CITY OF NASHVILLE, GEORGIA
Annual Financial Report
For The Fiscal Year Ended
July 31, 2019

MEEKS CPA, LLP
CERTIFIED PUBLIC ACCOUNTANTS
Ocilla, Georgia

CITY OF NASHVILLE, GEORGIA
Annual Financial Report
For The Fiscal Year Ended July 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To The City Council
City of Nashville, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Nashville, Georgia as of and for the year ended July 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

information of City of Nashville, Georgia, as of July 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Nashville, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2020, on our consideration of City of Nashville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to

provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Nashville, Georgia's internal control over financial reporting and compliance.

MEEKS CPA, LLP

Ocilla, Georgia
April 30, 2020

BASIC FINANCIAL STATEMENTS

CITY OF NASHVILLE, GEORGIA
Statement of Net Position
July 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Primary Government	Downtown Development Authority
ASSETS				
Cash and Cash Equivalents	$ 1,714,836	$ 5,413,109	$ 7,127,945	$ 9,853
Receivables (Net of Allowance for Uncollectibles)	248,383	240,013	488,396	--
Internal Balances	5,734	(5,734)	--	--
Prepaid Items	51,944	16,705	68,649	--
Restricted Assets				
Cash and Cash Equivalents	--	979,194	979,194	--
Capital Assets Not Being Depreciated	469,666	860,765	1,330,431	--
Capital Assets Net of Accumulated Depreciation	3,525,919	13,810,853	17,336,772	85,458
Total Assets	6,016,482	21,314,905	27,331,387	95,311
DEFERRED OUTFLOWS OF RESOURCES				
Pension	129,711	79,500	209,211	--
Total Deferred Outflows of Resources	129,711	79,500	209,211	--
LIABILITIES				
Accounts Payable	150,773	102,780	253,553	1,800
Accrued Liabilities	38,407	12,522	50,929	--
Other Current Liabilities	--	6,163	6,163	--
Customer Deposits	250	229,984	230,234	--
Accrued Interest Payable	--	43,726	43,726	--
Noncurrent Liabilities				
Due Within One Year	136,773	411,370	548,143	--
Due In More Than One Year	597,642	6,730,856	7,328,498	--
Total Liabilities	923,845	7,537,401	8,461,246	1,800
DEFERRED INFLOWS OF RESOURCES				
Pension	108,324	66,392	174,716	--
Total Deferred Inflows of Resources	108,324	66,392	174,716	--
NET POSITION				
Net Investment in Capital Assets	3,687,476	7,787,706	11,475,182	85,458
Restricted For				
Public Works	68,015	--	68,015	--
Economic Development	24,655	--	24,655	--
Capital Outlay	561,998	--	561,998	--
Unrestricted	771,880	6,002,906	6,774,786	8,053
Total Net Position	$ 5,114,024	$ 13,790,612	$ 18,904,636	$ 93,511

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, 2019

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	$ 602,239	$ 115,884	$ 29,646	$ --	$ (456,709)	$ --	$ (456,709)	
Judicial	26,922	184,187	--	--	157,265	--	157,265	
Public Safety	1,559,640	17,838	901	4,503	(1,536,398)	--	(1,536,398)	
Public Works	1,239,625	761,586	76,410	584,483	182,854	--	182,854	
Health and Welfare	1,357	9,855	--	--	8,498	--	8,498	
Culture and Recreation	160,803	--	--	--	(160,803)	--	(160,803)	
Housing and Development	379,413	43,832	133,715	--	(201,866)	--	(201,866)	
Interest on Long-Term Debt	16,992	--	--	--	(16,992)	--	(16,992)	
Total Governmental Activities	3,986,991	1,133,182	240,672	588,986	(2,024,151)	--	(2,024,151)	
Business-Type Activities								
Water & Sewer	1,505,772	1,993,209	--	--	--	487,437	487,437	
Natural Gas	1,232,866	1,347,755	--	--	--	114,889	114,889	
Total Business-Type Activities	2,738,638	3,340,964	--	--	--	602,326	602,326	
Total Primary Government	$ 6,725,629	$ 4,474,146	$ 240,672	$ 588,986	(2,024,151)	602,326	(1,421,825)	
Component Units								
Downtown Development Authority	$ 14,132	$ --	$ --	$ --				$ (14,132)
Total Component Units	$ 14,132	$ --	$ --	$ --				(14,132)
General Revenues								
Taxes								
Real Property					715,795	--	715,795	--
Personal Property					132,538	--	132,538	--
Real Estate Transfer (Intangible)					2,008	--	2,008	--
Franchise					309,164	--	309,164	--
General Sales and Use					348,989	--	348,989	--
Selective Sales and Use					144,738	--	144,738	--
Business					354,003	--	354,003	--
Penalties and Interest on Delinquent Taxes					8,294	--	8,294	--
Investment Income					6,519	32,267	38,786	--
Miscellaneous					35,632	--	35,632	11,500
Transfers					(277,218)	277,218	--	--
Total General Revenues and Transfers					1,780,462	309,485	2,089,947	11,500
Changes in Net Position					(243,689)	911,811	668,122	(2,632)
Net Position - Beginning					5,357,713	12,878,801	18,236,514	96,143
Net Position - Ending					$ 5,114,024	$ 13,790,612	$ 18,904,636	$ 93,511

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

CITY OF NASHVILLE, GEORGIA
Balance Sheet
Governmental Funds
July 31, 2019

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	$ 1,099,546	$ 615,290	$ 1,714,836
Receivables (Net of Allowance for Uncollectibles)	195,628	52,755	248,383
Due from Other Funds	45,074	6,832	51,906
Total Assets	$ 1,340,248	$ 674,877	$ 2,015,125
LIABILITIES			
Accounts Payable	$ 148,801	$ 1,972	$ 150,773
Accrued Liabilities	38,407	--	38,407
Due to Other Funds	27,961	18,211	46,172
Customer Deposits	250	--	250
Total Liabilities	215,419	20,183	235,602
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue			
Property Taxes	77,676	--	77,676
Total Deferred Inflows of Resources	77,676	--	77,676
FUND BALANCES			
Restricted	--	654,668	654,668
Assigned	--	100	100
Unassigned	1,047,153	(74)	1,047,079
Total Fund Balances	1,047,153	654,694	1,701,847
Total Liabilities and Fund Balances	$ 1,340,248	$ 674,877	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			3,995,585
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			77,676
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as expenditures in the funds.			51,944
Pension deferred outflows of resources are not due and payable in the current period and will be recognized as components of pension related expenses and contributions in future periods and therefore are not reported in the funds.			129,711
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:			
Capital Leases		$ (119,234)	
Notes Payable		(188,875)	
Compensated Absences		(60,677)	
Net Pension Liability		(365,629)	
Total long-term liabilities			(734,415)
Pension deferred inflows of resources are not available to pay for current expenditures and will be recognized as components of pension related expenses in future periods and therefore are not reported in the funds.			(108,324)
Net Position of Governmental Activities			$ 5,114,024

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, 2019

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	$ 1,916,877	$ 79,764	$ 1,996,641
Licenses and Permits	112,162	--	112,162
Intergovernmental	93,225	718,199	811,424
Charges for Services	741,547	--	741,547
Fines and Forfeitures	184,187	--	184,187
Investment Income	6,519	--	6,519
Contributions and Donations	18,234	--	18,234
Miscellaneous	130,918	--	130,918
Total Revenues	3,203,669	797,963	4,001,632
EXPENDITURES			
Current			
General Government	586,132	--	586,132
Judicial	26,922	--	26,922
Public Safety	1,493,753	--	1,493,753
Public Works	1,074,534	23	1,074,557
Culture and Recreation	137,094	--	137,094
Housing and Development	345,151	8,981	354,132
Capital Outlay	--	421,354	421,354
Debt Service	139,977	27,185	167,162
Total Expenditures	3,803,563	457,543	4,261,106
Excess (Deficiency) of Revenues Over (Under) Expenditures	(599,894)	340,420	(259,474)
OTHER FINANCING SOURCES (USES)			
Transfers In	--	50	50
Transfers Out	--	(150)	(150)
Total Other Financing Sources (Uses)	--	(100)	(100)
Net Change in Fund Balances	(599,894)	340,320	(259,574)
Fund Balances - Beginning	1,647,047	314,374	1,961,421
Fund Balances - Ending	$ 1,047,153	$ 654,694	$ 1,701,847

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, 2019

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*	$ (259,574)
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	500,433
Depreciation Expense	(386,318)
	114,115
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) increases (decreases) net position.	
Capital Assets Reassigned to Enterprise Funds	(277,118)
	(277,118)
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	18,888
	18,888
The issuance of long-term debt (e.g., bonds, leases, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the *Statement of Activities*.	
Principal Repayments	
Capital Leases	28,522
Notes Payable	121,648
	150,170
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	(2,669)
Pensions	10,524
Prepaid Items	1,975
	9,830
Change in net position of governmental activities reported in the *Statement of Activities*	$ (243,689)

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, 2019

	Business-type Activities - Enterprise Funds		
	Water & Sewer	Natural Gas	Total Enterprise Funds
ASSETS			
Current Assets			
Cash and Cash Equivalents	$ 3,896,597	$ 1,516,512	$ 5,413,109
Receivables (Net of Allowance for Uncollectibles)	181,032	58,981	240,013
Due from Other Funds	21,129	--	21,129
Prepaid Items	8,530	8,175	16,705
Restricted Assets			
Cash and Cash Equivalents	599,205	379,989	979,194
Total Current Assets	4,706,493	1,963,657	6,670,150
Noncurrent Assets			
Capital Assets Not Being Depreciated	854,765	6,000	860,765
Capital Assets Net of Accumulated Depreciation	12,336,460	1,474,393	13,810,853
Total Noncurrent Assets	13,191,225	1,480,393	14,671,618
Total Assets	17,897,718	3,444,050	21,341,768
DEFERRED OUTFLOWS OF RESOURCES			
Pension	48,118	31,382	79,500
Total Deferred Outflows of Resources	48,118	31,382	79,500
LIABILITIES			
Current Liabilities			
Accounts Payable	59,649	43,131	102,780
Accrued Liabilities	6,891	5,631	12,522
Due to Other Funds	--	26,863	26,863
Customer Deposits	175,173	54,811	229,984
Accrued Interest Payable	43,726	--	43,726
Loans Payable - Current	285,378	51,752	337,130
Revenue Bonds Payable (Net of Unamortized Discount)	74,240	--	74,240
Other Current Liabilities	4,513	1,650	6,163
Total Current Liabilities	649,570	183,838	833,408
Noncurrent Liabilities			
Compensated Absences	17,294	16,924	34,218
Net Pension Liability	135,637	88,459	224,096
Loans Payable	4,895,141	336,391	5,231,532
Revenue Bonds Payable (Net of Unamortized Discount)	1,241,010	--	1,241,010
Total Noncurrent Liabilities	6,289,082	441,774	6,730,856
Total Liabilities	6,938,652	625,612	7,564,264
DEFERRED INFLOWS OF RESOURCES			
Pension	40,185	26,207	66,392
Total Deferred Inflows of Resources	40,185	26,207	66,392
NET POSITION			
Net Investment in Capital Assets	6,695,456	1,092,250	7,787,706
Unrestricted	4,271,543	1,731,363	6,002,906
Total Net Position	$ 10,966,999	$ 2,823,613	$ 13,790,612

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, 2019

	Business-type Activities - Enterprise Funds		
	Water & Sewer	Natural Gas	Total Enterprise Funds
OPERATING REVENUES			
Charges for Services	$ 1,976,063	$ 1,344,481	$ 3,320,544
Other	17,146	3,274	20,420
Total Operating Revenues	1,993,209	1,347,755	3,340,964
OPERATING EXPENSES			
Personal Services & Employee Benefits	416,570	303,014	719,584
Purchased/Contracted Services	170,968	144,154	315,122
Supplies	309,841	728,742	1,038,583
Other	6,350	167	6,517
Depreciation	386,712	51,795	438,507
Total Operating Expenses	1,290,441	1,227,872	2,518,313
Operating Income (Loss)	702,768	119,883	822,651
NONOPERATING REVENUES (EXPENSES)			
Interest Revenue	7,536	24,731	32,267
Interest	(215,331)	(976)	(216,307)
Debt Issuance Costs	--	(4,018)	(4,018)
Total Nonoperating Revenues (Expenses)	(207,795)	19,737	(188,058)
Income (Loss) Before Contributions and Transfers	494,973	139,620	634,593
Capital Contributions	277,118	--	277,118
Transfers In	100	--	100
Changes in Net Position	772,191	139,620	911,811
Net Position - Beginning	10,194,808	2,683,993	12,878,801
Net Position - Ending	$ 10,966,999	$ 2,823,613	$ 13,790,612

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, 2019

	Business-type Activities - Enterprise Funds		
	Water & Sewer	Natural Gas	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	$ 2,022,115	$ 1,358,222	$ 3,380,337
Payments to Suppliers	(476,915)	(885,525)	(1,362,440)
Payments to Employees	(418,585)	(301,165)	(719,750)
Net Cash Provided (Used) By Operating Activities	1,126,615	171,532	1,298,147
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from Other Funds	100	--	100
Loans from Other Funds	264,519	(238,013)	26,506
Loans to Other Funds	(315,999)	240,860	(75,139)
Net Cash Provided (Used) By Noncapital Financing Activities	(51,380)	2,847	(48,533)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(235,430)	--	(235,430)
Principal Paid on Capital Debt	(552,097)	(96,311)	(648,408)
Interest Paid on Capital Debt	(217,129)	(976)	(218,105)
Debt Issue Cost Paid	--	(4,018)	(4,018)
Net Cash Provided (Used) By Capital and Related Financing Activities	(1,004,656)	(101,305)	(1,105,961)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	7,310	23,822	31,132
Net Cash Provided (Used) By Investing Activities	7,310	23,822	31,132
Net Increase (Decrease) in Cash and Cash Equivalents	77,889	96,896	174,785
Cash and Cash Equivalents - Beginning of Year	4,417,913	1,799,605	6,217,518
Cash and Cash Equivalents - End of Year	$ 4,495,802	$ 1,896,501	$ 6,392,303
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ 702,768	$ 119,883	$ 822,651
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities			
Depreciation Expense	386,712	51,795	438,507
(Increase) Decrease in Accounts Receivable	21,768	9,437	31,205
Increase (Decrease) in Allowances for Uncollectible Accounts	(272)	(95)	(367)
(Increase) Decrease in Prepaid Items	(814)	315	(499)
(Increase) Decrease in Deferred Outflows of Resources	(6,001)	(3,914)	(9,915)
Increase (Decrease) in Accounts Payable	8,678	(13,211)	(4,533)
Increase (Decrease) in Accrued Liabilities	2,958	2,780	5,738
Increase (Decrease) in Compensated Absences Payable	(1,071)	1,615	544
Increase (Decrease) in Other Current Liabilities	2,380	434	2,814
Increase (Decrease) in Customer Deposits	7,410	1,125	8,535
Increase (Decrease) in Net Pension Liability	5,683	3,706	9,389
Increase (Decrease) in Deferred Inflows of Resources	(3,584)	(2,338)	(5,922)
Net Cash Provided (Used) By Operating Activities	$ 1,126,615	$ 171,532	$ 1,298,147
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributions of Capital Assets from Governmental Funds	$ 277,118	$ --	$ 277,118

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, 2019

	Agency Funds
ASSETS	
Cash	$ 14,696
Total Assets	$ 14,696
LIABILITIES	
Due to Others	$ 14,696
Total Liabilities	$ 14,696

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Discretely Presented Component Units

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

B. Government-Wide Financial Statements

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

C. Basis of Presentation – Government-wide Financial Statements

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

D. Basis of Presentation – Fund Financial Statements

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

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

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

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

E. Measurement Focus and Basis of Accounting

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred

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

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

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

1. Cash and Cash Equivalents

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

2. Investments

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

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

3. Inventories and Prepaid Items

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

4. Restricted Assets

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

5. Capital Assets

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

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

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

Assets	Capitalization Thresholds	Estimated Service Life
Buildings	$ 10,000	30-60
Machinery & Equipment	$ 5,000	7-10
Improvements	$ 5,000	15-30
Roads	$ 25,000	15-40
Bridges	$ 25,000	15-40
Sidewalks	$ 25,000	15-40
Water System	$ 25,000	25-50
Sewer System	$ 25,000	25-50
Gas System	$ 25,000	25-50

6. Long-term Obligations

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

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

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City has one type of item that qualifies for reporting in this category. It is the deferred outflows related to pensions reported in the government-wide and proprietary fund type statements of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. The item, unavailable revenue, which arises only under a modified accrual basis of accounting, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item is the deferred inflows related to pensions reported in the government-wide and proprietary fund type statements of net position.

8. Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

9. Fund Balance Flow Assumptions

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

10. Fund Balance Policies

Fund balance of governmental funds is reported in various classifications based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The fund balance classifications are as follows:

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

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

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

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

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by board approval, commit fund balance. Once approved, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation.

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

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes were levied on October 8, 2018, payable December 31, 2018, and attached as an enforceable lien on property as of January 1, 2018.

3. Compensated Absences

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

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

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.

The Official Code of Georgia Annotated section 36-81-3(b) requires an annual balanced budget for the General fund, each special revenue fund, and each debt service fund and requires a project-length budget for each capital project fund. For the year ended July 31, 2019, the County did not adopt an annual budget for the TSPLOST and CHIP special revenue funds.

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			
Police	$ 1,258,150	$ 1,309,545	$ (51,395)
Animal Control	67,581	67,866	(285)
Highways and Streets	438,387	533,692	(95,305)
Sanitation	537,940	539,082	(1,142)
Recreation	132,712	137,094	(4,382)
Economic Development	87,380	246,966	(159,586)
Debt Service	72,000	139,977	(67,977)
TSPLOST Special Revenue Fund	--	23	(23)
CHIP Special Revenue Fund	--	133,767	(133,767)

C. Deficit Fund Equity

The following funds had deficit fund equity at July 31, 2019:

CHIP Special Revenue Fund	$ 52
2018 CDBG Capital Projects Fund	$ 22

D. Loans

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

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash and Deposits with Financial Institutions

Custodial credit risk-deposits. This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has no formal policy for custodial credit risk. As of July 31, 2019, the City's entire bank balance was uninsured and uncollateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

B. Receivables

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

	General	Nonmajor Governmental Funds	Water & Sewer	Natural Gas	Total
Interest	$ 171	$ --	$ 921	$ 3,086	$ 4,178
Taxes	83,384	1,919	--	--	85,303
Accounts	132,317	--	348,095	114,701	595,113
Intergovernmental	32,811	50,836	--	--	83,647
Gross Receivables	248,683	52,755	349,016	117,787	768,241
Less: Allowance For Uncollectibles	(53,055)	--	(167,984)	(58,806)	(279,845)
	$ 195,628	$ 52,755	$ 181,032	$ 58,981	$ 488,396

C. Capital Assets

Capital asset activity for the year ended July 31, 2019, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 327,033	$ 142,633	$ --	$ 469,666
Construction in progress	490,761	296,610	(787,371)	--
Total capital assets, not being depreciated	817,794	439,243	(787,371)	469,666
Capital assets, being depreciated:				
Buildings	3,116,427	--	--	3,116,427
Improvements other than buildings	2,264,986	510,253	--	2,775,239
Machinery & equipment	2,129,348	61,190	--	2,190,538
Total capital assets, being depreciated	7,510,761	571,443	--	8,082,204
Less accumulated depreciation for:				
Buildings	(1,687,906)	(56,968)	--	(1,744,874)
Improvements other than buildings	(1,030,128)	(147,036)	--	(1,177,164)
Machinery & equipment	(1,451,933)	(182,314)	--	(1,634,247)
Total accumulated depreciation	(4,169,967)	(386,318)	--	(4,556,285)
Total capital assets, being depreciated, net	3,340,794	185,125	--	3,525,919
Governmental activities capital assets, net	$ 4,158,588	$ 624,368	$ (787,371)	$ 3,995,585

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 821,086	$ --	$ --	$ 821,086
Construction in progress	857,625	192,157	(1,010,103)	39,679
Total capital assets, not being depreciated	1,678,711	192,157	(1,010,103)	860,765
Capital assets, being depreciated:				
Buildings & system	19,466,992	1,287,221	--	20,754,213
Machinery & equipment	627,001	--	--	627,001
Total capital assets, being depreciated	20,093,993	1,287,221	--	21,381,214
Less accumulated depreciation for:				
Buildings & system	(6,639,466)	(403,722)	--	(7,043,188)
Machinery & equipment	(492,388)	(34,785)	--	(527,173)
Total accumulated depreciation	(7,131,854)	(438,507)	--	(7,570,361)
Total capital assets, being depreciated, net	12,962,139	848,714	--	13,810,853
Business-type activities capital assets, net	$ 14,640,850	$ 1,040,871	$ (1,010,103)	$ 14,671,618

Capital assets of $277,118 were reassigned from Governmental Activities to the Water & Sewer Fund.

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

Governmental Activities	
General Government	$ 28,304
Public Safety	121,399
Public Works	176,433
Health & Welfare	1,357
Culture & Recreation	24,418
Housing & Development	34,407
	$ 386,318
Business-type Activities	
Water & Sewer	$ 386,712
Gas	51,795
	$ 438,507

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of July 31, 2019 was as follows:

Due from / to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 18,211
General Fund	Natural Gas Enterprise Fund	26,863
Nonmajor Governmental Funds	General Fund	6,832
Water & Sewer Enterprise Fund	General Fund	21,129
		$ 73,035

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The composition of interfund transfers for the year ended July 31, 2019 was as follows:

Interfund transfers:

Transfer In	Transfer Out	Amount
Nonmajor Governmental Funds	Nonmajor Governmental Funds	$ 50
Water & Sewer Enterprise Fund	Nonmajor Governmental Funds	100
		$ 150

Nonmajor Governmental Funds transferred excess funds of $150 to other funds.

E. Lease Obligations

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

Capital assets subject to lease obligations at July 31, 2019 were as follows:

	Governmental Activities
Machinery and Equipment	$ 228,200
Less: Accumulated Depreciation	(134,113)
Total	$ 94,087

The future minimum lease obligations and the net present value of these minimum lease payments as of July 31, 2019, were as follows:

Year Ending July 31	Governmental Activities
2020	$ 71,149
2021	26,666
2022	26,666
Total Minimum Lease Payments	124,481
Less: Amounts Representing Interest	(5,247)
Present Value Of Minimum Lease Payments	$ 119,234

F. Long-Term Debt

Notes Payable

On May 18, 2015, City entered into a promissory note with the Citizens Bank for $190,000 at 5% payable over 35 months at $1,755 with 1 balloon payment due March 16, 2021 for the purchase of a metal building. Note was outstanding 12/31/19. The balance outstanding at July 31, 2019 was $134,855.

The City entered into a promissory note with Citizens Bank for $323,408 at 4.5% interest payable over 60 months @ $6,000 with 1 balloon payment due August 15, 2019 for the renovation of the Bi-Lo Building. Note was paid off on 9/19/2019. The balance outstanding at July 31, 2019 was $14,203.

The City entered into a promissory note with USDA for $185,200 at 3.75% interest payable over five years for the purchase of five police cars. The balance outstanding at July 31, 2019 was $39,817.

Notes payable debt service requirements to maturity are as follows:

Year Ending	Governmental Activities		
July 31	Principal	Interest	Total
2020	$ 68,750	$ 8,057	$ 76,807
2021	120,125	4,050	124,175
Total	$ 188,875	$ 12,107	$ 200,982

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, 2019 was $4,592,687.

On July 11, 2016 the City was approved for a $1,000,000 GEFA loan with a 40% forgiveness clause to implement a new electric water meter reading system at 1.09% payable over 20 years. The balance outstanding at July 31, 2019 was $587,832.

The City borrowed $495,961 from the City of Adel, Georgia for gas line expansion to promote economic development at 0% interest payable over 115 months at $4,313 per month starting August 29, 2017. The balance outstanding at July 31, 2019 was $388,143.

Loans payable debt service requirements to maturity are as follows:

Year Ending	Business-type Activities		
July 31	Principal	Interest	Total
2020	$ 337,130	$ 140,518	$ 477,648
2021	345,288	132,360	477,648
2022	353,689	123,960	477,649
2023	362,339	115,310	477,649
2024	371,246	106,402	477,648
2025 - 2029	1,870,024	388,838	2,258,862
2030 - 2034	1,775,810	124,538	1,900,348
2035 - 2039	153,136	4,063	157,199
Total	$ 5,568,662	$ 1,135,989	$ 6,704,651

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 $1,315,250 at July 31, 2019.

Revenue bond debt service requirements to maturity are as follows:

Year Ending	Business-type Activities		
July 31	Principal	Interest	Total
2020	$ 74,240	$ 65,762	$ 140,002
2021	77,960	62,051	140,011
2022	81,850	58,152	140,002
2023	85,950	54,060	140,010
2024	90,240	49,763	140,003
2025 - 2029	523,590	176,446	700,036
2030 - 2034	381,420	38,770	420,190
Total	$ 1,315,250	$ 505,004	$ 1,820,254

G. Changes in General Long-Term Liabilities

Long-term liability activity for the year ended July 31, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	$ 58,008	$ 70,827	$ (68,158)	$ 60,677	$ --
Net Pension Liability	350,311	217,638	(202,320)	365,629	--
Capital Leases	147,756	--	(28,522)	119,234	68,023
Notes Payable	310,523	--	(121,648)	188,875	68,750
	$ 866,598	$ 288,465	$ (420,648)	$ 734,415	$ 136,773
Business-type Activities:					
Compensated Absences	$ 33,674	$ 22,290	$ (21,746)	$ 34,218	$ --
Net Pension Liability	214,707	133,391	(124,002)	224,096	--
Capital Leases	44,558	--	(44,558)	--	--
Loans Payable	6,101,802	172,523	(705,663)	5,568,662	337,130
Revenue Bonds	1,385,960	--	(70,710)	1,315,250	74,240
	$ 7,780,701	$ 328,204	$ (966,679)	$ 7,142,226	$ 411,370

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

H. Restricted Assets

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

	Business-type Activities
Sinking Fund Accounts	$ 599,205
CD's Held For Collateral	379,989
	$ 979,194

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

I. Pensions

Defined Benefit Plan

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

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

At January 1, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	34
Inactive employees entitled to but not yet receiving benefits	24
Active employees	40
	98

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 the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). Annual contributions made in accordance with the funding policy, which requires a different funding level, will meet the minimum funding standards. The contribution requirements of employees and the City are established by City ordinance. For the year ended July 31, 2019, the City's actuarially determined contribution was $103,793.

The City's net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019.

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

Investment rate of return	7.50%
Inflation	2.75%
Salary increases	2.75% plus service based merit increases

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

The investment return and inflation assumptions used in the January 1, 2019 valuation were based on an experience study conducted in September 2017. The remaining assumptions were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

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

Asset Class	Target	Long-Term Expected
Domestic Equity	45 %	6.40 %
International Equity	20	7.40
Real Estate	10	5.10
Global Fixed Income	5	3.03
Domestic Fixed Income	20	1.75
Cash	0	0.00

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances - Beginning	$ 2,815,036	$ 2,250,018	$ 565,018
Changes for the Year			
Service Cost	61,450	--	61,450
Interest	209,321	--	209,321
Differences Between Expected and Actual Experience	69,105	--	69,105
Changes of Assumptions	--	--	--
Contributions - Employer	--	106,448	(106,448)
Contributions - Employee	--	--	--
Net Investement Income	--	219,875	(219,875)
Benefit Payments	(171,066)	(171,066)	--
Administrative Expense	--	(11,154)	11,154
Other Changes	--	--	--
Net Changes	168,810	144,103	24,707
Balances - Ending	$ 2,983,846	$ 2,394,121	$ 589,725

The following presents the City's net pension liability calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	$ 971,231	$ 589,725	$ 270,377

For the year ended July 31, 2019, the City recognized pension expense of $102,753. At July 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 90,260	$ 43,197
Changes in assumptions	19,180	--
Net difference between projected and actual earnings on pension plan investments	--	131,519
Contributions subsequent to the measurement date	99,771	--
	$ 209,211	$ 174,716

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

Year Ending July 31	
2020	$ (9,832)
2021	(22,033)
2022	(22,618)
2023	(10,793)
2024	--
Thereafter	--
	$ (65,276)

Deferred Compensation Plan

The City adopted a resolution to create the City of Nashville 457 Deferred Compensation Plan, on August 12, 2002. The deferred compensation plan allows eligible employees to defer a minimum of 1% of compensation or a minimum of $25. For the year ending July 31, 2019, the City did not contribute to the plan and employee deferrals were $17,260.

J. Fund Balances

The classifications of fund balances of governmental funds at July 31, 2019 were as follows:

	General	Other Governmental Funds	Total Governmental Funds
Restricted			
Public Works	$ --	$ 68,015	$ 68,015
Economic Development	--	24,655	24,655
Capital Outlay	--	561,998	561,998
	--	654,668	654,668
Assigned			
Capital Outlay	--	100	100
	--	100	100
Unassigned, Reported In			
General Fund	1,047,153	--	1,047,153
Special Revenue Funds	--	(52)	(52)
Capital Projects Funds	--	(22)	(22)
	1,047,153	(74)	1,047,079
Total Fund Balances	$ 1,047,153	$ 654,694	$ 1,701,847

K. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance purchased either directly or indirectly from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. The City's deductibles for commercial insurance coverage range from $0 to $25,000 with various limits of liability ranging from $25,000 to $12,274,051. The City's workers compensation coverage is provided by StarNet Insurance Company.

L. Commitments and Contingencies

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

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

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

M. Related Organizations

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

N. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the South Georgia area, is a member of the Southern Georgia Regional Commission and is required to pay annual dues thereto. During its year ended July 31, 2019, the City paid $6,062 in such dues. Membership in a regional commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the regional commission in Georgia. The regional commission board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from:

Southeast Georgia Regional Commission
327 West Savannah Avenue
Valdosta, Georgia 31601

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended July 31, 2019

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	$ 1,798,320	$ 1,919,515	$ 1,916,877	$ (2,638)
Licenses and Permits	105,475	110,901	112,162	1,261
Intergovernmental	88,000	422,543	93,225	(329,318)
Charges for Services	732,520	743,553	741,547	(2,006)
Fines and Forfeitures	213,600	213,600	184,187	(29,413)
Interest Revenue	6,060	6,060	6,519	459
Contributions and Donations	850	850	18,234	17,384
Miscellaneous	102,400	102,400	130,918	28,518
Total Revenues	3,047,225	3,519,422	3,203,669	(315,753)
EXPENDITURES				
Clerks Office	597,283	764,983	586,132	178,851
Municipal Court	30,320	30,320	26,922	3,398
Police	1,137,795	1,258,150	1,309,545	(51,395)
Fire and Emergency	127,110	127,110	116,342	10,768
Animal Control	67,581	67,581	67,866	(285)
Highways and Streets	388,145	438,387	533,692	(95,305)
Sanitation	489,940	537,940	539,082	(1,142)
City Shop	1,500	1,500	--	1,500
Work Control	4,450	4,450	1,760	2,690
Recreation	132,712	132,712	137,094	(4,382)
Economic Development	87,380	87,380	246,966	(159,586)
Code Enforcer	40,310	40,310	36,705	3,605
Farmers Market	68,390	68,390	61,480	6,910
Debt Service	72,000	72,000	139,977	(67,977)
Total Expenditures	3,244,916	3,631,213	3,803,563	(172,350)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(197,691)	(111,791)	(599,894)	(488,103)
OTHER FINANCING SOURCES (USES)				
Transfers In				
Transfers Out				
CDBG WinFab Capital Projects Fund	(50,000)	(300,000)	--	300,000
Net Change in Fund Balances	(247,691)	(411,791)	(599,894)	(188,103)
Fund Balances - Beginning	1,647,047	1,647,047	1,647,047	--
Fund Balances - Ending	$ 1,399,356	$ 1,235,256	$ 1,047,153	$ (188,103)

Notes to Schedule

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

CITY OF NASHVILLE, GEORGIA
Pension Plan
Schedule of Changes in the City's Net Pension Liability and Related Ratios
July 31, 2019

	2019	2018	2017	2016	2015
Total Pension Liability					
Service Cost	$ 61,450	$ 62,771	$ 61,897	$ 54,441	$ 62,605
Interest on Total Pension Liability	209,321	195,939	195,279	194,129	184,934
Changes of Benefit Terms	--	--	--	--	--
Differences Between Expected and Actual Experience	69,105	76,862	(77,163)	(61,655)	49,897
Changes of Assumptions	--	38,358	--	--	1,137
Benefit Payments	(171,066)	(174,275)	(168,723)	(175,422)	(184,447)
Net Change in Total Pension Liability	168,810	199,655	11,290	11,493	114,126
Total Pension Liability - Beginning	2,815,036	2,615,381	2,604,091	2,592,598	2,478,472
Total Pension Liability - Ending (a)	$ 2,983,846	$ 2,815,036	$ 2,615,381	$ 2,604,091	$ 2,592,598
Plan Fiduciary Net Position					
Contributions - Employer	$ 106,448	$ 109,693	$ 106,789	$ 105,538	$ 91,718
Contributions - Employee	--	--	--	--	--
Net Investment Income	219,875	299,631	207,609	24,754	206,436
Benefit Payments, Including Refunds of Employee Contributions	(171,066)	(174,275)	(168,723)	(175,422)	(184,447)
Administrative Expense	(11,154)	(12,107)	(6,694)	(7,603)	(6,211)
Other	--	--	--	--	--
Net Change in Plan Fiduciary Net Position	144,103	222,942	138,981	(52,733)	107,496
Plan Fiduciary Net Position - Beginning	2,250,018	2,027,076	1,888,095	1,940,828	1,833,332
Plan Fiduciary Net Position - Ending (b)	$ 2,394,121	$ 2,250,018	$ 2,027,076	$ 1,888,095	$ 1,940,828
City's Net Pension Liability - Ending (a) - (b)	$ 589,725	$ 565,018	$ 588,305	$ 715,996	$ 651,770
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.24%	79.93%	77.51%	72.50%	74.86%
Covered-Employee Payroll	$ 1,296,841	$ 1,238,580	$ 1,210,478	$ 1,203,868	$ 1,136,746
City's Net Pension Liability as a Percentage of Covered-Employee Payroll	45.47%	45.62%	48.60%	59.47%	57.34%

CITY OF NASHVILLE, GEORGIA
Pension Plan
Schedule of City Contributions
July 31, 2019

	2019	2018	2017	2016	2015
Actuarially Determined Contribution	$ 119,725	$ 103,793	$ 110,873	$ 105,972	$ 105,451
Contributions in Relation to the Actuarially Determined Contribution	119,725	103,793	110,873	105,972	105,451
Contribution Deficiency (Excess)	$ --	$ --	$ --	$ --	$ --
Covered-Employee Payroll	$ 1,296,841	$ 1,238,580	$ 1,210,478	$ 1,203,868	$ 1,136,746
Contributions as a Percentage of Covered-Employee Payroll	9.23%	8.38%	9.16%	8.80%	9.28%

Notes to Schedule

Valuation date	January 1, 2018
Actuarial cost method	Projected unit credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Net effective period of 12 years
Asset valuation method	Sum of actuarial value at the beginning of the year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Investment rate of return	7.50%
Inflation	2.75%
Salary increases	2.75% plus age and service based merit increases
Cost-of-living adjustment	0%
Retirement age	65 with 5 years of service for employees and 65 for officials
Mortality	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females

COMBINING & INDIVIDUAL FUND STATEMENTS & SCHEDULES

Major Governmental Funds

General Fund

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

CITY OF NASHVILLE, GEORGIA
General Fund
Balance Sheet
July 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and Cash Equivalents	$ 1,099,546	$ 1,536,276
Receivables (Net of Allowance for Uncollectibles)		
Interest	171	185
Taxes	79,829	73,904
Accounts	82,817	64,706
Intergovernmental	32,811	28,163
Due from Other Funds		
CHIP Special Revenue Fund	100	--
TE Grant #4 Capital Projects Fund	18,011	216,635
Water and Sewer Enterprise Fund	--	30,351
Natural Gas Enterprise Fund	26,863	24,016
2018 CDBG Capital Projects Fund	100	--
Total Assets	$ 1,340,248	$ 1,974,236
LIABILITIES		
Accounts Payable	$ 148,801	$ 243,404
Accrued Liabilities	38,407	24,747
Due to Other Funds		
TSPLOST Special Revenue Fund	6,832	--
Water and Sewer Enterprise Fund	21,129	--
Customer Deposits	250	250
Total Liabilities	215,419	268,401
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue		
Property Taxes	77,676	58,788
Total Deferred Inflows of Resources	77,676	58,788
FUND BALANCES		
Unassigned	1,047,153	1,647,047
Total Fund Balances	1,047,153	1,647,047
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,340,248	$ 1,974,236

CITY OF NASHVILLE, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2019 and 2018

	2019	2018
REVENUES		
Taxes	$ 1,916,877	$ 1,838,899
Licenses and Permits	112,162	106,415
Intergovernmental	93,225	87,422
Charges for Services	741,547	730,876
Fines and Forfeitures	184,187	203,441
Interest Revenue	6,519	6,741
Contributions and Donations	18,234	10,399
Miscellaneous	130,918	252,585
Total Revenues	3,203,669	3,236,778
EXPENDITURES		
Current		
General Government	586,132	595,345
Judicial	26,922	29,062
Public Safety	1,493,753	1,705,889
Public Works	1,074,534	983,687
Culture and Recreation	137,094	131,842
Housing and Development	345,151	197,474
Debt Service	139,977	134,692
Total Expenditures	3,803,563	3,777,991
Excess (Deficiency) of Revenues Over (Under) Expenditures	(599,894)	(541,213)
OTHER FINANCING SOURCES (USES)		
Transfers Out		
2016 CDBG Capital Projects Fund	--	(100)
Proceeds of Capital Asset Dispositions	--	3,201
Total Other Financing Sources (Uses)	--	3,101
Net Change in Fund Balances	(599,894)	(538,112)
Fund Balances - Beginning	1,647,047	2,185,159
Fund Balances - Ending	$ 1,047,153	$ 1,647,047

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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.

TSPLOST Fund - This fund is used to account for the discretionary portion of the Transportation Special District Local Option Sales and Use Tax proceeds and expenditures for transportation projects that are not capital projects.

CHIP Fund - This fund is used to account for grant funds received for the purpose of rehabilitating low to moderate income housing to meet HUD Housing Quality Standards.

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

Capital Projects Funds

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

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

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

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

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

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

2018 CDBG Fund - This fund is used to account for federal grants for water, sewer & drainage.

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

CITY OF NASHVILLE, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
July 31, 2019

	Special Revenue Funds				
	TSPLOST	CHIP	Hotel/Motel Tax	Total	1% SPLOST #4
ASSETS					
Cash and Cash Equivalents	$ 53,651	$ 48	$ 22,736	$ 76,435	$ 179,511
Receivables	7,532	--	1,919	9,451	--
Due from Other Funds	6,832	--	--	6,832	--
Total Assets	$ 68,015	$ 48	$ 24,655	$ 92,718	$ 179,511
LIABILITIES					
Accounts Payable	--	--	--	--	1,972
Due to Other Funds	--	100	--	100	--
Total Liabilities	--	100	--	100	1,972
FUND BALANCES					
Restricted	68,015	--	24,655	92,670	177,539
Assigned	--	--	--	--	--
Unassigned	--	(52)	--	(52)	--
Total Fund Balances	68,015	(52)	24,655	92,618	177,539
Total Liabilities and Fund Balances	$ 68,015	$ 48	$ 24,655	$ 92,718	$ 179,511

Capital Projects Funds							Total Nonmajor Governmental Funds
1% SPLOST #5	2016 CDBG	TE Grant #2	TE Grant #4	2018 CDBG	CDBG WinFab	Total	
$ 341,155	$ 100	$ --	$ 18,011	$ 78	$ --	$ 538,855	$ 615,290
43,304	--	--	--	--	--	43,304	52,755
--	--	--	--	--	--	--	6,832
$ 384,459	$ 100	$ --	$ 18,011	$ 78	$ --	$ 582,159	$ 674,877
--	--	--	--	--	--	1,972	1,972
--	--	--	18,011	100	--	18,111	18,211
--	--	--	18,011	100	--	20,083	20,183
384,459	--	--	--	--	--	561,998	654,668
--	100	--	--	--	--	100	100
--	--	--	--	(22)	--	(22)	(74)
384,459	100	--	--	(22)	--	562,076	654,694
$ 384,459	$ 100	$ --	$ 18,011	$ 78	$ --	$ 582,159	$ 674,877

CITY OF NASHVILLE, GEORGIA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended July 31, 2019

	Special Revenue Funds				
	TSPLOST	CHIP	Hotel/Motel Tax	Total	1% SPLOST #4
REVENUES					
Taxes	$ 68,038	$ --	$ 11,726	$ 79,764	$ --
Intergovernmental	--	133,715	--	133,715	--
Total Revenues	68,038	133,715	11,726	213,479	--
EXPENDITURES					
Current					
Public Works	23	--	--	23	--
Housing and Development	--	--	8,981	8,981	--
Capital Outlay	--	133,767	--	133,767	76,410
Debt Service	--	--	--	--	27,185
Total Expenditures	23	133,767	8,981	142,771	103,595
Excess (Deficiency) of Revenues Over (Under) Expenditures	68,015	(52)	2,745	70,708	(103,595)
OTHER FINANCING SOURCES (USES)					
Transfers In	--	--	--	--	--
Transfers Out	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--
Net Change in Fund Balances	68,015	(52)	2,745	70,708	(103,595)
Fund Balances - Beginning	--	--	21,910	21,910	281,134
Fund Balances - Ending	$ 68,015	$ (52)	$ 24,655	$ 92,618	$ 177,539

Capital Projects Funds							Total Nonmajor Governmental Funds
1% SPLOST #5	2016 CDBG	TE Grant #2	TE Grant #4	2018 CDBG	CDBG WinFab	Total	
$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ 79,764
244,702	79,740	--	260,042	--	--	584,484	718,199
244,702	79,740	--	260,042	--	--	584,484	797,963
--	--	--	--	--	--	--	23
--	--	--	--	--	--	--	8,981
--	79,740	--	131,415	22	--	287,587	421,354
--	--	--	--	--	--	27,185	27,185
--	79,740	--	131,415	22	--	314,772	457,543
244,702	--	--	128,627	(22)	--	269,712	340,420
--	--	--	50	--	--	50	50
--	--	(50)	--	--	(100)	(150)	(150)
--	--	(50)	50	--	(100)	(100)	(100)
244,702	--	(50)	128,677	(22)	(100)	269,612	340,320
139,757	100	50	(128,677)	--	100	292,464	314,374
$ 384,459	$ 100	$ --	$ --	$ (22)	$ --	$ 562,076	$ 654,694

CITY OF NASHVILLE, GEORGIA
TSPLOST Special Revenue Fund
Balance Sheet
July 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and Cash Equivalents	$ 53,651	$ --
Receivables		
Intergovernmental	7,532	--
Due from Other Funds		
General Fund	6,832	--
Total Assets	$ 68,015	$ --
FUND BALANCES		
Restricted	$ 68,015	$ --
Total Fund Balances	$ 68,015	$ --

CITY OF NASHVILLE, GEORGIA
TSPLOST Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2019 and 2018

	2019	2018
REVENUES		
Taxes	$ 68,038	$ --
Total Revenues	68,038	--
EXPENDITURES		
Current		
Public Works	23	--
Total Expenditures	23	--
Excess (Deficiency) of Revenues Over (Under) Expenditures	68,015	--
Net Change in Fund Balances	68,015	--
Fund Balances - Beginning	--	--
Fund Balances - Ending	$ 68,015	$ --

CITY OF NASHVILLE, GEORGIA
CHIP Special Revenue Fund
Balance Sheet
July 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and Cash Equivalents	$ 48	$ --
Total Assets	$ 48	$ --
LIABILITIES		
Due to Other Funds		
General Fund	$ 100	$ --
Total Liabilities	100	--
FUND BALANCES		
Unassigned	(52)	--
Total Fund Balances	(52)	--
Total Liabilities and Fund Balances	$ 48	$ --

CITY OF NASHVILLE, GEORGIA
CHIP Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2019 and 2018

	2019	2018
REVENUES		
Intergovernmental	$ 133,715	$ --
Total Revenues	133,715	--
EXPENDITURES		
Capital Outlay	133,767	--
Total Expenditures	133,767	--
Excess (Deficiency) of Revenues Over (Under) Expenditures	(52)	--
Net Change in Fund Balances	(52)	--
Fund Balances - Beginning	--	--
Fund Balances - Ending	$ (52)	$ --

CITY OF NASHVILLE, GEORGIA
Hotel/Motel Tax Special Revenue Fund
Balance Sheet
July 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and Cash Equivalents	$ 22,736	$ 21,418
Receivables		
Taxes	1,919	492
Total Assets	$ 24,655	$ 21,910
FUND BALANCES		
Restricted	$ 24,655	$ 21,910
Total Fund Balances	$ 24,655	$ 21,910

CITY OF NASHVILLE, GEORGIA
Hotel/Motel Tax Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2019 and 2018

	2019	2018
REVENUES		
Taxes	$ 11,726	$ 10,152
Total Revenues	11,726	10,152
EXPENDITURES		
Current		
Housing and Development	8,981	18,863
Total Expenditures	8,981	18,863
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,745	(8,711)
Net Change in Fund Balances	2,745	(8,711)
Fund Balances - Beginning	21,910	30,621
Fund Balances - Ending	$ 24,655	$ 21,910

CITY OF NASHVILLE, GEORGIA
Hotel/Motel Tax Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended July 31, 2019

	Budget	Actual	Variance
REVENUES			
Taxes	$ 12,000	$ 11,726	$ (274)
Total Revenues	12,000	11,726	(274)
EXPENDITURES			
Current			
Housing and Development	12,000	8,981	3,019
Total Expenditures	12,000	8,981	3,019
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	2,745	2,745
Net Change in Fund Balances	--	2,745	2,745
Fund Balances - Beginning	21,910	21,910	--
Fund Balances - Ending	$ 21,910	$ 24,655	$ 2,745

CITY OF NASHVILLE, GEORGIA
1% SPLOST #4 Capital Projects Fund
Balance Sheet
July 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and Cash Equivalents	$ 179,511	$ 281,134
Total Assets	$ 179,511	$ 281,134
LIABILITIES		
Accounts Payable	$ 1,972	$ --
Total Liabilities	1,972	--
FUND BALANCES		
Restricted	177,539	281,134
Total Fund Balances	177,539	281,134
Total Liabilities and Fund Balances	$ 179,511	$ 281,134

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, 2019 and 2018

	2019	2018
REVENUES		
Intergovernmental	$ --	$ 116,632
Total Revenues	--	116,632
EXPENDITURES		
Capital Outlay	76,410	62,737
Debt Service	27,185	27,461
Total Expenditures	103,595	90,198
Excess (Deficiency) of Revenues Over (Under) Expenditures	(103,595)	26,434
Net Change in Fund Balances	(103,595)	26,434
Fund Balances - Beginning	281,134	254,700
Fund Balances - Ending	$ 177,539	$ 281,134

CITY OF NASHVILLE, GEORGIA
1% SPLOST #5 Capital Projects Fund
Balance Sheet
July 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and Cash Equivalents	$ 341,155	$ 97,124
Receivables		
Intergovernmental	43,304	42,633
Total Assets	$ 384,459	$ 139,757
FUND BALANCES		
Restricted	$ 384,459	$ 139,757
Total Fund Balances	$ 384,459	$ 139,757

CITY OF NASHVILLE, GEORGIA
1% SPLOST #5 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2019 and 2018

	2019	2018
REVENUES		
Intergovernmental	$ 244,702	$ 139,757
Total Revenues	244,702	139,757
Excess (Deficiency) of Revenues Over (Under) Expenditures	244,702	139,757
Net Change in Fund Balances	244,702	139,757
Fund Balances - Beginning	139,757	--
Fund Balances - Ending	$ 384,459	$ 139,757

CITY OF NASHVILLE, GEORGIA
2016 CDBG Capital Projects Fund
Balance Sheet
July 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and Cash Equivalents	$ 100	$ 100
Receivables		
Intergovernmental	--	32,749
Total Assets	$ 100	$ 32,849
LIABILITIES		
Accounts Payable	$ --	$ 32,749
Total Liabilities	--	32,749
FUND BALANCES		
Assigned	100	100
Total Fund Balances	100	100
Total Liabilities and Fund Balances	$ 100	$ 32,849

CITY OF NASHVILLE, GEORGIA
2016 CDBG Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2019 and 2018

	2019	2018
REVENUES		
Intergovernmental	$ 79,740	$ 335,848
Total Revenues	79,740	335,848
EXPENDITURES		
Capital Outlay		
Engineering	8,833	8,527
Water Improvements	9,346	113,688
Sewer Improvements	19,055	103,448
Street	19,513	37,629
Flood and Drainage	10,493	55,056
Administration	12,500	17,500
Total Expenditures	79,740	335,848
OTHER FINANCING SOURCES (USES)		
Transfers In		
General Fund	--	100
Total Other Financing Sources (Uses)	--	100
Net Change in Fund Balances	--	100
Fund Balances - Beginning	100	--
Fund Balances - Ending	$ 100	$ 100

CITY OF NASHVILLE, GEORGIA
2016 CDBG Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended July 31, 2019

	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Intergovernmental	$ 415,589	$ 335,848	$ 79,740	$ 415,588
Total Revenues	415,589	335,848	79,740	415,588
EXPENDITURES				
Engineering	17,360	8,527	8,833	17,360
Water Improvements	123,035	113,688	9,346	123,034
Sewer Improvements	122,503	103,448	19,055	122,503
Street	57,142	37,629	19,513	57,142
Flood and Drainage	65,549	55,056	10,493	65,549
Administration	30,000	17,500	12,500	30,000
Total Expenditures	415,589	335,848	79,740	415,588
OTHER FINANCING SOURCES (USES)				
Transfers In				
General Fund	--	100	--	100
Total Other Financing Sources (Uses)	--	100	--	100
Net Change in Fund Balances	$ --	$ 100	--	$ 100
Fund Balances - Beginning			100	
Fund Balances - Ending			$ 100	

CITY OF NASHVILLE, GEORGIA
TE Grant #2 Capital Projects Fund
Balance Sheet
July 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and Cash Equivalents	$ --	$ 50
Total Assets	$ --	$ 50
FUND BALANCES		
Restricted	$ --	$ 50
Total Fund Balances	$ --	$ 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, 2019 and 2018

	2019	2018
OTHER FINANCING SOURCES (USES)		
Transfers Out		
TE Grant #4 Capital Projects Fund	$ (50)	$ --
Total Other Financing Sources (Uses)	(50)	--
Net Change in Fund Balances	(50)	--
Fund Balances - Beginning	50	50
Fund Balances - Ending	$ --	$ 50

CITY OF NASHVILLE, GEORGIA
TE Grant #2 Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended July 31, 2019

	Project Authorization	Prior Years	Current Year	Total to Date
OTHER FINANCING SOURCES (USES)				
Transfers Out				
TE Grant #4 Capital Projects Fund	$ --	$ --	$ (50)	$ (50)
Total Other Financing Sources (Uses)	--	--	(50)	(50)
Net Change in Fund Balances	$ --	$ --	(50)	$ (50)
Fund Balances - Beginning			50	
Fund Balances - Ending			$ --	

CITY OF NASHVILLE, GEORGIA
TE Grant #4 Capital Projects Fund
Balance Sheet
July 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and Cash Equivalents	$ 18,011	$ --
Receivables		
Intergovernmental	--	87,958
Total Assets	$ 18,011	$ 87,958
LIABILITIES		
Due to Other Funds		
General Fund	$ 18,011	$ 216,635
Total Liabilities	18,011	216,635
FUND BALANCES		
Unassigned	--	(128,677)
Total Fund Balances	--	(128,677)
Total Liabilities and Fund Balances	$ 18,011	$ 87,958

CITY OF NASHVILLE, GEORGIA
TE Grant #4 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2019 and 2018

	2019	2018
REVENUES		
Intergovernmental	$ 260,042	$ 89,958
Total Revenues	260,042	89,958
EXPENDITURES		
Capital Outlay	131,415	218,635
Total Expenditures	131,415	218,635
Excess (Deficiency) of Revenues Over (Under) Expenditures	128,627	(128,677)
OTHER FINANCING SOURCES (USES)		
Transfers In		
TE Grant #2 Capital Projects Fund	50	--
Total Other Financing Sources (Uses)	50	--
Net Change in Fund Balances	128,677	(128,677)
Fund Balances - Beginning	(128,677)	--
Fund Balances - Ending	$ --	$ (128,677)

CITY OF NASHVILLE, GEORGIA
TE Grant #4 Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended July 31, 2019

	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Intergovernmental	$ 350,000	$ 89,958	$ 260,042	$ 350,000
Total Revenues	350,000	89,958	260,042	350,000
EXPENDITURES				
Capital Outlay	437,817	234,385	131,415	365,800
Total Expenditures	437,817	234,385	131,415	365,800
Excess (Deficiency) of Revenues Over (Under) Expenditures	(87,817)	(144,427)	128,627	(15,800)
OTHER FINANCING SOURCES (USES)				
Transfers In				
General Fund	87,817	15,750	--	15,750
TE Grant #2 Capital Projects Fund	--	--	50	50
Total Other Financing Sources (Uses)	87,817	15,750	50	15,800
Net Change in Fund Balances	$ --	$ (128,677)	128,677	$ --
Fund Balances - Beginning			(128,677)	
Fund Balances - Ending			$ --	

CITY OF NASHVILLE, GEORGIA
2018 CDBG Capital Projects Fund
Balance Sheet
July 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and Cash Equivalents	$ 78	$ --
Total Assets	$ 78	$ --
LIABILITIES		
Due to Other Funds		
General Fund	$ 100	$ --
Total Liabilities	100	--
FUND BALANCES		
Unassigned	(22)	--
Total Fund Balances	(22)	--
Total Liabilities and Fund Balances	$ 78	$ --

CITY OF NASHVILLE, GEORGIA
2018 CDBG Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2019 and 2018

	2019	2018
EXPENDITURES		
Capital Outlay		
Administration	$ 22	$ --
Total Expenditures	22	--
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22)	--
Net Change in Fund Balances	(22)	--
Fund Balances - Beginning	--	--
Fund Balances - Ending	$ (22)	$ --

CITY OF NASHVILLE, GEORGIA
2018 CDBG Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended July 31, 2019

	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Intergovernmental	$ 750,000	$ --	$ --	$ --
Total Revenues	750,000	--	--	--
EXPENDITURES				
Water Improvements	295,500	--	--	--
Sewer Improvements	375,600	--	--	--
Contingencies	33,900	--	--	--
Administration	45,000	--	22	22
Total Expenditures	750,000	--	22	22
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	--	(22)	(22)
Net Change in Fund Balances	$ --	$ --	(22)	$ (22)
Fund Balances - Beginning			--	
Fund Balances - Ending			$ (22)	

CITY OF NASHVILLE, GEORGIA
CDBG WinFab Capital Projects Fund
Balance Sheet
July 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and Cash Equivalents	$ --	$ 100
Total Assets	$ --	$ 100
FUND BALANCES		
Assigned	$ --	$ 100
Total Fund Balances	$ --	$ 100

CITY OF NASHVILLE, GEORGIA
CDBG WinFab Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended July 31, 2019 and 2018

	2019	2018
REVENUES		
Intergovernmental	$ --	$ 266,633
Total Revenues	--	266,633
EXPENDITURES		
Capital Outlay	--	248,358
Total Expenditures	--	248,358
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	18,275
OTHER FINANCING SOURCES (USES)		
Transfers Out		
Water and Sewer Enterprise Fund	(100)	(18,275)
Total Other Financing Sources (Uses)	(100)	(18,275)
Net Change in Fund Balances	(100)	--
Fund Balances - Beginning	100	100
Fund Balances - Ending	$ --	$ 100

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, 2019 and 2018

	2019	2018
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 3,896,597	$ 3,710,664
Receivables (Net of Allowance for Uncollectibles)		
Interest	921	695
Accounts	180,111	201,607
Due from Other Funds		
General Fund	21,129	--
Prepaid Items	8,530	7,716
Restricted Assets		
Cash and Cash Equivalents	599,205	707,249
Total Current Assets	4,706,493	4,627,931
Noncurrent Assets		
Capital Assets Not Being Depreciated		
Land	815,086	815,086
Construction in Progress	39,679	857,625
Capital Assets Net of Accumulated Depreciation		
Buildings and System	18,624,124	17,336,903
Machinery and Equipment	495,116	495,116
Accumulated Depreciation	(6,782,780)	(6,396,068)
Total Capital Assets Net of Accumulated Depreciation	13,191,225	13,108,662
Total Noncurrent Assets	13,191,225	13,108,662
Total Assets	17,897,718	17,736,593
DEFERRED OUTFLOWS OF RESOURCES		
Pension	48,118	42,117
Total Deferred Outflows of Resources	48,118	42,117

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Statement of Net Position
July 31, 2019 and 2018

	2019	2018
LIABILITIES		
Current Liabilities		
Accounts Payable	59,649	94,244
Accrued Liabilities	6,891	3,933
Due to Other Funds		
General Fund	--	30,351
Customer Deposits	175,173	167,763
Accrued Interest Payable	43,726	45,524
Loans Payable - Current	285,378	257,093
Revenue Bonds Payable (Net of Unamortized Discount)	74,240	70,710
Other Current Liabilities	4,513	2,133
Total Current Liabilities	649,570	671,751
Noncurrent Liabilities		
Compensated Absences	17,294	18,365
Net Pension Liability	135,637	129,954
Loans Payable	4,895,141	5,404,813
Revenue Bonds Payable (Net of Unamortized Discount)	1,241,010	1,315,250
Total Noncurrent Liabilities	6,289,082	6,868,382
Total Liabilities	6,938,652	7,540,133
DEFERRED INFLOWS OF RESOURCES		
Pension	40,185	43,769
Total Deferred Inflows of Resources	40,185	43,769
NET POSITION		
Net Investment in Capital Assets	6,695,456	6,060,796
Unrestricted	4,271,543	4,134,012
Total Net Position	$ 10,966,999	$ 10,194,808

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended July 31, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Charges for Services	$ 1,976,063	$ 1,593,484
Other	17,146	9,016
Total Operating Revenues	1,993,209	1,602,500
OPERATING EXPENSES		
Personal Services and Employee Benefits	416,570	405,517
Purchased/Contracted Services	170,968	159,347
Supplies	309,841	261,443
Depreciation	386,712	363,244
Other	6,350	2,250
Total Operating Expenses	1,290,441	1,191,801
Operating Income (Loss)	702,768	410,699
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	7,536	6,179
Interest	(215,331)	(223,886)
Total Nonoperating Revenues (Expenses)	(207,795)	(217,707)
Income (Loss) Before Contributions and Transfers	494,973	192,992
Capital Contributions	277,118	475,736
Transfers In		
CDBG WinFab Capital Projects Fund	100	18,275
Changes in Net Position	772,191	687,003
Net Position - Beginning	10,194,808	9,507,805
Net Position - Ending	$ 10,966,999	$ 10,194,808

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Statement of Cash Flows
For the Years Ended July 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	$ 2,022,115	$ 1,594,117
Payments to Suppliers	(476,915)	(401,007)
Payments to Employees	(418,585)	(402,986)
Net Cash Provided (Used) By Operating Activities	1,126,615	790,124
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from Other Funds	100	--
Transfers to Other Funds	--	18,275
Loans from Other Funds	264,519	20,552
Loans to Other Funds	(315,999)	--
Net Cash Provided (Used) By Noncapital Financing Activities	(51,380)	38,827
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Proceeds from Capital Debt	--	331,555
Acquisition and Construction of Capital Assets	(235,430)	(381,766)
Principal Paid on Capital Debt	(552,097)	(310,857)
Interest Paid on Capital Debt	(217,129)	(226,118)
Net Cash Provided (Used) By Capital and Related Financing Activities	(1,004,656)	(587,186)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	7,310	5,967
Net Cash Provided (Used) By Investing Activities	7,310	5,967
Net Increase (Decrease) in Cash and Cash Equivalents	77,889	247,732
Cash and Cash Equivalents - Beginning of Year	4,417,913	4,170,181
Cash and Cash Equivalents - End of Year	$ 4,495,802	$ 4,417,913
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 702,768	$ 410,699
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	386,712	363,244
(Increase) Decrease in Accounts Receivable	21,768	(63,456)
Increase (Decrease) in Allowances for Uncollectible Accounts	(272)	38,783
(Increase) Decrease in Prepaid Items	(814)	(5,026)
(Increase) Decrease in Deferred Outflows of Resources	(6,001)	(16,172)
Increase (Decrease) in Accounts Payable	8,678	24,926
Increase (Decrease) in Accrued Liabilities	2,958	1,425
Increase (Decrease) in Compensated Absences Payable	(1,071)	2,683
Increase (Decrease) in Other Current Liabilities	2,380	2,133
Increase (Decrease) in Customer Deposits	7,410	16,290
Increase (Decrease) in Net Pension Liability	5,683	(5,356)
Increase (Decrease) in Deferred Inflows of Resources	(3,584)	19,951
Net Cash Provided (Used) By Operating Activities	$ 1,126,615	$ 790,124
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Contributions of Capital Assets from Governmental Funds	$ 277,118	$ 475,735
Purchase of Capital Assets on Account	--	43,273

CITY OF NASHVILLE, GEORGIA
Natural Gas Enterprise Fund
Statement of Net Position
July 31, 2019 and 2018

	2019	2018
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 1,516,512	$ 1,419,616
Receivables (Net of Allowance for Uncollectibles)		
Interest	3,086	2,177
Accounts	55,895	65,237
Prepaid Items	8,175	8,490
Restricted Assets		
Cash and Cash Equivalents	379,989	379,989
Total Current Assets	1,963,657	1,875,509
Noncurrent Assets		
Capital Assets Not Being Depreciated		
Land	6,000	6,000
Capital Assets Net of Accumulated Depreciation		
Buildings and System	2,130,089	2,130,089
Machinery and Equipment	131,885	131,885
Accumulated Depreciation	(787,581)	(735,786)
Total Capital Assets Net of Accumulated Depreciation	1,480,393	1,532,188
Total Noncurrent Assets	1,480,393	1,532,188
Total Assets	3,444,050	3,407,697
DEFERRED OUTFLOWS OF RESOURCES		
Pension	31,382	27,468
Total Deferred Outflows of Resources	31,382	27,468

CITY OF NASHVILLE, GEORGIA
Natural Gas Enterprise Fund
Statement of Net Position
July 31, 2019 and 2018

	2019	2018
LIABILITIES		
Current Liabilities		
Accounts Payable	43,131	56,342
Accrued Liabilities	5,631	2,851
Due to Other Funds		
General Fund	26,863	24,016
Customer Deposits	54,811	53,686
Loans Payable - Current	51,752	51,752
Capital Leases Payable - Current	--	44,558
Other Current Liabilities	1,650	1,216
Total Current Liabilities	183,838	234,421
Noncurrent Liabilities		
Compensated Absences	16,924	15,309
Net Pension Liability	88,459	84,753
Loans Payable	336,391	388,144
Total Noncurrent Liabilities	441,774	488,206
Total Liabilities	625,612	722,627
DEFERRED INFLOWS OF RESOURCES		
Pension	26,207	28,545
Total Deferred Inflows of Resources	26,207	28,545
NET POSITION		
Net Investment in Capital Assets	1,092,250	1,047,734
Unrestricted	1,731,363	1,636,259
Total Net Position	$ 2,823,613	$ 2,683,993

CITY OF NASHVILLE, GEORGIA
Natural Gas Enterprise Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended July 31, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Charges for Services	$ 1,344,481	$ 1,210,477
Other	3,274	152
Total Operating Revenues	1,347,755	1,210,629
OPERATING EXPENSES		
Personal Services and Employee Benefits	303,014	283,350
Purchased/Contracted Services	144,154	136,560
Supplies	728,742	701,493
Depreciation	51,795	51,795
Other	167	53
Total Operating Expenses	1,227,872	1,173,251
Operating Income (Loss)	119,883	37,378
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	24,731	12,645
Interest	(976)	(2,038)
Debt Issuance Costs	(4,018)	(302)
Total Nonoperating Revenues (Expenses)	19,737	10,305
Changes in Net Position	139,620	47,683
Net Position - Beginning	2,683,993	2,636,310
Net Position - Ending	$ 2,823,613	$ 2,683,993

CITY OF NASHVILLE, GEORGIA
Natural Gas Enterprise Fund
Statement of Cash Flows
For the Years Ended July 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	$ 1,358,222	$ 1,207,332
Payments to Suppliers	(885,525)	(833,244)
Payments to Employees	(301,165)	(282,710)
Net Cash Provided (Used) By Operating Activities	171,532	91,378
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Loans from Other Funds	(238,013)	12,753
Loans to Other Funds	240,860	--
Net Cash Provided (Used) By Noncapital Financing Activities	2,847	12,753
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Principal Paid on Capital Debt	(96,311)	(99,409)
Interest Paid on Capital Debt	(976)	(2,038)
Debt Issue Cost Paid	(4,018)	(303)
Net Cash Provided (Used) By Capital and Related Financing Activities	(101,305)	(101,750)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	23,822	11,655
Net Cash Provided (Used) By Investing Activities	23,822	11,655
Net Increase (Decrease) in Cash and Cash Equivalents	96,896	14,036
Cash and Cash Equivalents - Beginning of Year	1,799,605	1,785,569
Cash and Cash Equivalents - End of Year	$ 1,896,501	$ 1,799,605
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 119,883	$ 37,378
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	51,795	51,795
(Increase) Decrease in Accounts Receivable	9,437	(16,875)
Increase (Decrease) in Allowances for Uncollectible Accounts	(95)	13,577
(Increase) Decrease in Prepaid Items	315	(6,037)
(Increase) Decrease in Deferred Outflows of Resources	(3,914)	(10,547)
Increase (Decrease) in Accounts Payable	(13,211)	6,193
Increase (Decrease) in Accrued Liabilities	2,780	986
Increase (Decrease) in Compensated Absences Payable	1,615	683
Increase (Decrease) in Other Current Liabilities	434	(244)
Increase (Decrease) in Customer Deposits	1,125	4,950
Increase (Decrease) in Net Pension Liability	3,706	(3,493)
Increase (Decrease) in Deferred Inflows of Resources	(2,338)	13,012
Net Cash Provided (Used) By Operating Activities	$ 171,532	$ 91,378

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, 2019

	Agency Funds		
	Special Account	Voluntary Fire Dept	Total
ASSETS			
Cash	$ 3,594	$ 11,102	$ 14,696
Total Assets	$ 3,594	$ 11,102	$ 14,696
LIABILITIES			
Due to Others	$ 3,594	$ 11,102	$ 14,696
Total Liabilities	$ 3,594	$ 11,102	$ 14,696

SUPPLEMENTAL SCHEDULES

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule of Revenues
For the Years Ended July 31, 2019 and 2018

	2019	2018
REVENUES		
Taxes		
Real Property	$ 696,907	$ 696,885
Personal Property	132,538	102,344
Real Estate Transfer (Intangible)	2,008	1,984
Franchise	309,164	293,822
General Sales and Use	280,951	276,059
Selective Sales and Use	133,012	134,038
Business		
Insurance Premium	354,003	328,251
Penalties and Interest on Delinquent Taxes	8,294	5,516
	1,916,877	1,838,899
Licenses and Permits		
Business	96,251	97,905
Non-Business	175	120
Regulatory	15,736	8,390
	112,162	106,415
Intergovernmental	93,225	87,422
Charges for Services		
General Government	--	220
Public Safety	17,838	29,341
Public Works	694,714	686,430
Other Charges for Services	28,995	14,885
	741,547	730,876
Fines and Forfeitures	184,187	203,441
Interest Revenue	6,519	6,741
Contributions and Donations	18,234	10,399
Miscellaneous	130,918	252,585
Total Revenues	$ 3,203,669	$ 3,236,778

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule of Expenditures
For the Years Ended July 31, 2019 and 2018

	2019	2018
EXPENDITURES		
Current		
General Government		
Clerks Office		
Personal Services and Employee Benefits	$ 288,234	$ 277,614
Purchased/Contracted Services	248,795	264,921
Supplies	28,975	30,864
Capital Outlay	1,985	--
Other Costs	18,143	21,946
Total Clerks Office	586,132	595,345
Total General Government	586,132	595,345
Judicial		
Municipal Court		
Purchased/Contracted Services	26,675	28,787
Supplies	247	275
Total Municipal Court	26,922	29,062
Total Judicial	26,922	29,062
Public Safety		
Police		
Personal Services and Employee Benefits	937,240	845,521
Purchased/Contracted Services	157,015	139,015
Supplies	72,609	70,484
Capital Outlay	105,619	172,392
Other Costs	37,062	45,594
Total Police	1,309,545	1,273,006
Fire and Emergency		
Personal Services and Employee Benefits	69,899	65,731
Purchased/Contracted Services	40,955	46,172
Supplies	5,488	8,169
Capital Outlay	--	246,991
Other Costs	--	163
Total Fire and Emergency	116,342	367,226
Animal Control		
Personal Services and Employee Benefits	50,486	44,110
Purchased/Contracted Services	13,245	18,486
Supplies	4,063	3,061
Other Costs	72	--
Total Animal Control	67,866	65,657
Total Public Safety	1,493,753	1,705,889

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule of Expenditures
For the Years Ended July 31, 2019 and 2018

	2019	2018
Public Works		
Highways and Streets		
Personal Services and Employee Benefits	186,700	111,628
Purchased/Contracted Services	53,447	38,242
Supplies	146,170	146,781
Capital Outlay	147,375	180,307
Total Highways and Streets	533,692	476,958
Sanitation		
Personal Services and Employee Benefits	41,118	39,800
Purchased/Contracted Services	495,265	462,876
Supplies	2,700	1,634
Other Costs	(1)	--
Total Sanitation	539,082	504,310
City Shop		
Purchased/Contracted Services	--	518
Total City Shop	--	518
Work Control		
Purchased/Contracted Services	1,380	1,548
Supplies	380	353
Total Work Control	1,760	1,901
Total Public Works	1,074,534	983,687
Culture and Recreation		
Recreation		
Personal Services and Employee Benefits	72,555	68,576
Purchased/Contracted Services	11,447	8,222
Supplies	44,917	34,292
Capital Outlay	244	12,767
Other Costs	7,931	7,985
Total Recreation	137,094	131,842
Total Culture and Recreation	137,094	131,842
Housing and Development		
Code Enforcer		
Personal Services and Employee Benefits	30,467	29,096
Purchased/Contracted Services	2,517	2,412
Supplies	3,689	4,424
Other Costs	32	53
Total Code Enforcer	36,705	35,985

CITY OF NASHVILLE, GEORGIA
General Fund
Schedule of Expenditures
For the Years Ended July 31, 2019 and 2018

	2019	2018
Economic Development		
Personal Services and Employee Benefits	63,140	59,103
Purchased/Contracted Services	25,385	12,761
Supplies	6,727	8,620
Capital Outlay	142,633	--
Other Costs	9,081	10,861
Total Economic Development	246,966	91,345
Farmers Market		
Personal Services and Employee Benefits	11,299	12,170
Purchased/Contracted Services	12,676	5,060
Supplies	10,677	9,308
Other Costs	26,828	43,606
Total Farmers Market	61,480	70,144
Total Housing and Development	345,151	197,474
Debt Service	139,977	134,692
Total Expenditures	$ 3,803,563	$ 3,777,991

CITY OF NASHVILLE, GEORGIA
Water & Sewer Enterprise Fund
Schedule of Water & Sewer Bonds - Series 1992-Farmers Home Administration
July 31, 2019

Year Ending	Principal	Rate	Interest	Annual Debt Service
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
	$ 1,315,250		$ 505,004	$ 1,820,254

CITY OF NASHVILLE, GEORGIA
Schedule of Hotel/Motel Taxes Expended
For the Year Ended July 31, 2019

Total Expenditures		
Tourism, Promotions, Conventions, Trade Shows, and Facility Support	$	8,981
		8,981
Taxes Collected		
Tax Collections @ 3%		7,036
Tax Collections Greater Than 3%		4,690
		11,726
Percentage of Current Year Taxes Expended		77%

CITY OF NASHVILLE, GEORGIA
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Year Ended July 31, 2019

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
SPLOST 1/1/2012 - 12/31/2017	$ 1,915,661	$ 1,915,661				78%
Roads, Streets & Bridges			$ 361,676	$ 41,900	$ 403,576	
Street & Sanitation Projects, Improvements & Equipment			19,422	5,976	25,398	
Water & Sewer Extensions, Projects, Improvements & Equipment			268,077	32,004	300,081	
Gas System Improvements & Equipment			107,172	--	107,172	
Recreation Facilities & Equipment			54,069	--	54,069	
City Hall Administration & Storage Facilities Expansion, Improvements & Equipment			11,558	2,506	14,064	
Community Center Equipment & Improvements			--	--	--	
Law Enforcement Facilities Improvements & Equipment			511,580	21,209	532,789	
Fire Fighting Facilities Improvements & Equipment			30,161	--	30,161	
Animal Control Facility Improvements & Equipment			18,232	--	18,232	
Economic Development Projects			10,827	--	10,827	
	$ 1,915,661	$ 1,915,661	$ 1,392,774	$ 103,595	$ 1,496,369	
1% SPLOST #4 Capital Projects Fund						
Total Expenditures				$ 103,595		
				$ 103,595		

CITY OF NASHVILLE, GEORGIA
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Year Ended July 31, 2019

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

CITY OF NASHVILLE, GEORGIA
Community Development Block Grant
Project Cost Schedule
Grant Award Number 16p-x-010-2-5871
From Inception and for the Year Ended July 31, 2019

Program Activity	CDBG Activity Number	Project Authorization	Revised Project Authorization	Prior Years	Current Year	Total To Date	Questioned Costs (If Applicable)
Engineering	T-03J-00	$ 17,360	$ 17,360	$ 8,527	$ 8,833	$ 17,360	$ --
Water Improvements	P-03J-01	161,355	123,035	113,689	9,346	123,035	--
Sewer Improvements	P-03J-02	149,186	122,503	103,448	19,055	122,503	--
Street Improvements	P-03K-01	41,810	57,142	37,629	19,513	57,142	--
Flood/Drainage	P-03K-01	65,549	65,549	55,056	10,493	65,549	--
Contingencies	C-022-00	34,740	--	--	--	--	--
Administration	A-21A-00	30,000	30,000	17,500	12,500	30,000	--
		$ 500,000	$ 415,589	$ 335,849	$ 79,740	$ 415,589	$ --

CITY OF NASHVILLE, GEORGIA
Community Development Block Grant
Source & Application of Funds Schedule
Grant Award Number 16p-x-010-2-5871
From Inception and for the Year Ended July 31, 2019

I.	Total Fiscal Year 2016 CDBG Funds Awarded to Recipient:	$	415,589
II.	Total Amount Drawdown by Recipient from DCA:	$	415,589
III.	Less: CDBG Funds Expended by Recipient:	$	415,589
IV.	Amount of Fiscal Year 2016 CDBG Funds held by Recipient:	$	--

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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, 2019, 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 April 30, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weakness or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2019-1 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Nashville, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing*

Standards and which are described in the accompanying schedule of findings and responses as items 2019-002 and 2019-003.

City of Nashville, Georgia's Response to Findings

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

Purpose of this Report

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

MEEKS CPA, LLP

Ocilla, Georgia
April 30, 2020

CITY OF NASHVILLE, GEORGIA
Schedule of Findings and Responses
For the Year Ended July 31, 2019

2019-001 Condition:

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

Recommendation:

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

Views of Responsible Officials and Planned Corrective Action:

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

2019-002 Condition:

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

Recommendation:

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

Views of Responsible Officials and Planned Corrective Action:

The City will repay the entire balance of the loan by December 31, 2020 or restructure the agreement to be in compliance with Georgia law.

2019-003 Condition:

The Official Code of Georgia Annotated section 36-81-3(b) requires an annual balanced budget for the General fund, each special revenue fund, and each debt service fund and requires a project-length budget for each capital project fund. For the year ended July 31, 2019, the County did not adopt an annual budget for the TSPLOST and CHIP special revenue funds.

Recommendation:

The County should adopt an annual balanced budget for the funds.

Views of Responsible Officials and Planned Corrective Action:

The County intends to adopt an annual balanced budget for all funds required by Georgia law.

CITY OF NASHVILLE, GEORGIA
Summary Schedule of Prior Audit Findings
For the Year Ended July 31, 2019

2018-002 Condition:

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

Recommendation:

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

Current Status:

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

2018-003 Condition:

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

Recommendation:

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

Current Status:

The City has implemented the full accrual basis of accounting for all enterprise fund utility revenue.

2018-004 Condition:

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

Recommendation:

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

Current Status:

The City created a separate account for the January 1, 2018 - December 31, 2023 SPLOST proceeds and have appropriately segregated the funds.

CITY OF NASHVILLE, GEORGIA
Summary Schedule of Prior Audit Findings
For the Year Ended July 31, 2019

2018-006 Cash Management

Condition:
This finding was that the City did not have written procedures to implement the requirements of 2 CFR 200 concerning payment.
Recommendation:
The auditors recommend that the City develop written procedures where required.
Current Status:
The City has made efforts to develop procedures, but they are not completed.

2018-007 Allowable Costs and Costs Principles

Condition:
This finding was that the City did not have written procedures for determining allowability of costs and the terms and conditions of the Federal award.
Recommendation:
The auditors recommended that the City develop written procedures where required.
Current Status:
The City has made efforts to develop procedures, but they are not completed.

2018-008 Procurement

Condition:
This finding was that the City did not have written standards of conduct covering conflicts of interest and governing the actions of employees engaged in the selection, award, and administration of contracts.
Recommendation:
The auditors recommend that the City develop written procedures where required.
Current Status:
The City has made efforts to develop procedures, but they are not completed.

2018-009 Procurement

Condition:
This finding was that the City did not have written procedures required by the Uniform Guidance for procurement standards.
Recommendation:
The auditors recommend that the City develop written procedures where required.
Current Status:
The City has made efforts to develop procedures, but they are not completed.