

CITY OF NASHVILLE, GEORGIA
Annual Financial Report
For The Fiscal Year Ended
July 31, 2016

MEEKS CPA, LLP
CERTIFIED PUBLIC ACCOUNTANTS
Ocilla, Georgia

CITY OF NASHVILLE, GEORGIA
Annual Financial Report
For The Fiscal Year Ended July 31, 2016

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements	
Balance Sheet - Governmental Funds	7
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Statement of Net Position - Proprietary Funds	10
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	11
Statement of Cash Flows - Proprietary Funds	12
Statement of Fiduciary Assets and Liabilities - Fiduciary Funds	13
Notes to the Financial Statements	14
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	33
Schedule of Changes in the City's Net Pension Liability and Related Ratios - Pension Plan	34
Schedule of City Contributions - Pension Plan	35
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Major Governmental Funds	
General Fund	
Balance Sheet	38
Statement of Revenues, Expenditures and Changes in Fund Balances	39
Nonmajor Governmental Funds	
Combining Balance Sheet	42
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	43
Hotel/Motel Special Revenue Fund	
Balance Sheet	46
Statement of Revenues, Expenditures and Changes in Fund Balances	47
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	48
1% SPLOST #4 Capital Projects Fund	
Balance Sheet	49
Statement of Revenues, Expenditures and Changes in Fund Balances	50
TE Grant #2 Capital Projects Fund	
Balance Sheet	51

CITY OF NASHVILLE, GEORGIA
Annual Financial Report
For The Fiscal Year Ended July 31, 2016

TABLE OF CONTENTS

	<u>Page</u>
TE Grant #3 Capital Projects Fund	
Statement of Revenues, Expenditures and Changes in Fund Balances	52
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	53
CDBG Sewer 2012 Capital Projects Fund	
Balance Sheet	54
Statement of Revenues, Expenditures and Changes in Fund Balances	55
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	56
CDBG Water 2014 Capital Projects Fund	
Balance Sheet	57
Statement of Revenues, Expenditures and Changes in Fund Balances	58
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	59
Major Proprietary Funds	
Water & Sewer Enterprise Fund	
Statement of Net Position	61
Statement of Revenues, Expenses and Changes in Fund Net Position	63
Statement of Cash Flows	64
Natural Gas Enterprise Fund	
Statement of Net Position	65
Statement of Revenues, Expenses and Changes in Fund Net Position	67
Statement of Cash Flows	68
Fiduciary Funds	
Combining Statement of Fiduciary Assets and Liabilities	70
 SUPPLEMENTAL SCHEDULES	
Schedule of Revenues - General Fund	72
Schedule of Expenditures - General Fund	73
Schedule of Water & Sewer Bonds - Series 1992-Farmers Home Administration	76
Schedule of Hotel/Motel Taxes Expended	77
Schedule of Projects Constructed with Special Sales Tax Proceeds	78
Schedule of Expenditures of Federal Awards	79
 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	80
 Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	82
Schedule of Findings and Questioned Costs	84

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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

information of City of Nashville, Georgia, as of July 31, 2016, 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 the 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 January 31, 2017, 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
January 31, 2017

BASIC FINANCIAL STATEMENTS

CITY OF NASHVILLE, GEORGIA
Statement of Net Position
July 31, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Primary Government	Downtown Development Authority
ASSETS				
Cash and Cash Equivalents	\$ 2,307,780	\$ 4,715,717	\$ 7,023,497	\$ 6,600
Receivables (Net of Allowance for Uncollectibles)	168,576	187,248	355,824	--
Internal Balances	79,509	(79,509)	--	--
Prepaid Items	11,084	3,165	14,249	--
Restricted Assets				
Cash and Cash Equivalents	--	947,727	947,727	--
Capital Assets Not Being Depreciated	658,925	1,959,931	2,618,856	--
Capital Assets Net of Accumulated Depreciation	3,190,177	11,962,364	15,152,541	67,932
Total Assets	<u>6,416,051</u>	<u>19,696,643</u>	<u>26,112,694</u>	<u>74,532</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	123,610	52,535	176,145	--
Total Deferred Outflows of Resources	<u>123,610</u>	<u>52,535</u>	<u>176,145</u>	<u>--</u>
LIABILITIES				
Accounts Payable	149,692	81,532	231,224	2,500
Accrued Liabilities	10,554	2,806	13,360	--
Accrued Interest Payable	--	9,272	9,272	--
Short-Term Notes Payable	--	400,500	400,500	--
Other Current Liabilities	--	1,407	1,407	--
Customer Deposits	200	222,624	222,824	--
Accrued Interest Payable	--	49,894	49,894	--
Noncurrent Liabilities				
Due Within One Year	88,668	342,633	431,301	--
Due In More Than One Year	1,058,657	6,877,485	7,936,142	--
Total Liabilities	<u>1,307,771</u>	<u>7,988,153</u>	<u>9,295,924</u>	<u>2,500</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	34,613	14,711	49,324	--
Total Deferred Inflows of Resources	<u>34,613</u>	<u>14,711</u>	<u>49,324</u>	<u>--</u>
NET POSITION				
Net Investment in Capital Assets	3,258,007	6,550,832	9,808,839	67,932
Restricted For				
Capital Outlay	163,184	--	163,184	--
Economic Development	19,994	--	19,994	--
Unrestricted	1,756,092	5,195,482	6,951,574	4,100
Total Net Position	<u>\$ 5,197,277</u>	<u>\$ 11,746,314</u>	<u>\$ 16,943,591</u>	<u>\$ 72,032</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, 2016

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	Expenses	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	\$ 569,083	\$ 112,858	\$ 29,554	\$ --	\$ (426,671)	\$ --	\$ (426,671)	
Judicial	26,058	213,581	--	--	187,523	--	187,523	
Public Safety	1,233,113	25,387	2,321	--	(1,205,405)	--	(1,205,405)	
Public Works	1,138,864	700,435	53,543	604,162	219,276	--	219,276	
Health and Welfare	--	9,330	--	--	9,330	--	9,330	
Culture and Recreation	147,197	--	--	--	(147,197)	--	(147,197)	
Housing and Development	224,019	132,228	20,100	--	(71,691)	--	(71,691)	
Interest on Long-Term Debt	29,195	--	--	--	(29,195)	--	(29,195)	
Total Governmental Activities	<u>3,367,529</u>	<u>1,193,819</u>	<u>105,518</u>	<u>604,162</u>	<u>(1,464,030)</u>	<u>--</u>	<u>(1,464,030)</u>	
Business-Type Activities								
Water & Sewer	1,361,125	1,512,289	--	--	--	151,164	151,164	
Natural Gas	762,211	751,884	--	540,688	--	530,361	530,361	
Total Business-Type Activities	<u>2,123,336</u>	<u>2,264,173</u>	<u>--</u>	<u>540,688</u>	<u>--</u>	<u>681,525</u>	<u>681,525</u>	
Total Primary Government	<u>\$ 5,490,865</u>	<u>\$ 3,457,992</u>	<u>\$ 105,518</u>	<u>\$ 1,144,850</u>	<u>(1,464,030)</u>	<u>681,525</u>	<u>(782,505)</u>	
Component Units								
Downtown Development Authority	\$ 15,625	\$ --	\$ --	\$ --				\$ (15,625)
Total Component Units	<u>\$ 15,625</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>				<u>(15,625)</u>
General Revenues								
Taxes								
Real Property					667,305	--	667,305	--
Personal Property					91,727	--	91,727	--
Real Estate Transfer (Intangible)					1,282	--	1,282	--
Franchise					316,675	--	316,675	--
General Sales and Use					265,143	--	265,143	--
Selective Sales and Use					148,538	--	148,538	--
Business					284,587	--	284,587	--
Penalties and Interest on Delinquent Taxes					7,065	--	7,065	--
Investment Income					6,557	14,855	21,412	--
Miscellaneous					27,238	--	27,238	13,200
Gain on Disposition of Capital Assets					27,400	3,966	31,366	--
Transfers					76,617	(76,617)	--	--
Transfers					(1,078,547)	1,078,547	--	--
Total General Revenues and Transfers					<u>841,587</u>	<u>1,020,751</u>	<u>1,862,338</u>	<u>13,200</u>
Changes in Net Position					(622,443)	1,702,276	1,079,833	(2,425)
Net Position - Beginning					5,819,720	10,044,038	15,863,758	74,457
Net Position - Ending					<u>\$ 5,197,277</u>	<u>\$ 11,746,314</u>	<u>\$ 16,943,591</u>	<u>\$ 72,032</u>

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

CITY OF NASHVILLE, GEORGIA
Balance Sheet
Governmental Funds
July 31, 2016

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,144,621	\$ 163,159	\$ 2,307,780
Receivables (Net of Allowance for Uncollectibles)	148,505	20,071	168,576
Due from Other Funds	79,511	--	79,511
Total Assets	<u>\$ 2,372,637</u>	<u>\$ 183,230</u>	<u>\$ 2,555,867</u>
LIABILITIES			
Accounts Payable	\$ 149,692	\$ --	\$ 149,692
Accrued Liabilities	10,554	--	10,554
Due to Other Funds	--	2	2
Customer Deposits	200	--	200
Total Liabilities	<u>160,446</u>	<u>2</u>	<u>160,448</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue			
Property Taxes	32,283	--	32,283
Total Deferred Inflows of Resources	<u>32,283</u>	<u>--</u>	<u>32,283</u>
FUND BALANCES			
Restricted	--	183,178	183,178
Assigned	--	50	50
Unassigned	2,179,908	--	2,179,908
Total Fund Balances	<u>2,179,908</u>	<u>183,228</u>	<u>2,363,136</u>
Total Liabilities and Fund Balances	<u>\$ 2,372,637</u>	<u>\$ 183,230</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,849,102
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	32,283
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as expenditures in the funds.	11,084
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.	123,610
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Capital Leases	\$ (56,832)
Notes Payable	(534,263)
Compensated Absences	(53,778)
Net Pension Liability	(502,452)
Total long-term liabilities	(1,147,325)
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.	(34,613)
Net Position of Governmental Activities	<u>\$ 5,197,277</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, 2016

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 1,774,363	\$ 9,299	\$ 1,783,662
Licenses and Permits	110,110	--	110,110
Intergovernmental	83,719	604,163	687,882
Charges for Services	709,155	--	709,155
Fines and Forfeitures	213,581	--	213,581
Investment Income	6,557	--	6,557
Contributions and Donations	21,798	--	21,798
Miscellaneous	188,211	--	188,211
Total Revenues	<u>3,107,494</u>	<u>613,462</u>	<u>3,720,956</u>
EXPENDITURES			
Current			
General Government	514,681	--	514,681
Judicial	26,058	--	26,058
Public Safety	1,128,153	--	1,128,153
Public Works	927,007	--	927,007
Culture and Recreation	107,895	--	107,895
Housing and Development	195,650	4,046	199,696
Capital Outlay	--	671,569	671,569
Debt Service	72,000	80,098	152,098
Total Expenditures	<u>2,971,444</u>	<u>755,713</u>	<u>3,727,157</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>136,050</u>	<u>(142,251)</u>	<u>(6,201)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	--	93,248	93,248
Transfers Out	(93,248)	--	(93,248)
Proceeds of Capital Asset Dispositions	30,198	--	30,198
Total Other Financing Sources (Uses)	<u>(63,050)</u>	<u>93,248</u>	<u>30,198</u>
Net Change in Fund Balances	73,000	(49,003)	23,997
Fund Balances - Beginning	2,106,908	232,231	2,339,139
Fund Balances - Ending	<u>\$ 2,179,908</u>	<u>\$ 183,228</u>	<u>\$ 2,363,136</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, 2016

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>	\$ 23,997
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	558,276
Depreciation Expense	(305,958)
	<u>252,318</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	(146,803)
Accumulated Depreciation	144,005
Capital Assets Reassigned to Enterprise Funds	(1,001,930)
	<u>(1,004,728)</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	(1,340)
	<u>(1,340)</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> .	
Principal Repayments	
Capital Leases	4,202
Notes Payable	118,701
	<u>122,903</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	(86)
Pensions	(15,301)
Prepaid Items	(206)
	<u>(15,593)</u>
Change in net position of governmental activities reported in the <i>Statement of Activities</i>	<u>\$ (622,443)</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, 2016

	Business-type Activities - Enterprise Funds		
	Water & Sewer	Natural Gas	Total Enterprise Funds
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 3,393,728	\$ 1,321,989	\$ 4,715,717
Receivables (Net of Allowance for Uncollectibles)	150,608	36,640	187,248
Due from Other Funds	2	--	2
Prepaid Items	1,999	1,166	3,165
Restricted Assets			
Cash and Cash Equivalents	567,738	379,989	947,727
Total Current Assets	<u>4,114,075</u>	<u>1,739,784</u>	<u>5,853,859</u>
Noncurrent Assets			
Capital Assets Not Being Depreciated	854,967	1,104,964	1,959,931
Capital Assets Net of Accumulated Depreciation	11,475,802	486,562	11,962,364
Total Noncurrent Assets	<u>12,330,769</u>	<u>1,591,526</u>	<u>13,922,295</u>
Total Assets	<u>16,444,844</u>	<u>3,331,310</u>	<u>19,776,154</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	29,361	23,174	52,535
Total Deferred Outflows of Resources	<u>29,361</u>	<u>23,174</u>	<u>52,535</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	52,949	28,583	81,532
Accrued Liabilities	1,881	925	2,806
Due to Other Funds	63,901	15,610	79,511
Accrued Interest Payable	--	9,272	9,272
Short-Term Notes Payable	--	400,500	400,500
Customer Deposits	169,223	53,401	222,624
Accrued Interest Payable	49,894	--	49,894
Loans Payable - Current	236,329	--	236,329
Capital Leases Payable - Current	--	42,164	42,164
Revenue Bonds Payable (Net of Unamortized Discount)	64,140	--	64,140
Other Current Liabilities	--	1,407	1,407
Total Current Liabilities	<u>638,317</u>	<u>551,862</u>	<u>1,190,179</u>
Noncurrent Liabilities			
Compensated Absences	19,375	16,236	35,611
Net Pension Liability	119,346	94,198	213,544
Loans Payable	5,087,128	--	5,087,128
Capital Leases	--	87,902	87,902
Revenue Bonds Payable (Net of Unamortized Discount)	1,453,300	--	1,453,300
Total Noncurrent Liabilities	<u>6,679,149</u>	<u>198,336</u>	<u>6,877,485</u>
Total Liabilities	<u>7,317,466</u>	<u>750,198</u>	<u>8,067,664</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	8,222	6,489	14,711
Total Deferred Inflows of Resources	<u>8,222</u>	<u>6,489</u>	<u>14,711</u>
NET POSITION			
Net Investment in Capital Assets	5,489,872	1,060,960	6,550,832
Unrestricted	3,658,645	1,536,837	5,195,482
Total Net Position	<u>\$ 9,148,517</u>	<u>\$ 2,597,797</u>	<u>\$ 11,746,314</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, 2016

	Business-type Activities - Enterprise Funds		
	Water & Sewer	Natural Gas	Total Enterprise Funds
OPERATING REVENUES			
Charges for Services	\$ 1,509,379	\$ 744,485	\$ 2,253,864
Other	2,910	7,399	10,309
Total Operating Revenues	<u>1,512,289</u>	<u>751,884</u>	<u>2,264,173</u>
OPERATING EXPENSES			
Personal Services & Employee Benefits	337,703	277,991	615,694
Purchased/Contracted Services	181,992	120,582	302,574
Supplies	248,382	329,279	577,661
Other	2,538	--	2,538
Depreciation	350,182	30,044	380,226
Total Operating Expenses	<u>1,120,797</u>	<u>757,896</u>	<u>1,878,693</u>
Operating Income (Loss)	<u>391,492</u>	<u>(6,012)</u>	<u>385,480</u>
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental	--	540,688	540,688
Interest Revenue	5,465	9,390	14,855
Interest	(240,328)	(4,315)	(244,643)
Gain/Loss on Disposition of Capital Assets	748	3,218	3,966
Total Nonoperating Revenues (Expenses)	<u>(234,115)</u>	<u>548,981</u>	<u>314,866</u>
Income (Loss) Before Contributions and Transfers	<u>157,377</u>	<u>542,969</u>	<u>700,346</u>
Capital Contributions	1,001,930	--	1,001,930
Changes in Net Position	<u>1,159,307</u>	<u>542,969</u>	<u>1,702,276</u>
Net Position - Beginning	<u>7,989,210</u>	<u>2,054,828</u>	<u>10,044,038</u>
Net Position - Ending	<u>\$ 9,148,517</u>	<u>\$ 2,597,797</u>	<u>\$ 11,746,314</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, 2016

	Business-type Activities - Enterprise Funds		
	Water & Sewer	Natural Gas	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 1,490,705	\$ 747,907	\$ 2,238,612
Payments to Suppliers	(390,798)	(467,494)	(858,292)
Payments to Employees	(345,039)	(272,251)	(617,290)
Net Cash Provided (Used) By Operating Activities	<u>754,868</u>	<u>8,162</u>	<u>763,030</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Loans from Other Funds	(14,656)	(22,935)	(37,591)
Loans to Other Funds	--	9,303	9,303
Net Cash Provided (Used) By Noncapital Financing Activities	<u>(14,656)</u>	<u>(13,632)</u>	<u>(28,288)</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Proceeds from Capital Debt	--	400,500	400,500
Acquisition and Construction of Capital Assets	(76,239)	(998,822)	(1,075,061)
Principal Paid on Capital Debt	(290,433)	(41,015)	(331,448)
Interest Paid on Capital Debt	(242,374)	(4,315)	(246,689)
Grant - Department of Commerce	--	540,688	540,688
Proceeds from Sales of Capital Assets	2,032	3,218	5,250
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(607,014)</u>	<u>(99,746)</u>	<u>(706,760)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends Received	5,523	9,735	15,258
Net Cash Provided (Used) By Investing Activities	<u>5,523</u>	<u>9,735</u>	<u>15,258</u>
Net Increase (Decrease) in Cash and Cash Equivalents	138,721	(95,481)	43,240
Cash and Cash Equivalents - Beginning of Year	3,822,745	1,797,459	5,620,204
Cash and Cash Equivalents - End of Year	<u>\$ 3,961,466</u>	<u>\$ 1,701,978</u>	<u>\$ 5,663,444</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 391,492	\$ (6,012)	\$ 385,480
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities			
Depreciation Expense	350,182	30,044	380,226
(Increase) Decrease in Accounts Receivable	(40,891)	(7,483)	(48,374)
(Increase) Decrease in Other Receivables	(21)	--	(21)
Increase (Decrease) in Allowances for Uncollectible Accounts	19,328	3,506	22,834
(Increase) Decrease in Prepaid Items	856	1,062	1,918
(Increase) Decrease in Deferred Outflows of Resources	(5,419)	(7,130)	(12,549)
Increase (Decrease) in Accounts Payable	6,119	(36,446)	(30,327)
Increase (Decrease) in Accrued Liabilities	54	(197)	(143)
Increase (Decrease) in Compensated Absences Payable	1,859	434	2,293
Increase (Decrease) in Other Current Liabilities	--	(25)	(25)
Increase (Decrease) in Customer Deposits	35,139	17,775	52,914
Increase (Decrease) in Net Pension Liability	(1,904)	12,945	11,041
Increase (Decrease) in Deferred Inflows of Resources	(1,926)	(311)	(2,237)
Net Cash Provided (Used) By Operating Activities	<u>\$ 754,868</u>	<u>\$ 8,162</u>	<u>\$ 763,030</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributions of Capital Assets from Governmental Funds	\$ 1,001,930	\$ --	\$ 1,001,930

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, 2016

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 12,173
Total Assets	<u>\$ 12,173</u>
LIABILITIES	
Due to Others	\$ 12,173
Total Liabilities	<u>\$ 12,173</u>

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Discretely Presented Component Units

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

B. Government-Wide 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.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2016

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, 2016

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, 2016

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	30-60
Machinery & Equipment	\$ 5,000	7-10
Improvements	\$ 5,000	15-30
Roads	\$ 25,000	15-40
Bridges	\$ 25,000	15-40
Sidewalks	\$ 25,000	15-40
Water System	\$ 25,000	25-50
Sewer System	\$ 25,000	25-50
Gas System	\$ 25,000	25-50

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.

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 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.

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 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 28, 2015, payable December 20, 2015, and attached as an enforceable lien on property as of January 1, 2015.

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, 2016

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			
Animal Control	\$ 60,355	\$ 61,347	\$ (992)
Economic Development	71,992	77,864	(5,872)
Farmers Market	28,730	81,741	(53,011)
Debt Service	59,550	72,000	(12,450)

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2016

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, 2016, the \$177,415 of the City's bank balance was uninsured and uncollateralized.

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	\$ 136	\$ --	\$ 483	\$ 1,110	\$ 1,729
Taxes	43,664	638	--	--	44,302
Accounts	127,507	--	296,222	70,047	493,776
Intergovernmental	30,329	19,433	--	--	49,762
Gross Receivables	201,636	20,071	296,705	71,157	589,569
Less: Allowance For Uncollectibles	(53,131)	--	(146,097)	(34,517)	(233,745)
	<u>\$ 148,505</u>	<u>\$ 20,071</u>	<u>\$ 150,608</u>	<u>\$ 36,640</u>	<u>\$ 355,824</u>

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2016

C. Capital Assets

Capital asset activity for the year ended July 31, 2016, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 327,033	\$ --	\$ --	\$ 327,033
Construction in progress	842,815	491,007	(1,001,930)	331,892
Total capital assets, not being depreciated	<u>1,169,848</u>	<u>491,007</u>	<u>(1,001,930)</u>	<u>658,925</u>
Capital assets, being depreciated:				
Buildings	3,083,240	--	--	3,083,240
Improvements other than buildings	1,974,851	--	--	1,974,851
Machinery & equipment	1,849,762	67,269	(146,803)	1,770,228
Total capital assets, being depreciated	<u>6,907,853</u>	<u>67,269</u>	<u>(146,803)</u>	<u>6,828,319</u>
Less accumulated depreciation for:				
Buildings	(1,520,075)	(55,697)	--	(1,575,772)
Improvements other than buildings	(662,345)	(112,623)	--	(774,968)
Machinery & equipment	(1,293,769)	(137,638)	144,005	(1,287,402)
Total accumulated depreciation	<u>(3,476,189)</u>	<u>(305,958)</u>	<u>144,005</u>	<u>(3,638,142)</u>
Total capital assets, being depreciated, net	<u>3,431,664</u>	<u>(238,689)</u>	<u>(2,798)</u>	<u>3,190,177</u>
Governmental activities capital assets, net	<u>\$ 4,601,512</u>	<u>\$ 252,318</u>	<u>\$ (1,004,728)</u>	<u>\$ 3,849,102</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 821,086	\$ --	\$ --	\$ 821,086
Construction in progress	178,122	1,047,975	(87,252)	1,138,845
Total capital assets, not being depreciated	<u>999,208</u>	<u>1,047,975</u>	<u>(87,252)</u>	<u>1,959,931</u>
Capital assets, being depreciated:				
Buildings & system	16,637,748	1,125,540	--	17,763,288
Machinery & equipment	555,552	--	(44,341)	511,211
Total capital assets, being depreciated	<u>17,193,300</u>	<u>1,125,540</u>	<u>(44,341)</u>	<u>18,274,499</u>
Less accumulated depreciation for:				
Buildings & system	(5,510,462)	(359,652)	--	(5,870,114)
Machinery & equipment	(464,504)	(20,574)	43,057	(442,021)
Total accumulated depreciation	<u>(5,974,966)</u>	<u>(380,226)</u>	<u>43,057</u>	<u>(6,312,135)</u>
Total capital assets, being depreciated, net	<u>11,218,334</u>	<u>745,314</u>	<u>(1,284)</u>	<u>11,962,364</u>
Business-type activities capital assets, net	<u>\$ 12,217,542</u>	<u>\$ 1,793,289</u>	<u>\$ (88,536)</u>	<u>\$ 13,922,295</u>

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2016

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

Governmental Activities	
General Government	\$ 37,889
Public Safety	102,200
Public Works	109,660
Culture & Recreation	31,539
Housing & Development	24,670
	<u>\$ 305,958</u>

Business-type Activities	
Water & Sewer	\$ 350,182
Gas	30,044
	<u>\$ 380,226</u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of July 31, 2016 was as follows:

Due from / to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer Enterprise Fund	\$ 63,901
General Fund	Natural Gas Enterprise Fund	15,610
Water & Sewer Enterprise Fund	Nonmajor Governmental Funds	2
		<u>\$ 79,513</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 \$63,901. The Gas Fund owes the General Fund for unreimbursed expenses of \$15,610.

The composition of interfund transfers for the year ended July 31, 2016 was as follows:

Interfund transfers:

Transfer In	Transfer Out	Amount
Nonmajor Governmental Funds	General Fund	\$ 93,248
		<u>\$ 93,248</u>

The General Fund transferred \$93,248 to Nonmajor Governmental Funds to finance capital projects.

Governmental Funds transferred capital assets of \$1,001,930 to the Water & Sewer Fund.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2016

E. Short-Term Debt

On November 31, 2015, the City entered into a line of credit with Farmers & Merchants Bank for \$452,500 at 3.25% interest due November 13, 2016. The balance due at July 31, 2016 was \$400,500.

Short-term liability activity for the year ended July 31, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Business-type Activities:				
Notes Payable	\$ --	\$ 400,500	\$ --	\$ 400,500
	<u>\$ --</u>	<u>\$ 400,500</u>	<u>\$ --</u>	<u>\$ 400,500</u>

F. Lease Obligations

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, 2016 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, 2016, were as follows:

Year Ending July 31	Governmental Activities	Business-type Activities
2017	\$ 5,976	\$ 45,332
2018	5,976	45,331
2019	5,976	45,332
2020	5,976	--
2021 - 2025	38,507	--
Total Minimum Lease Payments	62,411	135,995
Less: Amounts Representing Interest	(5,579)	(5,929)
Present Value Of Minimum Lease Payments	<u>\$ 56,832</u>	<u>\$ 130,066</u>

G. Long-Term Debt

Notes Payable

On May 18, 2015, City entered into a promissory note with the Citizens Bank for \$190,000 at 5% payable over 35 months at \$1,755 with 1 balloon payment due May 16, 2018 for the purchase of a metal building. The balance outstanding at July 31, 2016 was \$174,787.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2016

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, 2016 was \$208,639.

The City entered into a promissory note with USDA for \$185,200 at 3.75% interest payable over five years for the purchase of five police cars. The balance outstanding at July 31, 2016 was \$150,837

Notes payable debt service requirements to maturity are as follows:

Year Ending July 31	Governmental Activities		
	Principal	Interest	Total
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
Total	<u>\$ 534,263</u>	<u>\$ 44,118</u>	<u>\$ 578,381</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, 2016 was \$5,323,457.

Loans payable debt service requirements to maturity are as follows:

Year Ending July 31	Business-type Activities		
	Principal	Interest	Total
2017	\$ 236,329	\$ 169,488	\$ 405,817
2018	243,517	149,283	392,800
2019	250,924	141,876	392,800
2020	258,556	134,245	392,801
2021	266,420	126,381	392,801
2022 - 2026	1,458,695	505,308	1,964,003
2027 - 2031	1,694,444	269,558	1,964,002
2032 - 2036	914,572	34,696	949,268
Total	<u>\$ 5,323,457</u>	<u>\$ 1,530,835</u>	<u>\$ 6,854,292</u>

On July 11, 2016 the City was approved for a \$1,000,000 GEFA loan with a 40% forgiveness clause to implement a new electric water meter reading system.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2016

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 \$1,517,440 at July 31, 2016.

Revenue bond debt service requirements to maturity are as follows:

Year Ending July 31	Business-type Activities		
	Principal	Interest	Total
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	77,960	62,051	140,011
2022 - 2026	452,290	247,738	700,028
2027 - 2031	577,250	122,778	700,028
2032 - 2036	133,510	6,675	140,185
Total	<u>\$ 1,517,440</u>	<u>\$ 722,839</u>	<u>\$ 2,240,279</u>

Changes in General Long-Term Liabilities

Long-term liability activity for the year ended July 31, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 53,692	\$ 57,568	\$ (57,482)	\$ 53,778	\$ --
Net Pension Liability	449,267	179,770	(126,585)	502,452	--
Capital Leases	61,034	--	(4,202)	56,832	4,330
Notes Payable	652,964	--	(118,701)	534,263	84,338
	<u>\$ 1,216,957</u>	<u>\$ 237,338</u>	<u>\$ (306,970)</u>	<u>\$ 1,147,325</u>	<u>\$ 88,668</u>
Business-type Activities:					
Compensated Absences	\$ 33,318	\$ 17,760	\$ (15,467)	\$ 35,611	\$ --
Net Pension Liability	202,503	76,403	(65,362)	213,544	--
Capital Leases	171,082	--	(41,016)	130,066	42,164
Loans Payable	5,552,810	--	(229,353)	5,323,457	236,329
Revenue Bonds	1,578,520	--	(61,080)	1,517,440	64,140
	<u>\$ 7,538,233</u>	<u>\$ 94,163</u>	<u>\$ (412,278)</u>	<u>\$ 7,220,118</u>	<u>\$ 342,633</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, 2016

H. Restricted Assets

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

	Business-type Activities
Sinking Fund Accounts	\$ 567,738
CD's Held For Collateral	379,989
	<u>\$ 947,727</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.

I. 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, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	34
Inactive employees entitled to but not yet receiving benefits	23
Active employees	42
	<u>99</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, 2016

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, 2016, the City's actuarially determined contribution was \$105,451.

The City's net pension liability was measured as of September 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016.

The total pension liability in the January 1, 2016 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, 2016 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, 2016

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	\$ 2,592,598	\$ 1,940,828	\$ 651,770
Changes for the Year			
Service Cost	54,441		54,441
Interest	194,129		194,129
Differences Between Expected and Actual Experience	(61,655)		(61,655)
Contributions - Employer		105,538	(105,538)
Contributions - Employee		--	--
Net Investment Income		24,754	(24,754)
Benefit Payments	(175,422)	(175,422)	--
Administrative Expense		(7,603)	7,603
Other Changes	--	--	--
Net Changes	11,493	(52,733)	64,226
Balances - Ending	\$ 2,604,091	\$ 1,888,095	\$ 715,996

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	\$ 1,045,558	\$ 715,996	\$ 440,373

For the year ended July 31, 2016, the City recognized pension expense of \$117,529. At July 31, 2016, 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	\$ 29,937	\$ 49,324
Changes in assumptions	681	--
Net difference between projected and actual earnings on pension plan investments	57,217	--
Contributions subsequent to the measurement date	88,310	--
	<u>\$ 176,145</u>	<u>\$ 49,324</u>

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2016

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:

Year Ending July 31	
2017	\$ 8,770
2018	8,770
2019	8,770
2020	12,201
2021	--
Thereafter	--
	\$ 38,511

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, 2016, the City did not contribute to the plan and employee deferrals were \$9,240.

J. Fund Balances

The classifications of fund balances of governmental funds at July 31, 2016 were as follows:

	General	Other Governmental Funds	Total Governmental Funds
Restricted			
Economic Development	\$ --	\$ 19,994	\$ 19,994
Capital Outlay	--	163,184	163,184
	--	183,178	183,178
Assigned			
Capital Outlay	--	50	50
	--	50	50
Unassigned, Reported In			
General Fund	2,179,908	--	2,179,908
	2,179,908	--	2,179,908
Total Fund Balances	\$ 2,179,908	\$ 183,228	\$ 2,363,136

K. 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.

CITY OF NASHVILLE, GEORGIA
Notes to the Financial Statements
July 31, 2016

L. 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.

M. Related Organizations

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

N. 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, 2016, the City paid \$5,994 in such dues. Membership in a regional commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the regional commission in Georgia. The regional commission board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from:

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF NASHVILLE, GEORGIA

General Fund

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

For the Year Ended July 31, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,799,584	\$ 1,826,930	\$ 1,774,363	\$ (52,567)
Licenses and Permits	102,975	111,045	110,110	(935)
Intergovernmental	65,500	85,600	83,719	(1,881)
Charges for Services	666,012	666,012	709,155	43,143
Fines and Forfeitures	194,000	194,000	213,581	19,581
Interest Revenue	5,900	5,900	6,557	657
Contributions and Donations	7,700	7,700	21,798	14,098
Miscellaneous	172,200	172,200	188,211	16,011
Total Revenues	<u>3,013,871</u>	<u>3,069,387</u>	<u>3,107,494</u>	<u>38,107</u>
EXPENDITURES				
Clerks Office	552,460	526,410	514,681	11,729
Municipal Court	25,685	26,060	26,058	2
Police	990,682	980,682	961,925	18,757
Fire and Emergency	122,077	117,077	104,881	12,196
Animal Control	58,165	60,355	61,347	(992)
Highways and Streets	374,835	361,835	361,733	102
Sanitation	518,118	570,918	560,559	10,359
City Shop	1,750	2,550	2,542	8
Work Control	7,100	7,100	2,173	4,927
Recreation	97,080	111,431	107,895	3,536
Economic Development	85,992	71,992	77,864	(5,872)
Code Enforcer	51,197	44,697	36,045	8,652
Farmers Market	28,730	28,730	81,741	(53,011)
Debt Service	--	59,550	72,000	(12,450)
Total Expenditures	<u>2,913,871</u>	<u>2,969,387</u>	<u>2,971,444</u>	<u>(2,057)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>100,000</u>	<u>100,000</u>	<u>136,050</u>	<u>36,050</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out				
TE Grant #3 Capital Projects Fund	(50,000)	(50,000)	(93,248)	(43,248)
TE Grant #4 Capital Projects Fund	(50,000)	(50,000)	--	50,000
Proceeds of Capital Asset Dispositions	--	--	30,198	30,198
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(63,050)</u>	<u>36,950</u>
Net Change in Fund Balances	--	--	73,000	73,000
Fund Balances - Beginning	2,106,908	2,106,908	2,106,908	--
Fund Balances - Ending	<u>\$ 2,106,908</u>	<u>\$ 2,106,908</u>	<u>\$ 2,179,908</u>	<u>\$ 73,000</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, 2016

	<u>2016</u>	<u>2015</u>
Total Pension Liability		
Service Cost	\$ 54,441	\$ 62,605
Interest on Total Pension Liability	194,129	184,934
Changes of Benefit Terms	--	--
Differences Between Expected and Actual Experience	(61,655)	49,897
Changes of Assumptions	--	1,137
Benefit Payments	(175,422)	(184,447)
Net Change in Total Pension Liability	<u>11,493</u>	<u>114,126</u>
Total Pension Liability - Beginning	<u>2,592,598</u>	<u>2,478,472</u>
Total Pension Liability - Ending (a)	<u><u>\$ 2,604,091</u></u>	<u><u>\$ 2,592,598</u></u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 105,538	\$ 91,718
Contributions - Employee	--	--
Net Investment Income	24,754	206,436
Benefit Payments, Including Refunds of Employee Contributions	(175,422)	(184,447)
Administrative Expense	(7,603)	(6,211)
Other	--	--
Net Change in Plan Fiduciary Net Position	<u>(52,733)</u>	<u>107,496</u>
Plan Fiduciary Net Position - Beginning	<u>1,940,828</u>	<u>1,833,332</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 1,888,095</u></u>	<u><u>\$ 1,940,828</u></u>
City's Net Pension Liability - Ending (a) - (b)	<u><u>\$ 715,996</u></u>	<u><u>\$ 651,770</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.50%	74.86%
Covered-Employee Payroll	\$ 1,203,868	\$ 1,136,746
City's Net Pension Liability as a Percentage of Covered-Employee Payroll	59.47%	57.34%

CITY OF NASHVILLE, GEORGIA
Pension Plan
Schedule of City Contributions
July 31, 2016

	2016	2015
Actuarially Determined Contribution	\$ 105,972	\$ 105,451
Contributions in Relation to the Actuarially Determined Contribution	105,972	105,451
Contribution Deficiency (Excess)	<u>\$ --</u>	<u>\$ --</u>
Covered-Employee Payroll	\$ 1,203,868	\$ 1,136,746
Contributions as a Percentage of Covered-Employee Payroll	8.80%	9.28%

Notes to Schedule

Valuation date	January 1, 2015
Actuarial cost method	Projected unit credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Net effective period of 11 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	3.25%
Salary increases	3.25% 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.

CITY OF NASHVILLE, GEORGIA
General Fund
Balance Sheet
July 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and Cash Equivalents	\$ 2,144,621	\$ 2,012,185
Receivables (Net of Allowance for Uncollectibles)		
Interest	136	139
Taxes	42,404	35,447
Accounts	75,636	75,045
Intergovernmental	30,329	43,450
Due from Other Funds		
Water and Sewer Enterprise Fund	63,901	78,557
Natural Gas Enterprise Fund	15,610	38,545
Total Assets	<u>\$ 2,372,637</u>	<u>\$ 2,283,368</u>
LIABILITIES		
Accounts Payable	\$ 149,692	\$ 118,553
Accrued Liabilities	10,554	14,781
Due to Other Funds		
Natural Gas Enterprise Fund	--	9,303
Customer Deposits	200	200
Total Liabilities	<u>160,446</u>	<u>142,837</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue		
Property Taxes	32,283	33,623
Total Deferred Inflows of Resources	<u>32,283</u>	<u>33,623</u>
FUND BALANCES		
Unassigned	2,179,908	2,106,908
Total Fund Balances	<u>2,179,908</u>	<u>2,106,908</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,372,637</u>	<u>\$ 2,283,368</u>

CITY OF NASHVILLE, GEORGIA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Years Ended July 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Taxes	\$ 1,774,363	\$ 1,839,937
Licenses and Permits	110,110	103,620
Intergovernmental	83,719	168,995
Charges for Services	709,155	658,382
Fines and Forfeitures	213,581	213,016
Interest Revenue	6,557	6,199
Contributions and Donations	21,798	25,847
Miscellaneous	188,211	192,717
Total Revenues	<u>3,107,494</u>	<u>3,208,713</u>
EXPENDITURES		
Current		
General Government	514,681	574,176
Judicial	26,058	26,360
Public Safety	1,128,153	1,241,962
Public Works	927,007	901,224
Culture and Recreation	107,895	81,866
Housing and Development	195,650	318,995
Debt Service	72,000	66,000
Total Expenditures	<u>2,971,444</u>	<u>3,210,583</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>136,050</u>	<u>(1,870)</u>
OTHER FINANCING SOURCES (USES)		
Transfers Out		
TE Grant #3 Capital Projects Fund	(93,248)	(881)
TE Grant #4 Capital Projects Fund	--	(15,750)
Proceeds of Capital Asset Dispositions	30,198	--
Notes Payable	--	185,200
Capital Leases	--	62,220
Total Other Financing Sources (Uses)	<u>(63,050)</u>	<u>230,789</u>
Net Change in Fund Balances	73,000	228,919
Fund Balances - Beginning	2,106,908	1,877,989
Fund Balances - Ending	<u>\$ 2,179,908</u>	<u>\$ 2,106,908</u>

This page is intentionally blank.

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.

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

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

CITY OF NASHVILLE, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
July 31, 2016

	Special Revenue Funds			
	Hotel/Motel	Total	1% SPLOST #4	TE Grant #2
ASSETS				
Cash and Cash Equivalents	\$ 19,356	\$ 19,356	\$ 143,751	\$ 50
Receivables	638	638	19,433	--
Total Assets	<u>\$ 19,994</u>	<u>\$ 19,994</u>	<u>\$ 163,184</u>	<u>\$ 50</u>
LIABILITIES				
Due to Other Funds	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCES				
Restricted	19,994	19,994	163,184	--
Assigned	--	--	--	50
Total Fund Balances	<u>19,994</u>	<u>19,994</u>	<u>163,184</u>	<u>50</u>
Total Liabilities and Fund Balances	<u>\$ 19,994</u>	<u>\$ 19,994</u>	<u>\$ 163,184</u>	<u>\$ 50</u>

Capital Projects Funds				
TE Grant #3	CDBG Sewer 2012	CDBG Water 2014	Total	Total Nonmajor Governmental Funds
\$ --	\$ 1	\$ 1	\$ 143,803	\$ 163,159
--	--	--	19,433	20,071
<u>\$ --</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 163,236</u>	<u>\$ 183,230</u>
--	1	1	2	2
<u>--</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>
--	--	--	163,184	183,178
--	--	--	50	50
<u>--</u>	<u>--</u>	<u>--</u>	<u>163,234</u>	<u>183,228</u>
<u>\$ --</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 163,236</u>	<u>\$ 183,230</u>

CITY OF NASHVILLE, GEORGIA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended July 31, 2016

	Special Revenue Funds			
	Hotel/Motel	Total	1% SPLOST #4	TE Grant #2
REVENUES				
Taxes	\$ 9,299	\$ 9,299	\$ --	\$ --
Intergovernmental	--	--	206,404	--
Total Revenues	<u>9,299</u>	<u>9,299</u>	<u>206,404</u>	<u>--</u>
EXPENDITURES				
Current				
Housing and Development	4,046	4,046	--	--
Capital Outlay	--	--	180,562	--
Debt Service	--	--	80,098	--
Total Expenditures	<u>4,046</u>	<u>4,046</u>	<u>260,660</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,253</u>	<u>5,253</u>	<u>(54,256)</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	5,253	5,253	(54,256)	--
Fund Balances - Beginning	14,741	14,741	217,440	50
Fund Balances - Ending	<u>\$ 19,994</u>	<u>\$ 19,994</u>	<u>\$ 163,184</u>	<u>\$ 50</u>

Capital Projects Funds				
TE Grant #3	CDBG Sewer 2012	CDBG Water 2014	Total	Total Nonmajor Governmental Funds
\$ --	\$ --	\$ --	\$ --	\$ 9,299
134,054	7,700	256,005	604,163	604,163
134,054	7,700	256,005	604,163	613,462
--	--	--	--	4,046
227,302	7,700	256,005	671,569	671,569
--	--	--	80,098	80,098
227,302	7,700	256,005	751,667	755,713
(93,248)	--	--	(147,504)	(142,251)
93,248	--	--	93,248	93,248
93,248	--	--	93,248	93,248
--	--	--	(54,256)	(49,003)
--	--	--	217,490	232,231
\$ --	\$ --	\$ --	\$ 163,234	\$ 183,228

CITY OF NASHVILLE, GEORGIA
Hotel/Motel Special Revenue Fund
Balance Sheet
July 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and Cash Equivalents	\$ 19,356	\$ 14,223
Receivables		
Taxes	638	518
Total Assets	<u>\$ 19,994</u>	<u>\$ 14,741</u>
FUND BALANCES		
Restricted	\$ 19,994	\$ 14,741
Total Fund Balances	<u>\$ 19,994</u>	<u>\$ 14,741</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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Taxes	\$ 9,299	\$ 9,764
Total Revenues	<u>9,299</u>	<u>9,764</u>
EXPENDITURES		
Current		
Housing and Development	4,046	4,027
Total Expenditures	<u>4,046</u>	<u>4,027</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,253</u>	<u>5,737</u>
Net Change in Fund Balances	5,253	5,737
Fund Balances - Beginning	14,741	9,004
Fund Balances - Ending	<u>\$ 19,994</u>	<u>\$ 14,741</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, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 5,714	\$ 9,299	\$ 3,585
Total Revenues	<u>5,714</u>	<u>9,299</u>	<u>3,585</u>
EXPENDITURES			
Current			
Housing and Development	5,714	4,046	1,668
Total Expenditures	<u>5,714</u>	<u>4,046</u>	<u>1,668</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures	--	5,253	5,253
Net Change in Fund Balances	--	5,253	5,253
Fund Balances - Beginning	14,741	14,741	--
Fund Balances - Ending	<u>\$ 14,741</u>	<u>\$ 19,994</u>	<u>\$ 5,253</u>

CITY OF NASHVILLE, GEORGIA
1% SPLOST #4 Capital Projects Fund
Balance Sheet
July 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and Cash Equivalents	\$ 143,751	\$ 170,234
Receivables		
Intergovernmental	19,433	47,206
Total Assets	<u>\$ 163,184</u>	<u>\$ 217,440</u>
FUND BALANCES		
Restricted	\$ 163,184	\$ 217,440
Total Fund Balances	<u>\$ 163,184</u>	<u>\$ 217,440</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, 2016 and 2015

	2016	2015
REVENUES		
Intergovernmental	\$ 206,404	\$ 211,186
Total Revenues	<u>206,404</u>	<u>211,186</u>
EXPENDITURES		
Capital Outlay	180,562	245,637
Debt Service	80,098	32,312
Total Expenditures	<u>260,660</u>	<u>277,949</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(54,256)</u>	<u>(66,763)</u>
Net Change in Fund Balances	(54,256)	(66,763)
Fund Balances - Beginning	217,440	284,203
Fund Balances - Ending	<u>\$ 163,184</u>	<u>\$ 217,440</u>

CITY OF NASHVILLE, GEORGIA
TE Grant #2 Capital Projects Fund
Balance Sheet
July 31, 2016 and 2015

	<u>2016</u>	<u>2015</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, 2016 and 2015

	2016	2015
REVENUES		
Intergovernmental	\$ 134,054	\$ --
Total Revenues	<u>134,054</u>	<u>--</u>
EXPENDITURES		
Capital Outlay	227,302	881
Total Expenditures	<u>227,302</u>	<u>881</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(93,248)</u>	<u>(881)</u>
OTHER FINANCING SOURCES (USES)		
Transfers In		
General Fund	93,248	881
Total Other Financing Sources (Uses)	<u>93,248</u>	<u>881</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, 2016

	Project			
	Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Intergovernmental	\$ 200,000	\$ --	\$ 134,054	\$ 134,054
Total Revenues	<u>200,000</u>	<u>--</u>	<u>134,054</u>	<u>134,054</u>
EXPENDITURES				
Capital Outlay	250,000	16,743	227,302	244,045
Total Expenditures	<u>250,000</u>	<u>16,743</u>	<u>227,302</u>	<u>244,045</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(50,000)</u>	<u>(16,743)</u>	<u>(93,248)</u>	<u>(109,991)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In				
General Fund	50,000	16,743	93,248	109,991
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>16,743</u>	<u>93,248</u>	<u>109,991</u>
Net Change in Fund Balances	<u>\$ --</u>	<u>\$ --</u>	<u>--</u>	<u>\$ --</u>
Fund Balances - Beginning			--	
Fund Balances - Ending			<u>\$ --</u>	

CITY OF NASHVILLE, GEORGIA
CDBG Sewer 2012 Capital Projects Fund
Balance Sheet
July 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and Cash Equivalents	\$ 1	\$ 1
Total Assets	<u>\$ 1</u>	<u>\$ 1</u>
LIABILITIES		
Due to Other Funds		
Water and Sewer Enterprise Fund	\$ 1	\$ 1
Total Liabilities	<u>1</u>	<u>1</u>
Total Liabilities and Fund Balances	<u>\$ 1</u>	<u>\$ 1</u>

CITY OF NASHVILLE, GEORGIA
CDBG Sewer 2012 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Intergovernmental	\$ 7,700	\$ 412,519
Total Revenues	<u>7,700</u>	<u>412,519</u>
EXPENDITURES		
Capital Outlay	7,700	412,519
Total Expenditures	<u>7,700</u>	<u>412,519</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, 2016

	Project			
	Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Intergovernmental	\$ 461,495	\$ 453,795	\$ 7,700	\$ 461,495
Total Revenues	<u>461,495</u>	<u>453,795</u>	<u>7,700</u>	<u>461,495</u>
EXPENDITURES				
Capital Outlay	461,495	477,009	7,700	484,709
Total Expenditures	<u>461,495</u>	<u>477,009</u>	<u>7,700</u>	<u>484,709</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				
General Fund	--	--	--	--
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			<u> --</u>	
Fund Balances - Ending			<u>\$ --</u>	

CITY OF NASHVILLE, GEORGIA
CDBG Water 2014 Capital Projects Fund
Balance Sheet
July 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and Cash Equivalents	\$ 1	\$ 1
Receivables		
Intergovernmental	--	124,819
Total Assets	<u>\$ 1</u>	<u>\$ 124,820</u>
LIABILITIES		
Accounts Payable	\$ --	\$ 124,819
Due to Other Funds		
Water and Sewer Enterprise Fund	1	1
Total Liabilities	<u>1</u>	<u>124,820</u>
Total Liabilities and Fund Balances	<u>\$ 1</u>	<u>\$ 124,820</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, 2016 and 2015

	2016	2015
REVENUES		
Intergovernmental	\$ 256,005	\$ 234,267
Total Revenues	<u>256,005</u>	<u>234,267</u>
EXPENDITURES		
Capital Outlay	256,005	234,267
Total Expenditures	<u>256,005</u>	<u>234,267</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, 2016

	Project			
	Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Intergovernmental	\$ 490,272	\$ 234,267	\$ 256,005	\$ 490,272
Total Revenues	<u>490,272</u>	<u>234,267</u>	<u>256,005</u>	<u>490,272</u>
EXPENDITURES				
Capital Outlay	490,272	234,267	256,005	490,272
Total Expenditures	<u>490,272</u>	<u>234,267</u>	<u>256,005</u>	<u>490,272</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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 3,393,728	\$ 3,107,110
Receivables (Net of Allowance for Uncollectibles)		
Interest	483	541
Accounts	150,125	128,541
Due from Other Funds		
Sewer Improvements Capital Projects Fund	2	--
CDBG Water 2014 Capital Projects Fund	--	1
CDBG Sewer 2012 Capital Projects Fund	--	1
Prepaid Items	1,999	2,855
Restricted Assets		
Cash and Cash Equivalents	567,738	715,635
Total Current Assets	<u>4,114,075</u>	<u>3,954,684</u>
Noncurrent Assets		
Capital Assets Not Being Depreciated		
Land	815,086	815,086
Construction in Progress	39,881	87,252
Capital Assets Net of Accumulated Depreciation		
Buildings and System	16,777,358	15,651,818
Machinery and Equipment	379,326	392,167
Accumulated Depreciation	(5,680,882)	(5,342,257)
Total Capital Assets Net of Accumulated Depreciation	<u>12,330,769</u>	<u>11,604,066</u>
Total Noncurrent Assets	<u>12,330,769</u>	<u>11,604,066</u>
Total Assets	<u>16,444,844</u>	<u>15,558,750</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	29,361	23,942
Total Deferred Outflows of Resources	<u>29,361</u>	<u>23,942</u>

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Statement of Net Position
July 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	52,949	46,831
Accrued Liabilities	1,881	1,827
Due to Other Funds		
General Fund	63,901	78,557
Customer Deposits	169,223	134,083
Accrued Interest Payable	49,894	51,940
Loans Payable - Current	236,329	229,353
Revenue Bonds Payable (Net of Unamortized Discount)	64,140	61,080
Total Current Liabilities	<u>638,317</u>	<u>603,671</u>
Noncurrent Liabilities		
Compensated Absences	19,375	17,516
Net Pension Liability	119,346	121,250
Loans Payable	5,087,128	5,323,457
Revenue Bonds Payable (Net of Unamortized Discount)	1,453,300	1,517,440
Total Noncurrent Liabilities	<u>6,679,149</u>	<u>6,979,663</u>
Total Liabilities	<u>7,317,466</u>	<u>7,583,334</u>
DEFERRED INFLOWS OF RESOURCES		
Pension	8,222	10,148
Total Deferred Inflows of Resources	<u>8,222</u>	<u>10,148</u>
NET POSITION		
Net Investment in Capital Assets	5,489,872	4,472,736
Unrestricted	3,658,645	3,516,474
Total Net Position	<u>\$ 9,148,517</u>	<u>\$ 7,989,210</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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for Services	\$ 1,509,379	\$ 1,486,641
Other	2,910	5,859
Total Operating Revenues	<u>1,512,289</u>	<u>1,492,500</u>
OPERATING EXPENSES		
Personal Services and Employee Benefits	337,703	390,817
Purchased/Contracted Services	181,992	180,079
Supplies	248,382	247,441
Depreciation	350,182	334,934
Other	2,538	2,589
Total Operating Expenses	<u>1,120,797</u>	<u>1,155,860</u>
Operating Income (Loss)	<u>391,492</u>	<u>336,640</u>
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	5,465	5,577
Interest	(240,328)	(250,094)
Gain/Loss on Disposition of Capital Assets	748	--
Total Nonoperating Revenues (Expenses)	<u>(234,115)</u>	<u>(244,517)</u>
Income (Loss) Before Contributions and Transfers	<u>157,377</u>	<u>92,123</u>
Capital Contributions	1,001,930	24,089
Changes in Net Position	<u>1,159,307</u>	<u>116,212</u>
Net Position - Beginning	7,989,210	7,872,998
Net Position - Ending	<u><u>\$ 9,148,517</u></u>	<u><u>\$ 7,989,210</u></u>

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Statement of Cash Flows
For the Years Ended July 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	\$ 1,490,705	\$ 1,501,720
Payments to Suppliers	(390,798)	(398,555)
Payments to Employees	(345,039)	(391,603)
Net Cash Provided (Used) By Operating Activities	<u>754,868</u>	<u>711,562</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Loans from Other Funds	(14,656)	1,399
Net Cash Provided (Used) By Noncapital Financing Activities	<u>(14,656)</u>	<u>1,399</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(76,239)	(83,292)
Principal Paid on Capital Debt	(290,433)	(280,753)
Interest Paid on Capital Debt	(242,374)	(252,052)
Proceeds from Sales of Capital Assets	2,032	--
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(607,014)</u>	<u>(616,097)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends Received	5,523	5,530
Net Cash Provided (Used) By Investing Activities	<u>5,523</u>	<u>5,530</u>
Net Increase (Decrease) in Cash and Cash Equivalents	138,721	102,394
Cash and Cash Equivalents - Beginning of Year	3,822,745	3,720,351
Cash and Cash Equivalents - End of Year	<u>\$ 3,961,466</u>	<u>\$ 3,822,745</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 391,492	\$ 336,640
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	350,182	334,934
(Increase) Decrease in Accounts Receivable	(40,891)	13,181
(Increase) Decrease in Other Receivables	(21)	--
Increase (Decrease) in Allowances for Uncollectible Accounts	19,328	6,939
(Increase) Decrease in Prepaid Items	856	3,753
(Increase) Decrease in Deferred Outflows of Resources	(5,419)	(10,228)
Increase (Decrease) in Accounts Payable	6,119	27,801
Increase (Decrease) in Accrued Liabilities	54	720
Increase (Decrease) in Compensated Absences Payable	1,859	(3,349)
Increase (Decrease) in Customer Deposits	35,139	(10,900)
Increase (Decrease) in Net Pension Liability	(1,904)	1,923
Increase (Decrease) in Deferred Inflows of Resources	(1,926)	10,148
Net Cash Provided (Used) By Operating Activities	<u>\$ 754,868</u>	<u>\$ 711,562</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Contributions of Capital Assets from Governmental Funds	\$ 1,001,930	\$ 24,089

CITY OF NASHVILLE, GEORGIA
Natural Gas Enterprise Fund
Statement of Net Position
July 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,321,989	\$ 1,417,470
Receivables (Net of Allowance for Uncollectibles)		
Interest	1,110	1,455
Accounts	35,530	31,554
Due from Other Funds		
General Fund	--	9,303
Prepaid Items	1,166	2,228
Restricted Assets		
Cash and Cash Equivalents	379,989	379,989
Total Current Assets	<u>1,739,784</u>	<u>1,841,999</u>
Noncurrent Assets		
Capital Assets Not Being Depreciated		
Land	6,000	6,000
Construction in Progress	1,098,964	90,870
Capital Assets Net of Accumulated Depreciation		
Buildings and System	985,930	985,930
Machinery and Equipment	131,885	163,385
Accumulated Depreciation	<u>(631,253)</u>	<u>(632,709)</u>
Total Capital Assets Net of Accumulated Depreciation	<u>1,591,526</u>	<u>613,476</u>
Total Noncurrent Assets	<u>1,591,526</u>	<u>613,476</u>
Total Assets	<u>3,331,310</u>	<u>2,455,475</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	23,174	16,044
Total Deferred Outflows of Resources	<u>23,174</u>	<u>16,044</u>

CITY OF NASHVILLE, GEORGIA
Natural Gas Enterprise Fund
Statement of Net Position
July 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	28,583	65,028
Accrued Liabilities	925	1,123
Due to Other Funds		
General Fund	15,610	38,545
Accrued Interest Payable	9,272	--
Short-Term Notes Payable	400,500	--
Customer Deposits	53,401	35,626
Capital Leases Payable - Current	42,164	41,016
Other Current Liabilities	1,407	1,432
Total Current Liabilities	<u>551,862</u>	<u>182,770</u>
Noncurrent Liabilities		
Compensated Absences	16,236	15,802
Net Pension Liability	94,198	81,253
Capital Leases	87,902	130,066
Total Noncurrent Liabilities	<u>198,336</u>	<u>227,121</u>
Total Liabilities	<u>750,198</u>	<u>409,891</u>
DEFERRED INFLOWS OF RESOURCES		
Pension	6,489	6,800
Total Deferred Inflows of Resources	<u>6,489</u>	<u>6,800</u>
NET POSITION		
Net Investment in Capital Assets	1,060,960	442,394
Unrestricted	1,536,837	1,612,434
Total Net Position	<u>\$ 2,597,797</u>	<u>\$ 2,054,828</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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for Services	\$ 744,485	\$ 885,714
Other	7,399	3,251
Total Operating Revenues	<u>751,884</u>	<u>888,965</u>
OPERATING EXPENSES		
Personal Services and Employee Benefits	277,991	263,401
Purchased/Contracted Services	120,582	115,118
Supplies	329,279	412,527
Depreciation	30,044	27,249
Total Operating Expenses	<u>757,896</u>	<u>818,295</u>
Operating Income (Loss)	<u>(6,012)</u>	<u>70,670</u>
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental	540,688	--
Interest Revenue	9,390	11,013
Interest	(4,315)	(5,432)
Gain/Loss on Disposition of Capital Assets	3,218	--
Total Nonoperating Revenues (Expenses)	<u>548,981</u>	<u>5,581</u>
Changes in Net Position	542,969	76,251
Net Position - Beginning	2,054,828	1,978,577
Net Position - Ending	<u>\$ 2,597,797</u>	<u>\$ 2,054,828</u>

CITY OF NASHVILLE, GEORGIA
Natural Gas Enterprise Fund
Statement of Cash Flows
For the Years Ended July 31, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	\$ 747,907	\$ 886,499
Payments to Suppliers	(467,494)	(475,902)
Payments to Employees	(272,251)	(265,875)
Net Cash Provided (Used) By Operating Activities	<u>8,162</u>	<u>144,722</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Loans from Other Funds	(22,935)	1,894
Loans to Other Funds	9,303	(9,303)
Net Cash Provided (Used) By Noncapital Financing Activities	<u>(13,632)</u>	<u>(7,409)</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Proceeds from Capital Debt	400,500	--
Acquisition and Construction of Capital Assets	(998,822)	(111,697)
Principal Paid on Capital Debt	(41,015)	(39,899)
Interest Paid on Capital Debt	(4,315)	(5,432)
Grant - Department of Commerce	540,688	--
Proceeds from Sales of Capital Assets	3,218	--
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(99,746)</u>	<u>(157,028)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends Received	9,735	10,810
Net Cash Provided (Used) By Investing Activities	<u>9,735</u>	<u>10,810</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(95,481)	(8,905)
Cash and Cash Equivalents - Beginning of Year	1,797,459	1,806,364
Cash and Cash Equivalents - End of Year	<u>\$ 1,701,978</u>	<u>\$ 1,797,459</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (6,012)	\$ 70,670
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	30,044	27,249
(Increase) Decrease in Accounts Receivable	(7,483)	(4,466)
Increase (Decrease) in Allowances for Uncollectible Accounts	3,506	5,050
(Increase) Decrease in Prepaid Items	1,062	2,949
(Increase) Decrease in Deferred Outflows of Resources	(7,130)	(6,683)
Increase (Decrease) in Accounts Payable	(36,446)	48,688
Increase (Decrease) in Accrued Liabilities	(197)	451
Increase (Decrease) in Compensated Absences Payable	434	(2,844)
Increase (Decrease) in Other Current Liabilities	(25)	106
Increase (Decrease) in Customer Deposits	17,775	(3,050)
Increase (Decrease) in Net Pension Liability	12,945	(198)
Increase (Decrease) in Deferred Inflows of Resources	(311)	6,800
Net Cash Provided (Used) By Operating Activities	<u>\$ 8,162</u>	<u>\$ 144,722</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, 2016

		Agency Funds		
		<u>Special</u>	<u>Voluntary</u>	
		<u>Account</u>	<u>Fire Dept</u>	<u>Total</u>
ASSETS				
Cash		\$ 4,055	\$ 8,118	\$ 12,173
	Total Assets	<u>\$ 4,055</u>	<u>\$ 8,118</u>	<u>\$ 12,173</u>
LIABILITIES				
Due to Others		\$ 4,055	\$ 8,118	\$ 12,173
	Total Liabilities	<u>\$ 4,055</u>	<u>\$ 8,118</u>	<u>\$ 12,173</u>

SUPPLEMENTAL SCHEDULES

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule of Revenues
For the Years Ended July 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Taxes		
Real Property	\$ 668,645	\$ 674,122
Personal Property	91,727	131,988
Real Estate Transfer (Intangible)	1,282	1,415
Franchise	316,675	318,754
General Sales and Use	265,143	305,384
Selective Sales and Use	139,239	136,741
Business		
Insurance Premium	284,587	266,384
Penalties and Interest on Delinquent Taxes	7,065	5,149
	<u>1,774,363</u>	<u>1,839,937</u>
Licenses and Permits		
Business	94,711	95,745
Non-Business	100	150
Regulatory	15,299	7,725
	<u>110,110</u>	<u>103,620</u>
Intergovernmental	<u>83,719</u>	<u>168,995</u>
Charges for Services		
Public Safety	25,387	20,210
Public Works	658,832	610,573
Other Charges for Services	24,936	27,599
	<u>709,155</u>	<u>658,382</u>
Fines and Forfeitures	<u>213,581</u>	<u>213,016</u>
Interest Revenue	<u>6,557</u>	<u>6,199</u>
Contributions and Donations	<u>21,798</u>	<u>25,847</u>
Miscellaneous	<u>188,211</u>	<u>192,717</u>
Total Revenues	<u>\$ 3,107,494</u>	<u>\$ 3,208,713</u>

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule of Expenditures
For the Years Ended July 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
EXPENDITURES		
Current		
General Government		
Clerks Office		
Personal Services and Employee Benefits	\$ 272,368	\$ 264,737
Purchased/Contracted Services	191,269	244,139
Supplies	34,705	37,643
Capital Outlay	2,353	9,000
Other Costs	13,986	18,657
Total Clerks Office	<u>514,681</u>	<u>574,176</u>
Total General Government	<u>514,681</u>	<u>574,176</u>
Judicial		
Municipal Court		
Purchased/Contracted Services	25,969	25,853
Supplies	89	507
Total Municipal Court	<u>26,058</u>	<u>26,360</u>
Total Judicial	<u>26,058</u>	<u>26,360</u>
Public Safety		
Police		
Personal Services and Employee Benefits	727,671	704,550
Purchased/Contracted Services	121,875	111,841
Supplies	59,521	67,001
Capital Outlay	8,023	155,185
Other Costs	44,835	43,092
Total Police	<u>961,925</u>	<u>1,081,669</u>
Fire and Emergency		
Personal Services and Employee Benefits	57,520	57,576
Purchased/Contracted Services	41,266	43,725
Supplies	5,664	5,566
Other Costs	431	102
Total Fire and Emergency	<u>104,881</u>	<u>106,969</u>
Animal Control		
Personal Services and Employee Benefits	40,216	39,255
Purchased/Contracted Services	17,274	10,896
Supplies	3,857	3,158
Other Costs	--	15
Total Animal Control	<u>61,347</u>	<u>53,324</u>
Total Public Safety	<u>1,128,153</u>	<u>1,241,962</u>

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule of Expenditures
For the Years Ended July 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Public Works		
Highways and Streets		
Personal Services and Employee Benefits	102,151	122,548
Purchased/Contracted Services	50,522	27,990
Supplies	140,054	142,482
Capital Outlay	68,577	62,220
Other Costs	429	139
Total Highways and Streets	<u>361,733</u>	<u>355,379</u>
Sanitation		
Personal Services and Employee Benefits	37,106	36,808
Purchased/Contracted Services	519,164	495,541
Supplies	4,290	6,272
Other Costs	(1)	--
Total Sanitation	<u>560,559</u>	<u>538,621</u>
City Shop		
Purchased/Contracted Services	2,542	400
Total City Shop	<u>2,542</u>	<u>400</u>
Work Control		
Purchased/Contracted Services	1,668	1,668
Supplies	505	4,966
Other Costs	--	190
Total Work Control	<u>2,173</u>	<u>6,824</u>
Total Public Works	<u>927,007</u>	<u>901,224</u>
Culture and Recreation		
Recreation		
Personal Services and Employee Benefits	68,251	28,889
Purchased/Contracted Services	6,041	6,081
Supplies	25,497	37,856
Other Costs	8,106	9,040
Total Recreation	<u>107,895</u>	<u>81,866</u>
Total Culture and Recreation	<u>107,895</u>	<u>81,866</u>
Housing and Development		
Code Enforcer		
Personal Services and Employee Benefits	27,670	56,260
Purchased/Contracted Services	5,497	7,148
Supplies	2,878	4,686
Capital Outlay	--	32,738
Other Costs	--	23
Total Code Enforcer	<u>36,045</u>	<u>100,855</u>

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule of Expenditures
For the Years Ended July 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Economic Development		
Personal Services and Employee Benefits	45,608	63,319
Purchased/Contracted Services	13,759	8,413
Supplies	2,984	2,485
Capital Outlay	--	24,289
Other Costs	15,513	13,545
Total Economic Development	<u>77,864</u>	<u>112,051</u>
Farmers Market		
Personal Services and Employee Benefits	12,454	12,765
Purchased/Contracted Services	9,785	14,927
Supplies	10,443	5,102
Other Costs	49,059	73,295
Total Farmers Market	<u>81,741</u>	<u>106,089</u>
Total Housing and Development	<u>195,650</u>	<u>318,995</u>
Debt Service	<u>72,000</u>	<u>66,000</u>
Total Expenditures	<u>\$ 2,971,444</u>	<u>\$ 3,210,583</u>

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Schedule of Water & Sewer Bonds - Series 1992-Farmers Home Administration
July 31, 2016

<u>Year Ending</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Annual Debt Service</u>
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>\$ 1,517,440</u>		<u>\$ 722,839</u>	<u>\$ 2,240,279</u>

CITY OF NASHVILLE, GEORGIA
Schedule of Hotel/Motel Taxes Expended
For the Year Ended July 31, 2016

Total Expenditures	
Tourism, Promotions, Conventions, Trade Shows, and Facility Support	\$ 4,046
	<u>4,046</u>
Taxes Collected	
Tax Collections @ 3%	5,579
Tax Collections Greater Than 3%	3,720
	<u>9,299</u>
Percentage of Current Year Taxes Expended	<u>44%</u>

CITY OF NASHVILLE, GEORGIA
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Year Ended July 31, 2016

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				61%
Roads, Streets & Bridges			\$ 244,888	\$ 70,683	\$ 315,571	
Street & Sanitation Projects & Improvements			--	--	--	
Street & Sanitation Equipment			1,494	5,976	7,470	
Water & Sewer Extensions, Projects & Improvements			106,224	58,105	164,329	
Water & Sewer Equipment			--	--	--	
Gas System Improvements			82,070	14,603	96,673	
Gas System Equipment			--	--	--	
Recreation Facilities			5,669	5,642	11,311	
Recreation Equipment			37,962	--	37,962	
City Hall Administration & Storage Facilities Expansion & Improvements			--	--	--	
City Hall Administration & Storage Facilities Equipment			9,280	--	9,280	
Community Center Equipment & Improvements			--	--	--	
Law Enforcement Facilities Improvements			215,430	--	215,430	
Law Enforcement Equipment			169,649	80,882	250,531	
Fire Fighting Facilities Improvements			--	--	--	
Fire Fighting Equipment			3,973	24,769	28,742	
Animal Control Facility Improvements			--	--	--	
Animal Control Equipment			18,232	--	18,232	
Economic Development Projects			10,827	--	10,827	
	<u>\$ 1,915,661</u>	<u>\$ 1,915,661</u>	<u>\$ 905,698</u>	<u>\$ 260,660</u>	<u>\$ 1,166,358</u>	
1% SPLOST #4 Capital Projects Fund						
Total Expenditures				<u>\$ 260,660</u>	<u>\$ 260,660</u>	

CITY OF NASHVILLE, GEORGIA
Schedule of Expenditures of Federal Awards
For the Year Ended July 31, 2016

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 Total U.S. Department of Agriculture	10.768	14-FMPPX-GA-0046	\$ 20,100 <u>20,100</u>
U.S. Department of Commerce Economic Development Administration Public Works Program Total U.S. Department of Commerce	11.300	04-01-06881	<u>540,688</u> <u>540,688</u>
U.S. Department of Housing & Urban Development Pass-through Program From Georgia Department of Community Affairs Community Development Block Grant Community Development Block Grant Total U.S. Department of Housing & Urban Development	14.228 14.228	12p-x-010-2-5460 14q-x-010-2-5716	7,700 256,005 <u>263,705</u>
U.S. Department of Transportation Pass-through Program From Georgia Department of Transportation Transportation Enhancement Grant Total U.S. Department of Transportation	20.205	CSTEE-0010-00(576)	<u>134,055</u> <u>134,055</u>
Total Expenditures of Federal Awards			<u>\$ 958,548</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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of City of Nashville, Georgia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of City of Nashville, Georgia.

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, 2016, 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 January 31, 2017.

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
January 31, 2017

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 COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the City Council
City of Nashville, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Nashville, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Nashville, Georgia's major federal programs for the year ended July 31, 2016. 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 the 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).i Those standards and the Uniform Guidance 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 the 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 the 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, 2016.

Report on Internal Control Over Compliance

Management of the 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 the 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 the Uniform Guidance, 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 the 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

MEEKS CPA, LLP

Ocilla, Georgia
January 31, 2017

CITY OF NASHVILLE, GEORGIA
Schedule of Findings and Questioned Costs
For the Year Ended July 31, 2016

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?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported

Noncompliance material to financial statements noted?

	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
--	------------------------------	----------------------------------------

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> 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 2 CFR section 200.516(a)?

	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
--	------------------------------	----------------------------------------

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
11.300	Department of Commerce

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee?

	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
--	------------------------------	----------------------------------------

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported