

**CITY OF NASHVILLE, GEORGIA**  
**Annual Financial Report**  
**For The Fiscal Year Ended**  
**July 31, 2018**

**MEEKS CPA, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS  
Ocilla, Georgia



**CITY OF NASHVILLE, GEORGIA**  
**Annual Financial Report**  
**For The Fiscal Year Ended July 31, 2018**

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## 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, 2018, 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, 2018, 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 July 31, 2019, on our consideration of City of Nashville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Nashville, Georgia's internal control over financial reporting and compliance.

*MEEKS CPA, LLP*

Ocilla, Georgia  
July 31, 2019

## **BASIC FINANCIAL STATEMENTS**



**CITY OF NASHVILLE, GEORGIA**  
**Statement of Net Position**  
**July 31, 2018**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Primary Government	Downtown Development Authority
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,936,202	\$ 5,130,280	\$ 7,066,482	\$ 9,243
Receivables (Net of Allowance for Uncollectibles)	330,790	269,716	600,506	--
Internal Balances	54,367	(54,367)	--	--
Prepaid Items	49,969	16,206	66,175	--
Restricted Assets				
Cash and Cash Equivalents	--	1,087,238	1,087,238	--
Capital Assets Not Being Depreciated	817,794	1,678,711	2,496,505	--
Capital Assets Net of Accumulated Depreciation	3,340,794	12,962,139	16,302,933	89,365
Total Assets	<u>6,529,916</u>	<u>21,089,923</u>	<u>27,619,839</u>	<u>98,608</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension	113,533	69,585	183,118	--
Total Deferred Outflows of Resources	<u>113,533</u>	<u>69,585</u>	<u>183,118</u>	<u>--</u>
<b>LIABILITIES</b>				
Accounts Payable	276,153	150,586	426,739	2,465
Accrued Liabilities	24,747	6,784	31,531	--
Other Current Liabilities	--	3,349	3,349	--
Customer Deposits	250	221,449	221,699	--
Accrued Interest Payable	--	45,524	45,524	--
Noncurrent Liabilities				
Due Within One Year	150,426	424,113	574,539	--
Due In More Than One Year	716,172	7,356,588	8,072,760	--
Total Liabilities	<u>1,167,748</u>	<u>8,208,393</u>	<u>9,376,141</u>	<u>2,465</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension	117,988	72,314	190,302	--
Total Deferred Inflows of Resources	<u>117,988</u>	<u>72,314</u>	<u>190,302</u>	<u>--</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	3,700,309	7,108,530	10,808,839	89,365
Restricted For				
Capital Outlay	281,134	--	281,134	--
Economic Development	21,910	--	21,910	--
Unrestricted	1,354,360	5,770,271	7,124,631	6,778
Total Net Position	<u>\$ 5,357,713</u>	<u>\$ 12,878,801</u>	<u>\$ 18,236,514</u>	<u>\$ 96,143</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, 2018**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			Component Unit Downtown Development Authority
	Expenses	Charges For Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
<b>Primary Government</b>								
<b>Governmental Activities</b>								
General Government	\$ 594,380	\$ 106,797	\$ 12,229	\$ --	\$ (475,354)	\$ --	\$ (475,354)	
Judicial	29,062	203,441	--	--	174,379	--	174,379	
Public Safety	1,431,059	29,341	10,198	--	(1,391,520)	--	(1,391,520)	
Public Works	1,299,973	718,491	75,392	948,830	442,740	--	442,740	
Health and Welfare	--	6,780	--	--	6,780	--	6,780	
Culture and Recreation	165,548	--	--	--	(165,548)	--	(165,548)	
Housing and Development	241,351	132,849	--	--	(108,502)	--	(108,502)	
Interest on Long-Term Debt	22,839	--	--	--	(22,839)	--	(22,839)	
Total Governmental Activities	<u>3,784,212</u>	<u>1,197,699</u>	<u>97,819</u>	<u>948,830</u>	<u>(1,539,864)</u>	<u>--</u>	<u>(1,539,864)</u>	
<b>Business-Type Activities</b>								
Water & Sewer	1,415,687	1,602,500	--	--	--	186,813	186,813	
Natural Gas	1,175,591	1,210,629	--	--	--	35,038	35,038	
Total Business-Type Activities	<u>2,591,278</u>	<u>2,813,129</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>221,851</u>	<u>221,851</u>	
Total Primary Government	<u>\$ 6,375,490</u>	<u>\$ 4,010,828</u>	<u>\$ 97,819</u>	<u>\$ 948,830</u>	<u>(1,539,864)</u>	<u>221,851</u>	<u>(1,318,013)</u>	
<b>Component Units</b>								
Downtown Development Authority	\$ 13,585	\$ --	\$ --	\$ --				\$ (13,585)
Total Component Units	<u>\$ 13,585</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>				<u>(13,585)</u>
General Revenues								
Taxes								
Real Property					702,866	--	702,866	--
Personal Property					102,344	--	102,344	--
Real Estate Transfer (Intangible)					1,984	--	1,984	--
Franchise					293,822	--	293,822	--
General Sales and Use					276,059	--	276,059	--
Selective Sales and Use					144,190	--	144,190	--
Business					328,251	--	328,251	--
Penalties and Interest on Delinquent Taxes					5,516	--	5,516	--
Investment Income					6,741	18,824	25,565	--
Miscellaneous					95,618	--	95,618	12,400
Gain on Disposition of Capital Assets					3,201	--	3,201	--
Transfers					(494,011)	494,011	--	--
Total General Revenues and Transfers					<u>1,466,581</u>	<u>512,835</u>	<u>1,979,416</u>	<u>12,400</u>
Changes in Net Position					(73,283)	734,686	661,403	(1,185)
Net Position - Beginning					5,430,996	12,144,115	17,575,111	97,328
Net Position - Ending					<u>\$ 5,357,713</u>	<u>\$ 12,878,801</u>	<u>\$ 18,236,514</u>	<u>\$ 96,143</u>

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

**CITY OF NASHVILLE, GEORGIA**  
**Balance Sheet**  
**Governmental Funds**  
**July 31, 2018**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,536,276	\$ 399,926	\$ 1,936,202
Receivables (Net of Allowance for Uncollectibles)	166,958	163,832	330,790
Due from Other Funds	271,002	--	271,002
Total Assets	<u>\$ 1,974,236</u>	<u>\$ 563,758</u>	<u>\$ 2,537,994</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 243,404	\$ 32,749	\$ 276,153
Accrued Liabilities	24,747	--	24,747
Due to Other Funds	--	216,635	216,635
Customer Deposits	250	--	250
Total Liabilities	<u>268,401</u>	<u>249,384</u>	<u>517,785</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue			
Property Taxes	58,788	--	58,788
Total Deferred Inflows of Resources	<u>58,788</u>	<u>--</u>	<u>58,788</u>
<b>FUND BALANCES</b>			
Restricted	--	442,851	442,851
Assigned	--	200	200
Unassigned	1,647,047	(128,677)	1,518,370
Total Fund Balances	<u>1,647,047</u>	<u>314,374</u>	<u>1,961,421</u>
Total Liabilities and Fund Balances	<u>\$ 1,974,236</u>	<u>\$ 563,758</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,158,588
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	58,788
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as expenditures in the funds.	49,969
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.	113,533
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Capital Leases	\$ (147,756)
Notes Payable	(310,523)
Compensated Absences	(58,008)
Net Pension Liability	(350,311)
Total long-term liabilities	(866,598)
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.	(117,988)
Net Position of Governmental Activities	<u>\$ 5,357,713</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, 2018**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Taxes	\$ 1,838,898	\$ 10,152	\$ 1,849,050
Licenses and Permits	106,415	--	106,415
Intergovernmental	87,422	948,828	1,036,250
Charges for Services	730,876	--	730,876
Fines and Forfeitures	203,441	--	203,441
Investment Income	6,741	--	6,741
Contributions and Donations	10,399	--	10,399
Miscellaneous	252,585	--	252,585
Total Revenues	<u>3,236,777</u>	<u>958,980</u>	<u>4,195,757</u>
<b>EXPENDITURES</b>			
Current			
General Government	595,345	--	595,345
Judicial	29,062	--	29,062
Public Safety	1,705,889	--	1,705,889
Public Works	983,686	--	983,686
Culture and Recreation	131,842	--	131,842
Housing and Development	197,474	18,863	216,337
Capital Outlay	--	865,578	865,578
Debt Service	134,692	27,461	162,153
Total Expenditures	<u>3,777,990</u>	<u>911,902</u>	<u>4,689,892</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(541,213)</u>	<u>47,078</u>	<u>(494,135)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	--	100	100
Transfers Out	(100)	(18,275)	(18,375)
Proceeds of Capital Asset Dispositions	3,201	--	3,201
Total Other Financing Sources (Uses)	<u>3,101</u>	<u>(18,175)</u>	<u>(15,074)</u>
Net Change in Fund Balances	<u>(538,112)</u>	<u>28,903</u>	<u>(509,209)</u>
Fund Balances - Beginning	2,185,159	285,471	2,470,630
Fund Balances - Ending	<u>\$ 1,647,047</u>	<u>\$ 314,374</u>	<u>\$ 1,961,421</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, 2018**

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

Net change in fund balances - total governmental funds reported in the *Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds* \$ (509,209)

Governmental funds report capital outlays as expenditures. However, in the *Statement of Activities* the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	1,091,325
Depreciation Expense	(358,741)
	<u>732,584</u>

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) increases (decreases) net position.

Cost of Capital Assets Sold/Disposed	(65,980)
Accumulated Depreciation	65,980
Capital Assets Reassigned to Enterprise Funds	(475,736)
	<u>(475,736)</u>

Revenues in the *Statement of Activities* that do not provide current financial resources are not reported as revenues in the funds while revenues reported in the *Statement of Revenues, Expenditures and Changes in Fund Balances* are recognized as revenue of the previous period in the *Statement of Activities* and included in beginning net position.

Taxes	5,982
	<u>5,982</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 *Statement of Activities*.

Principal Repayments	
Capital Leases	27,746
Notes Payable	111,568
	<u>139,314</u>

Expenses reported in the *Statement of Activities* that do not require the use of current financial resources are not reported as expenditures in governmental funds while expenditures reported in the *Statement of Revenues, Expenditures and Changes in Fund Balances* are recognized as expenses of the previous period in the *Statement of Activities* and included in beginning net position.

Compensated Absences	(5,497)
Pensions	4,247
Prepaid Items	35,032
	<u>33,782</u>

Change in net position of governmental activities reported in the <i>Statement of Activities</i>	<u>\$ (73,283)</u>
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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, 2018**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water &amp; Sewer</b>	<b>Natural Gas</b>	<b>Total Enterprise Funds</b>
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 3,710,664	\$ 1,419,616	\$ 5,130,280
Receivables (Net of Allowance for Uncollectibles)	202,302	67,414	269,716
Prepaid Items	7,716	8,490	16,206
Restricted Assets			
Cash and Cash Equivalents	707,249	379,989	1,087,238
Total Current Assets	<u>4,627,931</u>	<u>1,875,509</u>	<u>6,503,440</u>
Noncurrent Assets			
Capital Assets Not Being Depreciated	1,672,711	6,000	1,678,711
Capital Assets Net of Accumulated Depreciation	11,435,951	1,526,188	12,962,139
Total Noncurrent Assets	<u>13,108,662</u>	<u>1,532,188</u>	<u>14,640,850</u>
Total Assets	<u>17,736,593</u>	<u>3,407,697</u>	<u>21,144,290</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	42,117	27,468	69,585
Total Deferred Outflows of Resources	<u>42,117</u>	<u>27,468</u>	<u>69,585</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	94,244	56,342	150,586
Accrued Liabilities	3,933	2,851	6,784
Due to Other Funds	30,351	24,016	54,367
Customer Deposits	167,763	53,686	221,449
Accrued Interest Payable	45,524	--	45,524
Loans Payable - Current	257,093	51,752	308,845
Capital Leases Payable - Current	--	44,558	44,558
Revenue Bonds Payable (Net of Unamortized Discount)	70,710	--	70,710
Other Current Liabilities	2,133	1,216	3,349
Total Current Liabilities	<u>671,751</u>	<u>234,421</u>	<u>906,172</u>
Noncurrent Liabilities			
Compensated Absences	18,365	15,309	33,674
Net Pension Liability	129,954	84,753	214,707
Loans Payable	5,404,813	388,144	5,792,957
Revenue Bonds Payable (Net of Unamortized Discount)	1,315,250	--	1,315,250
Total Noncurrent Liabilities	<u>6,868,382</u>	<u>488,206</u>	<u>7,356,588</u>
Total Liabilities	<u>7,540,133</u>	<u>722,627</u>	<u>8,262,760</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	43,769	28,545	72,314
Total Deferred Inflows of Resources	<u>43,769</u>	<u>28,545</u>	<u>72,314</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	6,060,796	1,047,734	7,108,530
Unrestricted	4,134,012	1,636,259	5,770,271
Total Net Position	<u>\$ 10,194,808</u>	<u>\$ 2,683,993</u>	<u>\$ 12,878,801</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, 2018**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water &amp; Sewer</b>	<b>Natural Gas</b>	<b>Total Enterprise Funds</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 1,593,484	\$ 1,210,477	\$ 2,803,961
Other	9,016	152	9,168
Total Operating Revenues	<u>1,602,500</u>	<u>1,210,629</u>	<u>2,813,129</u>
<b>OPERATING EXPENSES</b>			
Personal Services & Employee Benefits	405,517	283,350	688,867
Purchased/Contracted Services	159,347	136,560	295,907
Supplies	261,443	701,493	962,936
Other	2,250	53	2,303
Depreciation	363,244	51,795	415,039
Total Operating Expenses	<u>1,191,801</u>	<u>1,173,251</u>	<u>2,365,052</u>
Operating Income (Loss)	<u>410,699</u>	<u>37,378</u>	<u>448,077</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Revenue	6,179	12,645	18,824
Interest	(223,886)	(2,038)	(225,924)
Debt Issuance Costs	--	(302)	(302)
Gain/Loss on Disposition of Capital Assets	--	--	--
Total Nonoperating Revenues (Expenses)	<u>(217,707)</u>	<u>10,305</u>	<u>(207,402)</u>
Income (Loss) Before Contributions and Transfers	<u>192,992</u>	<u>47,683</u>	<u>240,675</u>
Capital Contributions	475,736	--	475,736
Transfers In	18,275	--	18,275
Changes in Net Position	<u>687,003</u>	<u>47,683</u>	<u>734,686</u>
Net Position - Beginning	9,507,805	2,636,310	12,144,115
Net Position - Ending	<u>\$ 10,194,808</u>	<u>\$ 2,683,993</u>	<u>\$ 12,878,801</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, 2018**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water &amp; Sewer</b>	<b>Natural Gas</b>	<b>Total Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers and Users	\$ 1,594,117	\$ 1,207,332	\$ 2,801,449
Payments to Suppliers	(401,007)	(833,244)	(1,234,251)
Payments to Employees	(402,986)	(282,710)	(685,696)
Net Cash Provided (Used) By Operating Activities	<u>790,124</u>	<u>91,378</u>	<u>881,502</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers to Other Funds	18,275	--	18,275
Loans from Other Funds	20,552	12,753	33,305
Net Cash Provided (Used) By Noncapital Financing Activities	<u>38,827</u>	<u>12,753</u>	<u>51,580</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>			
Proceeds from Capital Debt	331,555	--	331,555
Acquisition and Construction of Capital Assets	(381,766)	--	(381,766)
Principal Paid on Capital Debt	(310,857)	(99,409)	(410,266)
Interest Paid on Capital Debt	(226,118)	(2,038)	(228,156)
Debt Issue Cost Paid	--	(303)	(303)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(587,186)</u>	<u>(101,750)</u>	<u>(688,936)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and Dividends Received	5,967	11,655	17,622
Net Cash Provided (Used) By Investing Activities	<u>5,967</u>	<u>11,655</u>	<u>17,622</u>
Net Increase (Decrease) in Cash and Cash Equivalents	247,732	14,036	261,768
Cash and Cash Equivalents - Beginning of Year	4,170,181	1,785,569	5,955,750
Cash and Cash Equivalents - End of Year	<u>\$ 4,417,913</u>	<u>\$ 1,799,605</u>	<u>\$ 6,217,518</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 410,699	\$ 37,378	\$ 448,077
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities			
Depreciation Expense	363,244	51,795	415,039
(Increase) Decrease in Accounts Receivable	(63,456)	(16,875)	(80,331)
Increase (Decrease) in Allowances for Uncollectible Accounts	38,783	13,577	52,360
(Increase) Decrease in Prepaid Items	(5,026)	(6,037)	(11,063)
(Increase) Decrease in Deferred Outflows of Resources	(16,172)	(10,547)	(26,719)
Increase (Decrease) in Accounts Payable	24,926	6,193	31,119
Increase (Decrease) in Accrued Liabilities	1,425	986	2,411
Increase (Decrease) in Compensated Absences Payable	2,683	683	3,366
Increase (Decrease) in Other Current Liabilities	2,133	(244)	1,889
Increase (Decrease) in Customer Deposits	16,290	4,950	21,240
Increase (Decrease) in Net Pension Liability	(5,356)	(3,493)	(8,849)
Increase (Decrease) in Deferred Inflows of Resources	19,951	13,012	32,963
Net Cash Provided (Used) By Operating Activities	<u>\$ 790,124</u>	<u>\$ 91,378</u>	<u>\$ 881,502</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>			
Contributions of Capital Assets from Governmental Funds	\$ 475,735	\$ --	\$ 475,735
Purchase of Capital Assets on Account	43,273	--	43,273

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, 2018**

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 13,743
Total Assets	<u>\$ 13,743</u>
<b>LIABILITIES</b>	
Due to Others	\$ 13,743
Total Liabilities	<u>\$ 13,743</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, 2018**

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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, 2018**

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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, 2018**

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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 October 9, 2017, payable December 20, 2017, and attached as an enforceable lien on property as of January 1, 2017.

**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, 2018**

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**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	\$ 65,315	\$ 65,657	\$ (342)
Recreation	125,649	131,842	(6,193)
Farmers Market	68,390	70,144	(1,754)
Debt Service	72,000	134,692	(62,692)
Hotel/Motel Special Revenue Fund	9,000	18,863	(9,863)

**C. Deficit Fund Equity**

The following funds had deficit fund equity at July 31, 2018:

TE Grant #4 Capital Projects Fund      \$ 128,677

**D. Special Purpose Local Option Sales Tax**

The Official Code of Georgia Annotated section 48-8-1 requires special purpose local option sales tax (SPLOST) proceeds to be kept in a separate account from other funds of the City and shall not in any manner be commingled with other funds of the City. During the fiscal year ended July 31, 2018, proceeds from January 1, 2012 - December 31, 2017 SPLOST were not kept in a separate account from the January 1, 2018 - December 31, 2023 SPLOST.

**E. Loans**

The Georgia Constitution, Article 9, Section 5, Paragraph 5 requires all temporary loans in each year to be payable on or before December 31 of the calendar year in which such loan is made. The City obtained two loans which were payable after December 31.



**CITY OF NASHVILLE, GEORGIA**  
**Notes to the Financial Statements**  
**July 31, 2018**

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**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, 2018, the City’s entire bank balance was uninsured and uncollateralized with securities held by the pledging financial institution’s trust department or agent in the City’s name.

**B. Receivables**

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

	General	Nonmajor Governmental Funds	Water & Sewer	Natural Gas	Total
Interest	\$ 185	\$ --	\$ 695	\$ 2,177	\$ 3,057
Taxes	76,962	492	--	--	77,454
Accounts	114,286	--	369,863	124,138	608,287
Intergovernmental	28,163	163,340	--	--	191,503
Gross Receivables	219,596	163,832	370,558	126,315	880,301
Less: Allowance For Uncollectibles	(52,638)	--	(168,256)	(58,901)	(279,795)
	<u>\$ 166,958</u>	<u>\$ 163,832</u>	<u>\$ 202,302</u>	<u>\$ 67,414</u>	<u>\$ 600,506</u>

**CITY OF NASHVILLE, GEORGIA**  
**Notes to the Financial Statements**  
**July 31, 2018**

**C. Capital Assets**

Capital asset activity for the year ended July 31, 2018, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 327,033	\$ --	\$ --	\$ 327,033
Construction in progress	264,147	702,349	(475,735)	490,761
Total capital assets, not being depreciated	<u>591,180</u>	<u>702,349</u>	<u>(475,735)</u>	<u>817,794</u>
Capital assets, being depreciated:				
Buildings	3,105,830	10,597	--	3,116,427
Improvements other than buildings	2,264,986	--	--	2,264,986
Machinery & equipment	1,816,950	378,378	(65,980)	2,129,348
Total capital assets, being depreciated	<u>7,187,766</u>	<u>388,975</u>	<u>(65,980)</u>	<u>7,510,761</u>
Less accumulated depreciation for:				
Buildings	(1,631,468)	(56,438)	--	(1,687,906)
Improvements other than buildings	(900,815)	(129,313)	--	(1,030,128)
Machinery & equipment	(1,344,923)	(172,990)	65,980	(1,451,933)
Total accumulated depreciation	<u>(3,877,206)</u>	<u>(358,741)</u>	<u>65,980</u>	<u>(4,169,967)</u>
Total capital assets, being depreciated, net	<u>3,310,560</u>	<u>30,234</u>	<u>--</u>	<u>3,340,794</u>
Governmental activities capital assets, net	<u>\$ 3,901,740</u>	<u>\$ 732,583</u>	<u>\$ (475,735)</u>	<u>\$ 4,158,588</u>
	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 821,086	\$ --	\$ --	\$ 821,086
Construction in progress	631,515	281,529	(55,419)	857,625
Total capital assets, not being depreciated	<u>1,452,601</u>	<u>281,529</u>	<u>(55,419)</u>	<u>1,678,711</u>
Capital assets, being depreciated:				
Buildings & system	18,933,435	533,557	--	19,466,992
Machinery & equipment	563,727	63,274	--	627,001
Total capital assets, being depreciated	<u>19,497,162</u>	<u>596,831</u>	<u>--</u>	<u>20,093,993</u>
Less accumulated depreciation for:				
Buildings & system	(6,251,793)	(387,673)	--	(6,639,466)
Machinery & equipment	(465,022)	(27,366)	--	(492,388)
Total accumulated depreciation	<u>(6,716,815)</u>	<u>(415,039)</u>	<u>--</u>	<u>(7,131,854)</u>
Total capital assets, being depreciated, net	<u>12,780,347</u>	<u>181,792</u>	<u>--</u>	<u>12,962,139</u>
Business-type activities capital assets, net	<u>\$ 14,232,948</u>	<u>\$ 463,321</u>	<u>\$ (55,419)</u>	<u>\$ 14,640,850</u>

Capital assets of \$475,736 were reassigned from Governmental Activities to the Water & Sewer Fund.

**CITY OF NASHVILLE, GEORGIA**  
**Notes to the Financial Statements**  
**July 31, 2018**

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

Governmental Activities	
General Government	\$ 28,304
Public Safety	111,058
Public Works	157,098
Culture & Recreation	37,611
Housing & Development	24,670
	<u>\$ 358,741</u>

Business-type Activities	
Water & Sewer	\$ 363,244
Gas	51,795
	<u>\$ 415,039</u>

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of July 31, 2018 was as follows:

*Due from / to other funds:*

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 216,635
General Fund	Water and Sewer Enterprise Fund	30,351
General Fund	Natural Gas Enterprise Fund	24,016
		<u>\$ 271,002</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 composition of interfund transfers for the year ended July 31, 2018 was as follows:

*Interfund transfers:*

Transfer In	Transfer Out	Amount
Nonmajor Governmental Funds	General Fund	\$ 100
Water & Sewer Enterprise Fund	Nonmajor Governmental Funds	18,275
		<u>\$ 18,375</u>

The General Fund transferred \$100 to a Nonmajor Governmental Fund to finance capital projects. A Nonmajor Governmental Fund transferred grant proceeds of \$18,275 to the Water & Sewer Fund to finance project costs of a prior year.

**CITY OF NASHVILLE, GEORGIA**  
**Notes to the Financial Statements**  
**July 31, 2018**

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**E. 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, 2018 were as follows:

	Governmental Activities	Business-type Activities
Machinery and Equipment	\$ 228,200	\$ 334,176
Less: Accumulated Depreciation	(93,256)	(112,784)
Total	<u>\$ 134,944</u>	<u>\$ 221,392</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of July 31, 2018, were as follows:

Year Ending July 31	Governmental Activities	Business-type Activities
2019	\$ 32,642	\$ 45,332
2020	71,149	--
2021	26,666	--
2022	26,666	--
Total Minimum Lease Payments	<u>157,123</u>	<u>45,332</u>
Less: Amounts Representing Interest	(9,367)	(774)
Present Value Of Minimum Lease Payments	<u>\$ 147,756</u>	<u>\$ 44,558</u>

**F. 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 March 16, 2021 for the purchase of a metal building. The balance outstanding at July 31, 2018 was \$148,986.

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, 2018 was \$83,342.

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, 2018 was \$78,195.

**CITY OF NASHVILLE, GEORGIA**  
**Notes to the Financial Statements**  
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Notes payable debt service requirements to maturity are as follows:

Year Ending July 31	Governmental Activities		
	Principal	Interest	Total
2019	\$ 121,904	\$ 12,616	\$ 134,520
2020	68,493	7,995	76,488
2021	120,126	4,050	124,176
Total	<u>\$ 310,523</u>	<u>\$ 24,661</u>	<u>\$ 335,184</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, 2018 was \$4,843,611.

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 at 1.09% payable over 20 years. The balance outstanding at July 31, 2018 was \$818,295.

The City borrowed \$495,961 from the City of Adel, Georgia for gas line expansion to promote economic development at 0% interest payable over 115 months at \$4,313 per month starting August 29, 2017. The balance outstanding at July 31, 2018 was \$439,896.

Loans payable debt service requirements to maturity are as follows:

Year Ending July 31	Business-type Activities		
	Principal	Interest	Total
2019	\$ 308,846	\$ 144,842	\$ 453,688
2020	328,951	143,004	471,955
2021	337,020	134,935	471,955
2022	345,330	126,626	471,956
2023	353,888	118,067	471,955
2024 - 2028	1,829,438	452,710	2,282,148
2029 - 2033	1,904,110	196,905	2,101,015
2034 - 2038	273,326	27,352	300,678
2039 - 2043	420,893	3,023	423,916
Total	<u>\$ 6,101,802</u>	<u>\$ 1,347,464</u>	<u>\$ 7,449,266</u>

**CITY OF NASHVILLE, GEORGIA**  
**Notes to the Financial Statements**  
**July 31, 2018**

*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 \$1,385,960 at July 31, 2018.

Revenue bond debt service requirements to maturity are as follows:

Year Ending July 31	Business-type Activities		
	Principal	Interest	Total
2019	\$ 70,710	\$ 69,298	\$ 140,008
2020	74,240	65,762	140,002
2021	77,960	62,051	140,011
2022	81,850	58,152	140,002
2023	85,950	54,060	140,010
2024 - 2028	498,650	201,379	700,029
2029 - 2033	496,600	63,600	560,200
Total	<u>\$ 1,385,960</u>	<u>\$ 574,302</u>	<u>\$ 1,960,262</u>

**G. Changes in General Long-Term Liabilities**

Long-term liability activity for the year ended July 31, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Compensated Absences	\$ 52,511	\$ 65,325	\$ (59,828)	\$ 58,008	\$ --
Net Pension Liability	364,749	239,343	(253,781)	350,311	--
Capital Leases	175,501	--	(27,745)	147,756	28,522
Notes Payable	422,091	153,710	(265,278)	310,523	121,904
	<u>\$ 1,014,852</u>	<u>\$ 458,378</u>	<u>\$ (606,632)</u>	<u>\$ 866,598</u>	<u>\$ 150,426</u>
<b>Business-type Activities:</b>					
Compensated Absences	\$ 30,309	\$ 21,115	\$ (17,750)	\$ 33,674	\$ --
Net Pension Liability	223,556	146,694	(155,543)	214,707	--
Capital Leases	87,902	--	(43,344)	44,558	44,558
Loans Payable	6,069,829	331,555	(299,582)	6,101,802	308,845
Revenue Bonds	1,453,300	--	(67,340)	1,385,960	70,710
	<u>\$ 7,864,896</u>	<u>\$ 499,364</u>	<u>\$ (583,559)</u>	<u>\$ 7,780,701</u>	<u>\$ 424,113</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, 2018**

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**H. Restricted Assets**

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

	Business-type Activities
Sinking Fund Accounts	\$ 707,249
CD's Held For Collateral	379,989
	<u>\$ 1,087,238</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, 2018, 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	24
Active employees	<u>40</u>
	<u>98</u>

City employees are not required to contribute to the plan. The Board of Trustees of GMEBS has adopted an actuarial funding policy for determination of annual required contributions to minimize fluctuations in annual contribution

**CITY OF NASHVILLE, GEORGIA**  
**Notes to the Financial Statements**  
**July 31, 2018**

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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, 2018, the City's actuarially determined contribution was \$103,793.

The City's net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018.

The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.50%
Inflation	2.75%
Salary increases	2.75% 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 investment return and inflation assumptions used in the January 1, 2018 valuation were based on an experience study conducted in September 2017. The remaining assumptions 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	45 %	6.71 %
International Equity	20	7.71
Real Estate	10	5.21
Global Fixed Income	5	3.36
Domestic Fixed Income	20	2.11
Cash	0	0.00

The discount rate used to measure the total pension liability was 7.50%. 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, 2018**

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	\$ 2,615,381	\$ 2,027,076	\$ 588,305
Changes for the Year			
Service Cost	62,771	--	62,771
Interest	195,939	--	195,939
Differences Between Expected and Actual Experience	76,862	--	76,862
Changes of Assumptions	38,358	--	38,358
Contributions - Employer	--	109,693	(109,693)
Contributions - Employee	--	--	--
Net Investment Income	--	299,631	(299,631)
Benefit Payments	(174,275)	(174,275)	--
Administrative Expense	--	(12,107)	12,107
Other Changes	--	--	--
Net Changes	199,655	222,942	(23,287)
Balances - Ending	\$ 2,815,036	\$ 2,250,018	\$ 565,018

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

The investment return assumption was reduced from 7.75% to 7.50%.

The inflation assumption was reduced from 3.25% to 2.75%.

The Social Security wage base increase assumption was reduced from 3.25% to 2.75% (if applicable).

The salary increase rates were reduced by 0.50% for all years of service, consistent with the reduction in the inflation assumption.

The following presents the City's net pension liability calculated using the discount rate of 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 922,707	\$ 565,018	\$ 265,942

**CITY OF NASHVILLE, GEORGIA**  
**Notes to the Financial Statements**  
**July 31, 2018**

For the year ended July 31, 2018, the City recognized pension expense of \$96,941. At July 31, 2018, 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	\$ 67,627	\$ 70,961
Changes in assumptions	28,997	--
Net difference between projected and actual earnings on pension plan investments	--	119,341
Contributions subsequent to the measurement date	86,494	--
	<u>\$ 183,118</u>	<u>\$ 190,302</u>

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

<u>Year Ending July 31</u>	
2019	\$ (19,746)
2020	(16,315)
2021	(28,516)
2022	(29,101)
2023	--
Thereafter	--
	<u>\$ (93,678)</u>

*Deferred Compensation Plan*

The City adopted a resolution to create the City of Nashville 457 Deferred Compensation Plan, on August 12, 2002. The deferred compensation plan allows eligible employees to defer a minimum of 1% of compensation or a minimum of \$25. For the year ending July 31, 2018, the City did not contribute to the plan and employee deferrals were \$17,260.

**CITY OF NASHVILLE, GEORGIA**  
**Notes to the Financial Statements**  
**July 31, 2018**

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**J. Fund Balances**

The classifications of fund balances of governmental funds at July 31, 2018 were as follows:

	General	Other Governmental Funds	Total Governmental Funds
Restricted			
Economic Development	\$ --	\$ 21,910	\$ 21,910
Capital Outlay	--	420,941	420,941
	<u>--</u>	<u>442,851</u>	<u>442,851</u>
Assigned			
Capital Outlay	--	200	200
	<u>--</u>	<u>200</u>	<u>200</u>
Unassigned, Reported In			
General Fund	1,647,047	--	1,647,047
Capital Projects Funds	--	(128,677)	(128,677)
	<u>1,647,047</u>	<u>(128,677)</u>	<u>1,518,370</u>
Total Fund Balances	<u>\$ 1,647,047</u>	<u>\$ 314,374</u>	<u>\$ 1,961,421</u>

**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.

**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

**CITY OF NASHVILLE, GEORGIA**  
**Notes to the Financial Statements**  
**July 31, 2018**

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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, 2018, the City paid \$6,079 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 Avenue  
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, 2018**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 1,810,126	\$ 1,810,126	\$ 1,838,898	\$ 28,772
Licenses and Permits	111,075	111,075	106,415	(4,660)
Intergovernmental	65,800	65,800	87,422	21,622
Charges for Services	710,295	710,295	730,876	20,581
Fines and Forfeitures	216,060	216,060	203,441	(12,619)
Interest Revenue	6,460	6,460	6,741	281
Contributions and Donations	19,850	19,850	10,399	(9,451)
Miscellaneous	184,257	184,257	252,585	68,328
Total Revenues	<u>3,123,923</u>	<u>3,123,923</u>	<u>3,236,777</u>	<u>112,854</u>
<b>EXPENDITURES</b>				
Clerks Office	595,950	602,406	595,345	7,061
Municipal Court	28,920	29,120	29,062	58
Police	1,081,740	1,296,762	1,273,006	23,756
Fire and Emergency	125,500	374,558	367,226	7,332
Animal Control	65,315	65,315	65,657	(342)
Highways and Streets	371,870	477,010	476,958	52
Sanitation	474,170	515,920	504,309	11,611
City Shop	1,300	1,300	518	782
Work Control	3,800	3,800	1,901	1,899
Recreation	124,275	125,649	131,842	(6,193)
Economic Development	98,360	98,360	91,345	7,015
Code Enforcer	38,260	38,260	35,985	2,275
Farmers Market	68,390	68,390	70,144	(1,754)
Debt Service	72,000	72,000	134,692	(62,692)
Total Expenditures	<u>3,149,850</u>	<u>3,768,850</u>	<u>3,777,990</u>	<u>(9,140)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(25,927)</u>	<u>(644,927)</u>	<u>(541,213)</u>	<u>103,714</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				
Transfers Out				
TE Grant #3 Capital Projects Fund	(50,000)	(50,000)	--	50,000
TE Grant #4 Capital Projects Fund	--	--	--	--
2016 CDBG Capital Projects Fund	--	--	(100)	(100)
Proceeds of Capital Asset Dispositions	--	--	3,201	3,201
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>3,101</u>	<u>53,101</u>
Net Change in Fund Balances	<u>(75,927)</u>	<u>(694,927)</u>	<u>(538,112)</u>	<u>156,815</u>
Fund Balances - Beginning	2,185,159	2,185,159	2,185,159	--
Fund Balances - Ending	<u>\$ 2,109,232</u>	<u>\$ 1,490,232</u>	<u>\$ 1,647,047</u>	<u>\$ 156,815</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, 2018**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>				
Service Cost	\$ 62,771	\$ 61,897	\$ 54,441	\$ 62,605
Interest on Total Pension Liability	195,939	195,279	194,129	184,934
Changes of Benefit Terms	--	--	--	--
Differences Between Expected and Actual Experience	76,862	(77,163)	(61,655)	49,897
Changes of Assumptions	38,358	--	--	1,137
Benefit Payments	(174,275)	(168,723)	(175,422)	(184,447)
<b>Net Change in Total Pension Liability</b>	<u>199,655</u>	<u>11,290</u>	<u>11,493</u>	<u>114,126</u>
<b>Total Pension Liability - Beginning</b>	<u>2,615,381</u>	<u>2,604,091</u>	<u>2,592,598</u>	<u>2,478,472</u>
<b>Total Pension Liability - Ending (a)</b>	<u><u>\$ 2,815,036</u></u>	<u><u>\$ 2,615,381</u></u>	<u><u>\$ 2,604,091</u></u>	<u><u>\$ 2,592,598</u></u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 109,693	\$ 106,789	\$ 105,538	\$ 91,718
Contributions - Employee	--	--	--	--
Net Investment Income	299,631	207,609	24,754	206,436
Benefit Payments, Including Refunds of Employee Co	(174,275)	(168,723)	(175,422)	(184,447)
Administrative Expense	(12,107)	(6,694)	(7,603)	(6,211)
Other	--	--	--	--
<b>Net Change in Plan Fiduciary Net Position</b>	<u>222,942</u>	<u>138,981</u>	<u>(52,733)</u>	<u>107,496</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>2,027,076</u>	<u>1,888,095</u>	<u>1,940,828</u>	<u>1,833,332</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u><u>\$ 2,250,018</u></u>	<u><u>\$ 2,027,076</u></u>	<u><u>\$ 1,888,095</u></u>	<u><u>\$ 1,940,828</u></u>
<b>City's Net Pension Liability - Ending (a) - (b)</b>	<u><u>\$ 565,018</u></u>	<u><u>\$ 588,305</u></u>	<u><u>\$ 715,996</u></u>	<u><u>\$ 651,770</u></u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	79.93%	77.51%	72.50%	74.86%
<b>Covered-Employee Payroll</b>	\$ 1,238,580	\$ 1,210,478	\$ 1,203,868	\$ 1,136,746
<b>City's Net Pension Liability as a Percentage of Covered-Employee Payroll</b>	45.62%	48.60%	59.47%	57.34%

**CITY OF NASHVILLE, GEORGIA**  
**Pension Plan**  
**Schedule of City Contributions**  
**July 31, 2018**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 103,793	\$ 110,873	\$ 105,972	\$ 105,451
Contributions in Relation to the Actuarially Determined Contribution	103,793	110,873	105,972	105,451
Contribution Deficiency (Excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered-Employee Payroll	\$ 1,238,580	\$ 1,210,478	\$ 1,203,868	\$ 1,136,746
Contributions as a Percentage of Covered-Employee Payroll	8.38%	9.16%	8.80%	9.28%

**Notes to Schedule**

Valuation date	January 1, 2017
Actuarial cost method	Projected unit credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Net effective period of 10 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, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,536,276	\$ 2,145,961
Receivables (Net of Allowance for Uncollectibles)		
Interest	185	136
Taxes	73,904	55,191
Accounts	64,706	89,708
Intergovernmental	28,163	35,269
Due from Other Funds		
TE Grant #4 Capital Projects Fund	216,635	--
Water and Sewer Enterprise Fund	30,351	9,799
Natural Gas Enterprise Fund	24,016	11,263
Total Assets	<u>\$ 1,974,236</u>	<u>\$ 2,347,327</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 243,404	\$ 95,309
Accrued Liabilities	24,747	13,853
Customer Deposits	250	200
Total Liabilities	<u>268,401</u>	<u>109,362</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Revenue		
Property Taxes	58,788	52,806
Total Deferred Inflows of Resources	<u>58,788</u>	<u>52,806</u>
<b>FUND BALANCES</b>		
Unassigned	<u>1,647,047</u>	<u>2,185,159</u>
Total Fund Balances	<u>1,647,047</u>	<u>2,185,159</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,974,236</u>	<u>\$ 2,347,327</u>

**CITY OF NASHVILLE, GEORGIA**

**General Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balances**

**For the Years Ended July 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>REVENUES</b>		
Taxes	\$ 1,838,898	\$ 1,778,152
Licenses and Permits	106,415	113,452
Intergovernmental	87,422	86,245
Charges for Services	730,876	721,689
Fines and Forfeitures	203,441	218,340
Interest Revenue	6,741	6,736
Contributions and Donations	10,399	16,268
Miscellaneous	252,585	244,006
Total Revenues	<u>3,236,777</u>	<u>3,184,888</u>
<b>EXPENDITURES</b>		
Current		
General Government	595,345	628,246
Judicial	29,062	27,424
Public Safety	1,705,889	1,220,967
Public Works	983,686	1,041,120
Culture and Recreation	131,842	140,200
Housing and Development	197,474	211,004
Debt Service	134,692	113,311
Total Expenditures	<u>3,777,990</u>	<u>3,382,272</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(541,213)</u>	<u>(197,384)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In		
TE Grant Capital Projects Fund	--	63,835
Transfers Out		
TE Grant #3 Capital Projects Fund	--	(10,000)
TE Grant #4 Capital Projects Fund	--	--
2016 CDBG Capital Projects Fund	(100)	--
Proceeds of Capital Asset Dispositions	3,201	25,800
Capital Leases	--	123,000
Total Other Financing Sources (Uses)	<u>3,101</u>	<u>202,635</u>
Net Change in Fund Balances	<u>(538,112)</u>	<u>5,251</u>
Fund Balances - Beginning	2,185,159	2,179,908
Fund Balances - Ending	<u>\$ 1,647,047</u>	<u>\$ 2,185,159</u>

## Nonmajor Governmental Funds

### Special Revenue Funds

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

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

### Capital Projects Funds

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

**1% SPLOST #4 Fund** - This fund is used to account for the City's share of the one-percent special purpose local option sales tax (2012-2017) to be used for capital outlay for major capital projects..

**1% SPLOST #5 Fund** - This fund is used to account for the City's share of the one-percent special purpose local option sales tax (2018-2023) to be used for capital outlay for major capital projects..

**CDBG WinFab Fund** - This fund is used to account for federal grants used for sewer expansion.

**2016 CDBG Fund** - This fund is used to account for federal grants for water, sewer & drainage.

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

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

**CITY OF NASHVILLE, GEORGIA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**July 31, 2018**

	<b>Special Revenue Funds</b>			
	<b>Hotel/Motel</b>	<b>Total</b>	<b>1% SPLOST #4</b>	<b>1% SPLOST #5</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 21,418	\$ 21,418	\$ 281,134	\$ 97,124
Receivables	492	492	--	42,633
Total Assets	<u>\$ 21,910</u>	<u>\$ 21,910</u>	<u>\$ 281,134</u>	<u>\$ 139,757</u>
<b>LIABILITIES</b>				
Accounts Payable	--	--	--	--
Due to Other Funds	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>FUND BALANCES</b>				
Restricted	21,910	21,910	281,134	139,757
Assigned	--	--	--	--
Unassigned	--	--	--	--
Total Fund Balances	<u>21,910</u>	<u>21,910</u>	<u>281,134</u>	<u>139,757</u>
Total Liabilities and Fund Balances	<u>\$ 21,910</u>	<u>\$ 21,910</u>	<u>\$ 281,134</u>	<u>\$ 139,757</u>

**Capital Projects Funds**

<b>CDBG WinFab</b>	<b>2016 CDBG</b>	<b>TE Grant #2</b>	<b>TE Grant #4</b>	<b>Total</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 100	\$ 100	\$ 50	\$ --	\$ 378,508	\$ 399,926
--	32,749	--	87,958	163,340	163,832
<u>\$ 100</u>	<u>\$ 32,849</u>	<u>\$ 50</u>	<u>\$ 87,958</u>	<u>\$ 541,848</u>	<u>\$ 563,758</u>
--	32,749	--	--	32,749	32,749
--	--	--	216,635	216,635	216,635
<u>--</u>	<u>32,749</u>	<u>--</u>	<u>216,635</u>	<u>249,384</u>	<u>249,384</u>
--	--	50	--	420,941	442,851
100	100	--	--	200	200
--	--	--	(128,677)	(128,677)	(128,677)
<u>100</u>	<u>100</u>	<u>50</u>	<u>(128,677)</u>	<u>292,464</u>	<u>314,374</u>
<u>\$ 100</u>	<u>\$ 32,849</u>	<u>\$ 50</u>	<u>\$ 87,958</u>	<u>\$ 541,848</u>	<u>\$ 563,758</u>

**CITY OF NASHVILLE, GEORGIA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended July 31, 2018**

	<b>Special Revenue Funds</b>			
	<b>Hotel/Motel</b>	<b>Total</b>	<b>1% SPLOST #4</b>	<b>1% SPLOST #5</b>
<b>REVENUES</b>				
Taxes	\$ 10,152	\$ 10,152	\$ --	\$ --
Intergovernmental	--	--	116,632	139,757
Total Revenues	<u>10,152</u>	<u>10,152</u>	<u>116,632</u>	<u>139,757</u>
<b>EXPENDITURES</b>				
Current				
Housing and Development	18,863	18,863	--	--
Capital Outlay	--	--	62,737	--
Debt Service	--	--	27,461	--
Total Expenditures	<u>18,863</u>	<u>18,863</u>	<u>90,198</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,711)</u>	<u>(8,711)</u>	<u>26,434</u>	<u>139,757</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	--	--	--	--
Transfers Out	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>(8,711)</u>	<u>(8,711)</u>	<u>26,434</u>	<u>139,757</u>
Fund Balances - Beginning	30,621	30,621	254,700	--
Fund Balances - Ending	<u>\$ 21,910</u>	<u>\$ 21,910</u>	<u>\$ 281,134</u>	<u>\$ 139,757</u>



<b>Capital Projects Funds</b>					<b>Total Nonmajor Governmental Funds</b>
<b>CDBG WinFab</b>	<b>2016 CDBG</b>	<b>TE Grant #2</b>	<b>TE Grant #4</b>	<b>Total</b>	
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 10,152
266,633	335,848	--	89,958	948,828	948,828
266,633	335,848	--	89,958	948,828	958,980
--	--	--	--	--	18,863
248,358	335,848	--	218,635	865,578	865,578
--	--	--	--	27,461	27,461
248,358	335,848	--	218,635	893,039	911,902
18,275	--	--	(128,677)	55,789	47,078
--	100	--	--	100	100
(18,275)	--	--	--	(18,275)	(18,275)
(18,275)	100	--	--	(18,175)	(18,175)
--	100	--	(128,677)	37,614	28,903
100	--	50	--	254,850	285,471
\$ 100	\$ 100	\$ 50	\$ (128,677)	\$ 292,464	\$ 314,374

**CITY OF NASHVILLE, GEORGIA**  
**Hotel/Motel Special Revenue Fund**  
**Balance Sheet**  
**July 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 21,418	\$ 30,039
Receivables		
Taxes	492	582
Total Assets	<u>\$ 21,910</u>	<u>\$ 30,621</u>
<b>FUND BALANCES</b>		
Restricted	\$ 21,910	\$ 30,621
Total Fund Balances	<u>\$ 21,910</u>	<u>\$ 30,621</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, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>REVENUES</b>		
Taxes	\$ 10,152	\$ 12,344
Total Revenues	<u>10,152</u>	<u>12,344</u>
<b>EXPENDITURES</b>		
Current		
Housing and Development	18,863	1,717
Total Expenditures	<u>18,863</u>	<u>1,717</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,711)</u>	<u>10,627</u>
Net Change in Fund Balances	(8,711)	10,627
Fund Balances - Beginning	30,621	19,994
Fund Balances - Ending	<u>\$ 21,910</u>	<u>\$ 30,621</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, 2018**

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	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 9,000	\$ 10,152	\$ 1,152
Total Revenues	<u>9,000</u>	<u>10,152</u>	<u>1,152</u>
<b>EXPENDITURES</b>			
Current			
Housing and Development	9,000	18,863	(9,863)
Total Expenditures	<u>9,000</u>	<u>18,863</u>	<u>(9,863)</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures	<u>--</u>	<u>(8,711)</u>	<u>(8,711)</u>
Net Change in Fund Balances	<u>--</u>	<u>(8,711)</u>	<u>(8,711)</u>
Fund Balances - Beginning	30,621	30,621	--
Fund Balances - Ending	<u>\$ 30,621</u>	<u>\$ 21,910</u>	<u>\$ (8,711)</u>

**CITY OF NASHVILLE, GEORGIA**  
**1% SPLOST #4 Capital Projects Fund**  
**Balance Sheet**  
**July 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 281,134	\$ 237,100
Receivables		
Intergovernmental	--	19,594
Total Assets	<u>\$ 281,134</u>	<u>\$ 256,694</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ --	\$ 1,994
Total Liabilities	<u>--</u>	<u>1,994</u>
<b>FUND BALANCES</b>		
Restricted	281,134	254,700
Total Fund Balances	<u>281,134</u>	<u>254,700</u>
Total Liabilities and Fund Balances	<u>\$ 281,134</u>	<u>\$ 256,694</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, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>REVENUES</b>		
Intergovernmental	\$ 116,632	\$ 227,734
Total Revenues	<u>116,632</u>	<u>227,734</u>
<b>EXPENDITURES</b>		
Capital Outlay	62,737	109,186
Debt Service	27,461	27,032
Total Expenditures	<u>90,198</u>	<u>136,218</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>26,434</u>	<u>91,516</u>
Net Change in Fund Balances	26,434	91,516
Fund Balances - Beginning	254,700	163,184
Fund Balances - Ending	<u>\$ 281,134</u>	<u>\$ 254,700</u>

**CITY OF NASHVILLE, GEORGIA**  
**1% SPLOST #5 Capital Projects Fund**  
**Balance Sheet**  
**July 31, 2018 and 2017**

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	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 97,124	\$ --
Receivables		
Intergovernmental	42,633	--
Total Assets	<u>\$ 139,757</u>	<u>\$ --</u>
<b>FUND BALANCES</b>		
Restricted	\$ 139,757	\$ --
Total Fund Balances	<u>\$ 139,757</u>	<u>\$ --</u>

**CITY OF NASHVILLE, GEORGIA**  
**1% SPLOST #5 Capital Projects Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Years Ended July 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>REVENUES</b>		
Intergovernmental	\$ 139,757	\$ --
Total Revenues	<u>139,757</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>139,757</u>	<u>--</u>
Net Change in Fund Balances	<u>139,757</u>	<u>--</u>
Fund Balances - Beginning	--	--
Fund Balances - Ending	<u><u>\$ 139,757</u></u>	<u><u>\$ --</u></u>



**CITY OF NASHVILLE, GEORGIA**  
**CDBG WinFab Capital Projects Fund**  
**Balance Sheet**  
**July 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 100	\$ 100
Receivables		
Intergovernmental	--	58,427
Total Assets	<u>\$ 100</u>	<u>\$ 58,527</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ --	\$ 58,427
Total Liabilities	<u>--</u>	<u>58,427</u>
<b>FUND BALANCES</b>		
Assigned	<u>100</u>	<u>100</u>
Total Fund Balances	<u>100</u>	<u>100</u>
Total Liabilities and Fund Balances	<u>\$ 100</u>	<u>\$ 58,527</u>

**CITY OF NASHVILLE, GEORGIA**  
**CDBG WinFab Capital Projects Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Years Ended July 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>REVENUES</b>		
Intergovernmental	\$ 266,633	\$ 227,377
Total Revenues	<u>266,633</u>	<u>227,377</u>
<b>EXPENDITURES</b>		
Capital Outlay	248,358	227,377
Total Expenditures	<u>248,358</u>	<u>227,377</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>18,275</u>	<u>--</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In		
Water and Sewer Enterprise Fund	--	100
Transfers Out		
Water and Sewer Enterprise Fund	(18,275)	--
Total Other Financing Sources (Uses)	<u>(18,275)</u>	<u>100</u>
Net Change in Fund Balances	--	100
Fund Balances - Beginning	100	--
Fund Balances - Ending	<u>\$ 100</u>	<u>\$ 100</u>

**CITY OF NASHVILLE, GEORGIA**  
**CDBG WinFab Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended July 31, 2018**

	<b>Project</b>			
	<b>Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>
<b>REVENUES</b>				
Intergovernmental	\$ 500,000	\$ 227,377	\$ 266,633	\$ 494,010
Total Revenues	<u>500,000</u>	<u>227,377</u>	<u>266,633</u>	<u>494,010</u>
<b>EXPENDITURES</b>				
Capital Outlay	500,000	227,377	248,358	475,735
Total Expenditures	<u>500,000</u>	<u>227,377</u>	<u>248,358</u>	<u>475,735</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>    --</u>	<u>    --</u>	<u>    18,275</u>	<u>    18,275</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				
Water and Sewer Enterprise Fund	--	100	--	100
Transfers Out				
Water and Sewer Enterprise Fund	--	--	(18,275)	(18,275)
Total Other Financing Sources (Uses)	<u>    --</u>	<u>    100</u>	<u>    (18,275)</u>	<u>    (18,175)</u>
Net Change in Fund Balances	<u>\$    --</u>	<u>\$    100</u>	<u>    --</u>	<u>\$    100</u>
Fund Balances - Beginning			100	
Fund Balances - Ending			<u>\$    100</u>	

**CITY OF NASHVILLE, GEORGIA**  
**2016 CDBG Capital Projects Fund**  
**Balance Sheet**  
**July 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 100	\$ --
Receivables		
Intergovernmental	32,749	--
Total Assets	<u>\$ 32,849</u>	<u>\$ --</u>
<b>LIABILITIES</b>		
Accounts Payable	<u>\$ 32,749</u>	<u>\$ --</u>
Total Liabilities	<u>32,749</u>	<u>--</u>
<b>FUND BALANCES</b>		
Assigned	<u>100</u>	<u>--</u>
Total Fund Balances	<u>100</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 32,849</u>	<u>\$ --</u>

**CITY OF NASHVILLE, GEORGIA**  
**2016 CDBG Capital Projects Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Years Ended July 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>REVENUES</b>		
Intergovernmental	\$ 335,848	\$ --
Total Revenues	<u>335,848</u>	<u>--</u>
<b>EXPENDITURES</b>		
Capital Outlay		
Engineering	8,527	--
Water Improvements	113,688	--
Sewer Improvements	103,448	--
Street	37,629	--
Flood and Drainage	55,056	--
Administration	17,500	--
Total Expenditures	<u>335,848</u>	<u>--</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In		
General Fund	100	--
Total Other Financing Sources (Uses)	<u>100</u>	<u>--</u>
Net Change in Fund Balances	100	--
Fund Balances - Beginning	--	--
Fund Balances - Ending	<u>\$ 100</u>	<u>\$ --</u>

**CITY OF NASHVILLE, GEORGIA**  
**2016 CDBG Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended July 31, 2018**

	<b>Project</b>			
	<b>Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>
<b>REVENUES</b>				
Intergovernmental	\$ 500,000	\$ --	\$ 335,848	\$ 335,848
Total Revenues	<u>500,000</u>	<u>--</u>	<u>335,848</u>	<u>335,848</u>
<b>EXPENDITURES</b>				
Engineering	17,360	--	8,527	8,527
Water Improvements	161,355	--	113,688	113,688
Sewer Improvements	149,186	--	103,448	103,448
Street	41,810	--	37,629	37,629
Flood and Drainage	65,549	--	55,056	55,056
Contingencies	34,740	--	--	--
Administration	30,000	--	17,500	17,500
Total Expenditures	<u>500,000</u>	<u>--</u>	<u>335,848</u>	<u>335,848</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				
General Fund	--	--	100	100
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>100</u>	<u>100</u>
Net Change in Fund Balances	<u>\$ --</u>	<u>\$ --</u>	<u>100</u>	<u>\$ 100</u>
Fund Balances - Beginning			<u>--</u>	
Fund Balances - Ending			<u>\$ 100</u>	

**CITY OF NASHVILLE, GEORGIA**  
**TE Grant #2 Capital Projects Fund**  
**Balance Sheet**  
**July 31, 2018 and 2017**

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	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 50	\$ 50
Total Assets	<u>\$ 50</u>	<u>\$ 50</u>
<b>FUND BALANCES</b>		
Restricted	\$ 50	\$ 50
Total Fund Balances	<u>\$ 50</u>	<u>\$ 50</u>

**CITY OF NASHVILLE, GEORGIA**  
**TE Grant #4 Capital Projects Fund**  
**Balance Sheet**  
**July 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Receivables		
Intergovernmental	\$ 87,958	\$ --
Total Assets	<u>\$ 87,958</u>	<u>\$ --</u>
<b>LIABILITIES</b>		
Due to Other Funds		
General Fund	\$ 216,635	\$ --
Total Liabilities	<u>216,635</u>	<u>--</u>
<b>FUND BALANCES</b>		
Unassigned	(128,677)	--
Total Fund Balances	<u>(128,677)</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 87,958</u>	<u>\$ --</u>



**CITY OF NASHVILLE, GEORGIA**  
**TE Grant #4 Capital Projects Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Years Ended July 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>REVENUES</b>		
Intergovernmental	\$ 89,958	\$ --
Total Revenues	<u>89,958</u>	<u>--</u>
<b>EXPENDITURES</b>		
Capital Outlay	218,635	--
Total Expenditures	<u>218,635</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(128,677)</u>	<u>--</u>
Net Change in Fund Balances	(128,677)	--
Fund Balances - Beginning	--	--
Fund Balances - Ending	<u>\$ (128,677)</u>	<u>\$ --</u>

**CITY OF NASHVILLE, GEORGIA**

**TE Grant #4 Capital Projects Fund**

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

**From Inception and for the Year Ended July 31, 2018**

	<b>Project</b>			
	<b>Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>
<b>REVENUES</b>				
Intergovernmental	\$ 350,000	\$ --	\$ 89,958	\$ 89,958
Total Revenues	<u>350,000</u>	<u>--</u>	<u>89,958</u>	<u>89,958</u>
<b>EXPENDITURES</b>				
Capital Outlay	437,817	15,750	218,635	234,385
Total Expenditures	<u>437,817</u>	<u>15,750</u>	<u>218,635</u>	<u>234,385</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(87,817)</u>	<u>(15,750)</u>	<u>(128,677)</u>	<u>(144,427)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				
General Fund	87,817	15,750	--	15,750
Total Other Financing Sources (Uses)	<u>87,817</u>	<u>15,750</u>	<u>--</u>	<u>15,750</u>
Net Change in Fund Balances	<u>\$ --</u>	<u>\$ --</u>	<u>(128,677)</u>	<u>\$ (128,677)</u>
Fund Balances - Beginning			--	
Fund Balances - Ending			<u>\$ (128,677)</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, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 3,710,664	\$ 3,285,800
Receivables (Net of Allowance for Uncollectibles)		
Interest	695	483
Accounts	201,607	176,934
Prepaid Items	7,716	2,690
Restricted Assets		
Cash and Cash Equivalents	707,249	884,381
Total Current Assets	<u>4,627,931</u>	<u>4,350,288</u>
Noncurrent Assets		
Capital Assets Not Being Depreciated		
Land	815,086	815,086
Construction in Progress	857,625	631,515
Capital Assets Net of Accumulated Depreciation		
Buildings and System	17,336,903	16,803,346
Machinery and Equipment	495,116	431,842
Accumulated Depreciation	<u>(6,396,068)</u>	<u>(6,032,824)</u>
Total Capital Assets Net of Accumulated Depreciation	<u>13,108,662</u>	<u>12,648,965</u>
Total Noncurrent Assets	<u>13,108,662</u>	<u>12,648,965</u>
Total Assets	<u>17,736,593</u>	<u>16,999,253</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension	42,117	25,945
Total Deferred Outflows of Resources	<u>42,117</u>	<u>25,945</u>

**CITY OF NASHVILLE, GEORGIA**  
**Water & Sewer Enterprise Fund**  
**Statement of Net Position**  
**July 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	94,244	103,879
Accrued Liabilities	3,933	2,508
Due to Other Funds		
General Fund	30,351	9,799
Customer Deposits	167,763	151,473
Accrued Interest Payable	45,524	47,756
Loans Payable - Current	257,093	243,517
Revenue Bonds Payable (Net of Unamortized Discount)	70,710	67,340
Other Current Liabilities	2,133	--
Total Current Liabilities	<u>671,751</u>	<u>626,272</u>
Noncurrent Liabilities		
Compensated Absences	18,365	15,682
Net Pension Liability	129,954	135,310
Loans Payable	5,404,813	5,330,351
Revenue Bonds Payable (Net of Unamortized Discount)	1,315,250	1,385,960
Total Noncurrent Liabilities	<u>6,868,382</u>	<u>6,867,303</u>
Total Liabilities	<u>7,540,133</u>	<u>7,493,575</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension		
Total Deferred Inflows of Resources	<u>43,769</u>	<u>23,818</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets		
Unrestricted	6,060,796	5,621,797
Total Net Position	<u>4,134,012</u>	<u>3,886,008</u>
	<u>\$ 10,194,808</u>	<u>\$ 9,507,805</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, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 1,593,484	\$ 1,746,306
Other	9,016	4,985
Total Operating Revenues	<u>1,602,500</u>	<u>1,751,291</u>
<b>OPERATING EXPENSES</b>		
Personal Services and Employee Benefits	405,517	421,615
Purchased/Contracted Services	159,347	181,477
Supplies	261,443	235,290
Depreciation	363,244	351,942
Other	2,250	3,007
Total Operating Expenses	<u>1,191,801</u>	<u>1,193,331</u>
Operating Income (Loss)	<u>410,699</u>	<u>557,960</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Revenue	6,179	5,647
Interest	(223,886)	(230,207)
Total Nonoperating Revenues (Expenses)	<u>(217,707)</u>	<u>(224,560)</u>
Income (Loss) Before Contributions and Transfers	<u>192,992</u>	<u>333,400</u>
Capital Contributions	475,736	25,988
Transfers In		
CDBG WinFab Capital Projects Fund	18,275	--
Transfers Out		
CDBG WinFab Capital Projects Fund	--	(100)
Changes in Net Position	<u>687,003</u>	<u>359,288</u>
Net Position - Beginning	9,507,805	9,148,517
Net Position - Ending	<u>\$ 10,194,808</u>	<u>\$ 9,507,805</u>

**CITY OF NASHVILLE, GEORGIA**  
**Water & Sewer Enterprise Fund**  
**Statement of Cash Flows**  
**For the Years Ended July 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers and Users	\$ 1,594,117	\$ 1,706,732
Payments to Suppliers	(401,007)	(447,369)
Payments to Employees	(402,986)	(389,705)
Net Cash Provided (Used) By Operating Activities	<u>790,124</u>	<u>869,658</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers to Other Funds	18,275	(100)
Loans from Other Funds	20,552	(54,102)
Loans to Other Funds	--	2
Net Cash Provided (Used) By Noncapital Financing Activities	<u>38,827</u>	<u>(54,200)</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>		
Proceeds from Capital Debt	331,555	486,740
Acquisition and Construction of Capital Assets	(381,766)	(566,316)
Principal Paid on Capital Debt	(310,857)	(300,469)
Interest Paid on Capital Debt	(226,118)	(232,345)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(587,186)</u>	<u>(612,390)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and Dividends Received	5,967	5,647
Net Cash Provided (Used) By Investing Activities	<u>5,967</u>	<u>5,647</u>
Net Increase (Decrease) in Cash and Cash Equivalents	247,732	208,715
Cash and Cash Equivalents - Beginning of Year	4,170,181	3,961,466
Cash and Cash Equivalents - End of Year	<u>\$ 4,417,913</u>	<u>\$ 4,170,181</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 410,699	\$ 557,960
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	363,244	351,942
(Increase) Decrease in Accounts Receivable	(63,456)	(10,185)
Increase (Decrease) in Allowances for Uncollectible Accounts	38,783	(16,624)
(Increase) Decrease in Prepaid Items	(5,026)	(691)
(Increase) Decrease in Deferred Outflows of Resources	(16,172)	3,416
Increase (Decrease) in Accounts Payable	24,926	(26,904)
Increase (Decrease) in Accrued Liabilities	1,425	627
Increase (Decrease) in Compensated Absences Payable	2,683	(3,693)
Increase (Decrease) in Other Current Liabilities	2,133	--
Increase (Decrease) in Customer Deposits	16,290	(17,750)
Increase (Decrease) in Net Pension Liability	(5,356)	15,964
Increase (Decrease) in Deferred Inflows of Resources	19,951	15,596
Net Cash Provided (Used) By Operating Activities	<u>\$ 790,124</u>	<u>\$ 869,658</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>		
Contributions of Capital Assets from Governmental Funds	\$ 475,735	\$ 25,988
Purchase of Capital Assets on Account	43,273	77,834

**CITY OF NASHVILLE, GEORGIA**  
**Natural Gas Enterprise Fund**  
**Statement of Net Position**  
**July 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 1,419,616	\$ 1,405,580
Receivables (Net of Allowance for Uncollectibles)		
Interest	2,177	1,187
Accounts	65,237	61,939
Prepaid Items	8,490	2,453
Restricted Assets		
Cash and Cash Equivalents	379,989	379,989
Total Current Assets	<u>1,875,509</u>	<u>1,851,148</u>
Noncurrent Assets		
Capital Assets Not Being Depreciated		
Land	6,000	6,000
Capital Assets Net of Accumulated Depreciation		
Buildings and System	2,130,089	2,130,089
Machinery and Equipment	131,885	131,885
Accumulated Depreciation	<u>(735,786)</u>	<u>(683,991)</u>
Total Capital Assets Net of Accumulated Depreciation	<u>1,532,188</u>	<u>1,583,983</u>
Total Noncurrent Assets	<u>1,532,188</u>	<u>1,583,983</u>
Total Assets	<u>3,407,697</u>	<u>3,435,131</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension	27,468	16,921
Total Deferred Outflows of Resources	<u>27,468</u>	<u>16,921</u>



**CITY OF NASHVILLE, GEORGIA**  
**Natural Gas Enterprise Fund**  
**Statement of Net Position**  
**July 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	56,342	50,149
Accrued Liabilities	2,851	1,865
Due to Other Funds		
General Fund	24,016	11,263
Customer Deposits	53,686	48,736
Loans Payable - Current	51,752	51,752
Capital Leases Payable - Current	44,558	43,344
Other Current Liabilities	1,216	1,460
Total Current Liabilities	<u>234,421</u>	<u>208,569</u>
Noncurrent Liabilities		
Compensated Absences	15,309	14,627
Net Pension Liability	84,753	88,246
Loans Payable	388,144	444,209
Capital Leases	--	44,558
Total Noncurrent Liabilities	<u>488,206</u>	<u>591,640</u>
Total Liabilities	<u>722,627</u>	<u>800,209</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension		
Total Deferred Inflows of Resources	<u>28,545</u>	<u>15,533</u>
	<u>28,545</u>	<u>15,533</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets		
Unrestricted	1,047,734	1,000,120
Total Net Position	<u>1,636,259</u>	<u>1,636,190</u>
	<u>\$ 2,683,993</u>	<u>\$ 2,636,310</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, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 1,210,477	\$ 901,515
Other	152	2,810
Total Operating Revenues	<u>1,210,629</u>	<u>904,325</u>
<b>OPERATING EXPENSES</b>		
Personal Services and Employee Benefits	283,350	294,075
Purchased/Contracted Services	136,560	142,097
Supplies	701,493	513,838
Depreciation	51,795	52,738
Other	53	5,146
Total Operating Expenses	<u>1,173,251</u>	<u>1,007,894</u>
Operating Income (Loss)	<u>37,378</u>	<u>(103,569)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Intergovernmental	--	113,735
Interest Revenue	12,645	8,416
Interest	(2,038)	(12,845)
Debt Issuance Costs	(302)	(12,419)
Total Nonoperating Revenues (Expenses)	<u>10,305</u>	<u>96,887</u>
Income (Loss) Before Contributions and Transfers	<u>47,683</u>	<u>(6,682)</u>
Capital Contributions	--	45,195
Changes in Net Position	<u>47,683</u>	<u>38,513</u>
Net Position - Beginning	2,636,310	2,597,797
Net Position - Ending	<u>\$ 2,683,993</u>	<u>\$ 2,636,310</u>

**CITY OF NASHVILLE, GEORGIA**  
**Natural Gas Enterprise Fund**  
**Statement of Cash Flows**  
**For the Years Ended July 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers and Users	\$ 1,207,332	\$ 873,251
Payments to Suppliers	(833,244)	(640,749)
Payments to Employees	(282,710)	(285,399)
Net Cash Provided (Used) By Operating Activities	<u>91,378</u>	<u>(52,897)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Loans from Other Funds	12,753	(4,347)
Net Cash Provided (Used) By Noncapital Financing Activities	<u>12,753</u>	<u>(4,347)</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>		
Proceeds from Capital Debt	--	495,961
Principal Paid on Capital Debt	(99,409)	(442,664)
Interest Paid on Capital Debt	(2,038)	(22,117)
Debt Issue Cost Paid	(303)	(12,419)
Capital Grants	--	113,735
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(101,750)</u>	<u>132,496</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and Dividends Received	11,655	8,339
Net Cash Provided (Used) By Investing Activities	<u>11,655</u>	<u>8,339</u>
Net Increase (Decrease) in Cash and Cash Equivalents	14,036	83,591
Cash and Cash Equivalents - Beginning of Year	1,785,569	1,701,978
Cash and Cash Equivalents - End of Year	<u>\$ 1,799,605</u>	<u>\$ 1,785,569</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 37,378	\$ (103,569)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	51,795	52,738
(Increase) Decrease in Accounts Receivable	(16,875)	(37,216)
Increase (Decrease) in Allowances for Uncollectible Accounts	13,577	10,807
(Increase) Decrease in Prepaid Items	(6,037)	(1,287)
(Increase) Decrease in Deferred Outflows of Resources	(10,547)	6,253
Increase (Decrease) in Accounts Payable	6,193	21,566
Increase (Decrease) in Accrued Liabilities	986	940
Increase (Decrease) in Compensated Absences Payable	683	(1,609)
Increase (Decrease) in Other Current Liabilities	(244)	53
Increase (Decrease) in Customer Deposits	4,950	(4,665)
Increase (Decrease) in Net Pension Liability	(3,493)	(5,952)
Increase (Decrease) in Deferred Inflows of Resources	13,012	9,044
Net Cash Provided (Used) By Operating Activities	<u>\$ 91,378</u>	<u>\$ (52,897)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>		
Contributions of Capital Assets from Governmental Funds	\$ --	\$ 45,195

## **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, 2018**

		<b>Agency Funds</b>		
		<b>Special</b>	<b>Voluntary</b>	
		<b>Account</b>	<b>Fire Dept</b>	<b>Total</b>
<b>ASSETS</b>				
Cash		\$ 3,594	\$ 10,149	\$ 13,743
	Total Assets	<u>\$ 3,594</u>	<u>\$ 10,149</u>	<u>\$ 13,743</u>
<b>LIABILITIES</b>				
Due to Others		\$ 3,594	\$ 10,149	\$ 13,743
	Total Liabilities	<u>\$ 3,594</u>	<u>\$ 10,149</u>	<u>\$ 13,743</u>

## **SUPPLEMENTAL SCHEDULES**

**CITY OF NASHVILLE, GEORGIA**  
**General Fund**  
**Schedule of Revenues**  
**For the Years Ended July 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>REVENUES</b>		
Taxes		
Real Property	\$ 696,884	\$ 658,480
Personal Property	102,344	89,526
Real Estate Transfer (Intangible)	1,984	2,711
Franchise	293,822	303,902
General Sales and Use	276,059	265,898
Selective Sales and Use	134,038	142,579
Business		
Insurance Premium	328,251	308,263
Penalties and Interest on Delinquent Taxes	5,516	6,793
	<u>1,838,898</u>	<u>1,778,152</u>
Licenses and Permits		
Business	97,905	96,902
Non-Business	120	200
Regulatory	8,390	16,350
	<u>106,415</u>	<u>113,452</u>
Intergovernmental	<u>87,422</u>	<u>86,245</u>
Charges for Services		
General Government	220	--
Public Safety	29,341	25,424
Public Works	686,430	680,735
Other Charges for Services	14,885	15,530
	<u>730,876</u>	<u>721,689</u>
Fines and Forfeitures	<u>203,441</u>	<u>218,340</u>
Interest Revenue	<u>6,741</u>	<u>6,736</u>
Contributions and Donations	<u>10,399</u>	<u>16,268</u>
Miscellaneous	<u>252,585</u>	<u>244,006</u>
Total Revenues	<u><u>\$ 3,236,777</u></u>	<u><u>\$ 3,184,888</u></u>

**CITY OF NASHVILLE, GEORGIA**  
**General Fund**  
**Schedule of Expenditures**  
**For the Years Ended July 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>EXPENDITURES</b>		
Current		
General Government		
Clerks Office		
Personal Services and Employee Benefits	\$ 277,614	\$ 271,574
Purchased/Contracted Services	264,921	259,101
Supplies	30,864	32,462
Capital Outlay	--	22,590
Other Costs	21,946	42,519
Total Clerks Office	<u>595,345</u>	<u>628,246</u>
Total General Government	<u>595,345</u>	<u>628,246</u>
Judicial		
Municipal Court		
Purchased/Contracted Services	28,787	26,964
Supplies	275	460
Total Municipal Court	<u>29,062</u>	<u>27,424</u>
Total Judicial	<u>29,062</u>	<u>27,424</u>
Public Safety		
Police		
Personal Services and Employee Benefits	845,521	793,887
Purchased/Contracted Services	139,015	117,641
Supplies	70,484	63,302
Capital Outlay	172,392	17,466
Other Costs	45,594	47,329
Total Police	<u>1,273,006</u>	<u>1,039,625</u>
Fire and Emergency		
Personal Services and Employee Benefits	65,731	60,952
Purchased/Contracted Services	46,172	51,278
Supplies	8,169	8,497
Capital Outlay	246,991	--
Other Costs	163	122
Total Fire and Emergency	<u>367,226</u>	<u>120,849</u>
Animal Control		
Personal Services and Employee Benefits	44,110	42,232
Purchased/Contracted Services	18,486	14,883
Supplies	3,061	3,378
Total Animal Control	<u>65,657</u>	<u>60,493</u>
Total Public Safety	<u>1,705,889</u>	<u>1,220,967</u>



**CITY OF NASHVILLE, GEORGIA**  
**General Fund**  
**Schedule of Expenditures**  
**For the Years Ended July 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
Public Works		
Highways and Streets		
Personal Services and Employee Benefits	111,628	103,035
Purchased/Contracted Services	38,242	41,889
Supplies	146,781	142,251
Capital Outlay	180,307	221,997
Other Costs	--	29
Total Highways and Streets	<u>476,958</u>	<u>509,201</u>
Sanitation		
Personal Services and Employee Benefits	39,800	38,420
Purchased/Contracted Services	462,876	489,061
Supplies	1,634	1,518
Other Costs	(1)	133
Total Sanitation	<u>504,309</u>	<u>529,132</u>
City Shop		
Purchased/Contracted Services	518	173
Supplies	--	262
Total City Shop	<u>518</u>	<u>435</u>
Work Control		
Purchased/Contracted Services	1,548	2,011
Supplies	353	341
Total Work Control	<u>1,901</u>	<u>2,352</u>
Total Public Works	<u>983,686</u>	<u>1,041,120</u>
Culture and Recreation		
Recreation		
Personal Services and Employee Benefits	68,576	68,280
Purchased/Contracted Services	8,222	5,411
Supplies	34,292	23,740
Capital Outlay	12,767	34,381
Other Costs	7,985	8,388
Total Recreation	<u>131,842</u>	<u>140,200</u>
Total Culture and Recreation	<u>131,842</u>	<u>140,200</u>
Housing and Development		
Code Enforcer		
Personal Services and Employee Benefits	29,096	28,249
Purchased/Contracted Services	2,412	3,171
Supplies	4,424	3,416
Other Costs	53	20
Total Code Enforcer	<u>35,985</u>	<u>34,856</u>

**CITY OF NASHVILLE, GEORGIA**  
**General Fund**  
**Schedule of Expenditures**  
**For the Years Ended July 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
Economic Development		
Personal Services and Employee Benefits	59,103	57,934
Purchased/Contracted Services	12,761	18,500
Supplies	8,620	7,906
Other Costs	10,861	14,695
Total Economic Development	<u>91,345</u>	<u>99,035</u>
Farmers Market		
Personal Services and Employee Benefits	12,170	12,918
Purchased/Contracted Services	5,060	6,825
Supplies	9,308	9,988
Other Costs	43,606	47,382
Total Farmers Market	<u>70,144</u>	<u>77,113</u>
Total Housing and Development	<u>197,474</u>	<u>211,004</u>
Debt Service	<u>134,692</u>	<u>113,311</u>
Total Expenditures	<u>\$ 3,777,990</u>	<u>\$ 3,382,272</u>

**CITY OF NASHVILLE, GEORGIA**  
**Water & Sewer Enterprise Fund**  
**Schedule of Water & Sewer Bonds - Series 1992-Farmers Home Administration**  
**July 31, 2018**

<u>Year Ending</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Annual Debt Service</u>
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>\$ 1,385,960</u>		<u>\$ 574,302</u>	<u>\$ 1,960,262</u>

**CITY OF NASHVILLE, GEORGIA**  
**Schedule of Hotel/Motel Taxes Expended**  
**For the Year Ended July 31, 2018**

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Total Expenditures	
Tourism, Promotions, Conventions, Trade Shows, and Facility Support	\$ 18,863
	<u>18,863</u>
Taxes Collected	
Tax Collections @ 3%	6,091
Tax Collections Greater Than 3%	4,061
	<u>10,152</u>
Percentage of Current Year Taxes Expended	<u>186%</u>

**CITY OF NASHVILLE, GEORGIA**  
**Schedule of Projects Constructed with Special Sales Tax Proceeds**  
**For the Year Ended July 31, 2018**

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
SPLOST 1/1/2012 - 12/31/2017	\$ 1,915,661	\$ 1,915,661				73%
Roads, Streets & Bridges			\$ 333,117	\$ 28,559	\$ 361,676	
Street & Sanitation Projects, Improvements & Equipment			13,446	5,976	19,422	
Water & Sewer Extensions, Projects, Improvements & Equipment			238,695	29,382	268,077	
Gas System Improvements & Equipment			107,172	--	107,172	
Recreation Facilities & Equipment			49,273	4,796	54,069	
City Hall Administration & Storage Facilities Expansion, Improvements & Equipment			11,558	--	11,558	
Community Center Equipment & Improvements			--	--	--	
Law Enforcement Facilities Improvements & Equipment			490,095	21,485	511,580	
Fire Fighting Facilities Improvements & Equipment			30,161	--	30,161	
Animal Control Facility Improvements & Equipment			18,232	--	18,232	
Economic Development Projects			10,827	--	10,827	
	<u>\$ 1,915,661</u>	<u>\$ 1,915,661</u>	<u>\$ 1,302,576</u>	<u>\$ 90,198</u>	<u>\$ 1,392,774</u>	
1% SPLOST #4 Capital Projects Fund						
Total Expenditures				<u>\$ 90,198</u>	<u>\$ 90,198</u>	

**CITY OF NASHVILLE, GEORGIA**  
**Schedule of Projects Constructed with Special Sales Tax Proceeds**  
**For the Year Ended July 31, 2018**

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
SPLOST 1/1/2018 - 12/31/2023	\$ 1,635,856	\$ 1,635,856				0%
Roads, Streets & Bridges			\$ --	\$ --	\$ --	
Street & Sanitation Projects, Improvements & Equipment			--	--	--	
Water & Sewer Extensions, Projects, Improvements & Equipment			--	--	--	
Gas System Improvements & Equipment			--	--	--	
Recreation Facilities & Equipment			--	--	--	
City Hall Administration & Storage Facilities Expansion, Improvements & Equipment			--	--	--	
Community Center Equipment & Improvements			--	--	--	
Law Enforcement Facilities Improvements & Equipment			--	--	--	
Fire Fighting Facilities Improvements & Equipment			--	--	--	
Animal Control Facility Improvements & Equipment			--	--	--	
Economic Development Projects			--	--	--	
	<u>\$ 1,635,856</u>	<u>\$ 1,635,856</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	
1% SPLOST #5 Capital Projects Fund						
Total Expenditures				<u>\$ --</u>	<u>\$ --</u>	

**CITY OF NASHVILLE, GEORGIA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended July 31, 2018**

Federal Grantor/Pass-Through Grantor/Program Or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing & Urban Development			
Pass-through Program From			
Georgia Department of Community Affairs			
Community Development Block Grant	14.228	15q-z-010-2-5812	\$ 266,633
Community Development Block Grant	14.228	16q-x-010-2-5871	335,849
Total U.S. Department of Housing & Urban Development			602,482
U.S. Department of Transportation			
Pass-through Program From			
Georgia Department of Transportation			
Transportation Enhancement Grant	20.205	CSTEE-0010-936	89,958
Total U.S. Department of Transportation			89,958
U.S. Environmental Protection Agency			
Loan from Georgia Environmental Finance Authority			
Drinking Water State Revolving Fund	66-468	DWSRF-16-010	331,555
			331,555
Total Expenditures of Federal Awards			\$ 1,023,995

Notes to Schedule

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. City of Nashville, Georgia has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance. The balance of GEFA loans (Federal portion) outstanding at July 31, 2018 was \$331,555.

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH 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, 2018, and the related notes to the financial statements, which collectively comprise City of Nashville, Georgia's basic financial statements, and have issued our report thereon dated July 31, 2019.

### 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 and therefore, material weakness or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2018-1, 2018-2, and 2018-3 that we consider to be material weaknesses.

### 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing*



*Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2018-004 and 2018-005.

### **City of Nashville, Georgia's Response to Findings**

City of Nashville, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Nashville, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*MEEKS CPA, LLP*

Ocilla, Georgia  
July 31, 2019

# MEEKS CPA, LLP

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY 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, 2018. 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, 2018.

### Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the

accompanying schedule of findings and questioned costs as items 2018-006 through 2018-009. Our opinion on each major federal program is not modified with respect to these matters.

City of Nashville, Georgia's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Nashville, Georgia's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2018-006 through 2018-009 that we consider to be significant deficiencies.

City of Nashville, Georgia's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Nashville, Georgia's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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  
July 31, 2019

**CITY OF NASHVILLE, GEORGIA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended July 31, 2018**

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**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?  yes  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grant

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

Auditee qualified as low-risk auditee?  yes  no

**Section II - Financial Statement Findings**

**2018-001 Condition:**

Bank account reconciliations should be performed in a timely and accurate manner to ensure that all cash transactions are properly and timely recorded in the general ledger and to protect from misappropriation. We noted bank account reconciliations were not performed properly and significant variances were not adequately documented and resolved. As a result, cash was misstated which required significant adjustments to correct the balance reported in the account.

**Recommendation:**

Bank account reconciliations should be performed accurately and timely. Unusual items and exceptions in analyses and reconciliations should be adequately documented, resolved, and reviewed by management on a timely basis. Cash controls should be strengthened to protect from misappropriation and include, as appropriate, adequate segregation of duties among those who: review, authorize, or sign checks; prepare checks; prepare deposits; deposit cash receipts; post entries to the general ledger; and reconcile the bank accounts.

**Views of Responsible Officials and Planned Corrective Action:**

The City will review its controls and procedures over processing of transactions and implement changes sufficient to reduce the number of unaccounted-for variances between activity in the bank accounts and the general ledger control accounts. City personnel performing the reconciliations will identify all variances necessary to properly reconcile the bank accounts and adequately describe these variances on the face of the bank account reconciliation or in supporting documentation. All unaccounted-for items and exceptions will be researched and resolved within a reasonable period of time.

**2018-002 Condition:**

Internal controls should be in place to ensure that all cash transactions are properly and timely recorded in the general ledger. We noted a significant number of cash receipts related to Water & Sewer and Natural Gas funds accounts receivable that were not properly recorded in the general ledger. Cash and accounts receivable were misstated resulting in significant adjustments to correct the balances reported in the accounts.

**Recommendation:**

Cash receipts should be reconciled to the general ledger postings on a daily basis. Controls should be implemented to ensure all subsidiary ledger transactions are identified, captured, and recorded in the general ledger. Controls over cash receipts should be strengthened to reduce the risk of misappropriation of assets and misstatement of amounts in the financial statements.

**Views of Responsible Officials and Planned Corrective Action:**

The City has consulted with its software provider to review the processing procedures necessary to capture all cash receipt transactions for posting to the general ledger. City personnel will identify all subsidiary ledger cash receipts to be posted to the general ledger and compare the data to the postings to the general ledger control accounts on a daily basis. City personnel will reconcile the activity and follow up on reconciling items to ensure all cash receipts are posted to the general ledger.

**CITY OF NASHVILLE, GEORGIA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended July 31, 2018**

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**2018-003 Condition:**

Internal controls should be in place to ensure that all enterprise fund billings for utility sales are properly and timely recorded in the general ledger on the accrual basis of accounting. Large customer natural gas sales were recorded on the cash basis directly in the general ledger. For the City's other customers that were accounted for on the accrual basis, we noted a variance between the accounts receivable subsidiary ledger and the balances in the general ledger control accounts. Accounts receivable and revenue were misstated resulting in significant adjustments to correct the balances reported in the accounts.

**Recommendation:**

All utility accounts receivable should be maintained in a subsidiary ledger and recorded on the accrual basis. Summary totals of billings should be compared to the postings to the general ledger control accounts and the accounts receivable subsidiary ledger should be reconciled to the general ledger on a regular basis. Identified variances and discrepancies should be investigated and resolved on a timely basis. Controls over processing and managing billings of utility sales should be strengthened to reduce the risk of misappropriation of assets and misstatement of amounts in the financial statements.

**Views of Responsible Officials and Planned Corrective Action:**

The City will implement the full accrual basis of accounting for all enterprise fund utility revenue and take measures to ensure City personnel are trained to integrate large customer natural gas sales and receivables into the existing utility billing accounting software system. City personnel will reconcile the activity of the accounts receivable subsidiary ledger to the general ledger on a regular basis and follow up on reconciling items to ensure all utility sales are posted to the general ledger.

**2018-004 Condition:**

The Official Code of Georgia Annotated section 48-8-1 requires special purpose local option sales tax (SPLOST) proceeds to be kept in a separate account from other funds of the City and shall not in any manner be commingled with other funds of the City. During the fiscal year ended July 31, 2018, proceeds from January 1, 2012 - December 31, 2017 SPLOST were not kept in a separate account from the January 1, 2018 - December 31, 2023 SPLOST.

**Recommendation:**

The City should establish and utilize separate bank accounts for each SPLOST authorized and prohibit commingling of SPLOST funds.

**Views of Responsible Officials and Planned Corrective Action:**

The City will keep the proceeds from each SPLOST authorized in accounts separate other City resources and will not commingle SPLOST funds prior to expenditure.

**2018-005 Condition:**

The Georgia Constitution, Article 9, Section 5, Paragraph 5 requires all temporary loans in each year to be payable on or before December 31 of the calendar year in which such loan is made. The City obtained two loans which were payable after December 31.

**Recommendation:**

The City should immediately repay the loans in full or restructure the agreements to be in compliance with Georgia law.

**Views of Responsible Officials and Planned Corrective Action:**

The City will repay the entire balance of each loan by December 31, 2019 or restructure the agreements to be in compliance with Georgia law.

CITY OF NASHVILLE, GEORGIA  
Schedule of Findings and Questioned Costs  
For the Year Ended July 31, 2018

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Section III - Federal Award Findings and Questioned Costs

2018-006    **CFDA Number:** 14.228  
**Title:** Community Development Block Grant  
**Agency:** U.S. Department of Housing & Urban Development  
**Federal Award Number(s) and Year(s):** 15q-z-010-2-5812  
16q-x-010-2-5871  
**Category of Finding:** Cash Management

**Criteria:**

2 CFR section 200.302(b)(6) states:

“(b)The financial management system of each non-Federal entity must provide for the following:

[...]

(6) Written procedures to implement the requirements of 200.305 *Payment*.

[...]”

**Condition and Context:**

During our review, we noted that the City did not have written procedures to implement the requirements of 2 CFR section 200.305 *Payment* during fiscal year 2018.

**Cause:**

The City was aware that this grant was subject to the requirements of the Uniform Guidance and has made efforts to develop procedures but they were not completed, and thus were not implemented during fiscal year 2018.

**Effect:**

Failure to have written procedures to ensure the compliance with the 2 CFR section 200.305 *Payment* may result in noncompliance with Uniform Guidance requirements.

**Questioned Costs:**

There are no questioned costs.

**Recommendation:**

We recommend that the City identify grants that are subject to Uniform Guidance on a timely basis to ensure all compliance requirements are met and develop written procedures where required.

**Views of Responsible Officials and Planned Corrective Action:**

The City has identified federal grants subject to the Uniform Guidance and will develop written procedures to implement the requirements of 2 CFR section 200.305 *Payment*.

**CITY OF NASHVILLE, GEORGIA  
Schedule of Findings and Questioned Costs  
For the Year Ended July 31, 2018**

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**2018-007**    **CFDA Number:** 14.228  
**Title:** Community Development Block Grant  
**Agency:** U.S. Department of Housing & Urban Development  
**Federal Award Number(s) and Year(s):** 15q-z-010-2-5812  
16q-x-010-2-5871  
**Category of Finding:** Allowable Costs and Costs Principles

**Criteria:**

2 CFR section 200.302(b)(7) states:

"(b) The financial management system of each non-Federal entity must provide for the following:

[...]

(7) Written procedures for determining the allowability of costs in accordance with Subpart E – Cost Principles of this part and the terms and conditions of the Federal award.

**Condition and Context:**

During our review of compliance with the uniform guidance requirements, we noted that the City did not have written procedures for determining the allowability of costs and the terms and conditions of the Federal award in fiscal year 2018.

**Cause:**

The City was aware that this grant was subject to the requirements of the Uniform Guidance and has made efforts to develop procedures but they were not completed, and thus were not implemented during fiscal year 2018.

**Effect:**

Failure to have written procedures for determining allowability of costs and the terms and conditions of the Federal award may result in noncompliance with Uniform Guidance requirements.

**Questioned Costs:**

There are no questioned costs.

**Recommendation:**

We recommend that the City identify grants that are subject to Uniform Guidance on a timely basis to ensure all compliance requirements are met and develop written procedures where required.

**Views of Responsible Officials and Planned Corrective Action:**

The City has identified federal grants subject to the Uniform Guidance and will develop written procedures for determining the allowability of costs in accordance with 2 CFR 200, Subpart E—Cost Principles and the terms and conditions of the Federal award.





**CITY OF NASHVILLE, GEORGIA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended July 31, 2018**

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**2018-009**    **CFDA Number:** 14.228  
**Title:** Community Development Block Grant  
**Agency:** U.S. Department of Housing & Urban Development  
**Federal Award Number(s) and Year(s):** 15q-z-010-2-5812  
16q-x-010-2-5871  
**Category of Finding:** Procurement

**Criteria:**

2 CFR section 200.319(c) states:

"(c) The non-Federal entity must have written procedures for procurement transactions. [...]"

**Condition and Context:**

During our review of compliance with the uniform guidance requirements, we noted that the City's written procedures did not include each relevant provision required by §§ 200.318 General procurement standards through 200.326 Contract provisions.

**Cause:**

The City was aware that this grant was subject to the requirements of the Uniform Guidance and has made efforts to develop procedures but they were not completed, and thus were not implemented during fiscal year 2018.

**Effect:**

Failure to have adequate written procedures for procurement transactions may result in noncompliance with Uniform Guidance requirements.

**Questioned Costs:**

There are no questioned costs.

**Recommendation:**

We recommend that the City identify grants that are subject to Uniform Guidance on a timely basis to ensure all compliance requirements are met and develop adequate written policies and procedures for procurement transactions.

**Views of Responsible Officials and Planned Corrective Action:**

The City has identified federal grants subject to the Uniform Guidance and will develop written policies and procedures which include the relevant provisions required by §§ 200.318 through 200.326 Contract provisions.

**CITY OF NASHVILLE, GEORGIA**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended July 31, 2018**

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Finding 2017-001: Cash Management

Condition: This finding was that the City did not have written procedures to implement the requirements of 2 CFR 200 concerning payment.

Recommendation: The auditors recommend that the City develop written procedures where required.

Current Status: The City has made efforts to develop procedures, but they are not completed.

Finding 2017-002: Allowable Costs and Costs Principles

Condition: This finding was that the City did not have written procedures for determining allowability of costs and the terms and conditions of the Federal award.

Recommendation: The auditors recommended that the City develop written procedures where required.

Current Status: The City has made efforts to develop procedures, but they are not completed.

Finding 2017-003: Procurement

Condition: This finding was that the City did not have written standards of conduct covering conflicts of interest and governing the actions of employees engaged in the selection, award, and administration of contracts.

Recommendation: The auditors recommend that the City develop written procedures where required.

Current Status: The City has made efforts to develop procedures, but they are not completed.

Finding 2017-004: Procurement

Condition: This finding was that the City did not have written procedures required by the Uniform Guidance for procurement standards.

Recommendation: The auditors recommend that the City develop written procedures where required.

Current Status: The City has made efforts to develop procedures, but they are not completed.