prepared by the City through GMEBS. The data are typically collected by the employer two months prior to valuation date and assumed to be current through that date.

13. Utility Rates

The City has adopted the following utility rate schedules:

WATER RATE SCHEDULE

Consumption	Residential	Commercial
0-5,000 gallons	$ 8.00 min	$ 10.00 min
5,001-10,000 gallons	14.25 min	16.75 min
10,001-15,000 gallons	21.75 min	24.75 min
15,001-20,000 gallons	34.25 min	37.75 min
20,001-above gallons	49.25 min	53.25 min

At that point, the rate would be $3.50 per 1,000 gallons consumed on a level term basis for residential and $3.60 per 1,000 gallons consumed on a level term basis for commercial.

SEWER RATE SCHEDULE

Consumption	Residential	Commercial
0-5,000 gallons	$ 13.30 min	$ 15.30 min
5,001-10,000 gallons	21.45 min	23.95 min
10,001-15,000 gallons	31.20 min	34.20 min
15,001-20,000 gallons	47.45 min	50.95 min
20,001-above gallons	67.70 min	71.70 min

At that point, the rate would be $4.85 per 1,000 gallons consumed on a level term basis for residential and $4.95 per 1,000 gallons consumed on a level term basis for commercial.

GAS RATE SCHEDULE

Consumption	Residential & Commercial
Minimum Charge	$ 5.00 min $ 7.00 min
Next 1,300 cubic feet	19.00 MCF $24.70
Next 1,700 cubic feet	18.90 MCF $32.13
Next 7,000 cubic feet	18.80 MCF $131.60
Next 10,000 cubic feet	18.70 MCF $187.00
Next 20,000 cubic feet	18.60 MCF $372.00
Next 60,000 cubic feet	18.50 MCF $1,110.00
Over 100,000 cubic feet	18.40 MCF

Sycamore Prison $250 base charge/ 22.80 per MCF

Large Commercial Customers:

First 1,000 cubic feet	$18.40
All over 1,000 cubic feet per month	18.30

Gas Dryer Rate is $14.00 MCF

Street/ Sanitation Fee is $7.00/ residential $16.30 commercial $19.35

14. Joint Ventures:

The City of Ashburn in conjunction with cities and counties in the ten (10) county South Georgia Area are members of the South Georgia Regional Development Center (RDC). Membership in an RDC is automatic 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 annual dues in the amount of $5,524 ($1,381 quarterly) to the RDC for the year ended June 30, 2010. The RDC Board membership includes chief elected officials of each county and the chief elected official of each municipality. The County board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public board member from a County.
The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RDCs as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debt or obligations of an RDC beyond its resources. (O.C.G.A. 50-8-39.1)

The South Georgia Regional Development Center issues separate financial statements which may be obtained by writing to them at P.O. Box 1223 Valdosta, Georgia 31603.

15. Related Organization:

The City of Ashburn is not financially accountable for the Housing Authority; however the council members of the City of Ashburn do appoint all six members of the governing board of the Housing Authority.

16. Risk Management

The City is exposed to various risks of losses related to torts, thefts of, damage to, or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City has joined Georgia Interlocal Risk Management Agency (GIRMA). This membership allows the City to share liability, crime, motor vehicle, and property damage risks.

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. GIRMA is a municipal risk management agency functioning as an unincorporated nonprofit instrumentality of its member municipalities. GIRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of GIRMA against liability or loss.

Responsibilities of the City include:

- To pay all contributions, assessments or other sums due to GIRMA at such times and in such amounts as shall be established by GIRMA.
- To select a person to serve as a Member representative.
- To allow GIRMA and its agents reasonable access to all facilities of the City and all records, including but not limited to financial records, which relate to the purposes of GIRMA.
- To allow attorneys appointed by GIRMA to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the fund established by GIRMA.
- To assist and cooperate in the defense and settlement of claims against the City.
- To furnish full cooperation to GIRMA's attorneys claims adjusters, service company, and any agent, employee, officer or independent contractor of GIRMA relating to the purposes of GIRMA.
- To furnish GIRMA such budget, operating and underwriting information as may be requested.
- To report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in GIRMA being required to pay claim for loss or injuries to municipal property or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a fund in which the City participates.

The City of Ashburn has a $1,000 deductible for each occurrence. The City files all claims with GIRMA, which bills the City for any risk of loss up to the $1,000 deductible. The City is covered for $1,000,000 for each occurrence. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the City. Settled claims in the past three years have not exceeded coverage.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, the City of Ashburn became a member of the Georgia Municipal Association Workers' Compensation Self Insurance Fund. The effective date of membership was May 13, 1983. The liability of the fund to the employees of any employer is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/ or employer's liability.
The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding or compensation thereof, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

As part of this risk pool, the city is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the pool, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the pool being required to pay any claim of loss. The city is also to allow the pool's agents and attorneys to represent the city in investigation, settlement discussions and all levels of litigation arising out of any claim made against the city within the scope of loss protection furnished by the pool.

17. Landfill Closure and Post-closure Care Cost

State and federal laws and regulations require that Turner County place a final cover on its landfill and to perform certain maintenance and monitoring functions at the landfill site for five years after closure. The County's landfill is closed and considered filled to capacity. The estimated liability for post closure care costs as of June 30, 2010 is $228,115 and is

based on the landfill at full capacity. The estimated remaining landfill life is approximately 14 years. The City of Ashburn is responsible for 41.9% of those costs, which is $95,580. Actual costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

18. Special Purpose Local Option Sales Tax

The City has an original estimated cost for each project for which sales tax proceeds would be used and has an estimated cost for the total which would be spent on all eligible projects combined.

19. Hotel-Motel Tax

The City has levied an 8% Hotel-Motel tax. A summary of the transactions for the year ending June 30, 2010 is as follows:

Hotel Motel Tax Receipts	$ 90,338
Disbursements to Ashburn Downtown Development Authority	15,923
Transfer to City Tourism Fund	15,923
Disbursements to Ashburn-Turner County Chamber of Commerce for tourism	39,183
Balance to City	$ 19,309

The City has committed 60% of the first 5% of the taxes collected to the Chamber of Commerce for the promotion of tourism. The additional 3% of the taxes collected is divided equally among the City Tourism Fund and the Downtown Development Authority. We examined the expenditures made by the Chamber of Commerce to ensure that the funds were spent in conformity with requirements of the Code section. The expenditures listed in the Statement of Revenues. Expenditures and Changes in Fund Balance represent those of the City of Ashburn as well as those of the Chamber of Commerce.

20. Defined Contribution Plan

The City of Ashburn has a 401A GMA defined contribution plan administered by GMA. The city contributes $5.00 per week per employee. The total amount contributed by the city to the 401A defined contribution plan was $5,625. The employees contributed $15,027 to their 457B deferred compensation plan. The city has the sole authority of amending and changing the provisions of the plan.

21. Internal Transfers

Internal transfers for the year ended June 30, 2010 were as follows:

	Transfer In		Transfer Out	
Governmental Fund:				
Gas Fund	$ 50,000	(a)	$ 0	
Hotel/Motel Tax Fund	19,309	(a)	0	
Total General Fund	69,309		0	
Gas Fund:				
Capital Projects Fund	4,881	(b)	0	
General Fund	0		50,000	(a)
Total Gas Fund	4,881		50,000	
Water Fund:				
Capital Projects Fund	1,894	(b)	0	
Total Water Fund	1,894		0	
Capital Projects Fund:				
Water Fund	0		1,894	(b)
Gas Fund	0		4,881	(b)
Total Capital Projects Fund	0		6,775	
Special Revenue Fund:				
Hotel/Motel Tax Fund:				
General Fund	0		19,309	(a)
TOTAL ALL FUNDS	$ 76,084		$ 76,084	

(a) To transfer funds for various general governmental activities
(b) To transfer funds for capital asset purchases

22. Subsequent Events

Subsequent events have been evaluated through November 15, 2010 as this is the date the financial statements were available to be issued. No items occurring after the fiscal year ended of June 30, 2010 through November 15, 2010 were deemed required to be presented.

REQUIRED

SUPPLEMENTARY

INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL (GAAP BUDGETARY BASIS) -GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Real property	$ 599,900	$ 599,900	$ 654,674	$ 54,774
Personal property	82,500	82,500	73,260	(9,240)
Franchise taxes	276,000	276,000	271,648	(4,352)
Local option sales and use taxes	240,000	240,000	199,519	(40,481)
Alcoholic beverage excise taxes	66,000	66,000	65,874	(126)
Insurance premium taxes	250,000	250,000	245,003	(4,997)
Financial institutions taxes	17,000	17,000	3,455	(13,545)
Penalties and interest on delinquent taxes	7,000	7,000	20,282	13,282
Alcoholic beverages licenses	6,500	6,500	6,675	175
General business license	28,000	28,000	28,151	151
Penalties on delinquent licenses	100	100	178	78
Payment in lieu of taxes	16,000	16,000	16,066	66
Court costs	13,000	13,000	18,361	5,361
Probation costs	35,000	35,000	60,369	25,369
Election qualifying fees	700	700	0	(700)
Accident reports	0	0	247	247
Charges for services-street repairs	2,000	2,000	1,093	(907)
Charges for services-sanitation	566,000	566,000	566,828	828
Animal control fees	5,000	5,000	6,110	1,110
Charges for services-cemetery	3,000	3,000	8,550	5,550
Fines and forfeitures	807,650	807,650	1,265,148	457,498
E911 charges	35,000	35,000	35,525	525
Interest revenue	10,000	10,000	2,214	(7,786)
Insurance Reimbursement	10,000	10,000	0	(10,000)
Miscellaneous revenue	15,500	15,500	34,531	19,031
Total Revenues	3,091,850	3,091,850	3,583,761	491,911

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SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL (GAAP BUDGETARY BASIS) -GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

	Original Budget	Final Budget	Actual	Variance
Expenditures:				
General government	$ 403,450	$ 403,450	$ 417,053	$ 13,603
Public safety	1,749,700	1,749,700	1,976,840	227,140
Public works	1,032,500	1,032,500	1,000,024	(32,476)
Health/ welfare	13,000	13,000	13,000	0
Culture/recreation	20,200	20,200	19,475	(725)
Total Expenditures	3,218,850	3,218,850	3,426,392	207,542
Excess of Revenues Over Expenditures	(127,000)	(127,000)	157,369	284,369
Other Financing Sources (Uses)				
Transfers in	125,000	125,000	69,309	(55,691)
Transfers out	2,000	2,000	0	(2,000)
Borrowed Funds	0	0	15,000	15,000
Total Other Financing Sources (Uses)	127,000	127,000	84,309	(42,691)
Deficiency of Revenues and Other Financing Sources Over Expenditures	$ 0	$ 0	241,678	$ 241,678
FUND BALANCE - July 1, 2009			469,289	
FUND BALANCE - June 30, 2010			$ 710,967	

SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCE

GENERAL FUND

City of Ashburn
Ashburn, Georgia — June 30, 2010

ASSETS

Cash	$ 512,623	
Taxes receivable-delinquent	60,899	
Other taxes receivable	30,745	
Accounts receivable (Net of allowance for uncollectibles of 1,500)	46,432	
Due from other governments	43,504	
Due from other funds	4,602	
Inventories-materials and supplies	60,519	
Prepaid items	34,871	
Reserved assets	68,339	
TOTAL ASSETS		$ 862,534

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable	$ 69,425	
Salaries and wages payable	15,587	
Employer's share of employee benefits-current	4,533	
Customer deposit payable	10,200	
Deferred revenue	51,822	
Total Liabilities		$ 151,567
Equities and Other Credits:		
Fund balance - unassigned	547,238	
Nonspendable fund balance	95,390	
Fund balance - comitted capital projects	68,339	
Total Equity and Other Credits		710,967
TOTAL LIABILITIES AND FUND BALANCE		$ 862,534

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

	Original Budget	Final Budget	Actual	Variance
General Government:				
Legislative -				
Personal services-salaries and wages	$ 28,800	$ 28,800	$ 28,800	$ 0
Group insurance	0	0	904	904
Social security and medicare contributions	2,100	2,100	2,204	104
Travel	10,000	10,000	12,579	2,579
General administration -				
Personal services-salaries and wages	124,500	124,500	126,207	1,707
Group insurance	17,000	17,000	15,951	(1,049)
Social security and medicare contributions	14,000	14,000	13,843	(157)
Retirement contributions	7,400	7,400	6,800	(600)
Workers' compensation	10,800	10,800	11,465	665
Professional services	53,000	53,000	55,875	2,875
Technical services	5,000	5,000	10,773	5,773
Repairs and maintenance	4,000	4,000	6,375	2,375
Rental of land and buildings	5,000	5,000	4,815	(185)
Rentals - uniforms	0	0	185	185
Insurance, other than employee benefits	9,800	9,800	11,966	2,166
Communications	8,500	8,500	7,395	(1,105)
Advertising	3,500	3,500	1,469	(2,031)
Dues and fees	7,500	7,500	16,981	9,481
General supplies and materials	13,350	13,350	12,898	(452)
Energy	15,500	15,500	12,550	(2,950)
Other supplies	1,000	1,000	5,292	4,292
Payments to other agencies	0	0	52	52
Code Ordinances	4,000	4,000	5,878	1,878
Election	1,000	1,000	0	(1,000)
Library	15,000	15,000	15,000	0
Chamber	25,000	25,000	25,000	0
Arts council	2,500	2,500	2,500	0
Elderly village	3,000	3,000	3,000	0
Agency on Aging	500	500	0	(500)
Bad debts	700	700	81	(619)
Miscellaneous	0	0	215	215
Unemployment tax	11,000	11,000	0	(11,000)
Total general government	403,450	403,450	417,053	13,603

(Continued on next page)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

	Original Budget	Final Budget	Actual	Variance
Public Safety:				
Police -				
Personal services-salaries and wages	$ 550,000	$ 550,000	$ 562,603	$ 12,603
Group insurance	66,000	66,000	53,809	(12,191)
Social security and medicare contributions	37,000	37,000	35,429	(1,571)
Retirement contributions	18,500	18,500	16,100	(2,400)
Workers' compensation	41,000	41,000	37,167	(3,833)
Other employee benefits	28,000	28,000	51,464	23,464
Technical services	4,000	4,000	13,383	9,383
Repairs and maintenance	34,000	34,000	45,664	11,664
Rentals - uniforms	7,500	7,500	5,700	(1,800)
Insurance, other than employee benefits	24,500	24,500	22,297	(2,203)
Communications	8,000	8,000	7,476	(524)
Advertising	500	500	248	(252)
Travel	3,000	3,000	3,982	982
General supplies and materials	8,000	8,000	8,823	823
Processing fee	15,100	15,100	37,277	22,177
Energy	47,700	47,700	48,727	1,027
Other supplies	19,000	19,000	19,739	739
Capital outlays	0	0	15,000	15,000
GA Crime victim	500	500	390	(110)
Peace Officer Training	49,700	49,700	107,576	57,876
Indigent defense fund	57,300	57,300	103,897	46,597
Drivers Ed and Training	24,700	24,700	47,123	22,423
Brain & Spinal	650	650	937	287
Local Victim Assistance	26,600	26,600	49,422	22,822
DTF Contribution	9,500	9,500	0	(9,500)
Dues and fees	500	500	458	(42)
Custody of prisoners	45,000	45,000	46,311	1,311
Total police	1,126,250	1,126,250	1,341,002	214,752
Fire -				
Personal services-salaries and wages	264,000	264,000	275,014	11,014
Group insurance	39,000	39,000	38,438	(562)
Social security and medicare contributions	16,000	16,000	20,956	4,956
Retirement contributions	16,600	16,600	16,260	(340)
Workers' compensation	19,000	19,000	20,399	1,399
Technical services	2,000	2,000	3,843	1,843
Repairs and maintenance	12,000	12,000	12,959	959

(Continued on next page)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

	Original Budget	Final Budget	Actual	Variance
Rentals - uniforms	$ 4,500	$ 4,500	$ 1,834	$ (2,666)
Insurance, other than employee benefits	8,000	8,000	7,363	(637)
Communications	3,500	3,500	1,416	(2,084)
Travel	1,500	1,500	477	(1,023)
Contract labor	9,000	9,000	7,618	(1,382)
General supplies and materials	2,000	2,000	3,254	1,254
Energy	17,400	17,400	21,031	3,631
Dues and fees	0	0	20	20
Capital outlays	10,000	10,000	13,435	3,435
Total fire	424,500	424,500	444,317	19,817
Animal Control -				
Personal services-salaries and wages	71,000	71,000	63,090	(7,910)
Group insurance	10,800	10,800	10,968	168
Social security and medicare contributions	4,700	4,700	4,745	45
Retirement contributions	5,600	5,600	5,520	(80)
Workers' compensation	5,000	5,000	5,297	297
Technical services	2,000	2,000	3,827	1,827
Repairs and maintenance	3,450	3,450	2,995	(455)
Insurance, other than employee benefits	2,300	2,300	2,383	83
Travel	500	500	164	(336)
General supplies and materials	2,000	2,000	2,177	177
Rentals - uniforms	1,200	1,200	597	(603)
Energy	7,100	7,100	7,727	627
Capital Outlay	0	0	0	0
Other supplies	300	300	222	(78)
Total Animal control	115,950	115,950	109,712	(6,238)
E911-				
Services	83,000	83,000	81,809	(1,191)
Total E911	83,000	83,000	81,809	(1,191)
Total public safety	1,749,700	1,749,700	1,976,840	227,140
Public Works:				
Highways and streets -				
Personal services-salaries and wages	277,000	277,000	264,924	(12,076)
Group insurance	60,000	60,000	58,701	(1,299)
Social security and medicare contributions	25,000	25,000	20,218	(4,782)

(Continued on next page)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

	Original Budget	Final Budget	Actual	Variance
Retirement contributions	$ 15,500	$ 15,500	$ 15,260	$ (240)
Workers' compensation	35,300	35,300	28,828	(6,472)
Technical services	2,200	2,200	3,810	1,610
Disposal	285,000	285,000	270,282	(14,718)
Repairs and maintenance	25,800	25,800	36,853	11,053
Rentals - uniforms	4,700	4,700	4,001	(699)
Insurance, other than employee benefits	22,000	22,000	18,662	(3,338)
Communications	2,300	2,300	1,818	(482)
Travel	500	500	0	(500)
General supplies and materials	3,500	3,500	2,712	(788)
Energy	141,200	141,200	138,236	(2,964)
Advertising	100	100	39	(61)
Paved streets	10,500	10,500	9,296	(1,204)
Total highways and streets	910,600	910,600	873,640	(36,960)
Solid waste and recycling -				
Closure and post-closure care	15,000	15,000	20,989	5,989
Total Solid waste and recycling	15,000	15,000	20,989	5,989
Maintenance and shop -				
Personal services-salaries and wages	64,000	64,000	62,753	(1,247)
Group insurance	10,800	10,800	10,970	170
Social security and medicare contributions	4,600	4,600	4,790	190
Retirement contributions	3,600	3,600	3,260	(340)
Workers' compensation	4,500	4,500	4,752	252
Technical services	2,000	2,000	3,827	1,827
Repairs and maintenance	3,500	3,500	1,471	(2,029)
Rentals - uniforms	1,100	1,100	721	(379)
Insurance, other than employee benefits	1,200	1,200	1,250	50
Communications	1,000	1,000	1,104	104
General supplies and materials	4,500	4,500	4,039	(461)
Energy	6,100	6,100	6,458	358
Total maintenance and shop	106,900	106,900	105,395	(1,505)
Total public works	$ 1,032,500	$ 1,032,500	$ 1,000,024	$ (32,476)

(Continued on next page)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

	Original Budget	Final Budget	Actual	Variance
Health and Welfare:				
Nutrition				
Communications	13,000	13,000	13,000	0
Total health and welfare	13,000	13,000	13,000	0
Culture/Recreation				
Repairs and maintenance	500	500	3,781	3,281
General supplies and materials	600	600	1,078	478
Energy	12,900	12,900	8,616	(4,284)
Supplies	200	200	0	(200)
Professional services	6,000	6,000	6,000	0
Total Culture/Recreation	20,200	20,200	19,475	(725)
Total Expenditures	$ 3,218,850	$ 3,218,850	$ 3,426,392	$ 207,542

SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCE

NON-MAJOR GOVERNMENTAL FUNDS

City of Ashburn
Ashburn, Georgia

June 30, 2010

	Special Revenue Funds	Capital Projects Fund	Total
ASSETS			
Cash In bank	$ 18,018	$ 45,813	$ 63,831
Due from other governments	4,602	0	4,602
Due from other funds	0	0	0
TOTAL ASSETS	$ 22,620	$ 45,813	$ 68,433
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	$ 0	$ 0	$ 0
Due to General fund	4,602	0	4,602
Deferred revenue	101	0	101
Total Liabilities	4,703	0	4,703
Fund Balance:			
Restricted:			
Public Works	5,635	0	5,635
Economic Development	6,045	0	6,045
Capital Projects	0	45,813	45,813
Public Safety	6,237	0	6,237
Total Fund Balance	17,917	45,813	63,730
TOTAL LIABILITES AND FUND BALANCE	$ 22,620	$ 45,813	$ 68,433

SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCE

NON-MAJOR GOVERNMENTAL FUNDS

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

	Special Revenue Funds	Capital Projects Fund	Total
Revenues:			
Federal grant	$ 248,376	$ 0	$ 248,376
State grant	2,964	0	2,964
Hotel/motel tax	90,338	0	90,338
Intergovernmental	0	322,432	322,432
Interest income	0	0	-
Contributions	21,952	0	21,952
Total Revenues	$ 363,630	$ 322,432	$ 686,062
Expenditures:			
General government	$ 0	$ 67,245	$ 67,245
Public works	5,508	33,849	39,357
Public safety	78,458	38,165	116,623
Health/ welfare	197,714	0	197,714
Culture/ recreation	421	0	421
Economic development	64,985	0	64,985
Debt Service:			
Principal	0	153,618	153,618
Interest	0	19,218	19,218
Total Expenditures	347,086	312,095	659,181
Excess (Deficiency) of Revenues Over Expenditures before Non-Operating Expenditures	16,544	10,337	26,881
Non-Operating Expenditures:			
General fund transfer	(19,309)	0	(19,309)
Water transfers	0	(1,894)	(1,894)
Gas transfers	0	(4,881)	(4,881)
Total Non-Operating Expenditures	(19,309)	(6,775)	(26,084)
Excess of Revenues Over Expenditures	(2,765)	3,562	797
FUND BALANCE - July 1, 2009	20,681	42,252	62,933
FUND BALANCE - June 30, 2010	$ 17,916	$ 45,814	$ 63,730

SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCE-SPECIAL REVENUE FUNDS

City of Ashburn
Ashburn, Georgia — June 30, 2010

	Rose Hill Cemetery Fund	Turner County Boys & Girls Club	CHIP Grant	City Tourism	Seized Assets	Total
ASSETS						
Cash	$ 5,635	$ 0	$ 101	$ 6,044	$ 6,237	$ 18,017
Due from other governments	0	4,602	0	0	0	4,602
TOTAL ASSETS	$ 5,635	$ 4,602	$ 101	$ 6,044	$ 6,237	$ 22,619
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Due to general fund	0	4,602	0	0	0	4,602
Deferred revenue	0	0	101	0	0	101
Employer's share of employee benefits-current	0	0	0	0	0	0
Total Liabilities	0	4,602	101	0	0	4,703
Fund Balance:						
Fund balance - restricted	5,635	0	0	6,044	6,237	17,916
Total Fund Balance	5,635	0	0	6,044	6,237	17,916
TOTAL LIABILITIES AND FUND BALANCE	$ 5,635	$ 4,602	$ 101	$ 6,044	$ 6,237	$ 22,619

SCHEDULE OF REVENUES, EXPENSES AND CHANGES

IN FUND BALANCE-SPECIAL REVENUE FUNDS

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

Program Activity	Rose Hill Cemetary Fund	Hotel Motel Tax	Nutrition Program	City Tourism	CHIP Grant	Transportation Enhancement Grant	Cops Grant	Turner County Boys & Girls Club	Local Assistance Grants	Seized Assets	Total
Revenues:											
Hotel / motel taxes	$ 0	$ 90,338	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 90,338
Federal government grants	0	0	44,079	0	138,721	5,508	60,068	0	0	0	248,376
State government grants	0	0	0	0	0	0	0	0	2,964	0	2,964
Contributions from private sources	0	0	465	0	0	0	0	14,449	0	7,038	21,952
Interest	0	0	0	0	0	0	0	0	0	0	0
Total Revenues	0	90,338	44,544	0	138,721	5,508	60,068	14,449	2,964	7,038	363,630
Expenditures:											
Personal services-salaries and wages	$ 0	$ 0	$ 22,327	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 22,327
SS and medicare contributions	0	0	1,706	0	0	0	0	0	0	0	1,706
Insurance	0	0	5,498	0	0	0	0	0	0	0	5,498
Economic Development	0	15,923	0	0	0	0	0	0	0	0	15,923
Travel	0	0	96	0	0	0	0	0	0	0	96
Capital outlays	0	0	0	0	0	0	45,000	0	0	0	45,000
Tourism	0	39,183	0	9,879	0	0	0	0	0	0	49,062
Program administration	421	0	14,917	0	138,721	5,508	15,068	14,449	2,964	15,426	207,474
Total Expenditures	421	55,106	44,544	9,879	138,721	5,508	60,068	14,449	2,964	15,426	347,086

SCHEDULE OF REVENUES, EXPENSES AND CHANGES

IN FUND BALANCE-SPECIAL REVENUE FUNDS

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

Program Activity	Rose Hill Cemetary Fund	Hotel Motel Tax	Nutrition Program	City Tourism	CHIP Grant	Transportation Enhancement Grant	Cops Grant	Turner County Boys & Girls Club	Local Assistance Grants	Seized Assets	Total
Excess of Revenues Over Expenditures before Transfers	$ (421)	$ 35,232	$ 0	$ (9,879)	$ 0	$ 0	$ 0	$ 0	$ 0	$ (8,388)	$ 16,544
Transfer in	0	0	0	15,923	0	0	0	0	0	0	15,923
Transfer out	0	(35,232)	0	0	0	0	0	0	0	0	(35,232)
Net Transfers	0	(35,232)	0	15,923	0	0	0	0	0	0	(19,309)
Excess of Revenues Over Expenditures after Transfers	(421)	0	0	6,044	0	0	0	0	0	(8,388)	$ (2,765)
FUND BALANCE - July 1, 2009	6,056	0	0	0	0	0	0	0	0	14,625	20,681
FUND BALANCE - June 30, 2010	$ 5,635	$ 0	$ 0	$ 6,044	$ 0	$ 0	$ 0	$ 0	$ 0	$ 6,237	$ 17,916

SCHEDULE OF NET ASSETS

WATER AND SEWER FUND

City of Ashburn
Ashburn, Georgia

ASSETS

Current Assets:		
Cash and Certificate of Deposit	$ 59,916	
Accounts receivable (net of allowance for uncollectibles of 2,800)	132,786	
Inventories-materials and supplies	30,466	
Prepaid items	7,628	
Total Current Assets		$ 230,796
Capital Assets:		
Sites	15,850	
Site improvements	493,115	
Buildings	213,454	
Machinery and equipment	538,918	
Water and sewer system	9,057,723	
	10,319,060	
Less Accumulated Depreciation	(4,307,068)	
Capital Assets - Net		6,011,993
TOTAL ASSETS		$ 6,242,789

SCHEDULE OF NET ASSETS

WATER AND SEWER FUND

		June 30, 2010
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 2,755	
Salaries and wages payable	10,913	
Payroll deductions payable	448	
Accrued interest payable	11,654	
Notes payable-current	293,967	
Consumers' deposits payable	92,415	
Total Current Liabilities		$ 412,152
Non-current Liabilities:		
Notes payable-non-current	3,729,415	
Total Non-current Liabilities		3,729,415
Total Liabilities		4,141,567
Net Assets:		
Invested in capital assets, net of related debt	1,988,611	
Restricted for debt retirement	9,000	
Unrestricted	103,611	
Total Net Assets		2,101,222
TOTAL LIABILITIES AND NET ASSETS		$ 6,242,789

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET ASSETS - WATER AND SEWER FUND

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2010
Operating Revenues:	
Water charges	$ 640,681
Sewer charges	707,423
Total Operating Revenues	1,348,104
Operating Expenses:	
Personal services-salaries and wages	137,373
Group insurance	21,945
Social security and medicare contributions	10,286
Retirement	4,000
Retirement contributions	260
Workers' compensation	11,753
Professional services	33,523
Technical services	11,413
Repairs and maintenance	37,420
Rental of uniforms	1,139
Insurance, other than employee benefits	26,996
Communications	823
Travel	1,493
Gas and Oil	7,014
General supplies and materials	30,400
Utilities	77,256
Other supplies	2,277
Advertising	31
Waste Management Services	412,818
Depreciation	217,708
Total Operating Expenses	1,045,928
Operating Income	302,176

(Continued on next page)

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET ASSETS - WATER AND SEWER FUND

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2010
Non-Operating Revenues (Expenses):	
Interest revenue	$ 482
Interest expense	(179,663)
Total Non-Operating Revenues (Expenses)	(179,181)
Income before Transfers	122,995
Transfers in	1,894
Change in Net Assets	124,889
NET ASSETS - July 1, 2009	1,976,333
NET ASSETS - June 30, 2010	$2,101,222

SCHEDULE OF CASH FLOWS

WATER AND SEWER FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

		Enterprise Funds
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 1,335,360	
Cash Payments for Goods and Services	(711,637)	
Cash Payments to Employees	(136,779)	
Net Cash Provided by Operating Activities		$ 486,944
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	(1,894)	
Proceeds from Special Purpose Local Option Sales Tax	1,894	
Principal Paid on Notes	(281,374)	
Interest Paid	(182,690)	
Net Cash Used by Capital and Related Financing Activities		(464,064)
Cash Flows from Investing Activities:		
Interest on Investments	482	
Net Cash Provided by Investing Activities		482
Net Increase in Cash and Restricted Cash		23,362
CASH AND RESTRICTED CASH - July 1, 2009		36,554
CASH AND RESTRICTED CASH - June 30, 2010		$ 59,916

SCHEDULE OF CASH FLOWS

WATER AND SEWER FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

		Enterprise Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income		$ 302,176
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation		217,708
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	$ (23,051)	
(Increase) Decrease in Inventories	(15,403)	
(Increase) Decrease in Prepaid Items	4,537	
Increase (Decrease) in Accounts Payable	(2,853)	
Increase (Decrease) in Accrued Interest Payable	3,028	
Increase (Decrease) in Salaries and Wages Payable	361	
Increase (Decrease) in Customers' Deposits	790	
Increase (Decrease) in Payroll Deductions Payable	(349)	
Change in Assets and Liabilities		(32,940)
NET CASH PROVIDED BY OPERATING ACTIVITIES		$ 486,944

SCHEDULE OF NET ASSETS

GAS FUND

City of Ashburn
Ashburn, Georgia

ASSETS

Current Assets:		
Cash	$ 475,046	
Accounts receivable		
(net of allowance for uncollectibles of 2,000)	66,174	
Inventories-materials and supplies	64,216	
Prepaid items	11,987	
Total Current Assets		$617,423
Capital Assets:		
Sites	8,750	
Lp tanks	100,096	
Buildings	104,551	
Machinery and equipment	405,345	
Natural gas system	396,439	
	1,015,181	
Less Accumulated Depreciation	(771,903)	
Capital Assets - Net		243,278
Total Assets		$860,701

SCHEDULE OF NET ASSETS

GAS FUND

		June 30, 2010
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 11,140	
Salaries and wages payable	12,361	
Payroll deductions payable	230	
Employer's share of employee benefits-current	451	
Lease payable-current	3,200	
Sales tax payable	3,144	
Accrued interest	6	
Consumers' deposits payable	45,830	
Total Current Liabilities		$ 76,362
Total Liabilities		76,362
Net Assets:		
Invested in capital assets, net of related debt	240,078	
Unrestricted	544,261	
Total Net Assets		784,339
TOTAL LIABILITIES AND NET ASSETS		$860,701

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET ASSETS - GAS FUND

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2010
Operating Revenues:	
Gas charges	$ 1,282,120
Other	34,011
Total Operating Revenues	1,316,131
Operating Expenses:	
Personal services-salaries and wages	272,104
Group insurance	49,571
Social security and medicare contributions	26,243
Retirement	20,000
Retirement contributions	520
Workers' compensation	21,048
Professional and technical services	17,313
Repairs and maintenance	75,230
Rental of uniforms	3,101
Insurance, other than employee benefits	31,231
Communications	2,568
Advertising	4,200
Travel	6,573
General supplies and materials	8,265
Gas and oil	15,177
Utilities	4,366
Inventory purchased for resale	562,903
Miscellaneous	1,435
Depreciation	38,592
Tank Expense	6,106
Postage	1,458
Total Operating Expenses	1,168,004
Operating Income	148,127

(Continued on next page)

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET ASSETS - GAS FUND

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2010
Non-Operating Revenues (Expenses):	
Interest revenues	$ 324
Interest expense	(257)
Total Non-Operating Revenues	67
Income before Transfers	148,194
Transfers in	4,881
Transfers out	(50,000)
Change in Net Assets	103,075
NET ASSETS - July 1, 2009	681,264
NET ASSETS - June 30, 2010	$ 784,339

SCHEDULE OF CASH FLOWS

GAS FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

		Enterprise Funds
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 1,348,581	
Cash Payments for Goods and Services	(934,846)	
Cash Payments to Employees	(272,138)	
Net Cash Provided by Operating Activities		$ 141,597
Cash Flows from Non-Capital Financing Activities:		
Transfers to Other Funds	(50,000)	
Net Cash Used by Non-Capital Financing Activities		(50,000)
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Special Purpose Local Option Sales Tax	4,881	
Principal Paid on Notes	(4,624)	
Interest Paid	(257)	
Net Cash Used by Capital and Related Financing Activities		0
Cash Flows from Investing Activities:		
Interest on Investments	324	
Net Cash Provided by Investing Activities		324
Net Increase in Cash		91,921
CASH - July 1, 2009		383,126
CASH - June 30, 2010		$ 475,046

SCHEDULE OF CASH FLOWS

GAS FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

		Enterprise Funds
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities:		
Operating Income		$ 148,127
Adjustments to Reconcile Operating Income		
to Net Cash Provided by Operating Activities		
Depreciation		38,592
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	$ (21,484)	
(Increase) Decrease in Inventories	(25,324)	
(Increase) Decrease in Prepaid Items	1,699	
Increase (Decrease) in Accounts Payable	1,144	
Increase (Decrease) in Salaries and Wages Payable	(716)	
Increase (Decrease) in Payroll Deductions Payable	(34)	
Increase (Decrease) in Employer's Share Benefits	(62)	
Increase (Decrease) in Accrued Interest Payable	(10)	
Increase (Decrease) in Sales Tax Payable	819	
Increase (Decrease) in Customers' Deposits	(1,155)	
Change in Assets and Liabilities		(45,123)
NET CASH PROVIDED BY OPERATING ACTIVITIES		$ 141,597

SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUND

City of Ashburn
Ashburn, Georgia — June 30, 2010

	Pending Fund
Additions:	
Increase to agency funds	$ 17,591
Deductions:	
Disbursement from agency fund	17,561
Net Increase	30
Due to Court - July 1, 2009	8,790
Due to Court - June 30, 2010	$ 8,820

SCHEDULE OF NET ASSETS

DOWNTOWN DEVELOPMENT AUTHORITY

City of Ashburn
Ashburn, Georgia — June 30, 2010

ASSETS

Current Assets:		
Cash	$ 4,053	
Inventory	9,767	
Total Current Assets		13,820
Property, Plant, and Equipment:		
City Park		50,446
TOTAL ASSETS		$ 64,266

LIABILITIES AND NET ASSETS

Current Liabilities:	
Current Portion Long Term Debt	$ 5,516
Long Term Debt, net of current	23,426
TOTAL LIABILITIES	28,942
Net Assets:	
Unrestricted	35,324
Total Net Assets	35,324
TOTAL LIABILITIES AND NET ASSETS	$ 64,266

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET ASSETS - DOWNTOWN DEVELOPMENT AUTHORITY

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2010
Operating Revenues:	
Sale of Inventory	$ 19,180
Intergovernmental	17,923
Total Operating Revenues	37,103
Operating Expenses:	
Cost of Goods Sold	19,180
Surveying	1,500
Total Operating Expenses	20,680
Change in Net Assets	16,423
NET ASSETS - July 1, 2009	18,901
NET ASSETS - June 30, 2010	$ 35,324

SCHEDULE OF CASH FLOWS

DOWNTOWN DEVELOPMENT AUTHORITY

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

Cash Flows from Operating Activities:		
Cash Received from Customers	$ 19,180	
Intergovernmental cash received	17,923	
Cash Payments for Goods and Services	(12,447)	
Net Cash Provided by Operating Activities		$ 24,656
Net Cash Used by Non-Capital Financing Activities		0
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Long Term Borrowing	29,473	
Purchase of Property, Plant, and Equipment	(50,446)	
Principal Paid on Notes	(531)	
Net Cash Used by Capital and Related Financing Activities		(21,504)
Net Cash Provided by Investing Activities		0
Net Increase in Cash		3,152
CASH - July 1, 2009		901
CASH - June 30, 2010		$ 4,053

SCHEDULE OF CASH FLOWS

DOWNTOWN DEVELOPMENT AUTHORITY

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income		$ 16,423
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Changes in Assets and Liabilities:		
(Increase) Decrease in Inventories	8,233	
Change in Assets and Liabilities		8,233
NET CASH PROVIDED BY OPERATING ACTIVITIES		$ 24,656

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor
Members of the City Council
City of Ashburn, Georgia

We have audited the financial statements of governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Ashburn, Georgia, as of and for the year ended June 30, 2010, which collectively comprise the City of Ashburn, Georgia's basic financial statements and have issued our report thereon dated November 15, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Ashburn, Georgia's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Ashburn, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Ashburn, Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Ashburn, Georgia's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Ashburn, Georgia's financial statements that is more than inconsequential will not be prevented or detected by the City of Ashburn, Georgia's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses, numbers 10-1, 10-2, and 10-3 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Ashburn, Georgia's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance And Other Matters

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

We noted certain matters that we reported to management of City of Ashburn, Georgia in a separate letter dated November 15, 2010.

City of Ashburn, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit City of Ashburn, Georgia's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Herring CPA Group, P.C.

Herring CPA Group, P.C.
Tifton, Georgia
November 15, 2010

SCHEDULE OF FINDINGS AND RESPONSES

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

SECTION 1-SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	Yes
Noncompliance material to financial Statements noted?	No

SECTION II-FINANCIAL STATEMENT FINDINGS

2010-1 FINDING **Accounting Personnel, lack of complete segregation of duties**

Criteria: Adequate number of personnel should be employed to reduce conflicting job duties.

Condition: Recording, collections, and reporting are being administered by the same employees.

Effect: Lack of complete segregation of duties can result in misappropriation of funds.

Recommendation: Additional personnel should be hired or procedures should be implemented requiring the segregation of duties of the accounting personnel.

Management's Response: We concur with the recommendation. However, due to limited resources and personnel we cannot completely correct the lack of segregation of duties.

2010-2 FINDING **Lack of control over police officer ticket books**

Criteria: The police officer ticket books are not being accounted for to ensure that all ticket books and tickets are being recorded.

Condition: Police officers are randomly issued ticket books with no accounting for books issued, returned, or inventory on hand.

Effect: Tickets issued by the police officers may not be completely entered into the court docket system and misappropriation of funds may occur.

Recommendation: The police officer ticket books which are unused, issued to an officer, and completely used, should be inventoried, signed out and signed back in. The tickets can then be traced to the court docket.

Management's Response: We concur with the finding. The council has directed the city manager to issue a policy that will improve the control of the police officer ticket books and subsequent entry of the tickets issued into the court docket.

2010-3 FINDING **Expenditures exceeding budget**

Criteria: Budget to actual numbers were not periodically reviewed with the budget being amended as needed.

Condition: The City was in violation of Sate budget statutes for the year ended June 30, 2009 because certain departmental expenditures exceeded their budget at the legal level of control. The Georgia Statutes define the legal level of control, at a minimum, to be at the department level. The departments and the budget analysis follow:

	EXPENDITURES		
	BUDGETED	ACTUAL	(EXCESS)
General Fund:			
Department:			
General Administration	$ 403,450	$ 417,053	$ 13,603
Police	$1,126,250	$1,341,002	$ 214,752
Fire	$ 424,500	$ 444,317	$ 19,817
Solid Waste and Recycling	$ 15,000	$ 20,989	$ 5,989

Effect: Expenditures are not managed in accordance with budget statutes and actions of the City Council.

Recommendation: Emphasize management of expenditures and periodic comparison to the budget.

Management's response: Management agrees with the finding and will periodically monitor budget and make amendments as necessary.

SCHEDULE OF PROJECTS USING SPECIAL

PURPOSE LOCAL OPTION SALES TAX PROCEEDS

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2010

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
			2005 SPLOST			
a) Street and Sidewalk Improvement	$ 189,000	$ 189,000	$163,247	$ 25,059	$ 188,306	100%
b) Water, Sewage and Drainage	377,000	377,000	57,595	0	57,595	15%
c) Construction, Expansion and Equipping of and Improvements to City Buildings and Facilities	660,000	660,000	232,321	165,428	397,749	60%
d) Rolling Stock and Capital Equipment	661,000	661,000	527,444	128,383	655,827	99%
TOTAL	$1,887,000	$ 1,887,000	$980,607	$318,870	$1,299,477	69%