CITY OF ASHBURN, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2014

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

TABLE OF CONTENTS

City of Ashburn
Ashburn, Georgia — June 30, 2014

Description	Page Number
Independent Auditor's Report	
Basic Financial Statements:	
Statement of Net Position - Government-Wide	1
Statement of Activities and Changes in Net Assets - Government-Wide	3
Balance Sheet - Governmental Funds	5
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	8
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	10
Statement of Net Assets - Proprietary Funds	11
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds	13
Statement of Cash Flows - Proprietary Funds	15
Statement of Fiduciary Assets and Liabilities - Agency Fund	17
Notes to the Financial Statements	18
Required Supplementary Information:	
General Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (GAAP Budgetary Basis) - General Fund	40-41
Supplementary Information:	
General Fund:	
Schedule of Assets, Liabilities, and Fund Balance - General Fund	42
Schedule of Expenditures - Budget and Actual - General Fund	43-47
Non-Major Governmental Funds:	
Schedule of Assets, Liabilities, and Fund Balance	48
Schedule of Revenues, Expenditures, and Changes in Fund Balances	49

TABLE OF CONTENTS

City of Ashburn
Ashburn, Georgia — June 30, 2014

Description	Page Number
Special Revenue Fund:	
Schedule of Assets, Liabilities, and Fund Balance	50
Schedule of Revenues, Expenditures, and Changes in Fund Balance	51-52
Proprietary Funds:	
Enterprise Funds:	
Water and Sewer Revenue Fund:	
Schedule of Net Assets	53-54
Schedule of Revenues, Expense, and Changes in Net Assets	55-56
Schedule of Cash Flows	57-58
Gas Revenue Fund:	
Schedule of Net Assets	59-60
Schedule of Revenues, Expense, and Changes in Net Assets	61-62
Schedule of Cash Flows	63-64
Schedule of Changes in Fiduciary Assets and liabilities - Agency Fund	65
Downtown Development Authority:	
Schedule of Net Assets	66
Schedule of Revenues, Expense, and Changes in Net Assets	67
Schedule of Cash Flows	68
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	
Schedule of Findings and Responses	70-71
Schedule of Projects Using Special Purpose Local Option Sales Tax Proceeds	72

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ashburn, Georgia as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

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, 2014, 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.

Other Matters

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and supplemental schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2014 on our consideration of the City of Ashburn'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Ashburn's internal control over financial reporting and compliance.

Herring CPA Group, P.C.

Herring CPA Group, P.C.
Tifton, Georgia
December 5, 2014

STATEMENT OF NET POSITION

City of Ashburn
Ashburn, Georgia — June 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Downtown Development Authority
LIABILITIES				
Accounts payable	$ 89,287	$ 13,120	$ 102,407	$ 0
Cash Overdraft	27,930	0	27,930	0
Salaries and wages payable	11,719	28,483	40,202	0
Sales tax payable	0	5,697	5,697	0
Compensated absences	53,123	0	53,123	0
Notes payable - current	0	195,000	195,000	5,848
Capital Leases - current	129,864	0	129,864	0
Landfill postclosure costs - current	6,800	0	6,800	0
Notes payable - non-current	0	5,503,448	5,503,448	0
Capital Leases - non-current	214,472	0	214,472	0
Landfill postclosure costs - non-current	63,315	0	63,315	0
Consumers' deposits payable	11,709	125,594	137,303	0
Total Liabilities	$ 608,219	$ 5,871,342	$ 6,479,561	$ 5,848
NET ASSETS				
Net investment in capital assets	$ 2,786,254	$ 1,486,421	$ 4,272,675	$ 72,712
Restricted for:				
Debt Retirement	0	9,000	9,000	0
Public Works	5,635	0	5,635	0
Capital Projects	109,502	56,479	165,981	0
Health/Welfare	51,812	0	51,812	0
Public Safety	511	0	511	0
Unrestricted	525,397	1,536,414	2,061,811	31,958
TOTAL NET POSITION	$ 3,479,111	$ 3,088,314	$ 6,567,425	$ 104,670

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

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION

Year Ended
June 30, 2014

Program Revenues			Net (Expenses) Revenues and Changes in Net Position Primary Government			Component Unit
	Capital Grants and Contributions	Total	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
	$ 309,413	$ 361,633	$ (263,130)	$ 0	$ (263,130)	$ 0
	44,135	1,597,653	(699,212)	0	(699,212)	0
	0	796,331	(304,800)	0	(304,800)	0
	0	55,468	(45,428)	0	(45,428)	
	0	0	(58,337)	0	(58,337)	0
	0	138,216	32,530	0	32,530	0
	0	0	(13,662)	0	(13,662)	0
	353,548	2,949,301	(1,352,039)	0	(1,352,039)	0
	0	1,231,751	0	(63,252)	(63,252)	0
	0	1,148,109	0	19,022	19,022	0
	0	2,379,860	0	(44,230)	(44,230)	0
	$ 353,548	$ 5,329,161	$ (1,352,039)	$ (44,230)	$ (1,396,269)	$ 0
	$ 0	32,938	0	0	0	$ 7,789
			$ 678,618		$ 678,618	$ 0
			257,713	0	257,713	0
			222,538	0	222,538	0
			8,610	0	8,610	0
			95,648	0	95,648	0
			214,177	0	214,177	0
			22,462	0	22,462	0
			1,792	463	2,255	0
			11,313	0	11,313	0
			1,512,871	463	1,513,334	0
			-	0	0	0
			1,512,871	463	1,513,334	0
			160,832	(43,767)	117,065	7,789
			3,318,279	3,132,081	6,450,360	102,729
			$ 3,479,111	$ 3,088,314	$ 6,567,425	$ 110,518

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

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2014

	General Fund	Capital Projects Fund	Other Governmental Funds	Totals
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	$ 89,287	$ 0	$ 0	$ 89,287
Cash Overdraft		0	27,930	27,930
Salaries and wages payable	11,719	0	0	11,719
Customer deposit payable	11,709	0	0	11,709
Deferred revenue	44,216	0	0	44,216
Total Liabilities	156,931	0	27,930	184,861
Fund Balances:				
Unassigned	$ 434,466	$ 0	$ 0	$ 434,466
Nonspendable Fund Balance	109,932	0	0	109,932
Comitted Fund Balance	68,339	0	0	68,339
Restricted:				
Special Revenue Fund - Public Works	0	0	5,635	5,635
Capital Projects	0	109,502	0	109,502
Special Revenue Fund - Health/Welfare			51,812	51,812
Special Revenue Fund - Public Safety	0	0	511	511
Total Fund Balance	612,737	109,502	57,958	780,197
TOTAL LIABILITIES AND FUND BALANCE	$ 769,668	$ 109,502	$ 85,888	$ 965,058

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 POSITION

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2014

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 780,197
Total net position 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:		3,130,590
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	44,216	
Reserve for allowance for uncollectibles	(8,318)	35,898
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 position.		
Balances at June 30, 2014 are:		
Capital Leases	344,336	
Compensated Absences	53,123	
Landfill Postclosure Cost	70,115	
		(467,574)
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES		$3,479,111

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, 2014

	General Fund	Capital Projects Fund	Other Governmental Funds	Total
Revenues:				
Taxes	$ 1,483,904	$ 0	$ 116,528	$ 1,600,432
Licenses and permits	34,574	0	0	34,574
Penalties and interest on taxes	22,605	0	0	22,605
Intergovernmental revenues	0	309,413	74,171	383,584
State contract	0	0	43,627	43,627
Charges for services	796,331	0	0	796,331
Fines and forfeitures	1,518,863	0	0	1,518,863
E911 Charges	34,655	0	0	34,655
Interest	1,792	0	0	1,792
Other revenue	11,313	0	508	11,821
Total Revenues	3,904,037	309,413	234,834	4,448,284
Expenditures:				
Current:				
General government	512,310	5,210	0	517,520
Public safety	2,291,245		15	2,291,260
Public works	1,098,885	30,111	0	1,128,996
Health/ welfare	15,000	0	52,483	67,483
Culture/ recreation	19,774	38,563	0	58,337
Economic development	0	0	105,686	105,686
Debt Service:				
Principal	0	128,081	0	128,081
Interest	0	13,662	0	13,662
Total Expenditures	3,937,214	215,627	158,184	4,311,025
Excess (Deficiency) of Revenues Over Expenditures before Transfers	(33,177)	93,786	76,650	137,259

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, 2014

	General Fund	Capital Projects Fund	Other Governmental Funds	Total
Other Financing Sources (Uses)				
Transfer in				
Hotel/Motel Fund	$ 30,702		$ 0	$ 30,702
Transfer out				
Hotel/Motel Fund	0	0	(30,702)	(30,702)
Net Transfers	30,702	0	(30,702)	0
Proceeds of long-term debt	0	0	0	0
Total Other Financing Sources	30,702	0	(30,702)	0
Net Changes in Fund Balance	(2,475)	93,786	45,948	137,259
FUND BALANCE - July 1, 2013	615,212	15,716	12,010	642,938
FUND BALANCE - June 30, 2014	$ 612,737	$ 109,502	$ 57,958	$ 780,197

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, 2014

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 137,259
The changes in net position 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:		-
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	5,570	
Reserve for allowance for uncollectibles	8,318	13,888
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:		(112,256)
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:		-
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:		130,175
Under the modified accrual basis of accounting used in the governmental 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	1,367	
Landfill Postclosure Cost	6,867	(8,234)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 160,832

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

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

City of Ashburn
Ashburn, Georgia — June 30, 2014

	Water and Sewer Fund	Gas Fund	Total
ASSETS			
Current Assets:			
Cash	$ 48,613	$ 656,544	$ 705,157
Cash - Series 2012 Capital Improvement Account	56,479	0	56,479
Cash - Series 2012 Reserve Account	353,902	0	353,902
Cash - Series 2012 Sinking Fund Account	273,478	0	273,478
Accounts receivable - net	103,288	63,767	167,055
Inventories-materials and supplies	30,460	52,596	83,056
Prepaid items	12,288	11,577	23,865
Total Current Assets	878,508	784,484	1,662,992
Non-Current Assets:			
Non-Depreciatable Assets	15,850	8,750	24,600
Deferred charges - Bond issue costs	111,795	0	111,795
Capital assets-net	7,037,216	123,053	7,160,269
Total Non-Current Assets	7,164,861	131,803	7,296,664
TOTAL ASSETS	$ 8,043,369	$ 916,287	$ 8,959,656
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 1,870	$ 11,250	$ 13,120
Salaries and wages payable	10,369	18,114	28,483
Sales Tax Payable	0	5,697	5,697
Notes payable - current	195,000	0	195,000
Consumers' deposits payable	88,194	37,400	125,594
Total Current Liabilities	295,433	72,461	367,894

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

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

City of Ashburn
Ashburn, Georgia — June 30, 2014

	Water and Sewer Fund	Gas Fund	Total
Long-Term Liabilities:			
Notes payable - non-current	$ 5,503,448	$ 0	$ 5,503,448
Total Long-Term Liabilities	5,503,448	0	5,503,448
TOTAL LIABILITIES	5,798,881	72,461	5,871,342
NET POSITION			
Invested in capital assets, net of related debt	1,354,618	131,803	1,486,421
Restricted for Capital Improvements	683,859	0	683,859
Restricted for debt retirement	9,000	0	9,000
Unrestricted	197,011	712,023	909,034
TOTAL NET POSITION	$ 2,244,488	$ 843,826	$ 3,088,314

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

STATEMENT OF REVENUES, EXPENSES, AND

CHANGES IN NET POSITION-PROPRIETARY FUNDS

City Of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2014

	Water and Sewer Fund	Gas Fund	Total
Operating Revenues:			
Charges for services	$ 590,536	$ 1,115,657	$ 1,706,193
Other	641,215	32,452	673,667
Total Operating Revenues	1,231,751	1,148,109	2,379,860
Operating Expenses:			
Personal services-salaries and wages	136,494	317,483	453,977
Group insurance	19,224	40,966	60,190
Social security and medicare contributions	10,182	23,684	33,866
Retirement	2,746	20,888	23,634
Retirement contributions	260	520	780
Workers' compensation	9,764	21,278	31,042
Professional services	16,245	14,895	31,140
Technical services	10,269	0	10,269
Repair and maintenance	43,008	37,450	80,458
Rental of uniforms	1,341	3,205	4,546
Insurance, other than employee benefits	16,210	23,030	39,240
Communications	2,305	3,554	5,859
Advertising	0	1,862	1,862
Travel	1,084	6,310	7,394
Gas and Oil	8,597	29,362	37,959
General supplies and materials	38,077	12,172	50,249
Energy	80,909	6,081	86,990
Supplies/ inventory purchased for resale	0	544,817	544,817
Other supplies	2,725	4,132	6,857
Waste Management Services	527,261	0	527,261
Amortization	5,146	0	5,146
Depreciation	203,612	17,398	221,010
Total Operating Expenses	1,135,459	1,129,087	2,264,546
Operating Income	96,292	19,022	115,314

(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 POSITION-PROPRIETARY FUNDS

City Of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2014

	Water and Sewer Fund	Gas Fund	Total
Non-Operating Revenues (Expenses):			
Interest revenues	$ 236	$ 227	$ 463
Paying Agent Fees	-	-	-
Interest expense	(159,544)	0	(159,544)
Total Non-Operating Revenues (Expenses)	(159,308)	227	(159,081)
Income (Loss) before Transfers	(63,016)	19,249	(43,767)
Transfers out	0	0	0
Change in Net Assets	(63,016)	19,249	(43,767)
NET ASSETS - July 1, 2013	2,307,504	824,577	3,132,081
NET ASSETS - June 30, 2014	$ 2,244,488	$ 843,826	$ 3,088,314

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, 2014

	Water and Sewer Fund	Gas Fund	Total
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 1,231,751	$1,025,330	$ 2,257,081
Cash Payments for Goods and Services	(803,715)	(559,712)	(1,363,427)
Cash Payment to Employees	(168,906)	(403,541)	(572,447)
Net Cash Provided by Operating Activities	259,130	62,077	321,207
Cash Flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	(210,857)	0	(210,857)
Transfer to General Fund	0	0	0
Interest Paid	(159,544)	0	(159,544)
Net Cash Used by Capital and Related Financing Activities	(370,401)	0	(370,401)
Cash Flows from Investing Activities:			
Payment on Long Term Debt	(180,000)		(180,000)
Interest on Investments	236	227	463
Net Cash Provided by Investing Activities	(179,764)	227	(179,537)
Net Increase (Decrease) in Cash and Restricted Cash	(291,035)	62,304	(228,731)
Cash and Restricted Cash - July 1, 2013	1,023,507	594,240	1,617,747
Cash and Restricted Cash - June 30, 2014	$ 732,472	$ 656,544	$ 1,389,016

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, 2014

	Water and Sewer Fund	Gas Fund	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	$ 96,292	$ 19,022	$ 115,314
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	203,612	17,398	221,010
Amortization	5,146	0	5,146
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(16,478)	14,407	(2,071)
(Increase) Decrease in Inventories	(17,887)	14,308	(3,579)
(Increase) Decrease in Prepaid Items	(3,000)	(3,000)	(6,000)
Increase (Decrease) in Accounts Payable	705	(124)	581
Increase (Decrease) in Salaries and Wages Payable	403	1,850	2,253
Increase (Decrease) in Sales Tax Payable	0	(55)	(55)
Increase (Decrease) in Customers' Deposits	(9,663)	(1,730)	(11,393)
Change in Assets and Liabilities	(45,920)	25,656	(20,264)
Net Cash Provided by Operating Activities	$ 259,130	$ 62,077	$ 321,207

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, 2014

	Pending Fund
ASSETS	
Cash	$ 8,975
LIABILITIES	
Due to other Governments	$ 8,975

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 ($76,120) and prepaid amounts ($33,812) 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) whether committed, assigned, or 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 State Treasurer.

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, 2014 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, 2013. The city clerk opened the books for payment of taxes on October 20, 2013 and they remained open until December 20, 2013. 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, 2014 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, 2014.

Prior Period Adjustment

The beginning Net Position at July 1, 2013 was understated by $5,416 in the Statement of Activities and Changes in Net Position for the Governmental Activities.

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, 2014.

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, 2014:

General Government – The $15,810 excess of expenditures over appropriations is attributable to salaries, repairs and professional services being under budgeted.

Police Department – The $225,081 excess of expenditures over appropriations is attributable to salaries, workers' compensation, energy, and capital outlays being under budgeted.

Animal Control – The $4,416 excess of expenditures over appropriations is attributable to salaries, workers' compensation and other supplies being under budgeted.

Solid Waste and Recycling – The $4,848 excess of expenditures over appropriations is attributable to expenses being under budgeted.

Maintenance and Shop – The $11,292 excess of expenditures over appropriations is attributable to salaries and workers' compensation 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 Position	Fiduciary Funds Statement of Assets and Liabilities
Pooled Cash and Investments		
unrestricted	1,955,064	8,975
restricted	68,339	0
Total	2,023,403	8,975

The restricted cash is purposed to be used for capital improvements for the government.

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 State Treasurer 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, 2014 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	2,061,248	0	0	2,061,248
Machinery and Equipment	2,806,073	0	0	2,806,073
Total Capital Assets being depreciated	4,867,321	0	0	4,867,321
Less Accumulated Depreciation:				
Buildings and Improvements	489,376	37,505	0	526,881
Machinery and Equipment	1,372,465	74,751	0	1,447,216
Total Accumulated Depreciation	1,861,841	112,256	0	1,974,097
Net Capital Assets being Depreciated	3,005,480	112,256	0	2,893,224
Total Capital Assets, Net	2,855,747	112,256	0	3,130,590

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

General Government	44,271
Public Safety	24,987
Public Works	32,759
Recreation	10,239
Total	112,256

	Beginning Balances	Increase	Decrease	Ending Balances
Business Type Activities:				
Capital Assets not being depreciated:				
Construction in Process	782,915	270,420	0	1,053,335
Land	24,600	0	0	24,600
	807,515	270,420	0	1,077,935
Capital Assets being depreciated:				
Building and Improvements	7,237,528	0	0	7,237,528
Machinery and Equipment	4,911,547	0	19,163	4,892,384
Total Capital Assets being depreciated	12,149,075	0	19,163	12,129,912
Less Accumulated Depreciation:				
Buildings and Improvements	4,100,816	140,697	0	4,241,513
Machinery and Equipment	1,701,152	80,313	0	1,781,465
Total Accumulated Depreciation	5,801,968	221,010	0	6,022,978
Net Capital Assets being depreciated	6,347,107	221,010	0	6,106,934
Total Capital Assets, Net	7,154,622	49,410	19,163	7,184,869

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, 2014, consist of the following:

	General	Other Governmental	Enterprise	Total
Accounts	$ 50,908	$ 0	$ 167,055	$ 217,963
Taxes	88,267	0	0	88,267
Due from other governments	53,634	27,930	0	81,564
Gross Receivables	$ 192,809	$27,930	$ 167,055	$ 387,794

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, 2014 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	8,380,106	396,439	8,562,679
Machinery and Equipment	3-20 years	3,084,443	505,442	3,554,472
Site Improvements	45 years	493,854	0	493,854
Total		12,189,636	1,015,182	12,955,539
Less Accumulated Depreciation		(5,136,571)	(883,379)	(6,019,950)
Total		$7,053,065	$131,803	$7,184,868

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:

Long Term Debt obligations consist of equipment 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 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%.

Amortization of assets recorded under capital leases is included with depreciation expense for the year ended June 30, 2014.

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

Fiscal year ending June 30:	General Long-Term Debt
2015	140,844
2016	136,764
2017	85,620
2018	85,620
2019	0
2020 – 2021	0
Total minimum lease payments	448,848
Amounts representing interest	(104,512)
Present value of net minimum lease payments	$ 344,336

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 the fiscal year ended June 30, 2014 in the amount of $1,053,335. 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, 2014 or can readily be determined for the year ended June 30, 2015.

A summary of notes payable by the City as they existed at June 30, 2014, 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	$ 793,448	$ 793,448
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%.	195,000	4,710,000	4,905,000
Total Notes Payable	$195,000	$5,503,448	$5,569,448

The annual requirements to amortize the debt outstanding for the proprietary fund at June 30, 2014 including interest payments of $1,729,002 are as follows:

Year Ending June 30,	Principal Due	Interest Due	Total
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	215,000	129,805	344,805
2020-2024	1,130,000	611,270	1,741,270
2025-2029	1,305,000	340,923	1,645,923
2030-2033	1,250,000	67,253	1,317,253
Total	$ 4,710,000	$ 1,729,002	$ 6,439,002

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, 2014:

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Due in One year
Obligations under capital lease	$ 474,511	$ 0	$ 130,175	$ 344,336	$ 129,864
Compensated absences Payable	51,756	1,367	0	53,123	53,123
Closure and post closure care	76,982	0	6,867	70,115	6,800
Total	$ 603,249	$ 1,367	$ 137,042	$ 467,574	$ 200,767

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, 2014:

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Due in One year
Notes payable – GEFA	$ 782,915	$ 10,553	$ 0	$ 793,448	$ 0
Notes payable – Revenue Bonds	5,085,000	0	180,000	4,905,000	195,000
Total	$5,867,915	$ 10,553	$ 180,000	$ 5,698,448	$ 195,000

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, 2014; 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, 2013 was $1,766,008. 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, 2014 was $87,258 or 4.86% 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, 2014, the minimum funding requirement is $84,061. This amount consists of (a) normal cost of $63,632, (b) administrative expense of $5,585, (c) amortization of the unfunded frozen initial liability of $14,844, (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, 2014. 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, 2014 actuarial valuation:

• actuarial value of assets	$ 2,371,252
• actuarial accrued liability	2,491,412
• funded ratio	95.18%
• total unfunded actuarial liability	
• Unfunded (Surplus) actuarial accrued liability	120,160
• annual covered payroll	1,766,008
• ratio of unfunded (excess) to annual covered payroll	6.80%

(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:

	2012	2013	2014
- Actuarial value of assets	2,282,960	2,318,353	2,371,252
- Actuarial accrued liability	2,308,333	2,440,927	2,491,412
- Funded ratio	98.90%	94.97%	95.18%
- Total unfunded actuarial liability (funding excess)	25,373	25,373	120,160
- Annual covered payroll	1,646,419	1,710,157	1,766,008
- Ratio of unfunded (excess) to annual covered payroll	1.54%	7.17%	6.80%
Actual contribution as a percentage of covered payroll	4.98%	4.88%	4.86%
Three-year Trend Information -			
Fiscal year ending	6/30/12	6/30/13	6/30/14
Annual pension cost	83,414	83,610	84,061
Percentage of APC contributed	100%	100%	100%
Net pension obligation	0	0	0

Contributions made to the plan for the year ended June 30, 2014 amounted to $84,061.

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, 2014. 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, 2014 is $167,339 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 $70,114. 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, 2014 is as follows:

Hotel Motel Tax Receipts	$116,528
Disbursements to Ashburn Downtown Development Authority	21,993
Disbursements to Ashburn-Turner County Chamber of Commerce for tourism	63,833
Balance to City	$ 30,702

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 $17,635 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	30,702	(a)	0	
Gas Fund	0		0	
Special Revenue Fund:				
Hotel/Motel Tax Fund	0		30,702	(a)
TOTAL ALL FUNDS	$ 30,702		$ 30,702	

(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	$ (43,767)
Plus Depreciation and Amortization	226,156
Plus Interest Income	463
Net Revenues Available for Debt Service	182,852
Maximum Annual Debt Service on Bonds)	$350,619
Coverage Ratio	0.52

Number of Water Customers. The following table sets forth the number of water customers of the System for the fiscal year ended June 30, 2014.

Water		
Residential	Commercial/ Industrial	Total Water Customers
1,810	288	2,098

Number of Sewer Customers. The following table sets forth the number of sewer customers of the System for the fiscal year ended June 30, 2014. All sewer customers of the System are also water customers.

Sewer		
Residential	Commercial/ Industrial	Total Sewer Customers
1,512	188	1,700

Number of Gas Customers. The following table sets forth the number of gas customers of the System for the fiscal year ended June 30, 2014.

Gas		
Residential	Commercial/ Industrial	Total Sewer Customers
532	66	598

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, 2014. 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	$ 8,186	1.41%
2.	Entech	7,995	1.38
3.	Ashburn Housing Authority	10,830	1.86
4.	Georgia Department of Transportation	24,666	4.24
5.	Amrick Singh Binapal	13,685	2.35
6.	SK Group – Hotel	6,266	1.08
7.	Turner County Board of Education	13,738	2.36
8.	Ashburn Hotel Inv. Inc.	5,249	0.90
9.	Vikas Corporation – Hotel	5,239	0.90
10.	Village Green	5,572	0.96
	TOTAL	$101,426	

Total Water Billings - $581,145

Ten Largest Sewer Customers. The following table sets forth the ten largest sewer customers of the System for the fiscal year ended June 30, 2014. 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	$ 11,220	1.75%
2.	Ashburn Hotel Investments	7,204	1.13
3.	Ashburn Housing Authority	15,554	2.43
4.	Georgia Department of Transportation	33,429	5.23
5.	Ashton Place	5,509	0.86
6.	Entech	6,518	1.02
7.	Turner County Board of Education	14,444	2.26
8.	Turner County Jail	6,393	1.00
9.	Vikas Corporation – Hotel	7,202	1.13
10.	Village Green	9,400	1.47
	TOTAL	$116,873	

Total Sewer Billings - $639,497

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, 2014. 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	$ 87,929	7.99%
2.	Hat Creek Peanut Co.	27,803	2.53
3.	HHC of Ashburn	25,601	2.33
4.	Shoney's Restaurant	13,096	1.19
5.	Zaxby's Restaurant	12,888	1.17
6.	Suncrest Stone	24,870	2.26
7.	Mitchell's Coin Laundry	10,955	1.00
8.	Ashburn Hotel Inv. Inc.	9,707	0.88
9.	Turner County Jail	15,668	1.42
10.	Board of Education	20,743	1.88
	TOTAL	$214,603	

Total Gas Billings - $1,100,695

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 December 5, 2014 as this is the date the financial statements were available to be issued. No items occurring after the fiscal year ended of June 30, 2014 through December 5, 2014 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, 2014

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Real property	$ 584,800	$ 584,800	$ 559,479	$ (25,321)
Personal property	83,500	83,500	119,139	35,639
Franchise taxes	307,000	307,000	257,713	(49,287)
Local option sales and use taxes	250,000	250,000	222,538	(27,462)
Alcoholic beverage excise taxes	92,000	92,000	86,248	(5,752)
Insurance premium taxes	212,000	212,000	214,177	2,177
Financial institutions taxes	17,000	17,000	8,610	(8,390)
Penalties and interest on delinquent taxes	11,000	11,000	22,462	11,462
Alcoholic beverages licenses	6,500	6,500	9,400	2,900
General business license	30,000	30,000	25,174	(4,826)
Penalties on delinquent licenses	400	400	143	(257)
Payment in lieu of taxes	16,000	16,000	16,000	0
Court costs	37,000	37,000	51,800	14,800
Probation costs	43,000	43,000	81,680	38,680
Election qualifying fees	700	700	882	182
Accident reports	0	0	198	198
Charges for services-street repairs	27,000	27,000	26,585	(415)
Charges for services-sanitation	624,000	624,000	624,526	526
Animal control fees	8,000	8,000	2,985	(5,015)
Charges for services-cemetery	9,000	9,000	7,675	(1,325)
Fines and forfeitures	1,095,000	1,095,000	1,518,863	423,863
E911 charges	35,000	35,000	34,655	(345)
Interest revenue	2,000	2,000	1,792	(208)
Insurance Reimbursement	6,000	6,000	0	(6,000)
Miscellaneous revenue	111,100	111,100	11,313	(99,787)
Total Revenues	3,608,000	3,608,000	3,904,037	296,037

(Continued on next page)

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, 2014

	Original Budget	Final Budget	Actual	Variance
Expenditures:				
General government	$ 496,500	$ 496,500	$ 512,310	$ 15,810
Public safety	2,067,360	2,067,360	2,291,245	223,885
Public works	1,147,300	1,147,300	1,098,885	(48,415)
Health/ welfare	15,000	15,000	15,000	0
Culture/recreation	22,300	22,300	19,774	(2,526)
Total Expenditures	3,748,460	3,748,460	3,937,214	188,754
Excess of Revenues Over Expenditures	(140,460)	(140,460)	(33,177)	107,283
Other Financing Sources (Uses)				
Transfers in	165,500	165,500	30,702	(134,798)
Borrowed Funds	0	0	0	0
Total Other Financing Sources (Uses)	165,500	165,500	30,702	(134,798)
Excess of Revenues and Other Financing Sources Over Expenditures	$ 25,040	$ 25,040	(2,475)	$ (27,515)
FUND BALANCE - July 1, 2013			615,212	
FUND BALANCE - June 30, 2014			$ 612,737	

SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCE

GENERAL FUND

City of Ashburn
Ashburn, Georgia — June 30, 2014

ASSETS

Cash	$ 398,588	
Taxes receivable-delinquent	47,636	
Other taxes receivable	40,631	
Accounts receivable (Net of allowance for uncollectibles of 1,500)	50,908	
Due from other governments	53,634	
Inventories-materials and supplies	76,120	
Prepaid items	33,812	
Reserved assets	68,339	
TOTAL ASSETS		$ 769,668

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable	$ 89,287	
Salaries and wages payable	11,719	
Customer deposit payable	11,709	
Deferred revenue	44,216	
Total Liabilities		$ 156,931
Equities and Other Credits:		
Fund balance - unassigned	434,466	
Nonspendable fund balance	109,932	
Fund balance - comitted capital projects	68,339	
Total Equity and Other Credits		612,737
TOTAL LIABILITIES AND FUND BALANCE		$ 769,668

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2014

	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	652	(448)
Social security and medicare contributions	2,100	2,100	2,204	104
Travel	10,000	10,000	14,788	4,788
General administration -				
Personal services-salaries and wages	192,400	192,400	203,243	10,843
Group insurance	19,000	19,000	23,335	4,335
Social security and medicare contributions	13,000	13,000	15,011	2,011
Retirement contributions	6,000	6,000	6,013	13
Workers' compensation	9,500	9,500	11,838	2,338
Professional services	68,000	68,000	59,445	(8,555)
Technical services	5,000	5,000	135	(4,865)
Repairs and maintenance	7,000	7,000	13,379	6,379
Rental of land and buildings	6,000	6,000	7,527	1,527
Insurance, other than employee benefits	8,800	8,800	5,751	(3,049)
Communications	9,500	9,500	11,573	2,073
Advertising	1,500	1,500	3,984	2,484
Travel	4,500	4,500	6,362	1,862
Dues and fees	15,000	15,000	17,567	2,567
General supplies and materials	13,400	13,400	12,456	(944)
Energy	13,900	13,900	13,324	(576)
Other supplies	5,000	5,000	1,904	(3,096)
Code Ordinances	3,000	3,000	700	(2,300)
Election	0	0		0
Library	21,800	21,800	21,800	0
Chamber	25,000	25,000	25,000	0
Downtown Development Authority	0	0	0	0
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	19	(681)
Unemployment tax	1,000	1,000	0	(1,000)
Total general government	496,500	496,500	512,310	15,810

(Continued on next page)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2014

	Original Budget	Final Budget	Actual	Variance
Public Safety:				
Police -				
Personal services-salaries and wages	$ 627,000	$ 627,000	$ 664,636	$ 37,636
Group insurance	90,000	90,000	92,567	2,567
Social security and medicare contributions	45,000	45,000	50,574	5,574
Retirement contributions	14,000	14,000	15,088	1,088
Workers' compensation	33,000	33,000	38,671	5,671
Other employee benefits	40,000	40,000	63,413	23,413
Technical services	4,500	4,500	3,326	(1,174)
Repairs and maintenance	20,000	20,000	60,512	40,512
Rentals - uniforms	8,500	8,500	4,926	(3,574)
Insurance, other than employee benefits	20,500	20,500	20,500	0
Communications	8,000	8,000	11,322	3,322
Advertising	500	500	160	(340)
Travel	3,500	3,500	4,302	802
General supplies and materials	8,000	8,000	9,005	1,005
Processing fee	30,500	30,500	39,502	9,002
Energy	68,900	68,900	89,359	20,459
Other supplies	22,100	22,100	24,992	2,892
Capital outlays	0	0	0	0
GA Crime victim	500	500	208	(292)
Peace Officer Training	80,000	80,000	117,657	37,657
Indigent defense fund	94,000	94,000	131,258	37,258
Drivers Ed and Training	40,000	40,000	23,396	(16,604)
Brain & Spinal	8,000	8,000	359	(7,641)
Local Victim Assistance	45,000	45,000	61,028	16,028
DTF Contribution	27,500	27,500	27,950	450
Dues and fees	1,600	1,600	2,176	576
Custody of prisoners	42,000	42,000	50,794	8,794
Total police	1,382,600	1,382,600	1,607,681	225,081
Fire -				
Personal services-salaries and wages	292,000	292,000	318,233	26,233
Group insurance	48,000	48,000	43,724	(4,276)
Social security and medicare contributions	24,000	24,000	24,150	150
Retirement contributions	14,260	14,260	15,929	1,669
Workers' compensation	19,000	19,000	21,123	2,123
Technical services	3,000	3,000	2,872	(128)
Repairs and maintenance	12,800	12,800	(13,341)	(26,141)

(Continued on next page)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2014

	Original Budget	Final Budget	Actual	Variance
Rentals - uniforms	$ 4,500	$ 4,500	$ 3,790	$ (710)
Insurance, other than employee benefits	6,000	6,000	5,900	(100)
Communications	1,500	1,500	2,132	632
Travel	1,700	1,700	1,701	1
Contract labor	8,000	8,000	3,226	(4,774)
General supplies and materials	2,500	2,500	2,259	(241)
Energy	23,600	23,600	23,550	(50)
Dues and fees	0	0	0	0
Capital outlays	1,000	1,000	0	(1,000)
Total fire	461,860	461,860	455,248	(6,612)
Animal Control -				
Personal services-salaries and wages	78,500	78,500	81,122	2,622
Group insurance	12,200	12,200	10,153	(2,047)
Social security and medicare contributions	5,300	5,300	6,120	820
Retirement contributions	4,800	4,800	5,066	266
Workers' compensation	5,000	5,000	5,486	486
Technical services	2,500	2,500	2,872	372
Repairs and maintenance	4,100	4,100	4,806	706
Insurance, other than employee benefits	2,100	2,100	1,918	(182)
Travel	700	700	398	(302)
General supplies and materials	2,000	2,000	909	(1,091)
Rentals - uniforms	1,000	1,000	914	(86)
Energy	9,200	9,200	8,805	(395)
Capital Outlay	0	0	0	0
Other supplies	1,500	1,500	4,747	3,247
Total Animal control	128,900	128,900	133,316	4,416
E911-				
Services	94,000	94,000	95,000	1,000
Total E911	94,000	94,000	95,000	1,000
Total public safety	2,067,360	2,067,360	2,291,245	223,885
Public Works:				
Highways and streets -				
Personal services-salaries and wages	319,000	319,000	272,465	(46,535)
Group insurance	65,000	65,000	57,349	(7,651)
Social security and medicare contributions	30,000	30,000	22,020	(7,980)

(Continued on next page)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2014

	Original Budget	Final Budget	Actual	Variance
Retirement contributions	$ 12,300	$ 12,300	$ 13,683	$ 1,383
Workers' compensation	30,000	30,000	33,186	3,186
Technical services	3,000	3,000	2,872	(128)
Disposal	305,000	305,000	304,678	(322)
Repairs and maintenance	33,700	33,700	30,477	(3,223)
Rentals - uniforms	4,700	4,700	4,071	(629)
Insurance, other than employee benefits	18,000	18,000	17,965	(35)
Communications	2,300	2,300	1,954	(346)
Capital Outlay	0	0	0	0
Travel	100	100	0	(100)
General supplies and materials	3,500	3,500	7,666	4,166
Energy	180,200	180,200	177,499	(2,701)
Advertising	100	100		(100)
Paved streets	10,500	10,500	6,960	(3,540)
Total highways and streets	1,017,400	1,017,400	952,845	(64,555)
Solid waste and recycling -				
Closure and post-closure care	15,000	15,000	19,848	4,848
Total Solid waste and recycling	15,000	15,000	19,848	4,848
Maintenance and shop -				
Personal services-salaries and wages	70,500	70,500	74,531	4,031
Group insurance	12,500	12,500	11,547	(953)
Social security and medicare contributions	4,600	4,600	5,536	936
Retirement contributions	3,300	3,300	3,076	(224)
Workers' compensation	4,000	4,000	4,933	933
Technical services	2,000	2,000	2,872	872
Repairs and maintenance	3,500	3,500	8,538	5,038
Rentals - uniforms	1,100	1,100	857	(243)
Insurance, other than employee benefits	800	800	800	0
Communications	1,000	1,000	1,145	145
General supplies and materials	4,500	4,500	3,971	(529)
Energy	7,100	7,100	8,386	1,286
Total maintenance and shop	114,900	114,900	126,192	11,292
Total public works	$ 1,147,300	$ 1,147,300	$ 1,098,885	$ (48,415)

(Continued on next page)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2014

	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	1,780	780
General supplies and materials	600	600	718	118
Energy	14,500	14,500	11,276	(3,224)
Capital Outlays	0	0	0	0
Supplies	200	200	0	(200)
Professional services	6,000	6,000	6,000	0
Total Culture/Recreation	22,300	22,300	19,774	(2,526)
Total Expenditures	$ 3,748,460	$ 3,748,460	$ 3,937,214	$ 188,754

SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCE

NON-MAJOR GOVERNMENTAL FUNDS

City of Ashburn
Ashburn, Georgia

June 30, 2014

	Special Revenue Funds
ASSETS	
Cash In bank	$ 57,958
Due from other governments	27,930
TOTAL ASSETS	$ 85,888
LIABILITIES AND FUND BALANCE	
Liabilities:	
Cash Overdraft	$ 27,930
Deferred revenue	0
Total Liabilities	27,930
Fund Balance:	
Restricted:	
Public Works	5,635
Economic Development	51,812
Capital Projects	0
Public Safety	511
Total Fund Balance	57,958
TOTAL LIABILITES AND FUND BALANCE	$ 85,888

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

NON-MAJOR GOVERNMENTAL FUNDS

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2014
	Special Revenue Funds
Revenues:	
Federal grant	$ 74,171
State grant	43,627
Hotel/motel tax	116,528
Intergovernmental	0
Contributions	508
Total Revenues	$ 234,834
Expenditures:	
General government	$ 0
Public works	0
Public safety	15
Health/ welfare	52,483
Economic development	105,686
Debt Service:	
Principal	0
Interest	0
Total Expenditures	158,184
Excess (Deficiency) of Revenues Over Expenditures before Non-Operating Expenditures	76,650
Non-Operating Expenditures:	
General fund transfer	(30,702)
Total Non-Operating Expenditures	(30,702)
Excess of Revenues Over Expenditures	45,948
FUND BALANCE - July 1, 2013	12,010
FUND BALANCE - June 30, 2014	$ 57,958

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

City of Ashburn
Ashburn, Georgia

June 30, 2014

	Rose Hill Cemetery Fund	Recreation Fund	City Tourism	Nutrition Fund	Seized Assets	Total
ASSETS						
Cash	$ 5,635	$ 43,627	$ 8,185	$ 0	$ 511	$ 57,958
Due from other governments	0	0	0	27,930	0	27,930
TOTAL ASSETS	$ 5,635	$ 43,627	$ 8,185	$ 27,930	$ 511	$ 85,888
LIABILITIES AND FUND BALANCE						
Liabilities:						
Cash Overdraft	$ 0	$ 0	$ 0	$ 27,930	$ 0	$ 27,930
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	0	0	27,930	0	27,930
Fund Balance:						
Fund balance - restricted	5,635	43,627	8,185	0	511	57,958
Total Fund Balance	5,635	43,627	8,185	0	511	57,958
TOTAL LIABILITIES AND FUND BALANCE	$ 5,635	$ 43,627	$ 8,185	$ 27,930	$ 511	$ 85,888

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE-SPECIAL REVENUE FUNDS

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2014

Program Activity	Rose Hill Cemetary Fund	Hotel Motel Tax	City Tourism	Nutrition Program	Cops Grant	Local Assistance Grants	Seized Assets	Total
Revenues:								
Hotel / motel taxes	$ 0	$ 116,528	$ 0	$ 0	$ 0	$ 0	$ 0	$ 116,528
Federal government grants	0	0	21,688	52,483	0	0	0	74,171
State government grants	0	0	0	0	0	43,627	0	43,627
Contributions from private sources	0	0	0	0	0	0	508	508
Total Revenues	0	116,528	21,688	52,483	0	43,627	508	234,834
Expenditures:								
Personal services-salaries and wages	$ 0	$ 0	$ 0	$ 26,723	$ 0	$ 0	$ 0	$ 26,723
SS and medicare contributions	0	0	0	2,019	0	0	0	2,019
Insurance	0	0	0	6,635	0	0	0	6,635
Economic Development	0	21,993	0	0	0	0	0	21,993
Capital outlays	0	0	0	0	0	0	0	0
Tourism	0	63,833	19,860	0	0	0	0	83,693
Program administration	0	0	0	17,106	0	0	15	17,121
Total Expenditures	0	85,826	19,860	52,483	0	0	15	158,184

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE-SPECIAL REVENUE FUNDS

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2014

Program Activity	Rose Hill Cemetary Fund	Hotel Motel Tax	City Tourism	Nutrition Program	Cops Grant	Local Assistance Grants	Seized Assets	Total
Excess of Revenues Over Expenditures before Transfers	$ 0	$ 30,702	$ 1,828	$ 0	$ 0	$ 43,627	$ 493	$ 76,650
Transfer out	0	(30,702)	0	0	0	0	0	(30,702)
Net Transfers	0	(30,702)	0	0	0	0	0	(30,702)
Excess of Revenues Over Expenditures after Transfers	0	0	1,828	0	0	0	493	$ 45,948
FUND BALANCE - July 1, 2013	5,635	0	6,357	0	0	0	18	12,010
FUND BALANCE - June 30, 2014	$ 5,635	$ 0	$ 8,185	$ 0	$ 0	$ 43,627	$ 511	$ 57,958

SCHEDULE OF NET POSITION

WATER AND SEWER FUND

		June 30, 2014
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts payable	$ 1,870	
Salaries and wages payable	10,369	
Notes payable-current	195,000	
Consumers' deposits payable	88,194	
Total Current Liabilities		$ 295,433
Non-current Liabilities:		
Notes payable-non-current	5,503,448	
Total Non-current Liabilities		5,503,448
Total Liabilities		5,798,881
Net Assets:		
Invested in capital assets, net of related debt	1,354,618	
Restricted for debt retirement	9,000	
Unrestricted	880,870	
Total Net Assets		2,244,488
TOTAL LIABILITIES AND NET ASSETS		$ 8,043,369

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET ASSETS - WATER AND SEWER FUND

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2014
Operating Revenues:	
Water charges	$ 590,536
Sewer charges	641,215
Total Operating Revenues	1,231,751
Operating Expenses:	
Personal services-salaries and wages	136,494
Group insurance	19,224
Social security and medicare contributions	10,182
Retirement	2,746
Retirement contributions	260
Workers' compensation	9,764
Professional services	16,245
Technical services	10,269
Repairs and maintenance	43,008
Rental of uniforms	1,341
Insurance, other than employee benefits	16,210
Communications	2,305
Travel	1,084
Gas and Oil	8,597
General supplies and materials	38,077
Utilities	80,909
Other supplies	2,725
Waste Management Services	527,261
Amortization	5,146
Depreciation	203,612
Total Operating Expenses	1,135,459
Operating Income	96,292

(Continued on next page)

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET ASSETS - WATER AND SEWER FUND

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2014
Non-Operating Revenues (Expenses):	
Interest revenue	$ 236
Paying Agent Fee	-
Interest expense	(159,544)
Total Non-Operating Revenues (Expenses)	(159,308)
Change in Net Assets	(63,016)
NET ASSETS - July 1, 2013	2,307,504
NET ASSETS - June 30, 2014	$ 2,244,488

SCHEDULE OF CASH FLOWS

WATER AND SEWER FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2014

		Enterprise Funds
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 1,231,751	
Cash Payments for Goods and Services	(803,715)	
Cash Payments to Employees	(168,906)	
Net Cash Provided by Operating Activities		$ 259,130
Cash Flows from Capital and Related Financing Activities:		
Purchase of Capital Assets	(210,857)	
Interest Paid	(159,544)	
Net Cash Used by Capital and Related Financing Activities		(370,401)
Cash Flows from Investing Activities:		
Paying Agent Fees	0	
Payment on Long Term Debt	(180,000)	
Interest on Investments	236	
Net Cash Provided by Investing Activities		(179,764)
Net Increase in Cash and Restricted Cash		(291,035)
CASH AND RESTRICTED CASH - July 1, 2013		1,023,507
CASH AND RESTRICTED CASH - June 30, 2014		$ 732,472

SCHEDULE OF CASH FLOWS

WATER AND SEWER FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2014

	Enterprise Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	$ 96,292
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	203,612
Amortization	5,146
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(16,478)
(Increase) Decrease in Inventories	(17,887)
(Increase) Decrease in Prepaid Items	(3,000)
Increase (Decrease) in Accounts Payable	705
Increase (Decrease) in Salaries and Wages Payable	403
Increase (Decrease) in Customers' Deposits	(9,663)
Change in Assets and Liabilities	(45,920)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 259,130

SCHEDULE OF NET POSITION

GAS FUND

		June 30, 2014
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts payable	$ 11,250	
Salaries and wages payable	18,114	
Sales tax payable	5,697	
Consumers' deposits payable	37,400	
Total Current Liabilities		$ 72,461
Total Liabilities		72,461
Net Position:		
Invested in capital assets, net of related debt	131,803	
Unrestricted	712,023	
Total Net Position		843,826
TOTAL LIABILITIES AND NET POSITION		$ 916,287

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET POSITION - GAS FUND

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2014
Operating Revenues:	
Gas charges	$ 1,115,657
Other	32,452
Total Operating Revenues	1,148,109
Operating Expenses:	
Personal services-salaries and wages	317,483
Group insurance	40,966
Social security and medicare contributions	23,684
Retirement	20,888
Retirement contributions	520
Workers' compensation	21,278
Professional and technical services	14,895
Repairs and maintenance	37,450
Rental of uniforms	3,205
Insurance, other than employee benefits	23,030
Communications	3,554
Advertising	1,862
Travel	6,310
General supplies and materials	12,172
Gas and oil	29,362
Utilities	6,081
Inventory purchased for resale	544,817
Miscellaneous	4,132
Depreciation	17,398
Total Operating Expenses	1,129,087
Operating Income	19,022

(Continued on next page)

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET POSITION - GAS FUND

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2014
Non-Operating Revenues (Expenses):	
Interest revenues	$ 227
Transfer to General Fund	-
Change in Net Position	19,249
NET POSITION - July 1, 2013	824,577
NET POSITION - June 30, 2014	$ 843,826

SCHEDULE OF CASH FLOWS

GAS FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2014

		Enterprise Funds
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 1,025,330	
Cash Payments for Goods and Services	(559,712)	
Cash Payments to Employees	(403,541)	
Net Cash Provided by Operating Activities		$ 62,077
Cash Flows from Investing Activities:		
Interest on Investments	227	
Net Cash Provided by Investing Activities		227
Cash Flows from Financing Activities:		
Transfer to General Fund	0	
Net Cash Used by Financing Activities		0
Net Increase in Cash		62,304
CASH - July 1, 2013		594,240
CASH - June 30, 2014		$ 656,544

SCHEDULE OF CASH FLOWS

GAS FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2014

			Enterprise Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income			$ 19,022
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation			17,398
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	$	14,407	
(Increase) Decrease in Inventories		14,308	
(Increase) Decrease in Prepaid Items		(3,000)	
Increase (Decrease) in Accounts Payable		(124)	
Increase (Decrease) in Salaries and Wages Payable		1,850	
Increase (Decrease) in Sales Tax Payable		(55)	
Increase (Decrease) in Customers' Deposits		(1,730)	
Change in Assets and Liabilities			25,656
NET CASH PROVIDED BY OPERATING ACTIVITIES			$ 62,077

SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUND

City of Ashburn
Ashburn, Georgia

June 30, 2014

	Pending Fund
Additions:	
Increase to agency funds	$ 12,523
Deductions:	
Disbursement from agency fund	(27,491)
Net Increase	(14,968)
Due to Court - July 1, 2013	23,943
Due to Court - June 30, 2014	$ 8,975

SCHEDULE OF NET POSITION

DOWNTOWN DEVELOPMENT AUTHORITY

City of Ashburn
Ashburn, Georgia — June 30, 2014

ASSETS

Current Assets:		
Cash	$ 16,108	
Inventory	15,850	
Total Current Assets		31,958
Property, Plant, and Equipment:		
Banners and Flagpole	19,502	
City Park	59,058	
		78,560
TOTAL ASSETS		$110,518

LIABILITIES AND NET POSITION

Current Liabilities:	
Current Portion Long Term Debt	$ 5,848
Long Term Debt, net of current	0
TOTAL LIABILITIES	5,848
Net Position:	
Unrestricted	104,670
Total Net Position	104,670
TOTAL LIABILITIES AND NET POSTION	$110,518

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET POSITION - DOWNTOWN DEVELOPMENT AUTHORITY

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2014
Operating Revenues:	
Intergovernmental	$ 32,938
Total Operating Revenues	32,938
Operating Expenses:	
Interest	750
Depreciation	10,685
Repairs	10,571
Utilities	3,143
Total Operating Expenses	25,149
Change in Net Position	7,789
NET POSITION - July 1, 2013	102,729
NET POSITION- June 30, 2014	$ 110,518

SCHEDULE OF CASH FLOWS

DOWNTOWN DEVELOPMENT AUTHORITY

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2014

Cash Flows from Operating Activities:		
Intergovernmental cash received	32,938	
Cash Payments for Goods and Services	(14,464)	
Net Cash Provided by Operating Activities		$ 18,474
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		16,869
CASH - July 1, 2013		7,455
CASH - June 30, 2014		$ 16,108
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities:		
Adjustments to Reconcile Operating Income		
to Net Cash Provided by Operating Activities		
Depreciation		$ 10,685
Net Cash Provided by Operating Activities:		
Operating Income		7,789
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		$ 18,474

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TIFTON, GEORGIA
SYLVESTER, GEORGIA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS*

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate 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, and the related notes to the financial statements, which collectively comprise City of Ashburn, Georgia's basic financial statements, and have issued our report thereon dated February 14, 2014.

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 procedure for the purpose of expressing our opinion on the financial statements, but not to for the purpose of expressing an opinion on the effectiveness of the city of Ashburn's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of City of Ashburn's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined below. However, as described in the accompanying schedule of findings and questioned cost, we identified certain deficiencies in internal control over financial reporting to be a significant deficiency, for example 2014-1 and 2014-2.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City of

Ashburn's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency of a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Ashburn, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Ashburn, Georgia's Response to Findings

City of Ashburn, Georgia's response to the findings identified in our audit are described in the accompanying Corrective Action Plan Report. City of Ashburn, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Herring CPA Group, P.C.

Herring CPA Group, P.C.
Tifton, Georgia
December 5, 2014

SCHEDULE OF FINDINGS AND RESPONSES

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2014

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

2014-1 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.

2014-2 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, 2014 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, 2014

	EXPENDITURES		
	BUDGETED	ACTUAL	(EXCESS)
General Fund:			
Department:			
General Administration	$ 496,500	$ 512,310	$ 15,810
Police	$1,382,600	$1,607,681	$ 225,081
Animal Control	$ 128,900	$ 133,316	$ 4,416
Solid Waste and Recycling	$ 15,000	$ 19,848	$ 4,848
Maintenance and shop	$ 114,900	$ 126,192	$ 11,292

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, 2014

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	$ 163,434	$ 3,832	$ 167,266	54%
b) Water, Sewage and Drainage	150,120	150,120	0	16,413	16,413	11%
c) Construction, Expansion and Equipping of and Improvements to City Buildings and Facilities	550,260	550,260	68,917	68,141	137,058	25%
d) Contruction, improvements, and equipping of City of Ashburn Park facilities	150,120	150,120	19,166	0	19,166	13%
e) Rolling Stock and Capital Equipment	839,700	839,700	96,775	127,241	224,016	27%
TOTAL	$ 1,998,000	$ 1,998,000	$ 348,292	$ 215,627	$ 563,919	28%