

CITY OF NASHVILLE, GEORGIA
Annual Financial Report
For The Fiscal Year Ended
July 31, 2015

MEEKS CPA, LLP
CERTIFIED PUBLIC ACCOUNTANTS
Ocilla, Georgia

CITY OF NASHVILLE, GEORGIA
Annual Financial Report
For The Fiscal Year Ended July 31, 2015

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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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund

information of City of Nashville, Georgia, as of July 31, 2015, 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, supplemental schedules, and schedule of expenditures of federal awards 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 28, 2016, 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 28, 2016

BASIC FINANCIAL STATEMENTS

CITY OF NASHVILLE, GEORGIA
Statement of Net Position
July 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Primary Government	Downtown Development Authority
ASSETS				
Cash and Cash Equivalents	\$ 2,196,694	\$ 4,524,580	\$ 6,721,274	\$ 5,790
Receivables (Net of Allowance for Uncollectibles)	326,624	162,091	488,715	--
Internal Balances	107,797	(107,797)	--	--
Prepaid Items	11,290	5,083	16,373	--
Restricted Assets				
Cash and Cash Equivalents	--	1,095,624	1,095,624	--
Capital Assets Not Being Depreciated	1,169,848	999,208	2,169,056	--
Capital Assets Net of Accumulated Depreciation	3,431,664	11,218,334	14,649,998	71,127
Total Assets	<u>7,243,917</u>	<u>17,897,123</u>	<u>25,141,040</u>	<u>76,917</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	88,713	39,986	128,699	--
Total Deferred Outflows of Resources	<u>88,713</u>	<u>39,986</u>	<u>128,699</u>	<u>--</u>
LIABILITIES				
Accounts Payable	243,372	111,859	355,231	2,460
Accrued Liabilities	14,781	2,950	17,731	--
Other Current Liabilities	--	1,432	1,432	--
Customer Deposits	200	169,709	169,909	--
Accrued Interest Payable	--	51,940	51,940	--
Noncurrent Liabilities				
Due Within One Year	122,903	331,449	454,352	--
Due In More Than One Year	1,094,054	7,206,784	8,300,838	--
Total Liabilities	<u>1,475,310</u>	<u>7,876,123</u>	<u>9,351,433</u>	<u>2,460</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	37,600	16,948	54,548	--
Total Deferred Inflows of Resources	<u>37,600</u>	<u>16,948</u>	<u>54,548</u>	<u>--</u>
NET POSITION				
Net Investment in Capital Assets	3,887,514	4,915,130	8,802,644	71,127
Restricted For				
Capital Outlay	217,440	--	217,440	--
Economic Development	14,741	--	14,741	--
Unrestricted	1,700,025	5,128,908	6,828,933	3,330
Total Net Position	<u>\$ 5,819,720</u>	<u>\$ 10,044,038</u>	<u>\$ 15,863,758</u>	<u>\$ 74,457</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, 2015

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	\$ 622,504	\$ 103,809	\$ 36,152	\$ --	\$ (482,543)	\$ --	\$ (482,543)	
Judicial	26,360	213,016	--	--	186,656	--	186,656	
Public Safety	1,198,493	20,210	134	49,200	(1,128,949)	--	(1,128,949)	
Public Works	1,051,388	652,681	54,356	857,972	513,621	--	513,621	
Health and Welfare	--	9,815	--	--	9,815	--	9,815	
Culture and Recreation	116,959	--	--	25,000	(91,959)	--	(91,959)	
Housing and Development	288,687	133,575	30,000	--	(125,112)	--	(125,112)	
Interest on Long-Term Debt	23,447	--	--	--	(23,447)	--	(23,447)	
Total Governmental Activities	<u>3,327,838</u>	<u>1,133,106</u>	<u>120,642</u>	<u>932,172</u>	<u>(1,141,918)</u>	<u>--</u>	<u>(1,141,918)</u>	
Business-Type Activities								
Water & Sewer	1,405,954	1,492,500	--	--	--	86,546	86,546	
Natural Gas	823,727	888,965	--	--	--	65,238	65,238	
Total Business-Type Activities	<u>2,229,681</u>	<u>2,381,465</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>151,784</u>	<u>151,784</u>	
Total Primary Government	<u>\$ 5,557,519</u>	<u>\$ 3,514,571</u>	<u>\$ 120,642</u>	<u>\$ 932,172</u>	<u>(1,141,918)</u>	<u>151,784</u>	<u>(990,134)</u>	
Component Units								
Downtown Development Authority	\$ 24,644	\$ 4,950	\$ --	\$ --				\$ (19,694)
Total Component Units	<u>\$ 24,644</u>	<u>\$ 4,950</u>	<u>\$ --</u>	<u>\$ --</u>				<u>(19,694)</u>
General Revenues								
Taxes								
Real Property					682,552	--	682,552	--
Personal Property					131,988	--	131,988	--
Real Estate Transfer (Intangible)					1,415	--	1,415	--
Franchise					318,754	--	318,754	--
General Sales and Use					305,384	--	305,384	--
Selective Sales and Use					146,505	--	146,505	--
Business					266,384	--	266,384	--
Penalties and Interest on Delinquent Taxes					5,149	--	5,149	--
Investment Income					6,199	16,590	22,789	--
Miscellaneous					34,629	--	34,629	11,750
Gain on Disposition of Capital Assets					9,995	--	9,995	--
Transfers					(24,089)	24,089	--	--
Total General Revenues and Transfers					<u>1,884,865</u>	<u>40,679</u>	<u>1,925,544</u>	<u>11,750</u>
Changes in Net Position					<u>742,947</u>	<u>192,463</u>	<u>935,410</u>	<u>(7,944)</u>
Net Position - Beginning, as Restated					<u>5,076,773</u>	<u>9,851,575</u>	<u>14,928,348</u>	<u>82,401</u>
Net Position - Ending					<u>\$ 5,819,720</u>	<u>\$ 10,044,038</u>	<u>\$ 15,863,758</u>	<u>\$ 74,457</u>

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

CITY OF NASHVILLE, GEORGIA
Balance Sheet
Governmental Funds
July 31, 2015

	General	CDBG Sewer 2012	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 2,012,185	\$ 1	\$ 184,508	\$ 2,196,694
Receivables (Net of Allowance for Uncollectibles)	154,081	--	172,543	326,624
Due from Other Funds	117,102	--	--	117,102
Total Assets	<u>\$ 2,283,368</u>	<u>\$ 1</u>	<u>\$ 357,051</u>	<u>\$ 2,640,420</u>
LIABILITIES				
Accounts Payable	\$ 118,553	\$ --	\$ 124,819	\$ 243,372
Accrued Liabilities	14,781	--	--	14,781
Due to Other Funds	9,303	1	1	9,305
Customer Deposits	200	--	--	200
Total Liabilities	<u>142,837</u>	<u>1</u>	<u>124,820</u>	<u>267,658</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue				
Property Taxes	33,623	--	--	33,623
Total Deferred Inflows of Resources	<u>33,623</u>	<u>--</u>	<u>--</u>	<u>33,623</u>
FUND BALANCES				
Restricted	--	--	232,181	232,181
Assigned	--	--	50	50
Unassigned	2,106,908	--	--	2,106,908
Total Fund Balances	<u>2,106,908</u>	<u>--</u>	<u>232,231</u>	<u>2,339,139</u>
Total Liabilities and Fund Balances	<u>\$ 2,283,368</u>	<u>\$ 1</u>	<u>\$ 357,051</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.	4,601,512
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	33,623
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as expenditures in the funds.	11,290
Pension deferred outflows of resources are not due and payable in the current period and will be recognized as components of pension related expenses and contributions in future periods and therefore are not reported in the funds.	88,713
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Capital Leases	\$ (61,034)
Notes Payable	(652,964)
Compensated Absences	(53,692)
Net Pension Liability	(449,267)
Total long-term liabilities	<u>(1,216,957)</u>
Pension deferred inflows of resources are not available to pay for current expenditures and will be recognized as components of pension related expenses in future periods and therefore are not reported in the funds.	(37,600)
Net Position of Governmental Activities	<u>\$ 5,819,720</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, 2015

	General	CDBG Sewer 2012	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 1,839,936	\$ --	\$ 9,764	\$ 1,849,700
Licenses and Permits	103,620	--	--	103,620
Intergovernmental	168,995	412,519	445,453	1,026,967
Charges for Services	658,382	--	--	658,382
Fines and Forfeitures	213,016	--	--	213,016
Investment Income	6,199	--	--	6,199
Contributions and Donations	25,847	--	--	25,847
Miscellaneous	192,717	--	--	192,717
Total Revenues	<u>3,208,712</u>	<u>412,519</u>	<u>455,217</u>	<u>4,076,448</u>
EXPENDITURES				
Current				
General Government	574,176	--	--	574,176
Judicial	26,360	--	--	26,360
Public Safety	1,241,962	--	--	1,241,962
Public Works	901,223	--	--	901,223
Culture and Recreation	81,866	--	--	81,866
Housing and Development	318,995	--	4,027	323,022
Capital Outlay	--	412,519	496,535	909,054
Debt Service	66,000	--	32,312	98,312
Total Expenditures	<u>3,210,582</u>	<u>412,519</u>	<u>532,874</u>	<u>4,155,975</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,870)</u>	<u>--</u>	<u>(77,657)</u>	<u>(79,527)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	--	--	16,631	16,631
Transfers Out	(16,631)	--	--	(16,631)
Notes Payable	185,200	--	--	185,200
Capital Leases	62,220	--	--	62,220
Total Other Financing Sources (Uses)	<u>230,789</u>	<u>--</u>	<u>16,631</u>	<u>247,420</u>
Net Change in Fund Balances	228,919	--	(61,026)	167,893
Fund Balances - Beginning	1,877,989	--	293,257	2,171,246
Fund Balances - Ending	<u>\$ 2,106,908</u>	<u>\$ --</u>	<u>\$ 232,231</u>	<u>\$ 2,339,139</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, 2015

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>	\$ 167,893
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	1,042,659
Depreciation Expense	<u>(274,762)</u>
	<u>767,897</u>
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) increases (decreases) net position.	
Cost of Capital Assets Sold/Disposed	(65,633)
Accumulated Depreciation	54,148
Trade-Ins	21,480
Capital Assets Reassigned to Enterprise Funds	<u>(24,089)</u>
	<u>(14,094)</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	<u>8,431</u>
	<u>8,431</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 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	
Capital Lease Financing	(62,220)
Issuance of Notes Payable	(185,200)
Principal Repayments	
Capital Leases	1,186
Notes Payable	<u>73,679</u>
	<u>(172,555)</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	9,444
Pensions	(4,860)
Prepaid Items	<u>(19,209)</u>
	<u>(14,625)</u>
Change in net position of governmental activities reported in the <i>Statement of Activities</i>	<u>\$ 742,947</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, 2015

	Business-type Activities - Enterprise Funds		
	Water & Sewer	Natural Gas	Total Enterprise Funds
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 3,107,110	\$ 1,417,470	\$ 4,524,580
Receivables (Net of Allowance for Uncollectibles)	129,082	33,009	162,091
Due from Other Funds	2	9,303	9,305
Prepaid Items	2,855	2,228	5,083
Restricted Assets			
Cash and Cash Equivalents	715,635	379,989	1,095,624
Total Current Assets	<u>3,954,684</u>	<u>1,841,999</u>	<u>5,796,683</u>
Noncurrent Assets			
Capital Assets Not Being Depreciated	902,338	96,870	999,208
Capital Assets Net of Accumulated Depreciation	10,701,728	516,606	11,218,334
Total Noncurrent Assets	<u>11,604,066</u>	<u>613,476</u>	<u>12,217,542</u>
Total Assets	<u>15,558,750</u>	<u>2,455,475</u>	<u>18,014,225</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	23,942	16,044	39,986
Total Deferred Outflows of Resources	<u>23,942</u>	<u>16,044</u>	<u>39,986</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	46,831	65,028	111,859
Accrued Liabilities	1,827	1,123	2,950
Due to Other Funds	78,557	38,545	117,102
Customer Deposits	134,083	35,626	169,709
Accrued Interest Payable	51,940	--	51,940
Loans Payable - Current	229,353	--	229,353
Capital Leases Payable - Current	--	41,016	41,016
Revenue Bonds Payable (Net of Unamortized Discount)	61,080	--	61,080
Other Current Liabilities	--	1,432	1,432
Total Current Liabilities	<u>603,671</u>	<u>182,770</u>	<u>786,441</u>
Noncurrent Liabilities			
Compensated Absences	17,516	15,802	33,318
Net Pension Liability	121,250	81,253	202,503
Loans Payable	5,323,457	--	5,323,457
Capital Leases	--	130,066	130,066
Revenue Bonds Payable (Net of Unamortized Discount)	1,517,440	--	1,517,440
Total Noncurrent Liabilities	<u>6,979,663</u>	<u>227,121</u>	<u>7,206,784</u>
Total Liabilities	<u>7,583,334</u>	<u>409,891</u>	<u>7,993,225</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	10,148	6,800	16,948
Total Deferred Inflows of Resources	<u>10,148</u>	<u>6,800</u>	<u>16,948</u>
NET POSITION			
Net Investment in Capital Assets	4,472,736	442,394	4,915,130
Unrestricted	3,516,474	1,612,434	5,128,908
Total Net Position	<u>\$ 7,989,210</u>	<u>\$ 2,054,828</u>	<u>\$ 10,044,038</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, 2015

	Business-type Activities - Enterprise Funds		
	Water & Sewer	Natural Gas	Total Enterprise Funds
OPERATING REVENUES			
Charges for Services	\$ 1,486,641	\$ 885,714	\$ 2,372,355
Other	5,859	3,251	9,110
Total Operating Revenues	<u>1,492,500</u>	<u>888,965</u>	<u>2,381,465</u>
OPERATING EXPENSES			
Personal Services & Employee Benefits	390,817	263,401	654,218
Purchased/Contracted Services	180,079	115,118	295,197
Supplies	247,441	412,527	659,968
Other	2,589	--	2,589
Depreciation	334,934	27,249	362,183
Total Operating Expenses	<u>1,155,860</u>	<u>818,295</u>	<u>1,974,155</u>
Operating Income (Loss)	<u>336,640</u>	<u>70,670</u>	<u>407,310</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Revenue	5,577	11,013	16,590
Interest	(250,094)	(5,432)	(255,526)
Total Nonoperating Revenues (Expenses)	<u>(244,517)</u>	<u>5,581</u>	<u>(238,936)</u>
Income (Loss) Before Contributions and Transfers	92,123	76,251	168,374
Capital Contributions	24,089	--	24,089
Changes in Net Position	116,212	76,251	192,463
Net Position - Beginning, as Restated	7,872,998	1,978,577	9,851,575
Net Position - Ending	<u>\$ 7,989,210</u>	<u>\$ 2,054,828</u>	<u>\$ 10,044,038</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, 2015

	Business-type Activities - Enterprise Funds		
	Water & Sewer	Natural Gas	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 1,501,720	\$ 886,499	\$ 2,388,219
Payments to Suppliers	(398,555)	(475,902)	(874,457)
Payments to Employees	(391,603)	(265,875)	(657,478)
Net Cash Provided (Used) By Operating Activities	<u>711,562</u>	<u>144,722</u>	<u>856,284</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Loans from Other Funds	1,399	1,894	3,293
Loans to Other Funds	--	(9,303)	(9,303)
Net Cash Provided (Used) By Noncapital Financing Activities	<u>1,399</u>	<u>(7,409)</u>	<u>(6,010)</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(83,292)	(111,697)	(194,989)
Principal Paid on Capital Debt	(280,753)	(39,899)	(320,652)
Interest Paid on Capital Debt	(252,052)	(5,432)	(257,484)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(616,097)</u>	<u>(157,028)</u>	<u>(773,125)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends Received	5,530	10,810	16,340
Net Cash Provided (Used) By Investing Activities	<u>5,530</u>	<u>10,810</u>	<u>16,340</u>
Net Increase (Decrease) in Cash and Cash Equivalents	102,394	(8,905)	93,489
Cash and Cash Equivalents - Beginning of Year	3,720,351	1,806,364	5,526,715
Cash and Cash Equivalents - End of Year	<u>\$ 3,822,745</u>	<u>\$ 1,797,459</u>	<u>\$ 5,620,204</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 336,640	\$ 70,670	\$ 407,310
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities			
Depreciation Expense	334,934	27,249	362,183
(Increase) Decrease in Accounts Receivable	13,181	(4,466)	8,715
Increase (Decrease) in Allowances for Uncollectible Accounts	6,939	5,050	11,989
(Increase) Decrease in Prepaid Items	3,753	2,949	6,702
(Increase) Decrease in Deferred Outflows of Resources	(10,228)	(6,683)	(16,911)
Increase (Decrease) in Accounts Payable	27,801	48,688	76,489
Increase (Decrease) in Accrued Liabilities	720	451	1,171
Increase (Decrease) in Compensated Absences Payable	(3,349)	(2,844)	(6,193)
Increase (Decrease) in Other Current Liabilities	--	106	106
Increase (Decrease) in Customer Deposits	(10,900)	(3,050)	(13,950)
Increase (Decrease) in Net Pension Liability	1,923	(198)	1,725
Increase (Decrease) in Deferred Inflows of Resources	10,148	6,800	16,948
Net Cash Provided (Used) By Operating Activities	<u>\$ 711,562</u>	<u>\$ 144,722</u>	<u>\$ 856,284</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributions of Capital Assets from Governmental Funds	\$ 24,089	\$ --	\$ 24,089

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, 2015

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 12,270
Total Assets	<u>\$ 12,270</u>
LIABILITIES	
Due to Others	\$ 12,270
Total Liabilities	<u>\$ 12,270</u>

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

CITY OF NASHVILLE, GEORGIA

Notes to the Financial Statements

July 31, 2015

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 Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The discretely presented component units are shown in separate columns in the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category — governmental, proprietary, and fiduciary — are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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 *CDBG Sewer 2012 Fund* accounts for federal grants used for sewage improvements.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2015

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.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

The 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 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred

CITY OF NASHVILLE, GEORGIA

Notes to the Financial Statements

July 31, 2015

and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting assets and liabilities.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

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.

2. Investments

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.

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.

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.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2015

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.

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. 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.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has one type of item that qualifies for reporting in this category. It is the deferred outflows related to pensions reported in the government-wide and proprietary fund type statements of net position. These statements report deferred outflows of pensions from two sources: 1) employer contributions to the pension plan subsequent to the measurement date of the net pension liability which will be recognized as a reduction in the net pension liability in the subsequent year and 2) differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability which are amortized and recognized in pension expense over the expected average remaining services lives of active and inactive employees under the plan.

In addition to liabilities, the statement of financial 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 so will *not* be recognized as an inflow of resources (revenue) until

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2015

that time. The City has two types of items that qualify for reporting in this category. The item, unavailable revenue, which arises only under a modified accrual basis of accounting, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item is the deferred inflows related to pensions reported in the government-wide and proprietary fund type statements of net position. These statements report deferred inflows of pensions from differences between projected and actual earnings on pension plan investments which are amortized and recognized in pension expense over a closed five-year period.

8. Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary 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 – net position to have been depleted before unrestricted – net position is applied.

9. Fund Balance Flow Assumptions

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.

10. Fund Balance Policies

Fund balance of governmental funds is reported in various classifications based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The fund balance classifications are 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 committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2015

level of decision-making authority for the City that can, by board approval, commit fund balance. Once approved, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes were levied on September 22, 2014, payable December 20, 2014, and attached as an enforceable lien on property as of January 1, 2014.

3. 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.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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 proprietary funds are charges to customers for sales and services. Operating expenses for proprietary 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.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2015

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			
Clerks Office	\$ 544,331	\$ 574,176	\$ (29,845)
Municipal Court	\$ 25,785	\$ 26,360	\$ (575)
Police	1,014,763	1,081,669	(66,906)
Animal Control	51,845	53,324	(1,479)
Sanitation	523,190	538,620	(15,430)
Work Control	6,700	6,824	(124)
Recreation	81,552	81,866	(314)
Economic Development	86,356	112,051	(25,695)
Code Enforcer	81,877	100,855	(18,978)
Farmers Market	29,687	106,089	(76,402)
Debt Service	--	66,000	(66,000)

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2015

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash and Deposits with Financial Institutions

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, 2015, 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

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the major funds and the nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts:

	General	Nonmajor Governmental Funds	Water & Sewer	Natural Gas	Total
Interest	\$ 139	\$ --	\$ 541	\$ 1,455	\$ 2,135
Taxes	36,405	518	--	--	36,923
Accounts	120,664	--	255,331	62,565	438,560
Intergovernmental	43,450	172,025	--	--	215,475
Gross Receivables	200,658	172,543	255,872	64,020	693,093
Less: Allowance For Uncollectibles	(46,577)	--	(126,790)	(31,011)	(204,378)
	<u>\$ 154,081</u>	<u>\$ 172,543</u>	<u>\$ 129,082</u>	<u>\$ 33,009</u>	<u>\$ 488,715</u>

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2015

C. Capital Assets

Capital asset activity for the year ended July 31, 2015, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 321,137	\$ 5,896	\$ --	\$ 327,033
Construction in progress	184,954	706,433	(48,572)	842,815
Total capital assets, not being depreciated	<u>506,091</u>	<u>712,329</u>	<u>(48,572)</u>	<u>1,169,848</u>
Capital assets, being depreciated:				
Buildings	3,055,848	27,392	--	3,083,240
Improvements other than buildings	1,926,279	48,572	--	1,974,851
Machinery & equipment	1,615,066	324,418	(89,722)	1,849,762
Total capital assets, being depreciated	<u>6,597,193</u>	<u>400,382</u>	<u>(89,722)</u>	<u>6,907,853</u>
Less accumulated depreciation for:				
Buildings	(1,465,081)	(54,994)	--	(1,520,075)
Improvements other than buildings	(550,945)	(111,400)	--	(662,345)
Machinery & equipment	(1,239,549)	(108,368)	54,148	(1,293,769)
Total accumulated depreciation	<u>(3,255,575)</u>	<u>(274,762)</u>	<u>54,148</u>	<u>(3,476,189)</u>
Total capital assets, being depreciated, net	<u>3,341,618</u>	<u>125,620</u>	<u>(35,574)</u>	<u>3,431,664</u>
Governmental activities capital assets, net	<u>\$ 3,847,709</u>	<u>\$ 837,949</u>	<u>\$ (84,146)</u>	<u>\$ 4,601,512</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 821,086	\$ --	\$ --	\$ 821,086
Construction in progress	11,082	167,040	--	178,122
Total capital assets, not being depreciated	<u>832,168</u>	<u>167,040</u>	<u>--</u>	<u>999,208</u>
Capital assets, being depreciated:				
Buildings & system	16,637,748	--	--	16,637,748
Machinery & equipment	503,514	52,038	--	555,552
Total capital assets, being depreciated	<u>17,141,262</u>	<u>52,038</u>	<u>--</u>	<u>17,193,300</u>
Less accumulated depreciation for:				
Buildings & system	(5,163,649)	(346,813)	--	(5,510,462)
Machinery & equipment	(449,134)	(15,370)	--	(464,504)
Total accumulated depreciation	<u>(5,612,783)</u>	<u>(362,183)</u>	<u>--</u>	<u>(5,974,966)</u>
Total capital assets, being depreciated, net	<u>11,528,479</u>	<u>(310,145)</u>	<u>--</u>	<u>11,218,334</u>
Business-type activities capital assets, net	<u>\$ 12,360,647</u>	<u>\$ (143,105)</u>	<u>\$ --</u>	<u>\$ 12,217,542</u>

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2015

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

Governmental Activities	
General Government	\$ 38,778
Public Safety	83,614
Public Works	101,712
Culture & Recreation	29,867
Housing & Development	20,791
	<u>\$ 274,762</u>

Business-type Activities	
Water & Sewer	\$ 334,934
Gas	27,249
	<u>\$ 362,183</u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of July 31, 2015 was as follows:

Due from / to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer Enterprise Fund	\$ 78,557
General Fund	Natural Gas Enterprise Fund	38,545
Water & Sewer Enterprise Fund	CDBG Sewer 2012 Capital Projects Fund	1
Water & Sewer Enterprise Fund	Nonmajor Governmental Funds	1
Natural Gas Enterprise Fund	General Fund	9,303
		<u>\$ 126,407</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 \$78,557. The Gas Fund owes the General Fund for unreimbursed expenses of \$38,545.

The composition of interfund transfers for the year ended July 31, 2015 was as follows:

Interfund transfers:

Transfer In	Transfer Out	Amount
Nonmajor Governmental Funds	General Fund	\$ 16,631
		<u>\$ 16,631</u>

The General Fund transferred \$16,631 to Nonmajor Governmental Funds to finance capital projects.

Governmental Funds transferred capital assets of \$24,089 to the Water & Sewer Fund.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2015

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, 2015 were as follows:

	Governmental Activities	Business-type Activities
Machinery and Equipment	\$ 83,700	\$ 334,176
Less: Accumulated Depreciation	(1,993)	(62,658)
Total	<u>\$ 81,707</u>	<u>\$ 271,518</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of July 31, 2015, were as follows:

Year Ending July 31	Governmental Activities	Business-type Activities
2016	\$ 5,976	\$ 45,332
2017	5,976	45,331
2018	5,976	45,332
2019	5,976	45,331
2020 - 2024	44,483	--
Total Minimum Lease Payments	<u>68,387</u>	<u>181,326</u>
Less: Amounts Representing Interest	(7,353)	(10,244)
Present Value Of Minimum Lease Payments	<u>\$ 61,034</u>	<u>\$ 171,082</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, 2015 was \$11,263.

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, 2015 was \$186,751.

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, 2015 was \$269,750.

The City entered into a promissory note with USDA Rural Development for \$185,200 at 3.75% interest payable over five years for the purchase of five police cars. The balance outstanding at July 31, 2015 was \$185,200.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2015

Notes payable debt service requirements to maturity are as follows:

Year Ending July 31	Governmental Activities		
	Principal	Interest	Total
2016	\$ 118,701	\$ 27,382	\$ 146,083
2017	112,172	22,195	134,367
2018	266,032	15,392	281,424
2019	108,304	5,007	113,311
2020	47,755	1,524	49,279
2021	--	--	--
Total	<u>\$ 652,964</u>	<u>\$ 71,500</u>	<u>\$ 724,464</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, 2015 was \$5,552,810.

Loans payable debt service requirements to maturity are as follows:

Year Ending July 31	Business-type Activities		
	Principal	Interest	Total
2016	\$ 229,353	\$ 163,448	\$ 392,801
2017	236,329	156,472	392,801
2018	243,517	149,283	392,800
2019	250,924	141,876	392,800
2020	258,556	134,245	392,801
2021 - 2025	1,415,637	548,366	1,964,003
2026 - 2030	1,644,428	319,575	1,964,003
2031 - 2035	1,274,066	68,002	1,342,068
Total	<u>\$ 5,552,810</u>	<u>\$ 1,681,267</u>	<u>\$ 7,234,077</u>

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2015

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 \$1,578,520 at July 31, 2015.

Revenue bond debt service requirements to maturity are as follows:

Year Ending July 31	Business-type Activities		
	Principal	Interest	Total
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	74,240	65,762	140,002
2021 - 2025	430,760	269,276	700,036
2026 - 2030	549,760	150,267	700,027
2031 - 2035	260,490	19,699	280,189
Total	<u>\$ 1,578,520</u>	<u>\$ 801,765</u>	<u>\$ 2,380,285</u>

Changes in General Long-Term Liabilities

Long-term liability activity for the year ended July 31, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 63,136	\$ 58,399	\$ (67,843)	\$ 53,692	\$ --
Net Pension Liability	444,362	210,088	(205,183)	449,267	--
Capital Leases	--	62,220	(1,186)	61,034	4,202
Notes Payable	541,443	375,200	(263,679)	652,964	118,701
	<u>\$ 1,048,941</u>	<u>\$ 705,907</u>	<u>\$ (537,891)</u>	<u>\$ 1,216,957</u>	<u>\$ 122,903</u>
Business-type Activities:					
Compensated Absences	\$ 39,511	\$ 17,390	\$ (23,583)	\$ 33,318	\$ --
Net Pension Liability	200,778	94,695	(92,970)	202,503	--
Capital Leases	210,981	--	(39,899)	171,082	41,016
Loans Payable	5,775,393	--	(222,583)	5,552,810	229,353
Revenue Bonds	1,636,690	--	(58,170)	1,578,520	61,080
	<u>\$ 7,863,353</u>	<u>\$ 112,085</u>	<u>\$ (437,205)</u>	<u>\$ 7,538,233</u>	<u>\$ 331,449</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, 2015

G. Restricted Assets

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

	Business-type Activities
Sinking Fund Accounts	\$ 715,635
CD's Held For Collateral	379,989
	<u>\$ 1,095,624</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. Pensions

Defined Benefit Plan

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.

Retirement benefits for regular employees are calculated as 1% of the employee's final average earnings (annual average of earnings for the 5 consecutive years of credited service preceding the participant's most recent termination in which participants earnings were the highest) up to the amount of covered compensation, plus 1.75% of final average earnings in excess of covered compensation, multiplied by years of total credit service as an eligible regular employee. Regular employees are eligible for normal retirement benefits at age 65 with 5 years of total credited service. Normal retirement benefits for elected or appointed members of the City Council are calculated as \$16 per month for each year of total credited service or major fraction thereof. Elected or appointed members are eligible for normal retirement benefits at age 65. Disability retirement qualifications are based upon Social Security Administration award criteria or as otherwise provided under Section 2 of the Master Plan. Disability benefits are calculated as 20% of the participant's average monthly earnings for the 12 calendar month period immediately preceding their termination of employment as a result of a disability. Pre-retirement death benefits are payable monthly and are equal to the decreased monthly retirement benefit that would have otherwise been payable to the participant as if the 100% joint and survivor benefit had been elected.

At January 1, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	37
Inactive employees entitled to but not yet receiving benefits	18
Active employees	43
	<u>98</u>

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

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2015

amounts and to accumulate sufficient funds to secure benefits under the plan. The Plan is subject to the 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 contribution requirements of employees and the City are established by City ordinance. For the year ended July 31, 2015, the City's actuarially determined contribution was \$105,451.

The City's net pension liability was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015.

The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.75%
Inflation	3.25%
Salary increases	3.25% plus service based merit increases

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

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

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

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected</u>
Domestic Equity	50 %	5.95 %
International Equity	15	6.45
Fixed Income	25	1.55
Real Estate	10	3.75
Cash	0	0.00

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2015

The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances - Beginning	\$ 2,478,472	\$ 1,833,332	\$ 645,140
Changes for the Year			
Service Cost	62,605		62,605
Interest	184,934		184,934
Differences Between Expected and Actual Experience	49,897		49,897
Contributions - Employer		91,718	(91,718)
Contributions - Employee		--	--
Net Investment Income		206,436	(206,436)
Benefit Payments	(184,447)	(184,447)	--
Administrative Expense		(6,211)	6,211
Other Changes	1,137	--	1,137
Net Changes	114,126	107,496	6,630
Balances - Ending	\$ 2,592,598	\$ 1,940,828	\$ 651,770

The following changes in assumptions and benefits affected the measurement of the total pension liability:

The mortality table for disabled participants was changed to remove the two-year set-forward for males and one-year set-forward for females.

The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on the after age 55. The selected period rates were further constrained to not be less than the ultimate rates.

The retirement rates where normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at ages 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70. If retirement is not available at a given age or a participant does not meet the plan's service criteria to retire at a given age, no retirement is assumed at that age.

The inflation assumption was decreased from 3.50% to 3.25%.

The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates. Under the prior assumption, the salary increases range from 4.00% to 11.00% and included an inflation assumption of 3.5%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%.

The plan was amended to provide for immediate participation for employees.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2015

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Net Pension Liability	\$ 969,603	\$ 651,770	\$ 385,878

For the year ended July 31, 2015, the City recognized pension expense of \$112,072. At July 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 39,916	\$ --
Changes in assumptions	908	--
Net difference between projected and actual earnings on pension plan investments	--	54,548
Contributions subsequent to the measurement date	87,875	--
	<u>\$ 128,699</u>	<u>\$ 54,548</u>

Contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the subsequent year. The other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending July 31</u>	
2016	\$ (3,431)
2017	(3,431)
2018	(3,431)
2019	(3,431)
2020	--
Thereafter	--
	<u>\$ (13,724)</u>

Defined Contribution Plan

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. For the year ending July 31, 2015, the City did not contribute to the plan and employee deferrals were \$10,550.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2015

I. Fund Balances

The classifications of fund balances of governmental funds at July 31, 2015 were as follows:

	General	Other Governmental Funds	Total Governmental Funds
Restricted			
Economic Development	\$ --	\$ 14,741	\$ 14,741
Capital Outlay	--	217,440	217,440
	--	232,181	232,181
Assigned			
Capital Outlay	--	50	50
	--	50	50
Unassigned, Reported In			
General Fund	2,106,908	--	2,106,908
	2,106,908	--	2,106,908
Total Fund Balances	<u>\$ 2,106,908</u>	<u>\$ 232,231</u>	<u>\$ 2,339,139</u>

J. 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 \$25,000 with various limits of liability ranging from \$5,000 to \$12,274,051. The City's workers compensation coverage is provided by StarNet Insurance Company.

K. 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.

L. 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

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2015

Authority are based on contractual agreements that have been budgeted and expensed as a part of the regular operations of the City.

M. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the South Georgia area, is a member of the Southern Georgia Regional Commission and is required to pay annual dues thereto. During its year ended July 31, 2015, the City paid \$6,117 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

N. Restatement of Net Position

In conformity with generally accepted accounting principles, as set forth in the Governmental Accounting Standards Board (GASB) Statement of Governmental Accounting Standards No. 68, *Accounting and Financial Reporting for Pensions*, as amended, net position has been restated to record the effects of implementing the standard. This restatement affected the beginning net position of the City as follows:

	Governmental Activities	Business-type Activities
July 31, 2014 Net Position, as previously reported	\$ 5,470,067	\$ 10,029,279
Change in accounting principle due to implementation of GASB Statement No. 68	(393,294)	(177,704)
July 31, 2014 Net Position, as restated	<u>\$ 5,076,773</u>	<u>\$ 9,851,575</u>

**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, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,826,653	\$ 1,826,653	\$ 1,839,936	\$ 13,283
Licenses and Permits	105,550	105,550	103,620	(1,930)
Intergovernmental	64,075	64,075	168,995	104,920
Charges for Services	626,180	626,180	658,382	32,202
Fines and Forfeitures	181,700	181,700	213,016	31,316
Interest Revenue	11,500	11,500	6,199	(5,301)
Contributions and Donations	10,050	10,050	25,847	15,797
Miscellaneous	178,400	178,400	192,717	14,317
Total Revenues	<u>3,004,108</u>	<u>3,004,108</u>	<u>3,208,712</u>	<u>204,604</u>
EXPENDITURES				
Clerks Office	544,331	544,331	574,176	(29,845)
Municipal Court	25,785	25,785	26,360	(575)
Police	1,014,763	1,014,763	1,081,669	(66,906)
Fire and Emergency	131,787	131,787	106,969	24,818
Animal Control	51,845	51,845	53,324	(1,479)
Highways and Streets	375,343	375,343	355,379	19,964
Sanitation	523,190	523,190	538,620	(15,430)
City Shop	1,700	1,700	400	1,300
Work Control	6,700	6,700	6,824	(124)
Recreation	81,552	81,552	81,866	(314)
Economic Development	86,356	86,356	112,051	(25,695)
Code Enforcer	81,877	81,877	100,855	(18,978)
Farmers Market	29,687	29,687	106,089	(76,402)
Debt Service	--	--	66,000	(66,000)
Total Expenditures	<u>2,954,916</u>	<u>2,954,916</u>	<u>3,210,582</u>	<u>(255,666)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>49,192</u>	<u>49,192</u>	<u>(1,870)</u>	<u>(51,062)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				
Transfers Out				
TE Grant #3 Capital Projects Fund	(50,000)	(50,000)	(881)	49,119
TE Grant #4 Capital Projects Fund	(50,000)	(50,000)	(15,750)	34,250
Notes Payable	--	--	185,200	185,200
Capital Leases	--	--	62,220	62,220
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>230,789</u>	<u>330,789</u>
Net Change in Fund Balances	<u>(50,808)</u>	<u>(50,808)</u>	<u>228,919</u>	<u>279,727</u>
Fund Balances - Beginning	1,877,989	1,877,989	1,877,989	--
Fund Balances - Ending	<u>\$ 1,827,181</u>	<u>\$ 1,827,181</u>	<u>\$ 2,106,908</u>	<u>\$ 279,727</u>

Notes to Schedule

The annual budget was adopted on a basis consistent with generally accepted accounting principles.

CITY OF NASHVILLE, GEORGIA

Pension Plan

Schedule of Changes in the City's Net Pension Liability and Related Ratios

July 31, 2015

	2015
Total Pension Liability	
Service Cost	\$ 62,605
Interest on Total Pension Liability	184,934
Changes of Benefit Terms	--
Differences Between Expected and Actual Experience	49,897
Changes of Assumptions	1,137
Benefit Payments	(184,447)
Net Change in Total Pension Liability	<u>114,126</u>
Total Pension Liability - Beginning	<u>2,478,472</u>
Total Pension Liability - Ending (a)	<u><u>\$ 2,592,598</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 91,718
Contributions - Employee	--
Net Investment Income	206,436
Benefit Payments, Including Refunds of Employee Contributions	(184,447)
Administrative Expense	(6,211)
Other	--
Net Change in Plan Fiduciary Net Position	<u>107,496</u>
Plan Fiduciary Net Position - Beginning	<u>1,833,332</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 1,940,828</u></u>
City's Net Pension Liability - Ending (a) - (b)	<u><u>\$ 651,770</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.86%
Covered-Employee Payroll	\$ 1,136,746
City's Net Pension Liability as a Percentage of Covered-Employee Payroll	57.34%

CITY OF NASHVILLE, GEORGIA
Pension Plan
Schedule of City Contributions
July 31, 2015

	2015
Actuarially Determined Contribution	\$ 105,451
Contributions in Relation to the Actuarially Determined Contribution	105,451
Contribution Deficiency (Excess)	<u>\$ --</u>
Covered-Employee Payroll	\$ 1,136,746
Contributions as a Percentage of Covered-Employee Payroll	9.28%

Notes to Schedule

Valuation date	January 1, 2014
Actuarial cost method	Projected unit credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Net effective period of 12 years
Asset valuation method	Sum of actuarial value at the beginning of the year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Investment rate of return	7.75%
Inflation	3.5%
Salary increases	3.5% plus age and service based merit increases
Cost-of-living adjustment	0%
Retirement age	65 with 5 years of service for employees and 65 for officials
Mortality	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females

**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.

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.

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

CITY OF NASHVILLE, GEORGIA
General Fund
Balance Sheet
July 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and Cash Equivalents	\$ 2,012,185	\$ 1,754,227
Receivables (Net of Allowance for Uncollectibles)		
Interest	139	131
Taxes	35,447	26,197
Accounts	75,045	64,077
Intergovernmental	43,450	50,047
Due from Other Funds		
Street and Flood Drainage Capital Projects Fund	--	1
Water and Sewer Enterprise Fund	78,557	77,158
Natural Gas Enterprise Fund	38,545	36,651
Total Assets	<u>\$ 2,283,368</u>	<u>\$ 2,008,489</u>
LIABILITIES		
Accounts Payable	\$ 118,553	\$ 94,928
Accrued Liabilities	14,781	10,130
Due to Other Funds		
Natural Gas Enterprise Fund	9,303	--
Customer Deposits	200	250
Total Liabilities	<u>142,837</u>	<u>105,308</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue		
Property Taxes	33,623	25,192
Total Deferred Inflows of Resources	<u>33,623</u>	<u>25,192</u>
FUND BALANCES		
Unassigned	2,106,908	1,877,989
Total Fund Balances	<u>2,106,908</u>	<u>1,877,989</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,283,368</u>	<u>\$ 2,008,489</u>

CITY OF NASHVILLE, GEORGIA**General Fund****Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2015 and 2014**

	2015	2014
REVENUES		
Taxes	\$ 1,839,936	\$ 1,876,436
Licenses and Permits	103,620	102,429
Intergovernmental	168,995	93,504
Charges for Services	658,382	637,879
Fines and Forfeitures	213,016	184,085
Interest Revenue	6,199	6,469
Contributions and Donations	25,847	14,336
Miscellaneous	192,717	152,835
Total Revenues	<u>3,208,712</u>	<u>3,067,973</u>
EXPENDITURES		
Current		
General Government	574,176	594,259
Judicial	26,360	25,921
Public Safety	1,241,962	1,054,083
Public Works	901,223	1,018,054
Culture and Recreation	81,866	136,805
Housing and Development	318,995	569,733
Debt Service	66,000	--
Total Expenditures	<u>3,210,582</u>	<u>3,398,855</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,870)</u>	<u>(330,882)</u>
OTHER FINANCING SOURCES (USES)		
Transfers Out		
TE Grant #3 Capital Projects Fund	(881)	--
TE Grant #4 Capital Projects Fund	(15,750)	--
Notes Payable	185,200	323,408
Capital Leases	62,220	--
Total Other Financing Sources (Uses)	<u>230,789</u>	<u>323,408</u>
Net Change in Fund Balances	228,919	(7,474)
Fund Balances - Beginning	1,877,989	1,885,463
Fund Balances - Ending	<u>\$ 2,106,908</u>	<u>\$ 1,877,989</u>

CITY OF NASHVILLE, GEORGIA
CDBG Sewer 2012 Capital Projects Fund
Balance Sheet
July 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and Cash Equivalents	\$ 1	\$ 1
Receivables		
Intergovernmental	--	14,931
Total Assets	<u>\$ 1</u>	<u>\$ 14,932</u>
LIABILITIES		
Accounts Payable	\$ --	\$ 14,931
Due to Other Funds		
Water and Sewer Enterprise Fund	1	1
Total Liabilities	<u>1</u>	<u>14,932</u>
Total Fund Balances	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 1</u>	<u>\$ 14,932</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, 2015 and 2014

	2015	2014
REVENUES		
Intergovernmental	\$ 412,519	\$ 41,276
Total Revenues	<u>412,519</u>	<u>41,276</u>
EXPENDITURES		
Capital Outlay	412,519	41,276
Total Expenditures	<u>412,519</u>	<u>41,276</u>
Net Change in Fund Balances	--	--
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, 2015

	Project			
	Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Intergovernmental	\$ 461,868	\$ 41,276	\$ 412,519	\$ 453,795
Total Revenues	<u>461,868</u>	<u>41,276</u>	<u>412,519</u>	<u>453,795</u>
EXPENDITURES				
Capital Outlay	461,868	64,490	412,519	477,009
Total Expenditures	<u>461,868</u>	<u>64,490</u>	<u>412,519</u>	<u>477,009</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>	

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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 #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

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

TE Grant #4 Fund - This fund is used to account for federal grants used to construct and improve downtown sidewalks.

CDBG Water 2014 Fund - This fund is used to account for grants used for water improvements.

CITY OF NASHVILLE, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
July 31, 2015

	Special Revenue Funds			
	Hotel/Motel	Total	1% SPLOST #4	TE Grant #2
ASSETS				
Cash and Cash Equivalents	\$ 14,223	\$ 14,223	\$ 170,234	\$ 50
Receivables	518	518	47,206	--
Total Assets	<u>\$ 14,741</u>	<u>\$ 14,741</u>	<u>\$ 217,440</u>	<u>\$ 50</u>
LIABILITIES				
Accounts Payable	--	--	--	--
Due to Other Funds	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCES				
Restricted	14,741	14,741	217,440	--
Assigned	--	--	--	50
Total Fund Balances	<u>14,741</u>	<u>14,741</u>	<u>217,440</u>	<u>50</u>
Total Liabilities and Fund Balances	<u>\$ 14,741</u>	<u>\$ 14,741</u>	<u>\$ 217,440</u>	<u>\$ 50</u>

Capital Projects Funds				
TE Grant #3	TE Grant #4	CDBG Water 2014	Total	Total Nonmajor Governmental Funds
\$ --	\$ --	\$ 1	\$ 170,285	\$ 184,508
--	--	124,819	172,025	172,543
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 124,820</u>	<u>\$ 342,310</u>	<u>\$ 357,051</u>
--	--	124,819	124,819	124,819
--	--	1	1	1
<u>--</u>	<u>--</u>	<u>124,820</u>	<u>124,820</u>	<u>124,820</u>
--	--	--	217,440	232,181
--	--	--	50	50
<u>--</u>	<u>--</u>	<u>--</u>	<u>217,490</u>	<u>232,231</u>
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 124,820</u>	<u>\$ 342,310</u>	<u>\$ 357,051</u>

CITY OF NASHVILLE, GEORGIA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended July 31, 2015

	Special Revenue Funds			
	Hotel/Motel	Total	1% SPLOST #4	TE Grant #2
REVENUES				
Taxes	\$ 9,764	\$ 9,764	\$ --	\$ --
Intergovernmental	--	--	211,186	--
Total Revenues	<u>9,764</u>	<u>9,764</u>	<u>211,186</u>	<u>--</u>
EXPENDITURES				
Current				
Housing and Development	4,027	4,027	--	--
Capital Outlay	--	--	245,637	--
Debt Service	--	--	32,312	--
Total Expenditures	<u>4,027</u>	<u>4,027</u>	<u>277,949</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,737</u>	<u>5,737</u>	<u>(66,763)</u>	<u>--</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	5,737	5,737	(66,763)	--
Fund Balances - Beginning	9,004	9,004	284,203	50
Fund Balances - Ending	<u>\$ 14,741</u>	<u>\$ 14,741</u>	<u>\$ 217,440</u>	<u>\$ 50</u>

Capital Projects Funds				
TE Grant #3	TE Grant #4	CDBG Water 2014	Total	Total Nonmajor Governmental Funds
\$ --	\$ --	\$ --	\$ --	\$ 9,764
--	--	234,267	445,453	445,453
--	--	234,267	445,453	455,217
--	--	--	--	4,027
881	15,750	234,267	496,535	496,535
--	--	--	32,312	32,312
881	15,750	234,267	528,847	532,874
(881)	(15,750)	--	(83,394)	(77,657)
881	15,750	--	16,631	16,631
881	15,750	--	16,631	16,631
--	--	--	(66,763)	(61,026)
--	--	--	284,253	293,257
\$ --	\$ --	\$ --	\$ 217,490	\$ 232,231

CITY OF NASHVILLE, GEORGIA
Hotel/Motel Special Revenue Fund
Balance Sheet
July 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and Cash Equivalents	\$ 14,223	\$ 8,413
Receivables		
Taxes	518	591
Total Assets	<u>\$ 14,741</u>	<u>\$ 9,004</u>
FUND BALANCES		
Restricted	\$ 14,741	\$ 9,004
Total Fund Balances	<u>\$ 14,741</u>	<u>\$ 9,004</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, 2015 and 2014

	<u>2015</u>	<u>2014</u>
REVENUES		
Taxes	\$ 9,764	\$ 6,008
Total Revenues	<u>9,764</u>	<u>6,008</u>
EXPENDITURES		
Current		
Housing and Development	4,027	--
Total Expenditures	<u>4,027</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,737</u>	<u>6,008</u>
Net Change in Fund Balances	5,737	6,008
Fund Balances - Beginning	9,004	2,996
Fund Balances - Ending	<u>\$ 14,741</u>	<u>\$ 9,004</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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 5,714	\$ 9,764	\$ 4,050
Total Revenues	<u>5,714</u>	<u>9,764</u>	<u>4,050</u>
EXPENDITURES			
Current			
Housing and Development	5,714	4,027	1,687
Total Expenditures	<u>5,714</u>	<u>4,027</u>	<u>1,687</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures	--	5,737	5,737
Net Change in Fund Balances	--	5,737	5,737
Fund Balances - Beginning	9,004	9,004	--
Fund Balances - Ending	<u>\$ 9,004</u>	<u>\$ 14,741</u>	<u>\$ 5,737</u>

CITY OF NASHVILLE, GEORGIA
1% SPLOST #4 Capital Projects Fund
Balance Sheet
July 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and Cash Equivalents	\$ 170,234	\$ 274,149
Receivables		
Intergovernmental	47,206	35,804
Total Assets	<u>\$ 217,440</u>	<u>\$ 309,953</u>
LIABILITIES		
Accounts Payable	\$ --	\$ 25,750
Total Liabilities	<u>--</u>	<u>25,750</u>
FUND BALANCES		
Restricted	217,440	284,203
Total Fund Balances	<u>217,440</u>	<u>284,203</u>
Total Liabilities and Fund Balances	<u>\$ 217,440</u>	<u>\$ 309,953</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, 2015 and 2014

	2015	2014
REVENUES		
Intergovernmental	\$ 211,186	\$ 231,729
Total Revenues	<u>211,186</u>	<u>231,729</u>
EXPENDITURES		
Capital Outlay	245,637	251,527
Debt Service	32,312	28,690
Total Expenditures	<u>277,949</u>	<u>280,217</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(66,763)</u>	<u>(48,488)</u>
OTHER FINANCING SOURCES (USES)		
Transfers In		
1% SPLOST #3 Capital Projects Fund	--	4,340
Total Other Financing Sources (Uses)	<u>--</u>	<u>4,340</u>
Net Change in Fund Balances	<u>(66,763)</u>	<u>(44,148)</u>
Fund Balances - Beginning	284,203	328,351
Fund Balances - Ending	<u>\$ 217,440</u>	<u>\$ 284,203</u>

CITY OF NASHVILLE, GEORGIA
TE Grant #2 Capital Projects Fund
Balance Sheet
July 31, 2015 and 2014

	<u>2015</u>	<u>2014</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 #3 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2015 and 2014

	2015	2014
EXPENDITURES		
Capital Outlay	\$ 881	\$ --
Total Expenditures	<u>881</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(881)</u>	<u>--</u>
OTHER FINANCING SOURCES (USES)		
Transfers In		
General Fund	<u>881</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>881</u>	<u>--</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, 2015

	Project			
	Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Intergovernmental	\$ 200,000	\$ --	\$ --	\$ --
Total Revenues	<u>200,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES				
Capital Outlay	240,000	15,862	881	16,743
Total Expenditures	<u>240,000</u>	<u>15,862</u>	<u>881</u>	<u>16,743</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(40,000)</u>	<u>(15,862)</u>	<u>(881)</u>	<u>(16,743)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				
General Fund	40,000	15,862	881	16,743
Total Other Financing Sources (Uses)	<u>40,000</u>	<u>15,862</u>	<u>881</u>	<u>16,743</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
TE Grant #4 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
EXPENDITURES		
Capital Outlay	\$ 15,750	\$ --
Total Expenditures	<u>15,750</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(15,750)</u>	<u>--</u>
OTHER FINANCING SOURCES (USES)		
Transfers In		
General Fund	<u>15,750</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>15,750</u>	<u>--</u>
Net Change in Fund Balances	--	--
Fund Balances - Beginning	--	--
Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>

CITY OF NASHVILLE, GEORGIA

TE Grant #4 Capital Projects Fund

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

From Inception and for the Year Ended July 31, 2015

	Project			
	Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Intergovernmental	\$ 162,617	\$ --	\$ --	\$ --
Total Revenues	<u>162,617</u>	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES				
Capital Outlay	177,617	--	15,750	15,750
Total Expenditures	<u>177,617</u>	<u>--</u>	<u>15,750</u>	<u>15,750</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(15,000)</u>	<u>--</u>	<u>(15,750)</u>	<u>(15,750)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				
General Fund	15,000	--	15,750	15,750
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>--</u>	<u>15,750</u>	<u>15,750</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 Water 2014 Capital Projects Fund
Balance Sheet
July 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and Cash Equivalents	\$ 1	\$ --
Receivables		
Intergovernmental	124,819	--
Total Assets	<u>\$ 124,820</u>	<u>\$ --</u>
LIABILITIES		
Accounts Payable	\$ 124,819	\$ --
Due to Other Funds		
Water and Sewer Enterprise Fund	1	--
Total Liabilities	<u>124,820</u>	<u>--</u>
Total Fund Balances	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 124,820</u>	<u>\$ --</u>

CITY OF NASHVILLE, GEORGIA
CDBG Water 2014 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
REVENUES		
Intergovernmental	\$ 234,267	\$ --
Total Revenues	<u>234,267</u>	<u>--</u>
EXPENDITURES		
Capital Outlay	234,267	--
Total Expenditures	<u>234,267</u>	<u>--</u>
Net Change in Fund Balances	--	--
Fund Balances - Beginning	--	--
Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>

CITY OF NASHVILLE, GEORGIA
CDBG Water 2014 Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended July 31, 2015

	Project			
	Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Intergovernmental	\$ 386,905	\$ --	\$ 234,267	\$ 234,267
Total Revenues	<u>386,905</u>	<u>--</u>	<u>234,267</u>	<u>234,267</u>
EXPENDITURES				
Capital Outlay	441,567	--	234,267	234,267
Total Expenditures	<u>441,567</u>	<u>--</u>	<u>234,267</u>	<u>234,267</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(54,662)</u>	<u>--</u>	<u>--</u>	<u>--</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				
General Fund	54,662	--	--	--
Total Other Financing Sources (Uses)	<u>54,662</u>	<u>--</u>	<u>--</u>	<u>--</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, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 3,107,110	\$ 2,932,152
Receivables (Net of Allowance for Uncollectibles)		
Interest	541	494
Accounts	128,541	148,661
Due from Other Funds		
CDBG Sewer Capital Projects Fund	--	1
CDBG Water 2014 Capital Projects Fund	1	--
CDBG Sewer 2012 Capital Projects Fund	1	1
Prepaid Items	2,855	6,608
Restricted Assets		
Cash and Cash Equivalents	715,635	788,199
Total Current Assets	<u>3,954,684</u>	<u>3,876,116</u>
Noncurrent Assets		
Capital Assets Not Being Depreciated		
Land	815,086	815,086
Construction in Progress	87,252	3,960
Capital Assets Net of Accumulated Depreciation		
Buildings and System	15,651,818	15,651,818
Machinery and Equipment	392,167	368,078
Accumulated Depreciation	(5,342,257)	(5,007,323)
Total Capital Assets Net of Accumulated Depreciation	<u>11,604,066</u>	<u>11,831,619</u>
Total Noncurrent Assets	<u>11,604,066</u>	<u>11,831,619</u>
Total Assets	<u>15,558,750</u>	<u>15,707,735</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	23,942	13,714
Total Deferred Outflows of Resources	<u>23,942</u>	<u>13,714</u>

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Statement of Net Position
July 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	46,831	19,030
Accrued Liabilities	1,827	1,107
Due to Other Funds		
General Fund	78,557	77,158
Customer Deposits	134,083	144,983
Accrued Interest Payable	51,940	53,898
Loans Payable - Current	229,353	222,583
Revenue Bonds Payable (Net of Unamortized Discount)	61,080	58,170
Total Current Liabilities	<u>603,671</u>	<u>576,929</u>
Noncurrent Liabilities		
Compensated Absences	17,516	20,865
Net Pension Liability	121,250	119,327
Loans Payable	5,323,457	5,552,810
Revenue Bonds Payable (Net of Unamortized Discount)	1,517,440	1,578,520
Total Noncurrent Liabilities	<u>6,979,663</u>	<u>7,271,522</u>
Total Liabilities	<u>7,583,334</u>	<u>7,848,451</u>
DEFERRED INFLOWS OF RESOURCES		
Pension	10,148	--
Total Deferred Inflows of Resources	<u>10,148</u>	<u>--</u>
NET POSITION		
Net Investment in Capital Assets	4,472,736	4,419,536
Unrestricted	3,516,474	3,453,462
Total Net Position	<u>\$ 7,989,210</u>	<u>\$ 7,872,998</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, 2015 and 2014

	<u>2015</u>	<u>2014</u>
OPERATING REVENUES		
Charges for Services	\$ 1,486,641	\$ 1,485,873
Other	5,859	3,301
Total Operating Revenues	<u>1,492,500</u>	<u>1,489,174</u>
OPERATING EXPENSES		
Personal Services and Employee Benefits	390,817	365,571
Purchased/Contracted Services	180,079	152,171
Supplies	247,441	218,998
Depreciation	334,934	265,780
Other	2,589	5,395
Total Operating Expenses	<u>1,155,860</u>	<u>1,007,915</u>
Operating Income (Loss)	<u>336,640</u>	<u>481,259</u>
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	5,577	5,383
Interest	(250,094)	(259,145)
Total Nonoperating Revenues (Expenses)	<u>(244,517)</u>	<u>(253,762)</u>
Income (Loss) Before Contributions and Transfers	<u>92,123</u>	<u>227,497</u>
Capital Contributions	24,089	692,793
Changes in Net Position	<u>116,212</u>	<u>920,290</u>
Net Position - Beginning, as Restated	7,872,998	6,952,708
Net Position - Ending	<u>\$ 7,989,210</u>	<u>\$ 7,872,998</u>

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Statement of Cash Flows
For the Years Ended July 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	\$ 1,501,720	\$ 1,475,639
Payments to Suppliers	(398,555)	(401,126)
Payments to Employees	(391,603)	(381,182)
Net Cash Provided (Used) By Operating Activities	<u>711,562</u>	<u>693,331</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Loans from Other Funds	1,399	17,935
Loans to Other Funds	--	250
Net Cash Provided (Used) By Noncapital Financing Activities	<u>1,399</u>	<u>18,185</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(83,292)	(25,878)
Principal Paid on Capital Debt	(280,753)	(168,871)
Interest Paid on Capital Debt	(252,052)	(261,048)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(616,097)</u>	<u>(455,797)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends Received	5,530	7,263
Net Cash Provided (Used) By Investing Activities	<u>5,530</u>	<u>7,263</u>
Net Increase (Decrease) in Cash and Cash Equivalents	102,394	262,982
Cash and Cash Equivalents - Beginning of Year	3,720,351	3,457,369
Cash and Cash Equivalents - End of Year	<u>\$ 3,822,745</u>	<u>\$ 3,720,351</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 336,640	\$ 481,259
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	334,934	265,780
(Increase) Decrease in Accounts Receivable	13,181	(20,106)
Increase (Decrease) in Allowances for Uncollectible Accounts	6,939	9,151
(Increase) Decrease in Prepaid Items	3,753	(2,849)
(Increase) Decrease in Deferred Outflows of Resources	(10,228)	(3,121)
Increase (Decrease) in Accounts Payable	27,801	(21,713)
Increase (Decrease) in Accrued Liabilities	720	1,107
Increase (Decrease) in Compensated Absences Payable	(3,349)	(6,678)
Increase (Decrease) in Customer Deposits	(10,900)	(2,580)
Increase (Decrease) in Net Pension Liability	1,923	(6,919)
Increase (Decrease) in Deferred Inflows of Resources	10,148	--
Net Cash Provided (Used) By Operating Activities	<u>\$ 711,562</u>	<u>\$ 693,331</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Contributions of Capital Assets from Governmental Funds	\$ 24,089	\$ 692,793

CITY OF NASHVILLE, GEORGIA
Natural Gas Enterprise Fund
Statement of Net Position
July 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,417,470	\$ 1,426,375
Receivables (Net of Allowance for Uncollectibles)		
Interest	1,455	1,252
Accounts	31,554	32,138
Due from Other Funds		
General Fund	9,303	--
Prepaid Items	2,228	5,177
Restricted Assets		
Cash and Cash Equivalents	379,989	379,989
Total Current Assets	<u>1,841,999</u>	<u>1,844,931</u>
Noncurrent Assets		
Capital Assets Not Being Depreciated		
Land	6,000	6,000
Construction in Progress	90,870	7,122
Capital Assets Net of Accumulated Depreciation		
Buildings and System	985,930	985,930
Machinery and Equipment	163,385	135,436
Accumulated Depreciation	(632,709)	(605,460)
Total Capital Assets Net of Accumulated Depreciation	<u>613,476</u>	<u>529,028</u>
Total Noncurrent Assets	<u>613,476</u>	<u>529,028</u>
Total Assets	<u>2,455,475</u>	<u>2,373,959</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	16,044	9,361
Total Deferred Outflows of Resources	<u>16,044</u>	<u>9,361</u>

CITY OF NASHVILLE, GEORGIA
Natural Gas Enterprise Fund
Statement of Net Position
July 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	65,028	16,340
Accrued Liabilities	1,123	672
Due to Other Funds		
General Fund	38,545	36,651
Customer Deposits	35,626	38,676
Capital Leases Payable - Current	41,016	39,899
Other Current Liabilities	1,432	1,326
Total Current Liabilities	<u>182,770</u>	<u>133,564</u>
Noncurrent Liabilities		
Compensated Absences	15,802	18,646
Net Pension Liability	81,253	81,451
Capital Leases	130,066	171,082
Total Noncurrent Liabilities	<u>227,121</u>	<u>271,179</u>
Total Liabilities	<u>409,891</u>	<u>404,743</u>
DEFERRED INFLOWS OF RESOURCES		
Pension	6,800	--
Total Deferred Inflows of Resources	<u>6,800</u>	<u>--</u>
NET POSITION		
Net Investment in Capital Assets	442,394	318,047
Unrestricted	1,612,434	1,660,530
Total Net Position	<u>\$ 2,054,828</u>	<u>\$ 1,978,577</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, 2015 and 2014

	<u>2015</u>	<u>2014</u>
OPERATING REVENUES		
Charges for Services	\$ 885,714	\$ 856,704
Other	3,251	3,999
Total Operating Revenues	<u>888,965</u>	<u>860,703</u>
OPERATING EXPENSES		
Personal Services and Employee Benefits	263,401	264,372
Purchased/Contracted Services	115,118	116,991
Supplies	412,527	475,077
Depreciation	27,249	24,454
Other	--	23
Total Operating Expenses	<u>818,295</u>	<u>880,917</u>
Operating Income (Loss)	<u>70,670</u>	<u>(20,214)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	11,013	10,695
Interest	(5,432)	(6,518)
Total Nonoperating Revenues (Expenses)	<u>5,581</u>	<u>4,177</u>
Changes in Net Position	76,251	(16,037)
Net Position - Beginning, as Restated	1,978,577	1,994,614
Net Position - Ending	<u>\$ 2,054,828</u>	<u>\$ 1,978,577</u>

CITY OF NASHVILLE, GEORGIA
Natural Gas Enterprise Fund
Statement of Cash Flows
For the Years Ended July 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	\$ 886,499	\$ 875,571
Payments to Suppliers	(475,902)	(603,427)
Payments to Employees	(265,875)	(262,824)
Net Cash Provided (Used) By Operating Activities	<u>144,722</u>	<u>9,320</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Loans from Other Funds	1,894	12,552
Loans to Other Funds	(9,303)	--
Net Cash Provided (Used) By Noncapital Financing Activities	<u>(7,409)</u>	<u>12,552</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(111,697)	(7,122)
Principal Paid on Capital Debt	(39,899)	(38,814)
Interest Paid on Capital Debt	(5,432)	(6,518)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(157,028)</u>	<u>(52,454)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends Received	10,810	10,953
Net Cash Provided (Used) By Investing Activities	<u>10,810</u>	<u>10,953</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(8,905)	(19,629)
Cash and Cash Equivalents - Beginning of Year	1,806,364	1,825,993
Cash and Cash Equivalents - End of Year	<u>\$ 1,797,459</u>	<u>\$ 1,806,364</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 70,670	\$ (20,214)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	27,249	24,454
(Increase) Decrease in Accounts Receivable	(4,466)	20,313
Increase (Decrease) in Allowances for Uncollectible Accounts	5,050	(9,025)
(Increase) Decrease in Prepaid Items	2,949	(2,690)
(Increase) Decrease in Deferred Outflows of Resources	(6,683)	(2,395)
Increase (Decrease) in Accounts Payable	48,688	(7,454)
Increase (Decrease) in Accrued Liabilities	451	672
Increase (Decrease) in Compensated Absences Payable	(2,844)	4,839
Increase (Decrease) in Other Current Liabilities	106	(1,192)
Increase (Decrease) in Customer Deposits	(3,050)	3,581
Increase (Decrease) in Net Pension Liability	(198)	(1,569)
Increase (Decrease) in Deferred Inflows of Resources	6,800	--
Net Cash Provided (Used) By Operating Activities	<u>\$ 144,722</u>	<u>\$ 9,320</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, 2015

		Agency Funds		
		<u>Special</u>	<u>Voluntary</u>	
		<u>Account</u>	<u>Fire Dept</u>	<u>Total</u>
ASSETS				
Cash		\$ 4,055	\$ 8,215	\$ 12,270
	Total Assets	<u>\$ 4,055</u>	<u>\$ 8,215</u>	<u>\$ 12,270</u>
LIABILITIES				
Due to Others		\$ 4,055	\$ 8,215	\$ 12,270
	Total Liabilities	<u>\$ 4,055</u>	<u>\$ 8,215</u>	<u>\$ 12,270</u>

SUPPLEMENTAL SCHEDULES

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule of Revenues
For the Years Ended July 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
REVENUES		
Taxes		
Real Property	\$ 674,121	\$ 676,666
Personal Property	131,988	123,119
Real Estate Transfer (Intangible)	1,415	868
Franchise	318,754	299,815
General Sales and Use	305,384	373,683
Selective Sales and Use	136,741	137,438
Business		
Insurance Premium	266,384	254,773
Penalties and Interest on Delinquent Taxes	5,149	10,074
	<u>1,839,936</u>	<u>1,876,436</u>
Licenses and Permits		
Business	95,745	94,919
Non-Business	150	125
Regulatory	7,725	7,385
	<u>103,620</u>	<u>102,429</u>
Intergovernmental	<u>168,995</u>	<u>93,504</u>
Charges for Services		
General Government	--	3,690
Public Safety	20,210	13,343
Public Works	610,573	605,134
Other Charges for Services	27,599	15,712
	<u>658,382</u>	<u>637,879</u>
Fines and Forfeitures	<u>213,016</u>	<u>184,085</u>
Interest Revenue	<u>6,199</u>	<u>6,469</u>
Contributions and Donations	<u>25,847</u>	<u>14,336</u>
Miscellaneous	<u>192,717</u>	<u>152,835</u>
Total Revenues	<u>\$ 3,208,712</u>	<u>\$ 3,067,973</u>

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule of Expenditures
For the Years Ended July 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
EXPENDITURES		
Current		
General Government		
Clerks Office		
Personal Services and Employee Benefits	\$ 264,737	\$ 233,745
Purchased/Contracted Services	244,139	294,696
Supplies	37,643	40,329
Capital Outlay	9,000	--
Other Costs	18,657	25,489
Total Clerks Office	<u>574,176</u>	<u>594,259</u>
Total General Government	<u>574,176</u>	<u>594,259</u>
Judicial		
Municipal Court		
Purchased/Contracted Services	25,853	25,860
Supplies	507	61
Total Municipal Court	<u>26,360</u>	<u>25,921</u>
Total Judicial	<u>26,360</u>	<u>25,921</u>
Public Safety		
Police		
Personal Services and Employee Benefits	704,550	656,615
Purchased/Contracted Services	111,841	112,814
Supplies	67,001	80,531
Capital Outlay	155,185	11,899
Other Costs	43,092	39,562
Total Police	<u>1,081,669</u>	<u>901,421</u>
Fire and Emergency		
Personal Services and Employee Benefits	57,576	55,365
Purchased/Contracted Services	43,725	44,159
Supplies	5,566	5,544
Other Costs	102	--
Total Fire and Emergency	<u>106,969</u>	<u>105,068</u>
Animal Control		
Personal Services and Employee Benefits	39,255	36,827
Purchased/Contracted Services	10,896	6,653
Supplies	3,158	4,114
Other Costs	15	--
Total Animal Control	<u>53,324</u>	<u>47,594</u>
Total Public Safety	<u>1,241,962</u>	<u>1,054,083</u>

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule of Expenditures
For the Years Ended July 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Public Works		
Highways and Streets		
Personal Services and Employee Benefits	122,548	129,073
Purchased/Contracted Services	27,990	34,686
Supplies	142,482	147,750
Capital Outlay	62,220	154,827
Other Costs	139	465
Total Highways and Streets	<u>355,379</u>	<u>466,801</u>
Sanitation		
Personal Services and Employee Benefits	36,808	35,802
Purchased/Contracted Services	495,541	501,097
Supplies	6,272	6,792
Other Costs	(1)	2,521
Total Sanitation	<u>538,620</u>	<u>546,212</u>
City Shop		
Purchased/Contracted Services	400	54
Total City Shop	<u>400</u>	<u>54</u>
Work Control		
Purchased/Contracted Services	1,668	1,388
Supplies	4,966	3,599
Other Costs	190	--
Total Work Control	<u>6,824</u>	<u>4,987</u>
Total Public Works	<u>901,223</u>	<u>1,018,054</u>
Culture and Recreation		
Recreation		
Personal Services and Employee Benefits	28,889	26,607
Purchased/Contracted Services	6,081	4,584
Supplies	37,856	24,040
Capital Outlay	--	72,593
Other Costs	9,040	8,981
Total Recreation	<u>81,866</u>	<u>136,805</u>
Total Culture and Recreation	<u>81,866</u>	<u>136,805</u>
Housing and Development		
Code Enforcer		
Personal Services and Employee Benefits	56,260	75,860
Purchased/Contracted Services	7,148	5,933
Supplies	4,686	5,735
Capital Outlay	32,738	--
Other Costs	23	51
Total Code Enforcer	<u>100,855</u>	<u>87,579</u>

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule of Expenditures
For the Years Ended July 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Economic Development		
Personal Services and Employee Benefits	63,319	61,638
Purchased/Contracted Services	8,413	8,621
Supplies	2,485	8,424
Capital Outlay	24,289	359,915
Other Costs	13,545	786
Total Economic Development	<u>112,051</u>	<u>439,384</u>
Farmers Market		
Personal Services and Employee Benefits	12,765	8,986
Purchased/Contracted Services	14,927	2,491
Supplies	5,102	3,311
Capital Outlay	--	3,101
Other Costs	73,295	24,881
Total Farmers Market	<u>106,089</u>	<u>42,770</u>
Total Housing and Development	<u>318,995</u>	<u>569,733</u>
Debt Service	<u>66,000</u>	<u>--</u>
Total Expenditures	<u><u>\$ 3,210,582</u></u>	<u><u>\$ 3,398,855</u></u>

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Schedule of Water & Sewer Bonds - Series 1992-Farmers Home Administration
July 31, 2015

<u>Year Ending</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Annual Debt Service</u>
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>\$ 1,578,520</u>		<u>\$ 801,765</u>	<u>\$ 2,380,285</u>

CITY OF NASHVILLE, GEORGIA
Schedule of Hotel/Motel Taxes Expended
For the Year Ended July 31, 2015

Total Expenditures	
Tourism, Promotions, Conventions, Trade Shows, and Facility Support	\$ 4,027
	<u>4,027</u>
Taxes Collected	
Tax Collections @ 3%	5,858
Tax Collections Greater Than 3%	3,906
	<u>9,764</u>
Percentage of Current Year Taxes Expended	<u>41%</u>

CITY OF NASHVILLE, GEORGIA
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Year Ended July 31, 2015

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Six Year Period 1/1/2012 - 12/31/2017	\$ 1,915,661	\$ 1,915,661				47%
Roads, Streets & Bridges			\$ 160,424	\$ 84,464	\$ 244,888	
Street & Sanitation Projects & Improvements			--	--	--	
Street & Sanitation Equipment			--	1,494	1,494	
Water & Sewer Extensions, Projects & Improvements			61,203	45,021	106,224	
Water & Sewer Equipment			--	--	--	
Gas System Improvements			31,636	50,434	82,070	
Gas System Equipment			--	--	--	
Recreation Facilities			--	5,669	5,669	
Recreation Equipment			37,962	--	37,962	
City Hall Administration & Storage Facilities Expansion & Improvements			--	--	--	
City Hall Administration & Storage Facilities Equipment			7,363	1,917	9,280	
Community Center Equipment & Improvements			--	--	--	
Law Enforcement Facilities Improvements			215,430	--	215,430	
Law Enforcement Equipment			100,291	69,358	169,649	
Fire Fighting Facilities Improvements			--	--	--	
Fire Fighting Equipment			3,973	--	3,973	
Animal Control Facility Improvements			--	--	--	
Animal Control Equipment			--	18,232	18,232	
Economic Development Projects			9,467	1,360	10,827	
	<u>\$ 1,915,661</u>	<u>\$ 1,915,661</u>	<u>\$ 627,749</u>	<u>\$ 277,949</u>	<u>\$ 905,698</u>	
1% SPLOST #4 Capital Projects Fund						
Total Expenditures				<u>\$ 277,949</u>	<u>\$ 277,949</u>	

CITY OF NASHVILLE, GEORGIA
Schedule of Expenditures of Federal Awards
For the Year Ended July 31, 2015

Federal Grantor/Pass-Through Grantor/Program Or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture Pass-through Program From Tifton Rural Development Office Agricultural Marketing Service	10.768	14-FMPPX-GA-0046	\$ 30,000
			<u>30,000</u>
Community Facilities Loan	10.766	10-010-586000630	185,200
Community Facilities Grant	10.766	10-010-586000630	25,000
Community Facilities Grant	10.766	10-010-586000630	24,200
			<u>234,400</u>
Total U.S. Department of Agriculture			<u>264,400</u>
U.S. Department of Housing & Urban Development Pass-through Program From Georgia Department of Community Affairs Community Development Block Grant	14.228	12p-x-010-2-5460	412,519
Community Development Block Grant	14.228	14q-x-010-2-5716	234,267
			<u>646,786</u>
Total U.S. Department of Housing & Urban Development			<u>646,786</u>
U.S. Department of the Interior Land and Water Conservation Fund	15.916	13-00928	25,000
			<u>25,000</u>
Total U.S. Department of the Interior			<u>25,000</u>
Total Expenditures of Federal Awards			<u><u>\$ 936,186</u></u>

Basis of Presentation

This schedule of expenditures of federal awards includes the federal grant activity of City of Nashville, Georgia and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the basic financial statements.

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, 2015, 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 28, 2016.

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 28, 2016

MEEKS CPA, LLP

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the City Council
City of Nashville, Georgia

Report on Compliance for Each Major Federal Program

We have audited City of Nashville, Georgia's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of City of Nashville, Georgia's major federal programs for the year ended July 31, 2015. City of Nashville, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Nashville, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Nashville, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Nashville, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Nashville, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended July 31, 2015.

Report on Internal Control Over Compliance

Management of City of Nashville, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Nashville, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the

circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Nashville, Georgia's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

MEEKS CPA, LLP

Ocilla, Georgia
July 28, 2016

CITY OF NASHVILLE, GEORGIA
Schedule of Findings and Questioned Costs
For the Year Ended July 31, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:
 Material weakness(es) identified? yes no
 Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:
 Material weakness(es) identified? yes no
 Significant deficiency(ies) identified? yes none reported

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	Department of Housing and Urban Development

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported