CITY OF NASHVILLE, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JULY 31, 2021

CITY OF NASHVILLE, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JULY 31, 2021

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FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Nashville, Georgia (the "City") as of and for the year ended July 31, 2021, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Nashville, Georgia as of July 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and ARPA Fund 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 Schedule of Changes in the City's Net Pension Liability and Related Ratios (on pages 44 and 45), and the Schedule of City Contributions (on pages 46 and 47) 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 the 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's basic financial statements. The combining and individual fund statements and schedules, the Community Development Block Grant – Source and Application of Funds Schedule, and the Community Development Block Grant – Budget to Actual Funds Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedules of expenditures of special purpose local option sales tax proceeds are presented for the purpose of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* is also presented for purposes of additional analysis, and is not a required part of the basic financial statements.

The combining and individual fund financial and schedules, the Schedules of Expenditures of Special Purpose local Option Sales Tax Proceeds, the Schedule of Expenditures of Federal Awards, the Community Development Block Grant – Source and Application of Funds Schedule, and the Community Development Block Grant – Budget to Actual Funds Schedule 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 statements and schedules, the Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds, the Schedule of Expenditures of Federal Awards, the Community Development Block Grant – Source and Application of Funds Schedule, and the Community Development Block Grant – Budget to Actual Funds Schedule 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 will also issue our report dated May 10, 2022, on our consideration of the City'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 solely 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 the effectiveness of the City's 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 the City of Nashville, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
May 10, 2022

BASIC FINANCIAL STATEMENTS

CITY OF NASHVILLE, GEORGIA

STATEMENT OF NET POSITION
JULY 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Cash and cash equivalents	$ 4,599,982	$ 3,616,846	$ 8,216,828	$ 15,270
Receivables				
Taxes receivable	151,052	-	151,052	-
Accounts receivable, net of allowances	150,722	234,208	384,930	-
Due from other governments	68,878	-	68,878	-
Internal balances	(1,651,184)	1,651,184	-	-
Prepaid expenses	31,648	10,185	41,833	-
Restricted assets, cash and cash equivalents	-	1,861,079	1,861,079	-
Capital assets, non-depreciable	469,666	821,086	1,290,752	-
Capital assets, depreciable, net of accumulated depreciation	3,295,966	14,039,602	17,335,568	77,913
Total assets	7,116,730	22,234,190	29,350,920	93,183
DEFERRED OUTFLOWS OF RESOURCES				
Pension	174,815	67,983	242,798	-
Total deferred outflows of resources	174,815	67,983	242,798	-
LIABILITIES				
Accounts payable	149,744	77,304	227,048	-
Accrued liabilities	67,722	55,474	123,196	-
Unearned revenues	905,770	-	905,770	-
Customer deposits payable	-	262,756	262,756	-
Capital leases due within one year	59,629	-	59,629	-
Capital leases due in more than one year	139,072	-	139,072	-
Compensated absences due within one year	70,217	24,744	94,961	-
Compensated absences due in more than one year	12,391	4,366	16,757	-
Notes payable due within one year	16,330	349,430	365,760	-
Notes payable due in more than one year	92,112	4,684,616	4,776,728	-
Revenue bonds payable due within one year	-	81,850	81,850	-
Revenue bonds payable due in more than one year	-	1,081,200	1,081,200	-
Net pension liability, due in more than one year	578,876	225,117	803,993	-
Total liabilities	2,091,863	6,846,857	8,938,720	-
DEFERRED INFLOWS OF RESOURCES				
Pension	20,198	7,854	28,052	-
Total deferred inflows of resources	20,198	7,854	28,052	-
NET POSITION				
Net investment in capital assets	3,458,489	9,826,642	13,285,131	77,913
Restricted for:				
Housing and development	42,165	-	42,165	-
Capital projects	755,163	-	755,163	-
Unrestricted	923,667	5,620,820	6,544,487	15,270
Total net position	$ 5,179,484	$ 15,447,462	$ 20,626,946	$ 93,183

The accompanying notes are an integral part of these financial statements.

CITY OF NASHVILLE, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JULY 31, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 702,368	$ 569,773	$ 17,433	$ -
Judicial	30,072	180,855	-	-
Public safety	1,594,901	-	-	-
Public works	2,023,930	720,910	-	531,923
Health and welfare	1,357	-	-	-
Culture and recreation	125,627	-	647,370	-
Housing and development	442,076	-	-	102,630
Interest on long-term debt	9,398	-	-	-
Total governmental activities	4,929,729	1,471,538	664,803	634,553
Business-type activities:				
Water and sewer	1,389,854	1,658,773	-	804,881
Natural gas	1,236,735	1,262,540	-	-
Total business-type activities	2,626,589	2,921,313	-	804,881
Total primary government	$ 7,556,318	$ 4,392,851	$ 664,803	$ 1,439,434
Component unit:				
Downtown Development Authority	$ 7,472	$ 11,900	$ -	$ -
Total component unit	$ 7,472	$ 11,900	$ -	$ -

General revenues:	
Property taxes	
Sales taxes	
Alcoholic beverage excise taxes	
Insurance premium taxes	
Other taxes	
Unrestricted investment earnings	
Total general revenues	
Change in net position	
Net position, beginning of year	
Net position, end of year	

The accompanying notes are an integral part of these financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Downtown Development Authority
$ (115,162)	$ -	$ (115,162)	$ -
150,783	-	150,783	-
(1,594,901)	-	(1,594,901)	-
(771,097)	-	(771,097)	-
(1,357)	-	(1,357)	
521,743	-	521,743	-
(339,446)	-	(339,446)	-
(9,398)	-	(9,398)	-
(2,158,835)	-	(2,158,835)	-
-	1,073,800	1,073,800	-
-	25,805	25,805	-
-	1,099,605	1,099,605	-
(2,158,835)	1,099,605	(1,059,230)	-
-	-	-	4,428
-	-	-	4,428
850,117	-	850,117	-
353,202	-	353,202	-
136,795	-	136,795	-
397,301	-	397,301	-
491,189	-	491,189	-
6,115	17,118	23,233	-
2,234,719	17,118	2,251,837	-
75,884	1,116,723	1,192,607	4,428
5,103,600	14,330,739	19,434,339	88,755
$ 5,179,484	$ 15,447,462	$ 20,626,946	$ 93,183

FUND FINANCIAL STATEMENTS

CITY OF NASHVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JULY 31, 2021

	General Fund	2018 CDBG Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 3,865,531	$ 78	$ -	$ 734,373	$ 4,599,982
Taxes receivable	150,124	-	-	928	151,052
Accounts receivable	150,722	-	-	-	150,722
Due from other governments	-	-	-	68,878	68,878
Due from other funds	40,044	-	905,770	6,832	952,646
Prepaid expenditures	31,648	-	-	-	31,648
Total assets	$ 4,238,069	$ 78	$ 905,770	$ 811,011	$ 5,954,928
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 136,650	$ -	$ -	$ 13,094	$ 149,744
Accrued liabilities	67,722	-	-	-	67,722
Due to other funds	2,603,089	100	-	641	2,603,830
Unearned revenue	-	-	905,770	-	905,770
Total liabilities	2,807,461	100	905,770	13,735	3,727,066
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	145,897	-	-	-	145,897
Total deferred inflows of resources	145,897	-		-	145,897

(Continued)

CITY OF NASHVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JULY 31, 2021

	General Fund	2018 CDBG Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (CONTINUED)					
FUND BALANCES (DEFICIT)					
Fund balances:					
Non-spendable					
Prepaid expenditures	$ 31,648	$ -	$ -	$ -	$ 31,648
Restricted			-		
Capital outlay	-	-	-	755,063	755,063
Housing and development	-	-	-	42,165	42,165
Assigned			-		
Capital outlay	-	-	-	100	100
Unassigned	1,253,063	(22)	-	(52)	1,252,989
Total fund balances (deficit)	1,284,711	(22)	-	797,276	2,081,965
Total liabilities, deferred inflows of resources, and fund balances	$ 4,238,069	$ 78	$ 905,770	$ 811,011	

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.		3,765,632
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		145,897
The net pension liability and related deferred outflows and inflows of resources are not financial resources and, therefore, are not reported in the governmental funds.		(424,259)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Capital leases	$ (198,701)	
Notes payable	(108,442)	
Compensated absences	(82,608)	(389,751)
Net position of governmental activities		$ 5,179,484

The accompanying notes are an integral part of these financial statements.

CITY OF NASHVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2021

	General Fund	2018 CDBG Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 788,808	$ -	$ -	$ -	$ 788,808
Sales taxes	353,202	-	-	-	353,202
Insurance premium taxes	397,301	-	-	-	397,301
Alcohol beverage excise taxes	136,795	-	-	-	136,795
Other taxes	470,538	-	-	20,651	491,189
Licenses and permits	107,073	-	-	-	107,073
Intergovernmental	92,865	647,370	-	541,688	1,281,923
Fines and forfeitures	180,855	-	-	-	180,855
Charges for services	736,147	-	-	-	736,147
Investment income	6,115	-	-	-	6,115
Private donations	17,433	-	-	-	17,433
Miscellaneous	447,463	-	-	-	447,463
Total revenues	3,734,595	647,370	-	562,339	4,944,304
Expenditures					
Current:					
General government	673,319	-	-	-	673,319
Judicial	30,072	-	-	-	30,072
Public safety	1,639,339	-	-	-	1,639,339
Public works	970,546	-	-	-	970,546
Culture and recreation	102,340	-	-	-	102,340
Housing and development	288,562	-	-	119,925	408,487
Capital outlay:	-	647,370	-	427,443	1,074,813
Debt service:			-		
Principal	25,258	-	-	18,275	43,533
Interest	1,408	-	-	6,991	8,399
Total expenditures	3,730,844	647,370	-	572,634	4,950,848
Excess (deficiency) of revenues over (under) expenditures	3,751	-	-	(10,295)	(6,544)

(Continued)

CITY OF NASHVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2021

	General Fund	2018 CDBG Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources					
Issuance of debt	178,414	-	-	-	178,414
Total other financing sources (uses)	178,414	-	-	-	178,414
Net change in fund balances	182,165	-	-	(10,295)	171,870
Fund balances (deficit), beginning of year	1,102,546	(22)	-	807,571	1,910,095
Fund balances, end of year	$ 1,284,711	$ (22)	$ -	$ 797,276	$ 2,081,965

The accompanying notes are an integral part of these financial statements.

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 FISCAL YEAR ENDED JULY 31, 2021

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 171,870
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. This is the amount by which depreciation expense exceeded capital outlay in the current period.		
Capital outlay	$ 399,956	
Depreciation expense	(408,889)	(8,933)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		61,309
The issuance of long-term debt 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Proceeds from capital lease obligations	$ (178,414)	
Principal payments - notes payable	30,924	
Principal payments - capital leases	11,610	(135,880)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Net pension liability and deferred outflows and inflows of resources	$ (12,405)	
Compensated absences	(77)	(12,482)
Change in net position - governmental activities		$ 75,884

The accompanying notes are an integral part of these financial statements.

CITY OF NASHVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JULY 31, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$ 952,227	$ 952,227	$ 788,808	$ (163,419)
Sales taxes	280,000	280,000	353,202	73,202
Insurance premium taxes	376,000	376,000	397,301	21,301
Alcohol beverage excise taxes	140,000	140,000	136,795	(3,205)
Other taxes	462,500	462,500	470,538	8,038
Licenses and permits	120,775	120,775	107,073	(13,702)
Intergovernmental	92,350	92,350	92,865	515
Fines and forfeitures	169,200	169,200	180,855	11,655
Charges for services	741,870	741,870	736,147	(5,723)
Investment income	6,060	6,060	6,115	55
Private donations	16,600	16,600	17,433	833
Miscellaneous	500	500	447,463	446,963
Total revenues	3,358,082	3,358,082	3,734,595	376,513
Expenditures				
Current				
General government:				
Clerk's office	592,999	592,999	673,319	(80,320)
Total general government	592,999	592,999	673,319	(80,320)
Judicial:				
Municipal court	34,095	34,095	30,072	4,023
Total judicial	34,095	34,095	30,072	4,023
Public safety:				
Police	1,367,434	1,367,434	1,247,503	119,931
Fire and emergency	122,662	122,662	316,806	(194,144)
Animal control	63,593	63,593	75,030	(11,437)
Total public safety	1,553,689	1,553,689	1,639,339	(85,650)
Public works:				
Highways and streets	498,975	498,975	404,094	94,881
City shop	700	700	-	700
Sanitation	560,056	560,056	564,478	(4,422)
Work control	3,000	3,000	1,974	1,026
Total public works	1,062,731	1,062,731	970,546	92,185
Culture and recreation:				
Recreation	130,682	130,682	102,340	28,342
Total culture and recreation	130,682	130,682	102,340	28,342
Housing and development:				
Economic development	95,110	95,110	70,180	24,930
Code enforcer	88,105	88,105	85,897	2,208
Farmers market	53,934	53,934	132,485	(78,551)
Total housing and development	237,149	237,149	288,562	(51,413)
Debt service				
Principal	-	-	25,258	(25,258)
Interest	-	-	1,408	(1,408)
Total debt service	-	-	26,666	(26,666)
Total expenditures	3,611,345	3,611,345	3,730,844	(119,499)
Excess (deficiency) of revenues over (under) expenditures	(253,263)	(253,263)	3,751	257,014

(Continued)

CITY OF NASHVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JULY 31, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Other financing sources (uses)				
Issuance of debt		-	178,414	178,414
Transfers out		-	-	-
Total other financing sources	-	-	178,414	178,414
Net change in fund balances	(253,263)	(253,263)	182,165	435,428
Fund balances, beginning of year	1,102,546	1,102,546	1,102,546	-
Fund balances, end of year	$ 849,283	$ 849,283	$ 1,284,711	$ 435,428

The accompanying notes are an integral part of these financial statements.

CITY OF NASHVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
ARPA FUND
FOR THE FISCAL YEAR ENDED JULY 31, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of these financial statements.

CITY OF NASHVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JULY 31, 2021

ASSETS	Water and Sewer Fund	Natural Gas Fund	Total
CURRENT ASSETS			
Cash and cash equivalents	$ 2,219,503	$ 1,397,343	$ 3,616,846
Accounts receivable, net of allowances	201,860	32,348	234,208
Due from other funds	1,449,123	241,364	1,690,487
Prepaid expenses	5,082	5,103	10,185
Restricted assets, cash and cash equivalents	1,422,229	438,850	1,861,079
Total current assets	5,297,797	2,115,008	7,412,805
NON-CURRENT ASSETS			
Capital assets:			
Capital assets, non-depreciable	815,086	6,000	821,086
Capital assets, depreciable, net of accumulated depreciation	12,663,325	1,376,277	14,039,602
Total capital assets	13,478,411	1,382,277	14,860,688
Total non-current assets	13,478,411	1,382,277	14,860,688
Total assets	18,776,208	3,497,285	22,273,493
DEFERRED OUTFLOWS OF RESOURCES			
Pension	38,847	29,136	67,983
Total deferred outflows of resources	38,847	29,136	67,983
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	20,034	57,270	77,304
Accrued liabilities	6,763	8,633	15,396
Customer deposits payable	203,895	58,861	262,756
Revenue bonds payable, current portion	81,850	-	81,850
Notes payable, current portion	297,678	51,752	349,430
Due to other funds	-	39,303	39,303
Compensated absences, current portion	12,369	12,375	24,744
Accrued interest	40,078	-	40,078
Total current liabilities	662,667	228,194	890,861
NON-CURRENT LIABILITIES			
Net pension liability	128,639	96,478	225,117
Revenue bonds payable, net of current portion	1,081,200	-	1,081,200
Notes payable, net of current portion	4,451,729	232,887	4,684,616
Compensated absences, net of current portion	2,183	2,183	4,366
Total non-current liabilities	5,663,751	331,548	5,995,299
Total liabilities	6,326,418	559,742	6,886,160
DEFERRED INFLOWS OF RESOURCES			
Pension	4,488	3,366	7,854
Total deferred inflows of resources	4,488	3,366	7,854
NET POSITION			
Net investment in capital assets	8,729,004	1,097,638	9,826,642
Unrestricted	3,755,145	1,865,675	5,620,820
Total net position	$ 12,484,149	$ 2,963,313	$ 15,447,462

The accompanying notes are an integral part of these financial statements.

CITY OF NASHVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2021

	Water and Sewer Fund	Natural Gas Fund	Total
OPERATING REVENUES			
Charges for services	$ 1,587,551	$ 1,256,482	$ 2,844,033
Miscellaneous revenue	71,222	6,058	77,280
Total operating revenues	1,658,773	1,262,540	2,921,313
OPERATING EXPENSES			
Personnel services and employee benefits	399,261	309,655	708,916
Services and supplies	441,071	878,022	1,319,093
Depreciation	398,561	49,058	447,619
Total operating expenses	1,238,893	1,236,735	2,475,628
Operating income	419,880	25,805	445,685
NON-OPERATING REVENUES (EXPENSES)			
Interest income	3,686	13,432	17,118
Interest expense	(150,961)	-	(150,961)
Total non-operating revenues (expenses)	(147,275)	13,432	(133,843)
Income before capital contributions	272,605	39,237	311,842
CAPITAL CONTRIBUTIONS	804,881	-	804,881
Change in net position	1,077,486	39,237	1,116,723
NET POSITION, beginning of year	11,406,663	2,924,076	14,330,739
NET POSITION, end of year	$ 12,484,149	$ 2,963,313	$ 15,447,462

The accompanying notes are an integral part of these financial statements.

CITY OF NASHVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JULY 31, 2021

	Water and Sewer Fund	Natural Gas Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 1,699,495	$ 1,266,737	$ 2,966,232
Payments to suppliers and service providers	(1,870,094)	(1,058,521)	(2,928,615)
Payments to employees	(458,611)	(303,676)	(762,287)
Net cash used in operating activities	(629,210)	(95,460)	(724,670)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(126,089)	-	(126,089)
Principal paid on notes payable	(169,824)	(51,752)	(221,576)
Principal paid on revenue bonds payable	(77,960)	-	(77,960)
Interest paid	(140,667)	-	(140,667)
Net cash used in capital and related financing activities	(514,540)	(51,752)	(566,292)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	3,686	13,432	17,118
Net cash provided by investing activities	3,686	13,432	17,118
Decrease in cash and cash equivalents	(1,140,064)	(133,780)	(1,273,844)
Cash and cash equivalents:			
Beginning of year	4,781,796	1,969,973	6,751,769
End of year	$ 3,641,732	$ 1,836,193	$ 5,477,925
Classified as:			
Cash on hand and in banks	$ 2,219,503	$ 1,397,343	$ 3,616,846
Restricted assets, cash and cash equivalents	1,422,229	438,850	1,861,079
	$ 3,641,732	$ 1,836,193	$ 5,477,925

(Continued)

CITY OF NASHVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JULY 31, 2021

	Water and Sewer Fund	Natural Gas Fund	Total
Reconciliation of operating income to net cash used in operating activities			
Operating income	$ 419,880	$ 25,805	$ 445,685
Adjustments to reconcile operating income to net cash used in operating activities:			
Depreciation	398,561	49,058	447,619
(Increase) decrease:			
Accounts receivable	40,722	4,197	44,919
Due from other funds	(1,449,123)	(241,364)	(1,690,487)
Deferred outflows of resources - pension	(1,921)	(5,243)	(7,164)
Prepaid expenses	8,905	4,432	13,337
Increase (decrease):			
Accounts payable	(4,797)	53,515	48,718
Accrued liabilities	(5,455)	(5,207)	(10,662)
Due to other funds	(50,932)	3,400	(47,532)
Deferred inflows of resources - pension	(851)	(89)	(940)
Net pension liability	(191)	13,118	12,927
Customers deposit payable	19,267	350	19,617
Compensated absences	(3,275)	2,568	(707)
Net cash used in operating activities	$ (629,210)	$ (95,460)	$ (724,670)
Noncash investing, capital and financing activities:			
Capital contributions	$ (804,881)	$ -	$ (804,881)

The accompanying notes are an integral part of these financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Nashville, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City of Nashville, Georgia, was incorporated under the provisions of the Basic Charter Act, Act No. 325, of the Laws of 1901 of the State of Georgia, as amended. The City's Charter was last amended by an act of the Georgia General Assembly on April 17, 1975, (Act No. 285 GA Laws pp. 3521-3552). The City operates under a Council/Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, culture and recreation, education, public improvements, planning and zoning, water, sewer and gas services and general administrative services.

The City operates under a Council/Manager form of government. As required by GAAP, the financial statements of the reporting entity include those of the City of Nashville, Georgia (the primary government) and its component unit. For financial reporting purposes, in accordance with the criteria in GASB Standards, the City includes all funds, agencies, boards, commissions and authorities that are within its primary government. A component unit is a legally separate organization for which elected officials of a primary government are financially accountable. There are three sets of criteria that the City evaluates to determine whether a potential component unit will be included in the reporting entity of the City. They are: 1) financial accountability; 2) financial accountability as a result of fiscal dependency; and 3) misleading to exclude the component unit.

The reporting entity of the City includes all the funds of the City that comprise the primary government as reported in the basic financial statements as well as the discretely presented component unit described below.

Discretely Presented Component Unit

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund 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 activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. 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. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Property taxes, intergovernmental grants and investment income associated with the current fiscal period are all considered to be susceptible to accrual and, therefore, have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

The ***2018 CDBG Fund*** accounts for the collections and disbursement of monies received for the 2018 Community Development Block Grant from the Department of Housing and Urban Development.

American Rescue Plan Act Fund ("ARPA") is used to account for grant funds awarded to the City as part of the State and Local Fiscal Recovery Fund under the American Rescue Plan Act of 2021.

The City reports the following major proprietary funds:

The ***Water and Sewer Fund*** accounts for the operation of the water and sewerage system including all revenues from sources applicable to these operations and all expenses of the operation.

The ***Natural Gas Fund*** accounts for the operation and maintenance of the City's Gas Facilities.

Additionally, the City reports the following fund types:

The ***Special Revenue Funds*** account for revenue sources that are legally restricted to expenditure for specific purposes.

The ***Capital Projects Funds*** account for revenue sources that are to be used for the acquisition and construction of major capital facilities.

Amounts reported as program revenues include: 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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

D. Cash and Deposits

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

Statutes authorize the City to invest in obligations of the United States and of its agencies and instrumentalities, bonds of the State of Georgia and its agencies, instrumentalities and political subdivisions, certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations, repurchase agreements and Georgia Fund 1, the Local Government Investment Pool.

Cash deposits are reported at carrying amount, which reasonably estimates fair value.

E. Investments

State statues authorize the City to invest in obligations of the State of Georgia or other states, obligations issued by the U.S. Government, 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.

F. Receivables and Payables

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Prepaid Expenditures/Expenses

Prepaid items are accounted for using the consumption method. A prepaid item is recognized when a cash expenditure/expense is made for goods or services that were purchased for consumption, but not consumed as of July 30.

H. Restricted Assets

Restricted assets consist of customer deposits for utility services and funds required to be placed in a separate account to be used to retire Georgia Environmental Finance Authority ("GEFA") debt as it matures.

I. Capital Assets

Capital assets, which include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond one year are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Buildings, except those that are an ancillary part of a network of infrastructure assets, will not be considered infrastructure assets. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction phase of capital assets of business-type activities, net of related interest earned, is included as part of the capitalized value of the assets constructed. There were not any constructed projects with capitalized interest in the business-type activities for the year ended July 31, 2021.

Capital assets are depreciated over their estimated useful lives unless they are inexhaustible. Inexhaustible assets such as land improvements are not depreciated.

Depreciation is reported in the government-wide Statement of Activities and in the proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Position.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Asset	Years
Buildings	30 – 60
Machinery & Equipment	7 – 10
Improvements	15 – 30
Roads	15 – 40
Bridges	15 – 40
Sidewalks	15 – 40
Water/Sewer/Gas System	25 – 50

J. Compensated Absences

It is the City's policy to permit employees to accumulate earned by 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.

K. 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. Bond premiums and discounts are deferred and amortized over the life of the bond using the straight-line method, which approximates the effective interest method. The gain/loss on defeasance of bonds is presented as an increase/decrease to the face amount of bonds payable and is being amortized over the life of the bonds through interest expense. Bond issuance costs are expensed in the period incurred.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and the governmental funds balance sheet 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, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The government-wide financial statements report deferred outflows related to pensions and will be recognized as pension expense over a five-year closed period.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources (Continued)

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

M. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Non-spendable*** – Fund balances are reported as non-spendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash), or b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City Manager or the City's Finance Director to assign fund balances.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

Fund Balance (Continued)

- ***Unassigned*** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. The net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

N. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Nashville Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Data

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds except capital project funds, which adopt project length budgets. All annual appropriations lapse at fiscal year-end.

All departments of the City submit request 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 ("O.C.G.A.") §36-81-3(b) requires an annual balanced budget for the General fund, each separate special revenue fund, and each debt service fund and requires a project-length budget for each capital project fund.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

B. Excess Expenditures Over Appropriations

For the year ended July 31, 2021, expenditures exceeded budgeted appropriations, as follows:

Department	Excess
General Fund	
General government	
Clerk's office	$ (80,320)
Public safety	
Fire and emergency	(194,144)
Animal control	(11,437)
Public Works	
Sanitation	(4,422)
Housing and development	
Farmers market	(78,551)
Debt service	
Principal	(25,258)
Interest	(1,408)

These over expenditures were funded by greater than anticipated revenues.

Deficit Fund Balance

For the year ended July 31, 2021, the Community Home Investment Program ("CHIP") Fund and the 2018 Community Development Block Grant ("CDBG") Fund reported a deficit fund balance of $52 and $22, respectively. These deficits will be eliminated through future revenues and/or transfers from other funds.

NOTE 3. DEPOSITS AND INVESTMENTS

Credit Risk. 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 established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of July 31, 2021, all of the deposits for the City were fully collateralized in accordance with the state statutes.

NOTE 4. RECEIVABLES

Receivables at July 31, 2021 for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Nonmajor Governmental Funds	Water and Sewer	Natural Gas	Total
Receivables:					
Taxes	$ 166,983	$ 928	$ -	$ -	$ 167,911
Accounts	216,252	-	387,344	69,259	672,855
Due from other governments	-	68,878	-	-	68,878
Gross receivables	383,235	69,806	387,344	69,259	909,644
Less allowance for uncollectibles	82,389	-	185,484	36,911	304,784
Net total receivables	$ 300,846	$ 69,806	$ 201,860	$ 32,348	$ 604,860

NOTE 5. PROPERTY TAXES

The City bills and collects its own property tax revenue. City property tax revenues are recognized when levied to the extent that they result in current receivables, i.e. available. Property tax revenues are considered available when collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period, and such time thereafter, does not exceed 60 days. Property taxes were levied on October 27, 2020, payable December 28, 2020, and attached as an enforceable lien on property as of March 31, 2021.

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended July 31, 2021, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 469,666	$ -	$ -	$ -	$ 469,666
Total	469,666	-	-	-	469,666
Capital assets, being depreciated:					
Buildings	3,116,427	-	-	-	3,116,427
Improvements other than buildings	2,910,063	246,688	-	-	3,156,751
Machinery and equipment	2,216,788	153,268	-	-	2,370,056
Total	8,243,278	399,956	-	-	8,643,234
Less accumulated depreciation for:					
Buildings	(1,801,842)	(56,968)	-	-	(1,858,810)
Improvements other than buildings	(1,342,204)	(172,548)	-	-	(1,514,752)
Machinery and equipment	(1,794,333)	(179,373)	-	-	(1,973,706)
Total	(4,938,379)	(408,889)	-	-	(5,347,268)
Total assets, being depreciated, net	3,304,899	(8,933)	-	-	3,295,966
Governmental activities capital assets, net	$ 3,774,565	$ (8,933)	$ -	$ -	$ 3,765,632

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 821,086	$ -	$ -	$ -	$ 821,086
Construction in progress	136,309	793,615	-	(929,924)	-
Total	957,395	793,615	-	(929,924)	821,086
Capital assets, being depreciated:					
Buildings and system	20,763,370	137,355	-	929,924	21,830,649
Machinery and equipment	682,197	-	-	-	682,197
Total	21,445,567	137,355	-	929,924	22,512,846
Less accumulated depreciation for:					
Buildings and system	(7,464,771)	(420,224)	-	-	(7,884,995)
Machinery and equipment	(560,854)	(27,395)	-	-	(588,249)
Total	(8,025,625)	(447,619)	-	-	(8,473,244)
Total assets, being depreciated, net	13,419,942	(310,264)	-	929,924	14,039,602
Business-type activities capital assets, net	$ 14,377,337	$ 483,351	$ -	$ -	$ 14,860,688

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

Governmental activities:	
General government	$ 27,936
Public safety	102,533
Public works	221,494
Health and welfare	1,357
Culture and recreation	23,025
Housing and development	32,544
Total depreciation expense - governmental activities	$ 408,889
Business-type activities:	
Water and sewer	$ 398,561
Natural gas	49,058
Total depreciation expense - business-type activities	$ 447,619

NOTE 6. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit

Capital asset activity for the Downtown Development Authority for the fiscal year ended July 31, 2021, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, being depreciated:					
Buildings and system	$ 103,152	$ -	$ -	$ -	$ 103,152
Machinery and equipment	13,288	-	-	-	13,288
Total	116,440	-	-	-	116,440
Less accumulated depreciation for:					
Buildings and system	(22,660)	(2,579)	-	-	(25,239)
Machinery and equipment	(12,230)	(1,058)	-	-	(13,288)
Total	(34,890)	(3,637)	-	-	(38,527)
Total assets, being depreciated, net	81,550	(3,637)	-	-	77,913
Discretely presented component unit, capital assets, net	$ 81,550	$ (3,637)	$ -	$ -	$ 77,913

NOTE 7. LONG-TERM DEBT

Long-term liability activity for the year ended July 31, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable	$ 120,052	$ -	$ (11,610)	$ 108,442	$ 16,330
Capital leases	51,211	178,414	(30,924)	198,701	59,629
Net pension liability	545,635	33,241	-	578,876	-
Compensated absences	82,531	79,100	(79,023)	82,608	70,217
Governmental activities Long-term liabilities	$ 799,429	$ 290,755	$ (121,557)	$ 968,627	$ 146,176
Business-type activities:					
Notes payable	$ 5,255,622	$ -	$ (221,576)	$ 5,034,046	$ 349,430
Revenue bonds payable	1,241,010	-	(77,960)	1,163,050	81,850
Net pension liability	212,190	12,927	-	225,117	-
Compensated absences	29,817	25,723	(26,430)	29,110	24,744
Business-type activites Long-term liabilities	$ 6,738,639	$ 38,650	$ (325,966)	$ 6,451,323	$ 456,024

For governmental activities, compensated absences and the net pension liability are liquidated by the General Fund. For business-type activities, compensated absences and the net pension liability are liquidated by the enterprise funds.

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Governmental activities

Notes payable

On May 18, 2015, the City entered into a promissory note with the Citizens Bank for $190,000 at 5% payable over 35 months at $1,755 with one balloon payment due March 16, 2021 for the purchase of a metal building. The balance outstanding at July 31, 2021 was $108,442.

Debt service requirements to maturity on the note payable are as follows:

Year Ending July 31,	Principal	Interest	Total
2022	$ 16,330	$ 4,908	$ 21,238
2023	17,148	4,840	21,988
2024	17,999	4,772	22,771
2025	18,909	-	18,909
2026	19,857	-	19,857
2027	18,199	-	18,199
Total	$ 108,442	$ 14,520	$ 122,962

Capital leases

The City has entered into several lease agreements as lessee for financing the acquisition of various equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and have been recorded at the present values of the future minimum lease payment as of the date of their inceptions. These leases are being serviced by the General Fund and SPLOST #4 Fund payments with annual interest rates of 3%.

The following is an analysis of equipment leased under capital leases as of July 31, 2021:

	Governmental Activities
Machinery and equipment	$ 381,468
Less: Accumulated depreciation	(233,709)
Total	$ 147,759

The above includes current year depreciation expense of assets under capital lease of $58,738 for the Governmental Activities.

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Governmental activities (Continued)

Capital leases (Continued)

The following is a schedule of future minimum lease payments under the capital leases and the present value of the minimum lease payments as of July 31, 2021:

Year Ending July 31,	
2022	$ 65,704
2023	39,038
2024	39,038
2025	39,038
2026	32,442
Total minimum lease payments	215,260
Less amount representing interest	(16,559)
Present value of future minimum lease payments	198,701
Less current maturities	(59,629)
	$ 139,072

B. Business-type activities

Notes payable

Notes payable outstanding for business-type activities for the City as of July 31, 2021, are as follows:

On March 1, 2011, the City entered into an agreement with GEFA for an amount not to exceed $5,902,186 for construction of a new wastewater treatment plant. The interest rate on this note is 3%. Monthly payments of $32,733 are due for 240 months beginning January 2014. The balance unpaid on this note (CW10001) at fiscal year-end is $4,201,919.

On July 11, 2016, the City entered into an agreement with GEFA for an amount not to exceed $1,000,000 with a 40% forgiveness clause to implement a new electric water meter reading system. The interest rate on this note is 1.09%. Monthly payments of $2,758 are due for 240 months beginning May 1, 2019. The balance unpaid on this note (DW16010) at fiscal year-end is $547,488.

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 fiscal year-end is $284,639.

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Business-type activities (Continued)

Notes payable (Continued)

Debt service requirements to maturity on the notes payable are as follows:

Year Ending July 31,	Principal	Interest	Total
2022	$ 349,430	$ 128,191	$ 477,621
2023	357,982	119,666	477,648
2024	366,760	110,889	477,649
2025	378,799	101,850	480,649
2026	385,106	92,541	477,647
2027 – 2031	1,842,265	313,092	2,155,357
2032 – 2036	1,248,046	60,102	1,308,148
2037	105,658	1,930	107,588
Total	$ 5,034,046	$ 928,261	$ 5,962,307

Revenue bonds payable

The City issued bonds where the City pledges income derived from the acquired or constructed assets to pay the 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 payable outstanding at fiscal year-end is $1,163,050.

Debt service requirements to maturity on the revenue bonds payable are as follows:

Year Ending July 31,	Principal	Interest	Total
2022	$ 81,850	$ 58,152	$ 140,002
2023	85,950	54,060	140,010
2024	90,240	49,763	140,003
2025	94,760	45,250	140,010
2026	99,490	40,513	140,003
2027 – 2031	577,250	122,778	700,028
2032 – 2035	133,510	6,675	140,185
	$ 1,163,050	$ 377,191	$ 1,540,241

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of July 31, 2021, is as follows:

	Payable Fund				
Receivable Fund	General Fund	2018 CDBG Fund	Natural Gas Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 100	$ 39,303	$ 641	$ 40,044
ARPA	905,770				
Water and Sewer Fund	1,449,123	-	-	-	1,449,123
Natural Gas Fund	241,364	-	-	-	241,364
Nonmajor Governmental Funds	6,832	-	-	-	6,832
Total	$ 2,603,089	$ 100	$ 39,303	$ 641	$ 1,737,363

These balances resulted 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.

NOTE 9. RESTRICTED ASSETS

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

	Business-type Activities
Sinking Fund Accounts	$ 1,422,229
CD's Held for Collateral	438,850
Total	$ 1,861,079

Pursuant to an intergovernmental 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 received annual payments from the City of Nashville pursuant to the pipeline agreement.

NOTE 10. DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City's Pension Plan (the "Plan") is administered through the Georgia Municipal Employee Benefit System ("GMEBS"), an agent multiple-employer pension plan administered by the GMA. The Plan provides retirement and disability benefits and death benefits to plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive 2%. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. The GMA issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com, by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303, or by calling (404) 688-0472.

B. Plan Membership

As of January 1, 2021, pension plan membership consisted of the following:

Retirees, beneficiaries, and the disabled receiving benefits	26
Terminated plan members entitled to but not yet receiving benefits	27
Active plan members and elected officials	42
	95

C. Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Council. City contributions to the Plan were $139,543 for the fiscal year ended July 31, 2021.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2020.

Actuarial Assumptions. The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.25% plus service based merit increases
Investment rate of return	7.375%

Mortality rates were based on the gender-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25%. The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – July 31, 2019.

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 as of March 31, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic equity	45 %	6.40 %
International equity	20 %	7.05 %
Domestic fixed income	20 %	1.15 %
Real estate	10 %	4.50 %
Global fixed income	5 %	1.25 %
Cash	- %	
Total	100 %	

* Rates shown are net of the 2.25% assumed rate of inflation

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Net Pension Liability of the City (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that plan member 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 contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the City

The changes in the components of the net pension liability of the City for the fiscal year ended July 31, 2021, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning balance	$ 3,171,081	$ 2,413,256	$ 757,825
Changes for the year:			
Service cost	59,355	-	59,355
Interest	231,737	-	231,737
Differences between expected and actual experience	101,528	-	101,528
Assumption changes	-	-	-
Contributions - employer	-	127,478	(127,478)
Contributions - employee	-	-	-
Net investment income	-	229,423	(229,423)
Benefit payments, including refunds of employee contributions	(176,479)	(176,479)	-
Administrative expense	-	(10,449)	10,449
Net changes	216,141	169,973	46,168
Ending balance	$ 3,387,222	$ 2,583,229	$ 803,993

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Net Pension Liability of the City (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.375%, 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 (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	$ 1,235,612	$ 803,993	$ 442,807

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2020, and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended July 31, 2021, the City recognized pension expense of $156,773. At July 31, 2021, 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	$ 95,050	$ -
Changes in assumptions	31,462	-
Net difference between projected and actual earnings on pension plan investments	-	(28,052)
City contributions subsequent to the measurement date	116,286	-
Total	$ 242,798	$ (28,052)

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Net Pension Liability of the City (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

City contributions subsequent to the measurement date of $116,286 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending July 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending July 31,	
2022	$ 30,430
2023	42,255
2024	36,503
2025	(10,728)
Total	$ 98,460

NOTE 11. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, for which the City carries commercial insurance. Settled claims in the past three years have not exceeded the coverages. 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 is provided by Berkley Insurance Company.

NOTE 12. RELATED ORGANIZATIONS

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

NOTE 13. HOTEL/MOTEL LODGING TAX

The City has imposed a 5% tax on hotel/motel accommodations as defined by Georgia statute, which requires that 40% of the tax collected for this purpose, less any administrative costs incurred by the City, will be used for the promotion of tourism in the local area. During the year ended July 31, 2021, the City collected $20,651 and expended $6,175.

NOTE 14. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the 10-county south Georgia area, is a member of the Southern Georgia Regional Commission and is required to pay annual dues thereto. During its fiscal year ended July 31, 2021, the City paid $6,064 in such dues. Membership in a Regional Commission is required by the O.C.G.A. §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. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from the Southern Georgia Regional Commission, P.O. Box 1223, Valdosta, Georgia 31603.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation

The City is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Grant Contingencies

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

Agreements with the Municipal Gas Authority of Georgia

The City has entered into a contract for the purchase of wholesale natural gas supplies and related services with the Municipal Gas Authority of Georgia (the "MGAG") that requires the City to purchase all of its natural gas from MGAG. The gas supply contract with MGAG authorizes MGAG to establish rates and charges so as to produce revenues sufficient to cover its operating costs and retire its bonds issued to acquire long-term gas supplies for sale to its members, including the City. In the event that revenues are insufficient to cover all costs and retire bonds issued by MGAG, the City is obligated to pay its obligation share of the costs of the gas supply and related services MGAG provides to the City; costs include amounts equal to principal and interest on the MGAG's bonds. These obligations, which extend through the year 2021, are general obligations of the City to which the City's full faith, credit and taxing powers are pledged. The City's obligation to the MGAG for gas supply costs are based on the MGAG's costs to provide such supply, including bonds issued to purchase long-term rights to bulk supply. Payments to the MGAG are made monthly based on actual usage. The total payments under these contracts amounted to $701,081 in 2021.

NOTE 15. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreements with the Municipal Gas Authority of Georgia (Continued)

At July 31, 2021, the outstanding debt of the MGAG was approximately $145.9 million. The City's guarantee varies by individual projects undertaken by the MGAG and totals approximately $439,864 at July 31, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NASHVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JULY 31,

	Fiscal Year			
	2021	2020	2019	2018
Total pension liability				
Service cost	$ 59,355	$ 58,551	$ 61,450	$ 62,771
Interest on total pension liability	231,737	222,192	209,321	195,939
Differences between expected and actual experience	101,528	3,257	69,105	76,862
Changes of assumptions	-	62,922	-	38,358
Changes in benefit terms	-	-	-	-
Benefit payments, including refunds of employee contributions	(176,479)	(159,687)	(171,066)	(174,275)
Net change in total pension liability	216,141	187,235	168,810	199,655
Total pension liability - beginning	3,171,081	2,983,846	2,815,036	2,615,381
Total pension liability - ending (a)	$ 3,387,222	$ 3,171,081	$ 2,983,846	$ 2,815,036
Plan fiduciary net position				
Contributions - employer	$ 127,478	$ 120,615	$ 106,448	$ 109,693
Contributions - employee	229,423	68,462	219,875	299,631
Net investment income				
Benefit payments, including refunds of employee contributions	(176,479)	(159,687)	(171,066)	(174,275)
Administrative expenses	(10,449)	(10,255)	(11,154)	(12,107)
Net change in plan fiduciary net position	169,973	19,135	144,103	222,942
Plan fiduciary net position - beginning	2,413,256	2,394,121	2,250,018	2,027,076
Plan fiduciary net position - ending (b)	$ 2,583,229	$ 2,413,256	$ 2,394,121	$ 2,250,018
City's net pension liability (a) - (b)	$ 803,993	$ 757,825	$ 589,725	$ 565,018
Plan fiduciary net position as a percentage of the total pension liability	76.3%	76.1%	80.2%	79.9%
Covered payroll	$ 1,451,645	$ 1,321,036	$ 1,296,841	$ 1,238,580
City's net pension liability as a percentage of covered payroll	55.4%	57.4%	45.5%	45.6%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

	Fiscal Year		
	2017	2016	2015
$	61,897	$ 54,441	$ 62,605
	195,279	194,129	184,934
	(77,163)	(61,655)	49,897
	-	-	1,137
	-	-	-
	(168,723)	(175,422)	(184,447)
	11,290	11,493	114,126
	2,604,091	2,592,598	2,478,472
$	2,615,381	$ 2,604,091	$ 2,592,598
$	106,789	$ 105,538	$ 91,718
	-	-	-
	207,609	24,754	206,436
	(168,723)	(175,422)	(184,447)
	(6,694)	(7,603)	(6,211)
	138,981	(52,733)	107,496
	1,888,095	1,940,828	1,833,332
$	2,027,076	$ 1,888,095	$ 1,940,828
$	588,305	$ 715,996	$ 651,770
	77.5%	72.5%	74.9%
$	1,210,478	$ 1,203,868	$ 1,136,746
	48.6%	59.5%	57.3%

CITY OF NASHVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JULY 31,

	Fiscal Year			
	2021	2020	2019	2018
Actuarially determined contribution	$ 139,543	$ 125,065	$ 119,725	$ 103,793
Contributions in relation to the actuarially determined contribution	139,543	125,065	119,725	103,793
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 1,451,645	$ 1,321,036	$ 1,296,841	$ 1,238,580
Contributions as a percentage of covered payroll	9.6%	9.5%	9.2%	8.4%

Notes to the Schedule:

Valuation date	January 1, 2021
Cost method	Projected unit credit
Actuarial asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed rate of return on investments	7.375%
Projected salary increases	2.25% plus service based merit increases
Cost of living adjustments	0.00%
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 11 years.

The schedule will present 10 years of information once it is accumulated.

Fiscal Year		
2017	2016	2015
$ 110,873	$ 105,972	$ 105,451
110,873	105,972	105,451
$ -	$ -	$ -
$ 1,210,478	$ 1,203,868	$ 1,136,746
9.2%	8.8%	9.3%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Transportation Special Purpose Local Option Sales Tax ("TSPLOST") Fund – This fund is used to account for the discretionary portion of the TSPLOST proceeds and expenditures for transportation projects that are not capital projects.

Community Home Investment Program ("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

Special Purpose Local Option Sales Tax ("SPLOST") #4 Fund – This fund is used to account for the City's share of the 1% SPLOST (2012-2017) to be used for capital outlay for major capital projects.

SPLOST #5 Fund – This fund is used to account for the City's share of the 1% SPLOST (2018-2023) to be used for capital outlay for major capital projects.

2016 Community Development Block Grant ("CDBG") Fund – This fund is used to account for federal grants for water, sewer and drainage.

CITY OF NASHVILLE, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JULY 31, 2021

	Special Revenue Funds		
	TSPLOST Fund	CHIP Fund	Hotel/Motel Tax Fund
ASSETS			
Cash and cash equivalents	$ 54,426	$ 48	$ 41,237
Taxes receivable	-	-	928
Due from other governments	8,248	-	-
Due from other funds	6,832	-	-
Total assets	$ 69,506	$ 48	$ 42,165
LIABILITIES			
Accounts payable	$ -	$ -	$ -
Due to other funds	-	100	-
Unearned revenue	-	-	-
Total liabilities	-	100	-
FUND BALANCES (DEFICITS)			
Restricted			
Capital outlay	69,506	-	-
Housing and development	-	-	42,165
Assigned			
Capital outlay	-	-	-
Unassigned	-	(52)	-
Total fund balances (deficits)	69,506	(52)	42,165
Total liabilities and fund balances (deficits)	$ 69,506	$ 48	$ 42,165

Capital Project Funds			
SPLOST #4 Fund	SPLOST #5 Fund	2016 CDBG Fund	Total Nonmajor Governmental Funds
$ -	$ 638,562	$ 100	$ 734,373
-	-	-	928
-	60,630	-	68,878
-	-	-	6,832
$ -	$ 699,192	$ 100	$ 811,011
$ -	$ 13,094	$ -	$ 13,094
-	541	-	641
-	-	-	-
-	13,635	-	13,735
-	685,557	-	755,063
-	-	-	42,165
-	-	100	100
-	-	-	(52)
-	685,557	100	797,276
$ -	$ 699,192	$ 100	$ 811,011

CITY OF NASHVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2021

	Special Revenue Funds		
	TSPLOST Fund	CHiP Fund	Hotel/Motel Tax Fund
Revenues			
Other taxes	$ -	$ -	$ 20,651
Intergovernmental	94,572	113,750	-
Total revenues	94,572	113,750	20,651
Expenditures			
Current:			
Housing and development	-	113,750	6,175
Capital outlay	176,688	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	176,688	113,750	6,175
Excess (deficiency) of revenues over (under) expenditures	(82,116)	-	14,476
Net change in fund balances	(82,116)	-	14,476
Fund balances (deficits), beginning of year	151,622	(52)	27,689
Fund balances (deficits), end of year	$ 69,506	$ (52)	$ 42,165

Capital Project Funds			
SPLOST #4 Fund	SPLOST #5 Fund	2016 CDBG Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ 20,651
-	333,366	-	541,688
-	333,366	-	562,339
-	-	-	119,925
16,965	233,790	-	427,443
5,101	13,174	-	18,275
1,969	5,022	-	6,991
24,035	251,986	-	572,634
(24,035)	81,380	-	(10,295)
(24,035)	81,380	-	(10,295)
24,035	604,177	100	807,571
$ -	$ 685,557	$ 100	$ 797,276

CITY OF NASHVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2012-2017
FOR THE FISCAL YEAR ENDED JULY 31, 2021

Project Description	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
SPLOST 1/1/2012 - 12/31/2017	$ 1,915,661	$ 1,915,661			
Roads, Streets, Bridges and Transportation Improvements and Equipment	-	-	$ 407,753	$ 7,781	$ 415,534
Streets and Sanitation Projects, Improvement and Equipment	-	-	105,127	-	105,127
Water and Sewer Extensions, Projects, Improvements and Equipment	-	-	348,470	7,924	356,394
Gas System Improvements and Equipment	-	-	107,172	-	107,172
Recreation Facilities and Equipment	-	-	54,069	-	54,069
City Hall Admin and Storage Facilities Expansion, Improvements and Equipment	-	-	14,064	-	14,064
Community Center Equipment and Improvements	-	-	-	-	-
Law Enforcement Facilities Improvements and Equipment	-	-	553,998	7,070	561,068
Fire Fighting Facilities Improvements and Equipment	-	-	30,161	1,260	31,421
Animal Control Facility Improvements and Equipment	-	-	18,232	-	18,232
Economic Development Projects	-	-	10,827	-	10,827
	$ 1,915,661	$ 1,915,661	$ 1,649,873	$ 24,035	$ 1,673,908

CITY OF NASHVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2018-2023
FOR THE FISCAL YEAR ENDED JULY 31, 2021

Project Description	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
SPLOST 1/1/2018 - 12/31/2023	$ 1,635,856	$ 1,635,856			
Roads, Streets, Bridges and Transportation Improvement and Equipment	-	-	$ 19,777	$ 28,982	$ 48,759
Streets and Sanitation Projects, Improvement and Equipment	-	-	-	-	-
Water and Sewer Extensions, Projects, Improvements and Equipment	-	-	-	157,510	157,510
Gas System Improvements and Equipment	-	-	-	-	-
Recreation Facilities and Equipment	-	-	-	-	-
City Hall Admin and Storage Facilities Expansion, Improvements and Equipment	-	-	-	-	-
Community Center Equipment and Improvements	-	-	-	-	-
Law Enforcement Facilities Improvements and Equipment	-	-	-	47,524	47,524
Fire Fighting Facilities Improvements and Equipment	-	-	-	17,970	17,970
Animal Control Facility Improvements and Equipment	-	-	-	-	-
Economic Development Projects	-	-	-	-	-
	$ 1,635,856	$ 1,635,856	$ 19,777	$ 251,986	$ 271,763

CITY OF NASHVILLE, GEORGIA

COMMUNITY DEVELOPMENT BLOCK GRANT
SOURCE AND APPLICATION OF FUNDS SCHEDULE
GRANT #18H-X-010-2-6017
JULY 31, 2021

		Amount
CDBG 18p-x-010-2-6017:		
Total grant	$	750,000
Less total funds drawn down by recipient for the year ended:		
July 31, 2020		(102,630)
July 31, 2021		(647,370)
Program funds available for future drawdown	$	-
Total program funds drawn down by recipient for the year ended July 31, 2021	$	647,370
Add program income applicable to the year ended July 31, 2021		-
Total program funds drawn by recipient and program income for the year ended July 31, 2021	$	647,370

CITY OF NASHVILLE, GEORGIA

COMMUNITY DEVELOPMENT BLOCK GRANT
BUDGET TO ACTUAL FUNDS SCHEDULE
GRANT #18H-X-010-2-6017
JULY 31, 2021

Activity Number	Latest Approved Budget	Current Expenditures	Prior Period Expenditures	Total Expenditures To Date	Questioned Costs
A-21A-00	$ 45,000	$ 27,000	$ 18,000	$ 45,000	$ -
P-03J-01	295,500	277,278	-	277,278	-
P-03J-02	375,620	343,092	84,630	427,722	-
C-022-00	33,880	-	-	-	-
Total	$ 750,000	$ 647,370	$ 102,630	$ 750,000	$ -

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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 Honorable Mayor and Members
of the City Council
City of Nashville, Georgia
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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Nashville, Georgia (the "City"), as of and for the year ended July 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 10, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter that is required to be reported under *Government Auditing Standards*.

City of Nashville, Georgia's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City'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.

Mauldin & Jenkins, LLC

Macon, Georgia
May 10, 2022

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the City of Nashville, Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended July 31, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended July 31, 2021.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

Mauldin & Jenkins, LLC

Macon, Georgia
May 10, 2022

CITY OF NASHVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JULY 31, 2021

Grant Program	CFDA #	Grant I.D.	Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development				
Passed through Georgia Department of Community Affairs				
Community Development Block Grant	14.228	18p-x-010-2-6017	$ 647,370	$ -
Community Housing Investment Project	14.239	2017-108	113,750	-
Total U.S. Department of Housing and Urban Development			761,120	-
Total Expenditures of Federal Awards			$ 761,120	$ -

CITY OF NASHVILLE, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JULY 31, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Nashville, Georgia (the "City") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* part 200, OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The City did not use the 10% de minimis indirect cost rate.

NOTE 3. SUBRECIPIENTS

The City did not pass through any funds to subrecipients during the year ended July 31, 2021.

CITY OF NASHVILLE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JULY 31, 2021

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements	
Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weaknesses identified?	___ Yes _X_ None Reported
Significant deficiencies identified not considered to be material weaknesses?	_X_ Yes ___ None Reported
Noncompliance material to financial statements noted?	___ Yes _X_ No
Federal Awards	
Internal control over major programs: Material weaknesses identified?	___ Yes _X_ No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes _X_ None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR part 200?	___ Yes _X_ No
Identification of major program:	
CFDA Number: 14.228	Name of Federal Program or Cluster: Community Development Block Grant Program
Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	___ Yes _X_ No

CITY OF NASHVILLE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JULY 31, 2021

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2021-001 – Revenue/Receivables Cycle

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they are realized, or realizable and earned, to finance expenditures of the current period.

Condition: The City did not appropriately record all transactions involving certain receivable and revenue accounts during the fiscal year ended July 31, 2021.

Context/Cause: During our testing of revenues and receivables, audit adjustments were required to correct various account balances. These adjustments were due to the inclusion of receivables that should not have been recorded at year-end and additional receivables that should have been recorded.

Effects: An adjustment to be recorded as follows:

General Fund:

- Increase accounts receivable by $30,157
- Increase revenues by $30,157

Recommendation: We recommend the City record the necessary adjustments to reflect the accounts receivable balances at the conclusion of each financial reporting cycle.

Views of Responsible Officials and Planned Corrective Action: We concur. We will take appropriate measures to ensure all receivables are appropriately recorded at year-end.

CITY OF NASHVILLE, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JULY 31, 2021

2020-001 – Revenue/Receivables Cycle

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they are realized, or realizable and earned, to finance expenditures of the current period.

Condition: The City did not appropriately record all transactions involving certain receivable and revenue accounts during the fiscal year ended July 31, 2020.

Auditee Response/Status: Unresolved. See 2021-001.