CITY OF ASHBURN, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2016

HERRING

CPA GROUP, P.C.

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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, 2016, 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ashburn, Georgia, as of June 30, 2016, 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. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. In our opinion, the combining, the Schedule of Projects Constructed with Special Sales Tax Proceeds, 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 1, 2016

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Ashburn, Georgia — June 30, 2016

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Ashburn, Georgia — June 30, 2016

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STATEMENT OF NET POSITION

City of Ashburn
Ashburn, Georgia

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Downtown Development Authority
ASSETS				
Cash	$ 868,424	$ 1,714,812	$ 2,583,236	$ 52,845
Taxes receivable-delinquent, Net	15,761	0	15,761	0
Other taxes receivable	17,916	0	17,916	0
Accounts receivable, Net	53,030	183,866	236,896	0
Due from other governments	167,632	0	167,632	0
Inventory	82,412	114,970	197,382	0
Prepaid items	30,699	20,729	51,428	0
Reserved assets	68,339	0	68,339	0
Bond issue costs - Not amortized	0	111,795	111,795	0
Non-Depreciable Assets	237,366	24,600	261,966	0
Construction in Progress	0	796,976	796,976	0
Capital assets - net	2,882,719	7,086,900	9,969,619	74,641
TOTAL ASSETS	$ 4,424,298	$ 10,054,648	$ 14,478,946	$ 127,486

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

STATEMENT OF NET POSITION

City of Ashburn
Ashburn, Georgia

June 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Downtown Development Authority
LIABILITIES				
Accounts payable	$ 98,634	$ 17,370	$ 116,004	$ 0
Cash Overdraft	-	0	-	0
Salaries and wages payable	40,301	22,806	63,107	0
Sales tax payable	0	7,221	7,221	0
Compensated absences	45,335	0	45,335	0
Deferred Revenue	37,471	0	37,471	0
Net Pension Liability	520,672	0	520,672	
Notes payable - current	0	205,000	205,000	0
Capital Leases - current	85,604	0	85,604	0
Landfill postclosure costs - current	7,200	0	7,200	0
Notes payable - non-current	0	5,888,083	5,888,083	0
Capital Leases - non-current	153,484	0	153,484	0
Landfill postclosure costs - non-current	42,010	0	42,010	0
Consumers' deposits payable	15,509	152,663	168,172	0
Total Liabilities	$ 1,046,220	$ 6,293,143	$ 7,339,363	$ 0
NET POSITION				
Net investment in capital assets	$ 2,880,997	$ 1,815,393	$ 4,696,390	$ 74,641
Restricted for:				
Debt Retirement	0	9,000	9,000	0
Public Works	5,635	0	5,635	0
Capital Projects	132,637	687,915	820,552	0
Health/Welfare	53,438	0	53,438	0
Public Safety	7,381	0	7,381	0
Unrestricted	297,990	1,249,197	1,547,187	52,845
TOTAL NET POSITION	$ 3,378,078	$ 3,761,505	$ 7,139,583	$ 127,486

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

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION

City of Ashburn
Ashburn, Georgia

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary Government			
Governmental Activities:			
General government	$ 738,253	$ 105,823	$ 0
Public safety	2,317,351	1,913,295	0
Public works	1,307,894	633,028	0
Health/ welfare	75,922	733	53,727
Culture/ recreation	52,325	13,250	0
Economic development	94,562	112,910	21,049
Interest on long term debt	5,845	0	0
Total Governmental Activities	4,592,152	2,779,039	74,776
Business-Type Activities:			
Water and Sewer	1,467,843	1,496,437	0
Gas	633,202	846,783	0
Total Business-Type Activities	2,101,045	2,343,220	0
Total Primary Government	$ 6,693,197	$ 5,122,259	$ 74,776
Component Unit:			
Downtown Development Authority	$ 22,423	$ 14,808	$ 0
General Revenues :			
Property taxes			
Franchise taxes			
Local Option Sales tax			
Financial institutions taxes			
Alcoholic beverage excise taxes			
Insurance premium taxes			
Penalties and interest on delinquent taxes			
Interest			
Other revenue			
Total General Revenues			
Transfer in (out)			
Total General Revenues and Transfers			
Change in Net Position			
NET POSITION - July 1, 2015			
NET POSITION - June 30, 2016			

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, 2016

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	$ 415,236		$ (323,017)	$ 0	$ (323,017)	$ 0
48,975	1,962,270		(355,081)	0	(355,081)	0
0	633,028		(674,866)	0	(674,866)	0
0	54,460		(21,462)	0	(21,462)	
0	13,250		(39,075)	0	(39,075)	0
0	133,959		39,397	0	39,397	0
0	0		(5,845)	0	(5,845)	0
358,388	3,212,203		(1,379,949)	0	(1,379,949)	0
0	1,496,437		0	28,594	28,594	0
0	846,783		0	213,581	213,581	0
0	2,343,220		0	242,175	242,175	0
$ 358,388	$ 5,555,423		$ (1,379,949)	$ 242,175	$ (1,137,774)	$ 0
$ 0	14,808		0	0	0	$ (7,615)
		$	665,691		$ 665,691	$ 0
			272,031	0	272,031	0
			244,356	0	244,356	0
			8,938	0	8,938	0
			96,224	0	96,224	0
			223,937	0	223,937	0
			18,590	0	18,590	0
			-	517	517	0
			-	0	-	0
			1,529,767	517	1,530,284	0
			-	0	0	0
			1,529,767	517	1,530,284	0
			149,818	242,692	392,510	(7,615)
			3,228,260	3,518,813	6,747,073	135,101
		$	3,378,078	$ 3,761,505	$ 7,139,583	$ 127,486

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

BALANCE SHEET
GOVERNMENTAL FUNDS

City of Ashburn
Ashburn, Georgia

	General Fund	Capital Projects Fund	Other Governmental Funds	Totals
ASSETS				
Cash	$ 557,995	190,563	$ 119,866	$ 868,424
Taxes receivable	24,079	0	0	24,079
Other taxes receivable	17,916	0	0	17,916
Accounts receivable (Net of allowance for uncollectibles of 1,500)	53,030	0	0	53,030
Due from other governments	40,168	0	127,464	167,632
Inventories-material and supplies	82,412	0	0	82,412
Prepaid items	30,699	0	0	30,699
Restricted assets	68,339	0	0	68,339
TOTAL ASSETS	$ 874,638	$ 190,563	$ 247,330	$ 1,312,531

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

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2016

	General Fund	Capital Projects Fund	Other Governmental Funds	Totals
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	$ 98,634	$ 0	$ 0	$ 98,634
Cash Overdraft	-	0	0	0
Salaries and wages payable	40,301	0	0	40,301
Customer deposit payable	15,509	0	0	15,509
Deferred inflow of resources	64,022	0	0	64,022
Total Liabilities	218,466	0	0	218,466
Fund Balances:				
Unassigned	$ 70,593	$ 0	$ 0	$ 70,593
Nonspendable Fund Balance	113,111	0	0	113,111
Comitted Fund Balance	68,339	0	0	68,339
Restricted:				
Special Revenue Fund - Public Works	0	0	5,635	5,635
Capital Projects	0	190,563	0	190,563
Special Revenue Fund - Health/Welfare			114,232	114,232
Special Revenue Fund - Public Safety	0	0	0	0
Total Fund Balance	252,043	190,563	119,867	562,473
TOTAL LIABILITIES AND FUND BALANCE	$ 470,509	$ 190,563	$ 119,867	$ 780,939

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, 2016
TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 562,473
Total net position reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets total:		3,120,085
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	37,471	
Reserve for allowance for uncollectibles	(8,318)	29,153
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, 2016 are:		
Capital Leases	239,088	
Compensated Absences	45,335	
Landfill Postclosure Cost	49,210	
		(333,633)
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 3,378,078

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, 2016

	General Fund	Capital Projects Fund	Other Governmental Funds	Total
Revenues:				
Taxes	$ 1,529,445	$ 0	$ 98,074	$ 1,627,519
Licenses and permits	37,176	0	0	37,176
Penalties and interest on taxes	14,357	0	0	14,357
Intergovernmental revenues	0	395,050	77,244	472,294
State contract	0	0	70,126	70,126
Charges for services	751,748	0	0	751,748
Fines and forfeitures	1,686,458	0	0	1,686,458
E911 Charges	36,221	0	0	36,221
Interest	3,346	0	0	3,346
Other revenue	41,162	0	0	41,162
Total Revenues	4,099,913	395,050	245,444	4,740,407
Expenditures:				
Current:				
General government	527,399	13,520	0	540,919
Public safety	2,411,190	18,350	22,374	2,451,914
Public works	1,173,495	142,279	0	1,315,774
Health/ welfare	26,000	0	49,922	75,922
Culture/ recreation	17,124	35,201	0	52,325
Economic development	0	0	94,562	94,562
Debt Service:				
Principal	0	121,928	0	121,928
Interest	0	5,845	0	5,845
Total Expenditures	4,155,208	337,123	166,858	4,659,189
Excess (Deficiency) of Revenues Over Expenditures before Transfers	(55,295)	57,927	78,586	81,218

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, 2016

	General Fund	Capital Projects Fund	Other Governmental Funds	Total
Other Financing Sources (Uses)				
Transfer in				
Hotel/Motel Fund	$ 25,174		$ 0	$ 25,174
Transfer out				
Hotel/Motel Fund	0	0	(25,174)	(25,174)
Net Transfers	25,174	0	(25,174)	0
Proceeds of long-term debt	0	0	0	0
Total Other Financing Sources	25,174	0	(25,174)	0
Net Changes in Fund Balance	(30,121)	57,927	53,412	81,218
FUND BALANCE - July 1, 2015	282,164	132,637	66,454	481,255
FUND BALANCE - June 30, 2016	$ 252,043	$ 190,564	$ 119,866	$ 562,473

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, 2016
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ 81,218
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	9,726	
Reserve for allowance for uncollectibles	8,318	18,044
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:		(79,252)
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:		-
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities and Changes in Net Position, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period		-
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:		121,928
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	(13,530)	
Landfill Postclosure Cost	5,650	7,880
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 149,818

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, 2016

	Water and Sewer Fund	Gas Fund	Total
ASSETS			
Current Assets:			
Cash	$ 3,758	$ 1,023,139	$ 1,026,897
Cash - Series 2012 Capital Improvement Account	56,517	0	56,517
Cash - Series 2012 Reserve Account	353,868	0	353,868
Cash - Series 2012 Sinking Fund Account	277,530	0	277,530
Accounts receivable - net	126,541	57,325	183,866
Inventories-materials and supplies	15,078	99,892	114,970
Prepaid items	9,283	11,446	20,729
Total Current Assets	842,575	1,191,802	2,034,377
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	7,773,574	110,302	7,883,876
Total Non-Current Assets	7,901,219	119,052	8,020,271
TOTAL ASSETS	$ 8,743,794	$ 1,310,854	$ 10,054,648
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 6,304	$ 11,066	$ 17,370
Salaries and wages payable	13,820	8,986	22,806
Sales Tax Payable	0	7,221	7,221
Notes payable - current	205,000	0	205,000
Consumers' deposits payable	112,848	39,815	152,663
Total Current Liabilities	337,972	67,088	405,060

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, 2016

	Water and Sewer Fund	Gas Fund	Total
Long-Term Liabilities:			
Notes payable - non-current	$ 5,888,083	$ 0	$ 5,888,083
Total Long-Term Liabilities	5,888,083	0	5,888,083
TOTAL LIABILITIES	6,226,055	67,088	6,293,143
NET POSITION			
Net investment in capital assets	1,696,341	119,052	1,815,393
Restricted for Capital Improvements	687,915	0	687,915
Restricted for debt retirement	9,000	0	9,000
Unrestricted	124,483	1,124,714	1,249,197
TOTAL NET POSITION	$ 2,517,739	$ 1,243,766	$ 3,761,505

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, 2016

	Water and Sewer Fund	Gas Fund	Total
Operating Revenues:			
Charges for services	$ 722,078	$ 800,901	$ 1,522,979
Other	774,359	45,882	820,241
Total Operating Revenues	1,496,437	846,783	2,343,220
Operating Expenses:			
Personal services-salaries and wages	211,019	211,158	422,177
Group insurance	41,232	29,277	70,509
Social security and medicare contributions	15,195	17,069	32,264
Retirement	6,499	20,187	26,686
Retirement contributions	260	135	395
Workers' compensation	9,144	12,436	21,580
Professional services	17,857	16,252	34,109
Technical services	12,592	0	12,592
Repair and maintenance	86,741	28,583	115,324
Rental of uniforms	2,330	2,481	4,811
Insurance, other than employee benefits	21,197	18,692	39,889
Communications	3,485	2,804	6,289
Advertising	0	504	504
Travel	3,450	7,487	10,937
Gas and Oil	9,216	16,070	25,286
General supplies and materials	37,717	6,178	43,895
Energy	73,039	6,417	79,456
Supplies/ inventory purchased for resale	0	229,161	229,161
Other supplies	16,476	4,904	21,380
Waste Management Services	531,198	0	531,198
Amortization	0	0	0
Depreciation	195,339	3,407	198,746
Total Operating Expenses	1,293,986	633,202	1,927,188
Operating Income	202,451	213,581	416,032

(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, 2016

	Water and Sewer Fund	Gas Fund	Total
Non-Operating Revenues (Expenses):			
Interest revenues	$ 542	$ 517	$ 1,059
Interest Subsidy GEFA Loan Forgiveness	-	-	-
Interest expense	(174,399)	0	(174,399)
Total Non-Operating Revenues (Expenses)	(173,857)	517	(173,340)
Income (Loss) before Transfers	28,594	214,098	242,692
Transfers out	0	0	0
Change in Net Position	28,594	214,098	242,692
NET POSITION - July 1, 2015	2,489,145	1,029,668	3,518,813
NET POSITION - June 30, 2016	$ 2,517,739	$ 1,243,766	$ 3,761,505

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, 2016

	Water and Sewer Fund	Gas Fund	Total
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 1,496,437	$ 846,743	$ 2,343,180
Cash Payments for Goods and Services	(853,569)	(275,363)	(1,128,932)
Cash Payment to Employees	(267,052)	(349,727)	(616,779)
Net Cash Provided by Operating Activities	375,816	221,653	597,469
Cash Flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	0	0	0
Transfer to General Fund	0	0	0
Interest Paid	(174,399)	0	(174,399)
Net Cash Used by Capital and Related Financing Activities	(174,399)	0	(174,399)
Cash Flows from Investing Activities:			
Cash outflows from capital and related financing activities	(200,000)		(200,000)
Interest on Investments	542	517	1,059
Net Cash Provided by Investing Activities	(199,458)	517	(198,941)
Net Increase (Decrease) in Cash and Restricted Cash	1,959	222,170	224,129
Cash and Restricted Cash - July 1, 2015	689,714	800,969	1,490,683
Cash and Restricted Cash - June 30, 2016	$ 691,673	$ 1,023,139	$ 1,714,812

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, 2016

	Water and Sewer Fund	Gas Fund	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	$ 202,451	$ 213,581	$ 416,032
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	195,339	3,407	198,746
Amortization	0	0	0
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(32,948)	7,351	(25,597)
(Increase) Decrease in Inventories	(10,753)	7,755	(2,998)
(Increase) Decrease in Prepaid Items	(1,500)	(981)	(2,481)
Increase (Decrease) in Accounts Payable	5,059	850	5,909
Increase (Decrease) in Salaries and Wages Payable	(3,257)	(14,038)	(17,295)
Increase (Decrease) in Sales Tax Payable	0	1,812	1,812
Increase (Decrease) in Customers' Deposits	21,425	1,915	23,340
Change in Assets and Liabilities	(21,974)	4,664	(17,310)
Net Cash Provided by Operating Activities	$ 375,816	$ 221,653	$ 597,469

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, 2016

	Pending Fund
ASSETS	
Cash	$ 3,284
LIABILITIES	
Due to other Governments	$ 3,284

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 position 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 ($82,412) and prepaid amounts ($30,699) 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.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

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, 2016 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, 2015. The city clerk opened the books for payment of taxes on October 20, 2015 and they remained open until December 20, 2015. 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, 2016 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, 2016.

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, 2016.

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

3. Excess of Expenditures over Appropriations:

The General Government expenditures exceeded appropriations due to the pension expense not being budgeted.
The Police Department expenditures exceeded appropriations due to salaries.
Highways and Streets expenditures exceeded appropriations due to salaries.
Maintenance and Shop expenditures exceeded appropriations due to salaries.

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	2,583,236	3,284
restricted	68,339	0
Total	2,651,575	3,284

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, 2016 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	2,968,409	0	0	2,968,409
Total Capital Assets being depreciated	5,029,657	0	0	5,029,657
Less Accumulated Depreciation:				
Buildings and Improvements	564,386	37,505	0	601,891
Machinery and Equipment	1,503,300	41,747	0	1,545,047
Total Accumulated Depreciation	2,067,686	79,252	0	2,146,938
Net Capital Assets being Depreciated	2,961,971	79,252	0	2,882,719
Total Capital Assets, Net	3,199,337	79,252	0	3,120,085

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

General Government	25,604
Public Safety	24,987
Public Works	18,422
Recreation	10,239
Total	79,252

	Beginning Balances	Increase	Decrease	Ending Balances
Business Type Activities:				
Capital Assets not being depreciated:				
Construction in Process	1,447,386		650,410	796,976
Land	24,600	0	0	24,600
	1,471,986	0	650,410	821,576
Capital Assets being depreciated:				
Building and Improvements	7,974,464	650,410	0	8,624,874
Machinery and Equipment	4,892,384	0	0	4,892,384
Total Capital Assets being depreciated	12,866,848	650,410	0	13,517,258
Less Accumulated Depreciation:				
Buildings and Improvements	4,382,210	130,809	0	4,513,019
Machinery and Equipment	1,849,402	67,937	0	1,917,339
Total Accumulated Depreciation	6,231,612	198,746	0	6,430,358
Net Capital Assets being depreciated	6,106,934	208,634	0	7,086,900
Total Capital Assets, Net	7,184,869	185,417	0	7,908,476

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, 2016, consist of the following:

	General	Other Governmental	Enterprise	Total
Accounts	$ 53,030	$ 0	$ 183,866	$ 236,896
Taxes	15,761	0	0	15,761
Due from other governments	167,632	0	0	167,632
Gross Receivables	$ 236,423	$ 0	$ 183,866	$ 420,289

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, 2016 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	9,489,522	396,439	9,170,596
Machinery and Equipment	3-20 years	3,084,443	505,442	3,554,472
Site Improvements	45 years	493,854	0	493,854
Total		13,299,052	1,015,182	14,314,234
Less Accumulated Depreciation		(5,534,228)	(896,130)	(6,430,358)
Total		$7,764,824	$122,459	$7,908,476

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 December 11, 2014 covering two Dodge Charger police cars. The assets are recorded as a Capital Lease and have a cost of $67,307. The assets have been capitalized in the General fund. The obligation consists of 60 monthly payments of $1,228.05 until December 31, 2019 including interest at 3.62%.

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 May 21, 2015 covering 2 Ford Explorers. The assets are recorded as a Capital Lease and had a cost of $95,029. This asset has been capitalized in the General fund. The obligation consists of 60 monthly payments of $1,723 until May 21, 2020 including interest at 3.38%.

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 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, 2016. Assets under capital lease total $720,506, with accumulated depreciation of $255,056.

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

Fiscal year ending June 30:	General Long-Term Debt
2017	171,764
2018	70,635
2019	70,635
2020	0
2021	0
2022 – 2023	0
Total minimum lease payments	313,034
Amounts representing interest	(191,773)
Present value of net minimum lease payments	$ 121,261

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, 2016 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, 2016 or can readily be determined for the year ended June 30, 2016.

A summary of notes payable by the City as they existed at June 30, 2016, is presented as follows:

	Current	Long-Term	Total
GEFA Note Payable 1, Payable in monthly payments beginning at the completion of the water tank project	$ 48,179	$ 1,048,276	$ 1,096,455
GEFA Note Payable 2, Payable in monthly payments beginning at the completion of the water tank project	$ 0	$ 486,627	$ 486,627
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%.	205,000	4,305,000	4,510,000
Total Notes Payable	$253,179	$5,839,903	$6,093,082

The annual requirements to amortize the debt outstanding for the proprietary fund at June 30, 2016 including interest payments of $1,699,733 are as follows:

Year Ending June 30,	Principal Due	Interest Due	Total
2016	205,000	141,919	346,919
2017	210,000	135,919	345,919
2018	215,000	129,805	344,805
2019	220,000	124,650	344,650
2020	225,000	119,650	344,650
2021-2025	905,000	491,620	1,396,620
2026-2030	1,305,000	340,923	1,645,923
2031-2033	1,225,000	67,253	1,292,253
Total	$ 4,510,000	$ 1,551,739	$ 6,061,739

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, 2016:

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Due in One year
Obligations under capital lease	$ 361,016	$ 0	$ 121,928	$ 239,088	$ 85,604
Compensated absences Payable	39,593	5,742	0	45,335	45,335
Closure and post closure care	64,465	0	15,255	49,210	7,200
Total	$ 465,074	$ 5,742	$ 137,183	$ 333,633	$ 138,139

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, 2016:

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Due in One year
Notes payable – GEFA	$ 883,567	$ 252,433	$ 39,545	$ 1,096,455	$ 48,179
Notes payable – GEFA	0	486,627	0	486,627	0
Notes payable – Revenue Bonds	4,710,000	0	205,000	4,510,000	205,000
Total	$5,593,567	$ 739,061	$ 195,000	$ 6,093,082	$ 253,179

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, 2016; 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, 2015 was $1,611,107. 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, 2016 was $85,818 or 5.24% 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, 2015, the minimum funding requirement is $84,061. This amount consists of (a) normal cost of $65,145, (b) administrative expense of $11,013, (c) amortization of the unfunded frozen initial liability of $17,529, (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, 2016. 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, 2016 actuarial valuation:

• actuarial value of assets	$ 2,438,691
• actuarial accrued liability	2,570,931
• funded ratio	94.86%
• total unfunded actuarial liability	
• Unfunded (Surplus) actuarial accrued liability	132,240
• annual covered payroll	1,611,107
• ratio of unfunded (excess) to annual covered payroll	8.21%

(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 items presented are based on the January 1 actuarial valuation:

	2014	2015	2016
- Actuarial value of assets	2,318,353	2,371,252	2,438,691
- Actuarial accrued liability	2,440,927	2,491,412	2,570,931
- Funded ratio	94.97%	95.18%	94.86%
- Total unfunded actuarial liability (funding excess)	25,373	120,160	132,240
- Annual covered payroll	1,710,157	1,766,008	1,611,107
- Ratio of unfunded (excess) to annual covered payroll	7.17%	6.80%	8.21%
Actual contribution as a percentage of covered payroll	4.88%	4.86%	5.22%

Three-year Trend Information -			
Fiscal year ending	6/30/14	6/30/15	6/30/16
Annual pension cost	83,610	84,061	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, 2016 amounted to $87,258.

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, 2016. 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, 2016 is $117,446 and is based on the landfill at full capacity. The estimated remaining landfill life is approximately 10 years. The City of Ashburn is responsible for 41.9% of those costs, which is $49,210. 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, 2016 is as follows:

Hotel Motel Tax Receipts	$98,074
Disbursements to Ashburn Downtown Development Authority	18,225
Disbursements to Ashburn-Turner County Chamber of Commerce for tourism	54,675
Balance to City	$ 25,174

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 $16,585 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, 2016 were as follows:

	Transfer In		Transfer Out	
Governmental Fund:				
General Fund	25,174	(a)	0	
Gas Fund	0		0	
Special Revenue Fund:				
Hotel/Motel Tax Fund	0		25,174	(a)
TOTAL ALL FUNDS	$ 25,174		$ 25,174	

(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, 2016.

Net Operating Income – Water, Sewer, and Gas	$ 416,032
Plus Depreciation and Amortization	198,746
Plus Interest Income	517
Net Revenues Available for Debt Service	615,295
Maximum Annual Debt Service on Bonds)	$ 350,619
Coverage Ratio	1.75

Number of Water Customers. The following table sets forth the number of water customers of the System for the fiscal year ended June 30, 2016.

Water		
Residential	Commercial/ Industrial	Total Water Customers
1,829	272	2,101

Number of Sewer Customers. The following table sets forth the number of sewer customers of the System for the fiscal year ended June 30, 2016. All sewer customers of the System are also water customers.

Sewer		
Residential	Commercial/ Industrial	Total Sewer Customers
1,516	197	1,713

Number of Gas Customers. The following table sets forth the number of gas customers of the System for the fiscal year ended June 30, 2016.

Gas		
Residential	Commercial/ Industrial	Total Sewer Customers
527	65	606

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, 2016. 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	$ 8,725	1.21%
2.	Entech	7,850	1.09
3.	Ashburn Housing Authority	11,375	1.58
4.	Georgia Department of Transportation	26,525	3.67
5.	Amrick Singh Binapal	14,123	1.96
6.	SK Group – Hotel	5,685	0.79
7.	Turner County Board of Education	13,202	1.83
8.	Ashburn Hotel Inv. Inc.	5,653	0.78
9.	Vikas Corporation – Hotel	5,956	0.82
10.	Village Green	6,123	0.85
	TOTAL	$105,217	

Total Water Billings - $722,078

Ten Largest Sewer Customers. The following table sets forth the ten largest sewer customers of the System for the fiscal year ended June 30, 2016. 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	$ 12,625	1.63%
2.	Ashburn Hotel Investments	7,352	0.95
3.	Ashburn Housing Authority	15,663	2.02
4.	Georgia Department of Transportation	38,253	4.94
5.	Ashton Place	5,511	0.71
6.	Entech	6,805	0.88
7.	Turner County Board of Education	15,203	1.96
8.	Turner County Jail	6,318	0.82
9.	Vikas Corporation – Hotel	6,915	0.89
10.	Village Green	9,725	1.26
	TOTAL	$124,370	

Total Sewer Billings - $774,359

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, 2016. 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	$ 91,725	10.83%
2.	Hat Creek Peanut Co.	25,489	3.01
3.	HHC of Ashburn	25,553	3.02
4.	Shoney's Restaurant	15,222	1.80
5.	Zaxby's Restaurant	14,889	1.76
6.	Suncrest Stone	23,987	2.83
7.	Mitchell's Coin Laundry	12,856	1.52
8.	Ashburn Hotel Inv. Inc.	11,325	1.34
9.	Turner County Jail	16,525	1.95
10.	Board of Education	19,522	2.31
	TOTAL	$257,093	

Total Gas Billings - $846,783

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. E-911 SERVICES

The City entered into an agreement with Turner County, Georgia to contract with the County for the provision of E-911 Service to the City by the County in consideration of payment by the City to the County for the salary of a dispatcher. In exchange for the provision of the E-911 Service, the City shall pay to the County the annual salaries including benefits for the dispatcher; provided that such dispatchers shall at times be employees of the County. Such annual salary and benefits shall be in the amount of $34,655 with the provision of an annual increase not to exceed the CPI prevailing Consumer Price Index.

24. Subsequent Events

Subsequent events have been evaluated through December 1, 2016 as this is the date the financial statements were available to be issued. No items occurring after the fiscal year ended of June 30, 2016 through December 1, 2016 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, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Real property	$ 541,600	$ 541,600	$ 573,718	$ 32,118
Personal property	94,500	94,500	105,931	11,431
Franchise taxes	270,000	270,000	274,959	4,959
Local option sales and use taxes	250,000	250,000	224,138	(25,862)
Alcoholic beverage excise taxes	88,000	88,000	86,317	(1,683)
Insurance premium taxes	225,000	225,000	239,240	14,240
Financial institutions taxes	10,000	10,000	9,076	(924)
Penalties and interest on delinquent taxes	19,000	19,000	14,357	(4,643)
Alcoholic beverages licenses	8,600	8,600	8,500	(100)
General business license	28,000	28,000	28,676	676
Penalties on delinquent licenses	0	0	0	0
Payment in lieu of taxes	16,000	16,000	16,066	66
Court costs	62,000	62,000	44,000	(18,000)
Probation costs	75,000	75,000	79,979	4,979
Election qualifying fees	1,100	1,100	252	(848)
Accident reports	0	0	224	224
Charges for services-street repairs	40,000	40,000	777	(39,223)
Charges for services-sanitation	625,000	625,000	618,888	(6,112)
Animal control fees	1,000	1,000	853	(147)
Charges for services-cemetery	10,000	10,000	6,775	(3,225)
Fines and forfeitures	1,500,000	1,500,000	1,686,458	186,458
E911 charges	35,000	35,000	36,221	1,221
Interest revenue	2,000	2,000	3,346	1,346
Insurance Reimbursement	6,000	6,000	0	(6,000)
Miscellaneous revenue	36,050	36,050	41,162	5,112
Total Revenues	3,943,850	3,943,850	4,099,913	156,063

(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, 2016

	Original Budget	Final Budget	Actual	Variance
Expenditures:				
General government	$ 510,183	$ 510,183	$ 527,399	$ 17,216
Public safety	2,306,093	2,306,093	2,411,190	105,097
Public works	1,157,932	1,157,932	1,173,495	15,563
Health/ welfare	26,000	26,000	26,000	0
Culture/recreation	24,600	24,600	17,124	(7,476)
Total Expenditures	4,024,808	4,024,808	4,155,208	130,400
Excess of Revenues Over Expenditures	(80,958)	(80,958)	(55,295)	25,663
Other Financing Sources (Uses)				
Transfers in	165,500	165,500	25,174	(140,326)
Borrowed Funds	0	0	0	0
Total Other Financing Sources (Uses)	165,500	165,500	25,174	(140,326)
Excess of Revenues and Other Financing Sources Over Expenditures	$ 84,542	$ 84,542	(30,121)	$ (114,663)
FUND BALANCE - July 1, 2015			282,164	
FUND BALANCE - June 30, 2016			$ 252,043	

SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCE

GENERAL FUND

City of Ashburn
Ashburn, Georgia — June 30, 2016

ASSETS

Cash	$ 557,995	
Taxes receivable-delinquent	24,079	
Other taxes receivable	17,916	
Accounts receivable (Net of allowance for uncollectibles of 1,500)	53,030	
Due from other governments	40,168	
Inventories-materials and supplies	82,412	
Prepaid items	30,699	
Reserved assets	68,339	
TOTAL ASSETS		$ 874,638

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable	$ 98,634	
Salaries and wages payable	40,301	
Customer deposit payable	15,509	
Net Pension Liabilty	430,680	
Deferred inflows of resources	37,471	
Total Liabilities		$ 622,595
Equities and Other Credits:		
Fund balance - unassigned	70,593	
Nonspendable fund balance	113,111	
Fund balance - comitted capital projects	68,339	
Total Equity and Other Credits		252,043
TOTAL LIABILITIES AND FUND BALANCE		$ 874,638

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2016

	Original Budget	Final Budget	Actual	Variance
General Government:				
Legislative -				
Personal services-salaries and wages	$ 28,800	$ 28,800	$ 26,100	$ (2,700)
Group insurance	1,100	1,100	5,078	3,978
Social security and medicare contributions	2,200	2,200	1,992	(208)
Travel	23,000	23,000	21,316	(1,684)
General administration -				
Personal services-salaries and wages	189,902	189,902	154,151	(35,751)
Group insurance	13,350	13,350	17,885	4,535
Social security and medicare contributions	11,773	11,773	11,555	(218)
Retirement contributions	7,798	7,798	6,495	(1,303)
Workers' compensation	12,000	12,000	8,544	(3,456)
Professional services	60,000	60,000	54,674	(5,326)
Technical services	28,000	28,000	8,365	(19,635)
Pension Expense	0	0	66,878	66,878
Repairs and maintenance	9,800	9,800	21,754	11,954
Rental of land and buildings	6,000	6,000	7,787	1,787
Insurance, other than employee benefits	5,710	5,710	2,710	(3,000)
Communications	10,000	10,000	7,358	(2,642)
Advertising	1,500	1,500	4,160	2,660
Travel	11,000	11,000	10,625	(375)
Dues and fees	14,000	14,000	12,973	(1,027)
General supplies and materials	14,300	14,300	14,841	541
Energy	13,950	13,950	13,065	(885)
Other supplies	1,500	1,500	4,708	3,208
Code Ordinances	2,000	2,000	2,554	554
Election	0	0	1,515	1,515
Library	21,800	21,800	21,800	0
Chamber	15,000	15,000	15,000	0
Downtown Development Authority	0	0	0	0
Arts council	1,000	1,000	500	(500)
Elderly village	3,000	3,000	3,000	0
Agency on Aging	0	0	0	0
Bad debts	700	700	16	(684)
Unemployment tax	1,000	1,000	0	(1,000)
Total general government	510,183	510,183	527,399	17,216

(Continued on next page)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Public Safety:				
Police -				
Personal services-salaries and wages	$ 605,000	$ 605,000	$ 690,628	$ 85,628
Group insurance	120,150	120,150.00	85,654	(34,496)
Social security and medicare contributions	44,196	44,196.00	52,851	8,655
Retirement contributions	26,020	26,020.00	23,957	(2,063)
Workers' compensation	34,000	34,000.00	33,599	(401)
Other employee benefits	48,000	48,000.00	64,728	16,728
Technical services	4,900	4,900.00	5,176	276
Repairs and maintenance	24,000	24,000.00	31,757	7,757
Rentals - uniforms	9,000	9,000.00	7,149	(1,851)
Insurance, other than employee benefits	19,750	19,750.00	20,596	846
Communications	10,000	10,000.00	12,795	2,795
Advertising	500	500.00	396	(104)
Travel	4,000	4,000.00	7,725	3,725
General supplies and materials	9,000	9,000.00	10,013	1,013
Processing fee	38,500	38,500.00	40,790	2,290
Energy	70,900	70,900.00	55,889	(15,011)
Other supplies	22,700	22,700.00	22,218	(482)
Capital outlays	0	0	0	0
GA Crime victim	250	250.00	130	(120)
Peace Officer Training	105,000	105,000.00	121,570	16,570
Indigent defense fund	119,000	119,000.00	134,561	15,561
Drivers Ed and Training	20,000	20,000.00	18,769	(1,231)
Brain & Spinal	1,000	1,000.00	521	(479)
Local Victim Assistance	52,000	52,000.00	62,831	10,831
DTF Contribution	0	0	0	0
Dues and fees	1,600	1,600.00	922	(678)
Custody of prisoners	154,000	154,000.00	178,174	24,174
Total police	1,543,466	1,543,466	1,683,399	139,933
Fire -				
Personal services-salaries and wages	354,540	354,540	345,972	(8,568)
Group insurance	60,975	60,975	49,362	(11,613)
Social security and medicare contributions	26,863	26,863	26,301	(562)
Retirement contributions	15,811	15,811	14,208	(1,603)
Workers' compensation	18,500	18,500	17,517	(983)
Technical services	3,000	3,000	3,728	728
Repairs and maintenance	14,500	14,500	13,745	(755)

(Continued on next page)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Rentals - uniforms	$ 3,000	$ 3,000	$ 516	$ (2,484)
Insurance, other than employee benefits	5,200	5,200	6,827	1,627
Communications	1,700	1,700	1,640	(60)
Travel	2,500	2,500	747	(1,753)
Contract labor	4,000	4,000	3,913	(87)
General supplies and materials	2,500	2,500	2,869	369
Energy	21,600	21,600	17,222	(4,378)
Dues and fees	0	0	0	0
Capital outlays	1,000	1,000	0	(1,000)
Total fire	535,689	535,689	504,567	(31,122)
Animal Control -				
Personal services-salaries and wages	76,566	76,566	76,607	41
Group insurance	13,550	13,550	11,756	(1,794)
Social security and medicare contributions	5,530	5,530	5,803	273
Retirement contributions	3,792	3,792	3,452	(340)
Workers' compensation	5,000	5,000	3,727	(1,273)
Technical services	2,500	2,500	3,728	1,228
Repairs and maintenance	5,100	5,100	3,034	(2,066)
Insurance, other than employee benefits	1,700	1,700	3,549	1,849
Travel	700	700	274	(426)
General supplies and materials	2,000	2,000	589	(1,411)
Rentals - uniforms	1,000	1,000	873	(127)
Energy	7,500	7,500	9,439	1,939
Capital Outlay	0	0	0	0
Other supplies	6,000	6,000	5,393	(607)
Total Animal control	130,938	130,938	128,224	(2,714)
E911-				
Services	96,000	96,000	95,000	(1,000)
Total E911	96,000	96,000	95,000	(1,000)
Total public safety	2,306,093	2,306,093	2,411,190	105,097
Public Works:				
Highways and streets -				
Personal services-salaries and wages	325,000	325,000	337,887	12,887
Group insurance	73,425	73,425	79,481	6,056
Social security and medicare contributions	24,689	24,689	22,879	(1,810)

(Continued on next page)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Retirement contributions	$ 14,506	$ 14,506	$ 12,718	$ (1,788)
Workers' compensation	30,000	30,000	28,610	(1,390)
Technical services	2,000	2,000	3,728	1,728
Disposal	300,000	300,000	314,154	14,154
Repairs and maintenance	29,500	29,500	40,162	10,662
Rentals - uniforms	4,500	4,500	5,509	1,009
Insurance, other than employee benefits	15,000	15,000	15,846	846
Communications	1,700	1,700	1,747	47
Capital Outlay	0	0	0	0
Travel	100	100	811	711
General supplies and materials	4,000	4,000	6,184	2,184
Energy	158,800	158,800	149,351	(9,449)
Advertising	100	100	100	0
Paved streets	8,000	8,000	10,085	2,085
Total highways and streets	991,320	991,320	1,029,252	37,932
Solid waste and recycling -				
Closure and post-closure care	60,000	60,000	23,165	(36,835)
Total Solid waste and recycling	60,000	60,000	23,165	(36,835)
Maintenance and shop -				
Personal services-salaries and wages	57,636	57,636	76,666	19,030
Group insurance	13,550	13,550	9,700	(3,850)
Social security and medicare contributions	4,353	4,353	5,781	1,428
Retirement contributions	3,113	3,113	285	(2,828)
Workers' compensation	5,000	5,000	3,352	(1,648)
Technical services	3,000	3,000	3,728	728
Repairs and maintenance	5,250	5,250	6,912	1,662
Rentals - uniforms	1,000	1,000	1,062	62
Insurance, other than employee benefits	460	460	1,306	846
Communications	1,000	1,000	1,134	134
General supplies and materials	4,000	4,000	5,124	1,124
Energy	8,250	8,250	6,028	(2,222)
Total maintenance and shop	106,612	106,612	121,078	14,466
Total public works	$ 1,157,932	$ 1,157,932	$ 1,173,495	$ 15,563

(Continued on next page)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Health and Welfare:				
Nutrition				
Communications	26,000	26,000	26,000	0
Total health and welfare	26,000	26,000	26,000	0
Culture/Recreation				
Repairs and maintenance	5,000	5,000	3,808	(1,192)
General supplies and materials	600	600	569	(31)
Energy	12,800	12,800	11,477	(1,323)
Capital Outlays	0	0	0	0
Supplies	200	200	270	70
Professional services	6,000	6,000	1,000	(5,000)
Total Culture/Recreation	24,600	24,600	17,124	(7,476)
Total Expenditures	$ 4,024,808	$ 4,024,808	$ 4,155,208	$ 130,400

SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCE

NON-MAJOR GOVERNMENTAL FUNDS

City of Ashburn
Ashburn, Georgia

	June 30, 2016 Special Revenue Funds
ASSETS	
Cash In bank	$ 119,866
Due from other governments	127,464
TOTAL ASSETS	$ 247,330
LIABILITIES AND FUND BALANCE	
Liabilities:	
Cash Overdraft	$ 127,464
Deferred revenue	0
Total Liabilities	127,464
Fund Balance:	
Restricted:	
Public Works	5,635
Economic Development	113,720
Capital Projects	0
Public Safety	511
Total Fund Balance	119,866
TOTAL LIABILITES AND FUND BALANCE	$ 247,330

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

NON-MAJOR GOVERNMENTAL FUNDS

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2016
	Special Revenue Funds
Revenues:	
Federal grant	$ 77,244
State grant	70,126
Hotel/motel tax	98,074
Intergovernmental	0
Contributions	0
Total Revenues	$ 245,444
Expenditures:	
General government	$ 0
Public works	0
Public safety	22,374
Health/ welfare	49,922
Economic development	94,562
Debt Service:	
Principal	0
Interest	0
Total Expenditures	166,858
Excess (Deficiency) of Revenues Over Expenditures before Non-Operating Expenditures	78,586
Non-Operating Expenditures:	
General fund transfer	(25,174)
Total Non-Operating Expenditures	(25,174)
Excess of Revenues Over Expenditures	53,412
FUND BALANCE - July 1, 2015	66,454
FUND BALANCE - June 30, 2016	$ 119,866

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

City of Ashburn
Ashburn, Georgia

June 30, 2016

	Rose Hill Cemetery Fund	Recreation Fund	City Tourism	TE Grant	COPS Grant	Seized Assets	Total
ASSETS							
Cash	$ 5,635	$ 93,021	$ 20,699	$ 0	$ 0	$ 511	$ 119,866
Due from other governments	0	0	0	127,464	0	0	127,464
TOTAL ASSETS	$ 5,635	$ 93,021	$ 20,699	$ 127,464	$ 0	$ 511	$ 247,330
LIABILITIES AND FUND BALANCE							
Liabilities:							
Cash Overdraft	$ 0	$ 0	$ 0	$ 127,464	$ 0	$ 0	$ 127,464
Due to general fund	0	0	0	0	0	0	0
Deferred revenue	0	0	0	0	0	0	0
Employer's share of employee benefits-curren	0	0	0	0	0	0	0
Total Liabilities	0	0	0	0	0	0	127,464
Fund Balance:							
Fund balance - restricted	5,635	93,021	20,699	0	0	511	119,866
Total Fund Balance	5,635	93,021	20,699	0	0	511	119,866
TOTAL LIABILITIES AND FUND BALANCE	$ 5,635	$ 93,021	$ 20,699	$ 0	$ 0	$ 511	$ 247,330

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE-SPECIAL REVENUE FUNDS

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2016

Program Activity	Rose Hill Cemetary Fund	Hotel Motel Tax	City Tourism	Nutrition Program	TE Grant	COPS Grant	Local Assistance Grants	Seized Assets	Total
Revenues:									
Hotel / motel taxes	$ 0	$ 98,074	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 98,074
Federal government grants	0	0	21,049	49,922	0	6,273		0	77,244
State government grants	0	0	0	0	130,503	0	70,126	0	200,629
Contributions from private sources	0	0	0	0	0	0	0	0	0
Total Revenues	0	98,074	21,049	49,922	130,503	6,273	70,126	0	375,947
Expenditures:									
Personal services-salaries and wages	$ 0	$ 0	$ 0	$ 27,321		$ 0	$ 0	$ 0	$ 27,321
SS and medicare contributions	0	0	0	2,070		0	0	0	2,070
Insurance	0	0	0	7,291		0	0	0	7,291
Economic Development	0	18,225	0	0		0	0	0	18,225
Capital outlays	0	0	0	0		0	0	0	0
Tourism	0	54,675	14,792	0		0	0	0	69,467
Program administration	0	0	0	13,240	130,503	6,273	16,101	0	166,117
Total Expenditures	0	72,900	14,792	49,922	130,503	6,273	16,101	0	290,491

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE-SPECIAL REVENUE FUNDS

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2016

Program Activity	Rose Hill Cemetary Fund	Hotel Motel Tax	City Tourism	Nutrition Program	TE Grant	COPS Grant	Local Assistance Grants	Seized Assets	Total
Excess of Revenues Over Expenditures before Transfers	$ 0	$ 25,174	$ 6,257	$ 0	$ 0	$ 0	$ 54,025	$ 0	$ 85,456
Transfer out	0	(25,174)	0	0	0	0	0	0	(25,174)
Net Transfers	0	(25,174)	0	0	0	0	0	0	(25,174)
Excess of Revenues Over Expenditures after Transfers	0	0	6,257	0	0	0	54,025	0	$ 60,282
FUND BALANCE - July 1, 2015	5,635	0	14,442	0	0	0	38,996	511	59,584
FUND BALANCE - June 30, 2016	$ 5,635	$ 0	$ 20,699	$ 0	$ 0	$ 0	$ 93,021	$ 511	$ 119,866

SCHEDULE OF NET POSITION

WATER AND SEWER FUND

City of Ashburn
Ashburn, Georgia

ASSETS

Current Assets:		
Cash and Certificate of Deposit	$ 3,758	
Cash - Series 2012 Capital Improvement Account	56,517	
Cash - Series 2012 Reserve Account	353,868	
Cash - Series 2012 Sinking Fund Account	277,530	
Accounts receivable (net of allowance for uncollectibles of 2,800)	126,541	
Inventories-materials and supplies	15,078	
Prepaid items	9,283	
Total Current Assets		$ 842,575
Capital Assets:		
Sites	15,850	
Construction in Progress	826,482	
Site improvements	493,854	
Buildings	215,383	
Machinery and equipment	1,353,955	
Water and sewer system	10,418,127	
	13,323,651	
Less Accumulated Depreciation	(5,534,228)	
Capital Assets - Net		7,789,424
Non Current Assets		
Deferred charges - Bond issue costs		111,795
TOTAL ASSETS		$ 8,743,794

SCHEDULE OF NET POSITION

WATER AND SEWER FUND

		June 30, 2016
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts payable	$ 6,304	
Salaries and wages payable	13,820	
Notes payable-current	205,000	
Consumers' deposits payable	112,848	
Total Current Liabilities		$ 337,972
Non-current Liabilities:		
Notes payable-non-current	5,888,083	
Total Non-current Liabilities		5,888,083
Total Liabilities		6,226,055
Net Position:		
Net investment in capital assets	1,696,341	
Restricted for debt retirement	9,000	
Unrestricted	812,398	
Total Net Position		2,517,739
TOTAL LIABILITIES AND NET POSITION		$ 8,743,794

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET POSITION - WATER AND SEWER FUND

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2016
Operating Revenues:	
Water charges	$ 722,078
Sewer charges	774,359
Total Operating Revenues	1,496,437
Operating Expenses:	
Personal services-salaries and wages	211,019
Group insurance	41,232
Social security and medicare contributions	15,195
Retirement	6,499
Retirement contributions	260
Workers' compensation	9,144
Professional services	17,857
Technical services	12,592
Repairs and maintenance	86,741
Rental of uniforms	2,330
Insurance, other than employee benefits	21,197
Communications	3,485
Travel	3,450
Gas and Oil	9,216
General supplies and materials	37,717
Utilities	73,039
Other supplies	16,476
Waste Management Services	531,198
Depreciation	195,339
Total Operating Expenses	1,293,986
Operating Income	202,451

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SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET POSITION - WATER AND SEWER FUND

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2016
Non-Operating Revenues (Expenses):	
Interest revenue	$ 542
Interest Subsidy GEFA Loan Forgiveness	-
Interest expense	(174,399)
Total Non-Operating Revenues (Expenses)	(173,857)
Change in Net Position	28,594
NET POSITION - July 1, 2015	2,489,145
NET POSITION - June 30, 2016	$ 2,517,739

SCHEDULE OF CASH FLOWS

WATER AND SEWER FUND

City of Ashburn Ashburn, Georgia		Year Ended June 30, 2016
		Enterprise Funds
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 1,496,437	
Cash Payments for Goods and Services	(853,569)	
Cash Payments to Employees	(267,052)	
Net Cash Provided by Operating Activities		$ 375,816
Cash Flows from Capital and Related Financing Activities:		
Purchase of Capital Assets		
Interest Paid	(174,399)	
Net Cash Used by Capital and Related Financing Activities		(174,399)
Cash Flows from Investing Activities:		
Paying Agent Fees	0	
Payment on Long Term Debt	(200,000)	
Interest on Investments	542	
Net Cash Provided by Investing Activities		(199,458)
Net Increase in Cash and Restricted Cash		1,959
CASH AND RESTRICTED CASH - July 1, 2015		689,714
CASH AND RESTRICTED CASH - June 30, 2016		$ 691,673

SCHEDULE OF CASH FLOWS

WATER AND SEWER FUND

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2016
	Enterprise Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	$ 202,451
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	195,339
Amortization	
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(32,948)
(Increase) Decrease in Inventories	(10,753)
(Increase) Decrease in Prepaid Items	(1,500)
Increase (Decrease) in Accounts Payable	5,059
Increase (Decrease) in Salaries and Wages Payable	(3,257)
Increase (Decrease) in Customers' Deposits	21,425
Change in Assets and Liabilities	(21,974)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 375,816

SCHEDULE OF NET POSITION

GAS FUND

City of Ashburn
Ashburn, Georgia

ASSETS

Current Assets:		
Cash	$ 1,023,139	
Accounts receivable		
(net of allowance for uncollectibles of 2,000)	57,325	
Inventories-materials and supplies	99,892	
Prepaid items	11,446	
Total Current Assets		$ 1,191,802
Capital Assets:		
Sites	8,750	
Lp tanks	100,096	
Buildings	104,551	
Machinery and equipment	405,346	
Natural gas system	396,439	
	1,015,182	
Less Accumulated Depreciation	(896,130)	
Capital Assets - Net		119,052
Total Assets		$ 1,310,854

SCHEDULE OF NET POSITION

GAS FUND

		June 30, 2016
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts payable	$ 11,066	
Salaries and wages payable	8,986	
Sales tax payable	7,221	
Consumers' deposits payable	39,815	
Total Current Liabilities		$ 67,088
Total Liabilities		67,088
Net Position:		
Invested in capital assets, net of related debt	119,052	
Unrestricted	1,124,714	
Total Net Position		1,243,766
TOTAL LIABILITIES AND NET POSITION		$ 1,310,854

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET POSITION - GAS FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2016

Operating Revenues:	Gas	Propane	Total
Gas charges	$ 547,947	$ 252,954	$ 800,901
Other	30,241	15,641	45,882
Total Operating Revenues	578,188	268,595	846,783
Operating Expenses:			
Personal services-salaries and wages	114,043	97,115	211,158
Group insurance	16,999	12,278	29,277
Social security and medicare contributions	9,730	7,339	17,069
Retirement	7,751	12,436	20,187
Retirement contributions	135	0	135
Workers' compensation	8,436	4,000	12,436
Professional and technical services	5,859	10,393	16,252
Repairs and maintenance	11,957	16,626	28,583
Rental of uniforms	1,063	1,418	2,481
Insurance, other than employee benefits	14,846	3,846	18,692
Communications	1,367	1,437	2,804
Advertising	252	252	504
Travel	6,021	1,466	7,487
General supplies and materials	4,053	2,125	6,178
Gas and oil	10,630	5,440	16,070
Utilities	3,070	3,347	6,417
Inventory purchased for resale	164,688	64,473	229,161
Miscellaneous	3,876	1,028	4,904
Depreciation	3,407	0	3,407
Total Operating Expenses	388,183	245,019	633,202
Operating Income	190,005	23,576	213,581

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SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET POSITION - GAS FUND

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2016
Non-Operating Revenues (Expenses):	
Interest revenues	$ 517
Transfer to General Fund	-
Change in Net Position	214,098
NET POSITION - July 1, 2015	1,029,668
NET POSITION - June 30, 2016	$ 1,243,766

SCHEDULE OF CASH FLOWS

GAS FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2016

		Enterprise Funds
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 846,743	
Cash Payments for Goods and Services	(275,363)	
Cash Payments to Employees	(349,727)	
Net Cash Provided by Operating Activities		$ 221,653
Cash Flows from Investing Activities:		
Interest on Investments	517	
Net Cash Provided by Investing Activities		517
Cash Flows from Financing Activities:		
Transfer to General Fund	0	
Net Cash Used by Financing Activities		0
Net Increase in Cash		222,170
CASH - July 1, 2015		800,969
CASH - June 30, 2016		$ 1,023,139

SCHEDULE OF CASH FLOWS

GAS FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2016

			Enterprise Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income			$ 213,581
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation			3,407
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	$	7,351	
(Increase) Decrease in Inventories		7,755	
(Increase) Decrease in Prepaid Items		(981)	
Increase (Decrease) in Accounts Payable		850	
Increase (Decrease) in Salaries and Wages Payable		(14,038)	
Increase (Decrease) in Sales Tax Payable		1,812	
Increase (Decrease) in Customers' Deposits		1,915	
Change in Assets and Liabilities			4,664
NET CASH PROVIDED BY OPERATING ACTIVITIES			$ 221,653

SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUND

City of Ashburn
Ashburn, Georgia — June 30, 2016

	Pending Fund
Additions:	
Increase to agency funds	$ 1,712
Deductions:	
Disbursement from agency fund	(7,425)
Net Increase	(5,713)
Due to Court - July 1, 2015	8,997
Due to Court - June 30, 2016	$ 3,284

SCHEDULE OF NET POSITION

DOWNTOWN DEVELOPMENT AUTHORITY

City of Ashburn
Ashburn, Georgia — June 30, 2016

ASSETS

Current Assets:		
Cash	$ 52,845	
Inventory	0	
Total Current Assets		52,845
Property, Plant, and Equipment:		
Banners and Flagpole	19,502	
City Park	90,758	
Less Accumulated Depreciation	(35,619)	
		74,641
TOTAL ASSETS		$ 127,486

LIABILITIES AND NET POSITION

Current Liabilities:	
Current Portion Long Term Debt	$ 0
Long Term Debt, net of current	0
TOTAL LIABILITIES	-
Net Position:	
Unrestricted	127,486
Total Net Position	127,486
TOTAL LIABILITIES AND NET POSTION	$ 127,486

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET POSITION - DOWNTOWN DEVELOPMENT AUTHORITY

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2016
Operating Revenues:	
Intergovernmental	$ 14,808
Total Operating Revenues	14,808
Operating Expenses:	
Interest	0
Depreciation	10,685
Repairs	8,548
Utilities	3,190
Total Operating Expenses	22,423
Change in Net Position	(7,615)
NET POSITION - July 1, 2015	135,101
NET POSITION- June 30, 2016	$ 127,486

SCHEDULE OF CASH FLOWS

DOWNTOWN DEVELOPMENT AUTHORITY

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2016

Cash Flows from Operating Activities:		
Intergovernmental cash received	14,808	
Cash Payments for Goods and Services	(11,738)	
Net Cash Provided by Operating Activities		$ 3,070
Cash Flows from Capital and Related Financing Activities:		
Purchase of Property, Plant, and Equipment	9,084	
Principal Paid on Note	0	
Net Cash Used by Capital and Related Financing Activities		9,084
Net Increase in Cash		12,154
CASH - July 1, 2015		40,691
CASH - June 30, 2016		$ 52,845

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		(7,615)
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		$ 3,070

HERRING

CPA GROUP, P.C.

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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, 2016, 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 December 1, 2016.

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 2016-1.

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 1, 2016

SCHEDULE OF FINDINGS AND RESPONSES

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2016

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

2016-1 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.

SCHEDULE OF PROJECTS USING SPECIAL

PURPOSE LOCAL OPTION SALES TAX PROCEEDS

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2016

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	$ 167,266	$ 68,500	$ 235,766	77%
b) Water, Sewage and Drainage	150,120	150,120	44,695	89,289	133,984	89%
c) Construction, Expansion and Equipping of and Improvements to City Buildings and Facilities	550,260	550,260	227,308	13,520	240,828	44%
d) Contruction, improvements, and equipping of City of Ashburn Park facilities	150,120	150,120	49,021	18,350	67,371	45%
e) Rolling Stock and Capital Equipment	839,700	839,700	375,409	147,464	522,873	62%
TOTAL	$ 1,998,000	$ 1,998,000	$ 863,699	$ 337,123	$ 1,200,822	60%