CITY OF ASHBURN, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2013

HERRING
CPA GROUP, P.C.
Certified Public Accountants & Consultants

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Ashburn, Georgia — June 30, 2013

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Ashburn, Georgia — June 30, 2013

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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, 2013, 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, 2013, 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 22, 2013, 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 40 and 41 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 42 through 69 and page 72, 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.

Herring CPA Group, P.C.
Tifton, Georgia
November 22, 2013

STATEMENT OF NET ASSETS

City of Ashburn
Ashburn, Georgia

June 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Downtown Development Authority
LIABILITIES				
Accounts payable	$ 80,000	$ 13,949	$ 93,949	$ 0
Cash Overdraft	20,005	0	0	0
Salaries and wages payable	12,107	26,230	38,337	0
Sales tax payable	0	5,752	5,752	0
Compensated absences	51,756	0	51,756	0
Notes payable - current	0	180,000	180,000	5,450
Capital lease - current	127,755	0	127,755	0
Landfill postclosure costs - current	6,800	0	6,800	0
Notes payable - non-current	0	5,687,915	5,687,915	7,327
Capital lease - non-current	346,756	0	346,756	0
Landfill postclosure costs - non-current	70,182	0	70,182	0
Consumers' deposits payable	13,107	137,390	150,497	0
Total Liabilities	$ 728,468	$ 6,051,236	$ 6,779,704	$ 12,777
NET ASSETS				
Invested in capital assets, net of related debt	$ 2,768,335	$ 1,286,707	$ 4,055,042	$ 76,469
Restricted for:				
Debt Retirement	0	9,000	9,000	0
Public Works	5,635	0	5,635	0
Capital Projects	28,430	932,920	961,350	0
Public Safety	18	0	18	0
Unrestricted	510,445	903,454	1,413,899	31,278
TOTAL NET ASSETS	$ 3,312,863	$ 3,132,081	$ 6,444,944	$ 107,747

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, 2013

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
	$ 340,142	$ 449,455	$ (344,249)	$ 0	$ (344,249)	$ 0
	28,580	1,261,275	(670,731)	0	(670,731)	0
	25,822	671,306	(296,448)	0	(296,448)	0
	0	59,819	(23,895)	0	(23,895)	
	0	0	(225,695)	0	(225,695)	0
	0	124,857	33,256	0	33,256	0
	0	0	(14,171)	0	(14,171)	0
	394,544	2,566,712	(1,541,933)	0	(1,541,933)	0
	0	1,269,579	0	43,129	43,129	0
	0	1,068,891	0	107,092	107,092	0
	0	2,338,470	0	150,221	150,221	0
	$ 394,544	$ 4,905,182	$ (1,541,933)	$ 150,221	$ (1,391,712)	$ 0
	$ 0	24,101	0	0	0	$ 3,423
			$ 631,387	$ 0	$ 631,387	$ 0
			267,393	0	267,393	0
			244,593	0	244,593	0
			8,597	0	8,597	0
			90,471	0	90,471	0
			206,853	0	206,853	0
			10,862	0	10,862	0
			2,004	1,153	3,157	0
			40,045	0	40,045	0
			1,502,205	1,153	1,503,358	0
			90,000	(90,000)	0	0
			1,592,205	(88,847)	1,503,358	0
			50,272	61,374	111,646	3,423
			3,262,591	3,070,707	6,333,298	98,169
			$ 3,312,863	$ 3,132,081	$ 6,444,944	$ 101,592

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

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2013

	General Fund	Capital Projects Fund	Other Governmental Funds	Totals
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	$ 80,000	$ 0	$ 0	$ 80,000
Cash Overdraft		0	20,005	20,005
Salaries and wages payable	12,107	0	0	12,107
Customer deposit payable	13,107	0	0	13,107
Deferred revenue	38,646	0	0	38,646
Total Liabilities	143,860	0	20,005	163,865
Fund Balances:				
Unassigned	$ 431,910	$ 0	$ 0	$ 431,910
Nonspendable Fund Balance	114,963	0	0	114,963
Comitted Fund Balance	68,339	0	0	68,339
Restricted:				
Special Revenue Fund - Public Works	0	0	5,635	5,635
Capital Projects	0	15,716	6,357	22,073
Special Revenue Fund - Public Safety	0	0	18	18
Total Fund Balance	615,212	15,716	12,010	642,938
TOTAL LIABILITIES AND FUND BALANCE	$ 759,072	$ 15,716	$ 32,015	$ 806,803

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, 2013

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 642,938
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:		3,242,846
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	38,646	
Reserve for allowance for uncollectibles	(8,318)	30,328
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, 2013 are:		
Capital Lease	474,511	
Compensated Absences	51,756	
Landfill Postclosure Cost	76,982	
		(603,249)
TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES		$ 3,312,863

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, 2013

	General Fund	Capital Projects Fund	Other Governmental Funds	Total
Revenues:				
Taxes	$ 1,465,360	$ 0	$ 105,275	$ 1,570,635
Licenses and permits	34,203	0	0	34,203
Penalties and interest on taxes	11,157	0	0	11,157
Intergovernmental revenues	0	340,142	100,920	441,062
State contract	0	0	25,822	25,822
Charges for services	737,221	0	0	737,221
Fines and forfeitures	1,179,089	0	0	1,179,089
E911 Charges	35,003	0	0	35,003
Interest	2,004	0	0	2,004
Other revenue	40,045	0	11	40,056
Total Revenues	3,504,082	340,142	232,028	4,076,252
Expenditures:				
Current:				
General government	574,518	4,710	0	579,228
Public safety	2,120,428		35,523	2,155,951
Public works	1,149,115	177,890	9,877	1,336,882
Health/ welfare	15,000	0	68,714	83,714
Culture/ recreation	182,518	43,177	0	225,695
Economic development	0	0	91,601	91,601
Debt Service:				
Principal	0	108,344	0	108,344
Interest	0	14,171	0	14,171
Total Expenditures	4,041,579	348,292	205,715	4,595,586
Excess (Deficiency) of Revenues Over Expenditures before Transfers	(537,497)	(8,150)	26,313	(519,334)

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, 2013

	General Fund	Capital Projects Fund	Other Governmental Funds	Total
Other Financing Sources (Uses)				
Transfer in				
Hotel/Motel Fund	$ 116,899	$ 0	$ 0	$ 116,899
Transfer out				
Hotel/Motel Fund	0	0	(26,899)	(26,899)
Net Transfers	116,899	0	(26,899)	90,000
Proceeds of long-term debt	286,664	0	0	286,664
Total Other Financing Sources	403,563	0	(26,899)	376,664
Net Changes in Fund Balance	(133,934)	(8,150)	(586)	(142,670)
FUND BALANCE - July 1, 2012	749,146	23,866	12,596	785,608
FUND BALANCE - June 30, 2013	$ 615,212	$ 15,716	$ 12,010	$ 642,938

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, 2013

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ (142,670)
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:		512,441
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	(15,653)	
Reserve for allowance for uncollectibles	8,318	(7,335)
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:		(125,342)
Loan proceeds provide current financial 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:		(286,664)
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:		108,344
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	2,752	
Landfill Postclosure Cost	5,750	(8,502)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		$ 50,272

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, 2013

	Water and Sewer Fund	Gas Fund	Total
ASSETS			
Current Assets:			
Cash	$ 90,587	$ 594,240	$ 684,827
Cash - Series 2012 Capital Improvement Account	317,826	0	317,826
Cash - Series 2012 Reserve Account	353,917	0	353,917
Cash - Series 2012 Sinking Fund Account	261,177	0	261,177
Accounts receivable - net	119,766	78,174	197,940
Inventories-materials and supplies	12,573	65,629	78,202
Prepaid items	9,288	8,577	17,865
Total Current Assets	1,165,134	746,620	1,911,754
Non-Current Assets:			
Non-Depreciatable Assets	15,850	8,750	24,600
Deferred charges - Bond issue costs	116,941	0	116,941
Capital assets-net	6,988,295	141,727	7,130,022
Total Non-Current Assets	7,121,086	150,477	7,271,563
TOTAL ASSETS	$ 8,286,220	$ 897,097	$ 9,183,317
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 2,575	$ 11,374	$ 13,949
Salaries and wages payable	9,966	16,264	26,230
Sales Tax Payable	0	5,752	5,752
Notes payable - current	180,000	0	180,000
Consumers' deposits payable	98,260	39,130	137,390
Total Current Liabilities	290,801	72,520	363,321

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, 2013

	Water and Sewer Fund	Gas Fund	Total
Long-Term Liabilities:			
Notes payable - non-current	$ 5,687,915	$ 0	$ 5,687,915
Total Long-Term Liabilities	5,687,915	0	5,687,915
TOTAL LIABILITIES	5,978,716	72,520	6,051,236
NET ASSETS			
Invested in capital assets, net of related debt	1,136,230	150,477	1,286,707
Restricted for Capital Improvements	932,920	0	932,920
Restricted for debt retirement	9,000	0	9,000
Unrestricted	229,354	674,100	903,454
TOTAL NET ASSETS	$ 2,307,504	$ 824,577	$ 3,132,081

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, 2013

	Water and Sewer Fund	Gas Fund	Total
Operating Revenues:			
Charges for services	$ 615,103	$ 1,038,597	$ 1,653,700
Other	654,476	30,294	684,770
Total Operating Revenues	1,269,579	1,068,891	2,338,470
Operating Expenses:			
Personal services-salaries and wages	147,993	293,515	441,508
Group insurance	23,511	43,636	67,147
Social security and medicare contributions	11,058	21,779	32,837
Retirement	3,426	20,853	24,279
Retirement contributions	260	520	780
Workers' compensation	8,377	17,934	26,311
Professional services	15,208	13,038	28,246
Technical services	10,403	0	10,403
Repair and maintenance	49,955	33,665	83,620
Rental of uniforms	1,268	2,785	4,053
Insurance, other than employee benefits	15,450	25,767	41,217
Communications	1,617	3,674	5,291
Advertising	0	2,787	2,787
Travel	2,032	8,832	10,864
Gas and Oil	8,933	20,001	28,934
General supplies and materials	15,255	9,572	24,827
Energy	79,176	5,238	84,414
Supplies/ inventory purchased for resale	0	403,916	403,916
Other supplies	2,153	5,283	7,436
Waste Management Services	532,854	0	532,854
Amortization	6,155	0	6,155
Depreciation	201,045	29,004	230,049
Total Operating Expenses	1,136,129	961,799	2,097,928
Operating Income	133,450	107,092	240,542

(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, 2013

	Water and Sewer Fund	Gas Fund	Total
Non-Operating Revenues (Expenses):			
Interest revenues	$ 857	$ 296	$ 1,153
Paying Agent Fees	(1,538)	-	(1,538)
Interest expense	(88,783)	0	(88,783)
Total Non-Operating Revenues (Expenses)	(89,464)	296	(89,168)
Income (Loss) before Transfers	43,986	107,388	151,374
Transfers out	0	(90,000)	(90,000)
Change in Net Assets	43,986	17,388	61,374
NET ASSETS - July 1, 2012	2,263,518	807,189	3,070,707
NET ASSETS - June 30, 2013	$ 2,307,504	$ 824,577	$ 3,132,081

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, 2013

	Water and Sewer Fund	Gas Fund	Total
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 1,269,579	$ 1,068,891	$ 2,338,470
Cash Payments for Goods and Services	(728,146)	(568,470)	(1,296,616)
Cash Payment to Employees	(186,248)	(380,303)	(566,551)
Net Cash Provided by Operating Activities	355,185	120,118	475,303
Cash Flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	(820,526)	0	(820,526)
Transfer to General Fund	0	(90,000)	(90,000)
Interest Paid	(88,783)	0	(88,783)
Net Cash Used by Capital and Related Financing Activities	(909,309)	(90,000)	(999,309)
Cash Flows from Investing Activities:			
Paying Agent Fees	(1,538)		(1,538)
Interest on Investments	857	296	1,153
Net Cash Provided by Investing Activities	(681)	296	(385)
Net Increase (Decrease) in Cash and Restricted Cash	(554,805)	30,414	(524,391)
Cash and Restricted Cash - July 1, 2012	1,578,312	563,826	2,142,138
Cash and Restricted Cash - June 30, 2013	$ 1,023,507	$ 594,240	$ 1,617,747

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, 2013

	Water and Sewer Fund	Gas Fund	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	$ 133,450	$ 107,092	$ 240,542
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	201,045	29,004	230,049
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	8,774	(10,246)	(1,472)
(Increase) Decrease in Inventories	106	(4,975)	(4,869)
(Increase) Decrease in Prepaid Items	(678)	(1,551)	(2,229)
Increase (Decrease) in Accounts Payable	(3,743)	93	(3,650)
Increase (Decrease) in Salaries and Wages Payable	(918)	2,512	1,594
Increase (Decrease) in Sales Tax Payable	0	1,174	1,174
Increase (Decrease) in Customers' Deposits	6,484	(3,025)	3,459
Change in Assets and Liabilities	10,025	(16,018)	(5,993)
Net Cash Provided by Operating Activities	$ 344,520	$ 120,079	$ 464,599

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, 2013

	Pending Fund
ASSETS	
Cash	$ 23,943
LIABILITIES	
Due to other Governments	$ 23,943

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 standalone 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 ($94,448) and prepaid amounts ($20,515) 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 which is the City Council. The City Council upon a majority vote can establish, modify, or rescind the classification of amounts in *committed fund balance*. Amounts committed are for capital asset purchases.

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.

For the classification of fund balances the City considers unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and (2) unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

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.

Capital Projects. This is the City's fund to account for Special Local Option Sales Tax proceeds and expenditures.

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.

Capital Projects Fund. This fund accounts for monies collected from a special sales tax used for capital expenditures.

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, 2013 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, 2012. The city clerk opened the books for payment of taxes on October 20, 2012 and they remained open until December 20, 2012. 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, 2013 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, 2013.

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, 2013.

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, 2013:

General Government – The $107,918 excess of expenditures over appropriations is attributable to salaries, repairs and professional services being under budgeted.

Police Department – The $114,851 excess of expenditures over appropriations is attributable to salaries, workers' compensation, energy, and capital outlays being under budgeted.

Fire Department – The $10,792 excess of expenditures over appropriations is attributable to salaries and repairs being under budgeted.

Animal Control – The $8,435 excess of expenditures over appropriations is attributable to salaries, workers' compensation and other supplies being under budgeted.

Highways and Streets – The $46,442 excess of expenditures over appropriations is attributable to capital outlays being under budgeted.

Maintenance and Shop – The $5,573 excess of expenditures over appropriations is attributable to salaries and workers' compensation being under budgeted.

Culture/Recreation – The $160,218 excess of expenditures over appropriations is attributable to capital outlays 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: Georgia Fund 1 AAAM rate 24 day WAM

	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Assets and Liabilities
Pooled Cash and Investments		
unrestricted	2,009,536	23,943
restricted	68,339	0
Total	2,077,875	23,943

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 1in 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, 2013 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	334,199	0	2,061,248
Machinery and Equipment	2,627,831	178,242	0	2,806,073
Total Capital Assets being depreciated	4,354,880	512,441	0	4,867,321
Less Accumulated Depreciation:				
Buildings and Improvements	451,871	37,505	0	489,376
Machinery and Equipment	1,284,628	87,837	0	1,372,465
Total Accumulated Depreciation	1,1736,499	125,342	0	1,861,841
Net Capital Assets being Depreciated	2,618,381	387,099	0	3,005,480
Total Capital Assets, Net	2,855,747	45,917	0	3,242,846

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

General Government	57,357
Public Safety	24,987
Public Works	32,759
Recreation	10,239
Total	125,342

	Beginning Balances	Increase	Decrease	Ending Balances
Business Type Activities:				
Capital Assets not being depreciated:				
Construction in Process	0	782,915	0	782,915
Land	24,600	0	0	24,600
	24,600	782,915	0	807,515
Capital Assets being depreciated:				
Building and Improvements	7,237,528	0	0	7,237,528
Machinery and Equipment	4,089,971	821,576	0	4,911,547
Total Capital Assets being depreciated	11,327,499	821,576	0	12,149,075
Less Accumulated Depreciation:				
Buildings and Improvements	3,960,119	140,697	0	4,100,816
Machinery and Equipment	1,611,800	89,352	0	1,701,152
Total Accumulated Depreciation	5,571,919	230,049	0	5,801,968
Net Capital Assets being depreciated	5,755,580	591,527	0	6,347,107
Total Capital Assets, Net	5,780,180	1,374,442	0	7,154,622

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, 2013, consist of the following:

	General	Other Governmental	Enterprise	Total
Accounts	$ 50,974	$ 0	$ 197,940	$ 248,914
Taxes	106,269	0	0	106,269
Due from other governments	66,151	0	0	66,151
Gross Receivables	$ 223,394	$ 0	$ 197,940	$ 421,334

Taxes receivable are stated net of allowance for uncollectible accounts of $8,318 for the Government Wide Statement. 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. Restricted Assets:

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

8. Property:

A summary of proprietary fund type property, plant, and equipment at June 30, 2013 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	8,166,240	396,439	8,562,679
Machinery and Equipment	3-20 years	3,084,443	470,029	3,554,472
Site Improvements	45 years	493,854	0	493,854
Total		11,975,770	979,769	12,955,539
Less Accumulated Depreciation		(4,932,959)	(867,958)	(5,800,917)
Total		$7,042,811	$111,811	$7,154,622

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.

9. Capital Leases

Capital lease obligations consist of equipment lease-purchases accounted for in the General fund.

The City is obligated to GMA (BB&T Governmental Finance) under a capital lease dated May 4, 2012 covering a 2012 Chevrolet Tahoe. The asset is recorded as a capital lease and has a cost of $36,486. The obligation consists of $814.21 monthly payments until May 4, 2016 including interest at 3.41%.

The City is obligated to GMA (BB&T Governmental Finance) under a capital lease dated July 1, 2011 covering two Ford Crown Victoria police cars. The assets are recorded as a capital lease and have a cost of $56,160. The assets have been capitalized in the General fund. The obligation consists of $1,253.77 monthly payments until July 1, 2015 including interest at 3.43%.

The City is obligated to USDA under a capital lease dated November 19, 2012 covering various vehicles. The assets are recorded as a capital lease and had a cost of $126,664. These assets have been capitalized in the General fund. The obligation consists of 60 monthly payments of $2,241 until November 19, 2017 including interest at 2.38%.

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 GMA (BB&T Governmental Finance) under a capital lease dated September 2, 2011 covering two Chevrolet Silverado trucks. The assets are recorded as a capital lease and have a cost of $57,991. The assets have been capitalized in the General fund. The obligation consists of $1,291.30 monthly payments until September 2, 2015 including interest at 3.30%.

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 City is obligated to USDA under a capital lease dated August 15, 2011 covering a Dodge Charger police car. The asset is recorded as a capital lease and had a cost of $15,000. This asset has been capitalized in the General fund. The obligation consists of 5 annual payments of $3,405 until August 15, 2015 including interest at 4.375%.

The City is obligated to USDA under a capital lease dated July 16, 2010 covering a backhoe. The asset is recorded as a capital lease and had a cost of $38,696. This asset has been capitalized in the General fund. The obligation consists of 5 annual payments of $6,739 until July 16, 2015 including interest at 4.00%.

The City is obligated to Heritage Bank under a capital lease dated November 1, 2012 covering a splash pad . The asset is recorded as a capital lease and had a cost of $160,000. This asset has been capitalized in the General fund. The obligation consists of 60 monthly payments of $2,860 until October 1, 2017 including interest at 2.757%.

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

Fiscal year ending June 30:	General Long-Term Debt
2014	140,844
2015	140,844
2016	136,764
2017	85,620
2018	85,620
2019 – 2020	0
Total minimum lease payments	589,692
Amounts representing interest	(115,181)
Present value of net minimum lease payments	$ 474,511

10. Long-Term Debt:

Combined Utility Revenue Bonds Series 2012 were issued during the fiscal year ended June 30, 2012 as payment in full for the Georgia Environmental Facilities Authority Note A and Note B. The Revenue Bonds will fund a project for the City to produce electrical power through solar energy sufficient to provide energy for the operation of certain facilities of the City's water department.

Advances for construction of a water tank and supporting equipment were made by Georgia Environmental Finance Authority during the fiscal year ended June 30, 2013 in the amount of $782,915. Once completed, the advances will be converted to a long term note payable with terms of 240 payments at an interest rate of 1.82%. The total amount of the advances has yet to be determined but will be capped at $1,420,000. No amount is due at June 30, 2013 or can readily be determined for the year ended June 30, 2014.

A summary of notes payable by the City as they existed at June 30, 2013, is presented as follows:

	Current	Long-Term	Total
GEFA Note Payable, Payable in monthly payments beginning at the completion of the water tank project	$ 0	$ 782,915	$ 782,915
Combined Utility Revenue Bonds Series 2012 - (Original amount $5,085,000) Payable in quarterly installments of $107,082 beginning on January 1, 2013. Interest rate is 3.5%.	180,000	4,905,000	5,085,000
Total Notes Payable	$180,000	$5,687,915	$5,867,915

The annual requirements to amortize the debt outstanding for the proprietary fund at June 30, 2013 including interest payments of $1,846,741 are as follows:

Year Ending June 30,	Principal Due	Interest Due	Total
2014	180,000	159,544	339,544
2015	195,000	153,919	348,919
2016	200,000	147,994	347,994
2017	205,000	141,919	346,919
2018	210,000	135,919	345,919
2019-2023	1,130,000	611,270	1,741,270
2024-2025	1,305,000	428,923	1,733,923
2026-2033	1,660,000	67,253	1,937,253
Total	$ 5,085,000	$ 1,846,741	$ 6,931,741

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, 2013:

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Due in One year
Obligations under capital lease	$ 296,191	$ 286,664	$ 108,344	$ 474,511	$ 127,755
Compensated absences Payable	49,004	2,752	0	51,756	51,756
Closure and post closure care	82,732	0	5,750	76,982	6,800
Total	$ 427,927	$ 289,416	$ 114,094	$ 603,249	$ 186,311

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, 2013:

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Due in One year
Notes payable - GEFA	$ 0	$ 782,915	$ 0	$ 782,915	$ 0
Notes payable –Revenue Bonds	5,085,000	0	0	5,085,000	180,000
Total	$ 5,085,000	$ 782,915	$ 0	$ 5,867,915	$180,000

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, 2013; 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, 2011 was $1,710,157. 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, 2013 was $83,610 or 4.88% 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, 2013, the minimum funding requirement is $83,610. This amount consists of (a) normal cost of $66,051, (b) administrative expense of $11,282, (c) amortization of the unfunded frozen initial liability of $6,277, (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	7.75% per year
- Projected salary increases for	
-- Inflation	3.5% 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, 2013. 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, 2013 actuarial valuation:

• actuarial value of assets	$ 2,318,353
• actuarial accrued liability	2,440,927
• funded ratio	94.97%
• total unfunded actuarial liability	
• Unfunded (Surplus) actuarial accrued liability	122,574
• annual covered payroll	1,710,157
• ratio of unfunded (excess) to annual covered payroll	7.17%

(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:

	2011	2012	2013
- Actuarial value of assets	2,381,949	2,282,960	2,318,353
- Actuarial accrued liability	2,266,398	2,308,333	2,440,927
- Funded ratio	95.15%	98.90%	94.97%
- Total unfunded actuarial liability (funding excess)	(115,551)	25,373	122,574
- Annual covered payroll	1,600,677	1,646,419	1,710,157
- Ratio of unfunded (excess) to annual covered payroll	(7.22)%	1.54%	7.17%
Actual contribution as a percentage of covered payroll	5.07%	4.98%	4.88%
Three-year Trend Information -			
Fiscal year ending	6/30/11	6/30/12	6/30/13
Annual pension cost	81,097	83,414	83,610
Percentage of APC contributed	100%	100%	100%
Net pension obligation	0	0	0

Contributions made to the plan for the year ended June 30, 2013 amounted to $83,610.

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 Southern Georgia Regional Commission (RC). Membership in an RC 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 RCs.

Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The City paid annual dues in the amount of $5,524 ($1,381 quarterly) to the RC for the year ended June 30, 2013. The RC 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 RCs 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 RC beyond its resources. (O.C.G.A. 50-8-39.1)

The Southern Georgia Regional Commission 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, 201 is $183,727 and is based on the landfill at full capacity. The estimated remaining landfill life is approximately 11 years. The City of Ashburn is responsible for 41.9% of those costs, which is $82,732. 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, 2013 is as follows:

Hotel Motel Tax Receipts	$105,275
Disbursements to Ashburn Downtown Development Authority	19,598
Disbursements to Ashburn-Turner County Chamber of Commerce for tourism	58,778
Balance to City	$ 26,899

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 disbursed to 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 $5,885. The employees contributed $17,425 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, 2013 were as follows:

	Transfer In		Transfer Out	
Governmental Fund:				
General Fund	116,899	(a)	0	
Gas Fund	0		90,000	
Special Revenue Fund:				
Hotel/Motel Tax Fund	0		26,899	(a)
TOTAL ALL FUNDS	$116,899		$ 116,899	

(a) To transfer funds for various general governmental activities

22. Bond Disclosure Information

Actual Debt Service Coverage.

The following table sets forth the historical pro-forma debt service coverage of the System for the fiscal year ended June 30, 2013.

Net Operating Income – Water, Sewer, and Gas	$240,542
Plus Depreciation and Amortization	236,204
Plus Interest Income	1,153
Net Revenues Available for Debt Service	477,899
Maximum Annual Debt Service on Bonds)	$350,619
Coverage Ratio	1.36

Number of Water Customers. The following table sets forth the number of water customers of the System for the fiscal year ended June 30, 2013.

Water		
Residential	Commercial/ Industrial	Total Water Customers
1,812	256	2,068

Number of Sewer Customers. The following table sets forth the number of sewer customers of the System for the fiscal year ended June 30, 2013. All sewer customers of the System are also water customers.

Sewer		
Residential	Commercial/ Industrial	Total Sewer Customers
1,524	183	1,707

Number of Gas Customers. The following table sets forth the number of gas customers of the System for the fiscal year ended June 30, 2013.

Gas		
Residential	Commercial/ Industrial	Total Sewer Customers
555	73	628

22. Bond Disclosure Information

Ten Largest Water Customers. The following table sets forth the ten largest water customers of the System for the fiscal year ended June 30, 2013. No independent investigation has been made of, and consequently no representation can be made as to,the stability or financial condition of any of the customers listed below or that such customers will continue to maintain their status as major customers of the System.

	Customer	Water Billings	Percentage of Total Water Billings
1.	Ashburn Health Care	$ 8,182	1.33%
2.	Ashburn Hotel Investments	4,562	0.74
3.	Ashburn Housing Authority	13,976	2.27
4.	Georgia Department of Transportation	57,344	9.32
5.	Golden Peanut	6,615	1.08
6.	SK Group – Hotel	5,634	0.92
7.	Turner County Board of Education	12,882	2.09
8.	Turner County Jail	4,244	0.69
9.	Vikas Corporation – Hotel	7,188	1.17
10.	Village Green	5,529	0.90
	TOTAL	$126,156	

Total Water Billings - $615,103

Ten Largest Sewer Customers. The following table sets forth the ten largest sewer customers of the System for the fiscal year ended June 30, 2013. No independent investigation has been made of, and consequently no representation can be made as to the stability or financial condition of any of the customers listed below or that such customers will continue to maintain their status as major customers of the System.

	Customer	Sewer Billings	Percentage of Total Sewer Billings
1.	Ashburn Health Care	$ 11,216	1.71%
2.	Ashburn Hotel Investments	6,257	0.96
3.	Ashburn Housing Authority	27,825	4.25
4.	Georgia Department of Transportation	63,728	9.74
5.	Golden Peanut	5,384	0.82
6.	Shoney's Restaurant	6,246	0.95
7.	Turner County Board of Education	12,190	1.86
8.	Turner County Jail	5,552	0.85
9.	Vikas Corporation – Hotel	9,880	1.51
10.	Village Green	9,500	1.45

Total Sewer Billings - $654,476

22. Bond Disclosure Information

Ten Largest Gas Customers. The following table sets forth the ten largest gas customers of the System for the fiscal year ended June 30, 2013. No independent investigation has been made of, and consequently no representation can be made as to, the stability or financial condition of any of the customers listed below or that such customers will continue to maintain their status as major customers of the System.

	Customer	Gas Billings	Percentage of Total Gas Billings
1.	Turner County Pre – Release Center	$ 74,497	7.17%
2.	American Seed Company	16,649	1.60
3.	Ashburn Healthcare	26,265	2.53
4.	Shoney's Restaurant	14,158	1.36
5.	Zaxby's Restaurant	13,258	1.28
6.	Suncrest Stone	27,440	2.64
7.	McDonald's Corporation	9,307	0.90
8.	Kentucky Fried Chicken Restaurant	9,012	0.87
9.	Turner County Jail	14,396	1.39
10.	Superior Cleaners	9,621	0.93
	TOTAL	$214,603	

Total Gas Billings - $1,038,597

Water and Sewer Rates. Water and sewer customers of the System are charged a base rate for water service, a base rate for sewer service, and then are assessed an additional volume charge based upon consumption. The base water rate for residential customers is $8 per month and for commercial customers is $10 per month. The base sewer rate for residential customers is $13.30 per month and for commercial customers is $15.30 per month. Set forth below are the volume charges added to the base charge for each service, determined by total water and sewer consumption (in gallons).

Water Volume Charge

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

Sewer Volume Charge

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

22. Bond Disclosure Information

Gas Rates. Gas customers of the System are charged a base rate for gas service and then are assessed an additional volume charge based upon consumption. The base gas rate for residential customers is $5.00 per month and for commercial customers is $7.00 per month. Residential and commercial customers are charged a volume charge of $19.00/MCF of gas consumed which decreases based on usage. The City has one large customer that is charged a special rate. Sycamore Prison, a facility of the Georgia Department of Corrections, is charged a base charge of $250 and a fixed volume charge of $22.80/MCF regardless of total volume consumed.

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

23. Subsequent Events

Subsequent events have been evaluated through November 22, 2013 as this is the date the financial statements were available to be issued. No items occurring after the fiscal year ended of June 30, 2013 through November 22, 2013 were deemed required to be presented.

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, 2013

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Real property	$ 579,800	$ 579,800	$ 561,063	$ (18,737)
Personal property	83,500	83,500	70,324	(13,176)
Franchise taxes	307,000	307,000	267,393	(39,607)
Local option sales and use taxes	250,000	250,000	244,593	(5,407)
Alcoholic beverage excise taxes	77,000	77,000	90,471	13,471
Insurance premium taxes	210,000	210,000	206,853	(3,147)
Financial institutions taxes	17,000	17,000	8,597	(8,403)
Penalties and interest on delinquent taxes	11,000	11,000	10,862	(138)
Alcoholic beverages licenses	6,500	6,500	6,900	400
General business license	30,000	30,000	27,303	(2,697)
Penalties on delinquent licenses	150	150	295	145
Payment in lieu of taxes	17,000	17,000	16,066	(934)
Court costs	27,000	27,000	37,540	10,540
Probation costs	41,000	41,000	46,075	5,075
Election qualifying fees	700	700	882	182
Accident reports	0	0	190	190
Charges for services-street repairs	2,000	2,000	0	(2,000)
Charges for services-sanitation	603,000	603,000	638,859	35,859
Animal control fees	8,000	8,000	7,050	(950)
Charges for services-cemetery	8,000	8,000	6,625	(1,375)
Fines and forfeitures	1,055,000	1,055,000	1,179,089	124,089
E911 charges	35,000	35,000	35,003	3
Interest revenue	4,000	4,000	2,004	(1,996)
Insurance Reimbursement	6,000	6,000	0	(6,000)
Miscellaneous revenue	63,100	63,100	40,045	(23,055)
Total Revenues	3,441,750	3,441,750	3,504,082	62,332

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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, 2013

	Original Budget	Final Budget	Actual	Variance
Expenditures:				
General government	$ 466,600	$ 466,600	$ 574,518	$ 107,918
Public safety	1,988,350	1,988,350	2,120,428	132,078
Public works	1,105,000	1,105,000	1,149,115	44,115
Health/ welfare	15,000	15,000	15,000	0
Culture/recreation	22,300	22,300	182,518	160,218
Total Expenditures	3,597,250	3,597,250	4,041,579	444,329
Excess of Revenues Over Expenditures	(155,500)	(155,500)	(537,497)	(381,997)
Other Financing Sources (Uses)				
Transfers in	155,500	155,500	116,899	(38,601)
Borrowed Funds	0	0	286,664	286,664
Total Other Financing Sources (Uses)	155,500	155,500	403,563	248,063
Excess of Revenues and Other Financing Sources Over Expenditures	$ 0	$ 0	(133,934)	$ (133,934)
FUND BALANCE - July 1, 2012			749,146	
FUND BALANCE - June 30, 2013			$ 615,212	

SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCE

GENERAL FUND

City of Ashburn
Ashburn, Georgia — June 30, 2013

ASSETS

Cash	$ 364,063	
Taxes receivable-delinquent	72,037	
Other taxes receivable	42,550	
Accounts receivable (Net of allowance for uncollectibles of 1,500)	50,974	
Due from other governments	46,146	
Inventories-materials and supplies	94,448	
Prepaid items	20,515	
Reserved assets	68,339	
TOTAL ASSETS		$ 759,072

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable	$ 80,000	
Salaries and wages payable	12,107	
Customer deposit payable	13,107	
Deferred revenue	38,646	
Total Liabilities		$ 143,860
Equities and Other Credits:		
Fund balance - unassigned	431,910	
Nonspendable fund balance	114,963	
Fund balance - comitted capital projects	68,339	
Total Equity and Other Credits		615,212
TOTAL LIABILITIES AND FUND BALANCE		$ 759,072

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2013

	Original Budget	Final Budget	Actual	Variance
General Government:				
Legislative -				
Personal services-salaries and wages	$ 28,800	$ 28,800	$ 28,800	$ 0
Group insurance	1,100	1,100	608	(492)
Social security and medicare contributions	2,100	2,100	2,204	104
Travel	10,000	10,000	23,253	13,253
General administration -				
Personal services-salaries and wages	160,350	160,350	177,793	17,443
Group insurance	19,000	19,000	19,029	29
Social security and medicare contributions	10,000	10,000	12,902	2,902
Retirement contributions	5,900	5,900	6,581	681
Workers' compensation	5,000	5,000	9,099	4,099
Professional services	61,000	61,000	115,161	54,161
Technical services	5,000	5,000	4,600	(400)
Repairs and maintenance	5,250	5,250	30,211	24,961
Rental of land and buildings	5,000	5,000	6,795	1,795
Insurance, other than employee benefits	6,800	6,800	6,807	7
Communications	9,500	9,500	10,303	803
Advertising	1,500	1,500	3,300	1,800
Travel	4,500	4,500	6,435	1,935
Dues and fees	13,000	13,000	15,601	2,601
General supplies and materials	13,400	13,400	13,772	372
Energy	13,900	13,900	13,121	(779)
Other supplies	5,000	5,000	11,535	6,535
Code Ordinances	2,500	2,500	4,176	1,676
Election	0	0	46	46
Library	21,800	21,800	21,800	0
Chamber	25,000	25,000	25,000	0
Downtown Development Authority	25,000	25,000	0	(25,000)
Arts council	2,500	2,500	2,500	0
Elderly village	3,000	3,000	3,000	0
Agency on Aging	0	0	0	0
Bad debts	700	700	86	(614)
Unemployment tax	0	0	0	0
Total general government	466,600	466,600	574,518	107,918

(Continued on next page)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Public Safety:				
Police -				
Personal services-salaries and wages	$ 604,000	$ 604,000	$ 621,937	$ 17,937
Group insurance	90,000	90,000	82,378	(7,622)
Social security and medicare contributions	45,000	45,000	47,036	2,036
Retirement contributions	13,500	13,500	14,426	926
Workers' compensation	17,000	17,000	41,475	24,475
Other employee benefits	40,000	40,000	44,221	4,221
Technical services	4,500	4,500	2,394	(2,106)
Repairs and maintenance	20,000	20,000	51,265	31,265
Rentals - uniforms	8,500	8,500	10,853	2,353
Insurance, other than employee benefits	20,500	20,500	17,152	(3,348)
Communications	8,000	8,000	12,302	4,302
Advertising	500	500	49	(451)
Travel	3,000	3,000	3,345	345
General supplies and materials	8,000	8,000	9,874	1,874
Processing fee	30,500	30,500	31,776	1,276
Energy	58,900	58,900	93,858	34,958
Other supplies	21,400	21,400	24,969	3,569
Capital outlays	0	0	23,945	23,945
GA Crime victim	500	500	182	(318)
Peace Officer Training	80,000	80,000	81,486	1,486
Indigent defense fund	94,000	94,000	92,582	(1,418)
Drivers Ed and Training	40,000	40,000	40,438	438
Brain & Spinal	9,000	9,000	369	(8,631)
Local Victim Assistance	45,000	45,000	42,157	(2,843)
DTF Contribution	26,000	26,000	24,650	(1,350)
Dues and fees	500	500	1,622	1,122
Custody of prisoners	36,450	36,450	22,860	(13,590)
Total police	1,324,750	1,324,750	1,439,601	114,851
Fire -				
Personal services-salaries and wages	290,000	290,000	295,144	5,144
Group insurance	48,000	48,000	46,992	(1,008)
Social security and medicare contributions	24,000	24,000	22,251	(1,749)
Retirement contributions	14,300	14,300	15,186	886
Workers' compensation	10,000	10,000	17,215	7,215
Technical services	3,000	3,000	2,374	(626)
Repairs and maintenance	12,800	12,800	17,647	4,847

(Continued on next page)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Rentals - uniforms	$ 4,500	$ 4,500	$ 1,763	$ (2,737)
Insurance, other than employee benefits	6,000	6,000	6,000	0
Communications	1,500	1,500	2,064	564
Travel	1,700	1,700	2,906	1,206
Contract labor	8,000	8,000	4,298	(3,702)
General supplies and materials	2,500	2,500	2,472	(28)
Energy	23,600	23,600	24,380	780
Dues and fees	0	0	0	0
Capital outlays	0	0	0	0
Total fire	449,900	449,900	460,692	10,792
Animal Control -				
Personal services-salaries and wages	75,500	75,500	76,478	978
Group insurance	12,200	12,200	11,742	(458)
Social security and medicare contributions	5,300	5,300	5,866	566
Retirement contributions	4,800	4,800	5,646	846
Workers' compensation	2,400	2,400	4,300	1,900
Technical services	2,500	2,500	2,374	(126)
Repairs and maintenance	3,700	3,700	3,297	(403)
Insurance, other than employee benefits	2,100	2,100	2,100	0
Travel	700	700	189	(511)
General supplies and materials	1,500	1,500	1,984	484
Rentals - uniforms	800	800	815	15
Energy	9,200	9,200	8,641	(559)
Capital Outlay	0	0	0	0
Other supplies	1,000	1,000	6,703	5,703
Total Animal control	121,700	121,700	130,135	8,435
E911-				
Services	92,000	92,000	90,000	(2,000)
Total E911	92,000	92,000	90,000	(2,000)
Total public safety	1,988,350	1,988,350	2,120,428	132,078
Public Works:				
Highways and streets -				
Personal services-salaries and wages	316,000	316,000	284,907	(31,093)
Group insurance	65,000	65,000	56,133	(8,867)
Social security and medicare contributions	30,000	30,000	22,184	(7,816)

(Continued on next page)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Retirement contributions	$ 12,300	$ 12,300	$ 13,186	$ 886
Workers' compensation	15,500	15,500	27,646	12,146
Technical services	3,000	3,000	2,374	(626)
Disposal	285,000	285,000	291,475	6,475
Repairs and maintenance	33,700	33,700	32,929	(771)
Rentals - uniforms	4,700	4,700	3,266	(1,434)
Insurance, other than employee benefits	18,000	18,000	15,440	(2,560)
Communications	2,300	2,300	2,294	(6)
Capital Outlay	0	0	102,719	102,719
Travel	50	50	0	(50)
General supplies and materials	3,500	3,500	4,906	1,406
Energy	180,250	180,250	162,061	(18,189)
Advertising	100	100	63	(37)
Paved streets	10,500	10,500	4,759	(5,741)
Total highways and streets	979,900	979,900	1,026,342	46,442
Solid waste and recycling -				
Closure and post-closure care	15,000	15,000	7,100	(7,900)
Total Solid waste and recycling	15,000	15,000	7,100	(7,900)
Maintenance and shop -				
Personal services-salaries and wages	67,500	67,500	70,475	2,975
Group insurance	12,500	12,500	11,714	(786)
Social security and medicare contributions	4,600	4,600	5,353	753
Retirement contributions	3,300	3,300	3,886	586
Workers' compensation	2,200	2,200	3,908	1,708
Technical services	2,000	2,000	2,374	374
Repairs and maintenance	3,500	3,500	2,973	(527)
Rentals - uniforms	1,100	1,100	882	(218)
Insurance, other than employee benefits	800	800	800	0
Communications	1,000	1,000	1,139	139
General supplies and materials	4,500	4,500	4,668	168
Energy	7,100	7,100	7,501	401
Total maintenance and shop	110,100	110,100	115,673	5,573
Total public works	$ 1,105,000	$ 1,105,000	$ 1,149,115	$ 44,115

(Continued on next page)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2013

	Original Budget	Final Budget	Actual	Variance
Health and Welfare:				
Nutrition				
Communications	15,000	15,000	15,000	0
Total health and welfare	15,000	15,000	15,000	0
Culture/Recreation				
Repairs and maintenance	1,000	1,000	3,912	2,912
General supplies and materials	600	600	1,096	496
Energy	14,500	14,500	11,008	(3,492)
Capital Outlays	0	0	160,000	160,000
Supplies	200	200	502	302
Professional services	6,000	6,000	6,000	0
Total Culture/Recreation	22,300	22,300	182,518	160,218
Total Expenditures	$ 3,597,250	$ 3,597,250	$ 4,041,579	$ 444,329

SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCE

NON-MAJOR GOVERNMENTAL FUNDS

City of Ashburn
Ashburn, Georgia

June 30, 2013

	Special Revenue Funds
ASSETS	
Cash In bank	$ 12,010
Due from other governments	20,005
TOTAL ASSETS	$ 32,015
LIABILITIES AND FUND BALANCE	
Liabilities:	
Cash Overdraft	$ 20,005
Deferred revenue	0
Total Liabilities	20,005
Fund Balance:	
Restricted:	
Public Works	5,635
Economic Development	6,357
Capital Projects	0
Public Safety	18
Total Fund Balance	12,010
TOTAL LIABILITES AND FUND BALANCE	$ 32,015

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

NON-MAJOR GOVERNMENTAL FUNDS

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2013

	Special Revenue Funds
Revenues:	
Federal grant	$ 100,920
State grant	25,822
Hotel/motel tax	105,275
Intergovernmental	0
Contributions	11
Total Revenues	$ 232,028
Expenditures:	
General government	$ 0
Public works	9,877
Public safety	35,523
Health/ welfare	68,714
Economic development	91,601
Debt Service:	
Principal	0
Interest	0
Total Expenditures	205,715
Excess (Deficiency) of Revenues Over Expenditures before Non-Operating Expenditures	26,313
Non-Operating Expenditures:	
General fund transfer	(26,899)
Total Non-Operating Expenditures	(26,899)
Excess of Revenues Over Expenditures	(586)
FUND BALANCE - July 1, 2012	12,596
FUND BALANCE - June 30, 2013	$ 12,010

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

City of Ashburn
Ashburn, Georgia

June 30, 2013

	Rose Hill Cemetery Fund	TE Grant	City Tourism	Nutrition Fund	Seized Assets	Total
ASSETS						
Cash	$ 5,635	$ 0	$ 6,357	$ 0	$ 18	$ 12,010
Due from other governments	0	7,452	0	12,553	0	20,005
TOTAL ASSETS	$ 5,635	$ 7,452	$ 6,357	$ 12,553	$ 18	$ 32,015
LIABILITIES AND FUND BALANCE						
Liabilities:						
Cash Overdraft	$ 0	$ 7,452	$ 0	$ 12,553	$ 0	$ 20,005
Due to general fund	0	0	0	0	0	0
Deferred revenue	0	0	0	0	0	0
Employer's share of employee benefits-current	0	0	0	0	0	0
Total Liabilities	0	7,452	0	12,553	0	20,005
Fund Balance:						
Fund balance - restricted	5,635	0	6,357	0	18	12,010
Total Fund Balance	5,635	0	6,357	0	18	12,010
TOTAL LIABILITIES AND FUND BALANCE	$ 5,635	$ 7,452	$ 6,357	$ 12,553	$ 18	$ 32,015

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE-SPECIAL REVENUE FUNDS

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2013

Program Activity	Rose Hill Cemetary Fund	Hotel Motel Tax	City Tourism	TE Grant	Nutrition Program	Cops Grant	Local Assistance Grants	Seized Assets	Total
Revenues:									
Hotel / motel taxes	$ 0	$ 105,275	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 105,275
Federal government grants	0	0	19,582	0	52,769	28,569	0	0	100,920
State government grants	0	0	0	9,877	0	0	15,945	0	25,822
Contributions from private sources	0	0	0	0	0	0	0	11	11
Total Revenues	0	105,275	19,582	9,877	52,769	28,569	15,945	11	232,028
Expenditures:									
Personal services-salaries and wages	$ 0	$ 0	$ 0	$ 0	$ 26,853	$ 0	$ 0	$ 0	$ 26,853
SS and medicare contributions	0	0	0	0	2,029	0	0	0	2,029
Insurance	0	0	0	0	6,683	0	0	0	6,683
Economic Development	0	19,598	0	0	0	0	0	0	19,598
Capital outlays	0	0	0	0	0	0	0	0	0
Tourism	0	58,778	13,225	0	0	0	0	0	72,003
Program administration	0	0	0	9,877	17,204	28,569	15,945	6,954	78,549
Total Expenditures	0	78,376	13,225	9,877	52,769	28,569	15,945	6,954	205,715

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE-SPECIAL REVENUE FUNDS

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2013

Program Activity	Rose Hill Cemetary Fund	Hotel Motel Tax	City Tourism	TE Grant	Nutrition Program	Cops Grant	Local Assistance Grants	Seized Assets	Total
Excess of Revenues Over Expenditures before Transfers	$ 0	$ 26,899	$ 6,357	$ 0	$ 0	$ 0	$ 0	$ (6,943)	$ 26,313
Transfer out	0	(26,899)	0	0	0	0	0	0	(26,899)
Net Transfers	0	(26,899)	0	0	0	0	0	0	(26,899)
Excess of Revenues Over Expenditures after Transfers	0	-	6,357	0	0	0	0	(6,943)	$ (586)
FUND BALANCE - July 1, 2012	5,635	0	0	0	0	0	0	6,961	12,596
FUND BALANCE - June 30, 2013	$ 5,635	$ 0	$ 6,357	$ 0	$ 0	$ 0	$ 0	$ 18	$ 12,010

SCHEDULE OF NET ASSETS

WATER AND SEWER FUND

		June 30, 2013
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 2,575	
Salaries and wages payable	9,966	
Notes payable-current	180,000	
Consumers' deposits payable	98,260	
Total Current Liabilities		$ 290,801
Non-current Liabilities:		
Notes payable-non-current	5,687,915	
Total Non-current Liabilities		5,687,915
Total Liabilities		5,978,716
Net Assets:		
Invested in capital assets, net of related debt	1,136,230	
Restricted for debt retirement	9,000	
Unrestricted	1,162,274	
Total Net Assets		2,307,504
TOTAL LIABILITIES AND NET ASSETS		$ 8,286,220

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET ASSETS - WATER AND SEWER FUND

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2013
Operating Revenues:	
Water charges	$ 615,103
Sewer charges	654,476
Total Operating Revenues	1,269,579
Operating Expenses:	
Personal services-salaries and wages	147,993
Group insurance	23,511
Social security and medicare contributions	11,058
Retirement	3,426
Retirement contributions	260
Workers' compensation	8,377
Professional services	15,208
Technical services	10,403
Repairs and maintenance	49,955
Rental of uniforms	1,268
Insurance, other than employee benefits	15,450
Communications	1,617
Travel	2,032
Gas and Oil	8,933
General supplies and materials	15,255
Utilities	79,176
Other supplies	2,153
Waste Management Services	532,854
Amortization	6,155
Depreciation	201,045
Total Operating Expenses	1,136,129
Operating Income	133,450

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SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET ASSETS - WATER AND SEWER FUND

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2013
Non-Operating Revenues (Expenses):	
Interest revenue	$ 857
Paying Agent Fee	(1,538)
Interest expense	(88,783)
Total Non-Operating Revenues (Expenses)	(89,464)
Change in Net Assets	43,986
NET ASSETS - July 1, 2012	2,263,518
NET ASSETS - June 30, 2013	$2,307,504

SCHEDULE OF CASH FLOWS

WATER AND SEWER FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2013

		Enterprise Funds
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 1,269,579	
Cash Payments for Goods and Services	(728,146)	
Cash Payments to Employees	(186,248)	
Net Cash Provided by Operating Activities		$ 355,185
Cash Flows from Capital and Related Financing Activities:		
Purchase of Capital Assets	(820,526)	
Interest Paid	(88,783)	
Net Cash Used by Capital and Related Financing Activities		(909,309)
Cash Flows from Investing Activities:		
Paying Agent Fees	(1,538)	
Interest on Investments	857	
Net Cash Provided by Investing Activities		(681)
Net Increase in Cash and Restricted Cash		(554,805)
CASH AND RESTRICTED CASH - July 1, 2012		1,578,312
CASH AND RESTRICTED CASH - June 30, 2013		$ 1,023,507

SCHEDULE OF CASH FLOWS

WATER AND SEWER FUND

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2013
	Enterprise Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	$ 133,450
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	201,045
Amortization	6,155
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(1,096)
(Increase) Decrease in Inventories	17,887
(Increase) Decrease in Prepaid Items	(2,550)
Increase (Decrease) in Accounts Payable	968
Increase (Decrease) in Salaries and Wages Payable	(29)
Increase (Decrease) in Customers' Deposits	(645)
Change in Assets and Liabilities	14,535
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 355,185

SCHEDULE OF NET ASSETS

GAS FUND

June 30, 2013

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	$ 11,374	
Salaries and wages payable	16,264	
Sales tax payable	5,752	
Consumers' deposits payable	39,130	
Total Current Liabilities		$ 72,520
Total Liabilities		72,520
Net Assets:		
Invested in capital assets, net of related debt	150,477	
Unrestricted	674,100	
Total Net Assets		824,577
TOTAL LIABILITIES AND NET ASSETS		$ 897,097

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET ASSETS - GAS FUND

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2013
Operating Revenues:	
Gas charges	$ 1,038,597
Other	30,294
Total Operating Revenues	1,068,891
Operating Expenses:	
Personal services-salaries and wages	293,515
Group insurance	43,636
Social security and medicare contributions	21,779
Retirement	20,853
Retirement contributions	520
Workers' compensation	17,934
Professional and technical services	13,038
Repairs and maintenance	33,665
Rental of uniforms	2,785
Insurance, other than employee benefits	25,767
Communications	3,674
Advertising	2,787
Travel	8,832
General supplies and materials	9,572
Gas and oil	20,001
Utilities	5,238
Inventory purchased for resale	403,916
Miscellaneous	5,283
Depreciation	29,004
Total Operating Expenses	961,799
Operating Income	107,092

(Continued on next page)

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET ASSETS - GAS FUND

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2013
Non-Operating Revenues (Expenses):	
Interest revenues	$ 296
Transfer to General Fund	(90,000)
Change in Net Assets	17,388
NET ASSETS - July 1, 2012	807,189
NET ASSETS - June 30, 2013	$ 824,577

SCHEDULE OF CASH FLOWS

GAS FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2013

		Enterprise Funds
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 1,068;891	
Cash Payments for Goods and Services	(568,470)	
Cash Payments to Employees	(380,303)	
Net Cash Provided by Operating Activities		$ 120,118
Cash Flows from Investing Activities:		
Interest on Investments	296	
Net Cash Provided by Investing Activities		296
Cash Flows from Financing Activities:		
Transfer to General Fund	(90,000)	
Net Cash Used by Financing Activities		(90,000)
Net Increase in Cash		30,414
CASH - July 1, 2012		563,826
CASH - June 30, 2013		$ 594,240

SCHEDULE OF CASH FLOWS

GAS FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2013

		Enterprise Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income		$ 107,092
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation		29,004
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	$ (10,246)	
(Increase) Decrease in Inventories	(4,975)	
(Increase) Decrease in Prepaid Items	(1,551)	
Increase (Decrease) in Accounts Payable	93	
Increase (Decrease) in Salaries and Wages Payable	2,512	
Increase (Decrease) in Sales Tax Payable	1,174	
Increase (Decrease) in Customers' Deposits	(3,025)	
Change in Assets and Liabilities		(16,018)
NET CASH USED BY OPERATING ACTIVITIES		$ 120,079

SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUND

City of Ashburn
Ashburn, Georgia

June 30, 2013

	Pending Fund
Additions:	
Increase to agency funds	$ 28,529
Deductions:	
Disbursement from agency fund	(23,496)
Net Increase	5,033
Due to Court - July 1, 2012	18,910
Due to Court - June 30, 2013	$ 23,943

SCHEDULE OF NET ASSETS

DOWNTOWN DEVELOPMENT AUTHORITY

City of Ashburn
Ashburn, Georgia — June 30, 2013

ASSETS

Current Assets:		
Cash	$ 15,248	
Inventory	15,850	
Total Current Assets		31,098
Property, Plant, and Equipment:		
Banners and Flagpole	19,502	
City Park	69,744	
		89,246
TOTAL ASSETS		$ 120,344

LIABILITIES AND NET ASSETS

Current Liabilities:	
Current Portion Long Term Debt	$ 5,450
Long Term Debt, net of current	7,327
TOTAL LIABILITIES	12,777
Net Assets:	
Unrestricted	107,567
Total Net Assets	107,567
TOTAL LIABILITIES AND NET ASSETS	$ 120,344

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET ASSETS - DOWNTOWN DEVELOPMENT AUTHORITY

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2013
Operating Revenues:	
Intergovernmental	$ 24,101
Total Operating Revenues	24,101
Operating Expenses:	
Interest	875
Depreciation	10,685
Utilities	3,143
Total Operating Expenses	14,703
Change in Net Assets	9,398
NET ASSETS - July 1, 2012	98,169
NET ASSETS - June 30, 2013	$ 107,567

SCHEDULE OF CASH FLOWS

DOWNTOWN DEVELOPMENT AUTHORITY

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2013

Cash Flows from Operating Activities:		
Intergovernmental cash received	24,101	
Cash Payments for Goods and Services	(14,703)	
Net Cash Provided by Operating Activities		$ 9,398
Cash Flows from Capital and Related Financing Activities:		
Purchase of Property, Plant, and Equipment		
Principal Paid on Note	(1,605)	
Net Cash Used by Capital and Related Financing Activities		(1,605)
Net Decrease in Cash		7,793
CASH - July 1, 2012		7,455
CASH - June 30, 2013		$ 15,248
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities:		
Adjustments to Reconcile Operating Income		
to Net Cash Provided by Operating Activities		
Depreciation		$ 10,000
Net Cash Provided by Operating Activities:		
Operating Income		9,398
Adjustments to Reconcile Operating Income		
to Net Cash Provided by Operating Activities		
Changes in Assets and Liabilities:		
(Increase) Decrease in Inventories	0	
Change in Assets and Liabilities		0
NET CASH PROVIDED BY OPERATING ACTIVITIES		$ 9,398

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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, 2013, which collectively comprise the City of Ashburn, Georgia's basic financial statements and have issued our report thereon dated November 22, 2013. 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 13-1 and 13-2 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 22, 2013.

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 22, 2013

SCHEDULE OF FINDINGS AND RESPONSES

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2013

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
Significant defiencie(s) identified not considered to be material weaknesses?	Yes
Noncompliance material to financial Statements noted?	No

SECTION II-FINANCIAL STATEMENT FINDINGS

2013-1 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.

2013-2 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 State budget statutes for the year ended June 30, 2013 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:

SCHEDULE OF FINDINGS AND RESPONSES

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2013

	EXPENDITURES		
	BUDGETED	ACTUAL	(EXCESS)
General Fund:			
Department:			
General Administration	$ 466,600	$ 574,518	$ 107,918
Police	$1,324,750	$1,439,601	$ 114,851
Animal Control	$ 121,700	$ 130,135	$ 8,435
Highways and streets	$ 979,900	$1,026,342	$ 46,442
Culture/Recreation	$ 22,300	$ 182,518	$ 160,218
Maintenance and shop	$ 110,100	$ 115,673	$ 5,573
Fire	$ 449,900	$ 460,692	$ 10,792

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, 2013

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
			2012 SPLOST			
a) Street and Sidewalk Improvement	$ 307,800	$ 307,800	$ 0	$ 163,434	$ 163,434	53%
b) Water, Sewage and Drainage	150,120	150,120	0	0	0	0%
c) Construction, Expansion and Equipping of and Improvements to City Buildings and Facilities	550,260	550,260	0	88,083	88,083	16%
d) Contruction, improvements, and equipping of City of Ashburn Park facilities	150,120	150,120	0	19,166	19,166	13%
e) Rolling Stock and Capital Equipment	839,700	839,700	0	96,775	96,775	12%
TOTAL	$ 1,998,000	$ 1,998,000	$ 0	$ 367,458	$ 367,458	18%