CITY OF NASHVILLE, GEORGIA
Annual Financial Report
For The Fiscal Year Ended
July 31, 2012

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For The Fiscal Year Ended July 31, 2012

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May 08, 2013

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Nashville, Georgia

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, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Nashville, Georgia's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2012, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

City of Nashville, Georgia, has not presented the Management's Discussion and Analysis that accounting principles, generally accepted in the United States of America, has determined is necessary to supplement, although not required to be part of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 08, 2013, 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, 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* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Nashville, Georgia's basic financial statements as a whole. The Required Supplementary Information is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The Combining and Individual Fund Schedules, and Supplemental Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Required Supplementary Information, Combining and Individual Fund Schedules, and Supplemental Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

MEEKS CPA, LLP

MEEKS CPA, LLP

CERTIFIED PUBLIC ACCOUNTANTS

BASIC FINANCIAL STATEMENTS

CITY OF NASHVILLE, GEORGIA
Statement Of Net Assets
July 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Primary Government	Downtown Development Authority
ASSETS				
Cash & Cash Equivalents	$ 2,100,980	$ 3,588,959	$ 5,689,939	$ 188
Receivables (Net Of Allowance For Uncollectibles)	256,023	169,470	425,493	--
Prepaid Items	10,933	4,300	15,233	--
Restricted Assets				
Cash & Cash Equivalents	--	812,448	812,448	--
Capital Assets Not Being Depreciated	770,653	6,545,042	7,315,695	--
Capital Assets Net Of Accumulated Depreciation	2,839,783	4,170,376	7,010,159	80,709
Total Assets	5,978,372	15,290,595	21,268,967	80,897
LIABILITIES				
Cash Overdraft	--	--	--	736
Accounts Payable	172,081	41,148	213,229	--
Accrued Wages, Withholdings & Benefits	22,237	7,439	29,676	112
Other Current Liabilities	--	1,899	1,899	--
Internal Balances	137,393	(137,393)	--	--
Customer Deposits	50	167,723	167,773	--
Accrued Interest Payable	--	42,068	42,068	--
Noncurrent Liabilities				
Due Within One Year	17,611	290,332	307,943	--
Due In More Than One Year	305,105	7,167,197	7,472,302	--
Total Liabilities	654,477	7,580,413	8,234,890	848
NET ASSETS				
Invested In Capital Assets, Net Of Related Debt	3,356,389	3,291,115	6,647,504	80,709
Restricted				
Capital Outlay	356,581	--	356,581	--
Economic Development	3,445	--	3,445	--
Unrestricted	1,607,480	4,419,067	6,026,547	(660)
Total Net Assets	$ 5,323,895	$ 7,710,182	$ 13,034,077	$ 80,049

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, 2012

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES: Charges For Services	PROGRAM REVENUES: Operating Grants & Contributions	PROGRAM REVENUES: Capital Grants & Contributions	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Downtown Development Authority
Primary Government								
Governmental Activities								
General Government	$ 556,502	$ 102,615	$ 17,444	$ --	$ (436,443)	$ --	$ (436,443)	
Judicial	25,099	161,393	--	--	136,294	--	136,294	
Public Safety	1,201,323	14,232	--	9,609	(1,177,482)	--	(1,177,482)	
Public Works	994,881	633,758	--	574,120	212,997	--	212,997	
Culture & Recreation	55,805	--	--	21,621	(34,184)	--	(34,184)	
Housing & Development	118,938	--	--	--	(118,938)	--	(118,938)	
Interest On Long-Term Debt	3,975	--	--	--	(3,975)	--	(3,975)	
Total Governmental Activities	2,956,523	911,998	17,444	605,350	(1,421,731)	--	(1,421,731)	
Business-Type Activities								
Water & Sewer	1,030,978	1,562,006	--	--	--	531,028	531,028	
Natural Gas	796,316	955,154	--	--	--	158,838	158,838	
Total Business-Type Activities	1,827,294	2,517,160	--	--	--	689,866	689,866	
Total Primary Government	$ 4,783,817	$ 3,429,158	$ 17,444	$ 605,350	(1,421,731)	689,866	(731,865)	
Component Units								
Downtown Development Authority	$ 65,112	$ 42,454	$ --	$ --				$ (22,658)
Total Component Units	$ 65,112	$ 42,454	$ --	$ --				(22,658)
General Revenues								
Taxes								
Real Property					616,922	--	616,922	--
Personal Property					62,349	--	62,349	--
Real Estate Transfer (Intangible)					6,655	--	6,655	--
Franchise					326,255	--	326,255	--
General Sales & Use					500,156	--	500,156	--
Selective Sales & Use					143,407	--	143,407	--
Business					231,660	--	231,660	--
Penalties & Interest On Delinquent Taxes					4,216	--	4,216	--
Federal Government Payments In Lieu Of Taxes					11,044	--	11,044	--
Investment Income					14,118	32,405	46,523	--
Miscellaneous					54,361	--	54,361	8,928
Transfers					(63,342)	63,342	--	--
Total General Revenues & Transfers					1,907,801	95,747	2,003,548	8,928
Change In Net Assets					486,070	785,613	1,271,683	(13,730)
Net Assets - Beginning					4,837,825	6,924,569	11,762,394	93,779
Net Assets - Ending					$ 5,323,895	$ 7,710,182	$ 13,034,077	$ 80,049

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

CITY OF NASHVILLE, GEORGIA
Balance Sheet
Governmental Funds
July 31, 2012

	General	1% SPLOST #3	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash & Cash Equivalents	$ 1,783,732	$ 314,035	$ 3,213	$ 2,100,980
Receivables (Net Of Allowance For Uncollectibles)	137,266	--	118,757	256,023
Due From Other Funds	1	--	33,464	33,465
Total Assets	$ 1,920,999	$ 314,035	$ 155,434	$ 2,390,468
LIABILITIES & FUND EQUITY				
Liabilities				
Accounts Payable	$ 96,155	$ 8,754	$ 67,172	$ 172,081
Accrued Wages, Withholdings & Benefits	22,237	--	--	22,237
Due To Other Funds	137,392	33,464	2	170,858
Customer Deposits	50	--	--	50
Deferred Revenue	19,425	--	--	19,425
Total Liabilities	275,259	42,218	67,174	384,651
Fund Balances				
Restricted	--	271,817	88,209	360,026
Assigned	--	--	51	51
Unassigned	1,645,740	--	--	1,645,740
Total Fund Balances	1,645,740	271,817	88,260	2,005,817
Total Liabilities & Fund Balances	$ 1,920,999	$ 314,035	$ 155,434	
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				3,610,436
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				19,425
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as expenditures in the funds.				10,933
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:				
Notes Payable			(254,047)	
Compensated Absences			(68,669)	
Total long-term liabilities				(322,716)
Net Assets Of Governmental Activities				$ 5,323,895

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

CITY OF NASHVILLE, GEORGIA
Statement Of Revenues, Expenditures, & Changes In Fund Balances
Governmental Funds
For The Year Ended July 31, 2012

	General	1% SPLOST #3	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 1,884,233	$ --	$ 3,568	$ 1,887,801
Licenses & Permits	101,276	--	--	101,276
Intergovernmental	42,274	132,351	441,768	616,393
Charges For Services	649,329	--	--	649,329
Fines & Forfeitures	161,393	--	--	161,393
Investment Income	14,118	--	--	14,118
Contributions & Donations	17,445	--	--	17,445
Miscellaneous	54,361	--	--	54,361
Total Revenues	2,924,429	132,351	445,336	3,502,116
EXPENDITURES				
Current				
General Government	504,149	--	--	504,149
Judicial	25,099	--	--	25,099
Public Safety	1,119,313	--	--	1,119,313
Public Works	873,912	--	--	873,912
Culture & Recreation	37,622	--	--	37,622
Housing & Development	118,543	--	2,211	120,754
Capital Outlay	--	445,799	604,949	1,050,748
Debt Service	--	--	21,972	21,972
Total Expenditures	2,678,638	445,799	629,132	3,753,569
Excess (Deficiency) Of Revenues Over (Under) Expenditures	245,791	(313,448)	(183,796)	(251,453)
OTHER FINANCING SOURCES (USES)				
Transfers In	--	--	57,171	57,171
Transfers Out	(57,171)	--	--	(57,171)
Proceeds Of Capital Asset Dispositions	--	2,250	--	2,250
Proceeds Of General Long-Term Liabilities	--	--	212,751	212,751
Total Other Financing Sources (Uses)	(57,171)	2,250	269,922	215,001
Net Change In Fund Balances	188,620	(311,198)	86,126	(36,452)
Fund Balances - Beginning	1,457,120	583,015	2,134	2,042,269
Fund Balances - Ending	$ 1,645,740	$ 271,817	$ 88,260	$ 2,005,817

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

CITY OF NASHVILLE, GEORGIA
Reconciliation Of The Statement Of Revenues, Expenditures, & Changes In Fund Balances Of Governmental Funds To The Statement Of Activities For The Year Ended July 31, 2012

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*	$	(36,452)
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		971,259
Depreciation Expense		(177,711)
		793,548
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) increases (decreases) net assets.		
Cost Of Capital Assets Sold/Disposed		(7,000)
Accumulated Depreciation		4,317
Capital Assets Reassigned To Enterprise Funds		(63,342)
		(66,025)
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 assets.		
Taxes		3,819
		3,819
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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the *Statement Of Activities* .		
Debt Issued Or Incurred		
Issuance Of Notes Payable		(212,751)
Principal Repayments		
Capital Leases		7,138
Notes Payable		10,859
		(194,754)
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 assets.		
Compensated Absences		(13,231)
Prepaid Items		(835)
		(14,066)
Change in net assets of governmental activities reported in the *Statement Of Activities*	$	486,070

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

CITY OF NASHVILLE, GEORGIA
Statement Of Net Assets
Proprietary Funds
July 31, 2012

	Business-type Activities - Enterprise Funds		
	Water & Sewer	Natural Gas	Total Enterprise Funds
ASSETS			
Current Assets			
Cash & Cash Equivalents	$ 2,214,168	$ 1,374,791	$ 3,588,959
Receivables (Net Of Allowance For Uncollectibles)	132,367	37,103	169,470
Due From Other Funds	13,247	272,673	285,920
Prepaid Items	2,797	1,503	4,300
Restricted Assets			
Cash & Cash Equivalents	812,448	--	812,448
Total Current Assets	3,175,027	1,686,070	4,861,097
Noncurrent Assets			
Capital Assets Not Being Depreciated	6,539,042	6,000	6,545,042
Capital Assets Net Of Accumulated Depreciation	3,603,362	567,014	4,170,376
Total Noncurrent Assets	10,142,404	573,014	10,715,418
Total Assets	13,317,431	2,259,084	15,576,515
LIABILITIES			
Current Liabilities			
Accounts Payable	24,029	17,119	41,148
Accrued Wages, Withholdings & Benefits	4,727	2,712	7,439
Due To Other Funds	148,527	--	148,527
Customer Deposits	133,903	33,820	167,723
Accrued Interest Payable	42,068	--	42,068
Loans Payable - Current	199,816	--	199,816
Capital Leases Payable - Current	--	37,756	37,756
Revenue Bonds Payable (Net Of Unamortized Discount)	52,760	--	52,760
Other Current Liabilities	--	1,899	1,899
Total Current Liabilities	605,830	93,306	699,136
Noncurrent Liabilities			
Compensated Absences	20,669	12,557	33,226
Loans Payable	5,192,086	--	5,192,086
Capital Leases	--	249,795	249,795
Revenue Bonds Payable (Net Of Unamortized Discount)	1,692,090	--	1,692,090
Total Noncurrent Liabilities	6,904,845	262,352	7,167,197
Total Liabilities	7,510,675	355,658	7,866,333
NET ASSETS			
Invested In Capital Assets, Net Of Related Debt	3,005,652	285,463	3,291,115
Unrestricted	2,801,104	1,617,963	4,419,067
Total Net Assets	$ 5,806,756	$ 1,903,426	$ 7,710,182

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

CITY OF NASHVILLE, GEORGIA
Statement Of Revenues, Expenses, & Changes In Fund Net Assets
Proprietary Funds
For The Year Ended July 31, 2012

	Business-type Activities - Enterprise Funds		
	Water & Sewer	Natural Gas	Total Enterprise Funds
OPERATING REVENUES			
Charges For Services	$ 1,558,885	$ 954,053	$ 2,512,938
Other	3,121	1,101	4,222
Total Operating Revenues	1,562,006	955,154	2,517,160
OPERATING EXPENSES			
Personal Services & Employee Benefits	427,562	249,157	676,719
Purchased/Contracted Services	133,103	60,296	193,399
Supplies	201,125	455,721	656,846
Other	2,420	59	2,479
Depreciation	178,224	23,200	201,424
Total Operating Expenses	942,434	788,433	1,730,867
Operating Income (Loss)	619,572	166,721	786,293
NONOPERATING REVENUES (EXPENSES)			
Interest Revenue	17,900	14,505	32,405
Interest	(88,544)	(7,883)	(96,427)
Total Nonoperating Revenues (Expenses)	(70,644)	6,622	(64,022)
Income (Loss) Before Contributions & Transfers	548,928	173,343	722,271
Capital Contributions	63,342	--	63,342
Changes In Net Assets	612,270	173,343	785,613
Net Assets - Beginning	5,194,486	1,730,083	6,924,569
Net Assets - Ending	$ 5,806,756	$ 1,903,426	$ 7,710,182

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, 2012

	Business-type Activities - Enterprise Funds		
	Water & Sewer	Natural Gas	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts From Customers & Users	$ 1,549,766	$ 950,660	$ 2,500,426
Payments To Suppliers	(351,612)	(656,901)	(1,008,513)
Payments To Employees	(420,513)	(246,151)	(666,664)
Net Cash Provided (Used) By Operating Activities	777,641	47,608	825,249
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Loans From Other Funds	(70,592)	(25,646)	(96,238)
Loans To Other Funds	8,641	18,041	26,682
Net Cash Provided (Used) By Noncapital Financing Activities	(61,951)	(7,605)	(69,556)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Proceeds From Capital Debt	5,391,902	325,000	5,716,902
Acquisition & Construction Of Capital Assets	(5,554,738)	(186,015)	(5,740,753)
Principal Paid On Capital Debt	(50,250)	(37,449)	(87,699)
Interest Paid On Capital Debt	(89,755)	(7,883)	(97,638)
Net Cash Provided (Used) By Capital & Related Financing Activities	(302,841)	93,653	(209,188)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest & Dividends Received	20,444	16,061	36,505
Net Cash Provided (Used) By Investing Activities	20,444	16,061	36,505
Net Increase (Decrease) In Cash & Cash Equivalents	433,293	149,717	583,010
Cash & Cash Equivalents - Beginning Of Year	2,593,323	1,225,074	3,818,397
Cash & Cash Equivalents - End Of Year	$ 3,026,616	$ 1,374,791	$ 4,401,407
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ 619,572	$ 166,721	$ 786,293
Adjustments To Reconcile Operating Income To Net Cash Provided (Used) By Operating Activities			
Depreciation Expense	178,224	23,200	201,424
(Increase) Decrease In Accounts Receivable	12,402	2,025	14,427
Increase (Decrease) In Allowances For Uncollectible Accounts	(20,447)	(5,396)	(25,843)
(Increase) Decrease In Other Current Assets	--	1,580	1,580
(Increase) Decrease In Prepaid Items	188	(147)	41
Increase (Decrease) In Accounts Payable	(15,152)	(140,678)	(155,830)
Increase (Decrease) In Accrued Wages & Withholdings	2,424	1,084	3,508
Increase (Decrease) In Compensated Absences Payable	4,625	1,922	6,547
Increase (Decrease) In Other Current Liabilities	--	(358)	(358)
Increase (Decrease) In Customer Deposits	(4,195)	(2,345)	(6,540)
Net Cash Provided (Used) By Operating Activities	$ 777,641	$ 47,608	$ 825,249
NONCASH INVESTING, CAPITAL, & FINANCING ACTIVITIES			
Contributions Of Capital Assets From Governmental Funds	$ 63,342	$ --	$ 63,342

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Discretely Presented Component Units

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a

liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

The *1% SPLOST #3 Capital Projects Fund* accounts for the collection and disbursement of a six year special one-percent sales tax for the purpose of capital outlay projects.

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

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

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

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

D. Assets, Liabilities and Equity

1. Deposits and Investments

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

State statutes authorize the City to invest in obligations of the State of Georgia or other states, obligations issued by the U.S. Government, obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States, obligations of any corporation of the U.S. Government, prime bankers' acceptances, the local government investment pool, repurchase agreements, and obligations of other political subdivisions of Georgia.

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

2. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances from/to other funds" (i.e., the non-current portion of interfund loans). All other outstanding material balances between funds are reported as "due from/to other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

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

Property taxes were levied on September 26, 2011, payable December 22, 2011, and attached as an enforceable lien on property as of January 1, 2012.

3. Inventories and Prepaid Items

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

4. Restricted Assets

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

5. Capital Assets

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

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

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

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

6. Compensated Absences

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

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

8. Fund Balances and Net Assets

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is classified as follows:

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

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

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

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

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

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

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

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.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Custodial credit risk-deposits. This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has no formal policy for custodial credit risk. As of July 31, 2012, the City's entire bank balance was insured or collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

B. Receivables

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

	General	Nonmajor Governmental Funds	Water & Sewer	Natural Gas	Total
Receivables:					
Current					
Interest	$ 723	$ --	$ 3,248	$ 2,109	$ 6,080
Taxes	21,762	285	--	--	22,047
Accounts	105,946	--	247,035	66,110	419,091
Intergovernmental	48,583	118,472	--	--	167,055
Gross Receivables	177,014	118,757	250,283	68,219	614,273
Less: Allowance For Uncollectibles	(39,748)	--	(117,916)	(31,116)	(188,780)
	$ 137,266	$ 118,757	$ 132,367	$ 37,103	$ 425,493

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable
Property Taxes (General Fund)	$ 19,425
	$ 19,425

C. Capital Assets

Capital asset activity for the year ended July 31, 2012, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 321,137	$ --	$ --	$ 321,137
Construction in progress	1,108,953	529,107	(1,188,544)	449,516
Total capital assets, not being depreciated	1,430,090	529,107	(1,188,544)	770,653
Capital assets, being depreciated:				
Buildings	2,169,373	321,873	--	2,491,246
Improvements other than buildings	500,353	1,216,728	--	1,717,081
Machinery & equipment	1,468,480	28,753	(7,000)	1,490,233
Total capital assets, being depreciated	4,138,206	1,567,354	(7,000)	5,698,560
Less accumulated depreciation for:				
Buildings	(1,345,752)	(32,517)	--	(1,378,269)
Improvements other than buildings	(268,014)	(73,782)	--	(341,796)
Machinery & equipment	(1,071,617)	(71,412)	4,317	(1,138,712)
Total accumulated depreciation	(2,685,383)	(177,711)	4,317	(2,858,777)
Total capital assets, being depreciated, net	1,452,823	1,389,643	(2,683)	2,839,783
Governmental activities capital assets, net	$ 2,882,913	$ 1,918,750	$ (1,191,227)	$ 3,610,436

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 821,086	$ --	$ --	$ 821,086
Construction in progress	317,379	5,740,753	(334,176)	5,723,956
Total capital assets, not being depreciated	1,138,465	5,740,753	(334,176)	6,545,042
Capital assets, being depreciated:				
Buildings & system	8,427,342	397,518	--	8,824,860
Machinery & equipment	465,718	--	--	465,718
Total capital assets, being depreciated	8,893,060	397,518	--	9,290,578
Less accumulated depreciation for:				
Buildings & system	(4,497,044)	(190,154)	--	(4,687,198)
Machinery & equipment	(421,734)	(11,270)	--	(433,004)
Total accumulated depreciation	(4,918,778)	(201,424)	--	(5,120,202)
Total capital assets, being depreciated, net	3,974,282	196,094	--	4,170,376
Business-type activities capital assets, net	$ 5,112,747	$ 5,936,847	$ (334,176)	$ 10,715,418

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

Governmental Activities	
General Government	$ 40,063
Public Safety	52,413
Public Works	65,678
Culture & Recreation	16,540
Housing & Development	3,017
	$ 177,711
Business-type Activities	
Water & Sewer	$ 178,224
Gas	23,200
	$ 201,424

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of July 31, 2012 is as follows:

Due from / to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 1
Nonmajor Governmental Funds	1% SPLOST #3 Capital Projects Fund	33,464
Water & Sewer Enterprise Fund	General Fund	13,246
Water & Sewer Enterprise Fund	Nonmajor Governmental Funds	1
Natural Gas Enterprise Fund	General Fund	124,146
Natural Gas Enterprise Fund	Water & Sewer Enterprise Fund	148,527
		$ 319,385

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 1% SPLOST #3 Fund owes a Nonmajor Governmental Fund $33,464 for funds deposited to the wrong account in error. The General Fund owes the Water & Sewer Fund $13,246 and Natural Gas Fund $124,146 for un-reimbursed expenses. The Water & Sewer Fund owes the Natural Gas Fund $148,527 for un-reimbursed expenses. The $2 due from Nonmajor Governmental Funds were monies deposited to open checking accounts.

Interfund transfers:

Transfer In	Transfer Out	Amount
Nonmajor Governmental Funds	General Fund	$ 57,171
		$ 57,171

The General Fund transferred $57,171 to Nonmajor Governmental Funds to meet the matching requirements for capital projects.

E. Leases

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

Capital assets subject to lease obligations at July 31, 2012 were as follows:

	Business-type Activities
Machinery and Equipment	$ 334,176
Less: Accumulated Depreciation	(12,532)
Total	$ 321,644

The future minimum lease obligations and the net present value of these minimum lease payments as of July 31, 2012, were as follows:

Year Ending July 31	Business-type Activities
2013	$ 45,331
2014	45,332
2015	45,331
2016	45,332
2017	45,331
2018 - 2022	90,664
Total Minimum Lease Payments	317,321
Less: Amounts Representing Interest	(29,770)
Present Value Of Minimum Lease Payments	$ 287,551

F. Long-Term Debt

Notes Payable

The City entered into a promissory note with USDA Rural Development for $52,155 at 4% interest payable over five years for the purchase of police vehicles. The balance outstanding at July 31, 2012 was $42,525.

The City entered into a promissory note with Citizens Bank for $212,751 at 5% interest payable over 35 months @ $1,500 with 1 balloon payment due May 16, 2015 for the purchase of a metal building. The balance outstanding at July 31, 2012 was $211,522.

Notes payable debt service requirements to maturity are as follows:

Year Ending	Governmental Activities		
July 31	Principal	Interest	Total
2013	$ 17,611	$ 12,105	$ 29,716
2014	18,413	11,303	29,716
2015	17,098	8,118	25,216
2016	200,925	454	201,379
Total	$ 254,047	$ 31,980	$ 286,027

Loans Payable

The City entered into a loan with Georgia Environmental Finance Authority (GEFA) for $5,391,902 at 3% interest payable over 20 years for the construction of a waste water treatment system. The balance outstanding at July 31, 2012 was $5,391,902.

Loans payable debt service requirements to maturity are as follows:

Year Ending	Business-type Activities		
July 31	Principal	Interest	Total
2013	$ 199,816	$ 159,024	$ 358,840
2014	205,893	152,947	358,840
2015	212,156	146,684	358,840
2016	218,609	140,231	358,840
2017	225,258	133,582	358,840
2018 - 2022	1,233,326	560,874	1,794,200
2023 - 2027	1,432,652	361,548	1,794,200
2028 - 2032	1,664,192	130,008	1,794,200
Total	$ 5,391,902	$ 1,784,898	$ 7,176,800

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 $1,744,850 at July 31, 2012.

Revenue bond debt service requirements to maturity are as follows:

Year Ending	Business-type Activities		
July 31	Principal	Interest	Total
2013	$ 52,760	$ 87,243	$ 140,003
2014	55,400	84,604	140,004
2015	58,170	81,835	140,005
2016	61,080	78,926	140,006
2017	64,140	75,872	140,012
2018 - 2022	372,100	327,928	700,028
2023 - 2027	474,910	225,124	700,034
2028 - 2032	606,290	93,915	700,205
Total	$ 1,744,850	$ 1,055,447	$ 2,800,297

Changes in General Long-Term Liabilities

Long-term liability activity for the year ended July 31, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	$ 55,438	$ 13,231	$ --	$ 68,669	$ --
Capital Leases	7,138	--	(7,138)	--	--
Notes Payable	52,155	212,751	(10,859)	254,047	17,611
	$ 114,731	$ 225,982	$ (17,997)	$ 322,716	$ 17,611
Business-type Activities:					
Compensated Absences	$ 22,720	$ 10,506	$ --	$ 33,226	$ --
Capital Leases	--	325,000	(37,449)	287,551	37,756
Loans Payable	--	5,391,902	--	5,391,902	199,816
Revenue Bonds	1,795,100	--	(50,250)	1,744,850	52,760
	$ 1,817,820	$ 5,727,408	$ (87,699)	$ 7,457,529	$ 290,332

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

G. Restricted Assets

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

	Business-type Activities
Sinking Fund Accounts	$ 812,448
	$ 812,448

H. Fund Balances

	General	1% SPLOST #3	Other Governmental Funds	Total Governmental Funds
Fund Balances				
Restricted				
Economic Development	$ --	$ --	$ 3,445	$ 3,445
Capital Outlay	--	271,817	84,764	356,581
	--	271,817	88,209	360,026
Assigned				
Capital Outlay	--	--	51	51
	--	--	51	51
Unassigned, Reported In				
General Fund	1,645,740	--	--	1,645,740
	1,645,740	--	--	1,645,740
Total Fund Balances	$ 1,645,740	$ 271,817	$ 88,260	$ 2,005,817

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance purchased either directly or indirectly from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. The City's deductibles for commercial insurance coverage range from $0 to $5,000 with various limits of liability ranging from $273,200 to $9,511,057.

B. Commitments and Contingencies

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

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

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

Waste Water Treatment System – The City is currently operating under a Consent Order with the Environmental Protection Division requiring its existing waste water land application system to be replaced. The projected cost of this project is estimated at 6.4 million dollars and is expected to be financed through Georgia Environmental Facilities and the United States Department of Agriculture. Construction on this project should be completed at the end of the 2013 calendar year.

C. Pensions

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

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

Funding Policy

City employees are not required to contribute to the Plan. The Board of Trustees of GMEBS has adopted an actuarial funding policy for determination of annual required contributions to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the plan. The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). Annual contributions made in accordance with the funding policy, which requires a different funding level, will meet the minimum funding

standards. The City's current required contribution rate is 5.20% of annual covered payroll. The contribution requirements of employees and the City are established by City ordinance. Monthly retirement benefits shall be determined based upon the applicable benefit formula specified in the Adoption Agreement in effect at the Participant's termination.

Annual Pension Cost

For 2012, the City's annual pension cost of $75,431 was equal to the City's required and actual contributions.

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
1/1/2010	$ 57,068	100 %	$ --
1/1/2011	54,642	100	--
1/1/2012	75,431	100	--

The required contribution was determined as part of the January 1, 2012, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return, (b) projected salary increases of 3.5% plus age and service based merit increases, and (c) 2% inflation rate. The actuarial value of Plan assets was determined using techniques that smooth the effect of short-term volatility in the market value of the investments. The unfunded actuarial accrued liability is being amortized on a closed level dollar basis for the remaining unfunded liability. The net effective remaining amortization period at January 1, 2012, was 10 years.

Funded Status and Funding Progress

As of January 1, 2012, the most recent actuarial valuation date, the plan was 96.5% funded. The actuarial accrued liability for benefits was $2,071,148, and the actuarial value of assets was $1,998,728, resulting in an unfunded actuarial accrued liability (UAAL) of $72,420. The covered payroll (annual payroll of active employees covered by the plan) was $1,111,093, and the ratio of the UAAL to the covered payroll was 6.5%.

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

D. Related Organizations

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

E. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the South Georgia area, is a member of the Southeast Georgia Regional Commission and is required to pay annual dues thereto. During its year ended July 31, 2012, the City paid $6,176 in such dues. Membership in a regional commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the regional commission in Georgia. The regional commission board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from:

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances - Budget & Actual
For The Year Ended July 31, 2012

	Budgeted Amounts		Actual	Variance With Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes	$ 1,851,801	$ 1,851,801	$ 1,884,233	$ 32,432
Licenses & Permits	104,900	104,900	101,276	(3,624)
Intergovernmental	11,250	11,250	42,274	31,024
Charges For Services	665,175	665,175	649,329	(15,846)
Fines & Forfeitures	185,600	185,600	161,393	(24,207)
Interest Revenue	16,000	16,000	14,118	(1,882)
Contributions & Donations	10,500	10,500	17,445	6,945
Miscellaneous	49,114	49,114	54,361	5,247
Total Revenues	2,894,340	2,894,340	2,924,429	30,089
EXPENDITURES				
Clerks Office	572,223	572,223	504,149	68,074
Municipal Court	25,150	25,150	25,099	51
Police	1,005,853	1,005,853	958,102	47,751
Fire & Emergency	123,309	123,309	112,337	10,972
Animal Control	50,236	50,236	48,874	1,362
Highways & Streets	393,015	393,015	356,937	36,078
Sanitation	513,544	513,544	511,454	2,090
City Shop	650	650	660	(10)
Work Control	5,560	5,560	4,861	699
Recreation	38,575	38,575	37,622	953
Economic Development	54,500	54,500	57,973	(3,473)
Code Enforcer	61,725	61,725	60,570	1,155
Total Expenditures	2,844,340	2,844,340	2,678,638	165,702
Excess (Deficiency) Of Revenues Over (Under) Expenditures	50,000	50,000	245,791	195,791
OTHER FINANCING SOURCES (USES)				
Transfers Out				
TE Grant #2 Capital Projects Fund	(50,000)	(50,000)	(17,637)	32,363
CDBG Hogan Capital Projects Fund	--	--	(30,722)	(30,722)
TE Grant #3 Capital Projects Fund	--	--	(8,812)	(8,812)
Total Other Financing Sources (Uses)	(50,000)	(50,000)	(57,171)	(7,171)
Net Change In Fund Balances	--	--	188,620	188,620
Fund Balances - Beginning	1,457,120	1,457,120	1,457,120	--
Fund Balances - Ending	$ 1,457,120	$ 1,457,120	$ 1,645,740	$ 188,620

CITY OF NASHVILLE, GEORGIA
Pension Plan
Schedule Of Funding Progress
July 31, 2012

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
1/1/2010	$ 2,184,714	$ 2,098,555	$ (86,159)	104.1 %	$ 1,192,619	(7.2) %
1/1/2011	2,178,288	1,971,513	(206,775)	110.5	1,030,818	(20.1)
1/1/2012	1,998,728	2,071,148	72,420	96.5	1,111,093	6.5

A. Budgetary Information

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

COMBINING & INDIVIDUAL FUND SCHEDULES

Major Governmental Funds

General Fund

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

Capital Projects Funds

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

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

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule Of Assets, Liabilities, & Fund Balances
July 31, 2012 & 2011

	2012	2011
ASSETS		
Cash & Cash Equivalents	$ 1,783,732	$ 1,564,711
Receivables (Net Of Allowance For Uncollectibles)		
Interest	723	971
Taxes	21,243	19,551
Accounts	66,717	53,664
Intergovernmental	48,583	49,981
Due From Other Funds		
Sewer Improvements Capital Projects Fund	1	--
Water & Sewer Enterprise Fund	--	50,495
Natural Gas Enterprise Fund	--	25,646
TE Grant #2 Capital Projects Fund	--	29,903
Total Assets	$ 1,920,999	$ 1,794,922
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts Payable	$ 96,155	$ 141,037
Accrued Wages, Withholdings & Benefits	22,237	10,244
Compensated Absences Payable	--	6,840
Due To Other Funds		
Water & Sewer Enterprise Fund	13,246	21,888
Natural Gas Enterprise Fund	124,146	142,187
Deferred Revenue		
Property Taxes	19,425	15,606
Customer Deposits	50	--
Total Liabilities	275,259	337,802
Fund Balances		
Unassigned	1,645,740	1,457,120
Total Fund Balances	1,645,740	1,457,120
Total Liabilities & Fund Balances	$ 1,920,999	$ 1,794,922

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances
For The Years Ended July 31, 2012 & 2011

	2012	2011
REVENUES		
Taxes	$ 1,884,233	$ 1,876,244
Licenses & Permits	101,276	107,094
Intergovernmental	42,274	30,254
Charges For Services	649,329	642,653
Fines & Forfeitures	161,393	168,467
Interest Revenue	14,118	17,276
Contributions & Donations	17,445	13,243
Miscellaneous	54,361	18,221
Total Revenues	2,924,429	2,873,452
EXPENDITURES		
Current		
General Government	504,149	469,050
Judicial	25,099	24,236
Public Safety	1,119,313	1,094,359
Public Works	873,912	855,673
Culture & Recreation	37,622	49,706
Housing & Development	118,543	112,255
Total Expenditures	2,678,638	2,605,279
Excess (Deficiency) Of Revenues Over (Under) Expenditures	245,791	268,173
OTHER FINANCING SOURCES (USES)		
Transfers Out		
TE Grant #2 Capital Projects Fund	(17,637)	(15,847)
CDBG Hogan Capital Projects Fund	(30,722)	--
TE Grant #3 Capital Projects Fund	(8,812)	--
Proceeds Of Capital Asset Dispositions	--	26,341
Total Other Financing Sources (Uses)	(57,171)	10,494
Net Change In Fund Balances	188,620	278,667
Fund Balances - Beginning	1,457,120	1,178,453
Fund Balances - Ending	$ 1,645,740	$ 1,457,120

CITY OF NASHVILLE, GEORGIA
1% SPLOST #3 Capital Projects Fund
Schedule Of Assets, Liabilities, & Fund Balances
July 31, 2012 & 2011

	2012	2011
ASSETS		
Cash & Cash Equivalents	$ 314,035	$ 542,100
Receivables (Net Of Allowance For Uncollectibles)		
Intergovernmental	--	72,512
Due From Other Funds		
Water & Sewer Enterprise Fund	--	20,097
Total Assets	$ 314,035	$ 634,709
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts Payable	$ 8,754	$ 51,694
Due To Other Funds		
TE Grant #2 Capital Projects Fund	33,464	--
Total Liabilities	42,218	51,694
Fund Balances		
Restricted	271,817	583,015
Total Fund Balances	271,817	583,015
Total Liabilities & Fund Balances	$ 314,035	$ 634,709

CITY OF NASHVILLE, GEORGIA
1% SPLOST #3 Capital Projects Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances
For The Years Ended July 31, 2012 & 2011

	2012	2011
REVENUES		
Intergovernmental	$ 132,351	$ 339,178
Total Revenues	132,351	339,178
EXPENDITURES		
Capital Outlay	445,799	382,913
Total Expenditures	445,799	382,913
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(313,448)	(43,735)
OTHER FINANCING SOURCES (USES)		
Transfers Out		
Water & Sewer Enterprise Fund	--	(6,100)
Proceeds Of Capital Asset Dispositions	2,250	--
Proceeds Of General Long-Term Liabilities	--	52,155
Total Other Financing Sources (Uses)	2,250	46,055
Net Change In Fund Balances	(311,198)	2,320
Fund Balances - Beginning	583,015	580,695
Fund Balances - Ending	$ 271,817	$ 583,015

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Nonmajor Governmental Funds

Special Revenue Funds

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

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

Capital Projects Funds

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

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

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

USDA Parking Lot Fund - This fund is used to account for Federal grants used for construction of a downtown parking lot.

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

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

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

CITY OF NASHVILLE, GEORGIA
Combining Schedule Of Assets, Liabilities, & Fund Balances
Nonmajor Governmental Funds
July 31, 2012

	Special Revenue Funds		
	Hotel/Motel	Total	1% SPLOST #4
ASSETS			
Cash & Cash Equivalents	$ 3,160	$ 3,160	$ --
Receivables (Net Of Allowance For Uncollectibles)	285	285	51,300
Due From Other Funds	--	--	33,464
Total Assets	$ 3,445	$ 3,445	$ 84,764
LIABILITIES & FUND EQUITY			
Liabilities			
Accounts Payable	--	--	--
Due To Other Funds	--	--	--
Total Liabilities	--	--	--
Fund Balances			
Restricted	3,445	3,445	84,764
Assigned	--	--	--
Total Fund Balances	3,445	3,445	84,764
Total Liabilities & Fund Balances	$ 3,445	$ 3,445	$ 84,764

Capital Projects Funds						Debt Service Funds	
TE Grant #2	USDA Parking Lot	CDBG Hogan	CDBG Sewer	TE Grant #3	Total	SPLOST Debt	Total Nonmajor Governmental Funds
$ 50	$ 1	$ 1	$ 1	$ --	$ 53	$ --	$ 3,213
--	--	--	67,172	--	118,472	--	118,757
--	--	--	--	--	33,464	--	33,464
$ 50	$ 1	$ 1	$ 67,173	$ --	$ 151,989	$ --	$ 155,434
--	--	--	67,172	--	67,172	--	67,172
--	--	1	1	--	2	--	2
--	--	1	67,173	--	67,174	--	67,174
--	--	--	--	--	84,764	--	88,209
50	1	--	--	--	51	--	51
50	1	--	--	--	84,815	--	88,260
$ 50	$ 1	$ 1	$ 67,173	$ --	$ 151,989	$ --	$ 155,434

CITY OF NASHVILLE, GEORGIA
Combining Schedule Of Revenues, Expenditures, & Changes In Fund Balances
Nonmajor Governmental Funds
July 31, 2012

	Special Revenue Funds			
	Hotel/Motel	Total	1% SPLOST #4	TE Grant #2
REVENUES				
Taxes	$ 3,568	$ 3,568	$ --	$ --
Intergovernmental	--	--	177,527	170,097
Total Revenues	3,568	3,568	177,527	170,097
EXPENDITURES				
Current				
Housing & Development	2,211	2,211	--	--
Capital Outlay	--	--	305,514	187,729
Debt Service	--	--	--	--
Total Expenditures	2,211	2,211	305,514	187,729
Excess (Deficiency) Of Revenues Over (Under) Expenditures	1,357	1,357	(127,987)	(17,632)
OTHER FINANCING SOURCES (USES)				
Transfers In	--	--	--	17,637
Proceeds Of General Long-Term Liabilities	--	--	212,751	--
Total Other Financing Sources (Uses)	--	--	212,751	17,637
Net Change In Fund Balances	1,357	1,357	84,764	5
Fund Balances - Beginning	2,088	2,088	--	45
Fund Balances - Ending	$ 3,445	$ 3,445	$ 84,764	$ 50

Capital Projects Funds					Debt Service Funds	
USDA Parking Lot	CDBG Hogan	CDBG Sewer	TE Grant #3	Total	SPLOST Debt	Total Nonmajor Governmental Funds
$ --	$ --	$ --	$ --	$ --	$ --	$ 3,568
--	--	72,172	--	419,796	21,972	441,768
--	--	72,172	--	419,796	21,972	445,336
--	--	--	--	--	--	2,211
--	30,722	72,172	8,812	604,949	--	604,949
--	--	--	--	--	21,972	21,972
--	30,722	72,172	8,812	604,949	21,972	629,132
--	(30,722)	--	(8,812)	(185,153)	--	(183,796)
--	30,722	--	8,812	57,171	--	57,171
--	--	--	--	212,751	--	212,751
--	30,722	--	8,812	269,922	--	269,922
--	--	--	--	84,769	--	86,126
1	--	--	--	46	--	2,134
$ 1	$ --	$ --	$ --	$ 84,815	$ --	$ 88,260

CITY OF NASHVILLE, GEORGIA
Hotel/Motel Special Revenue Fund
Schedule Of Assets, Liabilities, & Fund Balances
July 31, 2012 & 2011

	2012	2011
ASSETS		
Cash & Cash Equivalents	$ 3,160	$ 1,771
Receivables (Net Of Allowance For Uncollectibles)		
Taxes	285	317
Total Assets	$ 3,445	$ 2,088
LIABILITIES & FUND BALANCES		
Fund Balances		
Restricted	3,445	2,088
Total Fund Balances	3,445	2,088
Total Liabilities & Fund Balances	$ 3,445	$ 2,088

CITY OF NASHVILLE, GEORGIA
Hotel/Motel Special Revenue Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances
For The Years Ended July 31, 2012 & 2011

	2012	2011
REVENUES		
Taxes	$ 3,568	$ 4,474
Fines & Forfeitures	--	--
Total Revenues	3,568	4,474
EXPENDITURES		
Current		
Housing & Development	2,211	4,600
Total Expenditures	2,211	4,600
Excess (Deficiency) Of Revenues Over (Under) Expenditures	1,357	(126)
Net Change In Fund Balances	1,357	(126)
Fund Balances - Beginning	2,088	2,214
Fund Balances - Ending	$ 3,445	$ 2,088

CITY OF NASHVILLE, GEORGIA
Hotel/Motel Special Revenue Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances - Budget & Actual
For The Year Ended July 31, 2012

	Budget	Actual	Variance With Final Budget - Positive (Negative)
REVENUES			
Taxes	$ 4,507	$ 3,568	$ (939)
Total Revenues	4,507	3,568	(939)
EXPENDITURES			
Current			
Housing & Development	4,507	2,211	2,296
Total Expenditures	4,507	2,211	2,296
Excess (Deficiency) Of Revenues Over (Under) Expenditures	--	1,357	1,357
Net Change In Fund Balances	--	1,357	1,357
Fund Balances - Beginning	2,088	2,088	--
Fund Balances - Ending	$ 2,088	$ 3,445	$ 1,357

CITY OF NASHVILLE, GEORGIA
1% SPLOST #4 Capital Projects Fund
Schedule Of Assets, Liabilities, & Fund Balances
July 31, 2012 & 2011

	2012	2011
ASSETS		
Receivables (Net Of Allowance For Uncollectibles)		
Intergovernmental	$ 51,300	$ --
Due From Other Funds		
1% SPLOST #3 Capital Projects Fund	33,464	--
Total Assets	$ 84,764	$ --
LIABILITIES & FUND BALANCES		
Fund Balances		
Restricted	$ 84,764	$ --
Total Fund Balances	84,764	--
Total Liabilities & Fund Balances	$ 84,764	$ --

CITY OF NASHVILLE, GEORGIA
1% SPLOST #4 Capital Projects Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances
For The Years Ended July 31, 2012 & 2011

	2012	2011
REVENUES		
Intergovernmental	$ 177,527	$ --
Total Revenues	177,527	--
EXPENDITURES		
Capital Outlay	305,514	--
Total Expenditures	305,514	--
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(127,987)	--
OTHER FINANCING SOURCES (USES)		
Proceeds Of General Long-Term Liabilities	212,751	--
Total Other Financing Sources (Uses)	212,751	--
Net Change In Fund Balances	84,764	--
Fund Balances - Beginning	--	--
Fund Balances - Ending	$ 84,764	$ --

CITY OF NASHVILLE, GEORGIA
TE Grant #2 Capital Projects Fund
Schedule Of Assets, Liabilities, & Fund Balances
July 31, 2012 & 2011

	2012	2011
ASSETS		
Cash & Cash Equivalents	$ 50	$ 45
Receivables (Net Of Allowance For Uncollectibles)		
Intergovernmental	--	29,903
Total Assets	$ 50	$ 29,948
LIABILITIES & FUND BALANCES		
Liabilities		
Due To Other Funds		
General Fund	$ --	$ 29,903
Total Liabilities	--	29,903
Fund Balances		
Assigned	50	45
Total Fund Balances	50	45
Total Liabilities & Fund Balances	$ 50	$ 29,948

CITY OF NASHVILLE, GEORGIA
TE Grant #2 Capital Projects Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances
For The Years Ended July 31, 2012 & 2011

	2012	2011
REVENUES		
Intergovernmental	$ 170,097	$ 29,903
Total Revenues	170,097	29,903
EXPENDITURES		
Capital Outlay	187,729	45,750
Total Expenditures	187,729	45,750
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(17,632)	(15,847)
OTHER FINANCING SOURCES (USES)		
Transfers In		
General Fund	17,637	15,847
TE Grant Capital Projects Fund	--	45
Total Other Financing Sources (Uses)	17,637	15,892
Net Change In Fund Balances	5	45
Fund Balances - Beginning	45	--
Fund Balances - Ending	$ 50	$ 45

CITY OF NASHVILLE, GEORGIA
TE Grant #2 Capital Projects Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances - Budget & Actual
From Inception & For The Year Ended July 31, 2012

	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES				
Intergovernmental	$ 200,000	$ 29,903	$ 170,097	$ 200,000
Total Revenues	200,000	29,903	170,097	200,000
EXPENDITURES				
Capital Outlay	240,000	45,750	187,729	233,479
Total Expenditures	240,000	45,750	187,729	233,479
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(40,000)	(15,847)	(17,632)	(33,479)
OTHER FINANCING SOURCES (USES)				
Transfers In				
General Fund	40,000	15,847	17,637	33,484
TE Grant Capital Projects Fund	--	45	--	45
Total Other Financing Sources (Uses)	40,000	15,892	17,637	33,529
Net Change In Fund Balances	$ --	$ 45	5	$ 50
Fund Balances - Beginning			45	
Fund Balances - Ending			$ 50	

CITY OF NASHVILLE, GEORGIA
USDA Parking Lot Capital Projects Fund
Schedule Of Assets, Liabilities, & Fund Balances
July 31, 2012 & 2011

	2012	2011
ASSETS		
Cash & Cash Equivalents	$ 1	$ 1
Total Assets	$ 1	$ 1
LIABILITIES & FUND BALANCES		
Fund Balances		
Assigned	$ 1	$ 1
Total Fund Balances	1	1
Total Liabilities & Fund Balances	$ 1	$ 1

CITY OF NASHVILLE, GEORGIA
USDA Parking Lot Capital Projects Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances
For The Years Ended July 31, 2012 & 2011

	2012	2011
REVENUES		
Intergovernmental	$ --	$ 102,033
Total Revenues	--	102,033
EXPENDITURES		
Capital Outlay	--	47,890
Total Expenditures	--	47,890
Excess (Deficiency) Of Revenues Over (Under) Expenditures	--	54,143
Net Change In Fund Balances	--	54,143
Fund Balances - Beginning	1	(54,142)
Fund Balances - Ending	$ 1	$ 1

CITY OF NASHVILLE, GEORGIA
USDA Parking Lot Capital Projects Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances - Budget & Actual
From Inception & For The Year Ended July 31, 2012

	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES				
Intergovernmental	$ 336,218	$ 125,395	$ --	$ 125,395
Total Revenues	336,218	125,395	--	125,395
EXPENDITURES				
Capital Outlay	336,218	105,547	--	105,547
Total Expenditures	336,218	105,547	--	105,547
Excess (Deficiency) Of Revenues Over (Under) Expenditures	--	19,848	--	19,848
OTHER FINANCING SOURCES (USES)				
Transfers Out				
General Fund	--	(22,161)	--	(22,161)
Total Other Financing Sources (Uses)	--	(22,161)	--	(22,161)
Net Change In Fund Balances	$ --	$ (2,313)	--	$ (2,313)
Fund Balances - Beginning			1	
Fund Balances - Ending			$ 1	

CITY OF NASHVILLE, GEORGIA
CDBG Hogan Capital Projects Fund
Schedule Of Assets, Liabilities, & Fund Balances
July 31, 2012 & 2011

	2012	2011
ASSETS		
Cash & Cash Equivalents	$ 1	$ --
Total Assets	$ 1	$ --
LIABILITIES & FUND BALANCES		
Liabilities		
Due To Other Funds		
General Fund	$ 1	$ --
Total Liabilities	1	--
Fund Balances		
Total Liabilities & Fund Balances	$ 1	$ --

CITY OF NASHVILLE, GEORGIA
CDBG Hogan Capital Projects Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances
For The Years Ended July 31, 2012 & 2011

	2012	2011
EXPENDITURES		
Capital Outlay	$ 30,722	$ --
Total Expenditures	30,722	--
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(30,722)	--
OTHER FINANCING SOURCES (USES)		
Transfers In		
General Fund	30,722	--
Total Other Financing Sources (Uses)	30,722	--
Net Change In Fund Balances	--	--
Fund Balances - Beginning	--	--
Fund Balances - Ending	$ --	$ --

CITY OF NASHVILLE, GEORGIA
CDBG Hogan Capital Projects Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances - Budget & Actual
From Inception & For The Year Ended July 31, 2012

	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES				
Intergovernmental	$ 162,617	$ --	$ --	$ --
Total Revenues	162,617	--	--	--
EXPENDITURES				
Capital Outlay	177,617	--	30,722	30,722
Total Expenditures	177,617	--	30,722	30,722
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(15,000)	--	(30,722)	(30,722)
OTHER FINANCING SOURCES (USES)				
Transfers In				
General Fund	15,000	--	30,722	30,722
Total Other Financing Sources (Uses)	15,000	--	30,722	30,722
Net Change In Fund Balances	$ --	$ --	--	$ --
Fund Balances - Beginning			--	
Fund Balances - Ending			$ --	

CITY OF NASHVILLE, GEORGIA
CDBG Sewer Capital Projects Fund
Schedule Of Assets, Liabilities, & Fund Balances
July 31, 2012 & 2011

	2012	2011
ASSETS		
Cash & Cash Equivalents	$ 1	$ --
Receivables (Net Of Allowance For Uncollectibles)		
Intergovernmental	67,172	--
Total Assets	$ 67,173	$ --
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts Payable	$ 67,172	$ --
Due To Other Funds		
Water & Sewer Enterprise Fund	1	--
Total Liabilities	67,173	--
Fund Balances		
Total Liabilities & Fund Balances	$ 67,173	$ --

CITY OF NASHVILLE, GEORGIA
CDBG Sewer Capital Projects Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances
For The Years Ended July 31, 2012 & 2011

	2012	2011
REVENUES		
Intergovernmental	$ 72,172	$ --
Total Revenues	72,172	--
EXPENDITURES		
Capital Outlay	72,172	--
Total Expenditures	72,172	--
Net Change In Fund Balances	--	--
Fund Balances - Beginning	--	--
Fund Balances - Ending	$ --	$ --

CITY OF NASHVILLE, GEORGIA
CDBG Sewer Capital Projects Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances - Budget & Actual
From Inception & For The Year Ended July 31, 2012

	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES				
Intergovernmental	$ 386,905	$ --	$ 72,172	$ 72,172
Total Revenues	386,905	--	72,172	72,172
EXPENDITURES				
Capital Outlay	441,567	--	72,172	72,172
Total Expenditures	441,567	--	72,172	72,172
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(54,662)	--	--	--
OTHER FINANCING SOURCES (USES)				
Transfers In				
General Fund	54,662	--	--	--
Total Other Financing Sources (Uses)	54,662	--	--	--
Net Change In Fund Balances	$ --	$ --	--	$ --
Fund Balances - Beginning			--	
Fund Balances - Ending			$ --	

CITY OF NASHVILLE, GEORGIA
TE Grant #3 Capital Projects Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances
For The Years Ended July 31, 2012 & 2011

	2012	2011
EXPENDITURES		
Capital Outlay	$ 8,812	$ --
Total Expenditures	8,812	--
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(8,812)	--
OTHER FINANCING SOURCES (USES)		
Transfers In		
General Fund	8,812	--
Total Other Financing Sources (Uses)	8,812	--
Net Change In Fund Balances	--	--
Fund Balances - Beginning	--	--
Fund Balances - Ending	$ --	$ --

CITY OF NASHVILLE, GEORGIA
TE Grant #3 Capital Projects Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances - Budget & Actual
From Inception & For The Year Ended July 31, 2012

	Project Authorization	Prior Years	Current Year	Total To Date
EXPENDITURES				
Capital Outlay	$ --	$ --	$ 8,812	$ 8,812
Total Expenditures	--	--	8,812	8,812
Excess (Deficiency) Of Revenues Over (Under) Expenditures	--	--	(8,812)	(8,812)
OTHER FINANCING SOURCES (USES)				
Transfers In				
General Fund	--	--	8,812	8,812
Total Other Financing Sources (Uses)	--	--	8,812	8,812
Net Change In Fund Balances	$ --	$ --	--	$ --
Fund Balances - Beginning			--	
Fund Balances - Ending			$ --	

CITY OF NASHVILLE, GEORGIA
SPLOST Debt Debt Service Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances
For The Years Ended July 31, 2012 & 2011

	2012	2011
REVENUES		
Intergovernmental	$ 21,972	$ 9,433
Total Revenues	21,972	9,433
EXPENDITURES		
Debt Service	21,972	9,433
Total Expenditures	21,972	9,433
Net Change In Fund Balances	--	--
Fund Balances - Beginning	--	--
Fund Balances - Ending	$ --	$ --

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
Schedule Of Net Assets
July 31, 2012 & 2011

	2012	2011
ASSETS		
Current Assets		
Cash & Cash Equivalents	$ 2,214,168	$ 1,931,760
Receivables (Net Of Allowance For Uncollectibles)		
Interest	3,248	5,792
Accounts	129,119	121,074
Due From Other Funds		
General Fund	13,246	21,888
CDBG Sewer Capital Projects Fund	1	--
Prepaid Items	2,797	2,985
Restricted Assets		
Cash & Cash Equivalents	812,448	661,563
Total Current Assets	3,175,027	2,745,062
Noncurrent Assets		
Capital Assets Not Being Depreciated		
Land	815,086	815,086
Construction In Progress	5,723,956	169,218
Capital Assets Net Of Accumulated Depreciation		
Buildings & System	7,838,930	7,775,588
Machinery & Equipment	330,281	330,281
Accumulated Depreciation	(4,565,849)	(4,387,625)
Total Capital Assets Net Of Accumulated Depreciation	10,142,404	4,702,548
Total Noncurrent Assets	10,142,404	4,702,548
Total Assets	13,317,431	7,447,610

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Schedule Of Net Assets
July 31, 2012 & 2011

	2012	2011
LIABILITIES		
Current Liabilities		
Accounts Payable	24,029	39,181
Accrued Wages, Withholdings & Benefits	4,727	2,303
Compensated Absences Payable	--	2,621
Due To Other Funds		
General Fund	--	50,495
1% SPLOST #3 Capital Projects Fund	--	20,097
Natural Gas Enterprise Fund	148,527	148,527
Customer Deposits	133,903	138,098
Accrued Interest Payable	42,068	43,279
Loans Payable - Current	199,816	--
Revenue Bonds Payable (Net Of Unamortized Discount)	52,760	50,250
Total Current Liabilities	605,830	494,851
Noncurrent Liabilities		
Compensated Absences	20,669	13,423
Loans Payable	5,192,086	--
Revenue Bonds Payable (Net Of Unamortized Discount)	1,692,090	1,744,850
Total Noncurrent Liabilities	6,904,845	1,758,273
Total Liabilities	7,510,675	2,253,124
NET ASSETS		
Invested In Capital Assets, Net Of Related Debt	3,005,652	2,907,448
Unrestricted	2,801,104	2,287,038
Total Net Assets	$ 5,806,756	$ 5,194,486

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Schedule Of Revenues, Expenses, & Changes In Fund Net Assets
For The Years Ended July 31, 2012 & 2011

	2012	2011
OPERATING REVENUES		
Charges For Services	$ 1,558,885	$ 1,615,733
Other	3,121	14,249
Total Operating Revenues	1,562,006	1,629,982
OPERATING EXPENSES		
Personal Services & Employee Benefits	427,562	401,328
Purchased/Contracted Services	133,103	141,160
Supplies	201,125	212,730
Depreciation	178,224	183,579
Other	2,420	1,888
Total Operating Expenses	942,434	940,685
Operating Income (Loss)	619,572	689,297
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	17,900	22,539
Interest	(88,544)	(90,993)
Gain/Loss on Disposition of Capital Assets	--	3,580
Total Nonoperating Revenues (Expenses)	(70,644)	(64,874)
Income (Loss) Before Contributions & Transfers	548,928	624,423
Capital Contributions	63,342	435,350
Transfers In		
1% SPLOST #3 Capital Projects Fund	--	6,100
Changes In Net Assets	612,270	1,065,873
Net Assets - Beginning	5,194,486	4,128,613
Net Assets - Ending	$ 5,806,756	$ 5,194,486

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Schedule Of Cash Flows
For The Years Ended July 31, 2012 & 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts From Customers & Users	$ 1,549,766	$ 1,652,835
Payments To Suppliers	(351,612)	(360,518)
Payments To Employees	(420,513)	(407,448)
Net Cash Provided (Used) By Operating Activities	777,641	884,869
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers From Other Funds		
1% SPLOST Fund	--	6,100
Loans From Other Funds	(70,592)	14,680
Loans To Other Funds	8,641	(7,161)
Net Cash Provided (Used) By Noncapital Financing Activities	(61,951)	13,619
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Proceeds From Capital Debt	5,391,902	--
Acquisition & Construction Of Capital Assets	(5,554,738)	(87,385)
Principal Paid On Capital Debt	(50,250)	(47,860)
Interest Paid On Capital Debt	(89,755)	(92,146)
Proceeds From Sales Of Capital Assets	--	3,580
Net Cash Provided (Used) By Capital & Related Financing Activities	(302,841)	(223,811)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest & Dividends Received	20,444	22,017
Net Cash Provided (Used) By Investing Activities	20,444	22,017
Net Increase (Decrease) In Cash & Cash Equivalents	433,293	696,694
Cash & Cash Equivalents - Beginning Of Year	2,593,323	1,896,629
Cash & Cash Equivalents - End Of Year	$ 3,026,616	$ 2,593,323

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Schedule Of Cash Flows
For The Years Ended July 31, 2012 & 2011

	2012	2011
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 619,572	$ 689,297
Adjustments To Reconcile Operating Income To Net Cash Provided (Used) By Operating Activities		
Depreciation Expense	178,224	183,579
(Increase) Decrease In Accounts Receivable	12,402	(31,953)
(Increase) Decrease In Other Receivables	--	7,105
Increase (Decrease) In Allowances For Uncollectible Accounts	(20,447)	35,139
(Increase) Decrease In Prepaid Items	188	11,141
Increase (Decrease) In Accounts Payable	(15,152)	8,752
Increase (Decrease) In Accrued Wages & Withholdings	2,424	(288)
Increase (Decrease) In Compensated Absences Payable	4,625	(5,832)
Increase (Decrease) In Customer Deposits	(4,195)	(12,071)
Net Cash Provided (Used) By Operating Activities	$ 777,641	$ 884,869
NONCASH INVESTING, CAPITAL, & FINANCING ACTIVITIES		
Contributions Of Capital Assets From Governmental Funds	$ 63,342	$ 435,350

CITY OF NASHVILLE, GEORGIA
Natural Gas Enterprise Fund
Schedule Of Net Assets
July 31, 2012 & 2011

	2012	2011
ASSETS		
Current Assets		
Cash & Cash Equivalents	$ 1,374,791	$ 1,225,074
Receivables (Net Of Allowance For Uncollectibles)		
Interest	2,109	3,665
Accounts	34,994	31,623
Due From Other Funds		
General Fund	124,146	142,187
Water & Sewer Enterprise Fund	148,527	148,527
Prepaid Items	1,503	1,356
Other Current Assets	--	1,580
Total Current Assets	1,686,070	1,554,012
Noncurrent Assets		
Capital Assets Not Being Depreciated		
Land	6,000	6,000
Construction In Progress	--	148,161
Capital Assets Net Of Accumulated Depreciation		
Improvements Other Than Buildings	985,930	651,754
Machinery & Equipment	135,436	135,436
Accumulated Depreciation	(554,352)	(531,152)
Total Capital Assets Net Of Accumulated Depreciation	573,014	410,199
Total Noncurrent Assets	573,014	410,199
Total Assets	2,259,084	1,964,211
LIABILITIES		
Current Liabilities		
Accounts Payable	17,119	157,797
Accrued Wages, Withholdings & Benefits	2,712	1,628
Compensated Absences Payable	--	1,338
Due To Other Funds		
General Fund	--	25,646
Customer Deposits	33,820	36,165
Capital Leases Payable - Current	37,756	--
Other Current Liabilities	1,899	2,257
Total Current Liabilities	93,306	224,831
Noncurrent Liabilities		
Compensated Absences	12,557	9,297
Capital Leases	249,795	--
Total Noncurrent Liabilities	262,352	9,297
Total Liabilities	355,658	234,128
NET ASSETS		
Invested In Capital Assets, Net Of Related Debt	285,463	410,199
Unrestricted	1,617,963	1,319,884
Total Net Assets	$ 1,903,426	$ 1,730,083

CITY OF NASHVILLE, GEORGIA
Natural Gas Enterprise Fund
Schedule Of Revenues, Expenses, & Changes In Fund Net Assets
For The Years Ended July 31, 2012 & 2011

	2012	2011
OPERATING REVENUES		
Charges For Services	$ 954,053	$ 893,305
Other	1,101	4,303
Total Operating Revenues	955,154	897,608
OPERATING EXPENSES		
Personal Services & Employee Benefits	249,157	223,855
Purchased/Contracted Services	60,296	108,723
Supplies	455,721	456,833
Depreciation	23,200	12,095
Other	59	601
Total Operating Expenses	788,433	802,107
Operating Income (Loss)	166,721	95,501
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	14,505	19,650
Interest	(7,883)	--
Total Nonoperating Revenues (Expenses)	6,622	19,650
Changes In Net Assets	173,343	115,151
Net Assets - Beginning	1,730,083	1,614,932
Net Assets - Ending	$ 1,903,426	$ 1,730,083

CITY OF NASHVILLE, GEORGIA
Natural Gas Enterprise Fund
Schedule Of Cash Flows
For The Years Ended July 31, 2012 & 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts From Customers & Users	$ 950,660	$ 903,403
Payments To Suppliers	(656,901)	(455,904)
Payments To Employees	(246,151)	(223,132)
Net Cash Provided (Used) By Operating Activities	47,608	224,367
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Loans From Other Funds	(25,646)	(305)
Loans To Other Funds	18,041	12,208
Net Cash Provided (Used) By Noncapital Financing Activities	(7,605)	11,903
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Proceeds From Capital Debt	325,000	--
Acquisition & Construction Of Capital Assets	(186,015)	(154,261)
Principal Paid On Capital Debt	(37,449)	--
Interest Paid On Capital Debt	(7,883)	--
Net Cash Provided (Used) By Capital & Related Financing Activities	93,653	(154,261)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest & Dividends Received	16,061	19,715
Net Cash Provided (Used) By Investing Activities	16,061	19,715
Net Increase (Decrease) In Cash & Cash Equivalents	149,717	101,724
Cash & Cash Equivalents - Beginning Of Year	1,225,074	1,123,350
Cash & Cash Equivalents - End Of Year	$ 1,374,791	$ 1,225,074
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 166,721	$ 95,501
Adjustments To Reconcile Operating Income To Net Cash Provided (Used) By Operating Activities		
Depreciation Expense	23,200	12,095
(Increase) Decrease In Accounts Receivable	2,025	84
(Increase) Decrease In Other Receivables	--	200
Increase (Decrease) In Allowances For Uncollectible Accounts	(5,396)	5,511
(Increase) Decrease In Other Current Assets	1,580	--
(Increase) Decrease In Prepaid Items	(147)	6,570
Increase (Decrease) In Accounts Payable	(140,678)	138,339
Increase (Decrease) In Accrued Wages & Withholdings	1,084	193
Increase (Decrease) In Compensated Absences Payable	1,922	530
Increase (Decrease) In Other Current Liabilities	(358)	(7,838)
Increase (Decrease) In Customer Deposits	(2,345)	(26,818)
Net Cash Provided (Used) By Operating Activities	$ 47,608	$ 224,367

SUPPLEMENTAL SCHEDULES

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule Of Revenues
For The Years Ended July 31, 2012 & 2011

	2012	2011
REVENUES		
Taxes		
Real Property	$ 613,103	$ 613,509
Personal Property	62,349	60,560
Real Estate Transfer (Intangible)	6,655	7,731
Franchise	326,255	313,965
General Sales & Use	500,156	478,290
Selective Sales & Use	139,839	141,455
Business		
Insurance Premium	231,660	252,848
Penalties & Interest On Delinquent Taxes	4,216	7,886
	1,884,233	1,876,244
Licenses & Permits		
Business	92,046	97,287
Non-Business	75	150
Regulatory	9,155	9,657
	101,276	107,094
Intergovernmental	42,274	30,254
Charges For Services		
General Government	--	835
Public Safety	14,232	18,140
Public Works	613,803	608,161
Other Charges For Services	21,294	15,517
	649,329	642,653
Fines & Forfeitures	161,393	168,467
Interest Revenue	14,118	17,276
Contributions & Donations	17,445	13,243
Miscellaneous	54,361	18,221
Total Revenues	$ 2,924,429	$ 2,873,452

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule Of Expenditures
For The Years Ended July 31, 2012 & 2011

	2012	2011
EXPENDITURES		
Current		
General Government		
Clerks Office		
Personal Services & Employee Benefits	$ 191,981	$ 191,205
Purchased/Contracted Services	221,710	178,623
Supplies	39,859	45,886
Capital Outlay	25,371	33,017
Other Costs	25,228	20,319
Total Clerks Office	504,149	469,050
Total General Government	504,149	469,050
Judicial		
Municipal Court		
Purchased/Contracted Services	25,023	24,075
Supplies	76	161
Total Municipal Court	25,099	24,236
Total Judicial	25,099	24,236
Public Safety		
Police		
Personal Services & Employee Benefits	721,191	689,080
Purchased/Contracted Services	97,513	98,930
Supplies	74,943	66,561
Capital Outlay	21,342	26,920
Other Costs	43,113	46,311
Total Police	958,102	927,802
Fire & Emergency		
Personal Services & Employee Benefits	56,695	64,714
Purchased/Contracted Services	44,743	43,152
Supplies	10,899	10,879
Total Fire & Emergency	112,337	118,745
Animal Control		
Personal Services & Employee Benefits	37,754	37,963
Purchased/Contracted Services	6,900	5,366
Supplies	4,220	4,483
Total Animal Control	48,874	47,812
Total Public Safety	1,119,313	1,094,359
Public Works		
Highways & Streets		
Personal Services & Employee Benefits	172,969	174,050
Purchased/Contracted Services	36,856	26,625
Supplies	146,490	138,167
Other Costs	622	1,174
Total Highways & Streets	356,937	340,016

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule Of Expenditures
For The Years Ended July 31, 2012 & 2011

	2012	2011
Sanitation		
Personal Services & Employee Benefits	36,136	34,154
Purchased/Contracted Services	467,488	469,270
Supplies	7,830	6,776
Other Costs	--	3
Total Sanitation	511,454	510,203
City Shop		
Purchased/Contracted Services	97	40
Supplies	563	132
Total City Shop	660	172
Work Control		
Purchased/Contracted Services	1,270	1,644
Supplies	3,591	3,638
Total Work Control	4,861	5,282
Total Public Works	873,912	855,673
Culture & Recreation		
Recreation		
Purchased/Contracted Services	13,089	26,796
Supplies	17,116	14,638
Other Costs	7,417	8,272
Total Recreation	37,622	49,706
Total Culture & Recreation	37,622	49,706
Housing & Development		
Code Enforcer		
Personal Services & Employee Benefits	55,791	52,473
Purchased/Contracted Services	2,869	3,715
Supplies	1,910	1,529
Total Code Enforcer	60,570	57,717
Economic Development		
Personal Services & Employee Benefits	39,804	37,087
Purchased/Contracted Services	8,098	11,232
Supplies	3,586	6,219
Capital Outlay	5,350	--
Other Costs	1,135	--
Total Economic Development	57,973	54,538
Total Housing & Development	118,543	112,255
Total Expenditures	$ 2,678,638	$ 2,605,279

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Schedule of Water & Sewer Bonds - Series 1992-Farmers Home Administration
July 31, 2012

Year Ending	Principal	Rate	Interest	Annual Debt Service
July 31, 2013	$ 52,760	5.00%	$ 87,243	$ 140,003
July 31, 2014	55,400	5.00%	84,604	140,004
July 31, 2015	58,170	5.00%	81,835	140,005
July 31, 2016	61,080	5.00%	78,926	140,006
July 31, 2017	64,140	5.00%	75,872	140,012
July 31, 2018	67,340	5.00%	72,665	140,005
July 31, 2019	70,710	5.00%	69,298	140,008
July 30, 2020	74,240	5.00%	65,762	140,002
July 30, 2021	77,960	5.00%	62,051	140,011
July 30, 2022	81,850	5.00%	58,152	140,002
July 30, 2023	85,950	5.00%	54,060	140,010
July 29, 2024	90,240	5.00%	49,763	140,003
July 29, 2025	94,760	5.00%	45,250	140,010
July 29, 2026	99,490	5.00%	40,513	140,003
July 29, 2027	104,470	5.00%	35,538	140,008
July 28, 2028	109,690	5.00%	30,315	140,005
July 28, 2029	115,180	5.00%	24,830	140,010
July 28, 2030	120,930	5.00%	19,071	140,001
July 28, 2031	126,980	5.00%	13,024	140,004
July 27, 2032	133,510	5.00%	6,675	140,185
	$ 1,744,850		$ 1,055,447	$ 2,800,297

CITY OF NASHVILLE, GEORGIA
Schedule Of Hotel/Motel Taxes Expended
For The Year Ended July 31, 2012

Total Expenditures		
Tourism, Promotions, Conventions, Trade Shows, and Facility Support	$	2,211
		2,211
Taxes Collected		
Tax Collections @ 3%		2,141
Tax Collections Greater Than 3%		1,427
		3,568
Percentage Of Current Year Taxes Expended		62%

CITY OF NASHVILLE, GEORGIA
Schedule Of Projects Constructed With Special Sales Tax Proceeds
For The Year Ended July 31, 2012

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Six Year Period 1/1/2006 - 12/31/2011	$ 1,915,661	$ 1,915,661				102%
Construction & Capital Improvements of Roads, Streets, & Bridges			$ 390,931	$ 20,821	$ 411,752	
Public Works Projects			244,959	206,563	451,522	
Law Enforcement Facilities			--	4,963	4,963	
Law Enforcement Equipment			197,193	47,183	244,376	
Fire Department Facilities			3,666	--	3,666	
Fire Department Equipment			171,207	11,078	182,285	
Animal Control Facilities			--	--	--	
Animal Control Equipment			--	--	--	
Water/Sewer Extensions & Improvements			396,420	--	396,420	
Recreation Facilities			5,852	--	5,852	
Recreation Equipment			27,423	3,908	31,331	
City Hall Facilities			20,330	160,514	180,844	
City Hall Equipment			21,728	9,741	31,469	
	$ 1,915,661	$ 1,915,661	$ 1,479,709	$ 464,771	$ 1,944,480	
1% SPLOST #3 Capital Projects Fund						
Total Expenditures				$ 445,799		
SPLOST Debt Debt Service Fund						
Total Expenditures				21,972		
Less 1/1/2012 - 12/31/2017 Referendum Expenditures				(3,000)		
				$ 464,771		

CITY OF NASHVILLE, GEORGIA
Schedule Of Projects Constructed With Special Sales Tax Proceeds
For The Year Ended July 31, 2012

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Six Year Period 1/1/2012 - 12/31/2017	$ 1,915,661	$ 1,915,661				16%
Roads, Streets & Bridges			$ --	$ 91,527	$ 91,527	
Street & Sanitation Projects & Improvements			--	--	--	
Street & Sanitation Equipment			--	--	--	
Water & Sewer Extensions, Projects & Improvements			--	--	--	
Water & Sewer Equipment			--	--	--	
Gas System Improvements			--	1,236	1,236	
Gas System Equipment			--	--	--	
Recreation Facilities			--	--	--	
Recreation Equipment			--	--	--	
City Hall Administration & Storage Facilities Expansion & Improvements			--	--	--	
City Hall Administration & Storage Facilities Equipment			--	--	--	
Community Center Equipment & Improvements			--	--	--	
Law Enforcement Facilities Improvements			--	214,521	214,521	
Law Enforcement Equipment			--	--	--	
Animal Control Facility Improvements			--	--	--	
Animal Control Equipment			--	--	--	
Economic Development Projects			--	--	--	
	$ 1,915,661	$ 1,915,661	$ --	$ 307,284	$ 307,284	
1% SPLOST #4 Capital Projects Fund						
Total Expenditures				$ 305,514		
SPLOST Debt Debt Service Fund						
Total Expenditures				21,972		
Less 1/1/2006 - 12/31/2011 Referendum Expenditures				(18,972)		
Less Debt Service Principal				(1,230)		
				$ 307,284		

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May 08, 2013

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and City Council
City of Nashville, Georgia

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Nashville, Georgia, as of and for the year ended July 31, 2012, which collectively comprise City of Nashville, Georgia's basic financial statements and have issued our report thereon dated May 08, 2013. 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.

Internal Control Over Financial Reporting

Management of City of Nashville, Georgia is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered City of Nashville, Georgia's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of City of Nashville, Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weakness have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2008-1 and 2008-2 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and,

accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of City of Nashville, Georgia, in a separate letter dated May 08, 2013.

City of Nashville, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit City of Nashville, Georgia's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Meeks CPA, LLP

MEEKS CPA, LLP

CERTIFIED PUBLIC ACCOUNTANTS

CITY OF NASHVILLE, GEORGIA
Schedule Of Findings And Responses
For The Year Ended July 31, 2012

2008-1

Condition

The City has not established practices for the identification of risks affecting it and has not developed an appropriate fraud risk assessment and monitoring process.

Recommendation

The City should perform periodic reviews to anticipate and identify routine events or activities that may affect the City's ability to achieve its objectives.

The City should identify risks related to laws or regulations that may affect financial reporting.

The City should identify risks potentially impacting the achievement of financial reporting objectives.

The City should establish a process to identify risks associated with nonroutine transactions.

The City should identify risks related to the ability of an employee to initiate and process unauthorized transactions.

The City should develop a comprehensive fraud risk assessment and monitoring process and those charged with governance should understand and exercise oversight of the assessment and monitoring process.

Views Of Responsible Officials And Planned Corrective Action

The City intends to develop a formal risk assessment plan that includes the aspects described in the recommendations above and a comprehensive fraud risk assessment and monitoring plan commensurate with the size and complexity of the City.

2008-2

Condition

Management does not monitor controls over financial reporting.

Recommendation

The City should establish an ongoing monitoring process in its operations throughout the City that includes explicit identification of what constitutes a deviation from expected control performance, thereby signaling a need to investigate both potential control problems and changes in risk profiles. The ongoing monitoring should provide feedback on the effective operation of controls integrated into processes, and on the processes themselves and serve as a primary indicator of both control operating effectiveness and risk conditions.

Views Of Responsible Officials And Planned Corrective Action

The City intends to develop formal policies and procedures that include the aspects described in the recommendation above and that specifically identifies those responsible for monitoring controls over financial reporting and assessing the design and operation of controls on a timely basis, capturing and reporting identified control deficiencies, and taking actions as necessary.