

CITY OF NASHVILLE, GEORGIA
Annual Financial Report
For The Fiscal Year Ended
July 31, 2014

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For The Fiscal Year Ended July 31, 2014

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MEEKS CPA, LLP

CERTIFIED PUBLIC ACCOUNTANTS

225 East Fourth Street
P.O. Box 605
Ocilla, Georgia 31774

PATRICK M. ASHLEY, CPA
WALTER H. SUMNER, CPA
MICHAEL I. SIRMANS, CPA
D. ANTHONY ECKLER, CPA
CARRIE E. PUTNAL, CPA

Members:
American Institute of
Certified Public Accountants
Georgia Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To The City Council
City of Nashville, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Nashville, Georgia as of and for the year ended July 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, 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 aggregate discretely presented component

units, each major fund, and the aggregate remaining fund information of City of Nashville, Georgia, as of July 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Nashville, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements

The combining and individual fund financial statements and schedules and supplemental schedules 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 fund financial statements and schedules and supplemental schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2015, on our consideration of City of Nashville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of

internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Nashville, Georgia's internal control over financial reporting and compliance.

MEEKS CPA, LLP

Ocilla, Georgia
July 24, 2015

BASIC FINANCIAL STATEMENTS

CITY OF NASHVILLE, GEORGIA
Statement of Net Position
July 31, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Primary Government	Downtown Development Authority
ASSETS				
Cash and Cash Equivalents	\$ 2,036,842	\$ 4,358,528	\$ 6,395,370	\$ 5,566
Receivables (Net of Allowance for Uncollectibles)	191,778	182,545	374,323	--
Internal Balances	113,807	(113,807)	--	--
Prepaid Items	30,499	11,785	42,284	--
Restricted Assets				
Cash & Cash Equivalents	--	1,168,188	1,168,188	--
Capital Assets Not Being Depreciated	506,091	832,168	1,338,259	--
Capital Assets Net of Accumulated Depreciation	3,341,618	11,528,479	14,870,097	74,321
Total Assets	<u>6,220,635</u>	<u>17,967,886</u>	<u>24,188,521</u>	<u>79,887</u>
LIABILITIES				
Accounts Payable	135,609	35,370	170,979	(2,514)
Accrued Liabilities	10,130	1,779	11,909	--
Other Current Liabilities	--	1,326	1,326	--
Customer Deposits	250	183,659	183,909	--
Accrued Interest Payable	--	53,898	53,898	--
Noncurrent Liabilities				
Due Within One Year	260,430	320,652	581,082	--
Due In More Than One Year	344,149	7,341,923	7,686,072	--
Total Liabilities	<u>750,568</u>	<u>7,938,607</u>	<u>8,689,175</u>	<u>(2,514)</u>
NET POSITION				
Net Investment in Capital Assets	3,306,266	4,737,583	8,043,849	74,321
Restricted For				
Capital Outlay	284,203	--	284,203	--
Economic Development	9,004	--	9,004	--
Unrestricted	1,870,594	5,291,696	7,162,290	8,080
Total Net Position	<u>\$ 5,470,067</u>	<u>\$ 10,029,279</u>	<u>\$ 15,499,346</u>	<u>\$ 82,401</u>

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

CITY OF NASHVILLE, GEORGIA
Statement of Activities
For the Year Ended July 31, 2014

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
		Charges For Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Primary Government								
Governmental Activities								
General Government	\$ 628,984	\$ 108,468	\$ 19,706	\$ --	\$ (500,810)	\$ --	\$ (500,810)	
Judicial	25,921	184,085	--	--	158,164	--	158,164	
Public Safety	1,135,946	13,343	1,010	7,998	(1,113,595)	--	(1,113,595)	
Public Works	1,143,643	618,497	60,710	305,109	(159,327)	--	(159,327)	
Culture and Recreation	86,066	--	--	--	(86,066)	--	(86,066)	
Housing and Development	216,885	--	--	35,522	(181,363)	--	(181,363)	
Interest On Long-Term Debt	11,314	--	--	--	(11,314)	--	(11,314)	
Total Governmental Activities	<u>3,248,759</u>	<u>924,393</u>	<u>81,426</u>	<u>348,629</u>	<u>(1,894,311)</u>	<u>--</u>	<u>(1,894,311)</u>	
Business-Type Activities								
Water & Sewer	1,277,100	1,489,175	--	--	--	212,075	212,075	
Natural Gas	891,398	860,702	--	--	--	(30,696)	(30,696)	
Total Business-Type Activities	<u>2,168,498</u>	<u>2,349,877</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>181,379</u>	<u>181,379</u>	
Total Primary Government	<u>\$ 5,417,257</u>	<u>\$ 3,274,270</u>	<u>\$ 81,426</u>	<u>\$ 348,629</u>	<u>(1,894,311)</u>	<u>181,379</u>	<u>(1,712,932)</u>	
Component Units								
Downtown Development Authority	\$ 32,482	\$ 28,378	\$ --	\$ --				\$ (4,104)
Total Component Units	<u>\$ 32,482</u>	<u>\$ 28,378</u>	<u>\$ --</u>	<u>\$ --</u>				<u>\$ (4,104)</u>
General Revenues								
Taxes								
Real Property					684,875	--	684,875	--
Personal Property					123,119	--	123,119	--
Real Estate Transfer (Intangible)					868	--	868	--
Franchise					299,815	--	299,815	--
General Sales and Use					373,683	--	373,683	--
Selective Sales and Use					143,446	--	143,446	--
Business					254,773	--	254,773	--
Penalties and Interest on Delinquent Taxes					10,074	--	10,074	--
Investment Income					6,469	16,078	22,547	--
Miscellaneous					137,552	--	137,552	4,548
Transfers					(692,793)	692,793	--	--
Total General Revenues & Transfers					<u>1,341,881</u>	<u>708,871</u>	<u>2,050,752</u>	<u>4,548</u>
Changes in Net Position					(552,430)	890,250	337,820	444
Net Position - Beginning					6,022,497	9,139,029	15,161,526	81,957
Net Position - Ending					<u>\$ 5,470,067</u>	<u>\$ 10,029,279</u>	<u>\$ 15,499,346</u>	<u>\$ 82,401</u>

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

CITY OF NASHVILLE, GEORGIA
Balance Sheet
Governmental Funds
July 31, 2014

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,754,227	\$ 282,615	\$ 2,036,842
Receivables (Net of Allowance for Uncollectibles)	140,452	51,326	191,778
Due from Other Funds	113,810	--	113,810
Total Assets	<u>\$ 2,008,489</u>	<u>\$ 333,941</u>	<u>\$ 2,342,430</u>
LIABILITIES			
Accounts Payable	\$ 94,928	\$ 40,681	\$ 135,609
Accrued Liabilities	10,130	--	10,130
Due to Other Funds	--	3	3
Customer Deposits	250	--	250
Total Liabilities	<u>105,308</u>	<u>40,684</u>	<u>145,992</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue			
Property Taxes	25,192	--	25,192
Total Deferred Inflows of Resources	<u>25,192</u>	<u>--</u>	<u>25,192</u>
FUND BALANCES			
Restricted	--	293,207	293,207
Assigned	--	50	50
Unassigned	1,877,989	--	1,877,989
Total Fund Balances	<u>1,877,989</u>	<u>293,257</u>	<u>2,171,246</u>
Total Liabilities and Fund Balances	<u>\$ 2,008,489</u>	<u>\$ 333,941</u>	

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.	3,847,709
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	25,192
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as expenditures in the funds.	30,499
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Notes Payable	\$ (541,443)
Compensated Absences	(63,136)
Total long-term liabilities	<u>(604,579)</u>
Net Position of Governmental Activities	<u>\$ 5,470,067</u>

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

CITY OF NASHVILLE, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended July 31, 2014

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 1,876,435	\$ 6,008	\$ 1,882,443
Licenses and Permits	102,429	--	102,429
Intergovernmental	93,504	322,215	415,719
Charges for Services	637,879	--	637,879
Fines and Forfeitures	184,085	--	184,085
Investment Income	6,469	--	6,469
Contributions and Donations	14,336	--	14,336
Miscellaneous	152,835	--	152,835
Total Revenues	<u>3,067,972</u>	<u>328,223</u>	<u>3,396,195</u>
EXPENDITURES			
Current			
General Government	594,259	--	594,259
Judicial	25,921	--	25,921
Public Safety	1,054,083	--	1,054,083
Public Works	1,018,053	--	1,018,053
Culture and Recreation	136,805	--	136,805
Housing and Development	569,733	--	569,733
Capital Outlay	--	342,013	342,013
Debt Service	--	29,715	29,715
Total Expenditures	<u>3,398,854</u>	<u>371,728</u>	<u>3,770,582</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(330,882)</u>	<u>(43,505)</u>	<u>(374,387)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	--	4,340	4,340
Transfers Out	--	(4,340)	(4,340)
Notes Payable	323,408	--	323,408
Total Other Financing Sources (Uses)	<u>323,408</u>	<u>--</u>	<u>323,408</u>
Net Change in Fund Balances	<u>(7,474)</u>	<u>(43,505)</u>	<u>(50,979)</u>
Fund Balances - Beginning	1,885,463	336,762	2,222,225
Fund Balances - Ending	<u>\$ 1,877,989</u>	<u>\$ 293,257</u>	<u>\$ 2,171,246</u>

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

CITY OF NASHVILLE, GEORGIA
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended July 31, 2014

Amounts reported for governmental activities in the *Statement of Activities* are different because:

Net change in fund balances - total governmental funds reported in the <i>Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds</i>	\$ (50,979)
Governmental funds report capital outlays as expenditures. However, in the <i>Statement of Activities</i> the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlay	710,898
Depreciation Expense	(225,934)
	<u>484,964</u>
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) increases (decreases) net position.	
Capital Assets Reassigned to Enterprise Funds	(692,793)
	<u>(692,793)</u>
Revenues in the <i>Statement of Activities</i> that do not provide current financial resources are not reported as revenues in the funds while revenues reported in the <i>Statement of Revenues, Expenditures and Changes in Fund Balances</i> are recognized as revenue of the previous period in the <i>Statement of Activities</i> and included in beginning net position.	
Taxes	8,210
Charges for Services	(15,283)
	<u>(7,073)</u>
The issuance of long-term debt (e.g., bonds, leases, notes) 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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the <i>Statement of Activities</i> .	
Debt Issued Or Incurred	
Issuance of Notes Payable	(323,408)
Principal Repayments	
Notes Payable	18,401
	<u>(305,007)</u>
Expenses reported in the <i>Statement of Activities</i> that do not require the use of current financial resources are not reported as expenditures in governmental funds while expenditures reported in the <i>Statement of Revenues, Expenditures and Changes in Fund Balances</i> are recognized as expenses of the previous period in the <i>Statement of Activities</i> and included in beginning net position.	
Compensated Absences	143
Prepaid Items	18,315
	<u>18,458</u>
Change in net position of governmental activities reported in the <i>Statement of Activities</i>	<u>\$ (552,430)</u>

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

CITY OF NASHVILLE, GEORGIA
Statement of Net Position
Proprietary Funds
July 31, 2014

	Business-type Activities - Enterprise Funds		
	Water & Sewer	Natural Gas	Total Enterprise Funds
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 2,932,153	\$ 1,426,375	\$ 4,358,528
Receivables (Net of Allowance for Uncollectibles)	149,155	33,390	182,545
Due from Other Funds	2	--	2
Prepaid Items	6,608	5,177	11,785
Restricted Assets			
Cash and Cash Equivalents	788,199	379,989	1,168,188
Total Current Assets	<u>3,876,117</u>	<u>1,844,931</u>	<u>5,721,048</u>
Noncurrent Assets			
Capital Assets Not Being Depreciated	819,046	13,122	832,168
Capital Assets Net of Accumulated Depreciation	<u>11,012,573</u>	<u>515,906</u>	<u>11,528,479</u>
Total Noncurrent Assets	<u>11,831,619</u>	<u>529,028</u>	<u>12,360,647</u>
Total Assets	<u>15,707,736</u>	<u>2,373,959</u>	<u>18,081,695</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	19,030	16,340	35,370
Accrued Liabilities	1,107	672	1,779
Due to Other Funds	77,158	36,651	113,809
Customer Deposits	144,983	38,676	183,659
Accrued Interest Payable	53,898	--	53,898
Loans Payable - Current	222,583	--	222,583
Capital Leases Payable - Current	--	39,899	39,899
Revenue Bonds Payable (Net of Unamortized Discount)	58,170	--	58,170
Other Current Liabilities	--	1,326	1,326
Total Current Liabilities	<u>576,929</u>	<u>133,564</u>	<u>710,493</u>
Noncurrent Liabilities			
Compensated Absences	20,865	18,646	39,511
Loans Payable	5,552,810	--	5,552,810
Capital Leases	--	171,082	171,082
Revenue Bonds Payable (Net of Unamortized Discount)	<u>1,578,520</u>	<u>--</u>	<u>1,578,520</u>
Total Noncurrent Liabilities	<u>7,152,195</u>	<u>189,728</u>	<u>7,341,923</u>
Total Liabilities	<u>7,729,124</u>	<u>323,292</u>	<u>8,052,416</u>
NET POSITION			
Net Investment in Capital Assets	4,419,536	318,047	4,737,583
Unrestricted	<u>3,559,076</u>	<u>1,732,620</u>	<u>5,291,696</u>
Total Net Position	<u>\$ 7,978,612</u>	<u>\$ 2,050,667</u>	<u>\$ 10,029,279</u>

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

CITY OF NASHVILLE, GEORGIA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended July 31, 2014

	Business-type Activities - Enterprise Funds		
	Water & Sewer	Natural Gas	Total Enterprise Funds
OPERATING REVENUES			
Charges for Services	\$ 1,485,874	\$ 856,703	\$ 2,342,577
Other	3,301	3,999	7,300
Total Operating Revenues	<u>1,489,175</u>	<u>860,702</u>	<u>2,349,877</u>
OPERATING EXPENSES			
Personal Services & Employee Benefits	375,611	268,335	643,946
Purchased/Contracted Services	152,171	116,991	269,162
Supplies	218,998	475,077	694,075
Other	5,395	23	5,418
Depreciation	265,780	24,454	290,234
Total Operating Expenses	<u>1,017,955</u>	<u>884,880</u>	<u>1,902,835</u>
Operating Income (Loss)	<u>471,220</u>	<u>(24,178)</u>	<u>447,042</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Revenue	5,383	10,695	16,078
Interest	(259,145)	(6,518)	(265,663)
Total Nonoperating Revenues (Expenses)	<u>(253,762)</u>	<u>4,177</u>	<u>(249,585)</u>
Income (Loss) Before Contributions and Transfers	217,458	(20,001)	197,457
Special Item - GEFA Loan Debt Forgiveness	--	--	--
Transfers In	--	--	--
Changes in Net Position	910,251	(20,001)	890,250
Net Position - Beginning	7,068,361	2,070,668	9,139,029
Net Position - Ending	<u>\$ 7,978,612</u>	<u>\$ 2,050,667</u>	<u>\$ 10,029,279</u>

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

CITY OF NASHVILLE, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended July 31, 2014

	Business-type Activities - Enterprise Funds		
	Water & Sewer	Natural Gas	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 1,475,640	\$ 875,571	\$ 2,351,211
Payments to Suppliers	(401,126)	(603,427)	(1,004,553)
Payments to Employees	(381,182)	(262,824)	(644,006)
Net Cash Provided (Used) By Operating Activities	<u>693,332</u>	<u>9,320</u>	<u>702,652</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Loans from Other Funds	17,935	12,552	30,487
Loans to Other Funds	250	--	250
Net Cash Provided (Used) By Noncapital Financing Activities	<u>18,185</u>	<u>12,552</u>	<u>30,737</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(25,878)	(7,122)	(33,000)
Principal Paid on Capital Debt	(168,871)	(38,814)	(207,685)
Interest Paid on Capital Debt	(261,048)	(6,518)	(267,566)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(455,797)</u>	<u>(52,454)</u>	<u>(508,251)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends Received	7,263	10,953	18,216
Net Cash Provided (Used) By Investing Activities	<u>7,263</u>	<u>10,953</u>	<u>18,216</u>
Net Increase (Decrease) in Cash and Cash Equivalents	262,983	(19,629)	243,354
Cash and Cash Equivalents - Beginning of Year	3,457,369	1,825,993	5,283,362
Cash and Cash Equivalents - End of Year	<u>\$ 3,720,352</u>	<u>\$ 1,806,364</u>	<u>\$ 5,526,716</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 471,220	\$ (24,178)	\$ 447,042
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities			
Depreciation Expense	265,780	24,454	290,234
(Increase) Decrease in Accounts Receivable	(20,106)	20,313	207
Increase (Decrease) in Allowances for Uncollectible Accounts	9,151	(9,025)	126
(Increase) Decrease in Prepaid Items	(2,849)	(2,690)	(5,539)
Increase (Decrease) in Accounts Payable	(21,713)	(7,454)	(29,167)
Increase (Decrease) in Accrued Liabilities	1,107	672	1,779
Increase (Decrease) in Compensated Absences Payable	(6,678)	4,839	(1,839)
Increase (Decrease) in Other Current Liabilities	--	(1,192)	(1,192)
Increase (Decrease) in Customer Deposits	(2,580)	3,581	1,001
Net Cash Provided (Used) By Operating Activities	<u>\$ 693,332</u>	<u>\$ 9,320</u>	<u>\$ 702,652</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributions of Capital Assets from Governmental Funds	\$ 692,793	\$ --	\$ 692,793

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

CITY OF NASHVILLE, GEORGIA
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
July 31, 2014

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 13,104
Total Assets	<u>\$ 13,104</u>
LIABILITIES	
Due to Others	\$ 13,104
Total Liabilities	<u>\$ 13,104</u>

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Nashville, Georgia was incorporated December 20, 1892 by an act of Georgia General Assembly. The City operates under a Mayor-Council form of government. The mayor serves full time and is elected for a period of two years. There are six Council members who serve staggered terms of two years, three being elected each year. Generally accepted accounting principles require the accompanying financial statements to present the City of Nashville and its component unit. Component units are entities for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the combined financial statements (see note below for description) to emphasize that it is legally separate from the City.

Discretely Presented Component Units

The Downtown Development Authority (Authority) was created to enhance the economic development of the City of Nashville. City of Nashville is financially accountable for the Authority. Separate financial statements are not issued for the Authority.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are 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 certain legally separate *component units* for which the primary government is financially accountable.

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 properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. 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 Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary 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 generally are recorded when a

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2014

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, and interest 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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 & Sewer Enterprise Fund* accounts for the activities of the City's water & sewer operations.

The *Natural Gas Enterprise Fund* accounts for the activities of the City's natural gas operations.

Additionally, the City reports the following fund types:

Agency Funds account for monies collected on behalf of other governments, agencies, officials, and individuals.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities and Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition.

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, repurchase agreements, and obligations of other political subdivisions of Georgia.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2014

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value.

2. *Receivables and Payables*

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances from/to other funds" (i.e., the non-current portion of interfund loans). All other outstanding material balances between funds are reported as "due from/to 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."

Advances between funds, if any, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Property taxes were levied on October 14, 2013, payable December 20, 2013, and attached as an enforceable lien on property as of January 1, 2013.

3. *Inventories and Prepaid Items*

The cost of inventories is recorded as expenditures when purchased in all funds. The cost of inventories, if any, at year end are not considered material to the financial statements. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as expenditures when paid in the fund financial statements and as prepaid items in the government-wide financial statements.

4. *Restricted Assets*

Certain assets in the Water & Sewer Fund and Natural Gas Fund are classified as restricted assets because their use is restricted by bond covenants. The Revenue Bond sinking fund accounts are used to segregate resources for current and future debt service payments.

5. *Capital Assets*

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost which exceeds certain capitalization thresholds and has an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. All general infrastructure assets acquired or constructed after July 31, 2003 are reported in the government-wide financial statements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2014

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Assets	Capitalization Thresholds	Estimated Service Life
Buildings	\$ 10,000	30-40
Machinery & Equipment	\$ 5,000	5-20
Improvements	\$ 5,000	10-20
Roads	\$ 25,000	15-40
Bridges	\$ 25,000	15-40
Sidewalks	\$ 25,000	15-40
Electric System	\$ 25,000	15-50
Gas System	\$ 5,000	30
Water System	\$ 5,000	30-40
Sewer System	\$ 5,000	30-40

6. *Compensated Absences*

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability reported for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability is reported in governmental funds only if they have matured, for example, as a result of employee resignation or retirement.

7. *Long-term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. Debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. *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, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and rebates.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2014

These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

9. Fund Balances and Net Position

Fund balance for governmental funds is reported in 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. Fund balance is classified as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance includes amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision making authority.

Assigned fund balance includes amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned fund balance is the residual classification for the General Fund. The classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

The City Council can establish, modify, or rescind a fund balance assignment by council approval. The City Council can establish, modify, or rescind a fund balance commitment by council approval and is the City's highest level of decision making authority. Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied in calculating the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2014

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year-end.

All departments of the City submit requests for appropriations to the City Clerk so that a budget may be prepared. The proposed budget is presented to the City Council for review. The Council holds public hearings and a final budget must be prepared and adopted no later than July 31.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is the department level. Supplemental budgetary appropriations in funds were not considered material.

B. Excess of Expenditures Over Appropriations

Excess of expenditures over appropriations at the department level (the legal level of control) is presented below:

	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund			
Highways and Streets	\$ 443,034	\$ 466,801	\$ (23,767)
Recreation	79,618	136,805	(57,187)
Economic Development	81,300	439,384	(358,084)
Farmers Market	22,800	42,770	(19,970)

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2014

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Custodial credit risk-deposits. This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has no formal policy for custodial credit risk. As of July 31, 2014, the City's entire bank balance was insured or collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

B. Receivables

Receivables at year-end for the City's individual major funds and nonmajor funds in the aggregate, including applicable allowances for uncollectible accounts, were as follows:

	General	Nonmajor Governmental Funds	Water & Sewer	Natural Gas	Total
Interest	\$ 131	\$ --	\$ 494	\$ 1,252	\$ 1,877
Taxes	26,855	591	--	--	27,446
Accounts	103,635	--	268,512	58,099	430,246
Intergovernmental	50,047	50,735	--	--	100,782
Gross Receivables	180,668	51,326	269,006	59,351	560,351
Less: Allowance For Uncollectibles	(40,216)	--	(119,851)	(25,961)	(186,028)
	<u>\$ 140,452</u>	<u>\$ 51,326</u>	<u>\$ 149,155</u>	<u>\$ 33,390</u>	<u>\$ 374,323</u>

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2014

C. Capital Assets

Capital asset activity for the year ended July 31, 2014, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 321,137	\$ --	\$ --	\$ 321,137
Construction in progress	937,451	584,587	(1,337,084)	184,954
Total capital assets, not being depreciated	<u>1,258,588</u>	<u>584,587</u>	<u>(1,337,084)</u>	<u>506,091</u>
Capital assets, being depreciated:				
Buildings	2,590,302	465,546	--	3,055,848
Improvements other than buildings	1,717,081	209,198	--	1,926,279
Machinery & equipment	1,519,208	119,654	(23,796)	1,615,066
Total capital assets, being depreciated	<u>5,826,591</u>	<u>794,398</u>	<u>(23,796)</u>	<u>6,597,193</u>
Less accumulated depreciation for:				
Buildings	(1,418,530)	(46,551)	--	(1,465,081)
Improvements other than buildings	(449,227)	(101,718)	--	(550,945)
Machinery & equipment	(1,161,884)	(77,665)	--	(1,239,549)
Total accumulated depreciation	<u>(3,029,641)</u>	<u>(225,934)</u>	<u>--</u>	<u>(3,255,575)</u>
Total capital assets, being depreciated, net	<u>2,796,950</u>	<u>568,464</u>	<u>(23,796)</u>	<u>3,341,618</u>
Governmental activities capital assets, net	<u>\$ 4,055,538</u>	<u>\$ 1,153,051</u>	<u>\$ (1,360,880)</u>	<u>\$ 3,847,709</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 821,086	\$ --	\$ --	\$ 821,086
Construction in progress	7,121,973	11,082	(7,121,973)	11,082
Total capital assets, not being depreciated	<u>7,943,059</u>	<u>11,082</u>	<u>(7,121,973)</u>	<u>832,168</u>
Capital assets, being depreciated:				
Buildings & system	8,824,860	7,812,888	--	16,637,748
Machinery & equipment	479,717	23,797	--	503,514
Total capital assets, being depreciated	<u>9,304,577</u>	<u>7,836,685</u>	<u>--</u>	<u>17,141,262</u>
Less accumulated depreciation for:				
Buildings & system	(4,882,220)	(281,429)	--	(5,163,649)
Machinery & equipment	(440,329)	(8,805)	--	(449,134)
Total accumulated depreciation	<u>(5,322,549)</u>	<u>(290,234)</u>	<u>--</u>	<u>(5,612,783)</u>
Total capital assets, being depreciated, net	<u>3,982,028</u>	<u>7,546,451</u>	<u>--</u>	<u>11,528,479</u>
Business-type activities capital assets, net	<u>\$ 11,925,087</u>	<u>\$ 7,557,533</u>	<u>\$ (7,121,973)</u>	<u>\$ 12,360,647</u>

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2014

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

Governmental Activities	
General Government	\$ 39,216
Public Safety	61,202
Public Works	98,926
Culture & Recreation	16,054
Housing & Development	10,536
	<u>\$ 225,934</u>

Business-type Activities	
Water & Sewer	\$ 265,780
Gas	24,454
	<u>\$ 290,234</u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of July 31, 2014 is as follows:

Due from / to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 1
General Fund	Water and Sewer Enterprise Fund	77,158
General Fund	Natural Gas Enterprise Fund	36,651
Water & Sewer Enterprise Fund	Nonmajor Governmental Funds	2
		<u>\$ 113,812</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The Water and Sewer Fund owes the General Fund for unreimbursed expenses of \$77,158. The Gas Fund owes the General Fund for unreimbursed expenses of \$36,651. Nonmajor Governmental Funds owe the General Fund and Water and Sewer Fund monies deposited to open a checking account.

Interfund transfers:

Transfer In	Transfer Out	Amount
Nonmajor Governmental Funds	Nonmajor Governmental Funds	\$ 4,340
		<u>\$ 4,340</u>

A Nonmajor fund transferred \$4,340 to a Nonmajor Governmental Fund for matching requirement per the sales tax referendum.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2014

E. Leases

Capital Leases. The City has entered into lease agreements as lessee for financing the acquisition of capital assets. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Amortization for the period is included in depreciation.

Capital assets subject to lease obligations at July 31, 2014 were as follows:

	Business-type Activities
Machinery and Equipment	\$ 334,176
Less: Accumulated Depreciation	(45,949)
Total	<u>\$ 288,227</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of July 31, 2014, were as follows:

Year Ending July 31	Business-type Activities
2015	\$ 45,332
2016	45,331
2017	45,332
2018	45,331
2019 - 2023	45,331
Total Minimum Lease Payments	<u>226,657</u>
Less: Amounts Representing Interest	(15,676)
Present Value Of Minimum Lease Payments	<u>\$ 210,981</u>

F. Long-Term Debt

Notes Payable

The City entered into a promissory note with USDA Rural Development for \$52,155 at 4% interest payable over five years for the purchase of police vehicles. The balance outstanding at July 31, 2014 was \$22,095.

The City entered into a promissory note with Citizens Bank for \$212,751 at 5% interest payable over 35 months @ \$1,500 with 1 balloon payment due May 16, 2015 for the purchase of a metal building. The balance outstanding at July 31, 2014 was \$195,940.

The City entered into a promissory note with Citizens Bank for \$323,408 at 4.5% interest payable over 60 months @ \$6,000 with 1 balloon payment due August 15, 2019 for the renovation of the Bi-Lo building. The balance outstanding at July 31, 2014 was \$323,408.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2014

Notes payable debt service requirements to maturity are as follows:

Year Ending July 31	Governmental Activities		
	Principal	Interest	Total
2015	\$ 260,430	\$ 20,470	\$ 280,900
2016	72,374	11,342	83,716
2017	63,919	8,081	72,000
2018	66,855	5,145	72,000
2019	69,927	2,073	72,000
2020	7,938	30	7,968
Total	<u>\$ 541,443</u>	<u>\$ 47,141</u>	<u>\$ 588,584</u>

Loans Payable

The City entered into a loan with Georgia Environmental Finance Authority (GEFA) for \$5,888,863.85 at 3% interest payable over 20 years for the construction of a waste water treatment system. The balance outstanding at July 31, 2014 was \$5,775,393.

Loans payable debt service requirements to maturity are as follows:

Year Ending July 31	Business-type Activities		
	Principal	Interest	Total
2015	\$ 222,583	\$ 170,217	\$ 392,800
2016	229,353	163,447	392,800
2017	236,329	156,471	392,800
2018	243,517	149,283	392,800
2019	250,924	141,877	392,801
2020 - 2024	1,373,850	590,153	1,964,003
2025 - 2029	1,595,887	368,115	1,964,002
2030 - 2034	1,622,950	111,919	1,734,869
Total	<u>\$ 5,775,393</u>	<u>\$ 1,851,482</u>	<u>\$ 7,626,875</u>

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2014

Revenue Bonds

The City issued bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The City issued Series 1992-Farmers Home Administration revenue bonds payable at 5% interest to extend the City's water and sewer system. Revenue bonds outstanding were \$1,636,690 at July 31, 2014.

Revenue bond debt service requirements to maturity are as follows:

Year Ending July 31	Business-type Activities		
	Principal	Interest	Total
2015	\$ 58,170	\$ 81,835	\$ 140,005
2016	61,080	78,926	140,006
2017	64,140	75,872	140,012
2018	67,340	72,665	140,005
2019	70,710	69,298	140,008
2020 - 2024	410,240	289,788	700,028
2025 - 2029	523,590	176,446	700,036
2030 - 2034	381,420	38,770	420,190
Total	<u>\$ 1,636,690</u>	<u>\$ 883,600</u>	<u>\$ 2,520,290</u>

Changes in General Long-Term Liabilities

Long-term liability activity for the year ended July 31, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 63,279	\$ 58,288	\$ (58,431)	\$ 63,136	\$ --
Notes Payable	236,436	323,408	(18,401)	541,443	260,430
	<u>\$ 299,715</u>	<u>\$ 381,696</u>	<u>\$ (76,832)</u>	<u>\$ 604,579</u>	<u>\$ 260,430</u>
Business-type Activities:					
Compensated Absences	\$ 41,350	\$ 18,398	\$ (20,237)	\$ 39,511	\$ --
Capital Leases	249,795	--	(38,814)	210,981	39,899
Loans Payable	5,888,864	13,322	(126,793)	5,775,393	222,583
Revenue Bonds	1,692,090	--	(55,400)	1,636,690	58,170
	<u>\$ 7,872,099</u>	<u>\$ 31,720</u>	<u>\$ (241,244)</u>	<u>\$ 7,662,575</u>	<u>\$ 320,652</u>

For Governmental activities, claims and judgments, compensated absences, and pension liabilities are generally liquidated by the General Fund.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2014

G. Restricted Assets

The balances of the restricted asset accounts in the enterprise funds were as follows:

	Business-type Activities
Sinking Fund Accounts	\$ 788,199
CD's Held For Collateral	379,989
	<u>\$ 1,168,188</u>

Pursuant to an intergovernmental agreement (payment agreement) with the City of Tifton, Georgia, the City has placed \$379,989 of its certificates of deposit into joint ownership with the City of Tifton. These funds serve as security for a natural gas pipeline agreement entered into with the City of Tifton. The jointly owned funds are to be held, without any reductions, until the outstanding balance owed by the City of Tifton on its loan with the Georgia Municipal Association (GMA) reaches a level equal to or less than the balance of the jointly owned funds. When the jointly owned funds balance is equal to or greater than the outstanding GMA pipeline loan balance, the City of Tifton shall release funds from the jointly owned accounts on a dollar for dollar basis as it receives annual payments from Nashville pursuant to the pipeline agreement.

H. Fund Balances

	General	Other Governmental Funds	Total Governmental Funds
Restricted			
Economic Development	\$ --	\$ 9,004	\$ 9,004
Capital Outlay	--	284,203	284,203
	<u>--</u>	<u>293,207</u>	<u>293,207</u>
Assigned			
Capital Outlay	--	50	50
	<u>--</u>	<u>50</u>	<u>50</u>
Unassigned, Reported In			
General Fund	1,877,989	--	1,877,989
	<u>1,877,989</u>	<u>--</u>	<u>1,877,989</u>
Total Fund Balances	<u>\$ 1,877,989</u>	<u>\$ 293,257</u>	<u>\$ 2,171,246</u>

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance purchased either directly or indirectly from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. The City's deductibles for commercial insurance coverage range from \$0 to \$5,000 with various limits of liability ranging from \$5,000 to \$12,531,806. The City's workers compensation coverage is provided by StarNet Insurance Company.

B. Commitments and Contingencies

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

Amounts received or receivable from grantor agencies, federal and state, are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. In the opinion of City management, such disallowances, if any, will not be significant to the City's financial statements.

Municipal Gas Authority of Georgia Contract – According to the terms of a Contract with Municipal Gas Authority of Georgia (MGAG), the City is committed to purchase gas supplies for a period including the final maturity date and payment of all outstanding bonds issued to finance the City's share of the allocated Gas Supply Realignment Cost Project. In the event that at any time all project costs payable by MGAG are in excess of the revenues of the Authority available for the purpose of paying the same or reserve funds, the City is obligated to pay its share of the excess. The obligation of the City to make payments to the Authority under these contracts constitutes a general obligation of the City.

C. Pensions

The City adopted a resolution to create the City of Nashville 457 Deferred Compensation Plan, on August 12, 2002. The defined contribution plan allows eligible employees to defer a minimum of 1% of compensation or a minimum of \$25. No contributions were made by the City.

The City participates in the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer defined benefit plan. The City's participation in the plan, benefit provisions, and other requirements are established by City ordinance. GMEBS issues a financial report that may be obtained by writing to Georgia Municipal Employees Benefit System, 201 Pryor Street SW, Atlanta, Georgia 30303.

Funding Policy

City employees are not required to contribute to the Plan. The Board of Trustees of GMEBS has adopted an actuarial funding policy for determination of annual required contributions to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the plan. The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). Annual contributions made in accordance with the funding policy, which requires a different funding level, will meet the minimum funding standards. The City's current required contribution rate is 9.09% of annual covered payroll. The contribution requirements of employees and the City are established by City ordinance. Monthly retirement benefits shall be determined based upon the applicable benefit formula specified in the Adoption Agreement in effect at the Participant's termination.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2014

Annual Pension Cost

For 2014, the City's annual pension cost of \$105,451 was equal to the City's required and actual contributions.

Three Year Trend Information

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
1/1/2012	\$ 75,431	100	\$ --
1/1/2013	88,971	100	--
1/1/2014	105,451	100	--

The required contribution was determined as part of the January 1, 2014, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return, (b) projected salary increases of 3.5% plus age and service based merit increases, and (c) 2% inflation rate. The actuarial value of Plan assets was determined using techniques that smooth the effect of short-term volatility in the market value of the investments. The unfunded actuarial accrued liability is being amortized on a closed level dollar basis for the remaining unfunded liability. The net effective remaining amortization period at January 1, 2014, was 10 years.

Funded Status and Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the plan was 89.8% funded. The actuarial accrued liability for benefits was \$2,233,549, and the actuarial value of assets was \$2,005,168, resulting in an unfunded actuarial accrued liability (UAAL) of \$228,381. The covered payroll (annual payroll of active employees covered by the plan) was \$1,136,701, and the ratio of the UAAL to the covered payroll was 20.1%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

D. Related Organizations

The Mayor is responsible for appointing the board members of the Housing Authority of the City of Nashville, but the City's accountability for the Authority does not extend beyond making the appointments. Any disbursements to the Authority are based on contractual agreements that have been budgeted and expensed as a part of the regular operations of the City.

E. Joint Ventures

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 (formerly SGRDC) and is required to pay annual dues thereto. During its year ended July 31, 2014, the City paid \$6,224 in such dues. Membership in a regional commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the regional commission in Georgia. The regional commission board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from:

Southeast Georgia Regional Commission
 327 West Savannah Ave.
 Valdosta, Georgia 31601

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF NASHVILLE, GEORGIA

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended July 31, 2014**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,926,994	\$ 1,963,994	\$ 1,876,435	\$ (87,559)
Licenses and Permits	102,234	102,234	102,429	195
Intergovernmental	62,000	62,000	93,504	31,504
Charges for Services	594,062	594,062	637,879	43,817
Fines and Forfeitures	169,143	174,143	184,085	9,942
Interest Revenue	14,000	14,000	6,469	(7,531)
Contributions and Donations	17,050	17,050	14,336	(2,714)
Miscellaneous	36,320	108,320	152,835	44,515
Total Revenues	<u>2,921,803</u>	<u>3,035,803</u>	<u>3,067,972</u>	<u>32,169</u>
EXPENDITURES				
Clerks Office	521,596	599,388	594,259	5,129
Municipal Court	25,500	26,050	25,921	129
Police	978,700	908,700	901,421	7,279
Fire and Emergency	133,468	113,468	105,068	8,400
Animal Control	52,010	52,010	47,594	4,416
Highways and Streets	387,551	443,034	466,801	(23,767)
Sanitation	517,625	549,625	546,211	3,414
City Shop	1,100	1,100	54	1,046
Work Control	5,700	5,700	4,987	713
Recreation	73,618	79,618	136,805	(57,187)
Economic Development	81,300	81,300	439,384	(358,084)
Code Enforcer	78,635	88,010	87,579	431
Farmers Market	--	22,800	42,770	(19,970)
Total Expenditures	<u>2,856,803</u>	<u>2,970,803</u>	<u>3,398,854</u>	<u>(428,051)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>65,000</u>	<u>65,000</u>	<u>(330,882)</u>	<u>(395,882)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				
Transfers Out				
TE Grant #2 Capital Projects Fund	(65,000)	(65,000)	--	65,000
Notes Payable	--	--	323,408	323,408
Total Other Financing Sources (Uses)	<u>(65,000)</u>	<u>(65,000)</u>	<u>323,408</u>	<u>388,408</u>
Net Change in Fund Balances	--	--	(7,474)	(7,474)
Fund Balances - Beginning	1,885,463	1,885,463	1,885,463	--
Fund Balances - Ending	<u>\$ 1,885,463</u>	<u>\$ 1,885,463</u>	<u>\$ 1,877,989</u>	<u>\$ (7,474)</u>

CITY OF NASHVILLE, GEORGIA
Pension Plan
Schedule of Funding Progress
July 31, 2014

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
1/1/2010	\$ 2,184,714	\$ 2,098,555	\$ (86,159)	104.1 %	\$ 1,192,619	(7.2) %
1/1/2011	2,178,288	1,971,513	(206,775)	110.5	1,030,818	(20.1)
1/1/2012	1,998,728	2,071,148	72,420	96.5	1,111,093	6.5
1/1/2013	1,986,896	2,151,378	164,482	92.4	1,157,129	14.2
1/1/2014	2,005,168	2,233,549	228,381	89.8	1,136,701	20.1

CITY OF NASHVILLE, GEORGIA
Notes to the Required Supplementary Information
July 31, 2014

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects funds, which adopt project length budgets.

**COMBINING & INDIVIDUAL FUND
STATEMENTS & SCHEDULES**

Major Governmental Funds

General Fund

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

CITY OF NASHVILLE, GEORGIA
General Fund
Balance Sheet
July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,754,227	\$ 1,789,092
Receivables (Net of Allowance for Uncollectibles)		
Interest	131	355
Taxes	26,197	19,505
Accounts	64,077	77,741
Intergovernmental	50,047	89,229
Due from Other Funds		
Street and Flood Drainage Capital Projects Fund	1	--
Sewer Improvements Capital Projects Fund	--	1
Water and Sewer Enterprise Fund	77,158	59,223
Natural Gas Enterprise Fund	36,651	23,849
Total Assets	<u>\$ 2,008,489</u>	<u>\$ 2,058,995</u>
LIABILITIES		
Accounts Payable	\$ 94,928	\$ 134,122
Accrued Liabilities	10,130	2,755
Due to Other Funds		
1% SPLOST Capital Projects Fund	--	4,340
Customer Deposits	250	50
Total Liabilities	<u>105,308</u>	<u>141,267</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue		
Property Taxes	25,192	16,982
Rebates	--	15,283
Total Deferred Inflows of Resources	<u>25,192</u>	<u>32,265</u>
FUND BALANCES		
Unassigned	<u>1,877,989</u>	<u>1,885,463</u>
Total Fund Balances	<u>1,877,989</u>	<u>1,885,463</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,008,489</u>	<u>\$ 2,058,995</u>

CITY OF NASHVILLE, GEORGIA**General Fund****Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2014 and 2013**

	2014	2013
REVENUES		
Taxes	\$ 1,876,435	\$ 1,959,089
Licenses and Permits	102,429	110,155
Intergovernmental	93,504	159,243
Charges for Services	637,879	627,035
Fines and Forfeitures	184,085	194,176
Interest Revenue	6,469	11,537
Contributions and Donations	14,336	43,858
Miscellaneous	152,835	48,441
Total Revenues	<u>3,067,972</u>	<u>3,153,534</u>
EXPENDITURES		
Current		
General Government	594,259	560,721
Judicial	25,921	26,342
Public Safety	1,054,083	1,114,482
Public Works	1,018,053	894,487
Culture and Recreation	136,805	58,074
Housing and Development	569,733	251,479
Total Expenditures	<u>3,398,854</u>	<u>2,905,585</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(330,882)</u>	<u>247,949</u>
OTHER FINANCING SOURCES (USES)		
Transfers In		
CDBG Hogan Capital Projects Fund	--	30,000
Transfers Out		
CDBG Hogan Capital Projects Fund	--	(31,176)
TE Grant #3 Capital Projects Fund	--	(7,050)
Notes Payable	323,408	--
Total Other Financing Sources (Uses)	<u>323,408</u>	<u>(8,226)</u>
Net Change in Fund Balances	<u>(7,474)</u>	<u>239,723</u>
Fund Balances - Beginning	1,885,463	1,645,740
Fund Balances - Ending	<u>\$ 1,877,989</u>	<u>\$ 1,885,463</u>

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Hotel/Motel Fund - This fund is used to account for the collection and disbursement of tax for the purpose of tourism.

Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

1% SPLOST #3 Fund - This fund is used to account for the City's share of the one-percent special purpose local option sales tax to be used for capital outlay for major capital projects..

1% SPLOST #4 Fund - This fund is used to account for the City's share of the one-percent special purpose local option sales tax to be used for capital outlay for major capital projects..

TE Grant #2 Fund - This fund is used to account for federal grants used to construct and improve downtown sidewalks

CDBG Hogan Fund - This fund is used to account for grants used for a redevelopment project.

CDBG Sewer Fund - This fund is used to account for grants used for sewer & water improvements.

TE Grant #3 Fund - This fund is used to account for federal grants used to construct and improve downtown sidewalks.

CDBG Sewer 2012 - This fund is used to account for federal grants used for sewage improvements.

CITY OF NASHVILLE, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
July 31, 2014

	Special Revenue Funds			
	Hotel/Motel	Total	1% SPLOST #3	1% SPLOST #4
ASSETS				
Cash and Cash Equivalents	\$ 8,413	\$ 8,413	\$ --	\$ 274,149
Receivables	591	591	--	35,804
Due from Other Funds	--	--	--	--
Total Assets	<u>\$ 9,004</u>	<u>\$ 9,004</u>	<u>\$ --</u>	<u>\$ 309,953</u>
LIABILITIES				
Accounts Payable	--	--	--	25,750
Due to Other Funds	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>25,750</u>
FUND BALANCES				
Restricted	9,004	9,004	--	284,203
Assigned	--	--	--	--
Total Fund Balances	<u>9,004</u>	<u>9,004</u>	<u>--</u>	<u>284,203</u>
Total Liabilities and Fund Balances	<u>\$ 9,004</u>	<u>\$ 9,004</u>	<u>\$ --</u>	<u>\$ 309,953</u>

Capital Projects Funds						
TE Grant #2	CDBG Hogan	CDBG Sewer	TE Grant #3	CDBG Sewer 2012	Total	Total Nonmajor Governmental Funds
\$ 50	\$ 1	\$ 1	\$ --	\$ 1	\$ 274,202	\$ 282,615
--	--	--	--	14,931	50,735	51,326
--	--	--	--	--	--	--
<u>\$ 50</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ --</u>	<u>\$ 14,932</u>	<u>\$ 324,937</u>	<u>\$ 333,941</u>
--	--	--	--	14,931	40,681	40,681
--	1	1	--	1	3	3
--	<u>1</u>	<u>1</u>	--	<u>14,932</u>	<u>40,684</u>	<u>40,684</u>
--	--	--	--	--	284,203	293,207
50	--	--	--	--	50	50
<u>50</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>284,253</u>	<u>293,257</u>
<u>\$ 50</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ --</u>	<u>\$ 14,932</u>	<u>\$ 324,937</u>	<u>\$ 333,941</u>

CITY OF NASHVILLE, GEORGIA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended July 31, 2014

	Special Revenue Funds		1%	1%
	Hotel/Motel	Total	SPLOST #3	SPLOST #4
REVENUES				
Taxes	\$ 6,008	\$ 6,008	\$ --	\$ --
Intergovernmental	--	--	--	231,729
Total Revenues	<u>6,008</u>	<u>6,008</u>	<u>--</u>	<u>231,729</u>
EXPENDITURES				
Current				
Housing and Development	--	--	--	--
Capital Outlay	--	--	--	251,527
Debt Service	--	--	1,025	28,690
Total Expenditures	<u>--</u>	<u>--</u>	<u>1,025</u>	<u>280,217</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,008</u>	<u>6,008</u>	<u>(1,025)</u>	<u>(48,488)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	--	--	--	4,340
Transfers Out	--	--	(4,340)	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>(4,340)</u>	<u>4,340</u>
Net Change in Fund Balances	6,008	6,008	(5,365)	(44,148)
Fund Balances - Beginning	2,996	2,996	5,365	328,351
Fund Balances - Ending	<u>\$ 9,004</u>	<u>\$ 9,004</u>	<u>\$ --</u>	<u>\$ 284,203</u>

Capital Projects Funds						
TE Grant #2	CDBG Hogan	CDBG Sewer	TE Grant #3	CDBG Sewer 2012	Total	Total Nonmajor Governmental Funds
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 6,008
--	17,107	32,103	--	41,276	322,215	322,215
--	17,107	32,103	--	41,276	322,215	328,223
--	--	--	--	--	--	--
--	17,107	32,103	--	41,276	342,013	342,013
--	--	--	--	--	29,715	29,715
--	17,107	32,103	--	41,276	371,728	371,728
--	--	--	--	--	(49,513)	(43,505)
--	--	--	--	--	4,340	4,340
--	--	--	--	--	(4,340)	(4,340)
--	--	--	--	--	--	--
--	--	--	--	--	(49,513)	(43,505)
50	--	--	--	--	333,766	336,762
\$ 50	\$ --	\$ --	\$ --	\$ --	\$ 284,253	\$ 293,257

CITY OF NASHVILLE, GEORGIA
Hotel/Motel Special Revenue Fund
Balance Sheet
July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and Cash Equivalents	\$ 8,413	\$ 2,638
Receivables		
Taxes	591	358
Total Assets	<u>\$ 9,004</u>	<u>\$ 2,996</u>
FUND BALANCES		
Restricted	\$ 9,004	\$ 2,996
Total Fund Balances	<u>\$ 9,004</u>	<u>\$ 2,996</u>

CITY OF NASHVILLE, GEORGIA
Hotel/Motel Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
REVENUES		
Taxes	\$ 6,008	\$ 5,822
Total Revenues	<u>6,008</u>	<u>5,822</u>
EXPENDITURES		
Current		
Housing and Development	--	6,271
Total Expenditures	<u>--</u>	<u>6,271</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,008</u>	<u>(449)</u>
Net Change in Fund Balances	6,008	(449)
Fund Balances - Beginning	2,996	3,445
Fund Balances - Ending	<u>\$ 9,004</u>	<u>\$ 2,996</u>

CITY OF NASHVILLE, GEORGIA

Hotel/Motel Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Year Ended July 31, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 5,714	\$ 6,008	\$ 294
Total Revenues	<u>5,714</u>	<u>6,008</u>	<u>294</u>
EXPENDITURES			
Current			
Housing and Development	5,714	--	5,714
Total Expenditures	<u>5,714</u>	<u>--</u>	<u>5,714</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures	<u>--</u>	<u>6,008</u>	<u>6,008</u>
Net Change in Fund Balances	<u>--</u>	<u>6,008</u>	<u>6,008</u>
Fund Balances - Beginning	2,996	2,996	--
Fund Balances - Ending	<u>\$ 2,996</u>	<u>\$ 9,004</u>	<u>\$ 6,008</u>

CITY OF NASHVILLE, GEORGIA
1% SPLOST #3 Capital Projects Fund
Balance Sheet
July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and Cash Equivalents	\$ --	\$ 1,025
Due from Other Funds		
General Fund	--	4,340
Total Assets	<u>\$ --</u>	<u>\$ 5,365</u>
FUND BALANCES		
Restricted	\$ --	\$ 5,365
Total Fund Balances	<u>\$ --</u>	<u>\$ 5,365</u>

CITY OF NASHVILLE, GEORGIA
1% SPLOST #3 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2014 and 2013

	2014	2013
REVENUES		
Intergovernmental	\$ --	\$ 4,340
Total Revenues	<u> --</u>	<u> 4,340</u>
EXPENDITURES		
Capital Outlay	--	227,076
Debt Service	1,025	29,716
Total Expenditures	<u> 1,025</u>	<u> 256,792</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u> (1,025)</u>	<u> (252,452)</u>
OTHER FINANCING SOURCES (USES)		
Transfers Out		
Water and Sewer Enterprise Fund	--	(14,000)
1% SPLOST #4 Capital Projects Fund	(4,340)	--
Total Other Financing Sources (Uses)	<u> (4,340)</u>	<u> (14,000)</u>
Net Change in Fund Balances	<u> (5,365)</u>	<u> (266,452)</u>
Fund Balances - Beginning	5,365	271,817
Fund Balances - Ending	<u> \$ --</u>	<u> \$ 5,365</u>

CITY OF NASHVILLE, GEORGIA
1% SPLOST #4 Capital Projects Fund
Balance Sheet
July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and Cash Equivalents	\$ 274,149	\$ 293,120
Receivables		
Intergovernmental	35,804	43,953
Total Assets	<u>\$ 309,953</u>	<u>\$ 337,073</u>
LIABILITIES		
Accounts Payable	\$ 25,750	\$ 8,722
Total Liabilities	<u>25,750</u>	<u>8,722</u>
FUND BALANCES		
Restricted	284,203	328,351
Total Fund Balances	<u>284,203</u>	<u>328,351</u>
Total Liabilities and Fund Balances	<u>\$ 309,953</u>	<u>\$ 337,073</u>

CITY OF NASHVILLE, GEORGIA
1% SPLOST #4 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2014 and 2013

	2014	2013
REVENUES		
Intergovernmental	\$ 231,729	\$ 283,835
Total Revenues	<u>231,729</u>	<u>283,835</u>
EXPENDITURES		
Capital Outlay	251,527	17,034
Debt Service	28,690	--
Total Expenditures	<u>280,217</u>	<u>17,034</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(48,488)</u>	<u>266,801</u>
OTHER FINANCING SOURCES (USES)		
Transfers In		
1% SPLOST #3 Capital Projects Fund	4,340	--
Transfers Out		
Sewer Improvements Capital Projects Fund	--	(23,214)
Total Other Financing Sources (Uses)	<u>4,340</u>	<u>(23,214)</u>
Net Change in Fund Balances	<u>(44,148)</u>	<u>243,587</u>
Fund Balances - Beginning	328,351	84,764
Fund Balances - Ending	<u>\$ 284,203</u>	<u>\$ 328,351</u>

CITY OF NASHVILLE, GEORGIA
TE Grant #2 Capital Projects Fund
Balance Sheet
July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and Cash Equivalents	\$ 50	\$ 50
Total Assets	<u>\$ 50</u>	<u>\$ 50</u>
FUND BALANCES		
Assigned	\$ 50	\$ 50
Total Fund Balances	<u>\$ 50</u>	<u>\$ 50</u>

CITY OF NASHVILLE, GEORGIA

TE Grant #2 Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

From Inception and for the Year Ended July 31, 2014

	Project			
	Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Intergovernmental	\$ 200,000	\$ 200,000	\$ --	\$ 200,000
Total Revenues	<u>200,000</u>	<u>200,000</u>	<u>--</u>	<u>200,000</u>
EXPENDITURES				
Capital Outlay	240,000	233,479	--	233,479
Total Expenditures	<u>240,000</u>	<u>233,479</u>	<u>--</u>	<u>233,479</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(40,000)</u>	<u>(33,479)</u>	<u>--</u>	<u>(33,479)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				
General Fund	40,000	33,484	--	33,484
TE Grant Capital Projects Fund	--	45	--	45
Total Other Financing Sources (Uses)	<u>40,000</u>	<u>33,529</u>	<u>--</u>	<u>33,529</u>
Net Change in Fund Balances	<u>\$ --</u>	<u>\$ 50</u>	<u>--</u>	<u>\$ 50</u>
Fund Balances - Beginning			50	
Fund Balances - Ending			<u>\$ 50</u>	

CITY OF NASHVILLE, GEORGIA
CDBG Hogan Capital Projects Fund
Balance Sheet
July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and Cash Equivalents	\$ 1	\$ 1
Total Assets	<u>\$ 1</u>	<u>\$ 1</u>
LIABILITIES		
Due to Other Funds		
General Fund	\$ 1	\$ 1
Total Liabilities	<u>1</u>	<u>1</u>
Total Fund Balances	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 1</u>	<u>\$ 1</u>

CITY OF NASHVILLE, GEORGIA
CDBG Hogan Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2014 and 2013

	2014	2013
REVENUES		
Intergovernmental	\$ 17,107	\$ 127,015
Total Revenues	<u>17,107</u>	<u>127,015</u>
EXPENDITURES		
Capital Outlay	17,107	128,191
Total Expenditures	<u>17,107</u>	<u>128,191</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>(1,176)</u>
OTHER FINANCING SOURCES (USES)		
Transfers In		
General Fund	--	31,176
Transfers Out		
General Fund	--	(30,000)
Total Other Financing Sources (Uses)	<u>--</u>	<u>1,176</u>
Net Change in Fund Balances	<u>--</u>	<u>--</u>
Fund Balances - Beginning	--	--
Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>

CITY OF NASHVILLE, GEORGIA
CDBG Hogan Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended July 31, 2014

	Project			
	Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Intergovernmental	\$ 162,617	\$ 127,015	\$ 17,107	\$ 144,122
Total Revenues	<u>162,617</u>	<u>127,015</u>	<u>17,107</u>	<u>144,122</u>
EXPENDITURES				
Capital Outlay	177,617	158,913	17,107	176,020
Total Expenditures	<u>177,617</u>	<u>158,913</u>	<u>17,107</u>	<u>176,020</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(15,000)</u>	<u>(31,898)</u>	<u>--</u>	<u>(31,898)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				
General Fund	15,000	61,898	--	61,898
Transfers Out				
General Fund	--	(30,000)	--	(30,000)
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>31,898</u>	<u>--</u>	<u>31,898</u>
Net Change in Fund Balances	<u>\$ --</u>	<u>\$ --</u>	<u>--</u>	<u>\$ --</u>
Fund Balances - Beginning			<u>--</u>	
Fund Balances - Ending			<u>\$ --</u>	

CITY OF NASHVILLE, GEORGIA
CDBG Sewer Capital Projects Fund
Balance Sheet
July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and Cash Equivalents	\$ 1	\$ 1
Receivables		
Intergovernmental	--	57,852
Total Assets	<u>\$ 1</u>	<u>\$ 57,853</u>
LIABILITIES		
Accounts Payable	\$ --	\$ 57,852
Due to Other Funds		
Water and Sewer Enterprise Fund	1	1
Total Liabilities	<u>1</u>	<u>57,853</u>
Total Fund Balances	--	--
Total Liabilities and Fund Balances	<u>\$ 1</u>	<u>\$ 57,853</u>

CITY OF NASHVILLE, GEORGIA
CDBG Sewer Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
REVENUES		
Intergovernmental	\$ 32,103	\$ 282,629
Total Revenues	<u>32,103</u>	<u>282,629</u>
EXPENDITURES		
Capital Outlay	32,103	282,629
Total Expenditures	<u>32,103</u>	<u>282,629</u>
Net Change in Fund Balances	--	--
Fund Balances - Beginning	--	--
Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>

CITY OF NASHVILLE, GEORGIA
CDBG Sewer Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended July 31, 2014

	Project			
	Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Intergovernmental	\$ 386,905	\$ 354,801	\$ 32,103	\$ 386,904
Total Revenues	<u>386,905</u>	<u>354,801</u>	<u>32,103</u>	<u>386,904</u>
EXPENDITURES				
Capital Outlay	441,567	354,801	32,103	386,904
Total Expenditures	<u>441,567</u>	<u>354,801</u>	<u>32,103</u>	<u>386,904</u>
Net Change in Fund Balances	<u>\$ (54,662)</u>	<u>\$ --</u>	<u>--</u>	<u>\$ --</u>
Fund Balances - Beginning			--	
Fund Balances - Ending			<u>\$ --</u>	

CITY OF NASHVILLE, GEORGIA
TE Grant #3 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
EXPENDITURES		
Capital Outlay	\$ --	\$ 7,050
Total Expenditures	<u>--</u>	<u>7,050</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>(7,050)</u>
OTHER FINANCING SOURCES (USES)		
Transfers In		
General Fund	--	7,050
Total Other Financing Sources (Uses)	<u>--</u>	<u>7,050</u>
Net Change in Fund Balances	--	--
Fund Balances - Beginning	--	--
Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>

CITY OF NASHVILLE, GEORGIA

TE Grant #3 Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

From Inception and for the Year Ended July 31, 2014

	Project			
	<u>Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
EXPENDITURES				
Capital Outlay	\$ 250,000	\$ 15,862	\$ --	\$ 15,862
Total Expenditures	<u>250,000</u>	<u>15,862</u>	<u>--</u>	<u>15,862</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(250,000)</u>	<u>(15,862)</u>	<u>--</u>	<u>(15,862)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				
General Fund	50,000	15,862	--	15,862
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>15,862</u>	<u>--</u>	<u>15,862</u>
Net Change in Fund Balances	<u>\$ (200,000)</u>	<u>\$ --</u>	<u>--</u>	<u>\$ --</u>
Fund Balances - Beginning			--	
Fund Balances - Ending			<u>\$ --</u>	

CITY OF NASHVILLE, GEORGIA
CDBG Sewer 2012 Capital Projects Fund
Balance Sheet
July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and Cash Equivalents	\$ 1	\$ 1
Receivables		
Intergovernmental	14,931	--
Total Assets	<u>\$ 14,932</u>	<u>\$ 1</u>
LIABILITIES		
Accounts Payable	\$ 14,931	\$ --
Due to Other Funds		
Water and Sewer Enterprise Fund	1	1
Total Liabilities	<u>14,932</u>	<u>1</u>
Total Fund Balances	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 14,932</u>	<u>\$ 1</u>

CITY OF NASHVILLE, GEORGIA
CDBG Sewer 2012 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
REVENUES		
Intergovernmental	\$ 41,276	\$ --
Total Revenues	<u>41,276</u>	<u>--</u>
EXPENDITURES		
Capital Outlay	41,276	23,214
Total Expenditures	<u>41,276</u>	<u>23,214</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>(23,214)</u>
OTHER FINANCING SOURCES (USES)		
Transfers In		
1% SPLOST #4 Capital Projects Fund	--	23,214
Total Other Financing Sources (Uses)	<u>--</u>	<u>23,214</u>
Net Change in Fund Balances	<u>--</u>	<u>--</u>
Fund Balances - Beginning	--	--
Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>

CITY OF NASHVILLE, GEORGIA
CDBG Sewer 2012 Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended July 31, 2014

	Project			
	Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Intergovernmental	\$ 461,868	\$ --	\$ 41,276	\$ 41,276
Total Revenues	<u>461,868</u>	<u>--</u>	<u>41,276</u>	<u>41,276</u>
EXPENDITURES				
Capital Outlay	461,868	23,214	41,276	64,490
Total Expenditures	<u>461,868</u>	<u>23,214</u>	<u>41,276</u>	<u>64,490</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>(23,214)</u>	<u>--</u>	<u>(23,214)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				
1% SPLOST #4 Capital Projects Fund	--	23,214	--	23,214
Total Other Financing Sources (Uses)	<u>--</u>	<u>23,214</u>	<u>--</u>	<u>23,214</u>
Net Change in Fund Balances	<u>\$ --</u>	<u>\$ --</u>	<u>--</u>	<u>\$ --</u>
Fund Balances - Beginning			--	
Fund Balances - Ending			<u>\$ --</u>	

Major Proprietary Funds

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the City's Council is that costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City's Council has decided that periodic determination of net income is appropriate for accountability purposes.

Water & Sewer Fund - This fund is used to account for the activities of the City's water & sewer operations.

Natural Gas Fund - This fund is used to account for the activities of the City's natural gas operations.

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Statement of Net Position
July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 2,932,153	\$ 2,609,668
Receivables (Net of Allowance for Uncollectibles)		
Interest	494	2,374
Accounts	148,661	137,706
Due from Other Funds		
General Fund	--	1
Natural Gas Enterprise Fund	--	250
CDBG Sewer Capital Projects Fund	2	1
Prepaid Items	6,608	3,759
Restricted Assets		
Cash and Cash Equivalents	788,199	847,701
Total Current Assets	<u>3,876,117</u>	<u>3,601,460</u>
Noncurrent Assets		
Capital Assets Not Being Depreciated		
Land	815,086	815,086
Construction in Progress	3,960	7,121,973
Capital Assets Net of Accumulated Depreciation		
Buildings and System	15,651,818	7,838,930
Machinery and Equipment	368,078	344,281
Accumulated Depreciation	<u>(5,007,323)</u>	<u>(4,741,543)</u>
Total Capital Assets Net of Accumulated Depreciation	<u>11,831,619</u>	<u>11,378,727</u>
Total Noncurrent Assets	<u>11,831,619</u>	<u>11,378,727</u>
Total Assets	<u>15,707,736</u>	<u>14,980,187</u>

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Statement of Net Position
July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	19,030	40,743
Accrued Liabilities	1,107	--
Due to Other Funds		
General Fund	77,158	59,223
Customer Deposits	144,983	147,563
Accrued Interest Payable	53,898	55,800
Loans Payable - Current	222,583	126,793
Revenue Bonds Payable (Net of Unamortized Discount)	58,170	55,400
Total Current Liabilities	<u>576,929</u>	<u>485,522</u>
Noncurrent Liabilities		
Compensated Absences	20,865	27,543
Loans Payable	5,552,810	5,762,071
Revenue Bonds Payable (Net of Unamortized Discount)	1,578,520	1,636,690
Total Noncurrent Liabilities	<u>7,152,195</u>	<u>7,426,304</u>
Total Liabilities	<u>7,729,124</u>	<u>7,911,826</u>
NET POSITION		
Net Investment in Capital Assets	4,419,536	3,797,773
Unrestricted	3,559,076	3,270,588
Total Net Position	<u>\$ 7,978,612</u>	<u>\$ 7,068,361</u>

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Charges for Services	\$ 1,485,874	\$ 1,504,326
Other	3,301	11,522
Total Operating Revenues	<u>1,489,175</u>	<u>1,515,848</u>
OPERATING EXPENSES		
Personal Services and Employee Benefits	375,611	382,404
Purchased/Contracted Services	152,171	153,039
Supplies	218,998	234,429
Depreciation	265,780	175,694
Other	5,395	1,879
Total Operating Expenses	<u>1,017,955</u>	<u>947,445</u>
Operating Income (Loss)	<u>471,220</u>	<u>568,403</u>
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	5,383	15,172
Interest	(259,145)	(85,970)
Total Nonoperating Revenues (Expenses)	<u>(253,762)</u>	<u>(70,798)</u>
Income (Loss) Before Contributions and Transfers	<u>217,458</u>	<u>497,605</u>
Capital Contributions	692,793	--
Special Item - GEFA Loan Debt Forgiveness	--	750,000
Transfers In		
1% SPLOST #3 Capital Projects Fund	--	14,000
Changes in Net Position	<u>910,251</u>	<u>1,261,605</u>
Net Position - Beginning	<u>7,068,361</u>	<u>5,806,756</u>
Net Position - Ending	<u>\$ 7,978,612</u>	<u>\$ 7,068,361</u>

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Statement of Cash Flows
For the Years Ended July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	\$ 1,475,640	\$ 1,520,921
Payments to Suppliers	(401,126)	(373,595)
Payments to Employees	(381,182)	(380,257)
Net Cash Provided (Used) By Operating Activities	<u>693,332</u>	<u>767,069</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Loans from Other Funds	17,935	(89,304)
Loans to Other Funds	250	12,995
Net Cash Provided (Used) By Noncapital Financing Activities	<u>18,185</u>	<u>(76,309)</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Proceeds from Capital Debt	--	1,246,962
Acquisition and Construction of Capital Assets	(25,878)	(1,412,017)
Principal Paid on Capital Debt	(168,871)	(52,760)
Interest Paid on Capital Debt	(261,048)	(72,238)
Transfers from Other Funds		
1% SPLOST #3 Capital Projects Fund	--	14,000
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(455,797)</u>	<u>(276,053)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends Received	7,263	16,046
Net Cash Provided (Used) By Investing Activities	<u>7,263</u>	<u>16,046</u>
Net Increase (Decrease) in Cash and Cash Equivalents	262,983	430,753
Cash and Cash Equivalents - Beginning of Year	3,457,369	3,026,616
Cash and Cash Equivalents - End of Year	<u>\$ 3,720,352</u>	<u>\$ 3,457,369</u>

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Statement of Cash Flows
For the Years Ended July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 471,220	\$ 568,403
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	265,780	175,694
(Increase) Decrease in Accounts Receivable	(20,106)	(1,370)
Increase (Decrease) in Allowances for Uncollectible Accounts	9,151	(7,216)
(Increase) Decrease in Prepaid Items	(2,849)	(962)
Increase (Decrease) in Accounts Payable	(21,713)	16,713
Increase (Decrease) in Accrued Liabilities	1,107	(4,727)
Increase (Decrease) in Compensated Absences Payable	(6,678)	6,874
Increase (Decrease) in Customer Deposits	(2,580)	13,660
Net Cash Provided (Used) By Operating Activities	<u>\$ 693,332</u>	<u>\$ 767,069</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Contributions of Capital Assets from Governmental Funds	\$ 692,793	\$ --
Forgiveness of Debt	\$ --	\$ 750,000

CITY OF NASHVILLE, GEORGIA
Natural Gas Enterprise Fund
Statement of Net Position
July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,426,375	\$ 1,446,004
Receivables (Net of Allowance for Uncollectibles)		
Interest	1,252	1,510
Accounts	32,138	43,426
Prepaid Items	5,177	2,487
Restricted Assets		
Cash and Cash Equivalents	379,989	379,989
Total Current Assets	<u>1,844,931</u>	<u>1,873,416</u>
Noncurrent Assets		
Capital Assets Not Being Depreciated		
Land	6,000	6,000
Construction in Progress	7,122	--
Capital Assets Net of Accumulated Depreciation		
Buildings and System	985,930	985,930
Machinery and Equipment	135,436	135,436
Accumulated Depreciation	(605,460)	(581,006)
Total Capital Assets Net of Accumulated Depreciation	<u>529,028</u>	<u>546,360</u>
Total Noncurrent Assets	<u>529,028</u>	<u>546,360</u>
Total Assets	<u>2,373,959</u>	<u>2,419,776</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	16,340	23,794
Accrued Liabilities	672	--
Due to Other Funds		
General Fund	36,651	24,099
Customer Deposits	38,676	35,095
Capital Leases Payable - Current	39,899	38,813
Other Current Liabilities	1,326	2,518
Total Current Liabilities	<u>133,564</u>	<u>124,319</u>
Noncurrent Liabilities		
Compensated Absences	18,646	13,807
Capital Leases	171,082	210,982
Total Noncurrent Liabilities	<u>189,728</u>	<u>224,789</u>
Total Liabilities	<u>323,292</u>	<u>349,108</u>
NET POSITION		
Net Investment in Capital Assets	318,047	296,565
Unrestricted	1,732,620	1,774,103
Total Net Position	<u>\$ 2,050,667</u>	<u>\$ 2,070,668</u>

CITY OF NASHVILLE, GEORGIA
Natural Gas Enterprise Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Charges for Services	\$ 856,703	\$ 1,030,035
Other	3,999	--
Total Operating Revenues	<u>860,702</u>	<u>1,030,035</u>
OPERATING EXPENSES		
Personal Services and Employee Benefits	268,335	243,145
Purchased/Contracted Services	116,991	113,050
Supplies	475,077	483,701
Depreciation	24,454	26,654
Other	23	271
Total Operating Expenses	<u>884,880</u>	<u>866,821</u>
Operating Income (Loss)	<u>(24,178)</u>	<u>163,214</u>
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	10,695	11,603
Interest	(6,518)	(7,575)
Total Nonoperating Revenues (Expenses)	<u>4,177</u>	<u>4,028</u>
Changes in Net Position	(20,001)	167,242
Net Position - Beginning	2,070,668	1,903,426
Net Position - Ending	<u>\$ 2,050,667</u>	<u>\$ 2,070,668</u>

CITY OF NASHVILLE, GEORGIA
Natural Gas Enterprise Fund
Statement of Cash Flows
For the Years Ended July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	\$ 875,571	\$ 1,022,878
Payments to Suppliers	(603,427)	(590,712)
Payments to Employees	(262,824)	(244,607)
Net Cash Provided (Used) By Operating Activities	<u>9,320</u>	<u>187,559</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Loans from Other Funds	12,552	24,099
Loans to Other Funds	--	272,673
Net Cash Provided (Used) By Noncapital Financing Activities	<u>12,552</u>	<u>296,772</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(7,122)	--
Principal Paid on Capital Debt	(38,814)	(37,756)
Interest Paid on Capital Debt	(6,518)	(7,575)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(52,454)</u>	<u>(45,331)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends Received	10,953	12,202
Net Cash Provided (Used) By Investing Activities	<u>10,953</u>	<u>12,202</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(19,629)	451,202
Cash and Cash Equivalents - Beginning of Year	1,825,993	1,374,791
Cash and Cash Equivalents - End of Year	<u>\$ 1,806,364</u>	<u>\$ 1,825,993</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (24,178)	\$ 163,214
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	24,454	26,654
(Increase) Decrease in Accounts Receivable	20,313	(12,301)
Increase (Decrease) in Allowances for Uncollectible Accounts	(9,025)	3,869
(Increase) Decrease in Prepaid Items	(2,690)	(984)
Increase (Decrease) in Accounts Payable	(7,454)	6,675
Increase (Decrease) in Accrued Liabilities	672	(2,712)
Increase (Decrease) in Compensated Absences Payable	4,839	1,250
Increase (Decrease) in Other Current Liabilities	(1,192)	619
Increase (Decrease) in Customer Deposits	3,581	1,275
Net Cash Provided (Used) By Operating Activities	<u>\$ 9,320</u>	<u>\$ 187,559</u>

Fiduciary Funds

Agency Funds

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

CITY OF NASHVILLE, GEORGIA
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
July 31, 2014

		Agency Funds		
		<u>Special</u>	<u>Voluntary</u>	
		<u>Account</u>	<u>Fire Dept</u>	<u>Total</u>
ASSETS				
Cash		\$ 4,638	\$ 8,466	\$ 13,104
	Total Assets	<u>\$ 4,638</u>	<u>\$ 8,466</u>	<u>\$ 13,104</u>
LIABILITIES				
Due to Others		\$ 4,638	\$ 8,466	\$ 13,104
	Total Liabilities	<u>\$ 4,638</u>	<u>\$ 8,466</u>	<u>\$ 13,104</u>

SUPPLEMENTAL SCHEDULES

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule of Revenues
For the Years Ended July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
REVENUES		
Taxes		
Real Property	\$ 676,665	\$ 684,339
Personal Property	123,119	99,578
Real Estate Transfer (Intangible)	868	3,384
Franchise	299,815	312,927
General Sales and Use	373,683	469,735
Selective Sales and Use	137,438	133,874
Business		
Insurance Premium	254,773	246,062
Penalties and Interest on Delinquent Taxes	10,074	9,190
	<u>1,876,435</u>	<u>1,959,089</u>
Licenses and Permits		
Business	94,919	95,363
Non-Business	125	953
Regulatory	7,385	13,839
	<u>102,429</u>	<u>110,155</u>
Intergovernmental	<u>93,504</u>	<u>159,243</u>
Charges for Services		
General Government	3,690	--
Public Safety	13,343	10,970
Public Works	605,134	609,850
Other Charges for Services	15,712	6,215
	<u>637,879</u>	<u>627,035</u>
Fines and Forfeitures	<u>184,085</u>	<u>194,176</u>
Interest Revenue	<u>6,469</u>	<u>11,537</u>
Contributions and Donations	<u>14,336</u>	<u>43,858</u>
Miscellaneous	<u>152,835</u>	<u>48,441</u>
Total Revenues	<u>\$ 3,067,972</u>	<u>\$ 3,153,534</u>

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule of Expenditures
For the Years Ended July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
EXPENDITURES		
Current		
General Government		
Clerks Office		
Personal Services and Employee Benefits	\$ 233,745	\$ 234,924
Purchased/Contracted Services	294,696	259,070
Supplies	40,329	49,286
Other Costs	25,489	17,441
Total Clerks Office	<u>594,259</u>	<u>560,721</u>
Total General Government	<u>594,259</u>	<u>560,721</u>
Judicial		
Municipal Court		
Purchased/Contracted Services	25,860	26,342
Supplies	61	--
Total Municipal Court	<u>25,921</u>	<u>26,342</u>
Total Judicial	<u>25,921</u>	<u>26,342</u>
Public Safety		
Police		
Personal Services and Employee Benefits	656,615	719,546
Purchased/Contracted Services	112,814	114,774
Supplies	80,531	71,049
Capital Outlay	11,899	17,116
Other Costs	39,562	46,841
Total Police	<u>901,421</u>	<u>969,326</u>
Fire and Emergency		
Personal Services and Employee Benefits	55,365	55,145
Purchased/Contracted Services	44,159	36,868
Supplies	5,544	6,385
Total Fire and Emergency	<u>105,068</u>	<u>98,398</u>
Animal Control		
Personal Services and Employee Benefits	36,827	34,986
Purchased/Contracted Services	6,653	6,833
Supplies	4,114	4,932
Other Costs	--	7
Total Animal Control	<u>47,594</u>	<u>46,758</u>
Total Public Safety	<u>1,054,083</u>	<u>1,114,482</u>

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule of Expenditures
For the Years Ended July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Public Works		
Highways and Streets		
Personal Services and Employee Benefits	129,073	171,005
Purchased/Contracted Services	34,686	25,347
Supplies	147,750	146,853
Capital Outlay	154,827	--
Other Costs	465	1,370
Total Highways and Streets	<u>466,801</u>	<u>344,575</u>
Sanitation		
Personal Services and Employee Benefits	35,802	35,951
Purchased/Contracted Services	501,097	475,907
Supplies	6,792	6,791
Other Costs	2,520	25,168
Total Sanitation	<u>546,211</u>	<u>543,817</u>
City Shop		
Purchased/Contracted Services	54	565
Supplies	--	348
Total City Shop	<u>54</u>	<u>913</u>
Work Control		
Purchased/Contracted Services	1,388	1,248
Supplies	3,599	3,934
Total Work Control	<u>4,987</u>	<u>5,182</u>
Total Public Works	<u>1,018,053</u>	<u>894,487</u>
Culture and Recreation		
Recreation		
Personal Services and Employee Benefits	26,607	21,890
Purchased/Contracted Services	4,584	6,991
Supplies	24,040	21,362
Capital Outlay	72,593	--
Other Costs	8,981	7,831
Total Recreation	<u>136,805</u>	<u>58,074</u>
Total Culture and Recreation	<u>136,805</u>	<u>58,074</u>
Housing and Development		
Code Enforcer		
Personal Services and Employee Benefits	75,860	69,956
Purchased/Contracted Services	5,933	6,322
Supplies	5,735	4,209
Other Costs	51	66
Total Code Enforcer	<u>87,579</u>	<u>80,553</u>

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule of Expenditures
For the Years Ended July 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Economic Development		
Personal Services and Employee Benefits	61,638	43,325
Purchased/Contracted Services	8,621	21,953
Supplies	8,424	15,437
Capital Outlay	359,915	89,699
Other Costs	786	512
Total Economic Development	<u>439,384</u>	<u>170,926</u>
Farmers Market		
Personal Services and Employee Benefits	8,986	--
Purchased/Contracted Services	2,491	--
Supplies	3,311	--
Capital Outlay	3,101	--
Other Costs	24,881	--
Total Farmers Market	<u>42,770</u>	<u>--</u>
Total Housing and Development	<u>569,733</u>	<u>251,479</u>
Total Expenditures	<u>\$ 3,398,854</u>	<u>\$ 2,905,585</u>

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Schedule of Water & Sewer Bonds - Series 1992-Farmers Home Administration
July 31, 2014

<u>Year Ending</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Annual Debt Service</u>
July 31, 2015	\$ 58,170	5.00%	\$ 81,835	\$ 140,005
July 31, 2016	61,080	5.00%	78,926	140,006
July 31, 2017	64,140	5.00%	75,872	140,012
July 31, 2018	67,340	5.00%	72,665	140,005
July 31, 2019	70,710	5.00%	69,298	140,008
July 30, 2020	74,240	5.00%	65,762	140,002
July 30, 2021	77,960	5.00%	62,051	140,011
July 30, 2022	81,850	5.00%	58,152	140,002
July 30, 2023	85,950	5.00%	54,060	140,010
July 29, 2024	90,240	5.00%	49,763	140,003
July 29, 2025	94,760	5.00%	45,250	140,010
July 29, 2026	99,490	5.00%	40,513	140,003
July 29, 2027	104,470	5.00%	35,538	140,008
July 28, 2028	109,690	5.00%	30,315	140,005
July 28, 2029	115,180	5.00%	24,830	140,010
July 28, 2030	120,930	5.00%	19,071	140,001
July 28, 2031	126,980	5.00%	13,024	140,004
July 27, 2032	133,510	5.00%	6,675	140,185
	<u>\$ 1,636,690</u>		<u>\$ 883,600</u>	<u>\$ 2,520,290</u>

CITY OF NASHVILLE, GEORGIA
Schedule of Hotel/Motel Taxes Expended
For the Year Ended July 31, 2014

Total Expenditures	
Tourism, Promotions, Conventions, Trade Shows, and Facility Support	\$ --
	<u> --</u>
Taxes Collected	
Tax Collections @ 3%	3,605
Tax Collections Greater Than 3%	2,403
	<u>6,008</u>
Percentage of Current Year Taxes Expended	<u> 0%</u>

CITY OF NASHVILLE, GEORGIA
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Year Ended July 31, 2014

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Six Year Period 1/1/2006 - 12/31/2011	\$ 1,915,661	\$ 2,216,297				100%
Construction & Capital Improvements of Roads, Streets, & Bridges			\$ 464,916	\$ --	\$ 464,916	
Public Works Projects			528,646	--	528,646	
Law Enforcement Facilities			17,005	--	17,005	
Law Enforcement Equipment			274,092	1,025	275,117	
Fire Department Facilities			3,666	--	3,666	
Fire Department Equipment			182,285	--	182,285	
Water/Sewer Extensions & Improvements			410,420	--	410,420	
Recreation Facilities			8,336	--	8,336	
Recreation Equipment			39,931	--	39,931	
City Hall Facilities			196,606	--	196,606	
City Hall Equipment			89,369	--	89,369	
	<u>\$ 1,915,661</u>	<u>\$ 2,216,297</u>	<u>\$ 2,215,272</u>	<u>\$ 1,025</u>	<u>\$ 2,216,297</u>	
1% SPLOST #3 Capital Projects Fund						
Total Expenditures				<u>\$ 1,025</u>		
				<u>\$ 1,025</u>		
Six Year Period 1/1/2012 - 12/31/2017	\$ 1,915,661	\$ 1,915,661				33%
Roads, Streets & Bridges			\$ 91,527	\$ 68,897	\$ 160,424	
Street & Sanitation Projects & Improvements			--	--	--	
Street & Sanitation Equipment			--	--	--	
Water & Sewer Extensions, Projects & Improvements			23,214	37,989	61,203	
Water & Sewer Equipment			--	--	--	
Gas System Improvements			10,971	20,665	31,636	
Gas System Equipment			--	--	--	
Recreation Facilities			--	--	--	
Recreation Equipment			--	37,962	37,962	
City Hall Administration & Storage Facilities Expansion & Improvements			--	--	--	
City Hall Administration & Storage Facilities Equipment			--	7,363	7,363	
Community Center Equipment & Improvements			--	--	--	
Law Enforcement Facilities Improvements			215,430	--	215,430	
Law Enforcement Equipment			--	100,291	100,291	
Fire Fighting Facilities Improvements			--	--	--	
Fire Fighting Equipment			298	3,675	3,973	
Animal Control Facility Improvements			--	--	--	
Animal Control Equipment			--	--	--	
Economic Development Projects			6,092	3,375	9,467	
	<u>\$ 1,915,661</u>	<u>\$ 1,915,661</u>	<u>\$ 347,532</u>	<u>\$ 280,217</u>	<u>\$ 627,749</u>	
1% SPLOST #4 Capital Projects Fund						
Total Expenditures				<u>\$ 280,217</u>		
				<u>\$ 280,217</u>		

MEEKS CPA, LLP

CERTIFIED PUBLIC ACCOUNTANTS

225 East Fourth Street
P.O. Box 605
Ocilla, Georgia 31774

PATRICK M. ASHLEY, CPA
WALTER H. SUMNER, CPA
MICHAEL I. SIRMANS, CPA
D. ANTHONY ECKLER, CPA
CARRIE E. PUTNAL, CPA

Members:
American Institute of
Certified Public Accountants
Georgia Society of
Certified Public Accountants

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 City Council
City of Nashville, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Nashville, Georgia, as of and for the year ended July 31, 2014, and the related notes to the financial statements, which collectively comprise City of Nashville, Georgia's basic financial statements, and have issued our report thereon dated July 24, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Nashville, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Nashville, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Nashville, Georgia'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Nashville, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MEEKS CPA, LLP

Ocilla, Georgia
July 24, 2015