CITY OF ASHBURN, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

TABLE OF CONTENTS

City of Ashburn
Ashburn, Georgia — June 30, 2017

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

TABLE OF CONTENTS

City of Ashburn
Ashburn, Georgia — June 30, 2017

Description	Page Number
Non-Major Governmental Funds:	
Schedule of Assets, Liabilities, and Fund Balance	48
Schedule of Revenues, Expenditures, and Changes in Fund Balances	49
Special Revenue Fund:	
Schedule of Assets, Liabilities, and Fund Balance	50
Schedule of Revenues, Expenditures, and Changes in Fund Balance	51-52
Proprietary Funds:	
Enterprise Funds:	
Water and Sewer Revenue Fund:	
Schedule of Net Position	53-54
Schedule of Revenues, Expense, and Changes in Net Position	55-56
Schedule of Cash Flows	57-58
Gas Revenue Fund:	
Schedule of Net Position	59-60
Schedule of Revenues, Expense, and Changes in Net Position	61-62
Schedule of Cash Flows	63-64
Schedule of Changes in Fiduciary Assets and liabilities - Agency Fund	65
Downtown Development Authority:	
Schedule of Net Position	66
Schedule of Revenues, Expense, and Changes in Net Position	67
Schedule of Cash Flows	68
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	
Schedule of Findings and Responses	70-71
Schedule of Projects Using Special Purpose Local Option Sales Tax Proceeds	72

HERRING

CPA GROUP, P.C.

Certified Public Accountants & Consultants

GERALD N. HERRING, JR.,C.P.A.
CHARLES W. POWELL, III, C.P.A.
DAVID DEARISO, C.P.A.
TONY QUINNEY,C.P.A.
JAMES H. HERRING,C.P.A.
JANE L. GRAY, C.P.A.
BRANDON N. MONTGOMERY, C.P.A.

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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, 2017, 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, 2017, 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 October 6, 2016 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.
Tifton, Georgia
October 6, 2017

STATEMENT OF NET POSITION

City of Ashburn
Ashburn, Georgia

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Downtown Development Authority
ASSETS				
Cash	$ 453,448	$ 1,895,763	$ 2,349,211	$ 65,392
Taxes receivable-delinquent, Net	23,041	0	23,041	0
Other taxes receivable	20,418	0	20,418	0
Accounts receivable, Net	53,673	184,111	237,784	0
Due from other governments	23,163	0	23,163	0
Inventory	90,043	115,797	205,840	0
Prepaid items	32,684	21,303	53,987	0
Reserved assets	1,236	0	1,236	0
Non-Depreciable Assets	237,366	24,600	261,966	0
Construction in Progress	0	0	0	0
Capital assets - net	3,268,366	8,102,721	11,371,087	69,641
TOTAL ASSETS	$ 4,203,438	$ 10,344,295	$ 14,547,733	$ 135,033
DEFERRED OUTFLOWS OF RESOURCES				
Changes in assumptions	(4,997.00)	0	(4,824.00)	
Total deferred outflows of resources	(4,997.00)	0	(4,824.00)	

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, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Downtown Development Authority
LIABILITIES				
Accounts payable	$ 96,733	$ 17,150	$ 113,883	$ 0
Cash Overdraft	-	0	-	0
Salaries and wages payable	45,722	28,597	74,319	0
Sales tax payable	0	7,460	7,460	0
Compensated absences	42,779	0	42,779	0
Deferred Revenue	22,968	0	22,968	0
Net Pension Liability	456,996	0	456,996	
Notes payable - current	0	276,677	276,677	0
Capital Leases - current	43,866	0	43,866	0
Landfill postclosure costs - current	7,200	0	7,200	0
Notes payable - non-current	0	6,109,475	6,109,475	0
Capital Leases - non-current	59,819	0	59,819	0
Landfill postclosure costs - non-current	46,533	0	46,533	0
Consumers' deposits payable	16,680	159,385	176,065	0
Total Liabilities	$ 839,296	$ 6,598,744	$ 7,438,040	$ 0
DEFERRED INFLOWS OF RESOURCES				
Diff between expected and actual experience	40,662	-	9,867	
Net difference between projected and actual earnings on investments	3,848	-	69,606	
Total	44,510	-	79,473	
NET POSITION				
Net investment in capital assets	$ 3,402,047	$ 2,116,840	$ 5,518,887	$ 69,641
Restricted for:				
Debt Retirement	0	9,000	9,000	0
Public Works	5,635	0	5,635	0
Capital Projects	4,727	0	4,727	0
Health/Welfare	69,403	0	69,403	0
Public Safety	511	0	511	0
Unrestricted	(167,688)	1,619,711	1,452,023	65,392
TOTAL NET POSITION	$ 3,314,635	$ 3,745,551	$ 7,060,186	$ 135,033

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	$ 702,549	$ 290,477	$ 0
Public safety	2,467,273	2,353,678	0
Public works	2,213,782	646,384	0
Health/ welfare	81,951	805	0
Culture/ recreation	30,950	48,525	0
Economic development	95,891	137,636	0
Interest on long term debt	4,725		0
Total Governmental Activities	5,597,121	3,477,505	0
Business-Type Activities:			
Water and Sewer	1,353,934	1,513,673	0
Gas	672,014	835,376	0
Total Business-Type Activities	2,025,948	2,349,049	0
Total Primary Government	$ 7,623,069	$ 5,826,554	$ 0
Component Unit:			
Downtown Development Authority	$ 22,047	$ 29,594	$ 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, 2016			
NET POSITION - June 30, 2017			

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, 2017

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
$ 332,733	$ 623,210		$ (79,339)	$ 0	$ (79,339)	$ 0
50,485	2,404,163		(63,110)	0	(63,110)	0
0	646,384		(1,567,398)	0	(1,567,398)	0
0	805		(81,146)	0	(81,146)	
0	48,525		17,575	0	17,575	0
0	137,636		41,745	0	41,745	0
0	0		(4,725)	0	(4,725)	0
383,218	3,860,723		(1,736,398)	0	(1,736,398)	0
0	1,513,673		0	159,739	159,739	0
0	835,376		0	163,362	163,362	0
0	2,349,049		0	323,101	323,101	0
$ 383,218	$ 6,209,772		$ (1,736,398)	$ 323,101	$ (1,413,297)	$ 0
$ 0	29,594		0	0	0	$ 7,547
		$	655,327		$ 655,327	$ 0
			261,883	0	261,883	0
			247,159	0	247,159	0
			9,231	0	9,231	0
			92,425	0	92,425	0
			259,143	0	259,143	0
			10,082	0	10,082	0
			3,594	2,197	5,791	0
			38,168	0	38,168	0
			1,577,012	2,197	1,579,209	0
			-	0	0	0
			1,577,012	2,197	1,579,209	0
			(159,386)	325,298	165,912	7,547
			3,474,021	3,420,253	6,894,274	127,486
		$	3,314,635	$ 3,745,551	$ 7,060,186	$ 135,033

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	$ 182,609	4,727	190,563	$ 75,549	$ 453,448
Taxes receivable	23,041	0	0	0	23,041
Other taxes receivable	20,418	0	0	0	20,418
Accounts receivable (Net of allowance for uncollectibles of 1,500)	53,673	0	0	0	53,673
Due from other governments	23,163	0	0	0	23,163
Inventories-material and supplies	90,043	0	0	0	90,043
Prepaid items	32,684	0	0	0	32,684
Restricted assets	1,236	0	0	0	1,236
TOTAL ASSETS	$ 426,867	$ 4,727	$190,563	$ 75,549	$ 697,706

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

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2017

	General Fund	Capital Projects Fund	TE Grant	Other Governmental Funds	Totals
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	$ 96,733	$ 0	$ 0	$ 0	$ 96,733
Cash Overdraft	-	0	51,210	0	51,210
Net Pension Liability	456,996				456,996
Salaries and wages payable	45,722	0	0	0	45,722
Customer deposit payable	16,680	0	0	0	16,680
Deferred inflow of resources	44,510	0	0	0	44,510
Total Liabilities	660,641	0	51,210	0	711,851
Fund Balances:					
Unassigned	$ (357,737)	$ 0	$ 0	$ 0	$ (357,737)
Nonspendable Fund Balance	122,727	0	0	0	122,727
Comitted Fund Balance	1,236	0	0	0	1,236
Restricted:					
Special Revenue Fund - Public Works	0	0	0	5,635	5,635
Capital Projects	0	4,727	(51,210)	0	(46,483)
Special Revenue Fund - Health/Welfare				69,403	69,403
Special Revenue Fund - Public Safety	0	0	0	511	511
Total Fund Balance	(233,774)	4,727	(51,210)	75,549	(204,708)
TOTAL LIABILITIES AND FUND BALANCE	$ 426,867	$ 4,727	$ 0	$ 75,549	$ 507,143

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, 2017

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ (204,708)
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:		3,505,732
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	22,968	
Reserve for allowance for uncollectibles	(8,318)	14,650
The net pension liability is not due and payable in the current period, and is therefore not reported in the funds.		199,159
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, 2017 are:		
Capital Leases	103,686	
Compensated Absences	42,779	
Landfill Postclosure Cost	53,733	
		(200,198)
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 3,314,635

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, 2017

	General Fund	Capital Projects Fund	TE Grant	Other Governmental Funds	Total
Revenues:					
Taxes	$ 1,532,534	$ 0	$ 0	$ 93,569	$ 1,626,103
Licenses and permits	38,266	0	0	0	38,266
Penalties and interest on taxes	10,342	0	0	0	10,342
Intergovernmental revenues	0	332,373	405,432	137,636	875,441
State contract	0	0	0	50,485	50,485
Charges for services	760,864	0	0	0	760,864
Fines and forfeitures	1,309,338	0	0	0	1,309,338
E911 Charges	36,491	0	0	0	36,491
Interest	3,594	0	0	0	3,594
Other revenue	38,168	0	0	0	38,168
Total Revenues	3,729,597	332,373	405,432	281,690	4,749,092
Expenditures:					
Current:					
General government	616,398	0	0	86,151	702,549
Public safety	2,196,493	20,780	0	0	2,217,273
Public works	1,298,061	330,549	329,178	5,994	1,963,782
Health/ welfare	26,000	0	0	55,951	81,951
Culture/ recreation	13,125	17,825	0	0	30,950
Economic development	0	0	0	95,891	95,891
Debt Service:					
Principal	0	144,330	0	0	144,330
Interest	0	4,725	0	0	4,725
Total Expenditures	4,150,077	518,209	329,178	243,987	5,241,451
Excess (Deficiency) of Revenues Over Expenditures before Transfers	(420,480)	(185,836)	76,254	37,703	(492,359)

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, 2017

	General Fund	Capital Projects Fund	TE Grant	Other Governmental Funds	Total
Other Financing Sources (Uses)					
Transfer in					
Hotel/Motel Fund	$ 23,777		$ 0	$ 0	$ 23,777
Transfer out					
Hotel/Motel Fund	0	0	0	(82,020)	(82,020)
Net Transfers	23,777	0	0	(82,020)	(58,243)
Proceeds of long-term debt	0	0	0	0	0
Total Other Financing Sources	23,777	0	0	(82,020)	(58,243)
Net Changes in Fund Balance	(396,703)	(185,836)	76,254	(44,317)	(550,602)
FUND BALANCE - July 1, 2016	162,929	190,563	(127,464)	119,866	345,894
FUND BALANCE - June 30, 2017	$ (233,774)	$ 4,727	$ (51,210)	$ 75,549	$ (204,708)

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, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ (550,602)
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	14,503	
Reserve for allowance for uncollectibles	8,318	22,821
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		385,647
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:		144,330
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	2,556	
Landfill Postclosure Cost	(4,523)	1,967
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ (159,386)

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, 2017

	Water and Sewer Fund	Gas Fund	Total
ASSETS			
Current Assets:			
Cash	$ 8,219	$ 1,191,958	$ 1,200,177
Cash - Series 2012 Capital Improvement Account	56,604	0	56,604
Cash - Series 2012 Reserve Account	354,290	0	354,290
Cash - Series 2012 Sinking Fund Account	284,692	0	284,692
Accounts receivable - net	131,205	52,906	184,111
Inventories-materials and supplies	15,202	100,595	115,797
Prepaid items	9,834	11,469	21,303
Total Current Assets	860,046	1,356,928	2,216,974
Non-Current Assets:			
Non-Depreciatable Assets	15,850	8,750	24,600
Capital assets-net	7,412,681	690,040	8,102,721
Total Non-Current Assets	7,428,531	698,790	8,127,321
TOTAL ASSETS	$ 8,288,577	$ 2,055,718	$ 10,344,295
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 5,429	$ 11,721	$ 17,150
Salaries and wages payable	17,999	10,598	28,597
Sales Tax Payable	0	7,460	7,460
Notes payable - current	210,000	66,677	276,677
Consumers' deposits payable	119,925	39,460	159,385
Total Current Liabilities	353,353	135,916	489,269

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, 2017

	Water and Sewer Fund	Gas Fund	Total
Long-Term Liabilities:			
Notes payable - non-current	$ 5,597,888	$ 511,587	$ 6,109,475
Total Long-Term Liabilities	5,597,888	511,587	6,109,475
TOTAL LIABILITIES	5,951,241	135,916	6,598,744
NET POSITION			
Net investment in capital assets	1,620,643	496,197	2,116,840
Restricted for Capital Improvements	0	0	0
Restricted for debt retirement	9,000	0	9,000
Unrestricted	707,693	912,018	1,619,711
TOTAL NET POSITION	$ 2,337,336	$ 1,408,215	$ 3,745,551

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, 2017

	Water and Sewer Fund	Gas Fund	Total
Operating Revenues:			
Charges for services	$ 733,792	$ 784,430	$ 1,518,222
Other	779,881	50,946	830,827
Total Operating Revenues	1,513,673	835,376	2,349,049
Operating Expenses:			
Personal services-salaries and wages	214,407	222,393	436,800
Group insurance	43,075	28,913	71,988
Social security and medicare contributions	15,666	16,522	32,188
Retirement	6,500	15,250	21,750
Retirement contributions	255	0	255
Workers' compensation	7,415	10,664	18,079
Professional services	1,445	16,040	17,485
Technical services	11,339	0	11,339
Repair and maintenance	49,704	23,088	72,792
Rental of uniforms	1,994	1,441	3,435
Insurance, other than employee benefits	23,930	26,938	50,868
Communications	3,556	2,501	6,057
Advertising	0	450	450
Travel	1,688	4,614	6,302
Gas and Oil	9,203	7,821	17,024
General supplies and materials	39,480	12,640	52,120
Energy	61,526	6,342	67,868
Supplies/ inventory purchased for resale	0	268,940	268,940
Other supplies	2,080	2,575	4,655
Waste Management Services	530,888	0	530,888
Amortization	0	0	0
Depreciation	193,864	4,882	198,746
Total Operating Expenses	1,218,015	672,014	1,890,029
Operating Income	295,658	163,362	459,020

(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, 2017

	Water and Sewer Fund	Gas Fund	Total
Non-Operating Revenues (Expenses):			
Interest revenues	$ 1,110	$ 1,087	$ 2,197
Interest Subsidy GEFA Loan Forgiveness	-	-	-
Interest expense	(135,919)	0	(135,919)
Total Non-Operating Revenues (Expenses)	(134,809)	1,087	(133,722)
Income (Loss) before Transfers	160,849	164,449	325,298
Transfers out	0	0	0
Change in Net Position	160,849	164,449	325,298
NET POSITION - July 1, 2016	2,176,487	1,243,766	3,420,253
NET POSITION - June 30, 2017	$ 2,337,336	$ 1,408,215	$ 3,745,551

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, 2017

	Water and Sewer Fund	Gas Fund	Total
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 1,513,673	$ 835,376	$ 2,349,049
Cash Payments for Goods and Services	(739,206)	(488,688)	(1,227,894)
Cash Payment to Employees	(279,903)	(178,230)	(458,133)
Net Cash Provided by Operating Activities	494,564	168,458	663,022
Cash Flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	(142,623)	0	(142,623)
Transfer to General Fund	0	0	0
Interest Paid	(135,919)	0	(135,919)
Net Cash Used by Capital and Related Financing Activities	(278,542)	0	(278,542)
Cash Flows from Investing Activities:			
Cash outflows from capital and related financing activities	(205,000)		(205,000)
Interest on Investments	1,110	1,087	2,197
Net Cash Provided by Investing Activities	(203,890)	1,087	(202,803)
Net Increase (Decrease) in Cash and Restricted Cash	12,132	169,545	181,677
Cash and Restricted Cash - July 1, 2016	691,673	1,023,139	1,714,812
Cash and Restricted Cash - June 30, 2017	$ 703,805	$ 1,192,684	$ 1,896,489

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, 2017

	Water and Sewer Fund	Gas Fund	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	$ 295,658	$ 163,362	$ 459,020
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	193,864	4,882	198,746
Amortization	0	0	0
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(4,664)	(1,212)	(5,876)
(Increase) Decrease in Inventories	(124)	(703)	(827)
(Increase) Decrease in Prepaid Items	(551)	(23)	(574)
Increase (Decrease) in Accounts Payable	(875)	655	(220)
Increase (Decrease) in Salaries and Wages Payable	4,179	1,612	5,791
Increase (Decrease) in Sales Tax Payable	0	239	239
Increase (Decrease) in Customers' Deposits	7,077	(355)	6,722
Change in Assets and Liabilities	5,042	213	5,255
Net Cash Provided by Operating Activities	$ 494,564	$ 168,458	$ 663,022

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, 2017

	Pending Fund
ASSETS	
Cash	$ 36,372
LIABILITIES	
Due to other Governments	$ 36,372

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 ($90,043) and prepaid amounts ($32,684) 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, 2017 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, 2016. The city clerk opened the books for payment of taxes on October 20, 2016 and they remained open until December 20, 2016. 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, 2017 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, 2017.

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, 2017.

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 pension expense.
The Police Department expenditures exceeded appropriations due to salaries.
The Public Works Department 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	2,349,211	36,372
restricted	1,236	0
Total	2,350,447	36,372

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 1 in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investments income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share.

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

5. Capital Assets:

Capital asset activity for the year ended June 30, 2017 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	385,647	0	2,446,895
Machinery and Equipment	2,968,409	0	0	2,968,409
Total Capital Assets being depreciated	5,029,657	385,647	0	5,415,304
Less Accumulated Depreciation:				
Buildings and Improvements	564,386	37,505	0	601,891
Machinery and Equipment	1,513,523	41,747	0	1,555270
Total Accumulated Depreciation	2,077,909	79,252	0	2,157,161
Net Capital Assets being Depreciated	2,951,748	306,395	0	3,258,143
Total Capital Assets, Net	3,189,114	306,395	0	3,505,732

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	796,976	0	796,976	0
Land	24,600	0	0	24,600
	821,576	0	796,976	24,600
Capital Assets being depreciated:				
Building and Improvements	9,042,465	796,976		9,839,441
Machinery and Equipment	4,892,384	0	0	4,892,384
Total Capital Assets being depreciated	13,934,849	796,976	0	14,731,825
Less Accumulated Depreciation:				
Buildings and Improvements	4,513,019	130,809	0	4,643,828
Machinery and Equipment	1,917,339	67,937	0	1,985,276
Total Accumulated Depreciation	6,430,358	198,746	0	6,629,104
Net Capital Assets being depreciated	7,504,491	598,230	0	8,102,721
Total Capital Assets, Net	7,908,476	598,230	0	8,127,321

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, 2017, consist of the following:

	General	Other Governmental	Enterprise	Total
Accounts	$ 53,673	$ 0	$ 184,111	$ 237,784
Taxes	43,459	0	0	43,459
Due from other governments	23,163	0	0	23,163
Gross Receivables	$ 120,295	$ 0	$ 184,111	$ 304,406

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 $1,236 for capital asset acquisitions in the general fund.

8. Property:

A summary of proprietary fund type property, plant, and equipment at June 30, 2017 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	9,931,713	396,439	10,328,152
Machinery and Equipment	3-20 years	3,084,443	505,442	3,589,885
Site Improvements	45 years	493,854	0	493,854
Total		13,741,243	1,015,182	14,756,425
Less Accumulated Depreciation		(5,728,092)	(901,012)	(6,629,104)
Total		$8,013,151	$14,170	$8,127,321

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 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 USDA under a Capital Lease dated May 21, 2017 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%.

Amortization of assets recorded under capital leases is included with depreciation expense for the year ended June 30, 2017. Assets under capital lease total $720,506, with accumulated depreciation of $255,035.

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

Fiscal year ending June 30:	General Long-Term Debt
2018	43,867
2019	33,884
2020	25,935
2021	0
2022	0
2023 – 2024	0
Total minimum lease payments	103,686
Amounts representing interest	(5,856)
Present value of net minimum lease payments	$ 97,830

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.

A summary of notes payable by the City as they existed at June 30, 2017, is presented as follows:

	Current	Long-Term	Total
GEFA Note Payable, Payable in monthly payments beginning at the completion of the water tank project	$ 149,639	$ 1,931,514	$ 2,081,153
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%.	210,000	4,095,000	4,305,000
Total Notes Payable	$359,639	$6,026,514	$6,386,152

The annual requirements to amortize the debt outstanding for the proprietary fund at June 30, 2017 including interest payments of $1,699,733 are as follows:

Year Ending June 30,	Principal Due	Interest Due	Total
2018	210,000	135,919	345,919
2019	215,000	129,805	344,805
2020	220,000	124,650	344,650
2021	225,000	119,450	344,450
2022	230,000	114,225	344,225
2023-2027	2,075,000	550,225	2,686,270
2028-2033	1,130,000	305,993	1,470,923
Total	$ 4,305,000	$ 1,576,242	$ 5,881,242

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, 2017:

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Due in One year
Obligations under capital lease	$ 239,088	$ 0	$ 135,403	$ 157,685	$ 43,867
Compensated absences Payable	45,335	0	2,556	42,779	42,779
Closure and post closure care	49,210	4,523	0	53,733	7,200
Total	$ 333,633	$ 4,523	$ 137,959	$ 254,197	$ 93,846

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, 2017:

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Due in One year
Notes payable – GEFA	$1,583,082	$ 0	$ 80,195	$ 1,502,888	$ 149,639
Notes payable – Revenue Bonds	4,510,000	0	205,000	4,305,000	210,000
Total	$6,093,083	$ 0	$ 285,195	$ 5,698,448	$ 359,639

12. Pension Plan

The City, as authorized by the City Council, has established a non-contributory defined benefit pension plan (The City of Ashburn Retirement Plan), covering substantially all of the City's employees. The City's pension plan is administered through the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement benefits and annual cost of living adjustments to plan members and beneficiaries. The City Council, in its role as the Plan Sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

The City's payroll for employees covered by the system for the year ended December 31, 2016 was $1,531,997. 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 the 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.

As of January 1, 2016, the date of the most recent actuarial valuation, there were 97 participants consisting of the following:

Retirees and beneficiaries currently receiving -benefits	35
Vested former participants	20
Active Employees	47
Active elected officials	3
Total	105

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards Law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of the benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Council. For the year ended June 30, 2017, the City's contribution rate was 5.60% of annual payroll. City contributions to the Plan were $87,123 for the year ended June 30, 2017.

Net Pension Liability of the City

Effective July 1, 2014, the City implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions –an amendment of GASB Statement No. 27, which significantly changed the City's accounting for pension amounts. The information disclosed below is presented in accordance with the new standard.

The City's net pension liability was measured as of September 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2016.

Actuarial assumptions. The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3.25%
Salary increases	3.75%-8.75%, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010-June 30, 2015.

Cost of living adjustments were assumed to be 3.25% although the Plan allowance for annual cost of living adjustment is variable, as established by the City Council, in an amount not to exceed 4%.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long- term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetical real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2016 are summarized in the table below:

Asset Class	Target Allocation	Long-term expected rate of return*	Long-term expected rate of return*
Domestic Equity	50%	5.95%	9.20%
International Equity	15%	6.45%	9.70%
Fixed Income	25%	1.55%	4.80%
Real Estate	10%	3.75%	7.00%
Cash	0%		
Total	100%		

*Rates shown are net of the 3.25% assumed rate of inflation.

Discount Rate. The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the City. The Changes in the components of the net pension liability of the City for the year ended June 30, 2017, were as follows:

	Total Pension Liability(a)	Fiduciary Net Position(b)	Net Pension Liability (a-b)
Bal at Sept 30, 2015	$2,820,907	$2,242,196	$578,711
Changes for the year:			
Service Cost	39,598	--	39,598
Interest	209,971	--	209,971
Diff between Expected	(51,001)	--	(51,001)
And Actuarial experience			
Contributions -employer		85,818	85,818
Net investment income		243,174	(243,174)
Benefits Payable	(223,216)	(223,216)	--
Admin Expenses	--	(8,709)	(8,709)
Net Changes	(24,648)	97,067	(121,715)
Bal at Sept 30, 2016	$2,796,259	$2,339,263	$456,996

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of the plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.75%, as well as what the City's net pension liability would be it were calculated using a discount rate that is 1% lower (6.75%) or 1% higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	$719,918	$456,996	$233,237

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long- term perspective. Calculations are based on the substantive plan in effect as of September 30, 2016 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
For the year ended June 30, 2017, the City recognized pension expense of $78,265. At June 30, 2017, the City reported Deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Diff between expected	4,997	(38,250)
And actual experience		
Changes of assumptions	--	(2,412)
Net diff between projected		
And actual earnings on		
Pension investments	--	(3,848)
Total	4,997	(44,510)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2018	(11,903)
2019	(14,234)
2020	1,637
2021	(15,013)
Total	(39,513)

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, 2017. 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, 2017 is $128,241 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 $53,733. 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, 2017 is as follows:

Hotel Motel Tax Receipts	$ 93,569
Disbursements to Ashburn Downtown Development Authority	17,448
Disbursements to Ashburn-Turner County Chamber of Commerce for tourism	52,344
Balance to City	$ 23,777

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

20. Defined Contribution Plan

The City of Ashburn has a 401A GMA defined contribution plan administered by GMA. The city contributes $5.00 per week per employee. The total amount contributed by the city to the 401A defined contribution plan was $5,885. The employees contributed $17,365 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, 2017 were as follows:

	Transfer In		Transfer Out	
Governmental Fund:				
General Fund	23,777	(a)	0	
Gas Fund	0		0	
Special Revenue Fund:				
Hotel/Motel Tax Fund	0		23,777	(a)
TOTAL ALL FUNDS	$ 23,777		$ 23,777	

(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, 2017.

Net Operating Income – Water, Sewer, and Gas	$ 459,020
Plus Depreciation and Amortization	198,746
Plus Interest Income	2,197
Net Revenues Available for Debt Service	659,963
Maximum Annual Debt Service on Bonds)	$ 350,619
Coverage Ratio	1.88

Number of Water Customers. The following table sets forth the number of water customers of the System for the fiscal year ended June 30, 2017.

Water		
Residential	Commercial/ Industrial	Total Water Customers
1,832	275	2,107

Number of Sewer Customers. The following table sets forth the number of sewer customers of the System for the fiscal year ended June 30, 2017. All sewer customers of the System are also water customers.

Sewer		
Residential	Commercial/ Industrial	Total Sewer Customers
1,512	194	1,706

Number of Gas Customers. The following table sets forth the number of gas customers of the System for the fiscal year ended June 30, 2017.

Gas		
Residential	Commercial/ Industrial	Total Sewer Customers
539	70	609

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, 2017. 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	$ 8,821	1.45%
2.	Entech	7,762	1.28
3.	Ashburn Housing Authority	9,835	1.62
4.	Georgia Department of Transportation	25,525	4.19
5.	Amrick Singh Binapal	12,435	2.04
6.	SK Group – Hotel	4,756	0.78
7.	Turner County Board of Education	12,965	2.13
8.	Ashburn Hotel Inv. Inc.	5,863	0.96
9.	Vikas Corporation – Hotel	5,125	0.84
10.	Village Green	5,323	0.87
	TOTAL	$98,410	

Total Water Billings - $608,523

Ten Largest Sewer Customers. The following table sets forth the ten largest sewer customers of the System for the fiscal year ended June 30, 2017. No independent investigation has been made of, and consequently no representation can be made as to the stability or financial condition of any of the customers listed below or that such customers will continue to maintain their status as major customers of the System.

	Customer	Sewer Billings	Percentage of Total Sewer Billings
1.	Ashburn Health Care	$ 11,525	1.71%
2.	Ashburn Hotel Investments	7,356	1.09
3.	Ashburn Housing Authority	13,583	2.02
4.	Georgia Department of Transportation	37,636	5.60
5.	Ashton Place	5,628	0.84
6.	Entech	6,919	1.03
7.	Turner County Board of Education	14,535	2.16
8.	Turner County Jail	5,597	0.83
9.	Vikas Corporation – Hotel	7,203	1.07
10.	Village Green	8,306	1.23
	TOTAL	$118,288	

Total Sewer Billings - $672,560

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, 2017. 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	$ 89,235	8.34%
2.	Hat Creek Peanut Co.	26,456	2.34
3.	HHC of Ashburn	24,502	2.14
4.	Shoney's Restaurant	14,503	1.34
5.	Zaxby's Restaurant	14,563	1.18
6.	Suncrest Stone	22,145	1.83
7.	Mitchell's Coin Laundry	11,952	0.96
8.	Ashburn Hotel Inv. Inc.	10,325	0.90
9.	Turner County Jail	13,568	1.85
10.	Board of Education	18,456	1.79
	TOTAL	$241,313	

Total Gas Billings - $1,092,232

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 October 6, 2017 as this is the date the financial statements were available to be issued. No items occurring after the fiscal year ended of June 30, 2017 through October 6, 2017 were deemed required to be presented.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2017

	2017	2016
TOTAL PENSION LIABILITY		
Service Cost	$ 39,598	$ 46,144
Interest	209,971	206,320
Diff between expected and actual experience	(51,001)	507
Changes of assumptions		
Benefit payments	(223,216)	(188,508)
Net change in total pension liability	(24,648)	64,463
Total pension liability- beginning	2,820,907	2,756,444
Total pension liability- ending (a)	2,796,259	2,820,907
PLAN FIDUCIARY NET POSITION		
Contributions-employer	85,818	87,258
Net investment income	243,174	28,887
Benefit payments	(223,216)	(188,508)
Admin expenses	(8,709)	(11,205)
Net change in fiduciary net position	97,067	(83,568)
Plan fiduciary net position-beginning	2,242,196	2,325,764
Plan fiduciary net position-ending (b)	2,339,263	2,242,196
Net pension liability-ending (a-b)	$ 456,996	$ 578,711
Plan's fiduciary net position as a percentage of the total pension liability	83.66%	79.48%
Covered-employee payroll	1,531,997	1,552,298
Net pension liability as a percentage of covered-employee payroll	29.83%	37.28%

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2017

	2017	2016
TOTAL PENSION LIABILITY		

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2017

	2017	2016
Acturially determined contribution	*	$ 85,818
Contributions in relation to actuarially determined contribution	*	85,818
Covered-employee payroll		1,552,298
Contributions as a percentage of covered-employee payroll		5.53%

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, 2017

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Real property	$ 556,700	$ 556,700	$ 549,005	$ (7,695)
Personal property	97,000	97,000	106,322	9,322
Franchise taxes	275,000	275,000	261,883	(13,117)
Local option sales and use taxes	230,000	230,000	247,159	17,159
Alcoholic beverage excise taxes	88,000	88,000	83,725	(4,275)
Insurance premium taxes	230,000	230,000	259,143	29,143
Financial institutions taxes	10,000	10,000	9,231	(769)
Penalties and interest on delinquent taxes	13,000	13,000	10,082	(2,918)
Alcoholic beverages licenses	8,700	8,700	8,700	0
General business license	30,000	30,000	29,566	(434)
Penalties on delinquent licenses	296	296	260	(36)
Payment in lieu of taxes	16,000	16,000	16,066	66
Court costs	45,000	45,000	43,000	(2,000)
Probation costs	75,000	75,000	59,417	(15,583)
Election qualifying fees	900	900	1,890	990
Accident reports	0	0	103	103
Charges for services-street repairs	0	0	1,447	1,447
Charges for services-sanitation	628,000	628,000	646,384	18,384
Animal control fees	1,000	1,000	248	(752)
Charges for services-cemetery	8,000	8,000	8,375	375
Fines and forfeitures	1,658,308	1,658,308	1,309,338	(348,970)
E911 charges	35,000	35,000	36,491	1,491
Interest revenue	2,000	2,000	3,594	1,594
Insurance Reimbursement	0	0	0	0
Miscellaneous revenue	35,700	35,700	38,168	2,468
Total Revenues	4,043,604	4,043,604	3,729,597	(314,007)

(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, 2017

	Original Budget	Final Budget	Actual	Variance
Expenditures:				
General government	$ 556,550	$ 556,550	$ 616,398	$ 59,848
Public safety	2,250,600	2,250,600	2,196,493	(54,107)
Public works	1,219,954	1,219,954	1,298,061	78,107
Health/ welfare	26,000	26,000	26,000	0
Culture/recreation	16,500	16,500	13,125	(3,375)
Total Expenditures	4,069,604	4,069,604	4,150,077	80,473
Excess of Revenues Over Expenditures	(26,000)	(26,000)	(420,480)	(394,480)
Other Financing Sources (Uses)				
Transfers in	165,500	165,500	82,020	(83,480)
Borrowed Funds	0	0	0	0
Total Other Financing Sources (Uses)	165,500	165,500	82,020	(83,480)
Excess of Revenues and Other Financing Sources Over Expenditures	$ 139,500	$ 139,500	(338,460)	$ (477,960)
FUND BALANCE - July 1, 2016			104,686	
FUND BALANCE - June 30, 2017			$ (233,774)	

SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCE

GENERAL FUND

City of Ashburn
Ashburn, Georgia — June 30, 2017

ASSETS

Cash	$ 182,609	
Taxes receivable-delinquent	23,041	
Other taxes receivable	20,418	
Accounts receivable (Net of allowance for uncollectibles of 1,500)	53,673	
Due from other governments	23,163	
Inventories-materials and supplies	90,043	
Prepaid items	32,684	
Reserved assets	1,236	
TOTAL ASSETS		$ 426,867

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable	$ 96,733	
Salaries and wages payable	45,722	
Customer deposit payable	16,680	
Net Pension Liabilty	456,996	
Deferred inflows of resources	44,510	
Total Liabilities		$ 660,641
Equities and Other Credits:		
Fund balance - unassigned	(357,737)	
Nonspendable fund balance	122,727	
Fund balance - comitted capital projects	1,236	
Total Equity and Other Credits		(233,774)
TOTAL LIABILITIES AND FUND BALANCE		$ 426,867

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2017

	Original Budget	Final Budget	Actual	Variance
General Government:				
Legislative -				
Personal services-salaries and wages	$ 35,550	$ 35,550	$ 30,300	$ (5,250)
Group insurance	21,600	21,600	11,610	(9,990)
Social security and medicare contributions	2,500	2,500	2,311	(189)
Travel	23,000	23,000	19,571	(3,429)
General administration -				
Personal services-salaries and wages	211,300	211,300	222,994	11,694
Group insurance	29,000	29,000	28,633	(367)
Social security and medicare contributions	13,100	13,100	16,119	3,019
Retirement contributions	5,500	5,500	7,238	1,738
Workers' compensation	8,000	8,000	7,347	(653)
Professional services	55,200	55,200	51,739	(3,461)
Technical services	16,000	16,000	5,337	(10,663)
Pension Expense	0	0	78,265	78,265
Repairs and maintenance	13,300	13,300	10,322	(2,978)
Rental of land and buildings	6,000	6,000	7,537	1,537
Insurance, other than employee benefits	3,700	3,700	5,265	1,565
Communications	9,000	9,000	10,506	1,506
Advertising	2,000	2,000	2,595	595
Travel	14,700	14,700	15,480	780
Dues and fees	14,000	14,000	13,888	(112)
General supplies and materials	14,500	14,500	15,422	922
Energy	13,100	13,100	9,922	(3,178)
Other supplies	2,000	2,000	1,537	(463)
Code Ordinances	2,000	2,000	1,845	(155)
Election	0	0	3,789	3,789
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	0	(1,000)
Elderly village	3,000	3,000	0	(3,000)
Agency on Aging	500	500	0	(500)
Bad debts	200	200	26	(174)
Unemployment tax	0	0	0	0
Total general government	556,550	556,550	616,398	59,848

(Continued on next page)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Public Safety:				
Police -				
Personal services-salaries and wages	$ 649,000	$ 649,000	$ 691,825	$ 42,825
Group insurance	126,000	126,000.00	96,787	(29,213)
Social security and medicare contributions	45,000	45,000.00	51,366	6,366
Retirement contributions	24,000	24,000.00	25,500	1,500
Workers' compensation	25,000	25,000.00	28,915	3,915
Other employee benefits	50,000	50,000.00	49,577	(423)
Technical services	4,700	4,700.00	6,331	1,631
Repairs and maintenance	19,000	19,000.00	26,792	7,792
Rentals - uniforms	7,000	7,000.00	7,989	989
Insurance, other than employee benefits	18,700	18,700.00	23,205	4,505
Communications	10,000	10,000.00	17,604	7,604
Advertising	400	400.00	278	(122)
Travel	4,000	4,000.00	8,985	4,985
General supplies and materials	8,000	8,000.00	11,671	3,671
Processing fee	36,500	36,500.00	30,246	(6,254)
Energy	58,700	58,700.00	60,703	2,003
Other supplies	20,800	20,800.00	30,784	9,984
Capital outlays	0	0	0	0
GA Crime victim	200	200.00	234	34
Peace Officer Training	105,000	105,000.00	92,034	(12,966)
Indigent defense fund	117,000	117,000.00	104,699	(12,301)
Drivers Ed and Training	18,000	18,000.00	14,153	(3,847)
Brain & Spinal	500	500.00	536	36
Local Victim Assistance	55,000	55,000.00	47,862	(7,138)
DTF Contribution	0	0	0	0
Dues and fees	1,200	1,200.00	1,067	(133)
Custody of prisoners	154,000	154,000.00	145,024	(8,976)
Total police	1,557,700	1,557,700	1,574,167	16,467
Fire -				
Personal services-salaries and wages	351,000	351,000	325,962	(25,038)
Group insurance	56,000	56,000	44,286	(11,714)
Social security and medicare contributions	26,000	26,000	23,985	(2,015)
Retirement contributions	14,300	14,300	14,070	(230)
Workers' compensation	24,000	24,000	20,520	(3,480)
Technical services	3,000	3,000	2,682	(318)
Repairs and maintenance	10,000	10,000	18,709	8,709

(Continued on next page)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Rentals - uniforms	$ 2,000	$ 2,000	$ 1,638	$ (362)
Insurance, other than employee benefits	5,200	5,200	8,005	2,805
Communications	1,600	1,600	1,661	61
Travel	1,500	1,500	3,648	2,148
Contract labor	4,000	4,000	4,721	721
General supplies and materials	2,500	2,500	3,959	1,459
Energy	20,200	20,200	18,565	(1,635)
Dues and fees	0	0	0	0
Capital outlays	2,500	2,500	1,500	(1,000)
Total fire	523,800	523,800	493,911	(29,889)
Animal Control -				
Personal services-salaries and wages	28,000	28,000	-	(28,000)
Group insurance	7,000	7,000	0	(7,000)
Social security and medicare contributions	1,600	1,600	0	(1,600)
Retirement contributions	1,600	1,600	0	(1,600)
Workers' compensation	4,000	4,000	0	(4,000)
Technical services	2,500	2,500	2,682	182
Repairs and maintenance	3,200	3,200	0	(3,200)
Insurance, other than employee benefits	1,700	1,700	0	(1,700)
Travel	300	300	0	(300)
General supplies and materials	1,500	1,500	785	(715)
Rentals - uniforms	1,000	1,000	0	(1,000)
Energy	6,700	6,700	0	(6,700)
Capital Outlay	0	0	0	0
Other supplies	4,000	4,000	0	(4,000)
Total Animal control	63,100	63,100	3,467	(59,633)
E911-				
Services	106,000	106,000	124,948	18,948
Total E911	106,000	106,000	124,948	18,948
Total public safety	2,250,600	2,250,600	2,196,493	(54,107)
Public Works:				
Highways and streets -				
Personal services-salaries and wages	376,500	376,500	415,899	39,399
Group insurance	90,948	90,948	94,278	3,330
Social security and medicare contributions	25,000	25,000	35,432	10,432

(Continued on next page)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2017

	Original Budget	Final Budget	Actual	Variance
Retirement contributions	$ 14,200	$ 14,200	$ 14,120	$ (80)
Workers' compensation	27,000	27,000	24,814	(2,186)
Technical services	2,000	2,000	2,122	122
Disposal	310,000	310,000	315,583	5,583
Repairs and maintenance	28,900	28,900	37,326	8,426
Rentals - uniforms	4,500	4,500	5,374	874
Insurance, other than employee benefits	14,000	14,000	16,805	2,805
Communications	1,500	1,500	2,508	1,008
Capital Outlay	25,000	25,000	24,208	(792)
Travel	100	100	234	134
General supplies and materials	4,000	4,000	6,254	2,254
Energy	149,400	149,400	162,039	12,639
Advertising	100	100	315	215
Paved streets	8,000	8,000	9,532	1,532
Total highways and streets	1,081,148	1,081,148	1,166,843	85,695
Solid waste and recycling -				
Closure and post-closure care	30,000	30,000	25,962	(4,038)
Total Solid waste and recycling	30,000	30,000	25,962	(4,038)
Maintenance and shop -				
Personal services-salaries and wages	62,764	62,764	64,451	1,687
Group insurance	13,992	13,992	11,282	(2,710)
Social security and medicare contributions	6,000	6,000	4,786	(1,214)
Retirement contributions	2,300	2,300	2,155	(145)
Workers' compensation	4,000	4,000	3,294	(706)
Technical services	3,000	3,000	2,122	(878)
Repairs and maintenance	3,600	3,600	2,422	(1,178)
Rentals - uniforms	1,000	1,000	994	(6)
Insurance, other than employee benefits	400	400	400	0
Communications	1,000	1,000	1,224	224
General supplies and materials	4,000	4,000	6,387	2,387
Energy	6,750	6,750	5,739	(1,011)
Total maintenance and shop	108,806	108,806	105,256	(3,550)
Total public works	$ 1,219,954	$ 1,219,954	$ 1,298,061	$ 78,107

(Continued on next page)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2017

	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	3,000	3,000	4,395	1,395
General supplies and materials	600	600	469	(131)
Energy	11,700	11,700	8,126	(3,574)
Capital Outlays	0	0	0	0
Supplies	200	200	135	(65)
Professional services	1,000	1,000	0	(1,000)
Total Culture/Recreation	16,500	16,500	13,125	(3,375)
Total Expenditures	$ 4,069,604	$ 4,069,604	$ 4,150,077	$ 80,473

SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCE

NON-MAJOR GOVERNMENTAL FUNDS

City of Ashburn
Ashburn, Georgia

June 30, 2017

	Special Revenue Funds
ASSETS	
Cash In bank	$ 75,549
Due from other governments	0
TOTAL ASSETS	$ 75,549
LIABILITIES AND FUND BALANCE	
Liabilities:	
Cash Overdraft	$ 0
Deferred revenue	0
Total Liabilities	0
Fund Balance:	
Restricted:	
Public Works	5,635
Economic Development	69,403
Capital Projects	0
Public Safety	511
Total Fund Balance	75,549
TOTAL LIABILITES AND FUND BALANCE	$ 75,549

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

NON-MAJOR GOVERNMENTAL FUNDS

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2017
	Special Revenue Funds
Revenues:	
Federal grant	$ 137,636
State grant	50,485
Hotel/motel tax	93,569
Intergovernmental	0
Contributions	0
Total Revenues	$ 281,690
Expenditures:	
General government	$ 86,151
Public works	0
Public safety	5,994
Health/ welfare	55,951
Economic development	95,891
Debt Service:	
Principal	0
Interest	0
Total Expenditures	243,987
Excess (Deficiency) of Revenues Over Expenditures before Non-Operating Expenditures	37,703
Non-Operating Expenditures:	
General fund transfer	(82,020)
Total Non-Operating Expenditures	(82,020)
Excess of Revenues Over Expenditures	(44,317)
FUND BALANCE - July 1, 2016	119,866
FUND BALANCE - June 30, 2017	$ 75,549

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

City of Ashburn
Ashburn, Georgia

June 30, 2017

	Rose Hill Cemetery Fund	Recreation Fund	City Tourism	TE Grant	COPS Grant	Seized Assets	Total
ASSETS							
Cash	$ 5,635	$ 50,485	$ 18,918	$ 0	$ 0	$ 511	$ 75,549
Due from other governments	0	0	0	0	0	0	0
TOTAL ASSETS	$ 5,635	$ 50,485	$ 18,918	$ 0	$ 0	$ 511	$ 75,549
LIABILITIES AND FUND BALANCE							
Liabilities:							
Cash Overdraft	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
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	0
Fund Balance:							
Fund balance - restricted	5,635	50,485	18,918	0	0	511	75,549
Total Fund Balance	5,635	50,485	18,918	0	0	511	75,549
TOTAL LIABILITIES AND FUND BALANCE	$ 5,635	$ 50,485	$ 18,918	$ 0	$ 0	$ 511	$ 75,549

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE-SPECIAL REVENUE FUNDS

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2017

Program Activity	Rose Hill Cemetary Fund	Hotel Motel Tax	City Tourism	Nutrition Program	LMIG	COPS Grant	Local Assistance Grants	Seized Assets	Total
Revenues:									
Hotel / motel taxes	$ 0	$ 93,569	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 93,569
Federal government grants	0	0	17,448	55,951	0	64,237		0	137,636
State government grants	0	0	0	0	77,719	0	50,485	0	128,204
Contributions from private sources	0	0	0	0	0	0	0	0	0
Total Revenues	0	93,569	17,448	55,951	77,719	64,237	50,485	0	359,409
Expenditures:									
Personal services-salaries and wages	$ 0	$ 0	$ 0	$ 28,498		$ 0	$ 0	$ 0	$ 28,498
SS and medicare contributions	0	0	0	2,105		0	0	0	2,105
Insurance	0	0	0	7,178		0	0	0	7,178
Economic Development	0	17,448	0	0		0	0	0	17,448
Capital outlays	0	0	0	0		0	0	0	0
Tourism	0	52,344	19,229	0		0	0	0	71,573
Program administration	0	0	0	18,170	77,719	5,994	0	0	101,883
Total Expenditures	0	69,792	19,229	55,951	77,719	5,994	0	0	228,685

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE-SPECIAL REVENUE FUNDS

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2017

Program Activity	Rose Hill Cemetary Fund	Hotel Motel Tax	City Tourism	Nutrition Program	LMIG	COPS Grant	Local Assistance Grants	Seized Assets	Total
Excess of Revenues Over Expenditures before Transfers	$ 0	$ 23,777	$ (1,781)	$ 0	$ 0	$ 58,243	$ 50,485	$ 0	$ 130,724
Transfer out	0	(23,777)	0	0	0	(58,243)	0	0	(82,020)
Net Transfers	0	(23,777)	0	0	0	(58,243)	0	0	(82,020)
Excess of Revenues Over Expenditures after Transfers	0	0	(1,781)	0	0	0	50,485	0	$ 48,704
FUND BALANCE - July 1, 2016	5,635	0	20,699	0	0	0	0	511	26,845
FUND BALANCE - June 30, 2017	$ 5,635	$ 0	$ 18,918	$ 0	$ 0	$ 0	$ 50,485	$ 511	$ 75,549

SCHEDULE OF NET POSITION

WATER AND SEWER FUND

City of Ashburn
Ashburn, Georgia

ASSETS

Current Assets:		
Cash and Certificate of Deposit	$ 8,219	
Cash - Series 2012 Capital Improvement Account	56,604	
Cash - Series 2012 Reserve Account	354,290	
Cash - Series 2012 Sinking Fund Account	284,692	
Accounts receivable (net of allowance for uncollectibles of 2,800)	131,205	
Inventories-materials and supplies	15,202	
Prepaid items	9,834	
Total Current Assets		$ 860,046
Capital Assets:		
Sites	15,850	
Construction in Progress	0	
Site improvements	493,854	
Buildings	215,383	
Machinery and equipment	1,353,955	
Water and sewer system	11,077,580	
	13,156,622	
Less Accumulated Depreciation	(5,728,092)	
Capital Assets - Net		7,428,531
TOTAL ASSETS		$ 8,288,577

SCHEDULE OF NET POSITION

WATER AND SEWER FUND

		June 30, 2017
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts payable	$ 5,429	
Salaries and wages payable	17,999	
Notes payable-current	210,000	
Consumers' deposits payable	119,925	
Total Current Liabilities		$ 353,353
Non-current Liabilities:		
Notes payable-non-current	5,597,888	
Total Non-current Liabilities		5,597,888
Total Liabilities		5,951,241
Net Position:		
Net investment in capital assets	1,620,643	
Restricted for debt retirement	9,000	
Unrestricted	707,693	
Total Net Position		2,337,336
TOTAL LIABILITIES AND NET POSITION		$ 8,288,577

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET POSITION - WATER AND SEWER FUND

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2017
Operating Revenues:	
Water charges	$ 733,792
Sewer charges	779,881
Total Operating Revenues	1,513,673
Operating Expenses:	
Personal services-salaries and wages	214,407
Group insurance	43,075
Social security and medicare contributions	15,666
Retirement	6,500
Retirement contributions	255
Workers' compensation	7,415
Professional services	1,445
Technical services	11,339
Repairs and maintenance	49,704
Rental of uniforms	1,994
Insurance, other than employee benefits	23,930
Communications	3,556
Travel	1,688
Gas and Oil	9,203
General supplies and materials	39,480
Utilities	61,526
Other supplies	2,080
Waste Management Services	530,888
Depreciation	193,864
Total Operating Expenses	1,218,015
Operating Income	295,658

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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, 2017
Non-Operating Revenues (Expenses):	
Interest revenue	$ 1,110
Interest Subsidy GEFA Loan Forgiveness	-
Interest expense	(135,919)
Total Non-Operating Revenues (Expenses)	(134,809)
Change in Net Position	160,849
NET POSITION - July 1, 2016	2,176,487
NET POSITION - June 30, 2017	$ 2,337,336

SCHEDULE OF CASH FLOWS

WATER AND SEWER FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2017

		Enterprise Funds
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 1,513,673	
Cash Payments for Goods and Services	(739,206)	
Cash Payments to Employees	(279,903)	
Net Cash Provided by Operating Activities		$ 494,564
Cash Flows from Capital and Related Financing Activities:		
Purchase of Capital Assets	(142,623)	
Interest Paid	(135,919)	
Net Cash Used by Capital and Related Financing Activities		(278,542)
Cash Flows from Investing Activities:		
Paying Agent Fees	0	
Payment on Long Term Debt	(205,000)	
Interest on Investments	1,110	
Net Cash Provided by Investing Activities		(203,890)
Net Increase in Cash and Restricted Cash		12,132
CASH AND RESTRICTED CASH - July 1, 2016		691,673
CASH AND RESTRICTED CASH - June 30, 2017		$ 703,805

SCHEDULE OF CASH FLOWS

WATER AND SEWER FUND

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2017
	Enterprise Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	$ 295,658
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	193,864
Amortization	
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(4,664)
(Increase) Decrease in Inventories	(124)
(Increase) Decrease in Prepaid Items	(551)
Increase (Decrease) in Accounts Payable	(875)
Increase (Decrease) in Salaries and Wages Payable	4,179
Increase (Decrease) in Customers' Deposits	7,077
Change in Assets and Liabilities	5,042
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 494,564

SCHEDULE OF NET POSITION

GAS FUND

City of Ashburn
Ashburn, Georgia

ASSETS

Current Assets:		
Cash	$ 1,191,958	
Accounts receivable		
(net of allowance for uncollectibles of 2,000)	52,906	
Inventories-materials and supplies	100,595	
Prepaid items	11,469	
Total Current Assets		$ 1,356,928
Capital Assets:		
Sites	8,750	
Lp tanks	100,096	
Buildings	104,551	
Machinery and equipment	405,346	
Natural gas system	981,059	
	1,599,802	
Less Accumulated Depreciation	(901,012)	
Capital Assets - Net		698,790
Total Assets		$ 2,055,718

SCHEDULE OF NET POSITION

GAS FUND

		June 30, 2017
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts payable	$ 11,721	
Salaries and wages payable	10,598	
Sales tax payable	7,460	
Current Portion Long Term Debt	66,677	
Consumers' deposits payable	39,460	
Total Current Liabilities		$ 135,916
Long Term Debt, net of current portion		511,587
Total Liabilities		647,503
Net Position:		
Invested in capital assets, net of related debt	496,197	
Unrestricted	912,018	
Total Net Position		1,408,215
TOTAL LIABILITIES AND NET POSITION		$ 2,055,718

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET POSITION - GAS FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2017

Operating Revenues:	Gas	Propane	Total
Gas charges	$ 524,255	$ 260,175	$ 784,430
Other	36,053	14,893	50,946
Total Operating Revenues	560,308	275,068	835,376
Operating Expenses:			
Personal services-salaries and wages	153,432	68,961	222,393
Group insurance	21,653	7,260	28,913
Social security and medicare contributions	11,436	5,086	16,522
Retirement	7,750	7,500	15,250
Retirement contributions	0	0	0
Workers' compensation	6,664	4,000	10,664
Professional and technical services	8,707	7,333	16,040
Repairs and maintenance	9,594	13,494	23,088
Rental of uniforms	791	650	1,441
Insurance, other than employee benefits	16,133	10,805	26,938
Communications	1,375	1,126	2,501
Advertising	225	225	450
Travel	4,566	48	4,614
General supplies and materials	7,865	4,775	12,640
Gas and oil	7,821	0	7,821
Utilities	5,483	859	6,342
Inventory purchased for resale	179,815	89,125	268,940
Miscellaneous	1,126	1,449	2,575
Depreciation	4,882	0	4,882
Total Operating Expenses	449,318	222,696	672,014
Operating Income	110,990	52,372	163,362

(Continued on next page)

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET POSITION - GAS FUND

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2017
Non-Operating Revenues (Expenses):	
Interest revenues	$ 1,087
Transfer to General Fund	-
Change in Net Position	164,449
NET POSITION - July 1, 2016	1,243,766
NET POSITION - June 30, 2017	$ 1,408,215

SCHEDULE OF CASH FLOWS

GAS FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2017

		Enterprise Funds
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 835,376	
Cash Payments for Goods and Services	(488,688)	
Cash Payments to Employees	(178,230)	
Net Cash Provided by Operating Activities		$ 168,458
Cash Flows from Investing Activities:		
Interest on Investments	1,087	
Net Cash Provided by Investing Activities		1,087
Cash Flows from Financing Activities:		
Transfer to General Fund	0	
Net Cash Used by Financing Activities		0
Net Increase in Cash		169,545
CASH - July 1, 2016		1,023,139
CASH - June 30, 2017		$ 1,192,684

SCHEDULE OF CASH FLOWS

GAS FUND

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2017

	Enterprise Funds
Reconciliation of Operating Income to	
Net Cash Provided by Operating Activities:	
Operating Income	$ 163,362
Adjustments to Reconcile Operating Income	
to Net Cash Provided by Operating Activities	
Depreciation	4,882
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(1,212)
(Increase) Decrease in Inventories	(703)
(Increase) Decrease in Prepaid Items	(23)
Increase (Decrease) in Accounts Payable	655
Increase (Decrease) in Salaries and Wages Payable	1,612
Increase (Decrease) in Sales Tax Payable	239
Increase (Decrease) in Customers' Deposits	(355)
Change in Assets and Liabilities	0
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 168,458

SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUND

City of Ashburn
Ashburn, Georgia — June 30, 2017

	Pending Fund
Additions:	
Increase to agency funds	$ 33,088
Deductions:	
Disbursement from agency fund	0
Net Increase	33,088
Due to Court - July 1, 2016	3,284
Due to Court - June 30, 2017	$ 36,372

SCHEDULE OF NET POSITION

DOWNTOWN DEVELOPMENT AUTHORITY

City of Ashburn
Ashburn, Georgia — June 30, 2017

ASSETS

Current Assets:		
Cash	$ 65,392	
Inventory	0	
Total Current Assets		65,392
Property, Plant, and Equipment:		
Banners and Flagpole	19,502	
City Park	90,758	
Less Accumulated Depreciation	(40,619)	
		69,641
TOTAL ASSETS		$ 135,033

LIABILITIES AND NET POSITION

Current Liabilities:	
Current Portion Long Term Debt	$ 0
Long Term Debt, net of current	0
TOTAL LIABILITIES	-
Net Position:	
Unrestricted	135,033
Total Net Position	135,033
TOTAL LIABILITIES AND NET POSTION	$ 135,033

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

NET POSITION - DOWNTOWN DEVELOPMENT AUTHORITY

City of Ashburn Ashburn, Georgia	Year Ended June 30, 2017
Operating Revenues:	
Intergovernmental	$ 29,594
Total Operating Revenues	29,594
Operating Expenses:	
Interest	0
Depreciation	10,309
Repairs	8,548
Utilities	3,190
Total Operating Expenses	22,047
Change in Net Position	7,547
NET POSITION - July 1, 2016	127,486
NET POSITION- June 30, 2017	$ 135,033

SCHEDULE OF CASH FLOWS

DOWNTOWN DEVELOPMENT AUTHORITY

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2017

Cash Flows from Operating Activities:		
Intergovernmental cash received	29,594	
Cash Payments for Goods and Services	(17,047)	
Net Cash Provided by Operating Activities		$ 12,547
Cash Flows from Capital and Related Financing Activities:		
Purchase of Property, Plant, and Equipment	0	
Principal Paid on Note	0	
Net Cash Used by Capital and Related Financing Activities		0
Net Increase in Cash		12,547
CASH - July 1, 2016		52,845
CASH - June 30, 2017		$ 65,392
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities:		
Adjustments to Reconcile Operating Income		
to Net Cash Provided by Operating Activities		
Depreciation		$ 10,309
Net Cash Provided by Operating Activities:		
Operating Income		7,547
Adjustments to Reconcile Operating Income		
to Net Cash Provided by Operating Activities		
Changes in Assets and Liabilities:		
(Increase) Decrease in Inventories	(5,309)	
Change in Assets and Liabilities		(5,309)
NET CASH PROVIDED BY OPERATING ACTIVITIES		$ 12,547

HERRING

CPA GROUP, P.C.

Certified Public Accountants & Consultants

GERALD N. HERRING, JR.,C.P.A.
CHARLES W. POWELL, III, C.P.A.
DAVID DEARISO, C.P.A.
TONY QUINNEY,C.P.A.
JAMES H. HERRING,C.P.A.
JANE L. GRAY, C.P.A.
BRANDON N. MONTGOMERY, C.P.A.

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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, 2017, 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 October 6, 2017

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 2017-1.

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.
Sylvester, Georgia
October 6, 2017

SCHEDULE OF FINDINGS AND RESPONSES

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2017

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

2017-1 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.

2017-2 FINDING **Expenditures exceed budget**

Criteria: Expenditures should not exceed budgeted amounts

Condition: Several departments expenditures exceeded budgeted amounts.

Effect: This action can result in the City not planning appropriately for expenditures

Recommendation: The City Council should review expenditures and adjust the budget accordingly.

Management's Response: We concur with the recommendation. We will monitor more closely expenditures.

SCHEDULE OF PROJECTS USING SPECIAL

PURPOSE LOCAL OPTION SALES TAX PROCEEDS

City of Ashburn
Ashburn, Georgia

Year Ended
June 30, 2017

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	$ 235,766	$ 72,000	$ 307,766	100%
b) Water, Sewage and Drainage	150,120	150,120	133,984	15,000	148,984	99%
c) Construction, Expansion and Equipping of and Improvements to City Buildings and Facilities	550,260	550,260	240,828	247,489	488,317	89%
d) Contruction, improvements, and equipping of City of Ashburn Park facilities	150,120	150,120	67,371	61,682	129,053	86%
e) Rolling Stock and Capital Equipment	839,700	839,700	522,873	121,308	644,181	77%
TOTAL	$ 1,998,000	$ 1,998,000	$ 1,200,822	$ 517,479	$ 1,718,301	86%