CITY OF NASHVILLE, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JULY 31, 2023

CITY OF NASHVILLE, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JULY 31, 2023

TABLE OF CONTENTS

Page

FINANCIAL SECTION

Independent Auditor's Report ..... 1 – 4

Basic Financial Statements:
- Government-wide Financial Statements:
  - Statement of Net Position 5
  - Statement of Activities ..... 6 and 7

Fund Financial Statements:
- Balance Sheet – Governmental Funds ..... 8 and 9
- Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds ..... 10 and 11
- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 12
- Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – General Fund ..... 13 and 14
- Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – ARPA Fund 15
- Statement of Net Position – Proprietary Funds 16
- Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds 17
- Statement of Cash Flows – Proprietary Funds ..... 18 and 19

Notes to Financial Statements ..... 20 – 45

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the City's Net Pension Liability and Related Ratios ..... 46 and 47

Schedule of City Contributions ..... 48 and 49

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Combining Balance Sheet – Nonmajor Governmental Funds ..... 50 and 51

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds ..... 52 and 53

Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2018 – 2023 54

CITY OF NASHVILLE, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JULY 31, 2023

TABLE OF CONTENTS (CONTINUED)

Page

COMPLIANCE SECTION

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* ..... **55 and 56**

Schedule of Findings and Responses ..... **57 – 59**

Schedule of Prior Year Findings **60**

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, 2023, and the related notes to the 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, 2023, 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 45 – 48) 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 June 10, 2025, 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
June 10, 2025

BASIC FINANCIAL STATEMENTS

CITY OF NASHVILLE, GEORGIA

STATEMENT OF NET POSITION
JULY 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Cash and cash equivalents	$ 3,487,034	$ 3,286,374	$ 6,773,408	$ 338,125
Investments	202,532	368,719	571,251	-
Accounts receivable, net of allowances:				
Taxes receivable	123,307	-	123,307	-
Accounts receivable, net of allowances	115,528	258,311	373,839	-
Due from other governments	92,259	-	92,259	-
Internal balances	(793,439)	793,439	-	-
Prepaid expenses	31,710	10,461	42,171	-
Restricted assets, cash and cash equivalents	-	1,732,680	1,732,680	-
Restricted assets, investments	-	690,586	690,586	-
Capital assets, non-depreciable	469,666	821,086	1,290,752	-
Capital assets, depreciable, net of accumulated depreciation	3,395,190	13,215,178	16,610,368	24,252
Total assets	7,123,787	21,176,834	28,300,621	362,377
DEFERRED OUTFLOWS OF RESOURCES				
Pension	355,390	138,207	493,597	-
Deferred loss on debt refunding	-	15,225	15,225	-
Total deferred outflows of resources	355,390	153,432	508,822	-
LIABILITIES				
Accounts payable	333,157	118,969	452,126	-
Accrued liabilities	122,524	32,482	155,006	-
Unearned revenues	743,456	-	743,456	-
Customer deposits payable	-	250,063	250,063	-
Financed purchases due within one year	37,874	-	37,874	-
Financed purchases due in more than one year	68,420	-	68,420	-
Compensated absences due within one year	78,681	21,567	100,248	-
Compensated absences due in more than one year	13,885	3,806	17,691	-
Notes payable due within one year	66,125	79,617	145,742	-
Notes payable due in more than one year	226,204	594,178	820,382	-
Revenue bonds payable due within one year	-	402,351	402,351	-
Revenue bonds payable due in more than one year	-	4,319,539	4,319,539	-
Net pension liability, due in more than one year	517,260	201,157	718,417	-
Total liabilities	2,207,586	6,023,729	8,231,315	-
DEFERRED INFLOWS OF RESOURCES				
Pension	156,872	61,005	217,877	-
Total deferred inflows of resources	156,872	61,005	217,877	-
NET POSITION				
Net investment in capital assets	3,466,233	8,625,354	12,091,587	24,252
Restricted for:				
Housing and development	14,098	-	14,098	-
Capital projects	1,093,904	-	1,093,904	-
Unrestricted	540,484	6,620,178	7,160,662	338,125
Total net position	$ 5,114,719	$ 15,245,532	$ 20,360,251	$ 362,377

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, 2023

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	$ 1,028,675	$ 466,426	$ 15,014	$ 153,393
Judicial	32,880	199,898	-	-
Public safety	1,395,701	-	-	291,723
Public works	3,778,283	787,880	-	1,855,824
Health and welfare	1,357	-	-	-
Culture and recreation	115,452	-	-	-
Housing and development	515,354	-	-	75,313
Interest on long-term debt	8,627	-	-	-
Total governmental activities	6,876,329	1,454,204	15,014	2,376,253
Business-type activities:				
Water and sewer	1,800,387	1,788,299	-	-
Natural gas	1,842,148	1,945,777	-	-
Total business-type activities	3,642,535	3,734,076	-	-
Total primary government	$ 10,518,864	$ 5,188,280	$ 15,014	$ 2,376,253
Component unit:				
Downtown Development Authority	$ 21,210	$ 8,100	$ -	$ -
Total component unit	$ 21,210	$ 8,100	$ -	$ -

General revenues:
- Property taxes
- Sales taxes
- Alcoholic beverage excise taxes
- Insurance premium taxes
- Other taxes
- Unrestricted investment earnings
- Gain on sale of capital assets

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
$ (393,842)	$ -	$ (393,842)	$ -
167,018	-	167,018	-
(1,103,978)	-	(1,103,978)	-
(1,134,579)	-	(1,134,579)	-
(1,357)	-	(1,357)	-
(115,452)	-	(115,452)	-
(440,041)	-	(440,041)	-
(8,627)	-	(8,627)	-
(3,030,858)	-	(3,030,858)	-
-	(12,088)	(12,088)	-
-	103,629	103,629	-
-	91,541	91,541	-
(3,030,858)	91,541	(2,939,317)	-
-	-	-	(13,110)
-	-	-	(13,110)
980,089	-	980,089	-
409,992	-	409,992	-
128,277	-	128,277	-
398,979	-	398,979	-
515,285	-	515,285	-
17,793	8,417	26,210	-
-	-	-	283,896
119,279	(119,279)	-	-
2,569,694	(110,862)	2,458,832	283,896
(461,164)	(19,321)	(480,485)	270,786
5,575,883	15,264,853	20,840,736	91,591
$ 5,114,719	$ 15,245,532	$ 20,360,251	$ 362,377

CITY OF NASHVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JULY 31, 2023

	General Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 1,657,953	$ 803,522	$ 1,025,559	$ 3,487,034
Investments	202,532	-	-	202,532
Taxes receivable	122,275	-	1,032	123,307
Accounts receivable	115,528	-	-	115,528
Due from other governments	-	-	92,259	92,259
Due from other funds	778,989	-	6,831	785,820
Prepaid expenditures	31,710	-	-	31,710
Total assets	$ 2,908,987	$ 803,522	$ 1,125,681	$ 4,838,190
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 256,165	$ 59,966	$ 17,026	$ 333,157
Accrued liabilities	122,524	-	-	122,524
Due to other funds	1,578,417	100	742	1,579,259
Unearned revenue	-	743,456	-	743,456
Total liabilities	1,957,106	803,522	17,768	2,778,396
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	106,385	-	-	106,385
Total deferred inflows of resources	106,385	-	-	106,385

(Continued)

CITY OF NASHVILLE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JULY 31, 2023

	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	-	-	1,093,904	1,093,904
Housing and development	-	-	14,098	14,098
Unassigned	813,786	-	(89)	813,697
Total fund balances	845,496	-	1,107,913	1,953,409
Total liabilities, deferred inflows of resources and fund balances	$ 2,908,987	$ 803,522	$ 1,125,681	
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.				3,864,856
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.				106,385
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.				(318,742)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.				
Financed purchases			$ (106,294)	
Notes payable			(292,329)	
Compensated absences			(92,566)	(491,189)
Net position of governmental activities				$ 5,114,719

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, 2023

	General Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	$ 963,195	$ -	$ -	$ 963,195
Sales taxes	409,992	-	-	409,992
Insurance premium taxes	398,979	-	-	398,979
Alcohol beverage excise taxes	128,277	-	-	128,277
Other taxes	496,365	-	18,920	515,285
Licenses and permits	103,426	-	-	103,426
Intergovernmental	934,804	921,940	519,509	2,376,253
Fines and forfeitures	199,898	-	-	199,898
Charges for services	853,522	-	-	853,522
Investment income	10,379	-	7,414	17,793
Private donations	15,014	-	-	15,014
Miscellaneous	297,358	-	-	297,358
Total revenues	4,811,209	921,940	545,843	6,278,992
Expenditures				
Current:				
General government	1,111,207	-	-	1,111,207
Judicial	32,880	-	-	32,880
Public safety	1,607,435	-	-	1,607,435
Public works	2,315,255	-	-	2,315,255
Culture and recreation	97,137	-	-	97,137
Housing and development	446,638	-	45,536	492,174
Capital outlay	-	921,940	679,370	1,601,310
Debt service:				
Principal	-	-	75,917	75,917
Interest	-	-	8,627	8,627
Total expenditures	5,610,552	921,940	809,450	7,341,942
Deficiency of revenues under expenditures	(799,343)	-	(263,607)	(1,062,950)

(Continued)

CITY OF NASHVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2023

	General Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources				
Issuance of debt	$ -	$ -	$ 241,390	$ 241,390
Transfers in	119,279	-	34,578	153,857
Transfers out	(34,578)	-	-	(34,578)
Total other financing sources	84,701	-	275,968	360,669
Net change in fund balances	(714,642)	-	12,361	(702,281)
Fund balances, beginning of year	1,560,138	-	1,095,552	2,655,690
Fund balances, end of year	$ 845,496	$ -	$ 1,107,913	$ 1,953,409

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, 2023

Amounts reported for governmental activities in the Statement of Activities are different because:			
Net change in fund balances - total governmental funds			$ (702,281)
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 capital outlay exceeded depreciation expense in the current period.			
Capital outlay	$ 704,229		
Depreciation expense	(339,816)		364,413
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.			16,894
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.			
Issuance of debt	$ (241,390)		
Principal payments - notes payable	34,744		
Principal payments - financed purchases	41,173		(165,473)
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	$ 27,694		
Compensated absences	(2,411)		25,283
Change in net position - governmental activities			$ (461,164)

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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$ 975,000	$ 975,000	$ 963,195	$ (11,805)
Sales taxes	315,000	315,000	409,992	94,992
Insurance premium taxes	460,000	460,000	398,979	(61,021)
Alcohol beverage excise taxes	149,000	149,000	128,277	(20,723)
Other taxes	518,700	518,700	496,365	(22,335)
Licenses and permits	138,975	138,975	103,426	(35,549)
Intergovernmental	141,905	141,905	934,804	792,899
Fines and forfeitures	183,700	183,700	199,898	16,198
Charges for services	766,150	766,150	853,522	87,372
Investment income	7,500	7,500	10,379	2,879
Private donations	9,100	9,100	15,014	5,914
Miscellaneous	250,000	250,000	297,358	47,358
Total revenues	3,915,030	3,915,030	4,811,209	896,179
Expenditures				
Current				
General government:				
Clerk's office	704,500	704,500	1,111,207	(406,707)
Total general government	704,500	704,500	1,111,207	(406,707)
Judicial:				
Municipal court	35,955	35,955	32,880	3,075
Total judicial	35,955	35,955	32,880	3,075
Public safety:				
Police	1,407,348	1,407,348	1,314,754	92,594
Fire and emergency	150,650	150,650	215,870	(65,220)
Animal control	72,000	72,000	76,811	(4,811)
Total public safety	1,629,998	1,629,998	1,607,435	22,563
Public works:				
Highways and streets	567,810	567,810	1,633,639	(1,065,829)
Sanitation	550,100	550,100	678,439	(128,339)
Work control	3,850	3,850	3,177	673
Total public works	1,121,760	1,121,760	2,315,255	(1,193,495)
Culture and recreation:				
Recreation	142,200	142,200	97,137	45,063
Total culture and recreation	142,200	142,200	97,137	45,063
Housing and development:				
Economic development	99,250	99,250	93,586	5,664
Code enforcer	79,500	79,500	75,796	3,704
Farmers market	86,468	86,468	277,256	(190,788)
Total housing and development	265,218	265,218	446,638	(181,420)
Total expenditures	3,899,631	3,899,631	5,610,552	(1,710,921)
Excess (deficiency) of revenues over (under) expenditures	15,399	15,399	(799,343)	(814,742)

(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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Other financing sources (uses)				
Transfers in	$ -	$ -	$ 119,279	$ 119,279
Transfers out	-	-	(34,578)	(34,578)
Total other financing sources (uses), net	-	-	84,701	84,701
Net change in fund balances	15,399	15,399	(714,642)	(730,041)
Fund balances, beginning of year	1,560,138	1,560,138	1,560,138	-
Fund balances, end of year	$ 1,575,537	$ 1,575,537	$ 845,496	$ (730,041)

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, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 905,770	$ 905,770	$ 921,940	$ 16,170
Total revenues	905,770	905,770	921,940	16,170
Expenditures:				
Current:				
General government	905,770	905,770	921,940	(16,170)
Total expenditures	905,770	905,770	921,940	(16,170)
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

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

CITY OF NASHVILLE, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JULY 31, 2023

ASSETS	Water and Sewer Fund	Natural Gas Fund	Total
CURRENT ASSETS			
Cash and cash equivalents	$ 1,785,946	$ 1,500,428	$ 3,286,374
Investments	218,109	150,610	368,719
Accounts receivable, net of allowances	231,408	26,903	258,311
Due from other funds	1,041,509	530,077	1,571,586
Prepaid expenses	5,287	5,174	10,461
Restricted assets, cash and cash equivalents	1,475,261	257,419	1,732,680
Restricted assets, investments	310,597	379,989	690,586
Total current assets	5,068,117	2,850,600	7,918,717
NON-CURRENT ASSETS			
Capital assets:			
Capital assets, non-depreciable	815,086	6,000	821,086
Capital assets, depreciable, net of accumulated depreciation	11,903,162	1,312,016	13,215,178
Total non-current assets	12,718,248	1,318,016	14,036,264
Total assets	17,786,365	4,168,616	21,954,981
DEFERRED OUTFLOWS OF RESOURCES			
Pension	83,911	54,296	138,207
Deferred loss on debt refunding	15,225	-	15,225
Total deferred outflows of resources	99,136	54,296	153,432
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	40,523	78,446	118,969
Accrued liabilities	9,170	13,001	22,171
Customer deposits payable	186,977	63,086	250,063
Compensated absences, current portion	12,977	8,590	21,567
Notes payable, current portion	27,865	51,752	79,617
Revenue bonds payable, current portion	402,351	-	402,351
Due to other funds	291,223	486,924	778,147
Accrued interest	10,311	-	10,311
Total current liabilities	981,397	701,799	1,683,196
NON-CURRENT LIABILITIES			
Compensated absences, net of current portion	2,290	1,516	3,806
Notes payable, net of current portion	464,796	129,382	594,178
Revenue bonds payable, net of current portion	4,319,539	-	4,319,539
Net pension liability	122,131	79,026	201,157
Total non-current liabilities	4,908,756	209,924	5,118,680
Total liabilities	5,890,153	911,723	6,801,876
DEFERRED INFLOWS OF RESOURCES			
Pension	37,039	23,966	61,005
Total deferred inflows of resources	37,039	23,966	61,005
NET POSITION			
Net investment in capital assets	7,488,472	1,136,882	8,625,354
Unrestricted	4,469,837	2,150,341	6,620,178
Total net position	$ 11,958,309	$ 3,287,223	$ 15,245,532

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

CITY OF NASHVILLE, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2023

	Water and Sewer Fund	Natural Gas Fund	Total
OPERATING REVENUES			
Charges for services	$ 1,738,536	$ 1,936,041	$ 3,674,577
Miscellaneous revenue	49,763	9,736	59,499
Total operating revenues	1,788,299	1,945,777	3,734,076
OPERATING EXPENSES			
Personnel services and employee benefits	551,808	219,181	770,989
Services and supplies	716,197	1,571,531	2,287,728
Depreciation	412,949	51,436	464,385
Total operating expenses	1,680,954	1,842,148	3,523,102
Operating income	107,345	103,629	210,974
NON-OPERATING REVENUES (EXPENSES)			
Interest income	3,306	5,111	8,417
Interest expense	(119,433)	-	(119,433)
Total non-operating revenues (expenses)	(116,127)	5,111	(111,016)
Income (loss) before transfers	(8,782)	108,740	99,958
TRANSFERS			
Transfers out	(152,049)	-	(152,049)
Transfers in	-	32,770	32,770
Total transfers	(152,049)	32,770	(119,279)
Change in net position	(160,831)	141,510	(19,321)
NET POSITION, beginning of year	12,119,140	3,145,713	15,264,853
NET POSITION, end of year	$ 11,958,309	$ 3,287,223	$ 15,245,532

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, 2023

	Water and Sewer Fund	Natural Gas Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 3,632,984	$ 2,441,927	$ 6,074,911
Payments to suppliers and service providers	(749,301)	(1,703,250)	(2,452,551)
Payments to employees	(268,310)	(220,227)	(488,537)
Net cash provided by operating activities	2,615,373	518,450	3,133,823
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers	(152,049)	32,770	(119,279)
Net cash provided by (used in) non-capital financing activities	(152,049)	32,770	(119,279)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(42,351)	(32,770)	(75,121)
Principal paid on notes payable	(27,563)	(51,752)	(79,315)
Principal paid on revenue bonds payable	(392,637)	-	(392,637)
Interest paid	(128,365)	-	(128,365)
Net cash used in capital and related financing activities	(590,916)	(84,522)	(675,438)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(528,706)	(530,599)	(1,059,305)
Interest on investments	3,306	5,111	8,417
Net cash used in investing activities	(525,400)	(525,488)	(1,050,888)
Increase (decrease) in cash and cash equivalents	1,347,008	(58,790)	1,288,218
Cash and cash equivalents:			
Beginning of year	1,914,199	1,816,637	3,730,836
End of year	$ 3,261,207	$ 1,757,847	$ 5,019,054
Classified as:			
Cash on hand and in banks	$ 1,785,946	$ 1,500,428	$ 3,286,374
Restricted assets, cash and cash equivalents	1,475,261	257,419	1,732,680
	$ 3,261,207	$ 1,757,847	$ 5,019,054

(Continued)

CITY OF NASHVILLE, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JULY 31, 2023

	Water and Sewer Fund	Natural Gas Fund	Total
Reconciliation of operating income to net cash provided by operating activities			
Operating income	$ 107,345	$ 103,629	$ 210,974
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	412,949	51,436	464,385
(Increase) decrease:			
Accounts receivable	(44,277)	9,226	(35,051)
Due from other funds	1,888,962	(83,074)	1,805,888
Deferred outflows of resources - pension	(50,282)	(32,536)	(82,818)
Increase (decrease):			
Accounts payable	(17,348)	(44,102)	(61,450)
Accrued liabilities	(1,106)	3,238	2,132
Due to other funds	291,223	486,924	778,147
Deferred inflows of resources - pension	(32,018)	(20,718)	(52,736)
Net pension liability	75,681	48,970	124,651
Customers deposit payable	(16,908)	3,025	(13,883)
Compensated absences	1,152	(7,568)	(6,416)
Net cash provided by operating activities	$ 2,615,373	$ 518,450	$ 3,133,823

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 and System	30 – 60
Machinery and Equipment	7 – 10
Improvements Other than Buildings	15 – 30

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 reports 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 reports 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 one 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. Any contributions made by the City to the plan before year-end but subsequent to the measurement date are reported as deferred outflows of resources. 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, 2023, expenditures exceeded budgeted appropriations, as follows:

Department	Excess
General Fund:	
General government:	
Clerk's office	$ (406,707)
Public safety:	
Fire and emergency	(65,220)
Animal control	(4,811)
Public Works:	
Highways and streets	(1,065,829)
Sanitation	(128,339)
Housing and development:	
Farmers market	(190,788)
ARPA Fund:	
Capital outlay	(16,170)

These over expenditures were funded by greater than anticipated revenues.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

C. Deficit Fund Balance

For the year ended July 31, 2023, 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, 2023, all of the deposits for the City were fully collateralized in accordance with the state statutes.

Investments – The City's financial policies authorize investment in any securities approved by the State of Georgia for local governments. Authorized investments include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia, pooled investment programs of the State of Georgia, and no-load mutual funds of direct obligations of the United States.

At July 31, 2023, the City had the following investments:

Investment	Maturities	Fair Value
Certificates of Deposit	Less than 1 year	$ 1,261,837

NOTE 4. RECEIVABLES

Receivables at July 31, 2023 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	$ 147,680	$ 1,032	$ -	$ -	$ 148,712
Accounts	186,999	-	498,946	64,426	750,371
Due from other governments	-	92,259	-	-	92,259
Gross receivables	334,679	93,291	498,946	64,426	991,342
Less allowance for uncollectibles	107,977	-	267,538	37,523	413,038
Net total receivables	$ 226,702	$ 93,291	$ 231,408	$ 26,903	$ 578,304

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 13, 2022, payable December 15, 2022, and attached as an enforceable lien on property as of March 15, 2023.

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended July 31, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 469,666	$ -	$ -	$ -	$ 469,666
Total	469,666	-	-	-	469,666
Capital assets, being depreciated:					
Buildings	3,116,427	-	-	-	3,116,427
Improvements other than buildings	3,156,751	117,970	-	-	3,274,721
Machinery and equipment	2,460,128	586,259	-	-	3,046,387
Total	8,733,306	704,229	-	-	9,437,535
Less accumulated depreciation for:					
Buildings	(1,913,866)	(53,145)	-	-	(1,967,011)
Improvements other than buildings	(1,696,983)	(184,960)	-	-	(1,881,943)
Machinery and equipment	(2,091,680)	(101,711)	-	-	(2,193,391)
Total	(5,702,529)	(339,816)	-	-	(6,042,345)
Total assets, being depreciated, net	3,030,777	364,413	-	-	3,395,190
Governmental activities capital assets, net	$ 3,500,443	$ 364,413	$ -	$ -	$ 3,864,856

	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	21,850,313	-	-	-	21,850,313
Machinery and equipment	682,197	75,121	-	-	757,318
Total	22,532,510	75,121	-	-	22,607,631
Less accumulated depreciation for:					
Buildings and system	(8,317,862)	(439,257)	-	-	(8,757,119)
Machinery and equipment	(610,206)	(25,128)	-	-	(635,334)
Total	(8,928,068)	(464,385)	-	-	(9,392,453)
Total assets, being depreciated, net	13,604,442	(389,264)	-	-	13,215,178
Business-type activities capital assets, net	$ 14,425,528	$ (389,264)	$ -	$ -	$ 14,036,264

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:	
General government	$ 28,943
Public safety	45,281
Public works	219,553
Health and welfare	1,357
Culture and recreation	19,591
Housing and development	25,091
Total depreciation expense - governmental activities	$ 339,816
Business-type activities:	
Water and sewer	$ 412,949
Natural gas	51,436
Total depreciation expense - business-type activities	$ 464,385

B. Discretely Presented Component Unit

Capital asset activity for the Downtown Development Authority for the fiscal year ended July 31, 2023, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, being depreciated:					
Buildings and system	$ 103,152	$ -	$ (68,768)	$ -	$ 34,384
Machinery and equipment	13,288	-	-	-	13,288
Total	116,440	-	(68,768)	-	47,672
Less accumulated depreciation for:					
Buildings and system	(27,817)	(2,578)	20,263	-	(10,132)
Machinery and equipment	(13,288)	-	-	-	(13,288)
Total	(41,105)	(2,578)	20,263	-	(23,420)
Total assets, being depreciated, net	75,335	(2,578)	(48,505)	-	24,252
Discretely presented component unit, capital assets, net	$ 75,335	$ (2,578)	$ (48,505)	$ -	$ 24,252

NOTE 7. LONG-TERM DEBT

Long-term liability activity for the year ended July 31, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable	$ 92,112	$ 241,390	$ (41,173)	$ 292,329	$ 66,125
Financed purchases	141,038	-	(34,744)	106,294	37,874
Net pension liability	196,730	613,712	(293,182)	517,260	-
Compensated absences	90,155	92,566	(90,155)	92,566	78,681
Governmental activities Long-term liabilities	$ 520,035	$ 947,668	$ (459,254)	$ 1,008,449	$ 182,680
Business-type activities:					
Notes payable	$ 753,110	$ -	$ (79,315)	$ 673,795	$ 79,617
Revenue bonds payable	5,114,527	-	(392,637)	4,721,890	402,351
Net pension liability	76,506	238,665	(114,014)	201,157	-
Compensated absences	31,789	25,374	(31,790)	25,373	21,567
Business-type activites Long-term liabilities	$ 5,975,932	$ 264,039	$ (617,756)	$ 5,622,215	$ 503,535

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, 2023 was $74,964.

On February 1, 2023, the City entered into a promissory note with the Georgia Transportation Infrastructure Banck for $241,390 at 0.21% payable over 60 months at $4,045 monthly for the resurfacing of roads. The note has a maturity date of January 1, 2028. The balance outstanding as of July 31, 2023 was $217,365.

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

Year Ending July 31,	Principal	Interest	Total
2024	$ 66,125	$ 5,182	$ 71,307
2025	67,136	5,015	72,151
2026	68,186	4,845	73,031
2027	66,629	4,676	71,305
2028	24,253	15	24,268
Total	$ 292,329	$ 19,733	$ 312,062

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Governmental Activities (Continued)

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 Special Local Sales Option Sales Tax ("SPLOST") #5 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
2024	$ 37,874	$ 4,294	$ 42,168
2025	36,980	33,194	70,174
2026	31,440	2,058	33,498
	$ 106,294	$ 39,546	$ 145,840

B. Business-type activities

Notes Payable

Notes payable outstanding for business-type activities for the City as of July 31, 2023, are as follows:

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 $492,661.

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 $181,134.

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Business-type activities (Continued)

Notes payable (Continued)

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

Year Ending July 31,	Principal	Interest	Total
2024	$ 79,617	$ 5,231	$ 84,848
2025	79,922	4,926	84,848
2026	80,230	4,617	84,847
2027	54,666	4,305	58,971
2028	29,106	3,990	33,096
2029 – 2033	150,382	15,096	165,478
2034 – 2038	158,801	6,677	165,478
2039 and 2040	41,071	299	41,370
Total	$ 673,795	$ 45,141	$ 718,936

Revenue bonds payable

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 $4,721,890.

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

Year Ending July 31,	Principal	Interest	Total
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	444,429	70,872	515,301
2029 – 2033	2,286,564	182,529	2,469,093
2034	319,676	1,989	321,665
	$ 4,721,890	$ 645,374	$ 5,367,264

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of July 31, 2023 is as follows:

	Payable Fund					
Receivable Fund	General Fund	ARPA Fund	Water and Sewer Fund	Natural Gas Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 100	$ 291,223	$ 486,924	$ 742	$ 778,989
Water and Sewer Fund	1,041,509	-	-	-	-	1,041,509
Natural Gas Fund	530,077	-	-	-	-	530,077
Nonmajor Governmental Funds	6,831	-	-	-	-	6,831
Total	$ 1,578,417	$ 100	$ 291,223	$ 486,924	$ 742	$ 2,357,406

	Transfers out		
Transfers In	Water and Sewer Fund	General Fund	Total
General Fund	$ 119,279	$ -	$ 119,279
Natural Gas Fund	32,770	-	32,770
Nonmajor Governmental Funds	-	34,578	34,578
Total	$ 152,049	$ 34,578	$ 186,627

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.

Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9. RESTRICTED ASSETS

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

	Business-type Activities
Sinking Fund Accounts	$ 1,732,680
CD's Held for Collateral	690,586
Total	$ 2,423,266

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, 2023, pension plan membership consisted of the following:

Retirees, beneficiaries, and the disabled receiving benefits	28
Terminated plan members entitled to but not yet receiving benefits	31
Active plan members and elected officials	41
	100

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 $149,512 for the fiscal year ended July 31, 2023.

D. Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2022.

Actuarial Assumptions

The total pension liability in the January 1, 2023 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)

Actuarial Assumptions (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, 2022, are summarized in the following table:

		Long-term expected real
International equity	20 %	6.80 %
Domestic fixed income	20 %	0.40 %
Real estate	10 %	3.90 %
Global fixed income	5 %	0.46 %
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, 2023, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning balance	$ 3,464,261	$ 3,191,025	$ 273,236
Changes for the year:			
Service cost	65,856	-	65,856
Interest	254,928	-	254,928
Differences between expected and actual experience	(251,767)	-	(251,767)
Contributions - employer	-	155,429	(155,429)
Net investment income	-	(520,817)	520,817
Benefit payments, including refunds of employee contributions	(146,932)	(146,932)	-
Administrative expense	-	(10,776)	10,776
Net changes	(77,915)	(523,096)	445,181
Ending balance	$ 3,386,346	$ 2,667,929	$ 718,417

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	$ 1,165,546	$ 718,417	$ 344,824

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, 2022, 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, 2023, the City recognized pension expense of $110,575. At July 31, 2023, 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	$ 25,382	$ (217,877)
Net difference between projected and actual earnings on pension plan investments	343,622	-
City contributions subsequent to the measurement date	124,593	-
Total	$ 493,597	$ (217,877)

City contributions subsequent to the measurement date of $124,593 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, 2024. 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,	
2024	$ 8,515
2025	(9,665)
2026	1,063
2027	151,214
Total	$ 151,127

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, 2023, the City collected $18,920 and expended $45,536.

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, 2023, the City paid $6,086 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 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 $1,315,692 in 2023.

At July 31, 2023, the outstanding debt of the MGAG was approximately $87 million. The City's guarantee varies by individual projects undertaken by the MGAG and totals approximately $314,479 at July 31, 2023.

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, 2023

	Fiscal Year			
	2023	2022	2021	2020
Total pension liability				
Service cost	**$ 65,856**	$ 66,643	$ 59,355	$ 58,551
Interest on total pension liability	**254,928**	249,133	231,737	222,192
Differences between expected and actual experience	**(251,767)**	(87,152)	101,528	3,257
Changes of assumptions	**-**	-	-	62,922
Changes in benefit terms	**-**	-	-	-
Benefit payments, including refunds of employee contributions	**(146,932)**	(151,585)	(176,479)	(159,687)
Net change in total pension liability	**(77,915)**	77,039	216,141	187,235
Total pension liability - beginning	**3,464,261**	3,387,222	3,171,081	2,983,846
Total pension liability - ending (a)	**$ 3,386,346**	$ 3,464,261	$ 3,387,222	$ 3,171,081
Plan fiduciary net position				
Contributions - employer	**$ 155,429**	$ 144,284	$ 127,478	$ 120,615
Contributions - employee	**-**	-	-	-
Net investment income	**(520,817)**	625,891	229,423	68,462
Benefit payments, including refunds of employee contributions	**(146,932)**	(151,585)	(176,479)	(159,687)
Administrative expenses	**(10,776)**	(10,794)	(10,449)	(10,255)
Net change in plan fiduciary net position	**(523,096)**	607,796	169,973	19,135
Plan fiduciary net position - beginning	**3,191,025**	2,583,229	2,413,256	2,394,121
Plan fiduciary net position - ending (b)	**$ 2,667,929**	$ 3,191,025	$ 2,583,229	$ 2,413,256
City's net pension liability (a) - (b)	**$ 718,417**	$ 273,236	$ 803,993	$ 757,825
Plan fiduciary net position as a percentage of the total pension liability	**78.8%**	92.1%	76.3%	76.1%
Covered payroll	**$ 1,378,260**	$ 1,404,441	$ 1,451,645	$ 1,321,036
City's net pension liability as a percentage of covered payroll	**52.1%**	19.5%	55.4%	57.4%

Notes to the Schedule:

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

Fiscal Year				
2019	2018	2017	2016	2015
$ 61,450	$ 62,771	$ 61,897	$ 54,441	$ 62,605
209,321	195,939	195,279	194,129	184,934
69,105	76,862	(77,163)	(61,655)	49,897
-	38,358	-	-	1,137
-	-	-	-	-
(171,066)	(174,275)	(168,723)	(175,422)	(184,447)
168,810	199,655	11,290	11,493	114,126
2,815,036	2,615,381	2,604,091	2,592,598	2,478,472
$ 2,983,846	$ 2,815,036	$ 2,615,381	$ 2,604,091	$ 2,592,598
$ 106,448	$ 109,693	$ 106,789	$ 105,538	$ 91,718
-	-	-	-	-
219,875	299,631	207,609	24,754	206,436
(171,066)	(174,275)	(168,723)	(175,422)	(184,447)
(11,154)	(12,107)	(6,694)	(7,603)	(6,211)
144,103	222,942	138,981	(52,733)	107,496
2,250,018	2,027,076	1,888,095	1,940,828	1,833,332
$ 2,394,121	$ 2,250,018	$ 2,027,076	$ 1,888,095	$ 1,940,828
$ 589,725	$ 565,018	$ 588,305	$ 715,996	$ 651,770
80.2%	79.9%	77.5%	72.5%	74.9%
$ 1,296,841	$ 1,238,580	$ 1,210,478	$ 1,203,868	$ 1,136,746
45.5%	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, 2023

	Fiscal Year			
	2023	2022	2021	2020
Actuarially determined contribution	**$ 149,512**	$ 158,509	$ 139,543	$ 125,065
Contributions in relation to the actuarially determined contribution	**149,512**	158,509	139,543	125,065
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -
Covered payroll	**$ 1,391,351**	$ 1,404,441	$ 1,451,645	$ 1,321,036
Contributions as a percentage of covered payroll	**10.7%**	11.3%	9.6%	9.5%

Notes to the Schedule:

Valuation date	January 1, 2023
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				
2019	2018	2017	2016	2015
$ 119,725	$ 103,793	$ 110,873	$ 105,972	$ 105,451
119,725	103,793	110,873	105,972	105,451
$ -	$ -	$ -	$ -	$ -
$ 1,296,841	$ 1,238,580	$ 1,210,478	$ 1,203,868	$ 1,136,746
9.2%	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

Special Purpose Local Option Sales Tax ("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.

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, 2023

	Special Revenue Funds		
ASSETS	**TSPLOST Fund**	**CHIP Fund**	**Hotel/Motel Tax Fund**
Cash and cash equivalents	$ 232,407	$ 33	$ 13,066
Taxes receivable	-	-	1,032
Due from other governments	19,484	-	-
Due from other funds	6,831	-	-
Total assets	$ 258,722	$ 33	$ 14,098
LIABILITIES			
Accounts payable	$ -	$ -	$ -
Due to other funds	-	100	-
Total liabilities	-	100	-
FUND BALANCES (DEFICITS)			
Restricted			
Capital outlay	258,722	-	-
Housing and development	-	-	14,098
Unassigned	-	(67)	-
Total fund balances (deficits)	258,722	(67)	14,098
Total liabilities and fund balances (deficits)	$ 258,722	$ 33	$ 14,098

Capital Projects Funds		
SPLOST #5 Fund	2018 CDBG Fund	Total Nonmajor Governmental Funds
$ 779,975	$ 78	$ 1,025,559
-	-	1,032
72,775	-	92,259
-	-	6,831
$ 852,750	$ 78	$ 1,125,681
$ 17,026	$ -	$ 17,026
542	100	742
17,568	100	17,768
835,182	-	1,093,904
-	-	14,098
-	(22)	(89)
835,182	(22)	1,107,913
$ 852,750	$ 78	$ 1,125,681

CITY OF NASHVILLE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JULY 31, 2023

	Special Revenue Funds		
	TSPLOST Fund	CHIP Fund	Hotel/Motel Tax Fund
Revenues			
Other taxes	$ -	$ -	$ 18,920
Intergovernmental	110,427	-	-
Interest income	-	-	-
Total revenues	110,427	-	18,920
Expenditures			
Current:			
Housing and development	-	-	45,536
Capital outlay	241,390	-	-
Debt service:			
Principal	24,025	-	-
Interest	243	-	-
Total expenditures	265,658	-	45,536
Deficiency of revenues under expenditures	(155,231)	-	(26,616)
Other financing sources			
Issuance of debt	241,390	-	-
Transfers in	-	-	-
Total other financing sources	241,390	-	-
Net change in fund balances	86,159	-	(26,616)
Fund balances (deficits), beginning of year	172,563	(67)	40,714
Fund balances (deficits), end of year	$ 258,722	$ (67)	$ 14,098

Capital Projects Funds		
SPLOST #5 Fund	2018 CDBG Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ 18,920
409,082	-	519,509
7,414	-	7,414
416,496	-	545,843
-	-	45,536
437,980	-	679,370
51,892	-	75,917
8,384	-	8,627
498,256	-	809,450
(81,760)	-	(263,607)
-	-	241,390
34,578	-	34,578
34,578	-	275,968
(47,182)	-	12,361
882,364	(22)	1,095,552
$ 835,182	$ (22)	$ 1,107,913

CITY OF NASHVILLE, GEORGIA

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

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	-	-	$ 87,927	$ 134,333	$ 222,260
Streets and Sanitation Projects, Improvement and Equipment	-	-	-	-	-
Water and Sewer Extensions, Projects, Improvements and Equipment	-	-	186,436	262,003	448,439
Gas System Improvements and Equipment	-	-	-	2,590	2,590
Recreation Facilities and Equipment	-	-	6,724	2,718	9,442
City Hall Admin and Storage Facilities Expansion, Improvements and Equipment	-	-	9,839	21,242	31,081
Community Center Equipment and Improvements	-	-	-	-	-
Law Enforcement Facilities Improvements and Equipment	-	-	111,952	60,276	172,228
Fire Fighting Facilities Improvements and Equipment	-	-	42,207	15,094	57,301
Animal Control Facility Improvements and Equipment	-	-	1,662	-	1,662
Economic Development Projects	-	-	-	-	-
	$ 1,635,856	$ 1,635,856	$ 446,747	$ 498,256	$ 945,003

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 10, 2025.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2023-002 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2023-001 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 Findings

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 responses were not subjected to other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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
June 10, 2025

CITY OF NASHVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JULY 31, 2023

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?	_X_ Yes ___ 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

The Uniform Guidance allows for an alternative to the Single Audit (in the form of a compliance attestation engagement) for those governments who meet two criteria: 1) a total Coronavirus State and Local Fiscal Recovery Funds award of $10 million or less, and 2) other expenditures from other programs of less than $750,000 in total. The City of Nashville, Georgia meets both criteria and has elected to do a compliance attestation engagement for the year ended July 31, 2023.

CITY OF NASHVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JULY 31, 2023

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2023-001 – 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, 2023.

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 deferred revenue by $16,893
- Decrease revenues by $16,893

SPLOST #5 Fund

- Increase due from other governments $37,296
- Increase revenues by $37,296

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.

2023-002 – General Accounting Matters/Close-out Procedures

Criteria: Internal control is a process designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control is also a process of safeguarding assets against unauthorized acquisition, use, or disposition, and includes controls related to financial reporting and operations objectives. Generally accepted accounting principles (“GAAP”) require assets, liabilities, revenues and expenditures to be recognized in the accounting period in which they become both measurable and available. Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and non-financial transactions and activities.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2023-002 – General Accounting Matters/Close-out Procedures (Continued)

Condition: During our audit, we noted accounting, reporting and reconciling not being properly performed and reviewed consistently during the fiscal year which required a significant effort to close the City's 2023 fiscal year. Significant adjustments were determined and required to be recorded in the months that followed July 31, 2023. Specifically, we noted a lack of timely and accurate financial and non-financial information needed:

- to properly review bank reconciliations;
- to properly maintain the accounts payable on a periodic basis throughout the year;
- to properly maintain the accounts receivable on a periodic basis throughout the year;
- to accurately maintain and record the City's transfers;
- to accurately maintain and record the City's capital assets;
- to accurately maintain and record the City's long-term debt and related cash; and
- to close-out and report activities, events and transactions on a periodic basis.

We believe it is important to note that we observed a genuine interest by the City's accounting personnel in their desire to learn and assume greater responsibilities for the City's accounting and financial reporting and noticed great improvement throughout the audit.

Context: We addressed the matter with the City officials who were able to provide all respective details and reconciliations as of and for the year ended July 31, 2023.

Effects: The ultimate effect of the above condition is the potential for errors and irregularities to occur and not be detected and corrected in a timely manner.

Cause: There was a lack of appropriate controls implemented at the City during the fiscal year to properly maintain financial and non-financial information and to properly close out the year-end.

Recommendation: We recommend the City consider a variety of options in addressing the above condition. The City needs to continue evaluating its strengths and weaknesses relative to the accounting function, and take appropriate measures to address the concerns noted above with a goal of providing timely recording, reconciling and reporting of City operations and financial and non-financial activities. We have noted the City has begun implementing a number of processes/procedures to improve the overall accounting function during the audit fieldwork.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

CITY OF NASHVILLE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JULY 31, 2023

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF NASHVILLE, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JULY 31, 2023

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.

Auditee Response/Status: Unresolved. See 2023-001.