CITY OF ASHBURN, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

CITY OF ASHBURN, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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CITY OF ASHBURN, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the City Council
City of Ashburn, Georgia
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** (the "City"), as of and for the year ended June 30, 2021, 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 principles 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 as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities,* as of July 1, 2020. This standard significantly changed the accounting for the City's activities previously reported as agency funds. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the City's Net Pension Liability and Related Ratios on page 46 and the Schedule of City Contributions on page 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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 the 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's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2021, on our consideration of the City'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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 the City of Ashburn, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 30, 2021

CITY OF ASHBURN, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Cash and cash equivalents	$ 979,868	$ 1,073,744	$ 2,053,612	$ 89,288
Investments	-	606,711	606,711	-
Taxes receivable	62,148	-	62,148	-
Accounts receivable, net of allowances	59,610	193,249	252,859	-
Due from other governments	63,715	-	63,715	1,709
Inventories	-	134,738	134,738	-
Prepaid expenses	21,143	10,782	31,925	-
Restricted assets:				
Cash and cash equivalents	-	680,801	680,801	-
Note receivable	-	-	-	42,000
Capital assets:				
Nondepreciable	1,181,763	24,600	1,206,363	46,956
Depreciable, net of accumulated depreciation	3,023,820	8,446,288	11,470,108	20,929
Total assets	5,392,067	11,170,913	16,562,980	200,882
DEFERRED OUTFLOWS OF RESOURCES				
Pension	174,418	38,110	212,528	-
LIABILITIES				
Accounts payable	405,040	12,442	417,482	-
Accrued liabilities	25,702	73,768	99,470	-
Customer deposits	19,755	160,615	180,370	-
Compensated absences	36,951	9,603	46,554	-
Financed purchases due within one year	165,340	86,242	251,582	-
Financed purchases due in more than one year	965,432	172,253	1,137,685	-
Note payable due within one year	-	74,629	74,629	1,021
Note payable due in more than one year	-	1,259,105	1,259,105	39,815
Bonds payable due within one year	-	240,000	240,000	-
Bonds payable due in more than one year	-	3,194,389	3,194,389	-
Net pension liability	361,662	79,134	440,796	-
Total liabilities	1,979,882	5,362,180	7,342,062	40,836
DEFERRED INFLOWS OF RESOURCES				
Pension	64,372	14,366	78,738	-
NET POSITION				
Net investment in capital assets	3,074,811	3,444,270	6,519,081	67,885
Restricted				
State nutrition program	11,562	-	11,562	-
Promotion of tourism	22,184	-	22,184	-
Law enforcement purposes	28,057	-	28,057	-
Capital projects	533,320	-	533,320	-
Unrestricted	(147,703)	2,388,207	2,240,504	92,161
Total net position	$ 3,522,231	$ 5,832,477	$ 9,354,708	$ 160,046

The accompanying notes are an integral part of these financial statements.

CITY OF ASHBURN, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Business-type Activities	Net (Expenses) Revenues and Changes in Net Position: Total	Component Unit: Downtown Development Authority
Primary government								
Governmental activities:								
General government	$ 574,882	$ 991,491	$ -	$ 62,054	$ 478,663	$ -	$ 478,663	$ -
Public works	1,592,041	-	-	714,193	(877,848)	-	(877,848)	-
Public safety	2,243,795	1,186,150	-	-	(1,057,645)	-	(1,057,645)	-
Community development	240,814	-	183,390	-	(57,424)	-	(57,424)	-
Health and welfare	52,422	-	-	-	(52,422)	-	(52,422)	-
Culture and recreation	15,843	-	-	-	(15,843)	-	(15,843)	-
Interest on long-term debt	31,255	-	-	-	(31,255)	-	(31,255)	-
Total governmental activities	4,751,052	2,177,641	183,390	776,247	(1,613,774)	-	(1,613,774)	-
Business-type activities:								
Water and sewer	1,476,988	1,468,115	-	-	-	(8,873)	(8,873)	-
Natural gas	847,951	1,195,599	-	150,919	-	498,567	498,567	-
Total business-type activities	2,324,939	2,663,714	-	150,919	-	489,694	489,694	-
Total primary government	$ 7,075,991	$ 4,841,355	$ 183,390	$ 927,166	(1,613,774)	489,694	(1,124,080)	-
Component unit								
Downtown Development Authority	$ 4,137	$ -	$ 20,289	$ -	-	-	-	16,152
Total component unit	$ 4,137	$ -	$ 20,289	$ -	-	-	-	16,152
General revenues:								
Property taxes					767,143	-	767,143	-
Sales taxes					264,858	-	264,858	-
Alcoholic beverage taxes					76,560	-	76,560	-
Franchise taxes					250,558	-	250,558	-
Hotel taxes					76,797	-	76,797	-
Other taxes					338,950	-	338,950	-
Unrestricted investment earnings					30,886	336	31,222	-
Total general revenues					1,805,752	336	1,806,088	-
Change in net position					191,978	490,030	682,008	16,152
Net position, beginning of year					3,330,253	5,342,447	8,672,700	143,894
Net position, end of year					$ 3,522,231	$ 5,832,477	$ 9,354,708	$ 160,046

The accompanying notes are an integral part of these financial statements.

CITY OF ASHBURN, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 422,584	$ 557,284	$ 979,868
Taxes receivable	53,033	9,115	62,148
Accounts receivable	59,610	-	59,610
Due from other governments	23,163	40,552	63,715
Prepaid expenditures	21,143	-	21,143
Total assets	$ 579,533	$ 606,951	$ 1,186,484
LIABILITIES			
Accounts payable	$ 393,405	$ 11,635	$ 405,040
Customer deposits payable	19,755	-	19,755
Accrued liabilities	25,509	193	25,702
Total liabilities	438,669	11,828	450,497
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	41,470	-	41,470
Total deferred inflows of resources	41,470	-	41,470
FUND BALANCES			
Fund balances:			
Nonspendable:			
Prepaid expenditures	21,143	-	21,143
Restricted for:			
State nutrition program	-	11,562	11,562
Promotion of tourism	-	22,184	22,184
Law enforcement purposes	-	28,057	28,057
Capital projects	-	533,320	533,320
Unassigned	78,251	-	78,251
Total fund balances	99,394	595,123	694,517
Total liabilities, deferred inflows of resources, and fund balances	$ 579,533	$ 606,951	

Amounts 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.	4,205,583
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	41,470
Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. These deferred outflows of resources consist of contributions made subsequent to the measurement date, differences between projected and actual earnings on plan investments, and experience differences.	174,418
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(1,529,385)
Deferred inflows of resources are not available to pay for current expenditures and, therefore, are not reported in the funds. These deferred inflows of resources consist of pension related assumption changes and experience differences.	(64,372)
Net position of governmental activities	$ 3,522,231

The accompanying notes are an integral part of these financial statements.

CITY OF ASHBURN, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Taxes	$ 1,656,599	$ 76,797	$ 1,733,396
Licenses and permits	45,260	-	45,260
Intergovernmental	204,342	571,905	776,247
Charges for services	755,776	-	755,776
Fines and forfeitures	1,186,150	-	1,186,150
Interest and penalties	607	30,279	30,886
Other revenues	190,455	183,390	373,845
Total revenues	4,039,189	862,371	4,901,560
Expenditures			
Current:			
General government	1,477,884	-	1,477,884
Public works	1,241,304	-	1,241,304
Public safety	2,293,987	3,374	2,297,361
Community development	9,878	230,936	240,814
Health and welfare	-	52,422	52,422
Debt service:			
Principal retirement	-	194,784	194,784
Interest and fiscal charges	-	31,255	31,255
Capital outlay	-	288,652	288,652
Total expenditures	5,023,053	801,423	5,824,476
Excess (deficiency) of revenues over (under) expenditures	(983,864)	60,948	(922,916)
Other financing sources (uses)			
Financed purchases	339,474	-	339,474
Transfers in	27,260	14,400	41,660
Transfers out	-	(41,660)	(41,660)
Total other financing sources (uses), net	366,734	(27,260)	339,474
Net change in fund balances	(617,130)	33,688	(583,442)
Fund balances, beginning of year	716,524	561,435	1,277,959
Fund balances, end of year	$ 99,394	$ 595,123	$ 694,517

The accompanying notes are an integral part of these financial statements.

CITY OF ASHBURN, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(583,442)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays differed from depreciation in the current period.		851,358
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes		41,470
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		(144,690)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		27,282
	$	191,978

The accompanying notes are an integral part of these financial statements.

CITY OF ASHBURN, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes	$ 1,609,000	$ 1,609,000	$ 1,656,599	$ 47,599
Licenses and permits	40,400	40,400	45,260	4,860
Intergovernmental	-	-	204,342	204,342
Charges for services	765,842	765,842	755,776	(10,066)
Fines and forfeitures	1,400,000	1,400,000	1,186,150	(213,850)
Interest and penalties	7,500	7,500	607	(6,893)
Other revenues	92,000	92,000	190,455	98,455
Total revenues	3,914,742	3,914,742	4,039,189	124,447
Expenditures				
Current:				
General government	602,300	602,300	1,477,884	(875,584)
Public works	1,197,900	1,197,900	1,241,304	(43,404)
Public safety:				
Police	1,698,750	1,698,750	1,696,695	2,055
Fire	458,700	458,700	472,344	(13,644)
E-911	124,950	124,950	124,948	2
Total public safety	2,282,400	2,282,400	2,293,987	(11,587)
Community development	-	-	9,878	(9,878)
Total expenditures	4,082,600	4,082,600	5,023,053	(940,453)
Deficiency of revenues under expenditures	(167,858)	(167,858)	(983,864)	(816,006)
Other financing sources (uses)				
Transfers in	124,000	124,000	27,260	(96,740)
Financed purchases	-	-	339,474	339,474
Total other financing sources, net	124,000	124,000	366,734	242,734
Net change in fund balances	(43,858)	(43,858)	(617,130)	(573,272)
Fund balance, beginning of year	716,524	716,524	716,524	-
Fund balance, end of year	$ 672,666	$ 672,666	$ 99,394	$ (573,272)

The accompanying notes are an integral part of these financial statements.

CITY OF ASHBURN, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Water and Sewer	Natural Gas	Totals
CURRENT ASSETS			
Cash	$ 41,046	$ 1,032,698	$ 1,073,744
Investments	-	606,711	606,711
Accounts receivable (net of allowance for uncollectibles)	127,363	65,886	193,249
Inventory	50,644	84,094	134,738
Prepaid expenses	5,797	4,985	10,782
Restricted assets:			
Cash	680,801	-	680,801
Total current assets	905,651	1,794,374	2,700,025
NON-CURRENT ASSETS			
Capital assets, at cost			
Land	15,850	8,750	24,600
Buildings	213,454	104,551	318,005
Infrastructure	10,797,867	981,059	11,778,926
Machinery and equipment	3,085,021	671,861	3,756,882
Furniture and fixtures	1,929	-	1,929
	14,114,121	1,766,221	15,880,342
Less accumulated depreciation	6,435,357	974,097	7,409,454
Total capital assets	7,678,764	792,124	8,470,888
Total non-current assets	7,678,764	792,124	8,470,888
Total assets	8,584,415	2,586,498	11,170,913
DEFERRED OUTFLOWS OF RESOURCES			
Pension	18,198	19,912	38,110
CURRENT LIABILITIES			
Payable from current assets:			
Accounts payable	11,888	554	12,442
Accrued other expenses	60,768	13,000	73,768
Accrued vacation	2,517	7,086	9,603
Current portion of note payable	74,629	-	74,629
Current portion of financed purchases	-	86,242	86,242
Customer deposits	124,417	36,198	160,615
Total	274,219	143,080	417,299
Payable from restricted assets:			
Current portion of revenue bonds	240,000	-	240,000
Total	240,000	-	240,000
Total current liabilities	514,219	143,080	657,299
NON-CURRENT LIABILITIES			
Net pension liability	38,028	41,106	79,134
Revenue bonds payable - non-current	3,194,389	-	3,194,389
Notes payable - non-current	1,259,105	-	1,259,105
Financed purchases	-	172,253	172,253
Total non-current liabilities	4,491,522	213,359	4,704,881
Total liabilities	5,005,741	356,439	5,362,180
DEFERRED INFLOWS OF RESOURCES			
Pension	8,210	6,156	14,366
NET POSITION			
Investment in capital assets	2,910,641	533,629	3,444,270
Unrestricted	678,021	1,710,186	2,388,207
Total net position	$ 3,588,662	$ 2,243,815	$ 5,832,477

The accompanying notes are an integral part of these financial statements.

CITY OF ASHBURN, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Water and Sewer	Natural Gas	Totals
Operating revenues			
Charges for services	$ 1,432,187	$ 1,195,599	$ 2,627,786
Miscellaneous income	35,928	-	35,928
Total operating revenues	1,468,115	1,195,599	2,663,714
Operating expenses			
Natural gas purchases	-	395,193	395,193
Production	168,303	-	168,303
Distribution	273,288	423,843	697,131
Waste Management Services	639,841	-	639,841
Depreciation	261,124	17,988	279,112
Total operating expenses	1,342,556	837,024	2,179,580
Operating income	125,559	358,575	484,134
Non-operating revenues (expenses)			
Interest revenue	173	163	336
Interest expense and amortization	(134,432)	(10,927)	(145,359)
Total non-operating revenues (expenses)	(134,259)	(10,764)	(145,023)
Income before contributions	(8,700)	347,811	339,111
Capital contributions	-	150,919	150,919
Change in net position	(8,700)	498,730	490,030
Net position, beginning of year	3,597,362	1,745,085	5,342,447
Net position, end of year	$ 3,588,662	$ 2,243,815	$ 5,832,477

The accompanying notes are an integral part of these financial statements.

CITY OF ASHBURN, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Water and Sewer	Natural Gas	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers, including deposits	$ 1,472,809	$ 1,224,553	$ 2,697,362
Cash payments to:			
Suppliers and vendors	(908,840)	(470,924)	(1,379,764)
Employees	(169,196)	(273,387)	(442,583)
Net cash provided by operating activities	394,773	480,242	875,015
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Retirement of bonds	(231,616)	-	(231,616)
Interest paid	(136,656)	(10,927)	(147,583)
Principal payments on financed purchases	-	(83,571)	(83,571)
Principal payments on notes payable	(36,686)	-	(36,686)
Net cash used in capital and related financing activities	(404,958)	(94,498)	(499,456)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	-	(490)	(490)
Interest received	173	163	336
Net cash provided by (used in) investing activities	173	(327)	(154)
Net increase (decrease) in cash	(10,012)	385,417	375,405
Cash and cash equivalents, July 1	731,859	647,281	1,379,140
Cash and cash equivalents, June 30	$ 721,847	$ 1,032,698	$ 1,754,545
Classified as:			
Cash	$ 41,046	$ 1,032,698	$ 1,073,744
Restricted assets:			
Cash	680,801	-	680,801
	$ 721,847	$ 1,032,698	$ 1,754,545

(Continued)

CITY OF ASHBURN, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Water and Sewer	Natural Gas	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	$ 125,559	$ 358,575	$ 484,134
Depreciation	261,124	17,988	279,112
Changes in assets and liabilities:			
Decrease in accounts receivable	4,694	27,416	32,110
Decrease in due from other funds	-	74,875	74,875
Increase in inventory	(9,460)	-	(9,460)
Increase in deferred outflows of resources	(1,015)	(1,451)	(2,466)
Increase in vouchers payable	9,962	2	9,964
Increase in customer deposits	3,787	1,538	5,325
Increase in accrued expenses	-	1,126	1,126
Increase in net pension liability	1,469	2,098	3,567
Decrease in deferred inflows of resources	(1,347)	(1,925)	(3,272)
Net cash provided by operating activities	$ 394,773	$ 480,242	$ 875,015
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Capital contributions	$ -	$ 150,919	$ 150,919
Net noncash investing, capital, and financing activities	$ -	$ 150,919	$ 150,919

CITY OF ASHBURN, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
JUNE 30, 2021

	Pending Fund
ASSETS	
Cash	$ 19,469
NET POSITION	
Restricted for individuals, organizations, and other governments	$ 19,469

The accompanying notes are an integral part of these financial statements.

CITY OF ASHBURN, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021

	Pending Fund
ADDITIONS	
Interest	$ 6
Change in net position	6
Net position, beginning of the year, as restated	19,463
Net position, end of the year	$ 19,469

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Ashburn, Georgia (the "City") have been prepared in conformity with generally accepted accounting principles in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB"), is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City 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 and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, community development, culture-recreation, public improvements, codes and engineering, water and sewer, and natural gas.

The accompanying financial statements present the City and its component unit, entities for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

The **Downtown Development Authority (the "Authority")** has been included as a discretely presented component unit in the accompanying financial statements. The component unit is included in the City's reporting entity because of the significance of their operational financial relationship with the City. The Authority was established to encourage growth and development in downtown Ashburn. Its governing board is appointed by the City and has assumed financial responsibility for its operations. The Authority's financial data is discretely presented in these financial statements. The Authority does not issue stand-alone financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Government-wide financial statements do not provide information by fund or account group, but distinguish between the City's governmental activities and business-type activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the discretely presented component unit.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not considered program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resource measurement focus* and the *accrual basis of accounting,* as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.*

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The format of the fund financial statements has been modified by GASB Statement No. 34. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 also requires, as required supplementary information, Management's Discussion and Analysis which includes an analytical overview of the City's financial activity.

The City reports the following major governmental funds:

The ***General Fund*** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

The ***Water and Sewer Fund*** accounts for the operation, maintenance, and development of the City's water services.

The ***Natural Gas Fund*** accounts for the operation, maintenance, and development of the City's gas services.

The City also reports the following fund types:

The ***Special Revenue Funds*** account for specific revenues that are legally restricted to expenditures for particular purposes.

The ***Custodial Fund*** accounts for the collection and disbursement of monies by the City on behalf of the courts that the police have confiscated and do not have legal authority to spend.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets

Budgets are adopted on a basis consistent with GAAP, 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.

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 in the subsequent year.

E. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. State statutes authorize the primary government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the Local Government Investment Pool of the State of Georgia ("Georgia Fund 1"). Georgia Fund 1 was created under the Official Code of Georgia Annotated ("O.C.G.A.") §36-83-8 and is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the City's investment in the Georgia Fund 1 is reported at fair value.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the Water and Sewer Fund are recognized at the end of each fiscal year on a pro rata basis. The estimated amount is based on billings during the month following the close of the fiscal year.

G. Inventories and Prepaid Items

Inventories consist of expendable supplies and items acquired for infrastructure repair and maintenance or for possible future expansion. Inventories in governmental funds are stated at average cost. Proprietary funds' inventories are stated at lower of average cost or market. The consumption method is used to account for inventories. Under the consumption method, budgetary authority is slated and expenditures are recorded in terms of authority to use or consume inventory items. Reported inventories are equally offset by a fund balance reserve in the fund financial statements.

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items in both the government-wide and fund financial statements.

H. Restricted Assets

Proprietary funds, based on certain bond covenants, are required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. All purchased capital assets are recorded at historical cost where historical records are available and at estimated cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

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

Assets	Years
Infrastructure	30
Buildings and improvements	50 – 100
Vehicles	2 – 15
Office equipment	3 – 15
Computer equipment	3 – 15
Fire equipment	10 – 35
Utility system addition	50 – 100

J. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. These items relate to the City's Retirement Plan and are reported in the government-wide and proprietary fund statements of net position. Contributions made by the City to the pension plan before year-end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources. Experience gains or losses result from periodic studies by the City's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. Changes in actuarial assumptions, which adjust the net pension liability, are also recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category, one of which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property and sales taxes, utilities, and miscellaneous items and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The other items relate to the City's retirement plan and are reported in the government-wide and proprietary statements of net position. Experience gains or losses result from periodic studies by the City's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. The net difference between projected and actual earnings on pension plan investments is deferred and amortized against pension expense over a five-year period, resulting in recognition as a deferred inflow of resources.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the City of Ashburn Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

Fund Balance (Continued) –

Fund balances are classified as follows:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash), or b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City has not adopted a policy giving specific parties the power to assign fund balance. The only assigned fund balances are those mandated by GASB pronouncements.

- ***Unassigned*** – Fund balances are reported as unassigned when balances do not meet any of the above criterion.

Flow Assumptions – 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:

- Committed
- Assigned
- Unassigned

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Management Estimates

The preparation of financial statements in conformity with GAAP in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of this difference are as follows:

Financed purchases from direct borrowings	$ (1,130,772)
Compensated absences	(36,951)
Net pension liability	(361,662)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (1,529,385)

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	$	1,074,535
Depreciation expense		(223,177)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	851,358

Another element of that reconciliation explains that "The issuance of long-term debt provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position." The details of this difference are as follows:

Proceeds from debt - financed purchases	$	(339,474)
Principal repayments		194,784
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	(144,690)

Another element of that reconciliation explains that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this difference are as follows:

Compensated absences	$	16,669
Pension expense		10,613
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	27,282

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City follows these procedures in establishing the budgetary data in the financial statements:

1. Prior to July 1, the City Manager submits to the Mayor and Council a proposed operating and capital improvements budget for the fiscal year commencing July 1. The budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments.

3. Prior to July 1, the budget is legally enacted through passage of a resolution.

4. 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.

5. Budgets for the General, Enterprise, and Special Revenue Funds are adopted on a basis consistent with GAAP in the United States of America, and are presented in accordance with finance-related legal and contractual provisions.

   Budgeted amounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original appropriations.

6. For the year ended June 30, 2021, expenditures exceeded budgeted appropriations, as follows:

Fund or Department	Excess
General Fund:	
General Government	$ 875,584
Public Works:	43,404
Public Safety:	
Police	
Fire	13,644
Community Development	9,878
Public works	43,404

These over-expenditures were funded by under-expenditures in other departments.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2021, are summarized as follows:

As reported in the Statement of Net Position:	
Primary government:	
Cash and cash equivalents	$ 2,053,612
Restricted cash and cash equivalents	680,801
Investments	606,711
Component unit:	
Cash and cash equivalents	89,288
As reported in the Statement of Fiduciary Net Position:	
Custodial fund:	
Cash and cash equivalents	19,469
	$ 3,449,881
Cash deposited with financial institutions	$ 2,843,170
Cash deposited with Georgia Fund 1	606,711
	$ 3,449,881

Credit Risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The local government investment pool, Georgia Fund 1, is operated by the Office of the State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. government or any of its agencies or instrumentalities, bankers' acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in Georgia Fund 1 is valued at fair value. As of June 30, 2021, the investment in Georgia Fund 1 was rated AAAf by Standard & Poor's.

At June 30, 2021, the City had the following investments:

Investments	Maturities	Fair Value
Georgia Fund 1	36-day weighted average	$ 606,711

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2021, the City did not have any balances exposed to custodial credit risk as uninsured and uncollateralized.

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. Additionally, certificates of deposit are not subject to the fair value level disclosures. As a result, the City does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy.

Custodial Credit Risk – Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

NOTE 5. RECEIVABLES

Property taxes attach as an enforceable lien on property as of January 1. Assessed values are 40% of market value and are based on current property value. The property tax levy date is September 15, 2020. The City Clerk opened the books for payment of taxes on October 15, 2020 and they remained open until December 20, 2020. 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.

NOTE 5. RECEIVABLES (CONTINUED)

Property taxes levied for the year ended June 30, 2021, are recorded as receivables, net of estimated uncollectibles. In the governmental funds, the net receivables collected during the year ended June 30, 2021, and expected to be collected by August 31, 2021, are recognized as revenues for the year ended June 30, 2021, whereas, net receivables estimated to be collectible subsequent to August 31, 2021, are recorded as revenue when received. Receivables at June 30, 2021, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Water and Sewer	Natural Gas	Nonmajor Governmental Funds
Receivables:				
Taxes	$ 59,370	$ -	$ -	$ 9,115
Accounts	61,110	130,163	67,886	-
Due from other governments	23,163	-	-	40,552
Gross receivables	143,643	130,163	67,886	49,667
Less allowance for uncollectible	(7,837)	(2,800)	(2,000)	-
Net total receivables	$ 135,806	$ 127,363	$ 65,886	$ 49,667

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021, is as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 237,366	$ -	$ -	$ -	$ 237,366
Construction in progress	52,917	891,480	-	-	944,397
Total	290,283	891,480	-	-	1,181,763
Capital assets, being depreciated:					
Buildings	1,743,605	-	-	-	1,743,605
Infrastructure	1,166,813	-	-	-	1,166,813
Machinery and equipment	1,342,442	82,281	-	-	1,424,723
Vehicles	1,801,207	100,774	(67,705)	-	1,834,276
Total	6,054,067	183,055	(67,705)	-	6,169,417
Less accumulated depreciation for:					
Buildings	392,893	27,101	-	-	419,994
Infrastructure	387,967	23,109	-	-	411,076
Machinery and equipment	817,256	37,297	-	-	854,553
Vehicles	1,392,009	135,670	(67,705)	-	1,459,974
Total	2,990,125	223,177	(67,705)	-	3,145,597
Total capital assets, being depreciated, net	3,063,942	(40,122)	-	-	3,023,820
Governmental activities capital assets, net	$ 3,354,225	$ 851,358	$ -	$ -	$ 4,205,583

NOTE 6. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 24,600	$ -	$ -	$ -	$ 24,600
Total	24,600	-	-	-	24,600
Capital assets, being depreciated:					
Buildings	318,005	-	-	-	318,005
Improvements other than buildings	11,778,926	-	-	-	11,778,926
Machinery and equipment	3,605,963	150,919	-	-	3,756,882
Furniture and fixtures	1,929	-	-	-	1,929
Total	15,704,823	150,919	-	-	15,855,742
Less accumulated depreciation for:					
Buildings	237,764	3,747	-	-	241,511
Improvements other than buildings	5,056,188	219,927	-	-	5,276,115
Machinery and equipment	1,834,461	55,438	-	-	1,889,899
Furniture and fixtures	1,929	-	-	-	1,929
Total	7,130,342	279,112	-	-	7,409,454
Total capital assets, being depreciated, net	8,574,481	(128,193)	-	-	8,446,288
Business-type activities capital assets, net	$ 8,599,081	$ (128,193)	$ -	$ -	$ 8,470,888

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 3,998
Public safety	128,228
Public works	75,108
Culture and recreation	15,843
Total depreciation expense - governmental activities	$ 223,177
Business-type activities:	
Water and sewer	$ 261,124
Natural gas	17,988
Total depreciation expense - business-type activities	$ 279,112

NOTE 6. CAPITAL ASSETS (CONTINUED)

Component Unit

Downtown Development Authority

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 46,956	$ -	$ -	$ -	$ 46,956
Total	46,956	-	-	-	46,956
Capital assets, being depreciated:					
Buildings	29,900	-	-	-	29,900
Total	29,900	-	-	-	29,900
Less accumulated depreciation for:					
Buildings	8,223	748	-	-	8,971
Total	8,223	748	-	-	8,971
Total capital assets, being depreciated, net	21,677	(748)	-	-	20,929
Downtown Development Authority capital assets, net	$ 68,633	$ (748)	$ -	$ -	$ 67,885

NOTE 7. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Financed purchases from direct borrowing	$ 986,082	$ 339,474	$ 194,784	$ 1,130,772	$ 165,340
Bonds payable - COBA	-	-	-	-	-
Compensated absences	53,620	65,999	82,667	36,952	36,952
Net pension liability	344,254	285,520	268,112	361,662	-
Governmental activity Long-term liabilities	$ 1,383,956	$ 690,993	$ 545,563	$ 1,529,386	$ 202,292
Business-type activities:					
Financed purchase from direct borrowing	$ 342,066	$ -	$ 83,571	$ 258,495	$ 86,242
Revenue Bonds	3,645,000	-	230,000	3,415,000	240,000
Add deferred amounts Unamortized premiums	21,005	-	1,616	19,389	-
Notes payable	1,370,420	-	36,686	1,333,734	74,629
Compensated absences	9,178	12,857	15,397	6,638	6,638
Net pension liability	75,567	58,481	54,914	79,134	-
Business-type activity Long-term liabilities	$ 5,463,236	$ 71,338	$ 422,184	$ 5,112,390	$ 407,509

For the governmental activities, capital leases, compensated absences, and net pension liability are generally liquidated by the General Fund.

For the business-type activities, compensated absences and net pension liability are generally liquidated by the respective proprietary funds.

Finance purchase agreements. The City has entered into agreements as lessee for financing the acquisition of various equipment. The agreements qualify as finance purchase agreements for accounting purposes (titles transfer at the end of the agreement) and, therefore, have been recorded at the present value of the future minimum payments as of the date of their inceptions.

NOTE 7. LONG-TERM DEBT (CONTINUED)

The following is an analysis of financed assets under financed purchase agreement as of June 30, 2021:

	Governmental Activities	Business-Type Activities
Machinery and equipment	$ 588,200	$ 584,620
Less: Accumulated depreciation	(302,533)	(46,769)
	$ 285,667	$ 537,851

Depreciation expense for the year ended June 30, 2021, for assets under capital lease is $72,992 and $11,692 for governmental activities and business-type activities, respectively.

The following is a schedule of the future minimum lease payments under the capital leases, and the present value of the future minimum lease payments at June 30, 2021:

Fiscal Year Ending June 30,	Governmental Activities			Business-Type Activites		
	Principal	Interest	Total	Principal	Interest	Total
2022	$ 165,340	$ 30,345	195,685	$ 74,629	$ 30,314	$ 104,943
2023	154,246	25,152	179,398	76,339	28,604	104,943
2024	147,004	20,761	167,765	78,091	26,850	104,941
2025	130,973	16,597	147,570	79,890	25,053	104,943
2026	130,301	12,955	143,256	81,732	23,211	104,943
2027 – 2031	402,908	19,523	422,431	437,971	87,221	525,192
2032 – 2036	-	-	-	474,600	33,165	507,765
2037	-	-	-	30,482	557	31,039
Total	$ 1,130,772	$ 125,333	$ 1,256,105	1,333,734	254,975	1,588,709

Notes Payable. The City has incurred debt to the Georgia Environmental Finance Authority ("GEFA") for various water and sewer system projects. This note is as follows at June 30, 2021:

Original Amount	Interest Rate	Term	Outstanding Amount
$ 542,705	3.31%	20 years	$ 457,171
1,136,000	1.82%	20 years	876,563
			$ 1,333,734

NOTE 7. LONG-TERM DEBT (CONTINUED)

The annual requirements to pay the outstanding note are as follows:

Fiscal Year Ending June 30,	Principal
2022	$ 74,629
2023	76,339
2024	78,091
2025	79,890
2026	81,732
2027 – 2031	437,971
2032 – 2036	474,600
2037	30,482
Total	$ 1,333,734

Revenue Bonds

Revenue bonds outstanding at June 30, 2021, are as follows:

Series	Purpose	Interest Rate	Term	Due Date	Original Amount	Balance at June 30, 2021
2012 Series	Provide Funds to City to Retire Water/Sewer Debts	3.50%	20 years	July 2032	$ 5,085,000	$ 3,415,000
						$ 3,415,000

During the year ended June 30, 2012, Combined Utility Revenue Bonds Series 2012 were issued to pay off the Water and Sewer Fund loan payable to the GEFA. 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.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

Revenue bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Total Amount of Bonds Payable		
	Principal	Interest	Total
2022	$ 240,000	$ 108,544	$ 348,544
2023	245,000	101,269	346,269
2024	255,000	93,769	348,769
2025	260,000	86,044	346,044
2026	270,000	78,094	348,094
2027 – 2031	1,475,000	249,299	1,724,299
2032 – 2033	670,000	23,625	693,625
	$ 3,415,000	$ 740,644	$ 4,155,644

NOTE 8. INTERFUND TRANSFERS

Interfund transfers recorded and transacted during the year ended June 30, 2021, are as follows:

Transfers In	Transfers Out: Nonmajor Governmental Funds
General Fund	$ 27,260
Nonmajor Governmental Funds	14,400
Total	$ 41,660

Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and 2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9. PENSION PLAN

A. Plan Description

The City, as authorized by the City Council, has established a non-contributory defined benefit pension plan, The City of Ashburn Retirement Plan, the ("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 ("GMA"). The Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive between 1% and 1.75% multiplied by the average of the five highest years of regular earnings multiplied by the total credited years of service. 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 GMA 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.

Plan Membership. As of January 1, 2021, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	39
Inactive plan members entitled to, but not receiving benefits	24
Active plan members	57
Total	120

Contributions. 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 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. City contributions to the Plan were $85,696 for the year ended June 30, 2021.

NOTE 9. PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020 with updated procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2020.

Actuarial Assumptions. The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.25%, plus service based merit increases
Investment rate of return	7.375%

Mortality rates were based on the gender-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – June 30, 2019.

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.

NOTE 9. PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Domestic equity	45%	6.40%
International equity	20%	7.05
Domestic fixed income	20%	1.15
Real estate	10%	4.50
Global fixed income	5%	1.25
Cash	- %	
Total	100%	

* Rates shown are net of the 2.25% assumed rate of inflation.

Discount Rate. The discount rate used to measure the total pension liability was 7.375%. 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 that City contributions will be made at rates equal to the difference between actuarially determined contribution rates 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.

NOTE 9. PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City (Continued)

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, 2021, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Beginning Balance As Restated	$ 2,896,442	$ 2,476,621	$ 419,821
Changes for the year:			
Service cost	41,676	-	41,676
Interest	207,015	-	207,015
Differences between expected and actual experience	81,340	-	81,340
Contributions - employer	-	92,937	(92,937)
Net investment income	-	230,090	(230,090)
Benefit payments, including refunds of employee contributions	(262,260)	(262,260)	-
Administrative expense	-	(13,971)	13,971
Net changes	67,771	46,796	20,975
Ending Balance	$ 2,964,213	$ 2,523,417	$ 440,796

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of 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 7.375%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	$ 734,275	$ 440,796	$ 193,650

NOTE 9. PENSION PLAN (CONTINUED)

B. Net Pension Liability of the City (Continued)

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, 2020, and the current sharing pattern of costs between employer and employee.

C. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the City recognized pension expense of $72,910. At June 30, 2021, 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
Net difference between projected and actual earnings on pension plan investments	$ -	$ 30,606
Differences between expected and actual experience	64,802	48,132
Changes in actuarial assumptions	62,030	-
City contributions subsequent to the measurement date	85,696	-
Total	$ 212,528	$ 78,738

City contributions subsequent to the measurement date of $85,696 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2022	$ 1,152
2023	25,022
2024	32,761
2025	(10,841)
Total	$ 48,094

NOTE 10. DEFINED CONTRIBUTION PLAN

The City has a 401A defined contribution plan administered by the GMA. The City contributes $5.00 per week per employee. The total amount contributed by the City to the 401A defined contribution plan was $1,040. The employees contributed $1,768 to their 457B deferred compensation plan. The City has the sole authority of amending and changing the provisions of the Plan.

NOTE 11. CONTINGENCIES

Grant Contingencies

The City participates in a number of federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. At June 30, 2021, there were no known amounts questioned or earmarked for disallowance. Based upon prior experience, management of the City believes such disallowances, if any, will not have a material effect on any individual governmental fund or the overall financial position of the City.

Litigation

As is the ordinary course of city government, the City is the defendant in several lawsuits in the nature of civil violations, claims for damages to persons and property and other similar types of suits. Liability, if any, which might result from these proceedings, would not, in the opinion of the management and the City Council, have a material adverse effect on the financial position of the City.

NOTE 12. RISK MANAGEMENT

The City is exposed to various risks of losses related to: torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

NOTE 12. RISK MANAGEMENT (CONTINUED)

As a participant of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pools' 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 funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost 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.

The City carries commercial insurance for other risks of losses such as general property and liability insurance. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 13. RELATED ORGANIZATIONS

The City's governing body is responsible for all of the board appointments of the Ashburn Housing Authority. However, the City has no further accountability for this organization. In the year ended June 30, 2021, the City did not provide any contributions to the Ashburn Housing Authority.

NOTE 14. JOINT VENTURES

Southern Georgia Regional Commission

Under Georgia Law, the City, in conjunction with other cities and counties in the ten-county south Georgia area, is a member of the Southern Georgia Regional Commission and is required to pay annual dues thereto. During the year ended June 30, 2021, the City paid $4,781 in such dues. Membership in the Commission is required by the O.C.G.A. §50-8-34 which provides for the organizational structure of Regional Commissions ("RCs") in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the Southern Georgia Regional Commission, P.O. Box 1223, Valdosta, Georgia 31603.

NOTE 14. JOINT VENTURES (CONTINUED)

E-911 Services

The City entered into an agreement with Turner County, Georgia (the "County") to contract with the County for the provision of E-911 Services to the City by the County in consideration of payment by the City to the County for the salary of the dispatcher. In exchange for the provision of the E-911 Services, 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 prevailing Consumer Price Index.

NOTE 15. HOTEL/MOTEL LODGING TAX

The City has committed 60% of the first 5% of the taxes collected to the Chamber of Commerce for the promotion of tourism. The City has also committed 50% of the remaining 3% of the taxes collected to the Authority. Revenues collected during the fiscal year ended June 30, 2021, were $76,797. Management represents that 100% of the lodging tax received during the year ended June 30, 2021, was used for the promotion of tourism, conventions or trade shows.

NOTE 16. CHANGE IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of GASB Statement No. 84, Fiduciary Activities, the City is required to reevaluate the accounting treatment of fiduciary activities. The new standard requires the City to determine if funds are still considered fiduciary, and if so, if they are considered custodial funds under the new definitions of GASB Statement No. 84. Therefore, in conjunction with the implementation of GASB Statement No. 84, the following restatement was required to the beginning net position of the Fiduciary Activities to properly report the custodial funds.

	Custodial Funds
Net position, as previously reported	$ -
Adjustment needed to record beginning net position of the agency funds now reported as custodial funds in accordance with GASB Statement No. 84	19,463
Net position, as restated	$ 19,463

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ASHBURN, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30,

	2021	2020	2019	2018
Total pension liability				
Service cost	$ 41,676	$ 47,472	$ 52,235	$ 45,420
Interest on total pension liability	207,015	209,443	210,096	207,553
Differences between expected and actual experience	81,340	(88,471)	(15,581)	18,987
Changes of assumptions	-	-	-	44,451
Benefit payments, including refunds of employee contributions	(262,260)	(246,776)	(254,612)	(236,313)
Other Changes	-	106,279	-	-
Net change in total pension liability	67,771	27,947	(7,862)	80,098
Total pension liability - beginning	2,896,442	2,868,495	2,876,357	2,796,259
Total pension liability - ending (a)	2,964,213	2,896,442	2,868,495	2,876,357
Plan fiduciary net position				
Contributions - employer	92,937	96,024	87,123	86,228
Net investment income	230,090	70,324	242,449	338,163
Benefit payments, including refunds of member contributions	(262,260)	(246,776)	(254,612)	(236,313)
Administrative expenses	(13,971)	(14,076)	(15,049)	(16,127)
Net change in plan fiduciary net position	46,796	(94,504)	59,911	171,951
Plan fiduciary net position - beginning	2,476,621	2,571,125	2,511,214	2,339,263
Plan fiduciary net position - ending (b)	2,523,417	2,476,621	2,571,125	2,511,214
City's net pension liability (asset) - ending (a) - (b)	$ 440,796	$ 419,821	$ 297,370	$ 365,143
Plan fiduciary net position as a percentage of the total pension liability	85.13%	85.51%	89.63%	87.31%
Covered-employee payroll	$ 1,764,795	$ 1,661,816	$ 1,505,817	$ 1,703,817
Net pension liability as a percentage of covered-employee payroll	24.98%	25.26%	19.75%	21.43%

CITY OF ASHBURN, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30,

	2021	2020	2019	2018
Actuarially determined contribution	$ 85,696	$ 92,937	$ 96,024	$ 87,123
Contributions in relation to the actuarially determined contribution	85,696	92,937	96,024	87,123
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 2,146,725	$ 2,069,945	$ 1,505,817	$ 1,703,817
Contributions as a percentage of covered-employee payroll	3.99%	4.49%	6.38%	5.11%

Notes to the Schedule:

Valuation Date	January 1, 2020
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on investments	7.375%
Projected Salary Increases	2.25%, plus service based merit increases
Cost-of-living Adjustment	0.00%
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective amortization period of 10 years

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

COMBINING AND INDIVIDUAL FUND STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Rose Hill Cemetery Fund – This fund is used to account for the City's revenues and expenditures related to the Rose Hill Cemetery.

Hotel/Motel Fund – This fund is used to account for the City's revenues and expenditures related to the hotel lodging tax levied during the year. The City collects lodging fees for the promotion of tourism, conventions, or trade shows.

Nutrition Program Fund – This fund is used to account for providing meals to the elderly and is state funded.

Seized Assets Fund – This fund is used to account for the collection and use of funds seized from convicted offenders.

City Tourism Fund – This fund is used to account for the provision of tourism and is split between the Ashburn-Turner County Chamber of Commerce and the Downtown Development Authority.

Community Home Investment Program ("CHIP") Fund – This fund accounts for money received from the state to provide safe, decent, and affordable housing in Georgia.

Capital Projects Funds

The **Special Purpose Local Option Sales Tax ("SPLOST") Fund –** This fund is used to account for financing and construction of facilities and improvements in accordance with a sales tax referendum associated with the years 2017 through 2022.

The **Capital Improvement Fund** – This fund is used to account for funds reserved for capital improvements.

The **Housing Fund –** This fund is used to account for funds reserved for housing improvements.

The **Transportation Special Purpose Local Option Sales Tax ("T-SPLOST") Fund –** This fund is used to account for financing and construction of transportation improvements in accordance with a sales tax referendum beginning January 2013 through December 2022.

The **Local Maintenance and Improvement Grant ("LMIG") Fund** – This fund accounts for revenues from the State of Georgia, Department of Transportation for road improvements.

CITY OF ASHBURN, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds					
	Rose Hill Cemetery Fund	Hotel/Motel Fund	Nutrition Program Fund	Seized Assets Fund	City Tourism Fund	CHIP Fund
ASSETS						
Cash	$ -	$ -	$ 14,275	$ 28,057	$ 22,184	$ -
Taxes receivables	-	9,115	-	-	-	-
Due from other governments	-	-	-	-	-	-
Total assets	$ -	$ 9,115	$ 14,275	$ 28,057	$ 22,184	$ -
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ -	$ 9,115	$ 2,520	$ -	$ -	$ -
Accrued expense	-	-	193	-	-	-
Total liabilities	-	9,115	2,713	-	-	-
FUND BALANCES (DEFICIT)						
Restricted for:						
State nutrition program	-	-	11,562	-	-	
Promotion of tourism	-	-	-	-	22,184	
Law enforcement purposes	-	-	-	28,057	-	
Capital projects	-	-	-	-	-	-
Total fund balances	-	-	11,562	28,057	22,184	-
Total liabilities and fund balances	$ -	$ 9,115	$ 14,275	$ 28,057	$ 22,184	$ -

Capital Projects Funds					
SPLOST Fund	Capital Improvement Fund	Housing Fund	T-SPLOST Fund	LMIG Fund	Total Nonmajor Governmental Funds
$ 285,195	$ -	$ -	$ 154,203	$ 53,370	$ 557,284
-	-	-	-	-	9,115
34,974	-	-	5,578	-	40,552
$ 320,169	$ -	$ -	$ 159,781	$ 53,370	$ 606,951
$ -	$ -	$ -	$ -	$ -	$ 11,635
-	-	-	-	-	193
-	-		-	-	11,828
-	-	-	-	-	11,562
-	-	-	-	-	22,184
-	-	-	-	-	28,057
320,169	-	-	159,781	53,370	533,320
320,169	-	-	159,781	53,370	595,123
$ 320,169	$ -	$ -	$ 159,781	$ 53,370	$ 606,951

CITY OF ASHBURN, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Special Revenue Funds					
	Rose Hill Cemetery Fund	Hotel/Motel Fund	Nutrition Program Fund	Seized Assets Fund	City Tourism Fund	CHIP Fund
Revenues						
Taxes	$ -	$ 76,797	$ -	$ -	$ -	$ -
Intergovernmental	-	-	62,054	-	-	-
Interest and dividend income	-	-	-	30,279	-	-
Other revenues	-	-	-	-	-	183,390
Total revenues	-	76,797	62,054	30,279	-	183,390
Expenditures						
Current:						
Public safety	-	-	-	3,374	-	-
Community development	-	43,198	-	-	4,348	183,390
Health and welfare	-	-	52,422	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	-	43,198	52,422	3,374	4,348	183,390
Excess (deficiency) of revenues over (under) expenditures	-	33,599	9,632	26,905	(4,348)	-
Other financing sources (uses)						
Transfers in	-	-	-	-	14,400	-
Transfers out	(5,088)	(33,599)	-	-	-	-
Total other financing sources (uses), net	(5,088)	(33,599)	-	-	14,400	-
Net change in fund balances	(5,088)	-	9,632	26,905	10,052	-
Fund balances, beginning of year	5,088	-	1,930	1,152	12,132	-
Fund balances, end of year	$ -	$ -	$ 11,562	$ 28,057	$ 22,184	$ -

Capital Projects Funds					
SPLOST Fund	Capital Improvement Fund	Housing Fund	T-SPLOST Fund	LMIG Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ 76,797
354,819	-	-	101,662	53,370	571,905
-	-	-	-	-	30,279
-	-	-	-	-	183,390
354,819	-		101,662	53,370	862,371
	-	-	-	-	3,374
	-	-	-	-	230,936
	-	-	-	-	52,422
255,263	-	-	33,389	-	288,652
194,784	-	-	-	-	194,784
31,255	-	-	-	-	31,255
481,302	-		33,389	-	801,423
(126,483)	-	-	68,273	53,370	60,948
-	-	-	-	-	14,400
-	(1,236)	(1,737)	-	-	(41,660)
-	(1,236)	(1,737)	-	-	(27,260)
(126,483)	(1,236)	(1,737)	68,273	53,370	33,688
446,652	1,236	1,737	91,508	-	561,435
$ 320,169	$ -	$ -	$ 159,781	$ 53,370	$ 595,123

CITY OF ASHBURN, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2021

No.	Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
			2017 Referendum			
1	Street and sidewalk improvement	$ 307,800	$ 308,000	$ 307,766	$ 6,395	$ 314,161
2	Water, sewage and drainage	150,120	243,000	242,853	10,507	253,360
3	Construction, expansion and equipping of and improvements to City buildings and facilities	550,260	802,000	801,283	39,569	840,852
4	Construction, improvements, and equipping of the City of Ashburn Park facilities	150,120	150,120	149,833	-	149,833
5	Rolling stock and capital equipment	839,700	1,088,000	1,087,298	424,831	1,512,129
		$ 1,998,000	$ 2,591,120	$ 2,589,033	$ 481,302	$ 3,070,335

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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 *GOVERNMENT AUDITING STANDARDS*

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

We have audited, 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, the 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 (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 30, 2021.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001 through 2020-009 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 results of that testing, and not to provide an opinion on the effectiveness of the City'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.

Mauldin & Jenkins, LLC

Macon, Georgia
December 30, 2021

CITY OF ASHBURN, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	__X__ Yes _____ None Reported
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes __X__ None Reported
Noncompliance material to financial statements noted?	_____ Yes __X__ No

Federal Awards

There was not an audit of major federal award programs due to the total amount expended on federal programs being less than $750,000.

CITY OF ASHBURN, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2021-001 – Proper Recognition of Cash

Criteria: Internal controls should be in place to ensure that all bank accounts belonging to the City are identified and recorded for financial reporting. Additionally, internal controls should be in place to ensure that all reconciled cash balances agree to the general ledger.

Condition: During the year, the City did not properly record cash balances.

Context: We addressed the matter with the City to determine the appropriate amounts to record as of June 30, 2021.

Effects: Adjustments to be recorded as follows:

- Fund Level (General Fund) – an adjustment to increase cash by $417,877.
- Fund Level (Hotel/Motel Fund) – an adjustment to decrease cash by $2,080.
- Fund Level (Water and Sewer Fund) – an adjustment to increase cash by $128,948.
- Fund Level (Gas Fund) – an adjustment to decrease cash by $655,356.

Cause: There was a lack of appropriate controls implemented at the City during the fiscal year to ensure cash balances were properly reconciled and recorded.

Recommendation: We recommend the City carefully review all cash accounts to ensure transactions are reported in accordance with generally accepted accounting principles.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-002 – Proper Recognition of Accrued Payroll and Compensated Absences

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition: During the year, the City did not properly record accrued payroll and compensated absences balances.

Context: We addressed the matter with the City to determine the appropriate amounts to record as of June 30, 2021.

Effects: Adjustments to be recorded as follows:

- Fund Level (General Fund) – an adjustment to decrease accrued payroll by $52,697.
- Fund Level (Water and Sewer Fund) – an adjustment to decrease accrued payroll by $6,616 and decrease compensated absences by $12,246.
- Fund Level (Gas Fund) – an adjustment to decrease accrued payroll by $74 and increase compensated absences by $425.

Cause: There was a lack of appropriate controls implemented at the City during the fiscal year to ensure accrued payroll balances were properly recorded.

Recommendation: We recommend the City carefully review all accrued payroll accounts to ensure transactions are reported in accordance with generally accepted accounting principles.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-003 – Proper Recognition of Receivables

Criteria: Generally accepted accounting principles and governmental accounts standards require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Additionally, an allowance should be recorded if amounts are deemed to be uncollectible, if applicable.

Condition: The City did not appropriately record all transactions involving certain receivable and revenue accounts during the fiscal year ended June 30, 2021.

Context: We addressed the matter with the City to determine the appropriate amounts to be recorded as of June 30, 2021.

Effects: Adjustments to be recorded as follows:

- Fund Level (General Fund) – an adjustment to increase receivables by $1,116,753 and an adjustment to increase unavailable revenue in the amount of $14,215.
- Fund Level (Gas Fund) – an adjustment to decrease receivables by $55,551.
- Fund Level (SPLOST Fund) – an adjustment to increase receivables by $34,974.
- Fund Level (T-SPLOST Fund) – an adjustment to increase by $5,577.

Recommendation: We recommend the City carefully review all receivable accounts to ensure transactions are reported in accordance with generally accepted accounting principles.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-004 – Proper Recognitions of Payables

Criteria: Generally accepted accounting principles require timely reporting of all current liabilities when goods have been received or services have been performed, regardless of the timing of the cash related flows.

Condition: During the year, the City did not properly record payables.

Context: We addressed the matter with the City to determine the appropriate amounts to be recorded as of June 30, 2021.

Effects: Adjustments to be recorded as follows:

Current Year Adjustments

- Fund Level (General Fund) – an adjustment to increase payables by $298,467.
- Fund Level (Hotel/Motel Fund) – an adjustment to increase payables by $9,115.
- Fund Level (Water and Sewer Fund) – an adjustment to increase payables by $4,473.
- Fund Level (Gas Fund) – an adjustment to decrease payables by $11,170.

Cause: There was a lack of appropriate controls implemented at the City during the fiscal year to ensure payable balances were properly recorded.

Recommendation: We recommend the City carefully review all payable accounts to ensure transactions are reported in accordance with generally accepted accounting principles.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-005 – Proper Recognition of Capital Assets

Criteria: Internal controls should be in place to ensure amounts reported for capital assets and related items are appropriate and properly valued and recorded in accordance with generally accepted accounting principles.

Condition: During the year, the City did not properly recognize capital assets for business-type activities. Recorded amounts did not agree with fixed asset listings.

Context: We addressed the matter with the City to determine the appropriate amounts to record as of June 30, 2021.

Effects: Adjustments to be recorded as follows:

- Fund Level (Water and Sewer Fund) – an adjustment to increase by $158,161.
- Fund Level (Gas Fund) – an adjustment to increase by $677,954.

Cause: There was a lack of appropriate controls implemented at the City during the fiscal year to ensure capital asset balances were properly recorded.

Recommendation: We recommend the City carefully review all capital assets to ensure transactions are reported in accordance with generally accepted accounting principles.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-006 – Proper Recognition of Long-Term Debt and Related Items

Criteria: Generally accepted accounting principles require long-term obligations to be recorded in the accounting period in which they have occurred.

Condition: During our testing of the City's long-term obligations, we noted the City's capital leases, and bonds for governmental and business-type activities were not properly recognized as of June 30, 2021.

Context: We addressed the matter with the City to determine the appropriate amounts to record as of June 30, 2021.

Effects: Adjustments to be recorded as follows:

- Fund Level (General Fund) – an adjustment to increase proceeds from capital leases by $339,474.
- Fund Level (Water and Sewer Fund) – an adjustment to decrease notes payable by $169,154, decrease bonds payable by $758,816, and increase accrued interest by $58,662.
- Fund Level (Gas Fund) – an adjustment to increase leases payable by $258,495.

Cause: There was a lack of appropriate controls implemented at the City during the fiscal year to ensure long-term obligations were properly recorded.

Recommendation: We recommend the City carefully review all long-term obligation accounts to ensure transactions are reported in accordance with generally accepted accounting principles.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-007 – Proper Recognition of Inventory

Criteria: Internal controls should be in place to ensure that inventory listings are properly maintained. Additionally, internal controls should be in place to ensure that listings are reconciled to agree to the general ledger.

Condition: During the year, the City did not properly record inventory or reconcile inventory to the general ledger.

Context: We addressed the matter with the City to determine the appropriate amounts to record as of June 30, 2021.

Effects: Adjustments to be recorded as follows:

- Fund Level (General Fund) – an adjustment to decrease inventory by $42,080.
- Fund Level (Water and Sewer Fund) – an adjustment to increase inventory by $33,474.

Cause: There was a lack of appropriate controls implemented at the City during the fiscal year to ensure inventory balances were properly recorded.

Recommendation: We recommend the City carefully review all inventory accounts to ensure transactions are reported in accordance with generally accepted accounting principles.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-008 – General Accounting Matters/Close-Out Procedures

Criteria: Internal control is a process designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control is also a process of safeguarding assets against unauthorized acquisition, use, or disposition, and includes controls related to financial reporting and operations objectives. Generally accepted accounting principles require assets, liabilities, revenues and expenditures to be recognized in the accounting period in which they become both measurable (and available). Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and non-financial transactions and activities.

Condition: During our audit, we noted an inordinate amount of accounting, reporting and reconciling was not properly performed and reviewed during the fiscal year which required a significant effort to close the City's 2021 fiscal year. Also during our audit, we noted the prior year trial balances did not agree to the prior year issued financial statements.

Significant adjustments were determined and required to be recorded in the months that followed June 30, 2021. Further, and throughout the course of the audit process, we noted there was an overall lack of proper and adequate accounting on a timely basis. We noted deficiencies in timeliness, completeness, and accuracy. Specifically, we noted a lack of timely and accurate financial and non-financial information needed:

- to prepare bank reconciliations in a timely manner for all accounts;
- to properly maintain the accounts payable on a periodic basis throughout the year;
- to accurately maintain and record the City's capital assets;
- to properly maintain general ledgers, subsidiary ledgers, and related reconciliations; and
- to record prior year audit adjustments.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-008 – General Accounting Matters/Close-Out Procedures (Continued)

Context: We addressed the matter with the City to determine the appropriate actions are taken so as to properly complete general accounting matters/close-out procedures at June 30, 2021.

Effects: The ultimate effect of the above condition is the potential for errors and irregularities to occur and not be detected and corrected in a timely manner.

Cause: There was a lack of appropriate controls implemented at the City during the fiscal year to properly maintain financial and non-financial information and to properly close-out the year-end.

Recommendation: We recommend the City consider a variety of options to addressing the above condition. In no particular order, the City needs to look at the respective staffing of the accounting function, and determine if an adequate number of qualified people are currently available to address the condition. The City also needs to consider and evaluate its strengths and weaknesses relative to the accounting function, and take measures to address the concerns noted above with a goal of providing timely recording, reconciling and reporting of City operations and financial and non-financial activities.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-009 – Segregation of Duties

Criteria: Internal controls should be in place, which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: Appropriate segregation of duties does not exist among recording, distribution, reconciliation of cash accounts and other operational functions in various areas of City operations.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

Effect: Failure to properly segregate duties noted among recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

Cause: The failure to properly segregate duties is due to the limited number of individuals available in each office to perform each of the duties.

Recommendation: The duties of recording, distribution, approving, and reconciliation of accounts should be segregated among employees.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

CITY OF ASHBURN, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

2020-001 – Proper Recognition of Cash

Criteria: Internal controls should be in place to ensure that all bank accounts belonging to the City are identified and recorded for financial reporting. Additionally, internal controls should be in place to ensure that all reconciled cash balances agree to the general ledger.

Condition: During the prior year and current year, the City did not properly record cash balances.

Status: Unresolved. This is included in current finding number 2021-001.

2020-002 – Proper Recognition of Accrued Payroll and Compensated Absences

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition: During the prior year, the City did not properly record accrued payroll and compensated absences balances.

Status: Unresolved. This is included in current finding number 2021-002.

2020-003 – Proper Recognition of Receivables and Deferred Inflows of Resources

Criteria: Generally accepted accounting principles and governmental accounts standards require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Additionally, an allowance should be recorded if amounts are deemed to be uncollectible, if applicable.

Condition: During the prior year and current year, the City did not properly record receivables and deferred inflows of resources – unavailable revenue balances.

Status: Unresolved. This is included in current finding number 2021-003.

CITY OF ASHBURN, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

2020-004 – Proper Recognition of Net Pension Liability and Deferred Inflows and Outflows of Resources

Criteria: The net pension liability for a defined benefit pension plan should be calculated by taking the actuarial determined total pension liability ("TPL") and reducing the TPL by the pension plan's fiduciary net position, to arrive at the net pension liability ("NPL").

Condition: During the prior year, the City improperly recorded the NPL, deferred inflows of resources, deferred outflows of resources, and net position at the government-wide level due to the improper allocation between governmental activities and business-type activities.

Status: Resolved.

2020-005 – Proper Recognition of Prepaid Expenses

Criteria: Internal controls should be in place to ensure amounts reported for prepaid expenses are appropriate and properly valued and recorded in accordance with generally accepted accounting principles.

Condition: During the prior year, the City did not properly record prepaid expense balances.

Status: Resolved.

2020-006 – Proper Recognitions of Payables

Criteria: Generally accepted accounting principles require timely reporting of all current liabilities when goods have been received or services have been performed, regardless of the timing of the cash related flows.

Condition: During the prior year and current year, the City did not properly record payables.

Status: Unresolved. This is included in current finding number 2021-004.

2020-007 – Proper Recognition of Capital Assets

Criteria: Internal controls should be in place to ensure amounts reported for capital assets and related items are appropriate and properly valued and recorded in accordance with generally accepted accounting principles.

Condition: During the prior year and current year, the City did not properly recognize capital assets for governmental and business-type activities. Recorded amounts did not agree with fixed asset listings.

Status: Unresolved. This is included in current finding number 2021-005.

CITY OF ASHBURN, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

2020-008 – Proper Recognition of Long-Term Debt and Related Items

Criteria: Generally accepted accounting principles require long-term obligations to be recorded in the accounting period in which they have occurred.

Condition: During our testing of the City's long-term obligations, we noted the City's capital leases, and bonds for governmental and business-type activities were not properly recognized as of June 30, 2019 and June 30, 2020.

Status: Partially resolved. This is included in current finding number 2021-006.

2020-009 – Proper Recognition of Inventory

Criteria: Internal controls should be in place to ensure that inventory listings are properly maintained. Additionally, internal controls should be in place to ensure that listings are reconciled to agree to the general ledger.

Condition: During the current year and prior year, the City did not properly record inventory or reconcile inventory to the general ledger.

Status: Unresolved. This is included in current finding number 2021-007.

2020-010 – General Accounting Matters/Close-Out Procedures

Criteria: Internal control is a process designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control is also a process of safeguarding assets against unauthorized acquisition, use, or disposition, and includes controls related to financial reporting and operations objectives. Generally accepted accounting principles require assets, liabilities, revenues and expenditures to be recognized in the accounting period in which they become both measurable (and available). Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and non-financial transactions and activities.

Condition: During our audit, we noted an inordinate amount of accounting, reporting and reconciling was not properly performed and reviewed during the fiscal year which required a significant effort to close the City's 2020 fiscal year. Also during our audit, we noted the prior year trial balances did not agree to the prior year issued financial statements.

During our testing of opening balances, we noted the prior year financial statements had various errors within them. Some of the balances did not tie with the statements and some of the balance sheets did not balance. This required a prior period restatement at the fund level and the government-wide level for the correction of prior period errors.

CITY OF ASHBURN, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

2020-010 – General Accounting Matters/Close-Out Procedures (Continued)

Condition (Continued): Significant adjustments were determined and required to be recorded in the months that followed June 30, 2020. Further, and throughout the course of the audit process, we noted there was an overall lack of proper and adequate accounting on a timely basis. We noted deficiencies in timeliness, completeness, and accuracy. Specifically, we noted a lack of timely and accurate financial and non-financial information needed:

- to prepare bank reconciliations in a timely manner for all accounts;
- to properly maintain the accounts payable on a periodic basis throughout the year;
- to accurately maintain and record the City's capital assets; and
- to properly maintain general ledgers, subsidiary ledgers, and related reconciliations.

We believe it is important to note that we observed a genuine interest by the City's accounting personnel in their desire to learn and assume greater responsibilities for the City's accounting and financial reporting and noticed great improvement subsequent to the current year's audit.

Status: Unresolved. This is included in current finding number 2021-008.

2020-011 – Segregation of Duties

Criteria: Internal controls should be in place, which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: Appropriate segregation of duties does not exist among recording, distribution, reconciliation of cash accounts and other operational functions in various areas of City operations.

Status: Unresolved. This is included in current finding number 2021-009.