CITY OF NASHVILLE, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JULY 31, 2022

CITY OF NASHVILLE, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JULY 31, 2022

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CITY OF NASHVILLE, GEORGIA

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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 Audit of the Financial Statements

Opinions

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, 2022, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 as of July 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund and the American Rescue Plan Act ("ARPA") Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with Generally Accepted Auditing Standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with Generally Accepted Auditing Standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

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 and the Schedule of City Contributions (on pages 44 – 47) be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 the missing information.

Supplementary 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 accompanying combining and individual fund statements and schedules, and the Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds, as required by the Official Code of Georgia Annotated §48-8-121, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, and the Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2023, 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
March 30, 2023

BASIC FINANCIAL STATEMENTS

CITY OF NASHVILLE, GEORGIA

STATEMENT OF NET POSITION
JULY 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Cash and cash equivalents	$ 7,700,449	$ 2,107,310	$ 9,807,759	$ 16,257
Receivables				
Taxes receivable	108,132	-	108,132	-
Accounts receivable, net of allowances	160,616	223,260	383,876	-
Due from other governments	78,376	-	78,376	-
Internal balances	(3,377,474)	3,377,474	-	-
Prepaid expenses	31,710	10,461	42,171	-
Restricted assets, cash and cash equivalents	-	1,623,526	1,623,526	-
Capital assets, non-depreciable	469,666	821,086	1,290,752	-
Capital assets, depreciable, net of accumulated depreciation	3,030,777	13,604,442	16,635,219	75,335
Total assets	8,202,252	21,767,559	29,969,811	91,592
DEFERRED OUTFLOWS OF RESOURCES				
Pension	142,770	55,389	198,159	-
Deferred loss on debt refunding	-	16,892	16,892	-
Total deferred outflows of resources	142,770	72,281	215,051	-
LIABILITIES				
Accounts payable	185,605	180,419	366,024	-
Accrued liabilities	105,627	40,949	146,576	-
Unearned revenues	1,665,396	-	1,665,396	-
Customer deposits payable	-	263,946	263,946	-
Financed purchases due within one year	36,709	-	36,709	-
Financed purchases due in more than one year	104,329	-	104,329	-
Compensated absences due within one year	76,632	27,020	103,652	-
Compensated absences due in more than one year	13,523	4,769	18,292	-
Notes payable due within one year	17,148	79,315	96,463	-
Notes payable due in more than one year	74,964	673,795	748,759	-
Revenue bonds payable due within one year	-	392,638	392,638	-
Revenue bonds payable due in more than one year	-	4,721,889	4,721,889	-
Net pension liability, due in more than one year	196,730	76,506	273,236	-
Total liabilities	2,476,663	6,461,246	8,937,909	-
DEFERRED INFLOWS OF RESOURCES				
Pension	292,476	113,741	406,217	-
Total deferred inflows of resources	292,476	113,741	406,217	-
NET POSITION				
Net investment in capital assets	3,267,293	8,540,999	11,808,292	75,335
Restricted for:				
Housing and development	40,714	-	40,714	-
Capital projects	1,054,927	-	1,054,927	-
Unrestricted	1,212,949	6,723,854	7,936,803	16,256
Total net position	$ 5,575,883	$ 15,264,853	$ 20,840,736	$ 91,591

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, 2022

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	$ 909,188	$ 385,782	$ 18,424	$ -
Judicial	30,001	184,454	-	-
Public safety	1,631,833	-	-	-
Public works	1,295,697	720,910	-	490,551
Health and welfare	1,357	-	-	-
Culture and recreation	124,683	-	146,144	-
Housing and development	385,415	-	-	102,630
Interest on long-term debt	4,155	-	-	-
Total governmental activities	4,382,329	1,291,146	164,568	593,181
Business-type activities:				
Water and sewer	1,586,288	1,620,156	-	-
Natural gas	1,807,569	1,986,173	-	-
Total business-type activities	3,393,857	3,606,329	-	-
Total primary government	$ 7,776,186	$ 4,897,475	$ 164,568	$ 593,181
Component unit:				
Downtown Development Authority	$ 7,274	$ 5,682	$ -	$ -
Total component unit	$ 7,274	$ 5,682	$ -	$ -

General revenues:	
Property taxes	
Sales taxes	
Alcoholic beverage excise taxes	
Insurance premium taxes	
Other taxes	
Unrestricted investment earnings	
Transfers	
Total general revenues and transfers	
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
$ (504,982)	$ -	$ (504,982)	$ -
154,453	-	154,453	-
(1,631,833)	-	(1,631,833)	-
(84,236)	-	(84,236)	-
(1,357)	-	(1,357)	-
21,461	-	21,461	-
(282,785)	-	(282,785)	-
(4,155)	-	(4,155)	-
(2,333,434)	-	(2,333,434)	-
-	33,868	33,868	-
-	178,604	178,604	-
-	212,472	212,472	-
(2,333,434)	212,472	(2,120,962)	-
-	-	-	(1,592)
-	-	-	(1,592)
866,837	-	866,837	-
382,895	-	382,895	-
133,124	-	133,124	-
409,646	-	409,646	-
523,774	-	523,774	-
13,221	5,255	18,476	-
400,336	(400,336)	-	-
2,729,833	(395,081)	2,334,752	-
396,399	(182,609)	213,790	(1,592)
5,179,484	15,447,462	20,626,946	93,183
$ 5,575,883	$ 15,264,853	$ 20,840,736	$ 91,591

CITY OF NASHVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JULY 31, 2022

	General Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 4,992,605	$ 1,696,140	$ 1,011,704	$ 7,700,449
Taxes receivable	104,909	-	3,223	108,132
Accounts receivable	160,616	-	-	160,616
Due from other governments	-	-	78,376	78,376
Due from other funds	31,485	-	6,832	38,317
Prepaid expenditures	31,710	-	-	31,710
Total assets	$ 5,321,325	$ 1,696,140	$ 1,100,135	$ 8,117,600
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 181,763	$ -	$ 3,842	$ 185,605
Accrued liabilities	105,627	-	-	105,627
Due to other funds	3,384,306	30,744	741	3,415,791
Unearned revenue	-	1,665,396	-	1,665,396
Total liabilities	3,671,696	1,696,140	4,583	5,372,419
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	89,491	-	-	89,491
Total deferred inflows of resources	89,491	-	-	89,491

(Continued)

CITY OF NASHVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JULY 31, 2022

	General Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (CONTINUED)				
FUND BALANCES				
Fund balances:				
Non-spendable				
Prepaid expenditures	$ 31,710	$ -	$ -	$ 31,710
Restricted				
Capital outlay	-	-	1,054,927	1,054,927
Housing and development	-	-	40,714	40,714
Unassigned	1,528,428	-	(89)	1,528,339
Total fund balances	1,560,138	-	1,095,552	2,655,690
Total liabilities, deferred inflows of resources and fund balances	$ 5,321,325	$ 1,696,140	$ 1,100,135	
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.				3,500,443
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.				89,491
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.				(346,436)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.				
Financed purchases			$ (141,038)	
Notes payable			(92,112)	
Compensated absences			(90,155)	(323,305)
Net position of governmental activities				$ 5,575,883

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, 2022

	General Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	$ 923,243	$ -	$ -	$ 923,243
Sales taxes	382,895	-	-	382,895
Insurance premium taxes	409,646	-	-	409,646
Alcohol beverage excise taxes	133,124	-	-	133,124
Other taxes	507,088	-	16,686	523,774
Licenses and permits	107,314	-	-	107,314
Intergovernmental	116,348	146,144	476,833	739,325
Fines and forfeitures	184,454	-	-	184,454
Charges for services	750,930	-	-	750,930
Investment income	13,221	-	-	13,221
Private donations	18,424	-	-	18,424
Miscellaneous	248,448	-	-	248,448
Total revenues	3,795,135	146,144	493,519	4,434,798
Expenditures				
Current:				
General government	745,131	146,144	-	891,275
Judicial	30,001	-	-	30,001
Public safety	1,612,348	-	-	1,612,348
Public works	1,075,989	-	-	1,075,989
Culture and recreation	108,060	-	-	108,060
Housing and development	341,513	-	20,137	361,650
Capital outlay:	-	-	123,602	123,602
Debt service:		-		
Principal	25,953	-	48,040	73,993
Interest	713	-	3,442	4,155
Total expenditures	3,939,708	146,144	195,221	4,281,073
Excess (deficiency) of revenues over (under) expenditures	(144,573)	-	298,298	153,725

(Continued)

CITY OF NASHVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2022

	General Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources				
Transfers out	$ 420,000	$ -	$ -	$ 420,000
Total other financing sources	420,000	-	-	420,000
Net change in fund balances	275,427	-	298,298	573,725
Fund balances, beginning of year	1,284,711	-	797,254	2,081,965
Fund balances, end of year	$ 1,560,138	$ -	$ 1,095,552	$ 2,655,690

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, 2022

Amounts reported for governmental activities in the Statement of Activities are different because:			
Net change in fund balances - total governmental funds			$ 573,725
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	$	109,736	
Depreciation expense		(355,261)	(245,525)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.			(19,664)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			(56,406)
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.			
Principal payments - notes payable	$	57,663	
Principal payments - financed purchases		16,330	73,993
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	$	77,823	
Compensated absences		(7,547)	70,276
Change in net position - governmental activities			$ 396,399

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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$ 955,000	$ 955,000	$ 923,243	$ (31,757)
Sales taxes	285,000	285,000	382,895	97,895
Insurance premium taxes	375,000	375,000	409,646	34,646
Alcohol beverage excise taxes	140,000	140,000	133,124	(6,876)
Other taxes	487,090	487,090	507,088	19,998
Licenses and permits	132,875	132,875	107,314	(25,561)
Intergovernmental	92,839	92,839	116,348	23,509
Fines and forfeitures	179,700	179,700	184,454	4,754
Charges for services	779,200	779,200	750,930	(28,270)
Investment income	2,000	2,000	13,221	11,221
Private donations	18,500	18,500	18,424	(76)
Miscellaneous	238,000	238,000	248,448	10,448
Total revenues	3,685,204	3,685,204	3,795,135	109,931
Expenditures				
Current				
General government:				
Clerk's office	682,105	682,105	745,131	(63,026)
Total general government	682,105	682,105	745,131	(63,026)
Judicial:				
Municipal court	34,680	34,680	30,001	4,679
Total judicial	34,680	34,680	30,001	4,679
Public safety:				
Police	1,376,898	1,376,898	1,395,605	(18,707)
Fire and emergency	144,538	144,538	145,425	(887)
Animal control	65,473	65,473	71,318	(5,845)
Total public safety	1,586,909	1,586,909	1,612,348	(25,439)
Public works:				
Highways and streets	618,850	618,850	487,751	131,099
Sanitation	579,600	579,600	586,040	(6,440)
Work control	3,500	3,500	2,198	1,302
Total public works	1,202,650	1,202,650	1,075,989	126,661
Culture and recreation:				
Recreation	125,373	125,373	108,060	17,313
Total culture and recreation	125,373	125,373	108,060	17,313
Housing and development:				
Economic development	89,743	89,743	85,245	4,498
Code enforcer	93,892	93,892	59,757	34,135
Farmers market	63,660	63,660	196,511	(132,851)
Total housing and development	247,295	247,295	341,513	(94,218)
Debt service				
Principal	21,238	21,238	25,953	(4,715)
Interest	-	-	713	(713)
Total debt service	21,238	21,238	26,666	(5,428)
Total expenditures	3,900,250	3,900,250	3,939,708	(39,458)
Excess (deficiency) of revenues over (under) expenditures	(215,046)	(215,046)	(144,573)	70,473

(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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Other financing sources (uses)				
Transfers out	$ 420,000	$ 420,000	$ 420,000	$ -
Total other financing sources	420,000	420,000	420,000	-
Net change in fund balances	204,954	204,954	275,427	70,473
Fund balances, beginning of year	1,284,711	1,284,711	1,284,711	-
Fund balances, end of year	$ 1,489,665	$ 1,489,665	$ 1,560,138	$ 70,473

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, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 905,770	$ 905,770	$ 146,144	$ (759,626)
Total revenues	905,770	905,770	146,144	(759,626)
Expenditures:				
Current:				
General government	471,000	471,000	146,144	324,856
Total expenditures	471,000	471,000	146,144	-
Net change in fund balances	434,770	434,770	-	(434,770)
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ 434,770	$ 434,770	$ -	$ (434,770)

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

CITY OF NASHVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JULY 31, 2022

ASSETS	Water and Sewer Fund	Natural Gas Fund	Total
CURRENT ASSETS			
Cash and cash equivalents	$ 731,379	$ 1,375,931	$ 2,107,310
Accounts receivable, net of allowances	187,131	36,129	223,260
Due from other funds	2,930,471	447,003	3,377,474
Prepaid expenses	5,287	5,174	10,461
Restricted assets, cash and cash equivalents	1,182,820	440,706	1,623,526
Total current assets	5,037,088	2,304,943	7,342,031
NON-CURRENT ASSETS			
Capital assets:			
Capital assets, non-depreciable	815,086	6,000	821,086
Capital assets, depreciable, net of accumulated depreciation	12,273,760	1,330,682	13,604,442
Total non-current assets	13,088,846	1,336,682	14,425,528
Total assets	18,125,934	3,641,625	21,767,559
DEFERRED OUTFLOWS OF RESOURCES			
Pension	33,629	21,760	55,389
Deferred loss on debt refunding	16,892	-	16,892
Total deferred outflows of resources	50,521	21,760	72,281
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	57,871	122,548	180,419
Accrued liabilities	10,276	9,763	20,039
Customer deposits payable	203,885	60,061	263,946
Compensated absences, current portion	11,997	15,023	27,020
Notes payable, current portion	27,563	51,752	79,315
Revenue bonds payable, current portion	392,638	-	392,638
Accrued interest	20,910	-	20,910
Total current liabilities	725,140	259,147	984,287
NON-CURRENT LIABILITIES			
Compensated absences, net of current portion	2,118	2,651	4,769
Notes payable, net of current portion	492,661	181,134	673,795
Revenue bonds payable, net of current portion	4,721,889	-	4,721,889
Net pension liability	46,450	30,056	76,506
Total non-current liabilities	5,263,118	213,841	5,476,959
Total liabilities	5,988,258	472,988	6,461,246
DEFERRED INFLOWS OF RESOURCES			
Pension	69,057	44,684	113,741
Total deferred inflows of resources	69,057	44,684	113,741
NET POSITION			
Net investment in capital assets	7,437,203	1,103,796	8,540,999
Unrestricted	4,681,937	2,041,917	6,723,854
Total net position	$ 12,119,140	$ 3,145,713	$ 15,264,853

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

	Water and Sewer Fund	Natural Gas Fund	Total
OPERATING REVENUES			
Charges for services	$ 1,606,467	$ 1,978,453	$ 3,584,920
Miscellaneous revenue	13,689	7,720	21,409
Total operating revenues	1,620,156	1,986,173	3,606,329
OPERATING EXPENSES			
Personnel services and employee benefits	433,590	284,977	718,567
Services and supplies	484,071	1,476,997	1,961,068
Depreciation	409,229	45,595	454,824
Total operating expenses	1,326,890	1,807,569	3,134,459
Operating income	293,266	178,604	471,870
NON-OPERATING REVENUES (EXPENSES)			
Interest income	1,459	3,796	5,255
Interest expense	(259,398)	-	(259,398)
Total non-operating revenues (expenses)	(257,939)	3,796	(254,143)
Income before transfers and capital contributions	35,327	182,400	217,727
TRANSFERS			
Transfers out	(420,000)	-	(420,000)
Total transfers	(420,000)	-	(420,000)
CAPITAL CONTRIBUTIONS	19,664	-	19,664
Change in net position	(365,009)	182,400	(182,609)
NET POSITION, beginning of year	12,484,149	2,963,313	15,447,462
NET POSITION, end of year	$ 12,119,140	$ 3,145,713	$ 15,264,853

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, 2022

	Water and Sewer Fund	Natural Gas Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 1,634,885	$ 1,982,392	$ 3,617,277
Payments to suppliers and service providers	(1,928,234)	(1,613,113)	(3,541,347)
Payments to employees	(442,479)	(340,878)	(783,357)
Net cash provided by (used in) operating activities	(735,828)	28,401	(707,427)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in/out	(420,000)	-	(420,000)
Net cash provided by (used in) non-capital financing activities	(420,000)	-	(420,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from long-term debt agreements	5,195,000	-	5,195,000
Principal paid on notes payable	(4,229,183)	(51,753)	(4,280,936)
Principal paid on revenue bonds payable	(1,243,523)	-	(1,243,523)
Interest paid	(295,458)	-	(295,458)
Net cash used in capital and related financing activities	(573,164)	(51,753)	(624,917)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	1,459	3,796	5,255
Net cash provided by investing activities	1,459	3,796	5,255
Decrease in cash and cash equivalents	(1,727,533)	(19,556)	(1,747,089)
Cash and cash equivalents:			
Beginning of year	3,641,732	1,836,193	5,477,925
End of year	$ 1,914,199	$ 1,816,637	$ 3,730,836
Classified as:			
Cash on hand and in banks	$ 731,379	$ 1,375,931	$ 2,107,310
Restricted assets, cash and cash equivalents	1,182,820	440,706	1,623,526
	$ 1,914,199	$ 1,816,637	$ 3,730,836

(Continued)

CITY OF NASHVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JULY 31, 2022

	Water and Sewer Fund	Natural Gas Fund	Total
Reconciliation of operating income to net cash provided by (used in) operating activities			
Operating income	$ 293,266	$ 178,604	$ 471,870
Adjustments to reconcile operating income to net cash used in operating activities:			
Depreciation	409,229	45,595	454,824
(Increase) decrease:			
Accounts receivable	14,729	(3,781)	10,948
Due from other funds	(1,481,348)	(205,639)	(1,686,987)
Deferred outflows of resources - pension	5,218	7,376	12,594
Prepaid expenses	(205)	(71)	(276)
Increase (decrease):			
Accounts payable	37,837	65,278	103,115
Accrued liabilities	3,513	1,130	4,643
Due to other funds	-	(39,303)	(39,303)
Deferred inflows of resources - pension	64,569	41,318	105,887
Net pension liability	(82,189)	(66,422)	(148,611)
Customers deposit payable	(10)	1,200	1,190
Compensated absences	(437)	3,116	2,679
Net cash provided by (used in) operating activities	$ (735,828)	$ 28,401	$ (707,427)
Noncash investing, capital and financing activities:			
Capital contributions	$ (19,664)	$ -	$ (19,664)

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

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 and 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. Other than the items relating to the changes in net pension liability, as discussed below, the City has one item that qualifies for reporting in this category. This item is the deferred charge on refunding reported in the government-wide statement of net position and the proprietary fund statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

In addition to liabilities, the Statement of Net Position and the government funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and, therefore, will not be recognized as an inflow of resources (revenue) until that time. Other than the items relating to the changes in net pension liability as discussed below, the City has on item that qualifies for reporting in this category, which arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue,* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes not received within 60 days after year-end. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

The City also has deferred inflows and outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example assumed dates of retirement plan members. These experience gains or losses are recorded as deferred outflows or deferred inflows of resources and are amortized into pension expense over the expected remaining service of plan members. Changes in actuarial assumptions, which adjust the net pension liability, are also recorded as deferred outflow of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Balances – Generally, fund balances represent 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.

- ***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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

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.

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.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Data (Continued)

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.

B. Excess Expenditures Over Appropriations

For the year ended July 31, 2022, expenditures exceeded budgeted appropriations, as follows:

Department	Excess
General Fund	
General government	
Clerk's office	$ (63,026)
Public safety	
Police	(18,707)
Fire and emergency	(887)
Animal control	(5,845)
Public Works	
Sanitation	(6,440)
Housing and development	
Farmers market	(132,851)
Debt service	
Principal	(4,715)

These over expenditures were funded by greater than anticipated revenues.

C. Deficit Fund Balance

For the year ended July 31, 2022, the Community Home Investment Program ("CHIP") Fund and the 2018 Community Development Block Grant ("CDBG") Fund reported a deficit fund balance of $67 and $22, respectively. These deficits will be eliminated 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.

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, 2022, all of the deposits for the City were fully collateralized in accordance with the state statutes.

NOTE 4. RECEIVABLES

Receivables at July 31, 2022 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	$ 121,768	$ 3,223	$ -	$ -	$ 124,991
Accounts	237,861	-	418,785	74,066	730,712
Due from other governments	-	78,376	-	-	78,376
Gross receivables	359,629	81,599	418,785	74,066	934,079
Less allowance for uncollectibles	94,104	-	231,654	37,937	363,695
Net total receivables	$ 265,525	$ 81,599	$ 187,131	$ 36,129	$ 570,384

NOTE 5. PROPERTY TAXES

Property taxes were levied on behalf of the City by Berrien County. 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 with 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 26, 2021, payable December 27, 2021, and attached as an enforceable lien on property as of March 30, 2022.

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended July 31, 2022, 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	19,664	-	(19,664)	3,116,427
Improvements other than buildings	3,156,751	-	-	-	3,156,751
Machinery and equipment	2,370,056	90,072	-	-	2,460,128
Total	8,643,234	109,736	-	(19,664)	8,733,306
Less accumulated depreciation for:					
Buildings	(1,858,810)	(55,056)	-	-	(1,913,866)
Improvements other than buildings	(1,514,752)	(182,231)	-	-	(1,696,983)
Machinery and equipment	(1,973,706)	(117,974)	-	-	(2,091,680)
Total	(5,347,268)	(355,261)	-	-	(5,702,529)
Total assets, being depreciated, net	3,295,966	(245,525)	-	(19,664)	3,030,777
Governmental activities capital assets, net	$ 3,765,632	$ (245,525)	$ -	$ (19,664)	$ 3,500,443

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
Total	821,086	-	-	-	821,086
Capital assets, being depreciated:					
Buildings and system	21,830,649	-	-	19,664	21,850,313
Machinery and equipment	682,197	-	-	-	682,197
Total	22,512,846	-	-	19,664	22,532,510
Less accumulated depreciation for:					
Buildings and system	(7,884,995)	(432,867)	-	-	(8,317,862)
Machinery and equipment	(588,249)	(21,957)	-	-	(610,206)
Total	(8,473,244)	(454,824)	-	-	(8,928,068)
Total assets, being depreciated, net	14,039,602	(454,824)	-	19,664	13,604,442
Business-type activities capital assets, net	$ 14,860,688	$ (454,824)	$ -	$ 19,664	$ 14,425,528

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

Governmental activities:	
General government	$ 26,234
Public safety	67,133
Public works	211,983
Health and welfare	1,357
Culture and recreation	19,737
Housing and development	28,817
Total depreciation expense - governmental activities	$ 355,261
Business-type activities:	
Water and sewer	$ 409,229
Natural gas	45,595
Total depreciation expense - business-type activities	$ 454,824

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, 2022, 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	(25,239)	(2,578)	-	-	(27,817)
Machinery and equipment	(13,288)	-	-	-	(13,288)
Total	(38,527)	(2,578)	-	-	(41,105)
Total assets, being depreciated, net	77,913	(2,578)	-	-	75,335
Discretely presented component unit, capital assets, net	$ 77,913	$ (2,578)	$ -	$ -	$ 75,335

NOTE 7. LONG-TERM DEBT

Long-term liability activity for the year ended July 31, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable	$ 108,442	$ -	$ (16,330)	$ 92,112	$ 17,148
Financed purchases	198,701	-	(57,663)	141,038	36,709
Net pension liability	578,876	-	(382,146)	196,730	-
Compensated absences	82,608	95,058	(87,511)	90,155	76,632
Governmental activities Long-term liabilities	$ 968,627	$ 95,058	$ (543,650)	$ 520,035	$ 130,489
Business-type activities:					
Notes payable	$ 5,034,046	$ -	$ (4,280,936)	$ 753,110	$ 79,315
Revenue bonds payable	1,163,050	5,195,000	(1,243,523)	5,114,527	392,638
Net pension liability	225,117	-	(148,611)	76,506	-
Compensated absences	29,110	30,322	(27,643)	31,789	27,020
Business-type activites Long-term liabilities	$ 6,451,323	$ 5,225,322	$ (5,700,713)	$ 5,975,932	$ 498,973

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 note was refinanced in 2021 with a maturity date of June 15, 2027. The balance outstanding at July 31, 2022 was $92,112.

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

Year Ending July 31,	Principal	Interest	Total
2023	$ 17,148	$ 4,840	$ 21,988
2024	17,999	4,772	22,771
2025	18,909	4,706	23,615
2026	19,857	4,637	24,494
2027	18,199	4,570	22,769
Total	$ 92,112	$ 23,525	$ 115,637

Financed Purchases

The City has entered into several finance purchase agreements for financing the acquisition of various equipment. The agreements qualify as financed purchases for accounting purposes and, therefore, have been recorded at the present values of the future minimum payments as of the date of their inceptions. These financed purchases are being serviced by the General Fund and SPLOST #4 Fund payments with annual interest rates of 3%.

Annual debt service requirements to maturity for these financed purchases are as follows:

Year Ending July 31,	Principal	Interest	Total
2023	$ 36,709	$ 4,294	$ 41,003
2024	35,844	33,194	69,038
2025	36,980	2,058	39,038
2026	31,505	939	32,444
	$ 141,038	$ 40,485	$ 181,523

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Business-type Activities

Notes payable

Notes payable outstanding for business-type activities for the City as of July 31, 2022, 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. In 2022, this note paid off with a portion of the proceeds from the Series 2022 bond issuance.

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 $520,224.

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 $232,886.

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

Year Ending July 31,	Principal	Interest	Total
2023	$ 79,315	$ 5,533	$ 84,848
2024	79,617	5,231	84,848
2025	79,922	4,926	84,848
2026	80,230	4,617	84,847
2027	54,668	4,305	58,973
2028 – 2032	148,752	16,726	165,478
2033 – 2037	157,080	8,398	165,478
2038 – 2040	73,526	939	74,465
Total	$ 753,110	$ 50,675	$ 803,785

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. In 2022, this bond was refunded with the Series 2022.

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Business-type activities

Revenue bonds payable (Continued)

During 2022, the City issued $5,195,000 of Series 2022 Revenue Refunding Bond to refund various water and sewer long-term debt as disclosed above. The bonds, which bear interest at 2.489% and matures December 1, 2033. The balance outstanding at fiscal year-end is $5,114,527.

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

Year Ending July 31,	Principal	Interest	Total
2023	$ 392,638	$ 122,831	$ 515,469
2024	402,351	112,947	515,298
2025	412,487	102,818	515,305
2026	422,866	92,433	515,299
2027	433,517	81,786	515,303
2028 – 2032	2,326,211	239,611	2,565,822
2033 – 2035	724,457	15,779	740,236
	$ 5,114,527	$ 768,205	$ 5,882,732

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of July 31, 2022 is as follows:

	Payable Fund			
Receivable Fund	General Fund	ARPA Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 30,744	$ 741	$ 31,485
Water and Sewer Fund	2,930,471	-	-	2,930,471
Natural Gas Fund	447,003	-	-	447,003
Nonmajor Governmental Funds	6,832	-	-	6,832
Total	$ 3,384,306	$ 30,744	$ 741	$ 3,415,791

	Transfers out
Transfers In	Water and Sewer Fund
General Fund	$ 420,000
Total	$ 420,000

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

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	$ 1,182,820
CD's Held for Collateral	440,706
Total	$ 1,623,526

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.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Plan Membership

As of January 1, 2022, pension plan membership consisted of the following:

Retirees, beneficiaries, and the disabled receiving benefits	36
Terminated plan members entitled to but not yet receiving benefits	29
Active plan members and elected officials	43
	108

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 $158,509 for the fiscal year ended July 31, 2022.

D. Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2021.

Actuarial Assumptions. The total pension liability in the January 1, 2022 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – July 31, 2019.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Net Pension Liability of the City (Continued)

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 %	6.55 %
International equity	20 %	7.30 %
Domestic fixed income	20 %	0.40 %
Real estate	10 %	3.65 %
Global fixed income	5 %	0.5 %
Cash	- %	
Total	100 %	

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

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.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Net Pension Liability of the City (Continued)

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, 2022, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning balance	$ 3,387,222	$ 2,583,229	$ 803,993
Changes for the year:			
Service cost	66,643	-	66,643
Interest	249,133	-	249,133
Differences between expected and actual experience	(87,152)	-	(87,152)
Assumption changes	-	-	-
Contributions - employer	-	144,284	(144,284)
Contributions - employee	-	-	-
Net investment income	-	625,891	(625,891)
Benefit payments, including refunds of employee contributions	(151,585)	(151,585)	-
Administrative expense	-	(10,794)	10,794
Net changes	77,039	607,796	(530,757)
Ending balance	$ 3,464,261	$ 3,191,025	$ 273,236

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.

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	$ 704,860	$ 273,236	$ (88,279)

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 (Continued)

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, 2021, 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, 2022, the City recognized pension expense of $50,895. At July 31, 2022, 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	$ 51,578	$ (58,102)
Changes in assumptions	15,731	-
Net difference between projected and actual earnings on pension plan investments	-	(348,115)
City contributions subsequent to the measurement date	130,850	-
Total	$ 198,159	$ (406,217)

City contributions subsequent to the measurement date of $130,850 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, 2023. 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,	
2023	$ (74,005)
2024	(79,757)
2025	(97,937)
2026	(87,209)
Total	$ (338,908)

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, 2022, the City collected $16,686 and expended $18,137.

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, 2022, 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 $1,348,692 in 2022.

At July 31, 2022, the outstanding debt of the MGAG was approximately $115.4 million. The City's guarantee varies by individual projects undertaken by the MGAG and totals approximately $354,454 at July 31, 2022.

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, 2022

	Fiscal Year			
	2022	2021	2020	2019
Total pension liability				
Service cost	**$ 66,643**	$ 59,355	$ 58,551	$ 61,450
Interest on total pension liability	**249,133**	231,737	222,192	209,321
Differences between expected and actual experience	**(87,152)**	101,528	3,257	69,105
Changes of assumptions	**-**	-	62,922	-
Changes in benefit terms	**-**	-	-	-
Benefit payments, including refunds of employee contributions	**(151,585)**	(176,479)	(159,687)	(171,066)
Net change in total pension liability	**77,039**	216,141	187,235	168,810
Total pension liability - beginning	**3,387,222**	3,171,081	2,983,846	2,815,036
Total pension liability - ending (a)	**$ 3,464,261**	$ 3,387,222	$ 3,171,081	$ 2,983,846
Plan fiduciary net position				
Contributions - employer	**$ 144,284**	$ 127,478	$ 120,615	$ 106,448
Contributions - employee			-	-
Net investment income	**625,891**	229,423	68,462	219,875
Benefit payments, including refunds of employee contributions	**(151,585)**	(176,479)	(159,687)	(171,066)
Administrative expenses	**(10,794)**	(10,449)	(10,255)	(11,154)
Net change in plan fiduciary net position	**607,796**	169,973	19,135	144,103
Plan fiduciary net position - beginning	**2,583,229**	2,413,256	2,394,121	2,250,018
Plan fiduciary net position - ending (b)	**$ 3,191,025**	$ 2,583,229	$ 2,413,256	$ 2,394,121
City's net pension liability (a) - (b)	**$ 273,236**	$ 803,993	$ 757,825	$ 589,725
Plan fiduciary net position as a percentage of the total pension liability	**92.1%**	76.3%	76.1%	80.2%
Covered payroll	**$ 1,404,441**	$ 1,451,645	$ 1,321,036	$ 1,296,841
City's net pension liability as a percentage of covered payroll	**19.5%**	55.4%	57.4%	45.5%

Notes to the Schedule:

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

	Fiscal Year			
2018	2017	2016	2015
$ 62,771	$ 61,897	$ 54,441	$ 62,605
195,939	195,279	194,129	184,934
76,862	(77,163)	(61,655)	49,897
38,358	-	-	1,137
-	-	-	-
(174,275)	(168,723)	(175,422)	(184,447)
199,655	11,290	11,493	114,126
2,615,381	2,604,091	2,592,598	2,478,472
$ 2,815,036	$ 2,615,381	$ 2,604,091	$ 2,592,598
$ 109,693	$ 106,789	$ 105,538	$ 91,718
-	-	-	-
299,631	207,609	24,754	206,436
(174,275)	(168,723)	(175,422)	(184,447)
(12,107)	(6,694)	(7,603)	(6,211)
222,942	138,981	(52,733)	107,496
2,027,076	1,888,095	1,940,828	1,833,332
$ 2,250,018	$ 2,027,076	$ 1,888,095	$ 1,940,828
$ 565,018	$ 588,305	$ 715,996	$ 651,770
79.9%	77.5%	72.5%	74.9%
$ 1,238,580	$ 1,210,478	$ 1,203,868	$ 1,136,746
45.6%	48.6%	59.5%	57.3%

CITY OF NASHVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JULY 31, 2022

	Fiscal Year			
	2022	2021	2020	2019
Actuarially determined contribution	**$ 158,509**	$ 139,543	$ 125,065	$ 119,725
Contributions in relation to the actuarially determined contribution	**158,509**	139,543	125,065	119,725
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -
Covered payroll	**$ 1,404,441**	$ 1,451,645	$ 1,321,036	$ 1,296,841
Contributions as a percentage of covered payroll	**11.3%**	9.6%	9.5%	9.2%

Notes to the Schedule:

Valuation date	January 1, 2022
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			
2018	2017	2016	2015
$ 103,793	$ 110,873	$ 105,972	$ 105,451
103,793	110,873	105,972	105,451
$ -	$ -	$ -	$ -
$ 1,238,580	$ 1,210,478	$ 1,203,868	$ 1,136,746
8.4%	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

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.

2018 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, 2022

	Special Revenue Funds		
ASSETS	**TSPLOST Fund**	**CHIP Fund**	**Hotel/Motel Tax Fund**
Cash and cash equivalents	$ 156,704	$ 33	$ 37,491
Taxes receivable	-	-	3,223
Due from other governments	9,027	-	-
Due from other funds	6,832	-	-
Total assets	$ 172,563	$ 33	$ 40,714
LIABILITIES			
Accounts payable	$ -	$ -	$ -
Due to other funds	-	100	-
Total liabilities	-	100	-
FUND BALANCES (DEFICITS)			
Restricted			
Capital outlay	172,563	-	-
Housing and development	-	-	40,714
Unassigned	-	(67)	-
Total fund balances (deficits)	172,563	(67)	40,714
Total liabilities and fund balances (deficits)	$ 172,563	$ 33	$ 40,714

SPLOST #5 Fund	2016 CDBG Fund	2018 CDBG Fund	Total Nonmajor Governmental Funds
$ 817,398	$ -	$ 78	$ 1,011,704
-	-	-	3,223
69,349	-	-	78,376
-	-	-	6,832
$ 886,747	$ -	$ 78	$ 1,100,135
$ 3,842	$ -	$ -	$ 3,842
541	-	100	741
4,383	-	100	4,583
882,364	-	-	1,054,927
-	-	-	40,714
-	-	(22)	(89)
882,364	-	(22)	1,095,552
$ 886,747	$ -	$ 78	$ 1,100,135

CITY OF NASHVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2022

	Special Revenue Funds		
	TSPLOST Fund	CHIP Fund	Hotel/Motel Tax Fund
Revenues			
Other taxes	$ -	$ -	$ 16,686
Intergovernmental	103,057	1,985	-
Total revenues	103,057	1,985	16,686
Expenditures			
Current:			
Housing and development	-	2,000	18,137
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	-	2,000	18,137
Net change in fund balances	103,057	(15)	(1,451)
Fund balances (deficits), beginning of year	69,506	(52)	42,165
Fund balances (deficits), end of year	$ 172,563	$ (67)	$ 40,714

SPLOST #5 Fund	2016 CDBG Fund	2018 CDBG Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ 16,686
371,791	-	-	476,833
371,791	-	-	493,519
-	-	-	20,137
123,502	100	-	123,602
48,040	-	-	48,040
3,442	-	-	3,442
174,984	100	-	195,221
196,807	(100)	-	298,298
685,557	100	(22)	797,254
$ 882,364	$ -	$ (22)	$ 1,095,552

CITY OF NASHVILLE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2018-2023 FOR THE FISCAL YEAR ENDED JULY 31, 2022

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	-	-	$ 48,759	$ 39,168	$ 87,927
Streets and Sanitation Projects, Improvement and Equipment	-	-	-	-	-
Water and Sewer Extensions, Projects, Improvements and Equipment	-	-	157,510	28,926	186,436
Gas System Improvements and Equipment	-	-	-	-	-
Recreation Facilities and Equipment	-	-	-	6,724	6,724
City Hall Admin and Storage Facilities Expansion, Improvements and Equipment	-	-	-	9,839	9,839
Community Center Equipment and Improvements	-	-	-	-	-
Law Enforcement Facilities Improvements and Equipment	-	-	47,524	64,428	111,952
Fire Fighting Facilities Improvements and Equipment	-	-	17,970	24,237	42,207
Animal Control Facility Improvements and Equipment	-	-	-	1,662	1,662
Economic Development Projects	-	-	-	-	-
	$ 1,635,856	$ 1,635,856	$ 271,763	$ 174,984	$ 446,747

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 30, 2023.

Report on 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

Report on 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

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in or audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
March 30, 2023

CITY OF NASHVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JULY 31, 2022

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP	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

There was not an audit of major federal award programs for the year ended July 31, 2022 due to the total amount expended being less than $750,000.

CITY OF NASHVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JULY 31, 2022

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2022-001 – 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, 2022.

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 $11,925
- Increase revenues by $11,925

Water and Sewer Fund:

- Increase accounts receivable by $37,158
- Increase revenues by $37,158

Gas Fund

- Increase accounts receivable by $2,912
- Increase revenues by $2,912

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, 2022

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.

Auditee Response/Status: Unresolved. See 2022-001.