CITY OF NASHVILLE, GEORGIA
Annual Financial Report
For The Fiscal Year Ended
July 31, 2013

CITY OF NASHVILLE, GEORGIA
Annual Financial Report
For The Fiscal Year Ended July 31, 2013

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January 31, 2014

INDEPENDENT AUDITOR'S REPORT

To The City Council
City of Nashville, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Nashville, Georgia as of and for the year ended July 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Nashville, Georgia, as

of July 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Nashville, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, supplemental schedules, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and supplemental schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2014, on our consideration of City of Nashville, Georgia's internal control over financial reporting

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

MEEKS CPA, LLP

MEEKS CPA, LLP
Ocilla, Georgia

January 31, 2014

BASIC FINANCIAL STATEMENTS

CITY OF NASHVILLE, GEORGIA
Statement of Net Position
July 31, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Primary Government	Downtown Development Authority
ASSETS				
Cash & Cash Equivalents	$ 2,085,928	$ 4,055,672	$ 6,141,600	$ 4,442
Receivables (Net of Allowance for Uncollectibles)	288,993	185,016	474,009	--
Prepaid Items	12,184	6,246	18,430	--
Restricted Assets				
Cash & Cash Equivalents	--	1,227,690	1,227,690	--
Capital Assets Not Being Depreciated	1,258,590	7,943,059	9,201,649	--
Capital Assets Net of Accumulated Depreciation	2,796,948	3,982,028	6,778,976	77,515
Total Assets	6,442,643	17,399,711	23,842,354	81,957
LIABILITIES				
Accounts Payable	200,696	64,537	265,233	--
Accrued Wages, Withholdings & Benefits	2,755	--	2,755	--
Other Current Liabilities	--	2,518	2,518	--
Internal Balances	(83,070)	83,070	--	--
Customer Deposits	50	182,658	182,708	--
Accrued Interest Payable	--	55,800	55,800	--
Noncurrent Liabilities				
Due Within One Year	18,413	221,006	239,419	--
Due In More Than One Year	281,302	7,651,093	7,932,395	--
Total Liabilities	420,146	8,260,682	8,680,828	--
NET POSITION				
Net Investment in Capital Assets	3,819,102	4,094,338	7,913,440	77,515
Restricted For				
Capital Outlay	333,716	--	333,716	--
Economic Development	2,996	--	2,996	--
Unrestricted	1,866,683	5,044,691	6,911,374	4,442
Total Net Position	$ 6,022,497	$ 9,139,029	$ 15,161,526	$ 81,957

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, 2013

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 POSITION: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Downtown Development Authority
Primary Government								
Governmental Activities								
General Government	$ 618,151	$ 111,060	$ --	$ --	$ (507,091)	$ --	$ (507,091)	
Judicial	26,342	194,176	--	--	167,834	--	167,834	
Public Safety	1,179,023	26,253	--	14,290	(1,138,480)	--	(1,138,480)	
Public Works	1,066,492	615,160	--	661,831	210,499	--	210,499	
Culture & Recreation	75,892	--	--	--	(75,892)	--	(75,892)	
Housing & Development	179,407	--	--	213,795	34,388	--	34,388	
Interest On Long-Term Debt	12,105	--	--	--	(12,105)	--	(12,105)	
Total Governmental Activities	3,157,412	946,649	--	889,916	(1,320,847)	--	(1,320,847)	
Business-Type Activities								
Water & Sewer	1,033,415	1,515,848	--	--	--	482,433	482,433	
Natural Gas	874,396	1,030,035	--	--	--	155,639	155,639	
Total Business-Type Activities	1,907,811	2,545,883	--	--	--	638,072	638,072	
Total Primary Government	$ 5,065,223	$ 3,492,532	$ --	$ 889,916	(1,320,847)	638,072	(682,775)	
Component Units								
Downtown Development Authority	$ 46,223	$ 44,225	$ --	$ --				$ (1,998)
Total Component Units	$ 46,223	$ 44,225	$ --	$ --				(1,998)
General Revenues								
Taxes								
Real Property					681,896	--	681,896	--
Personal Property					99,578	--	99,578	--
Real Estate Transfer (Intangible)					3,384	--	3,384	--
Franchise					312,927	--	312,927	--
General Sales & Use					469,735	--	469,735	--
Selective Sales & Use					139,696	--	139,696	--
Business					246,062	--	246,062	--
Penalties & Interest on Delinquent Taxes					9,190	--	9,190	--
Federal Government Payments in Lieu of Taxes					11,004	--	11,004	--
Investment Income					11,537	26,775	38,312	--
Miscellaneous					48,441	--	48,441	3,906
Special Item - GEFA Loan Debt Forgiveness					--	750,000	750,000	--
Transfers					(14,000)	14,000	--	--
Total General Revenues & Transfers					2,019,450	790,775	2,810,225	3,906
Changes in Net Position					698,603	1,428,847	2,127,450	1,908
Net Position - Beginning					5,323,894	7,710,182	13,034,076	80,049
Net Position - Ending					$ 6,022,497	$ 9,139,029	$ 15,161,526	$ 81,957

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

CITY OF NASHVILLE, GEORGIA
Balance Sheet
Governmental Funds
July 31, 2013

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash & Cash Equivalents	$ 1,789,092	$ 296,836	$ 2,085,928
Receivables (Net of Allowance for Uncollectibles)	186,830	102,163	288,993
Due from Other Funds	83,073	4,340	87,413
Total Assets	$ 2,058,995	$ 403,339	$ 2,462,334
LIABILITIES			
Accounts Payable	$ 134,122	$ 66,574	$ 200,696
Accrued Wages, Withholdings & Benefits	2,755	--	2,755
Due to Other Funds	4,340	3	4,343
Customer Deposits	50	--	50
Total Liabilities	141,267	66,577	207,844
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue			
Property Taxes	16,982	--	16,982
Rebates	15,283	--	15,283
Total Deferred Inflows of Resources	32,265	--	32,265
FUND BALANCES			
Restricted	--	336,712	336,712
Assigned	--	50	50
Unassigned	1,885,463	--	1,885,463
Total Fund Balances	1,885,463	336,762	2,222,225
Total Liabilities & Fund Balances	$ 2,058,995	$ 403,339	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			4,055,538
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			32,265
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as expenditures in the funds.			12,184
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:			
Notes Payable		$ (236,436)	
Compensated Absences		(63,279)	
Total long-term liabilities			(299,715)
Net Position of Governmental Activities			$ 6,022,497

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

CITY OF NASHVILLE, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended July 31, 2013

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	$ 1,959,089	$ 5,822	$ 1,964,911
Licenses & Permits	110,155	--	110,155
Intergovernmental	159,243	697,819	857,062
Charges for Services	627,035	--	627,035
Fines & Forfeitures	194,176	--	194,176
Investment Income	11,537	--	11,537
Contributions & Donations	43,858	--	43,858
Miscellaneous	48,441	--	48,441
Total Revenues	3,153,534	703,641	3,857,175
EXPENDITURES			
Current			
General Government	560,721	--	560,721
Judicial	26,342	--	26,342
Public Safety	1,114,482	--	1,114,482
Public Works	894,487	--	894,487
Culture & Recreation	58,074	--	58,074
Housing & Development	251,479	6,271	257,750
Capital Outlay	--	685,194	685,194
Debt Service	--	29,716	29,716
Total Expenditures	2,905,585	721,181	3,626,766
Excess (Deficiency) of Revenues Over (Under) Expenditures	247,949	(17,540)	230,409
OTHER FINANCING SOURCES (USES)			
Transfers In	30,000	61,440	91,440
Transfers Out	(38,226)	(67,214)	(105,440)
Total Other Financing Sources (Uses)	(8,226)	(5,774)	(14,000)
Net Change in Fund Balances	239,723	(23,314)	216,409
Fund Balances - Beginning	1,645,740	360,076	2,005,816
Fund Balances - Ending	$ 1,885,463	$ 336,762	$ 2,222,225

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

CITY OF NASHVILLE, GEORGIA
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended July 31, 2013

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*	$	216,409
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		664,699
Depreciation Expense		(219,597)
		445,102
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) increases (decreases) net position.		
Cost of Capital Assets Sold/Disposed		(48,731)
Accumulated Depreciation		48,731
		--
Revenues in the *Statement of Activities* that do not provide current financial resources are not reported as revenues in the funds while revenues reported in the *Statement of Revenues, Expenditures and Changes in Fund Balances* are recognized as revenue of the previous period in the *Statement of Activities* and included in beginning net position.		
Taxes		(2,443)
Charges for Services		15,283
		12,840
The issuance of long-term debt (e.g., bonds, leases, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the *Statement of Activities*.		
Principal Repayments		
Notes Payable		17,611
		17,611
Expenses reported in the *Statement of Activities* that do not require the use of current financial resources are not reported as expenditures in governmental funds while expenditures reported in the *Statement of Revenues, Expenditures and Changes in Fund Balances* are recognized as expenses of the previous period in the *Statement of Activities* and included in beginning net position.		
Compensated Absences		5,390
Prepaid Items		1,251
		6,641
Change in net position of governmental activities reported in the *Statement of Activities*	$	698,603

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

CITY OF NASHVILLE, GEORGIA
Statement of Net Position
Proprietary Funds
July 31, 2013

	Business-type Activities - Enterprise Funds		
	Water & Sewer	Natural Gas	Total Enterprise Funds
ASSETS			
Current Assets			
Cash & Cash Equivalents	$ 2,609,668	$ 1,446,004	$ 4,055,672
Receivables (Net of Allowance for Uncollectibles)	140,080	44,936	185,016
Due from Other Funds	252	--	252
Prepaid Items	3,759	2,487	6,246
Restricted Assets			
Cash & Cash Equivalents	847,701	379,989	1,227,690
Total Current Assets	3,601,460	1,873,416	5,474,876
Noncurrent Assets			
Capital Assets Not Being Depreciated	7,937,059	6,000	7,943,059
Capital Assets Net of Accumulated Depreciation	3,441,668	540,360	3,982,028
Total Noncurrent Assets	11,378,727	546,360	11,925,087
Total Assets	14,980,187	2,419,776	17,399,963
LIABILITIES			
Current Liabilities			
Accounts Payable	40,743	23,794	64,537
Due to Other Funds	59,223	24,099	83,322
Customer Deposits	147,563	35,095	182,658
Accrued Interest Payable	55,800	--	55,800
Loans Payable - Current	126,793	--	126,793
Capital Leases Payable - Current	--	38,813	38,813
Revenue Bonds Payable (Net of Unamortized Discount)	55,400	--	55,400
Other Current Liabilities	--	2,518	2,518
Total Current Liabilities	485,522	124,319	609,841
Noncurrent Liabilities			
Compensated Absences	27,543	13,807	41,350
Loans Payable	5,762,071	--	5,762,071
Capital Leases	--	210,982	210,982
Revenue Bonds Payable (Net of Unamortized Discount)	1,636,690	--	1,636,690
Total Noncurrent Liabilities	7,426,304	224,789	7,651,093
Total Liabilities	7,911,826	349,108	8,260,934
NET POSITION			
Net Investment in Capital Assets	3,797,773	296,565	4,094,338
Unrestricted	3,270,588	1,774,103	5,044,691
Total Net Position	$ 7,068,361	$ 2,070,668	$ 9,139,029

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

CITY OF NASHVILLE, GEORGIA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended July 31, 2013

	Business-type Activities - Enterprise Funds		
	Water & Sewer	Natural Gas	Total Enterprise Funds
OPERATING REVENUES			
Charges for Services	$ 1,504,326	$ 1,030,035	$ 2,534,361
Other	11,522	--	11,522
Total Operating Revenues	1,515,848	1,030,035	2,545,883
OPERATING EXPENSES			
Personal Services & Employee Benefits	382,404	243,145	625,549
Purchased/Contracted Services	153,039	113,050	266,089
Supplies	234,429	483,701	718,130
Other	1,879	271	2,150
Depreciation	175,694	26,654	202,348
Total Operating Expenses	947,445	866,821	1,814,266
Operating Income (Loss)	568,403	163,214	731,617
NONOPERATING REVENUES (EXPENSES)			
Interest Revenue	15,172	11,603	26,775
Interest	(85,970)	(7,575)	(93,545)
Total Nonoperating Revenues (Expenses)	(70,798)	4,028	(66,770)
Income (Loss) Before Contributions & Transfers	497,605	167,242	664,847
Special Item - GEFA Loan Debt Forgiveness	750,000	--	750,000
Transfers In	14,000	--	14,000
Changes in Net Position	1,261,605	167,242	1,428,847
Net Position - Beginning	5,806,756	1,903,426	7,710,182
Net Position - Ending	$ 7,068,361	$ 2,070,668	$ 9,139,029

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, 2013

	Business-type Activities - Enterprise Funds		
	Water & Sewer	Natural Gas	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers & Users	$ 1,520,921	$ 1,022,878	$ 2,543,799
Payments to Suppliers	(373,595)	(590,712)	(964,307)
Payments to Employees	(380,257)	(244,607)	(624,864)
Net Cash Provided (Used) By Operating Activities	767,069	187,559	954,628
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from Other Funds	14,000	--	14,000
Loans from Other Funds	(89,304)	24,099	(65,205)
Loans to Other Funds	12,995	272,673	285,668
Net Cash Provided (Used) By Noncapital Financing Activities	(62,309)	296,772	234,463
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Proceeds from Capital Debt	1,246,962	--	1,246,962
Acquisition & Construction of Capital Assets	(1,412,017)	--	(1,412,017)
Principal Paid on Capital Debt	(52,760)	(37,756)	(90,516)
Interest Paid on Capital Debt	(72,238)	(7,575)	(79,813)
Net Cash Provided (Used) By Capital & Related Financing Activities	(290,053)	(45,331)	(335,384)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest & Dividends Received	16,046	12,202	28,248
Net Cash Provided (Used) By Investing Activities	16,046	12,202	28,248
Net Increase (Decrease) in Cash & Cash Equivalents	430,753	451,202	881,955
Cash & Cash Equivalents - Beginning of Year	3,026,616	1,374,791	4,401,407
Cash & Cash Equivalents - End of Year	$ 3,457,369	$ 1,825,993	$ 5,283,362
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ 568,403	$ 163,214	$ 731,617
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities			
Depreciation Expense	175,694	26,654	202,348
(Increase) Decrease in Accounts Receivable	(1,370)	(12,301)	(13,671)
Increase (Decrease) in Allowances for Uncollectible Accounts	(7,216)	3,869	(3,347)
(Increase) Decrease in Prepaid Items	(962)	(984)	(1,946)
Increase (Decrease) in Accounts Payable	16,713	6,675	23,388
Increase (Decrease) in Accrued Wages & Withholdings	(4,727)	(2,712)	(7,439)
Increase (Decrease) in Compensated Absences Payable	6,874	1,250	8,124
Increase (Decrease) in Other Current Liabilities	--	619	619
Increase (Decrease) in Customer Deposits	13,660	1,275	14,935
Net Cash Provided (Used) By Operating Activities	$ 767,069	$ 187,559	$ 954,628
NONCASH INVESTING, CAPITAL, & FINANCING ACTIVITIES			
Forgiveness of Debt	$ 750,000	$ --	$ 750,000

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

CITY OF NASHVILLE, GEORGIA
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
July 31, 2013

	Agency Funds
ASSETS	
Cash & Cash Equivalents	$ 12,960
Total Assets	$ 12,960
LIABILITIES	
Due to Others	$ 12,960
Total Liabilities	$ 12,960

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 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 24, 2012, payable December 20, 2012, 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, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. Debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

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

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/ expenditure) until then.

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

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

9. Fund Balances and Net Position

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

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

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

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

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

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

The City Council can establish, modify, or rescind a fund balance 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.

B. Excess of Expenditures Over Appropriations

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

	Budget	Actual	Excess
General Fund			
Sanitation	512,906	543,817	(30,911)
Economic Development	73,810	170,926	(97,116)

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, 2013, the City's entire bank balance was insured or collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

B. Receivables

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

	General	Nonmajor Governmental Funds	Water & Sewer	Natural Gas	Total
Interest	$ 355	$ --	$ 2,374	$ 1,510	$ 4,239
Taxes	20,068	358	--	--	20,426
Accounts	115,531	--	248,406	78,412	442,349
Intergovernmental	89,229	101,805	--	--	191,034
Gross Receivables	225,183	102,163	250,780	79,922	658,048
Less: Allowance For Uncollectibles	(38,353)	--	(110,700)	(34,986)	(184,039)
	$ 186,830	$ 102,163	$ 140,080	$ 44,936	$ 474,009

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	Unavailable
Property Taxes (General Fund)	$ 16,982
Rebates (General Fund)	15,283
	$ 32,265

C. Capital Assets

Capital asset activity for the year ended July 31, 2013, 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	449,516	586,991	(99,056)	937,451
Total capital assets, not being depreciated	770,653	586,991	(99,056)	1,258,588
Capital assets, being depreciated:				
Buildings	2,491,246	99,056	--	2,590,302
Improvements other than buildings	1,717,081	--	--	1,717,081
Machinery & equipment	1,490,233	77,706	(48,731)	1,519,208
Total capital assets, being depreciated	5,698,560	176,762	(48,731)	5,826,591
Less accumulated depreciation for:				
Buildings	(1,378,269)	(40,261)	--	(1,418,530)
Improvements other than buildings	(341,796)	(107,431)	--	(449,227)
Machinery & equipment	(1,138,712)	(71,903)	48,731	(1,161,884)
Total accumulated depreciation	(2,858,777)	(219,595)	48,731	(3,029,641)
Total capital assets, being depreciated, net	2,839,783	(42,833)	--	2,796,950
Governmental activities capital assets, net	$ 3,610,436	$ 544,158	$ (99,056)	$ 4,055,538

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 821,086	$ --	$ --	$ 821,086
Construction in progress	5,723,956	1,398,017	--	7,121,973
Total capital assets, not being depreciated	6,545,042	1,398,017	--	7,943,059
Capital assets, being depreciated:				
Buildings & system	8,824,860	--	--	8,824,860
Machinery & equipment	465,718	14,000	--	479,718
Total capital assets, being depreciated	9,290,578	14,000	--	9,304,578
Less accumulated depreciation for:				
Buildings & system	(4,687,198)	(195,022)	--	(4,882,220)
Machinery & equipment	(433,004)	(7,326)	--	(440,330)
Total accumulated depreciation	(5,120,202)	(202,348)	--	(5,322,550)
Total capital assets, being depreciated, net	4,170,376	(188,348)	--	3,982,028
Business-type activities capital assets, net	$ 10,715,418	$ 1,209,669	$ --	$ 11,925,087

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

Governmental Activities		
General Government	$	42,921
Public Safety		59,274
Public Works		96,345
Culture & Recreation		14,289
Housing & Development		6,768
	$	219,597
Business-type Activities		
Water & Sewer	$	175,694
Gas		26,654
	$	202,348

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of July 31, 2013 is as follows:

Due from / to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 1
General Fund	Water & Sewer Enterprise Fund	59,223
General Fund	Natural Gas Enterprise Fund	23,849
Nonmajor Governmental Funds	General Fund	4,340
Water & Sewer Enterprise Fund	General Fund	1
Water & Sewer Enterprise Fund	Nonmajor Governmental Funds	1
Water & Sewer Enterprise Fund	Natural Gas Enterprise Fund	250
		$ 87,665

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 General Fund owes a Nonmajor Governmental Fund for a deposit made in error of $4,340. The Water and Sewer Fund owes the General Fund for unreimbursed expenses of $59,223. The General Fund owes the Water & Sewer Fund monies deposited to open a checking account. A Nonmajor Governmental Fund owes the Water Fund monies deposited to open a checking account. The Gas Fund owes the General Fund for unreimbursed expenses of $23,849. The Water & Sewer Fund owes the Natural Gas Fund for a deposit made in error of $250. A Nonmajor Governmental Fund owes the General Fund monies deposited to open a checking account.

Interfund transfers:

Transfer In	Transfer Out	Amount
Nonmajor Governmental Funds	General Fund	$ 38,226
General Fund	Nonmajor Governmental Funds	30,000
Nonmajor Governmental Funds	Nonmajor Governmental Funds	23,214
Water & Sewer Enterprise Fund	Nonmajor Governmental Funds	14,000
		$ 105,440

The General Fund transferred $38,226 to Nonmajor Governmental Funds to meet the matching requirements for capital projects. A Nonmajor fund reimbursed the General Fund $30,000 for expenditures paid. A Nonmajor Governmental Fund transferred $14,000 to the Water & Sewer Fund for equipment purchased per the sales tax referendum. A Nonmajor Governmental Fund transferred $23,214 to a Nonmajor Governmental Fund for matching requirement per the sales tax referendum.

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, 2013 were as follows:

	Business-type Activities
Machinery and Equipment	$ 334,176
Less: Accumulated Depreciation	(29,240)
Total	$ 304,936

The future minimum lease obligations and the net present value of these minimum lease payments as of July 31, 2013, were as follows:

Year Ending July 31	Business-type Activities
2014	$ 45,332
2015	45,331
2016	45,332
2017	45,331
2018 - 2022	90,664
Total Minimum Lease Payments	271,990
Less: Amounts Representing Interest	(22,195)
Present Value Of Minimum Lease Payments	$ 249,795

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, 2013 was $32,511.

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, 2013 was $203,925.

Notes payable debt service requirements to maturity are as follows:

Year Ending	Governmental Activities		
July 31	Principal	Interest	Total
2014	$ 18,413	$ 11,303	$ 29,716
2015	17,098	8,118	25,216
2016	200,925	1,273	202,198
Total	$ 236,436	$ 20,694	$ 257,130

Loans Payable

The City entered into a loan with Georgia Environmental Finance Authority (GEFA) for $5,888,863.85 at 3% interest payable over 20 years for the construction of a waste water treatment system. The balance outstanding at July 31, 2013 was $5,888,864.

Loans payable debt service requirements to maturity are as follows:

Year Ending	Business-type Activities		
July 31	Principal	Interest	Total
2014	$ 126,793	$ 104,382	$ 231,175
2015	222,583	170,217	392,800
2016	229,353	163,447	392,800
2017	236,329	156,471	392,800
2018	243,517	149,283	392,800
2019 - 2023	1,333,296	630,704	1,964,000
2024 - 2028	1,548,780	415,220	1,964,000
2029 - 2033	1,799,088	164,912	1,964,000
2034 - 2038	149,125	1,220	150,345
Total	$ 5,888,864	$ 1,955,856	$ 7,844,720

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 $1,692,090 at July 31, 2013.

Revenue bond debt service requirements to maturity are as follows:

Year Ending	Business-type Activities		
July 31	Principal	Interest	Total
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	67,340	72,665	140,005
2019 - 2023	390,710	309,323	700,033
2024 - 2028	498,650	201,379	700,029
2029 - 2033	496,600	63,600	560,200
Total	$ 1,692,090	$ 968,204	$ 2,660,294

Changes in General Long-Term Liabilities

Long-term liability activity for the year ended July 31, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	$ 68,669	$ 50,035	$ (55,425)	$ 63,279	$ --
Notes Payable	254,047	--	(17,611)	236,436	18,413
	$ 322,716	$ 50,035	$ (73,036)	$ 299,715	$ 18,413
Business-type Activities:					
Compensated Absences	$ 33,226	$ 20,958	$ (12,834)	$ 41,350	$ --
Capital Leases	287,551	--	(37,756)	249,795	38,813
Loans Payable	5,391,902	1,246,962	(750,000)	5,888,864	126,793
Revenue Bonds	1,744,850	--	(52,760)	1,692,090	55,400
	$ 7,457,529	$ 1,267,920	$ (853,350)	$ 7,872,099	$ 221,006

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	$ 847,701
CD's Held For Collateral	379,989
	$ 1,227,690

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

H. Fund Balances

	General	Other Governmental Funds	Total Governmental Funds
Restricted			
Economic Development	$ --	$ 2,996	$ 2,996
Capital Outlay	--	333,716	333,716
	--	336,712	336,712
Assigned			
Capital Outlay	--	50	50
	--	50	50
Unassigned, Reported In			
General Fund	1,885,463	--	1,885,463
	1,885,463	--	1,885,463
Total Fund Balances	$ 1,885,463	$ 336,762	$ 2,222,225

I. Special Item

In accordance with GEFA's loan agreement with the City of Nashville, the Lender agrees to forgive %15 of the first $5,000,000 of each principal and interest payment due on the loan.

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance purchased either directly or indirectly from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. The City's deductibles for commercial insurance coverage range from $0 to $5,000 with various limits of liability ranging from $5,000 to $12,152,341. The City's workers compensation coverage is provided by StarNet Insurance Company.

B. Commitments and Contingencies

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

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

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

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 6.65% 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 2013, the City's annual pension cost of $88,971 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
1/1/2011	$ 54,642	100 %	$ --
1/1/2012	75,431	100	--
1/1/2013	88,971	100	--

The required contribution was determined as part of the January 1, 2013, 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, 2013, was 10 years.

Funded Status and Funding Progress

As of January 1, 2013, the most recent actuarial valuation date, the plan was 92.4% funded. The actuarial accrued liability for benefits was $2,151,378, and the actuarial value of assets was $1,986,896, resulting in an unfunded actuarial accrued liability (UAAL) of $164,482. The covered payroll (annual payroll of active employees covered by the plan) was $1,157,129, and the ratio of the UAAL to the covered payroll was 14.2%.

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

D. Related Organizations

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

E. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the ten county South Georgia area, is a member of the Southern Georgia Regional Commission (formerly SGRDC) and is required to pay annual dues thereto. During its year ended July 31, 2013, the City paid $6,204 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
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended July 31, 2013

	Budgeted Amounts		Actual	Variance With Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes	$ 1,918,504	$ 1,964,354	$ 1,959,089	$ (5,265)
Licenses & Permits	112,909	112,909	110,155	(2,754)
Intergovernmental	11,044	11,044	159,243	148,199
Charges for Services	652,603	652,603	627,035	(25,568)
Fines & Forfeitures	168,795	168,795	194,176	25,381
Interest Revenue	14,000	14,000	11,537	(2,463)
Contributions & Donations	13,250	13,250	43,858	30,608
Miscellaneous	36,290	36,290	48,441	12,151
Total Revenues	2,927,395	2,973,245	3,153,534	180,289
EXPENDITURES				
Clerks Office	527,467	626,366	560,721	65,645
Municipal Court	25,400	26,900	26,342	558
Police	998,818	971,735	969,326	2,409
Fire & Emergency	129,842	116,876	98,398	18,478
Animal Control	52,931	52,931	46,758	6,173
Highways & Streets	389,100	366,340	344,575	21,765
Sanitation	520,406	512,906	543,817	(30,911)
City Shop	950	950	913	37
Work Control	6,000	6,000	5,182	818
Recreation	53,625	61,385	58,074	3,311
Economic Development	81,310	73,810	170,926	(97,116)
Code Enforcer	65,546	81,046	80,553	493
Total Expenditures	2,851,395	2,897,245	2,905,585	(8,340)
Excess (Deficiency) of Revenues Over (Under) Expenditures	76,000	76,000	247,949	171,949
OTHER FINANCING SOURCES (USES)				
Transfers In				
CDBG Hogan Capital Projects Fund	--	--	30,000	30,000
Transfers Out				
TE Grant #2 Capital Projects Fund	(65,000)	(65,000)	--	65,000
CDBG Hogan Capital Projects Fund	(11,000)	(11,000)	(31,176)	(20,176)
TE Grant #3 Capital Projects Fund	--	--	(7,050)	(7,050)
Total Other Financing Sources (Uses)	(76,000)	(76,000)	(8,226)	67,774
Net Change in Fund Balances	--	--	239,723	239,723
Fund Balances - Beginning	1,645,740	1,645,740	1,645,740	--
Fund Balances - Ending	$ 1,645,740	$ 1,645,740	$ 1,885,463	$ 239,723

CITY OF NASHVILLE, GEORGIA
Pension Plan
Schedule of Funding Progress
July 31, 2013

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
1/1/2013	1,986,896	2,151,378	164,482	92.4	1,157,129	14.2

A. Budgetary Information

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

COMBINING & INDIVIDUAL FUND STATEMENTS

Major Governmental Funds

General Fund

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

CITY OF NASHVILLE, GEORGIA
General Fund
Balance Sheet
July 31, 2013 and 2012

	2013	2012
ASSETS		
Cash & Cash Equivalents	$ 1,789,092	$ 1,783,732
Receivables (Net of Allowance for Uncollectibles)		
Interest	355	723
Taxes	19,505	21,243
Accounts	77,741	66,717
Intergovernmental	89,229	48,583
Due from Other Funds		
Sewer Improvements Capital Projects Fund	1	1
Water & Sewer Enterprise Fund	59,223	--
Natural Gas Enterprise Fund	23,849	--
Total Assets	$ 2,058,995	$ 1,920,999
LIABILITIES		
Accounts Payable	$ 134,122	$ 96,155
Accrued Wages, Withholdings & Benefits	2,755	22,237
Due to Other Funds		
1% SPLOST Capital Projects Fund	4,340	--
Water & Sewer Enterprise Fund	--	13,246
Natural Gas Enterprise Fund	--	124,146
Customer Deposits	50	50
Total Liabilities	141,267	255,834
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue		
Property Taxes	16,982	19,425
Rebates	15,283	--
Total Deferred Inflows of Resources	32,265	19,425
FUND BALANCES		
Unassigned	1,885,463	1,645,740
Total Fund Balances	1,885,463	1,645,740
Total Liabilities, Deferred Inflows of Resources & Fund Balances	$ 2,058,995	$ 1,920,999

CITY OF NASHVILLE, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2013 and 2012

	2013	2012
REVENUES		
Taxes	$ 1,959,089	$ 1,884,233
Licenses & Permits	110,155	101,276
Intergovernmental	159,243	42,274
Charges for Services	627,035	649,329
Fines & Forfeitures	194,176	161,393
Interest Revenue	11,537	14,118
Contributions & Donations	43,858	17,445
Miscellaneous	48,441	54,361
Total Revenues	3,153,534	2,924,429
EXPENDITURES		
Current		
General Government	560,721	504,149
Judicial	26,342	25,099
Public Safety	1,114,482	1,119,313
Public Works	894,487	873,912
Culture & Recreation	58,074	37,622
Housing & Development	251,479	118,543
Total Expenditures	2,905,585	2,678,638
Excess (Deficiency) of Revenues Over (Under) Expenditures	247,949	245,791
OTHER FINANCING SOURCES (USES)		
Transfers In		
CDBG Hogan Capital Projects Fund	30,000	--
Transfers Out		
TE Grant #2 Capital Projects Fund	--	(17,637)
CDBG Hogan Capital Projects Fund	(31,176)	(30,722)
TE Grant #3 Capital Projects Fund	(7,050)	(8,812)
Total Other Financing Sources (Uses)	(8,226)	(57,171)
Net Change in Fund Balances	239,723	188,620
Fund Balances - Beginning	1,645,740	1,457,120
Fund Balances - Ending	$ 1,885,463	$ 1,645,740

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

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

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

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

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

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

CITY OF NASHVILLE, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
July 31, 2013

	Special Revenue Funds			
	Hotel/Motel	Total	1% SPLOST #3	1% SPLOST #4
ASSETS				
Cash & Cash Equivalents	$ 2,638	$ 2,638	$ 1,025	$ 293,120
Receivables	358	358	--	43,953
Due from Other Funds	--	--	4,340	--
Total Assets	$ 2,996	$ 2,996	$ 5,365	$ 337,073
LIABILITIES				
Accounts Payable	--	--	--	8,722
Due to Other Funds	--	--	--	--
Total Liabilities	--	--	--	8,722
FUND BALANCES				
Restricted	2,996	2,996	5,365	328,351
Assigned	--	--	--	--
Total Fund Balances	2,996	2,996	5,365	328,351
Total Liabilities & Fund Balances	$ 2,996	$ 2,996	$ 5,365	$ 337,073

Capital Projects Funds						
TE Grant #2	CDBG Hogan	CDBG Sewer	TE Grant #3	CDBG Sewer 2012	Total	Total Nonmajor Governmental Funds
$ 50	$ 1	$ 1	$ --	$ 1	$ 294,198	$ 296,836
--	--	57,852	--	--	101,805	102,163
--	--	--	--	--	4,340	4,340
$ 50	$ 1	$ 57,853	$ --	$ 1	$ 400,343	$ 403,339
--	--	57,852	--	--	66,574	66,574
--	1	1	--	1	3	3
--	1	57,853	--	1	66,577	66,577
--	--	--	--	--	333,716	336,712
50	--	--	--	--	50	50
50	--	--	--	--	333,766	336,762
$ 50	$ 1	$ 57,853	$ --	$ 1	$ 400,343	$ 403,339

CITY OF NASHVILLE, GEORGIA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended July 31, 2013

	Special Revenue Funds			
	Hotel/Motel	Total	1% SPLOST #3	1% SPLOST #4
REVENUES				
Taxes	$ 5,822	$ 5,822	$ --	$ --
Intergovernmental	--	--	4,340	283,835
Total Revenues	5,822	5,822	4,340	283,835
EXPENDITURES				
Current				
Housing & Development	6,271	6,271	--	--
Capital Outlay	--	--	227,076	17,034
Debt Service	--	--	29,716	--
Total Expenditures	6,271	6,271	256,792	17,034
Excess (Deficiency) of Revenues Over (Under) Expenditures	(449)	(449)	(252,452)	266,801
OTHER FINANCING SOURCES (USES)				
Transfers In	--	--	--	--
Transfers Out	--	--	(14,000)	(23,214)
Total Other Financing Sources (Uses)	--	--	(14,000)	(23,214)
Net Change in Fund Balances	(449)	(449)	(266,452)	243,587
Fund Balances - Beginning	3,445	3,445	271,817	84,764
Fund Balances - Ending	$ 2,996	$ 2,996	$ 5,365	$ 328,351

Capital Projects Funds						
TE Grant #2	CDBG Hogan	CDBG Sewer	TE Grant #3	CDBG Sewer 2012	Total	Total Nonmajor Governmental Funds
$ --	$ --	$ --	$ --	$ --	$ --	$ 5,822
--	127,015	282,629	--	--	697,819	697,819
--	127,015	282,629	--	--	697,819	703,641
--	--	--	--	--	--	6,271
--	128,191	282,629	7,050	23,214	685,194	685,194
--	--	--	--	--	29,716	29,716
--	128,191	282,629	7,050	23,214	714,910	721,181
--	(1,176)	--	(7,050)	(23,214)	(17,091)	(17,540)
--	31,176	--	7,050	23,214	61,440	61,440
--	(30,000)	--	--	--	(67,214)	(67,214)
--	1,176	--	7,050	23,214	(5,774)	(5,774)
--	--	--	--	--	(22,865)	(23,314)
50	--	--	--	--	356,631	360,076
$ 50	$ --	$ --	$ --	$ --	$ 333,766	$ 336,762

CITY OF NASHVILLE, GEORGIA
Hotel/Motel Special Revenue Fund
Balance Sheet
July 31, 2013 and 2012

	2013	2012
ASSETS		
Cash & Cash Equivalents	$ 2,638	$ 3,160
Receivables		
Taxes	358	285
Total Assets	$ 2,996	$ 3,445
FUND BALANCES		
Restricted	$ 2,996	$ 3,445
Total Fund Balances	$ 2,996	$ 3,445

CITY OF NASHVILLE, GEORGIA
Hotel/Motel Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2013 and 2012

	2013	2012
REVENUES		
Taxes	$ 5,822	$ 3,568
Total Revenues	5,822	3,568
EXPENDITURES		
Current		
Housing & Development	6,271	2,211
Total Expenditures	6,271	2,211
Excess (Deficiency) of Revenues Over (Under) Expenditures	(449)	1,357
Net Change in Fund Balances	(449)	1,357
Fund Balances - Beginning	3,445	2,088
Fund Balances - Ending	$ 2,996	$ 3,445

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

	Budget	Actual	Variance With Final Budget - Positive (Negative)
REVENUES			
Taxes	$ 6,300	$ 5,822	$ (478)
Total Revenues	6,300	5,822	(478)
EXPENDITURES			
Current			
Housing & Development	6,300	6,271	29
Total Expenditures	6,300	6,271	29
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	(449)	(449)
Net Change in Fund Balances	--	(449)	(449)
Fund Balances - Beginning	3,445	3,445	--
Fund Balances - Ending	$ 3,445	$ 2,996	$ (449)

CITY OF NASHVILLE, GEORGIA
1% SPLOST #3 Capital Projects Fund
Balance Sheet
July 31, 2013 and 2012

	2013	2012
ASSETS		
Cash & Cash Equivalents	$ 1,025	$ 314,035
Due from Other Funds		
General Fund	4,340	--
Total Assets	$ 5,365	$ 314,035
LIABILITIES		
Accounts Payable	$ --	$ 8,754
Due to Other Funds		
TE Grant #2 Capital Projects Fund	--	33,464
Total Liabilities	--	42,218
FUND BALANCES		
Restricted	5,365	271,817
Total Fund Balances	5,365	271,817
Total Liabilities & Fund Balances	$ 5,365	$ 314,035

CITY OF NASHVILLE, GEORGIA
1% SPLOST #3 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2013 and 2012

	2013	2012
REVENUES		
Intergovernmental	$ 4,340	$ 132,351
Total Revenues	4,340	132,351
EXPENDITURES		
Capital Outlay	227,076	445,799
Debt Service	29,716	--
Total Expenditures	256,792	445,799
Excess (Deficiency) of Revenues Over (Under) Expenditures	(252,452)	(313,448)
OTHER FINANCING SOURCES (USES)		
Transfers Out		
Water & Sewer Enterprise Fund	(14,000)	--
Proceeds of Capital Asset Dispositions	--	2,250
Total Other Financing Sources (Uses)	(14,000)	2,250
Net Change in Fund Balances	(266,452)	(311,198)
Fund Balances - Beginning	271,817	583,015
Fund Balances - Ending	$ 5,365	$ 271,817

CITY OF NASHVILLE, GEORGIA
1% SPLOST #4 Capital Projects Fund
Balance Sheet
July 31, 2013 and 2012

	2013	2012
ASSETS		
Cash & Cash Equivalents	$ 293,120	$ --
Receivables		
Intergovernmental	43,953	51,300
Due from Other Funds		
1% SPLOST #3 Capital Projects Fund	--	33,464
Total Assets	$ 337,073	$ 84,764
LIABILITIES		
Accounts Payable	$ 8,722	$ --
Total Liabilities	8,722	--
FUND BALANCES		
Restricted	328,351	84,764
Total Fund Balances	328,351	84,764
Total Liabilities & Fund Balances	$ 337,073	$ 84,764

CITY OF NASHVILLE, GEORGIA
1% SPLOST #4 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2013 and 2012

	2013	2012
REVENUES		
Intergovernmental	$ 283,835	$ 177,527
Total Revenues	283,835	177,527
EXPENDITURES		
Capital Outlay	17,034	305,514
Total Expenditures	17,034	305,514
Excess (Deficiency) of Revenues Over (Under) Expenditures	266,801	(127,987)
OTHER FINANCING SOURCES (USES)		
Transfers Out		
Sewer Improvements Capital Projects Fund	(23,214)	--
Proceeds of General Long-Term Liabilities	--	212,751
Total Other Financing Sources (Uses)	(23,214)	212,751
Net Change in Fund Balances	243,587	84,764
Fund Balances - Beginning	84,764	--
Fund Balances - Ending	$ 328,351	$ 84,764

CITY OF NASHVILLE, GEORGIA
TE Grant #2 Capital Projects Fund
Balance Sheet
July 31, 2013 and 2012

	2013	2012
ASSETS		
Cash & Cash Equivalents	$ 50	$ 50
Total Assets	$ 50	$ 50
FUND BALANCES		
Assigned	$ 50	$ 50
Total Fund Balances	$ 50	$ 50

CITY OF NASHVILLE, GEORGIA
TE Grant #2 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2013 and 2012

	2013	2012
REVENUES		
Intergovernmental	$ --	$ 170,097
Total Revenues	--	170,097
EXPENDITURES		
Capital Outlay	--	187,729
Total Expenditures	--	187,729
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	(17,632)
OTHER FINANCING SOURCES (USES)		
Transfers In		
General Fund	--	17,637
Total Other Financing Sources (Uses)	--	17,637
Net Change in Fund Balances	--	5
Fund Balances - Beginning	50	45
Fund Balances - Ending	$ 50	$ 50

CITY OF NASHVILLE, GEORGIA
TE Grant #2 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended July 31, 2013

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

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

	2013	2012
ASSETS		
Cash & Cash Equivalents	$ 1	$ 1
Total Assets	$ 1	$ 1
LIABILITIES		
Due to Other Funds		
General Fund	$ 1	$ 1
Total Liabilities	1	1
Total Fund Balances	--	--
Total Liabilities & Fund Balances	$ 1	$ 1

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

	2013	2012
REVENUES		
Intergovernmental	$ 127,015	$ --
Total Revenues	127,015	--
EXPENDITURES		
Capital Outlay	128,191	30,722
Total Expenditures	128,191	30,722
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,176)	(30,722)
OTHER FINANCING SOURCES (USES)		
Transfers In		
General Fund	31,176	30,722
Transfers Out		
General Fund	(30,000)	--
Total Other Financing Sources (Uses)	1,176	30,722
Net Change in Fund Balances	--	--
Fund Balances - Beginning	--	--
Fund Balances - Ending	$ --	$ --

CITY OF NASHVILLE, GEORGIA
CDBG Hogan Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended July 31, 2013

	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Intergovernmental	$ 162,617	$ --	$ 127,015	$ 127,015
Total Revenues	162,617	--	127,015	127,015
EXPENDITURES				
Capital Outlay	177,617	30,722	128,191	158,913
Total Expenditures	177,617	30,722	128,191	158,913
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,000)	(30,722)	(1,176)	(31,898)
OTHER FINANCING SOURCES (USES)				
Transfers In				
General Fund	15,000	30,722	31,176	61,898
Transfers Out				
General Fund	--	--	(30,000)	(30,000)
Total Other Financing Sources (Uses)	15,000	30,722	1,176	31,898
Net Change in Fund Balances	$ --	$ --	--	$ --
Fund Balances - Beginning			--	
Fund Balances - Ending			$ --	

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

	2013	2012
ASSETS		
Cash & Cash Equivalents	$ 1	$ 1
Receivables		
Intergovernmental	57,852	67,172
Total Assets	$ 57,853	$ 67,173
LIABILITIES		
Accounts Payable	$ 57,852	$ 67,172
Due to Other Funds		
Water & Sewer Enterprise Fund	1	1
Total Liabilities	57,853	67,173
Total Fund Balances	--	--
Total Liabilities & Fund Balances	$ 57,853	$ 67,173

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

	2013	2012
REVENUES		
Intergovernmental	$ 282,629	$ 72,172
Total Revenues	282,629	72,172
EXPENDITURES		
Capital Outlay	282,629	72,172
Total Expenditures	282,629	72,172
Net Change in Fund Balances	--	--
Fund Balances - Beginning	--	--
Fund Balances - Ending	$ --	$ --

CITY OF NASHVILLE, GEORGIA
CDBG Sewer Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended July 31, 2013

	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Intergovernmental	$ 386,905	$ 72,172	$ 282,629	$ 354,801
Total Revenues	386,905	72,172	282,629	354,801
EXPENDITURES				
Capital Outlay	441,567	72,172	282,629	354,801
Total Expenditures	441,567	72,172	282,629	354,801
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
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2013 and 2012

	2013	2012
EXPENDITURES		
Capital Outlay	$ 7,050	$ 8,812
Total Expenditures	7,050	8,812
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,050)	(8,812)
OTHER FINANCING SOURCES (USES)		
Transfers In		
General Fund	7,050	8,812
Total Other Financing Sources (Uses)	7,050	8,812
Net Change in Fund Balances	--	--
Fund Balances - Beginning	--	--
Fund Balances - Ending	$ --	$ --

CITY OF NASHVILLE, GEORGIA
TE Grant #3 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended July 31, 2013

	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Intergovernmental	$ 200,000	$ --	$ --	$ --
Total Revenues	200,000	--	--	--
EXPENDITURES				
Capital Outlay	250,000	8,812	7,050	15,862
Total Expenditures	250,000	8,812	7,050	15,862
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,000)	(8,812)	(7,050)	(15,862)
OTHER FINANCING SOURCES (USES)				
Transfers In				
General Fund	50,000	8,812	7,050	15,862
Total Other Financing Sources (Uses)	50,000	8,812	7,050	15,862
Net Change in Fund Balances	$ --	$ --	--	$ --
Fund Balances - Beginning			--	
Fund Balances - Ending			$ --	

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

	2013	2012
ASSETS		
Cash & Cash Equivalents	$ 1	$ --
Total Assets	$ 1	$ --
LIABILITIES		
Due to Other Funds		
Water & Sewer Enterprise Fund	$ 1	$ --
Total Liabilities	1	--
Total Fund Balances	--	--
Total Liabilities & Fund Balances	$ 1	$ --

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

	2013	2012
EXPENDITURES		
Capital Outlay	$ 23,214	$ --
Total Expenditures	23,214	--
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,214)	--
OTHER FINANCING SOURCES (USES)		
Transfers In		
1% SPLOST #4 Capital Projects Fund	23,214	--
Total Other Financing Sources (Uses)	23,214	--
Net Change in Fund Balances	--	--
Fund Balances - Beginning	--	--
Fund Balances - Ending	$ --	$ --

CITY OF NASHVILLE, GEORGIA
CDBG Sewer 2012 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended July 31, 2013

	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Intergovernmental	$ 461,868	$ --	$ --	$ --
Total Revenues	461,868	--	--	--
EXPENDITURES				
Capital Outlay	511,868	--	23,214	23,214
Total Expenditures	511,868	--	23,214	23,214
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,000)	--	(23,214)	(23,214)
OTHER FINANCING SOURCES (USES)				
Transfers In				
1% SPLOST #4 Capital Projects Fund	50,000	--	23,214	23,214
Total Other Financing Sources (Uses)	50,000	--	23,214	23,214
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
Statement of Net Position
July 31, 2013 and 2012

	2013	2012
ASSETS		
Current Assets		
Cash & Cash Equivalents	$ 2,609,668	$ 2,214,168
Receivables (Net of Allowance for Uncollectibles)		
Interest	2,374	3,248
Accounts	137,706	129,119
Due from Other Funds		
General Fund	1	13,246
Natural Gas Enterprise Fund	250	--
CDBG Sewer Capital Projects Fund	1	1
Prepaid Items	3,759	2,797
Restricted Assets		
Cash & Cash Equivalents	847,701	812,448
Total Current Assets	3,601,460	3,175,027
Noncurrent Assets		
Capital Assets Not Being Depreciated		
Land	815,086	815,086
Construction in Progress	7,121,973	5,723,956
Capital Assets Net of Accumulated Depreciation		
Buildings & System	7,838,930	7,838,930
Machinery & Equipment	344,281	330,281
Accumulated Depreciation	(4,741,543)	(4,565,849)
Total Capital Assets Net of Accumulated Depreciation	11,378,727	10,142,404
Total Noncurrent Assets	11,378,727	10,142,404
Total Assets	14,980,187	13,317,431

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Statement of Net Position
July 31, 2013 and 2012

	2013	2012
LIABILITIES		
Current Liabilities		
Accounts Payable	40,743	24,029
Accrued Wages, Withholdings & Benefits	--	4,727
Due to Other Funds		
General Fund	59,223	--
Natural Gas Enterprise Fund	--	148,527
Customer Deposits	147,563	133,903
Accrued Interest Payable	55,800	42,068
Loans Payable - Current	126,793	199,816
Revenue Bonds Payable (Net of Unamortized Discount)	55,400	52,760
Total Current Liabilities	485,522	605,830
Noncurrent Liabilities		
Compensated Absences	27,543	20,669
Loans Payable	5,762,071	5,192,086
Revenue Bonds Payable (Net of Unamortized Discount)	1,636,690	1,692,090
Total Noncurrent Liabilities	7,426,304	6,904,845
Total Liabilities	7,911,826	7,510,675
NET POSITION		
Net Investment in Capital Assets	3,797,773	3,005,652
Unrestricted	3,270,588	2,801,104
Total Net Position	$ 7,068,361	$ 5,806,756

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended July 31, 2013 and 2012

	2013	2012
OPERATING REVENUES		
Charges for Services	$ 1,504,326	$ 1,558,885
Other	11,522	3,121
Total Operating Revenues	1,515,848	1,562,006
OPERATING EXPENSES		
Personal Services & Employee Benefits	382,404	427,562
Purchased/Contracted Services	153,039	133,103
Supplies	234,429	201,125
Depreciation	175,694	178,224
Other	1,879	2,420
Total Operating Expenses	947,445	942,434
Operating Income (Loss)	568,403	619,572
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	15,172	17,900
Interest	(85,970)	(88,544)
Total Nonoperating Revenues (Expenses)	(70,798)	(70,644)
Income (Loss) Before Contributions & Transfers	497,605	548,928
Capital Contributions	--	63,342
Special Item - GEFA Loan Debt Forgiveness	750,000	--
Transfers In		
1% SPLOST #3 Capital Projects Fund	14,000	--
Changes in Net Position	1,261,605	612,270
Net Position - Beginning	5,806,756	5,194,486
Net Position - Ending	$ 7,068,361	$ 5,806,756

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Statement of Cash Flows
For the Years Ended July 31, 2013 and 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers & Users	$ 1,520,921	$ 1,549,766
Payments to Suppliers	(373,595)	(351,612)
Payments to Employees	(380,257)	(420,513)
Net Cash Provided (Used) By Operating Activities	767,069	777,641
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from Other Funds		
1% SPLOST Fund	14,000	--
Loans from Other Funds	(89,304)	(70,592)
Loans to Other Funds	12,995	8,641
Net Cash Provided (Used) By Noncapital Financing Activities	(62,309)	(61,951)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Proceeds from Capital Debt	1,246,962	5,391,902
Acquisition & Construction of Capital Assets	(1,412,017)	(5,554,738)
Principal Paid on Capital Debt	(52,760)	(50,250)
Interest Paid on Capital Debt	(72,238)	(89,755)
Net Cash Provided (Used) By Capital & Related Financing Activities	(290,053)	(302,841)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest & Dividends Received	16,046	20,444
Net Cash Provided (Used) By Investing Activities	16,046	20,444
Net Increase (Decrease) in Cash & Cash Equivalents	430,753	433,293
Cash & Cash Equivalents - Beginning of Year	3,026,616	2,593,323
Cash & Cash Equivalents - End of Year	$ 3,457,369	$ 3,026,616

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Statement of Cash Flows
For the Years Ended July 31, 2013 and 2012

	2013	2012
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 568,403	$ 619,572
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	175,694	178,224
(Increase) Decrease in Accounts Receivable	(1,370)	12,402
Increase (Decrease) in Allowances for Uncollectible Accounts	(7,216)	(20,447)
(Increase) Decrease in Prepaid Items	(962)	188
Increase (Decrease) in Accounts Payable	16,713	(15,152)
Increase (Decrease) in Accrued Wages & Withholdings	(4,727)	2,424
Increase (Decrease) in Compensated Absences Payable	6,874	4,625
Increase (Decrease) in Customer Deposits	13,660	(4,195)
Net Cash Provided (Used) By Operating Activities	$ 767,069	$ 777,641
NONCASH INVESTING, CAPITAL, & FINANCING ACTIVITIES		
Contributions of Capital Assets from Governmental Funds	$ --	$ 63,342
Forgiveness of Debt	$ 750,000	$ --

CITY OF NASHVILLE, GEORGIA
Natural Gas Enterprise Fund
Statement of Net Position
July 31, 2013 and 2012

	2013	2012
ASSETS		
Current Assets		
Cash & Cash Equivalents	$ 1,446,004	$ 994,802
Receivables (Net of Allowance for Uncollectibles)		
Interest	1,510	2,109
Accounts	43,426	34,994
Due from Other Funds		
General Fund	--	124,146
Water & Sewer Enterprise Fund	--	148,527
Prepaid Items	2,487	1,503
Restricted Assets		
Cash & Cash Equivalents	379,989	379,989
Total Current Assets	1,873,416	1,686,070
Noncurrent Assets		
Capital Assets Not Being Depreciated		
Land	6,000	6,000
Capital Assets Net of Accumulated Depreciation		
Improvements Other Than Buildings	985,930	985,930
Machinery & Equipment	135,436	135,436
Accumulated Depreciation	(581,006)	(554,352)
Total Capital Assets Net of Accumulated Depreciation	546,360	573,014
Total Noncurrent Assets	546,360	573,014
Total Assets	2,419,776	2,259,084
LIABILITIES		
Current Liabilities		
Accounts Payable	23,794	17,119
Accrued Wages, Withholdings & Benefits	--	2,712
Due to Other Funds		
General Fund	24,099	--
Customer Deposits	35,095	33,820
Capital Leases Payable - Current	38,813	37,756
Other Current Liabilities	2,518	1,899
Total Current Liabilities	124,319	93,306
Noncurrent Liabilities		
Compensated Absences	13,807	12,557
Capital Leases	210,982	249,795
Total Noncurrent Liabilities	224,789	262,352
Total Liabilities	349,108	355,658
NET POSITION		
Net Investment in Capital Assets	296,565	285,463
Unrestricted	1,774,103	1,617,963
Total Net Position	$ 2,070,668	$ 1,903,426

CITY OF NASHVILLE, GEORGIA
Natural Gas Enterprise Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended July 31, 2013 and 2012

	2013	2012
OPERATING REVENUES		
Charges for Services	$ 1,030,035	$ 954,053
Other	--	1,101
Total Operating Revenues	1,030,035	955,154
OPERATING EXPENSES		
Personal Services & Employee Benefits	243,145	249,157
Purchased/Contracted Services	113,050	60,296
Supplies	483,701	455,721
Depreciation	26,654	23,200
Other	271	59
Total Operating Expenses	866,821	788,433
Operating Income (Loss)	163,214	166,721
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	11,603	14,505
Interest	(7,575)	(7,883)
Total Nonoperating Revenues (Expenses)	4,028	6,622
Changes in Net Position	167,242	173,343
Net Position - Beginning	1,903,426	1,730,083
Net Position - Ending	$ 2,070,668	$ 1,903,426

CITY OF NASHVILLE, GEORGIA
Natural Gas Enterprise Fund
Statement of Cash Flows
For the Years Ended July 31, 2013 and 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers & Users	$ 1,022,878	$ 950,660
Payments to Suppliers	(590,712)	(656,901)
Payments to Employees	(244,607)	(246,151)
Net Cash Provided (Used) By Operating Activities	187,559	47,608
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Loans from Other Funds	24,099	(25,646)
Loans to Other Funds	272,673	18,041
Net Cash Provided (Used) By Noncapital Financing Activities	296,772	(7,605)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Proceeds from Capital Debt	--	325,000
Acquisition & Construction of Capital Assets	--	(186,015)
Principal Paid on Capital Debt	(37,756)	(37,449)
Interest Paid on Capital Debt	(7,575)	(7,883)
Net Cash Provided (Used) By Capital & Related Financing Activities	(45,331)	93,653
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest & Dividends Received	12,202	16,061
Net Cash Provided (Used) By Investing Activities	12,202	16,061
Net Increase (Decrease) in Cash & Cash Equivalents	451,202	149,717
Cash & Cash Equivalents - Beginning of Year	1,374,791	1,225,074
Cash & Cash Equivalents - End of Year	$ 1,825,993	$ 1,374,791
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 163,214	$ 166,721
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	26,654	23,200
(Increase) Decrease in Accounts Receivable	(12,301)	2,025
Increase (Decrease) in Allowances for Uncollectible Accounts	3,869	(5,396)
(Increase) Decrease in Other Current Assets	--	1,580
(Increase) Decrease in Prepaid Items	(984)	(147)
Increase (Decrease) in Accounts Payable	6,675	(140,678)
Increase (Decrease) in Accrued Wages & Withholdings	(2,712)	1,084
Increase (Decrease) in Compensated Absences Payable	1,250	1,922
Increase (Decrease) in Other Current Liabilities	619	(358)
Increase (Decrease) in Customer Deposits	1,275	(2,345)
Net Cash Provided (Used) By Operating Activities	$ 187,559	$ 47,608

Fiduciary Funds

Agency Funds

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

CITY OF NASHVILLE, GEORGIA
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
July 31, 2013

	Agency Funds		
	Special Account	Voluntary Fire Dept	Total
ASSETS			
Cash & Cash Equivalents	$ 5,159	$ 7,801	$ 12,960
Total Assets	$ 5,159	$ 7,801	$ 12,960
LIABILITIES			
Due to Others	$ 5,159	$ 7,801	$ 12,960
Total Liabilities	$ 5,159	$ 7,801	$ 12,960

SUPPLEMENTAL SCHEDULES

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule of Revenues
For the Years Ended July 31, 2013 and 2012

	2013	2012
REVENUES		
Taxes		
Real Property	$ 684,339	$ 613,103
Personal Property	99,578	62,349
Real Estate Transfer (Intangible)	3,384	6,655
Franchise	312,927	326,255
General Sales & Use	469,735	500,156
Selective Sales & Use	133,874	139,839
Business		
Insurance Premium	246,062	231,660
Penalties & Interest on Delinquent Taxes	9,190	4,216
	1,959,089	1,884,233
Licenses & Permits		
Business	95,363	92,046
Non-Business	953	75
Regulatory	13,839	9,155
	110,155	101,276
Intergovernmental	159,243	42,274
Charges for Services		
Public Safety	10,970	14,232
Public Works	609,850	613,803
Other Charges for Services	6,215	21,294
	627,035	649,329
Fines & Forfeitures	194,176	161,393
Interest Revenue	11,537	14,118
Contributions & Donations	43,858	17,445
Miscellaneous	48,441	54,361
Total Revenues	$ 3,153,534	$ 2,924,429

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule of Expenditures
For the Years Ended July 31, 2013 and 2012

	2013	2012
EXPENDITURES		
Current		
General Government		
Clerks Office		
Personal Services & Employee Benefits	$ 234,924	$ 191,981
Purchased/Contracted Services	259,070	221,710
Supplies	49,286	39,859
Capital Outlay	--	25,371
Other Costs	17,441	25,228
Total Clerks Office	560,721	504,149
Total General Government	560,721	504,149
Judicial		
Municipal Court		
Purchased/Contracted Services	26,342	25,023
Supplies	--	76
Total Municipal Court	26,342	25,099
Total Judicial	26,342	25,099
Public Safety		
Police		
Personal Services & Employee Benefits	719,546	721,191
Purchased/Contracted Services	114,774	97,513
Supplies	71,049	74,943
Capital Outlay	17,116	21,342
Other Costs	46,841	43,113
Total Police	969,326	958,102
Fire & Emergency		
Personal Services & Employee Benefits	55,145	56,695
Purchased/Contracted Services	36,868	44,743
Supplies	6,385	10,899
Total Fire & Emergency	98,398	112,337
Animal Control		
Personal Services & Employee Benefits	34,986	37,754
Purchased/Contracted Services	6,833	6,900
Supplies	4,932	4,220
Other Costs	7	--
Total Animal Control	46,758	48,874
Total Public Safety	1,114,482	1,119,313
Public Works		
Highways & Streets		
Personal Services & Employee Benefits	171,005	172,969
Purchased/Contracted Services	25,347	36,856
Supplies	146,853	146,490
Other Costs	1,370	622
Total Highways & Streets	344,575	356,937

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule of Expenditures
For the Years Ended July 31, 2013 and 2012

	2013	2012
Sanitation		
Personal Services & Employee Benefits	35,951	36,136
Purchased/Contracted Services	475,907	467,488
Supplies	6,791	7,830
Other Costs	25,168	--
Total Sanitation	543,817	511,454
City Shop		
Purchased/Contracted Services	565	97
Supplies	348	563
Total City Shop	913	660
Work Control		
Purchased/Contracted Services	1,248	1,270
Supplies	3,934	3,591
Total Work Control	5,182	4,861
Total Public Works	894,487	873,912
Culture & Recreation		
Recreation		
Personal Services & Employee Benefits	21,890	--
Purchased/Contracted Services	6,991	13,089
Supplies	21,362	17,116
Other Costs	7,831	7,417
Total Recreation	58,074	37,622
Total Culture & Recreation	58,074	37,622
Housing & Development		
Code Enforcer		
Personal Services & Employee Benefits	69,956	55,791
Purchased/Contracted Services	6,322	2,869
Supplies	4,209	1,910
Other Costs	66	--
Total Code Enforcer	80,553	60,570
Economic Development		
Personal Services & Employee Benefits	43,325	39,804
Purchased/Contracted Services	21,953	8,098
Supplies	15,437	3,586
Capital Outlay	89,699	5,350
Other Costs	512	1,135
Total Economic Development	170,926	57,973
Total Housing & Development	251,479	118,543
Total Expenditures	$ 2,905,585	$ 2,678,638

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Schedule of Water & Sewer Bonds - Series 1992-Farmers Home Administration
July 31, 2013

Year Ending	Principal	Rate	Interest	Annual Debt Service
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
	$ 1,692,090		$ 968,204	$ 2,660,294

CITY OF NASHVILLE, GEORGIA
Schedule of Hotel/Motel Taxes Expended
For the Year Ended July 31, 2013

Total Expenditures		
Tourism, Promotions, Conventions, Trade Shows, and Facility Support	$	6,271
		6,271
Taxes Collected		
Tax Collections @ 3%		3,493
Tax Collections Greater Than 3%		2,329
		5,822
Percentage Of Current Year Taxes Expended		108%

CITY OF NASHVILLE, GEORGIA
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Year Ended July 31, 2013

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Six Year Period 1/1/2006 - 12/31/2011	$ 1,915,661	$ 2,201,272				100%
Construction & Capital Improvements of Roads, Streets, & Bridges			$ 411,752	$ 53,164	$ 464,916	
Public Works Projects			451,522	77,124	528,646	
Law Enforcement Facilities			4,963	12,042	17,005	
Law Enforcement Equipment			244,376	29,716	274,092	
Fire Department Facilities			3,666	--	3,666	
Fire Department Equipment			182,285	--	182,285	
Water/Sewer Extensions & Improvements			396,420	--	396,420	
Recreation Facilities			5,852	2,484	8,336	
Recreation Equipment			31,331	8,600	39,931	
City Hall Facilities			180,844	15,762	196,606	
City Hall Equipment			31,469	57,900	89,369	
	$ 1,915,661	$ 2,201,272	$ 1,944,480	$ 256,792	$ 2,201,272	
1% SPLOST #3 Capital Projects Fund						
Total Expenditures				$ 256,792		
				$ 256,792		
Six Year Period 1/1/2012 - 12/31/2017	$ 1,915,661	$ 1,915,661				17%
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	9,735	10,971	
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	909	215,430	
Law Enforcement Equipment			--	--	--	
Fire Fighting Facilities Improvements			--	--	--	
Fire Fighting Equipment			--	298	298	
Animal Control Facility Improvements			--	--	--	
Animal Control Equipment			--	--	--	
Economic Development Projects			--	6,092	6,092	
	$ 1,915,661	$ 1,915,661	$ 307,284	$ 17,034	$ 324,318	
1% SPLOST #4 Capital Projects Fund						
Total Expenditures				$ 17,034		
				$ 17,034		

CITY OF NASHVILLE, GEORGIA
Schedule of Expenditures of Federal Awards
For the Year Ended July 31, 2013

Federal Grantor/Pass-Through Grantor/Program Or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Pass-through Program From			
Tifton Rural Development Office			
Rural Business Enterprise Grant	10.769	10-10-709-127925	$ 86,780
Total U.S. Department of Agriculture			86,780
U.S. Department of Housing & Urban Development			
Pass-through Program From			
Georgia Department of Community Affairs			
Community Development Block Grant	14.228	11p-x-010-2-5397	282,629
Community Development Block Grant	14.228	11rd-a-010-2-5434	127,015
Total U.S. Department of Housing & Urban Development			409,644
U.S. Department of Justice			
Pass-through Program From			
Georgia Council of Juvenile Court Judges			
Bullet Proof Vest Program	16.607	10052598	4,340
Total U.S. Department of Justice			4,340
U.S. Department of Transportation			
Pass-through Program From			
Georgia Department of Transportation			
Governor's Office of Highway Safety	20.600	GA-2013-285-00314	9,950
Total U.S. Department of Transportation			9,950
U.S. Environmental Protection Agency			
Loan from Georgia Environmental Finance Authority			
State Revolving Funds (Clean Water)	66-458	CWSRF-10-001	
Current Year			1,039,093
Prior Year-tested in current year			4,357,366
			5,396,459
Total Expenditures of Federal Awards			$ 5,907,173

Basis Of Presentation

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

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

To The City Council
City of Nashville, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Nashville, Georgia, as of and for the year ended July 31, 2013, and the related notes to the financial statements, which collectively comprise City of Nashville, Georgia's basic financial statements, and have issued our report thereon dated January 31, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Nashville, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Nashville, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Nashville, Georgia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and

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

City of Nashville, Georgia's Response to Finding

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

Purpose of this Report

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

MEEKS CPA, LLP

MEEKS CPA, LLP
Ocilla, Georgia

January 31, 2014

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

To The City Council
City of Nashville, Georgia

Report on Compliance for Each Major Federal Program

We have audited City of Nashville, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Nashville, Georgia's major federal programs for the year ended July 31, 2013. City of Nashville, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, City of Nashville, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended July 31, 2013.

Report on Internal Control Over Compliance

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

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

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

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

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

MEEKS CPA, LLP

MEEKS CPA, LLP
Ocilla, Georgia

January 31, 2014

CITY OF NASHVILLE, GEORGIA
Schedule of Findings and Questioned Costs
For the Year Ended July 31, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	unqualified	
Internal control over financial reporting:		
Material weakness(es) identified?	x yes	___ no
Significant deficiency(ies) identified?	___ yes	x none reported
Noncompliance material to financial statements noted?	___ yes	x no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	___ yes	x no
Significant deficiency(ies) identified?	___ yes	x none reported
Type of auditor's report issued on compliance for major programs:	unqualified	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	___ yes	x no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.228	Department of Housing and Urban Development
66.458	Environmental Protection Agency

Dollar threshold used to distinguish between type A and type B programs:	$ 300,000	
Auditee qualified as low-risk auditee?	___ yes	x no

Section II - Financial Statement Findings

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 non-routine 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

As of September 2013, the City has 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 County.

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 of 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 identify 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 action as necessary.

Section III - Federal Award Findings and Questioned Costs

None