



***CITY OF JASPER, GEORGIA***

***Annual Financial Report***

***For the year ended December 31, 2020***

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**CITY OF JASPER, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
*For the year ended December 31, 2020*

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**ANNUAL FINANCIAL REPORT**  
*For the year ended December 31, 2020*

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## Independent Auditor's Report

Honorable Mayor and Members  
of the City Council  
City of Jasper, Georgia

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jasper, Georgia, as of and for the year ended December 31, 2020, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jasper, Georgia, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison of the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 and the required supplementary information on pages 64 through 71 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Jasper, Georgia's basic financial statements. The combining and individual fund financial statements and schedules, schedule of indebtedness, schedule of General Fund unassigned fund balance by month, and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, schedule of indebtedness, schedule of General Fund unassigned fund balance by month, and the schedule of projects financed with special purpose local option sales tax are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, schedule of indebtedness, schedule of General Fund unassigned fund balance by month, and the schedule of projects financed with special purpose local option sales tax 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 May 25, 2021, on our consideration of the City of Jasper, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Jasper, Georgia's internal control over financial reporting and compliance.

*Rushton & Company, LLC*

Certified Public Accountants

Gainesville, Georgia  
May 25, 2021



**City of Jasper**  
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Mayor  
Steve Lawrence

City Manager  
Brandon D. Douglas

Mayor Pro Tem  
Jim Looney

Council  
John B. Foust, Jr  
Anne Sneve  
Dr. Sonny Proctor  
Kirk Raffield

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Jasper, it is our pleasure to present this narrative discussion and analysis of the City of Jasper's financial performance, providing an overview of the activities for the year ended December 31, 2020. The purpose of this narrative is to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about the City of Jasper. This analytical information is designed to be read in conjunction with the City's financial statements, which follow this section.

### Financial Highlights

- The City of Jasper's assets exceeded its liabilities at December 31, 2020, by \$24,973.933. (reported as *net position*).
- As of December 31, 2020, Jasper's governmental funds reported combined ending fund balances of \$3,481,788. Approximately 57% of this total amount, \$1,971,729 is available for spending at the City Council's discretion (unassigned fund balance of the General Fund).

More detailed information regarding these activities and funds begins on page 6.

### Overview of the Financial Statements

This discussion and analysis narrative is intended to serve as an introduction to the City of Jasper's basic financial statements. The City of Jasper's basic financial statements are composed of three elements: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to our basic financial statements.

### Government-wide Financial Statements (Reporting the City as a whole)

The focus of the government-wide financial statements is on the overall financial position and activities of the City of Jasper and is designed to provide readers with a broad overview of the City's financial activities in a manner similar to a private business enterprise.

The purpose of the **Statement of Net Position** (pages 14 - 15) is to attempt to report all assets held and liabilities owed by the City. The City reports all assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between the total assets and total liabilities is labeled *net position*. Although the purpose of the City is not to accumulate net position, in general, as this amount increases it indicates that the financial position of the City is improving over time.

The **Statement of Activities** (page 16), on the other hand, presents the revenues and expenses of the City. Under the accrual basis of accounting mentioned earlier, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for several weeks after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *change in net position*. The primary focus of the Statement of Activities is on the *net cost* of various activities provided by the City and identifies the extent to which each function of the City draws from general revenues or is self-financing through fees, grants, or other sources.

In the Statement of Net Position and the Statement of Activities, we divide the City of Jasper into three types of activities:

- **Governmental activities** – Most of the City’s basic services are reported under this category, including police, fire, public works, and general administration. Sales tax, property taxes, and intergovernmental revenues finance most of these services.
- **Business-type activities** – The City charges fees to customers to assist in covering all or most of the cost for certain services it provides. The City’s water and sewer system and garbage collection fees are reported in this category.
- **Discretely Presented Component Units** – Component units are legally separate organizations for which the elected officials of the City are financially accountable. The Industrial Development Authority and the Jasper Development Authority, although legally separate, functions for all practical purposes as departments of the City of Jasper, and therefore have been included as an integral part of the primary government.

The City’s government-wide financial statements are presented on pages 14-16.

#### **Fund Financial Statements (Reporting the City’s Major Funds)**

The focus of fund financial statements is directed to specific activities of the City and its most significant funds, not the City as a whole. A fund is an entity with a self-balancing set of accounts that the City uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the City’s non-major funds can be found beginning on page 72. The City’s funds are divided into three broad categories – governmental, proprietary, and fiduciary – and use different accounting approaches.

- **Governmental Funds** – These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, governmental fund financial statements focus on the short-term view of the City’s general government operations and the basic services it provides. Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. An analysis of the balance sheet and the statement of revenues, expenditures, and changes in fund balances that reconciles the two statements are provided after each statement.

In addition to the General Fund, the City of Jasper maintains two governmental fund types:

1. Special Revenue Funds
2. Capital Projects Funds

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. Information from the other five funds: the Technology Surcharge Special Revenue Fund; the Confiscated Assets Special Revenue Fund; the Hotel/Motel Tax Special Revenue Fund; the 2014 SPLOST Capital Projects Fund; and the 2020 SPLOST Capital Projects Fund are combined into a single, aggregated presentation. Individual fund data for these nonmajor governmental funds is provided in



the form of combining statements in this report. The City of Jasper adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

The City's basic governmental fund financial statements are presented on pages 17-21 of this report.

- **Proprietary Funds** – When the City charges customers for the services it provides – whether to outside customers or to other departments of the City – these services are generally reported in proprietary funds. These proprietary funds are prepared using the same accounting basis as the government-wide financial statements.

There are two types of proprietary funds, enterprise funds and internal service funds. The City of Jasper utilizes only enterprise funds. Enterprise fund statements report the same functions presented in the business-type activities columns of the government-wide financial statements. The City of Jasper utilizes enterprise funds to account for its Water and Sewer system, which is reported as a major enterprise fund, and Sanitation function, which is reported as a nonmajor enterprise fund.

The City's proprietary fund financial statements are presented on pages 22-24.

- **Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Jasper's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City acts as a trustee or fiduciary for the Municipal Court Custodial Fund.

The City's fiduciary fund financial statements are presented on page 25-26.

### **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-63 of this report.

### **Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's defined benefit pension plan. The required supplementary information can be found on pages 64-71 of this report.

### **Other Supplementary Information**

Other supplementary information includes certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees and a budgetary comparison schedule for the general fund which demonstrates compliance with the City's as adopted and final revised budgets.

## Overview of the City's Financial Position and Operations

The City's overall financial position and operations for this year is summarized as follows based on the information included in the government-wide financial statements (see pages 14 - 16):

	Governmental		Business-Type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
<b>ASSETS</b>						
Current and other						
assets	\$ 5,226,688	\$ 3,669,307	\$ 3,995,898	\$ 2,246,511	\$ 9,222,586	\$ 5,915,818
Capital assets	7,245,696	7,357,606	19,439,190	19,922,279	26,684,886	27,279,885
Total Assets	<u>12,472,384</u>	<u>11,026,913</u>	<u>23,435,088</u>	<u>22,168,790</u>	<u>35,907,472</u>	<u>33,195,703</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Total Deferred Outflows						
of Resources	<u>582,539</u>	<u>320,264</u>	<u>382,632</u>	<u>253,469</u>	<u>965,171</u>	<u>573,733</u>
<b>LIABILITIES AND NET POSITION</b>						
Liabilities						
Current and other						
liabilities	489,255	489,925	1,415,696	1,285,083	1,904,951	1,775,008
Noncurrent liabilities	2,473,233	1,322,085	4,713,194	4,713,194	7,186,427	6,035,279
Total Liabilities	<u>2,962,488</u>	<u>1,812,010</u>	<u>6,128,890</u>	<u>5,998,277</u>	<u>9,091,378</u>	<u>7,810,287</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Total Deferred Inflows						
of Resources	<u>1,546,488</u>	<u>1,238,967</u>	<u>45,035</u>	<u>76,171</u>	<u>1,591,523</u>	<u>1,315,138</u>
<b>Net Position</b>						
Net investment in						
capital assets	6,308,887	6,278,269	14,774,904	15,071,398	21,083,791	21,349,667
Restricted	1,365,248	478,815	-	-	1,365,248	478,815
Unrestricted	871,852	1,539,116	1,653,042	1,276,413	2,524,894	2,815,529
Total Net Position	<u>\$ 8,545,987</u>	<u>\$ 8,296,200</u>	<u>\$ 16,427,946</u>	<u>\$ 16,347,811</u>	<u>\$ 24,973,933</u>	<u>\$ 24,644,011</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets for the City of Jasper exceeded liabilities by \$24,973,933 at the close of the current year. However, much of the net position either is restricted as to the purposes for which it can be used or are invested in capital assets.

The largest portion (84%) of the City of Jasper's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire the assets. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Although the net position of our business-type activities represents 66% (\$16,427,946) of total net position, these resources cannot be used to add to the net position surplus in governmental activities. The City generally can only use the net position to finance the continuing operations of the business-type activities.

The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the City of Jasper's net position changed during the year.

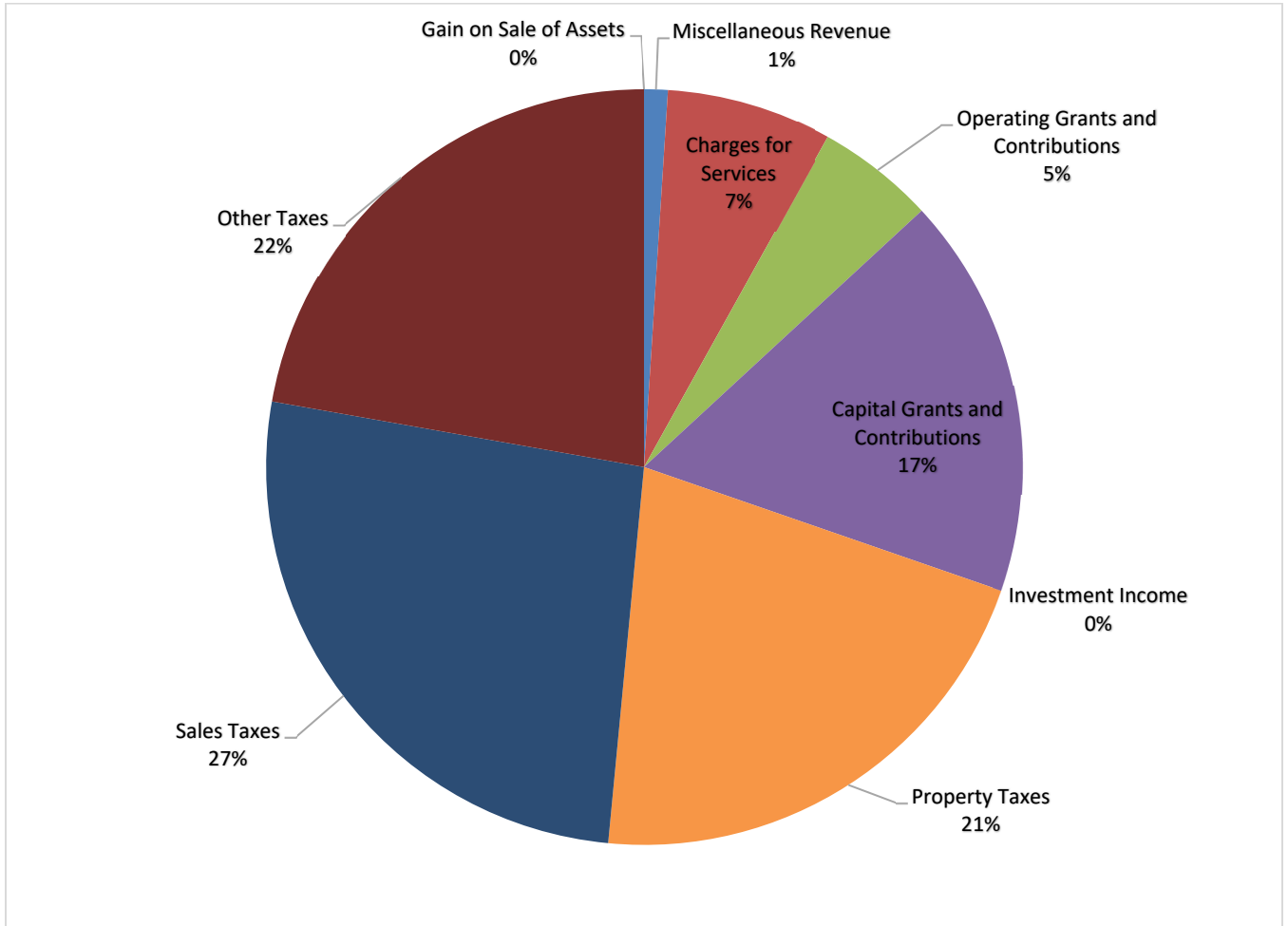
City of Jasper  
Changes in Net Position  
For the years ending December 31, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>PROGRAM REVENUES</b>						
Charges for services	\$ 425,292	\$ 388,940	\$ 4,914,450	\$ 4,686,466	\$ 5,339,742	\$ 5,075,406
Operating grants and contributions	314,015	35,911	-	-	314,015	35,911
Capital grants and contributions	1,051,510	1,152,048	166,500	35,500	1,218,010	1,187,548
General revenues:						
Property taxes	1,273,979	1,341,473	-	-	1,273,979	1,341,473
Sales tax	1,609,640	1,388,707	-	-	1,609,640	1,388,707
Other taxes	1,355,282	1,331,386	-	-	1,355,282	1,331,386
Investment income	6,512	8,178	2,057	1,387	8,569	9,565
Gain on sale of assets	-	-	24,680	-	24,680	-
Miscellaneous revenue	79,154	58,981	33,378	42,993	112,532	101,974
Total revenues	<u>6,115,384</u>	<u>5,705,624</u>	<u>5,141,065</u>	<u>4,766,346</u>	<u>11,256,449</u>	<u>10,471,970</u>
<b>EXPENSES</b>						
General Government	865,968	651,721	-	-	865,968	651,721
Judicial	125,554	112,380	-	-	125,554	112,380
Public Safety	3,373,120	2,702,026	-	-	3,373,120	2,702,026
Public Works	1,208,253	2,832,425	-	-	1,208,253	2,832,425
Culture and Recreation	63,730	59,812	-	-	63,730	59,812
Housing and Development	193,198	127,272	-	-	193,198	127,272
Interest on long-term debt	44,968	55,097	-	-	44,968	55,097
Water and sewer	-	-	4,765,682	4,280,893	4,765,682	4,280,893
Sanitation	-	-	295,248	231,197	295,248	231,197
Total expenses	<u>5,874,791</u>	<u>6,540,733</u>	<u>5,060,930</u>	<u>4,512,090</u>	<u>10,935,721</u>	<u>11,052,823</u>
Increase (decrease) in net position	240,593	(835,109)	80,135	254,256	320,728	(580,853)
Net position - beginning	8,305,394	9,131,309	16,347,811	16,093,555	24,653,205	25,224,864
Net position - ending	<u>\$ 8,545,987</u>	<u>\$ 8,296,200</u>	<u>\$ 16,427,946</u>	<u>\$ 16,347,811</u>	<u>\$ 24,973,933</u>	<u>\$ 24,644,011</u>

**Governmental Activities –**

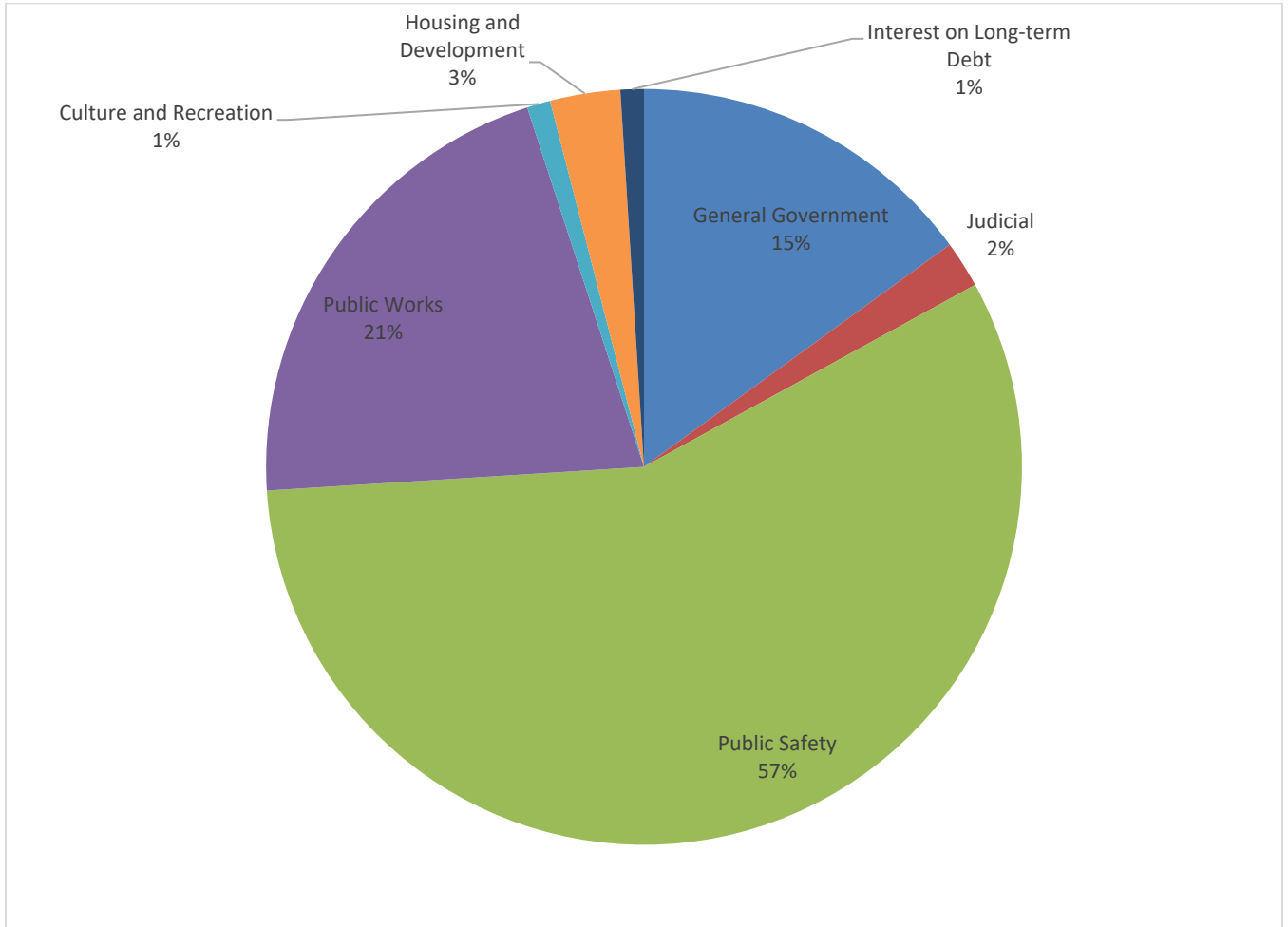
The following chart depicts revenues of the governmental activities for the year ended December 31, 2020:

Revenue by Source – Governmental Activities



The following chart depicts the expenses of the governmental activities for the year ended December 31, 2020:

Expenses by Function – Governmental Activities



## **Business-type Activities –**

Business-type activities increased the City of Jasper’s net position by \$80,135; this is \$174,121 less than the increase in net position for 2019. The key elements of this difference in increase are:

- The primary difference in the lower increase in net position is that in 2020 the increase in Revenue was not as significant as the increases in Expenses. Operating Expenses in the Water and Sanitation fund increased by \$534,226 over 2019. Revenue was up by \$218,369 over 2019. The biggest jump in expenses was for personal services at increase of \$392,150.

## **Financial Analysis of the City’s Funds**

As noted earlier, the City of Jasper uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the City of Jasper’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the year.

As the City completed this year, its governmental funds reported a combined ending fund balance of \$3,481,788. Of this amount, \$1,971,729 (57%) constitutes unassigned fund balance, meaning no constraints have been placed on how this money may be spent. The General Fund is the only governmental fund that can have positive unassigned fund balance. The remainder of fund balance is either non-spendable, restricted by a third party or assigned for a specific purpose.

The **General Fund** is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the General Fund was \$1,971,729, while total fund balance was \$1,996,009. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 42% of total General Fund expenditures, while total fund balance represents 43% of that same amount.

## **General Fund Budget Highlights**

The City’s budget utilized a conservative approach based on available information. Emphasis was placed on long-term stability by meeting financial priorities through disciplined spending. The City employs a budget process whereby appropriations are revisited and compared to actual in order to determine if significant, unexpected variances are present. At this point, any necessary budget amendments are approved by City Council. The original budget for the General Fund was amended by various appropriations approved after the beginning of the year. In addition, Council approved several adjustments to prevent budget overruns.

Adjustments to the General Fund Expenditures: Adjustments were made from one department to another department to prevent budget overruns.

- In the Police Department, salaries and benefits were more than budgeted; therefore, the budget was increased by \$20,000.
- In the Fire Department, salaries and benefits were more than budgeted; therefore, the budget was increased by \$25,000.

## **Proprietary Funds**

The City of Jasper’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the City's two proprietary funds totaled as follows:

▪ Water and Sewer	\$ 16,411,320
▪ Sanitation	\$ 16,626

The total increase in net position for both funds was \$80,135. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City's business-type activities.

**Capital Assets and Debt Administration**

**Capital Assets.** The City of Jasper has invested \$26,684,886 in capital assets (net of accumulated depreciation). Capital assets include infrastructure, land, buildings, and machinery and equipment. Approximately 73% of this investment is related to business-type activities and approximately 27% relates to governmental activities.

During 2020, the City invested \$618,910 in new capital assets. Major capital asset events during the current year included the following:

Governmental-type Activities  
2020

Playground Equipment and Park Improvements	\$ 96,669
Police Department Vehicles (2)	86,881
Fire Department Vehicle	49,377
Appalachian Trail Right-of-Way	35,000
New Servers (2)	30,404
	<u>\$ 298,331</u>

Business-type Activities  
2020

Wastewater Plant Improvements CIP	\$ 139,706
Worley Crossroads - CIP	61,843
Grandview Road - CIP	27,865
Leachate - CIP	9,560
Sanitation Vehicle	40,870
Infrastructure - Long Swamp & WWTP	19,587
Computer Server Cost Share	10,234
	<u>\$ 309,665</u>

Capital assets held by the City at the end of the current year are summarized as follows:

City of Jasper  
Capital Assets (Net of Accumulated Depreciation)  
As of December 31, 2020 and 2019

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 3,385,966	\$ 3,350,966	\$ 1,162,347	\$ 1,162,347	\$ 4,548,313	\$ 4,513,313
Construction in progress	-	-	429,359	190,385	429,359	190,385
Buildings and improvements	1,124,833	1,119,376	2,493,171	2,487,714	3,618,004	3,607,090
Infrastructure	2,634,085	2,634,085	26,434,307	26,434,307	29,068,392	29,068,392
Machinery and equipment	3,097,925	3,345,424	2,975,509	2,168,622	6,073,434	5,514,046
Park improvements	793,689	697,020	-	1,003,386	793,689	1,700,406
Furniture and fixtures	-	-	8,799	8,799	8,799	8,799
Total	11,036,498	11,146,871	33,503,492	33,455,560	44,539,990	44,602,431
Accumulated depreciation	(3,790,802)	(3,789,265)	(14,064,302)	(13,533,281)	(17,855,104)	(17,322,546)
Net Capital Assets	\$ 7,245,696	\$ 7,357,606	\$ 19,439,190	\$ 19,922,279	\$ 26,684,886	\$ 27,279,885

Additional information on the City of Jasper's capital assets can be found in the Note 7 in the notes to the financial statements on pages 45-46 of this report.

**Long-term debt.** At December 31, 2020, the City of Jasper had \$6,543,573 in long-term debt which was an increase of \$311,616 from 2019. The increase is attributed to the refunding of existing GEFA loans with a Revenue Bond at a much lower interest rate. The excess equity was put aside for future water system improvements.

City of Jasper  
Outstanding Debt  
As of December 31, 2020 and 2019

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Capital leases	\$ 665,276	\$ 767,483	\$ 284,630	\$ 405,266	\$ 949,906	\$1,172,749
Notes payable	-	-	5,079,706	4,484,882	5,079,706	4,484,882
Notes payable - component unit	271,533	311,854	-	-	271,533	311,854
Compensated absences	148,167	167,170	94,267	95,302	242,434	262,472
Total	\$1,084,976	\$1,246,507	\$5,458,603	\$4,985,450	\$6,543,579	\$6,231,957

Additional information on the City's long-term debt can be found in the Note 8 in the notes to the financial statements on pages 47-52 of this report.



## **Economic Environment and Next Year's Budgets**

The City continues to anticipate new challenges ahead with the improving economy. The City considered many factors when adopting the 2021 budget. The City's tax rates, fees and charges for services for governmental and business-type activities also dominated budget considerations. The City is experiencing slow growth in population and local businesses relative to the local economic conditions. The City has low to moderate cost of living and has comparable, sometimes lower, unemployment to relative state levels, and is expecting a slow but steady growth in population in the future. Enterprise fund revenues are increasing and the City expects this to continue in the future. The City continues to contract with a local sanitation facility for leachate disposal for additional revenues which is reflected in the 2021 budget. The following are some of the major factors considered in preparing the City's budget for 2021:

- Sustainability of existing services – the City has operated with the philosophy of budgetary evaluation which reviews the needs of the City to the standard which realizes that services and associated costs should not be appropriated if they are not justified as long-term goals of the City. This philosophy is solidified in the budget process with a multi-year forecast mindset that assists in evaluating current priorities, realigning and diversifying revenue structures, and providing the data for decision making for continued financial success. Also, the management of the City strives to provide services at or above current level without further burdening those paying for those services; if, at all possible.
- Cost of government – The City's operating millage rate was raised in 2020 to 5.690 mills after not being above 4.690 mills since 2006. The levy in 2020 funds the 2021 budget.
- Capital Assets – For 2021, the City limited capital asset items funded with the General Fund in order to balance the budget without a bigger increase in the millage rate. The 2020 SPLOST began providing revenue in the last quarter of 2020. Those funds have been identified and budgeted in 2021 for new public safety equipment, park improvements and water and sewer improvements.
- Infrastructure improvements – The City continues to provide substantial capital funding to improve the water and sewer infrastructure. This long- range plan includes seeking additional water sources, replacing deteriorating infrastructure as well as continuing to expand treatment facilities to serve the growing customer base. SPLOST revenue will continue to allow major public works improvements to roads and bridges as well as improvements related to public safety and parks of the City. The refinancing of debt with a Revenue Bond provided funds for improvements in water and sewer infrastructure. These infrastructure improvements, as well as amounts budgeted to improve the water and sewer infrastructure will position the City well for future growth.
- Economy impact – The City's revenue and expenditures were implemented with a conservative approach, although the City is seeing more economic growth in the area.
- The City restricts the use of one-time revenues to capital projects.

For fiscal year 2021, the City Council approved a total budget of \$12,951,869. This budget includes operating and non-operating funds. The General Fund budget is \$4,790,136 and the Proprietary Funds are budgeted for \$6,061,269 (Water, Sewerage and Sanitation). The City's budgets and relative fund balances are maintained in compliance with the City's adopted financial policies.

## **Contacting the City's Financial Management**

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact Beverly Ragland, Finance Director/City Clerk, City of Jasper, Georgia, 200 Burnt Mountain Road, Jasper, GA 30143.

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***BASIC FINANCIAL STATEMENTS***

**CITY OF JASPER, GEORGIA**  
**STATEMENT OF NET POSITION**  
**December 31, 2020**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 3,701,803	\$ 1,876,474	\$ 5,578,277	\$ 19,646
Restricted cash and cash equivalents	9,217	1,377,260	1,386,477	0
Receivables:				
Accounts (net)	0	522,716	522,716	0
Taxes (net)	1,404,669	0	1,404,669	0
Intergovernmental receivable	81,041	0	81,041	0
Other	13,817	101,322	115,139	0
Internal balances	1,078	(1,078)	0	0
Prepaid items	15,063	16,286	31,349	0
Inventories	0	102,918	102,918	0
<b>Total current assets</b>	<b>5,226,688</b>	<b>3,995,898</b>	<b>9,222,586</b>	<b>19,646</b>
<b>Noncurrent assets</b>				
Capital assets				
Non-depreciable	3,385,966	1,591,706	4,977,672	0
Depreciable (net)	3,859,730	17,847,484	21,707,214	0
<b>Total noncurrent assets</b>	<b>7,245,696</b>	<b>19,439,190</b>	<b>26,684,886</b>	<b>0</b>
<b>Total assets</b>	<b>12,472,384</b>	<b>23,435,088</b>	<b>35,907,472</b>	<b>19,646</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources - pension	582,539	382,632	965,171	0
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	97,161	118,880	216,041	0
Accrued salaries	43,582	10,777	54,359	0
Other payroll liabilities	9,075	0	9,075	0
Compensated absences payable	88,900	48,131	137,031	0
Accrued interest payable	7,364	2,955	10,319	0
Unearned revenue	93,875	8,000	101,875	0
Notes payable	43,330	125,341	168,671	0
Bonds payable	0	300,000	300,000	0
Capital lease payable	105,968	124,402	230,370	0
Liabilities payable from restricted assets				
Customer deposits payable	0	677,210	677,210	0
<b>Total current liabilities</b>	<b>489,255</b>	<b>1,415,696</b>	<b>1,904,951</b>	<b>0</b>
<b>Noncurrent liabilities</b>				
Compensated absences payable	59,267	46,136	105,403	0
Net pension liability	1,626,455	1,068,314	2,694,769	0
Capital lease payable	559,308	160,228	719,536	0
Bonds payable	0	3,317,000	3,317,000	0
Notes payable	228,203	1,337,365	1,565,568	0
<b>Total noncurrent liabilities</b>	<b>2,473,233</b>	<b>5,929,043</b>	<b>8,402,276</b>	<b>0</b>
<b>Total liabilities</b>	<b>2,962,488</b>	<b>7,344,739</b>	<b>10,307,227</b>	<b>0</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes levied for subsequent year	1,477,884	0	1,477,884	0
Deferred inflows of resources - pension	68,564	45,035	113,599	0
<b>Total deferred inflows of resources</b>	<b>1,546,448</b>	<b>45,035</b>	<b>1,591,483</b>	<b>0</b>

See accompanying notes to the financial statements.

**CITY OF JASPER, GEORGIA**  
**STATEMENT OF NET POSITION**  
**December 31, 2020**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>NET POSITION</b>				
Net investment in capital assets	\$ 6,308,887	\$ 14,774,904	\$ 21,083,791	\$ 0
Restricted for:				
Judicial and law enforcement				
technology equipment and supplies	128,936	0	128,936	0
Law enforcement equipment and supplies	5,431	0	5,431	0
Capital outlay	1,221,664	0	1,221,664	0
Economic development	9,217	0	9,217	1,000
Unrestricted	871,852	1,653,042	2,524,894	18,646
<b>Total net position</b>	<b>\$ 8,545,987</b>	<b>\$ 16,427,946</b>	<b>\$ 24,973,933</b>	<b>\$ 19,646</b>

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**CITY OF JASPER, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
For the year ended December 31, 2020

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Total Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary government</b>								
Governmental activities								
General government	\$ 865,968	\$ 85,520	\$ 208,030	\$ 0	\$ (572,418)	\$ 0	\$ (572,418)	
Judicial	125,554	29,272	0	0	(96,282)	0	(96,282)	
Public safety	3,373,120	180,216	32,714	0	(3,160,190)	0	(3,160,190)	
Public works	1,208,253	0	72,271	1,051,510	(84,472)	0	(84,472)	
Culture and recreation	63,730	0	1,000	0	(62,730)	0	(62,730)	
Housing and development	193,198	130,284	0	0	(62,914)	0	(62,914)	
Interest on long-term debt	44,968	0	0	0	(44,968)	0	(44,968)	
Total governmental activities	<u>5,874,791</u>	<u>425,292</u>	<u>314,015</u>	<u>1,051,510</u>	<u>(4,083,974)</u>	<u>0</u>	<u>(4,083,974)</u>	
Business-type activities								
Water and Sewerage	4,765,682	4,743,628	0	166,500	0	144,446	144,446	
Sanitation	295,248	170,822	0	0	0	(124,426)	(124,426)	
Total business-type activities	<u>5,060,930</u>	<u>4,914,450</u>	<u>0</u>	<u>166,500</u>	<u>0</u>	<u>20,020</u>	<u>20,020</u>	
Total primary government	<u>10,935,721</u>	<u>5,339,742</u>	<u>314,015</u>	<u>1,218,010</u>	<u>(4,083,974)</u>	<u>20,020</u>	<u>(4,063,954)</u>	
<b>Component Units</b>								
Industrial Development Authority	0	0	0	0				\$ 0
Downtown Development Authority	0	0	0	0				0
Jasper Development Authority	0	0	0	0				0
Total component units	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>				<u>\$ 0</u>
General revenues								
Taxes								
Property					\$ 1,273,979	\$ 0	\$ 1,273,979	\$ 0
Sales					1,609,640	0	1,609,640	0
Franchise					418,629	0	418,629	0
Alcoholic beverage					403,687	0	403,687	0
Insurance premium					294,823	0	294,823	0
Business occupation					124,123	0	124,123	0
Hotel/Motel					64,241	0	64,241	0
Other					49,779	0	49,779	0
Interest and investment earnings					6,512	2,057	8,569	47
Gain on sale of capital assets					0	24,680	24,680	0
Miscellaneous					79,154	33,378	112,532	0
Total general revenues and transfers					<u>4,324,567</u>	<u>60,115</u>	<u>4,384,682</u>	<u>47</u>
Change in net position					<u>240,593</u>	<u>80,135</u>	<u>320,728</u>	<u>47</u>
Net position - beginning (original)					8,296,200	16,347,811	24,644,011	19,599
Prior period adjustment					9,194	0	9,194	0
Net position - beginning (restated)					<u>8,305,394</u>	<u>16,347,811</u>	<u>24,653,205</u>	<u>19,599</u>
Net position - ending					<u>\$ 8,545,987</u>	<u>\$ 16,427,946</u>	<u>\$ 24,973,933</u>	<u>\$ 19,646</u>

See accompanying notes to the financial statements.

**CITY OF JASPER, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2020**

	<b>General</b>	<b>Nonmajor Governmental Funds</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,260,852	\$ 1,440,951	\$ 3,701,803
Restricted cash and cash equivalents	9,217	0	9,217
Receivable			
Taxes	1,399,258	5,411	1,404,669
Intergovernmental	0	81,041	81,041
Other	13,817	0	13,817
Due from other funds	25,100	0	25,100
Prepaid items	15,063	0	15,063
<b>Total assets</b>	<b>\$ 3,723,307</b>	<b>\$ 1,527,403</b>	<b>\$ 5,250,710</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 71,045	\$ 26,116	\$ 97,161
Due to other funds	8,514	15,508	24,022
Accrued salaries	43,582	0	43,582
Other payroll liabilities	9,075	0	9,075
Unearned revenue	93,875	0	93,875
<b>Total liabilities</b>	<b>226,091</b>	<b>41,624</b>	<b>267,715</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes levied for subsequent year	1,477,884	0	1,477,884
Unavailable revenue - property taxes	23,323	0	23,323
<b>Total deferred inflows of resources</b>	<b>1,501,207</b>	<b>0</b>	<b>1,501,207</b>
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid items	15,063	0	15,063
Restricted for:			
Judicial and law enforcement			
technology equipment and supplies	0	128,936	128,936
Law enforcement equipment and supplies	0	5,431	5,431
Promotion of downtown commerce and business	9,217	0	9,217
Capital outlay	0	1,221,664	1,221,664
Assigned for:			
Tourism	0	129,748	129,748
Unassigned	1,971,729	0	1,971,729
<b>Total fund balances</b>	<b>1,996,009</b>	<b>1,485,779</b>	<b>3,481,788</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 3,723,307</b>	<b>\$ 1,527,403</b>	<b>\$ 5,250,710</b>



**CITY OF JASPER, GEORGIA**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**THE GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET POSITION**  
**December 31, 2020**

**Total fund balance - total governmental funds** \$ 3,481,788

Amounts reported for governmental activities in the statement of net position are different because:

Some assets are not financial resources and, therefore, are not reported in the funds. These are:

Capital assets	\$ 11,036,498	
Accumulated depreciation	<u>(3,790,802)</u>	7,245,696

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:

Deferred outflows of resources - pension	\$ 582,539	
Deferred inflows of resources - pension	<u>(68,564)</u>	513,975

Deferred inflows of resources related to property taxes that are not available to pay current obligations. These are reported as revenues in the statement of activities when earned. 23,323

Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are:

Accrued interest payable	\$ (7,364)	
Compensated absences payable	(148,167)	
Net pension liability	(1,626,455)	
Capital lease payable	(665,276)	
Note payable	<u>(271,533)</u>	<u>(2,718,795)</u>

Net position of the governmental activities		<u>\$ 8,545,987</u>
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**CITY OF JASPER, GEORGIA**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
*For the year ended December 31, 2020*

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
<b>REVENUES</b>			
Taxes	\$ 4,173,405	\$ 64,241	\$ 4,237,646
Licenses and permits	213,710	0	213,710
Fines and forfeitures	165,141	29,272	194,413
Charges for services	17,170	0	17,170
Intergovernmental	240,244	1,121,383	1,361,627
Interest	6,334	2,573	8,907
Contributions	1,500	0	1,500
Other	79,154	0	79,154
<b>Total revenues</b>	<u>4,896,658</u>	<u>1,217,469</u>	<u>6,114,127</u>
<b>EXPENDITURES</b>			
Current			
General government	769,151	0	769,151
Judicial	90,590	27,188	117,778
Public safety	2,656,590	19,538	2,676,128
Public works	738,150	0	738,150
Culture and recreation	92,260	0	92,260
Housing and development	119,204	49,384	168,588
Capital outlay	0	229,250	229,250
Debt service	187,562	0	187,562
<b>Total expenditures</b>	<u>4,653,507</u>	<u>325,360</u>	<u>4,978,867</u>
Excess (deficiency) of revenues over (under) expenditures	<u>243,151</u>	<u>892,109</u>	<u>1,135,260</u>
Other financing sources (uses)			
Transfers in	15,508	0	15,508
Transfers out	0	(15,508)	(15,508)
Proceeds from sale of capital assets	51,445	0	51,445
<b>Total other financing sources (uses)</b>	<u>66,953</u>	<u>(15,508)</u>	<u>51,445</u>
Net change in fund balances	<u>310,104</u>	<u>876,601</u>	<u>1,186,705</u>
Fund balances, January 1 (original)	1,676,711	609,178	2,285,889
Prior period adjustment	9,194	0	9,194
Fund balances, January 1 (restated)	<u>1,685,905</u>	<u>609,178</u>	<u>2,295,083</u>
<b>Fund balances, December 31</b>	<u>\$ 1,996,009</u>	<u>\$ 1,485,779</u>	<u>\$ 3,481,788</u>

**CITY OF JASPER, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF THE GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the year ended December 31, 2020**

**Net change in fund balances - total governmental funds** \$ 1,186,705

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	\$ 303,788	
Depreciation	<u>(307,603)</u>	(3,815)

In the statement of activities, the gain/loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.

Cost of assets disposed	\$ (414,161)	
Related accumulated depreciation	<u>306,066</u>	(108,095)

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension contributions	\$ 95,830	
Cost of benefits earned net of employee contributions	<u>(1,092,887)</u>	(997,057)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. These includes recognition of unavailable revenue. 1,255

The proceeds of debt issuance provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the statement of net position. Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.

Debt principal repayments	\$ 142,528	
Net change in interest payable	<u>69</u>	142,597

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. These include the following:

Net change in compensated absences		<u>19,003</u>
Change in net position of governmental activities		<u>\$ 240,593</u>

**CITY OF JASPER, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP) AND ACTUAL**  
**For the year ended December 31, 2020**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 4,114,873	\$ 4,094,873	\$ 4,173,405	\$ 78,532
Licenses and permits	109,250	124,250	213,710	89,460
Fines and forfeitures	214,500	127,797	165,141	37,344
Charges for services	24,090	23,950	17,170	(6,780)
Intergovernmental	30,000	30,000	240,244	210,244
Interest	8,100	8,100	6,334	(1,766)
Contributions	4,000	4,000	1,500	(2,500)
Other	32	32	79,154	79,122
<b>Total revenues</b>	<b>4,504,845</b>	<b>4,413,002</b>	<b>4,896,658</b>	<b>483,656</b>
<b>EXPENDITURES</b>				
Current				
General government				
Legislative	117,313	198,591	192,725	5,866
Executive	150,250	155,528	156,489	(961)
Financial administration	340,789	529,041	419,937	109,104
Judicial				
Municipal court	97,823	90,925	90,590	335
Public safety				
Police	1,365,866	1,416,325	1,416,012	313
Fire	1,159,810	1,199,416	1,198,488	928
Animal control	43,921	73,921	42,090	31,831
Public works				
Streets	821,670	739,307	638,214	101,093
Fleet maintenance and shop	116,721	119,351	99,936	19,415
Cemetery	500	500	0	500
Culture and recreation				
Parks and recreation	121,251	122,315	92,260	30,055
Housing and development				
Protective inspection	25,805	16,007	6,493	9,514
Planning and zoning	133,324	169,620	112,711	56,909
Debt service	184,989	188,453	187,562	891
<b>Total expenditures</b>	<b>4,680,032</b>	<b>5,019,300</b>	<b>4,653,507</b>	<b>365,793</b>
Excess (deficiency) of revenues over (under) expenditures	(175,187)	(606,298)	243,151	849,449
Other financing sources (uses)				
Transfers in	26,687	80,687	15,508	(65,179)
Proceeds from issuance of debt	98,500	0	0	0
Proceeds from sale of capital assets	0	0	51,445	51,445
<b>Total other financing sources (uses)</b>	<b>125,187</b>	<b>80,687</b>	<b>66,953</b>	<b>(13,734)</b>
Net change in fund balance	(50,000)	(525,611)	310,104	835,715
Fund balances, January 1 (original)	50,000	525,611	1,676,711	1,151,100
Prior period adjustment	0	0	9,194	9,194
Fund balances, January 1 (restated)	50,000	525,611	1,685,905	1,160,294
<b>Fund balances, December 31</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,996,009</b>	<b>\$ 1,996,009</b>

See accompanying notes to the financial statements.

**CITY OF JASPER, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2020**

	<b>Business-Type Activities</b>		
	<b>Water and Sewerage</b>	<b>Nonmajor Sanitation</b>	<b>Totals</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 1,874,303	\$ 2,171	\$ 1,876,474
Restricted cash and cash equivalents	1,377,260	0	1,377,260
Accounts receivable (net)	504,713	18,003	522,716
Other receivables	101,322	0	101,322
Due from other funds	8,514	60,378	68,892
Prepaid items	16,209	77	16,286
Inventories	102,918	0	102,918
Total current assets	<u>3,985,239</u>	<u>80,629</u>	<u>4,065,868</u>
<b>Noncurrent assets</b>			
Capital assets			
Nondepreciable	1,591,706	0	1,591,706
Depreciable (net)	17,732,031	115,453	17,847,484
Total noncurrent assets	<u>19,323,737</u>	<u>115,453</u>	<u>19,439,190</u>
<b>Total assets</b>	<u>23,308,976</u>	<u>196,082</u>	<u>23,505,058</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources - pension	<u>358,855</u>	<u>23,777</u>	<u>382,632</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	113,068	5,812	118,880
Accrued salaries	9,396	1,381	10,777
Due to other funds	66,478	3,492	69,970
Compensated absences payable	42,115	6,016	48,131
Unearned revenue	8,000	0	8,000
Accrued interest payable	2,955	0	2,955
Notes payable	125,341	0	125,341
Bonds payable	300,000	0	300,000
Capital lease payable	96,823	27,579	124,402
Liabilities payable from restricted assets			
Customer deposits payable	677,210	0	677,210
Total current liabilities	<u>1,441,386</u>	<u>44,280</u>	<u>1,485,666</u>
<b>Noncurrent liabilities</b>			
Compensated absences payable	34,458	11,678	46,136
Net pension liability	1,001,929	66,385	1,068,314
Notes payable	1,337,365	0	1,337,365
Bonds payable	3,317,000	0	3,317,000
Capital lease payable	82,136	78,092	160,228
Total noncurrent liabilities	<u>5,772,888</u>	<u>156,155</u>	<u>5,929,043</u>
<b>Total liabilities</b>	<u>7,214,274</u>	<u>200,435</u>	<u>7,414,709</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - pension	<u>42,237</u>	<u>2,798</u>	<u>45,035</u>
<b>NET POSITION</b>			
Net investment in capital assets	14,765,122	9,782	14,774,904
Unrestricted	1,646,198	6,844	1,653,042
<b>Total net position</b>	<u>\$ 16,411,320</u>	<u>\$ 16,626</u>	<u>\$ 16,427,946</u>

See accompanying notes to the financial statements.

**CITY OF JASPER, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the year ended December 31, 2020**

	<b>Business-Type Activities</b>		
	<b>Water and Sewerage</b>	<b>Nonmajor Sanitation</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>			
Charges for service	\$ 4,743,628	\$ 170,822	\$ 4,914,450
Miscellaneous	33,378	0	33,378
<b>Total operating revenues</b>	<b>4,777,006</b>	<b>170,822</b>	<b>4,947,828</b>
<b>OPERATING EXPENSES</b>			
Cost of sales and services	1,526,487	77,337	1,603,824
Personal services	2,306,454	192,125	2,498,579
Depreciation	754,354	21,857	776,211
<b>Total operating expenses</b>	<b>4,587,295</b>	<b>291,319</b>	<b>4,878,614</b>
Operating income	189,711	(120,497)	69,214
Non-operating revenues (expenses)			
Interest revenue	2,044	13	2,057
Interest expense	(84,953)	(3,929)	(88,882)
Debt issue costs	(93,434)	0	(93,434)
Gain on sale of capital assets	24,680	0	24,680
<b>Total non-operating revenues (expenses)</b>	<b>(151,663)</b>	<b>(3,916)</b>	<b>(155,579)</b>
Net income before capital contributions and transfers	38,048	(124,413)	(86,365)
Capital contributions	166,500	0	166,500
Net income before transfers	204,548	(124,413)	80,135
Transfers			
Transfers in	0	125,000	125,000
Transfers out	(125,000)	0	(125,000)
<b>Total transfers in (out)</b>	<b>(125,000)</b>	<b>125,000</b>	<b>0</b>
Change in net position	79,548	587	80,135
Net position, January 1	16,331,772	16,039	16,347,811
<b>Net position, December 31</b>	<b>\$ 16,411,320</b>	<b>\$ 16,626</b>	<b>\$ 16,427,946</b>

**CITY OF JASPER, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the year ended December 31, 2020

	<b>Business-Type Activities</b>		
	<b>Water and Sewerage</b>	<b>Nonmajor Sanitation</b>	<b>Totals</b>
<b>Cash flows from operating activities:</b>			
Receipts from customers and users	\$ 4,739,068	\$ 169,581	\$ 4,908,649
Payments to suppliers	(1,450,182)	(69,185)	(1,519,367)
Payments to employees	(1,717,167)	(152,929)	(1,870,096)
Other receipts	33,378	0	33,378
Net cash provided (used) by operating activities	<u>1,605,097</u>	<u>(52,533)</u>	<u>1,552,564</u>
<b>Cash flows from non-capital financing activities:</b>			
Payments to other funds	(133,514)	(50,346)	(183,860)
Receipts from other funds	26,116	125,000	151,116
Net cash provided (used) by non-capital financing activities	<u>(107,398)</u>	<u>74,654</u>	<u>(32,744)</u>
<b>Cash flows from capital and related financing activities:</b>			
Receipts of capital contributions	166,500	0	166,500
Acquisition of capital assets	(274,252)	(40,870)	(315,122)
Proceeds from sale of capital assets	46,680	0	46,680
Proceeds from issuance of bonds payable	3,642,000	0	3,642,000
Principal payments - bonds payable	(25,000)	0	(25,000)
Principal payments - notes payable	(3,022,176)	0	(3,022,176)
Principal payments - capital lease payable	(93,980)	(26,656)	(120,636)
Payment of debt issue costs	(93,434)	0	(93,434)
Interest paid	(94,351)	(3,929)	(98,280)
Net cash provided (used) by capital and related financing activities	<u>251,987</u>	<u>(71,455)</u>	<u>180,532</u>
<b>Cash flows from investing activities:</b>			
Interest received	2,044	13	2,057
Net increase in cash and cash equivalents	1,751,730	(49,321)	1,702,409
Cash and cash equivalents, January 1	1,499,833	51,492	1,551,325
<b>Cash and cash equivalents, December 31</b>	<u>\$ 3,251,563</u>	<u>\$ 2,171</u>	<u>\$ 3,253,734</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	\$ 189,711	\$ (120,497)	\$ 69,214
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	754,354	21,857	776,211
(Increase) decrease in accounts receivable	(9,037)	(1,241)	(10,278)
(Increase) decrease in other receivables	(19,388)	0	(19,388)
(Increase) decrease in prepaid items	371	2,341	2,712
(Increase) decrease in inventory	12,721	0	12,721
(Increase) decrease in deferred outflows of resources - pension	(131,100)	1,937	(129,163)
Increase (decrease) in accounts payable	63,213	5,811	69,024
Increase (decrease) in accrued payroll liabilities	(22,884)	4,953	(17,931)
Increase (decrease) in customer deposits payable	23,865	0	23,865
Increase (decrease) in net pension liability	770,290	36,423	806,713
Increase (decrease) in deferred inflows of resources - pension	(27,019)	(4,117)	(31,136)
Total adjustments	<u>1,415,386</u>	<u>67,964</u>	<u>1,483,350</u>
Net cash provided (used) by operating activities	<u>\$ 1,605,097</u>	<u>\$ (52,533)</u>	<u>\$ 1,552,564</u>
<b>Cash and cash equivalents reconciliation</b>			
Cash and cash equivalents	\$ 1,874,303	\$ 2,171	\$ 1,876,474
Restricted cash and cash equivalents	1,377,260	0	1,377,260
	<u>\$ 3,251,563</u>	<u>\$ 2,171</u>	<u>\$ 3,253,734</u>

See accompanying notes to the financial statements.

**CITY OF JASPER, GEORGIA**  
**MUNICIPAL COURT CUSTODIAL FUND**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**December 31, 2020**

**ASSETS**

Cash and cash equivalents	\$ 34,067
Accounts receivable	<u>4,114</u>
<b>Total assets</b>	<u><u>38,181</u></u>

**LIABILITIES**

Due to others	<u>23,083</u>
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**NET POSITION**

Restricted for individuals, organizations, and other governments	<u><u>\$ 15,098</u></u>
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**CITY OF JASPER, GEORGIA**  
**MUNICIPAL COURT CUSTODIAL FUND**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the year ended December 31, 2020**

<b>ADDITIONS</b>	
Court fees collected for other agencies	\$ 73,499
Court individual cases	24,869
	<hr/>
<b>Total additions</b>	<b>98,368</b>
	<hr/>
<b>DEDUCTIONS</b>	
Court fees distributed to other agencies	73,499
Payments to others	19,308
	<hr/>
<b>Total deductions</b>	<b>92,807</b>
	<hr/>
Change in net position	5,561
	<hr/>
Net position, January 1 (original)	0
	<hr/>
Prior period adjustments	9,537
	<hr/>
Net position, January 1 (restated)	9,537
	<hr/>
<b>Net position, December 31</b>	<b>\$ 15,098</b>
	<hr/> <hr/>

**CITY OF JASPER, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
**December 31, 2020**

	<u>Industrial Development Authority</u>	<u>Jasper Development Authority</u>	<u>Totals</u>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 1,000	\$ 18,646	\$ 19,646
<b>NET POSITION</b>			
Restricted for economic development	1,000	0	1,000
Unrestricted	<u>0</u>	<u>18,646</u>	<u>18,646</u>
<b>Total net position</b>	<u>\$ 1,000</u>	<u>\$ 18,646</u>	<u>\$ 19,646</u>

**CITY OF JASPER, GEORGIA**  
**COMBINING STATEMENT OF ACTIVITIES**  
**COMPONENT UNITS**  
*For the year ended December 31, 2020*

	<u>Industrial Development Authority</u>	<u>Jasper Development Authority</u>	<u>Totals</u>
<b>Expenses</b>			
<b>Total expenses</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Program revenues</b>			
Total program revenues	<u>0</u>	<u>0</u>	<u>0</u>
Net (expense) revenue	0	0	0
<b>General revenues</b>			
Interest	<u>0</u>	<u>47</u>	<u>47</u>
Change in net position	0	47	47
Net position - December 1	<u>1,000</u>	<u>18,599</u>	<u>19,599</u>
<b>Net position - December 31</b>	<u><u>\$ 1,000</u></u>	<u><u>\$ 18,646</u></u>	<u><u>\$ 19,646</u></u>

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**1. Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

The City was established in 1857. The City operates under a City Council / Mayor form of government. Policy making and legislative authority are vested in an elected five-member City Council. The City provides the following services: public safety, street and sanitation, culture and recreation, public improvements and general and administrative services. In addition, the City operates public utilities for water and sewer for the incorporated and immediate surrounding areas.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, the financial statements of component units have been included as discretely presented component units. The City has three component units: two discretely presented and one blended component unit. The component unit column on the government-wide financial statements is used to emphasize that the entities are legally separate from the City. Financial information pertaining to the component units can be obtained from the City upon request.

The City of Jasper Downtown Development Authority (the "DDA") is reported as a blended component unit in the accompanying financial statements. The purpose of the DDA is to promote business and commerce within the downtown business district of the City. The Mayor and City Council appoint all of the board members to the DDA. Information included herein has been compiled from the records of the DDA. Due to the insignificant amount of operating activity, the operations of the DDA are reported in the General Fund. Through an intergovernmental contract, the City is responsible for the repayment of the debt of the Authority. Separate financial statements are not issued. The Authority was previously presented discretely.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**1. Summary of Significant Accounting Policies (continued)**

**A. Reporting Entity**

The Industrial Development Authority (the "IDA") is reported as a discretely presented component unit in the accompanying financial statements. The purpose of the IDA is to promote industry and commerce within the central business district of the City. The Mayor and City Council appoint all of the board members to the IDA. Information included herein has been compiled from the records of the IDA.

The Jasper Development Authority (the "JDA") is reported as a discretely presented component unit in the accompanying financial statements. The purpose of the JDA is to promote business and commerce within the downtown business district of the City. The Mayor and City Council appoint all of the board members to the JDA. Information included herein has been compiled from the records of the JDA.

The Housing Authority is a related organization of the City. The City appoints the board members of the Authority. It exists in order to provide housing for low-income individuals that reside within the City limits and meet certain eligibility requirements. The Housing Authority makes payments in lieu of taxes to the City instead of property taxes.

**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 non-fiduciary activities of the primary government and its component units. (For the most part, the effect of interfund activity has been removed from these statements). Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from discretely presented component units. The Statement of Net Position will include noncurrent assets and noncurrent liabilities. In addition, the government-wide Statement of Activities reflects depreciation expense on the City's capital assets.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**1. Summary of Significant Accounting Policies (continued)**

**B. Government-wide and Fund Financial Statements (continued)**

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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 resource measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally 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.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**1. Summary of Significant Accounting Policies (continued)**

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

Property taxes, sales taxes, franchise taxes, licenses, fines and forfeitures, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions," the corresponding assets (receivables) in nonexchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

The **Water and Sewerage Fund** accounts for the activity of the City's water and sewerage utility system.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**1. Summary of Significant Accounting Policies (continued)**

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

The City also reports the following fund types:

**Governmental Fund Types**

The **Special Revenue Funds** are used to account for specific revenues, such as confiscations and forfeitures and hotel/motel tax revenues, which are legally restricted or committed to expenditures for specific, restricted purposes.

The **Capital Project Funds** are used to account for the collection and expenditures of certain restricted revenues, such as sales tax receipts and impact fee.

**Proprietary Fund Types**

**Enterprise Funds** - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

**Fiduciary Fund Types**

**Custodial Funds** – Custodial Funds are fiduciary in nature and are accounted for using the full accrual basis of accounting. These funds are used to account for assets that are collected and held for other agencies. The City has a custodial fund to account for the activity of the Municipal Court.



**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Cash and Investments**

Amounts reported as cash by the City in the accompanying financial statements include cash on hand and on deposit with financial institutions.

Georgia statutes authorize the City to invest in the following: (1) obligations of Georgia or any other state; (2) obligations of the United States; (3) obligations fully insured or guaranteed by the United States government or one of its agencies; (4) obligations of any corporation of the United States government; (5) prime bankers' acceptances; (6) the State of Georgia local government investment pool; (7) repurchase agreements; and (8) obligations of any other political subdivisions of the State of Georgia.

Any investment or deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of state or U.S. obligations. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents. Investments are reported at fair value as determined by quoted market prices.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**1. Summary of Significant Accounting Policies (continued)**

**E. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds is reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Customer accounts receivable include billed but uncollected amounts and unbilled receivables based upon a pro rata amount of subsequent monthly billings. Allowances for doubtful accounts are maintained based on historical results adjusted to reflect current conditions.

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules, and are offset by non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**F. Prepaid Items**

Prepaid items are accounted for using the consumption method. Payments made to vendors for services that will benefit periods beyond the current year are recorded as prepaid items in both government-wide and fund financial statements.

**G. Inventories**

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an asset at the time the individual item is purchased and is adjusted when accounted for at interval periods during the year or at year-end.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**1. Summary of Significant Accounting Policies (continued)**

**H. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Infrastructure (e.g., roads, bridges, sidewalks, and similar items) prior to January 1, 2004 have not been reported.

Major outlays for capital assets and improvements are capitalized as projects are 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 of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

	<b>Useful Life</b>
	<b><u>in Years</u></b>
Infrastructure	10 to 50
Buildings and improvements	20 to 50
Vehicles	2 to 15
Machinery and equipment	3 to 15
Furniture and fixtures	3 to 15
Park improvements	10 to 20

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**1. Summary of Significant Accounting Policies (continued)**

**I. Deferred Outflows / Inflows of Resources**

The City implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of January 1, 2013. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City's unavailable revenues arise only under a modified accrual basis of accounting. Accordingly, they are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, which will be recognized as an inflow of resources in the period in which the amounts become available. The City also reports deferred inflows of resources related to their defined benefit pension plan.

**J. Compensated Absences**

The City offers full-time employees compensated time off for personal leave, which may be used for vacation or sickness. Personal leave is accrued on a monthly basis according to length of service. Policy permits employees to carry forward accumulated, but unused, unlimited vacation leave and 480 hours of sick leave. The City's liability has been calculated using the vesting method; leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future for such payments, are included.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**1. Summary of Significant Accounting Policies (continued)**

**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 term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Issuance costs are reported as expenses when incurred.

Proprietary fund type loans payable are reported as liabilities at their outstanding value. Loan issuance costs are reported as expenses when incurred. In the fund financial statements, governmental fund types report the face amount of debt issued and related premiums or discounts as other financing sources and bond issuance costs as expenditures.

**L. Fund Equity and Net Position**

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

**Fund Balance** – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management 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 purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

*Nonspendable* – Fund balances are reported as nonspendable 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.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**1. Summary of Significant Accounting Policies (continued)**

**L. Fund Equity and Net Position, continued**

*Restricted* – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, 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 a formal vote (resolution) of the City Council. 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. The City Council retains the authority to assign amounts for specific purposes by a formal vote (resolution). Only the City Council may modify or rescind the assignment.

*Unassigned* – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund.

**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: (1) Committed, (2) Assigned, (3) Unassigned.

**Net Position** – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. 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.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**1. Summary of Significant Accounting Policies (continued)**

**L. Fund Equity and Net Position, continued**

**Minimum Fund Balance Policy** – The Mayor and City Council have adopted a financial policy to maintain a minimum level of unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund. The target level is set at 20%, which is approximately two to three months of general fund annual revenues. This amount is intended to provide fiscal stability when economic downturns and other unexpected events occur. If fund balance falls below the minimum target level because it has been used, essentially as a “revenue” source, as dictated by current circumstances, the policy provides for actions to replenish the amount to the minimum target level. Generally, replenishment is to occur within a five-year period.

**M. Management Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

**N. Interfund Transactions**

Interfund services provided and used in the fund financial statements are accounted for as revenue, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**1. Summary of Significant Accounting Policies (continued)**

**O. Budgets**

Annual appropriated budgets are adopted for all funds. The budgets for the proprietary funds are for management control purposes and are not required to be reported. Budgets are adopted on a modified accrual basis, which is consistent with generally accepted accounting principles for governmental funds. All appropriations lapse at fiscal year-end. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not employed by the City.

**R. Pensions**

For the purposes of measuring the net pension liability, deferred inflows/outflows of resources related to pensions and pension expense information about the fiduciary net position of the City of Jasper Employees' Pension 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.

**2. Legal Compliance - Budgets**

The applicable statutes of the State of Georgia require the City to operate under an annual balanced budget adopted by resolution for all governmental funds. A budget is defined as being balanced when the sum of estimated net revenues and appropriated fund balance is equal to appropriations. Annual budgets are adopted for the General Fund and each special revenue fund. Capital projects funds have project length budgets. The budget is adopted on a basis consistent with generally accepted accounting principles, and on the same basis of accounting used by each fund to which the budget applies. Each fund's appropriated budget is prepared on a detailed line-item basis. Revenues are budgeted by source and expenditures are budgeted by department, which constitutes the legal level of control and the level at which expenditures may not legally exceed appropriations. All annual appropriations lapse at year-end.



**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**2. Legal Compliance - Budgets (continued)**

Budget revisions at the department level are subject to final review by the City Council. Amendments to the budget were made for the year to reflect greater than expected revenues and increased operating costs in certain departments.

Although not required by state law, an operating budget is also adopted for the proprietary funds for administrative control purposes.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of resources are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City.

**3. Deposits**

**Credit risk:** The City's policy is to adhere to the State statutes as it relates to credit risk for investments. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker's acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

**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, and City policy, 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.

**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.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**3. Deposits (continued)**

**Concentration of Credit Risk:** The City has no formal policy on the amount the City may invest with any one issuer.

**Foreign currency risk:** The City has no investments denominated in a foreign currency.

**4. Receivables**

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

<u>Governmental Activities</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
Receivables:			
Taxes	\$ 1,562,216	\$ 5,411	\$ 1,567,627
Other	13,817	81,041	94,858
Less allowance for uncollectible	<u>(162,958)</u>	<u>0</u>	<u>(162,958)</u>
Net totals	<u>\$ 1,413,075</u>	<u>\$ 86,452</u>	<u>\$ 1,499,527</u>
<u>Business-type Activities</u>	<u>Water and Sewerage Fund</u>	<u>Nonmajor Sanitation Fund</u>	<u>Totals</u>
Receivables:			
Accounts	\$ 655,765	\$ 18,003	\$ 673,768
Other	101,322	0	101,322
Less allowance for uncollectible	<u>(151,052)</u>	<u>0</u>	<u>(151,052)</u>
Net totals	<u>\$ 606,035</u>	<u>\$ 18,003</u>	<u>\$ 624,038</u>

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**5. Property Taxes**

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for the 2020 tax digest year, based upon the assessments as of January 1, 2020, were levied on October 5, 2020, billed on November 2, 2020, and due on January 15, 2021. Unpaid tax bills become delinquent on February 2, 2021, and liens will be put on property with unpaid tax on March 15, 2021. The 2020 tax digest is to fund the 2021 budget. Therefore, the tax proceeds for this year have been reported as deferred inflows of resources.

**6. Interfund Receivables, Payables, and Transfers**

A summary of interfund receivables and payables at the end of the current year is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water and Sewerage	\$ 6,100
	Sanitation	3,492
	Nonmajor Governmental	15,508
Water and Sewerage	General	8,514
Sanitation	Water and Sewerage	<u>60,378</u>
		<u>\$ 93,992</u>

The balance reported as Due to/Due from represent loans between the borrower funds and the lender. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”.

Interfund activity consisted of the following for the current year:

<u>Transfer Out Fund</u>	<u>Transfer In Fund</u>	<u>Amount</u>
Nomajor Governmental	General Fund	\$ 15,508
Water and Sewerage	Sanitation	<u>125,000</u>
		<u>\$ 140,508</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that 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.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**7. Capital Assets**

Capital asset activity for the primary government for the current year is as follows:

	<b>Balance Beginning</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance Ending</b>
<b>Governmental activities</b>				
Non-depreciable assets				
Land	\$ 3,350,966	\$ 35,000	\$ 0	\$ 3,385,966
Construction in progress	0	0	0	0
Total non-depreciable assets	<u>3,350,966</u>	<u>35,000</u>	<u>0</u>	<u>3,385,966</u>
Depreciable assets				
Buildings and improvements	1,119,376	5,457	0	1,124,833
Infrastructure	2,634,085	0	0	2,634,085
Machinery and equipment	3,345,424	166,662	(414,161)	3,097,925
Park improvements	697,020	96,669	0	793,689
Total depreciable assets	<u>7,795,905</u>	<u>268,788</u>	<u>(414,161)</u>	<u>7,650,532</u>
Less accumulated depreciation				
Buildings and improvements	(404,981)	(23,097)	0	(428,078)
Infrastructure	(850,898)	(108,982)	0	(959,880)
Machinery and equipment	(2,135,596)	(156,819)	306,066	(1,986,349)
Park improvements	(397,790)	(18,705)	0	(416,495)
Total accumulated depreciation	<u>(3,789,265)</u>	<u>(307,603)</u>	<u>306,066</u>	<u>(3,790,802)</u>
Total depreciable assets, net	<u>4,006,640</u>	<u>(38,815)</u>	<u>(108,095)</u>	<u>3,859,730</u>
Governmental activities capital assets, net	<u>\$ 7,357,606</u>	<u>\$ (3,815)</u>	<u>\$ (108,095)</u>	<u>\$ 7,245,696</u>
<b>Business-type activities</b>				
Non-depreciable assets				
Land	\$ 1,162,347	\$ 0	\$ 0	\$ 1,162,347
Construction in progress	190,385	238,974	0	429,359
Total non-depreciable assets	<u>1,352,732</u>	<u>238,974</u>	<u>0</u>	<u>1,591,706</u>
Depreciable assets				
Buildings and improvements	2,487,714	5,457	0	2,493,171
Infrastructure	26,434,307	0	0	26,434,307
Machinery and equipment	2,168,622	29,821	(188,146)	2,010,297
Vehicle	1,003,386	40,870	(79,044)	965,212
Furniture and fixtures	8,799	0	0	8,799
Total depreciable assets	<u>32,102,828</u>	<u>76,148</u>	<u>(267,190)</u>	<u>31,911,786</u>
Less accumulated depreciation				
Buildings and improvements	(636,789)	(58,884)	0	(695,673)
Infrastructure	(11,125,776)	(535,346)	0	(11,661,122)
Machinery and equipment	(1,176,988)	(108,756)	166,147	(1,119,597)
Vehicle	(584,929)	(73,225)	79,043	(579,111)
Furniture and fixtures	(8,799)	0	0	(8,799)
Total accumulated depreciation	<u>(13,533,281)</u>	<u>(776,211)</u>	<u>245,190</u>	<u>(14,064,302)</u>
Total depreciable assets, net	<u>18,569,547</u>	<u>(700,063)</u>	<u>(22,000)</u>	<u>17,847,484</u>
Business-type activities capital assets, net	<u>\$ 19,922,279</u>	<u>\$ (461,089)</u>	<u>\$ (22,000)</u>	<u>\$ 19,439,190</u>

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**7. Capital Assets (continued)**

Depreciation expense was charged to functions/programs as follows:

**Primary Government**

**Governmental activities**

General Government	\$ 5,914
Public Safety	129,280
Public Works	146,323
Culture and Recreation	<u>26,086</u>

Total depreciation expense for governmental activities	<u><u>\$ 307,603</u></u>
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**Business-type activities**

Water and Sewerage	\$ 754,354
Sanitation	<u>21,857</u>

Total depreciation expense for business-type activities	<u><u>\$ 776,211</u></u>
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**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**8. Long-Term Liabilities**

**Capital Lease Obligations**

The City has entered into multiple capital lease agreements with various financial institutions to finance vehicle and equipment purchases. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balances of these leases at the end of the current fiscal year are \$665,276 and \$284,630 for governmental and business-type activities, respectively.

Total assets leased under capital leases are \$1,051,507 and \$570,254 for governmental and business-type activities, respectively, and are classified as follows:

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>
Machinery and equipment	\$ 697,890	\$ 131,774	\$ 156,757	\$ 40,443
Vehicles and equipment	353,617	187,068	413,497	18,689
Total assets under capital leases	<u>\$ 1,051,507</u>	<u>\$ 318,842</u>	<u>\$ 570,254</u>	<u>\$ 59,132</u>

Individual leases outstanding at the end of the current year are listed below with their related interest rate and maturity.

**Governmental Activities**

<b>Agreement</b>	<b>Rate</b>	<b>Maturity</b>	<b>Balance</b>
BB&T 2017 Equipment Lease	2.93%	2022	\$ 74,748
BB&T 2019 Equipment Lease	3.23%	2024	60,630
Magnolia Bank Equipment Lease	4.51%	2022	16,915
Leasing2, Inc. Fire Truck Lease	4.51%	2032	512,983
Total capital leases			665,276
Less current portion of leases			(105,968)
Long-term portion of leases			<u>\$ 559,308</u>

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**8. Long-Term Liabilities (continued)**

**Capital Lease Obligations, continued**

The City's capital leases debt service requirements to maturity are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 105,968	\$ 26,908	\$ 132,876
2022	78,973	23,290	102,263
2023	49,512	21,046	70,558
2024	45,656	19,045	64,701
2025	35,641	17,367	53,008
2026-2030	203,812	61,228	265,040
2031-2034	145,714	13,332	159,046
Totals	<u>\$ 665,276</u>	<u>\$ 182,216</u>	<u>\$ 847,492</u>

**Business-Type Activities**

Individual leases outstanding at the end of the current year are listed below with their related interest rate and maturity.

<u>Agreement</u>	<u>Rate</u>	<u>Maturity</u>	<u>Balance</u>
BB&T 2017 Equipment Lease	2.93%	2022	\$ 137,261
BB&T 2019 Equipment Lease	3.23%	2024	147,369
Total capital leases			284,630
Less current portion of leases			(124,402)
Long-term portion of leases			<u>\$ 160,228</u>

The City's capital leases debt service requirements to maturity are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 124,402	\$ 9,544	\$ 133,946
2022	91,031	5,804	96,835
2023	41,028	2,131	43,159
2024	28,169	342	28,511
Totals	<u>\$ 284,630</u>	<u>\$ 17,821</u>	<u>\$ 302,451</u>

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*December 31, 2020*

**8. Long-Term Liabilities (continued)**

**Notes from Direct Borrowings**

**Governmental Activities**

The Downtown Development Authority of Jasper, a blended component unit of the City, currently holds two notes from direct borrowings at various financial institutions for assets leased to the City through a lease purchase agreement. The annual lease payments for the buildings and adjoining land parcels equal the amount of annual debt service payments. Upon full payment of the debt, the assets are to be sold to the City at a purchase price of \$1. In the event of default, the lender has the option to declare the full amount of unpaid principal and interest due immediately. Individual borrowings outstanding at the end of the current year are listed below with their related interest rate and maturity.

<u>Agreement</u>	<u>Rate</u>	<u>Maturity</u>	<u>Balance</u>
Regions Bank - Police Precinct	4.75%	2024	\$ 155,206
United Community Bank - 36 E. Spring Street	5.07%	2026	116,327
Total direct borrowings			271,533
Less current portion of borrowings			(43,330)
Long-term portion of borrowings			<u>\$ 228,203</u>

The City's Governmental Activities notes from direct borrowings debt service requirements to maturity are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 43,330	\$ 12,240	\$ 55,570
2022	45,456	10,116	55,572
2023	47,685	7,886	55,571
2024	39,323	5,630	44,953
2025	5,866	4,734	10,600
2026-2027	89,873	4,216	94,089
Totals	<u>\$ 271,533</u>	<u>\$ 44,822</u>	<u>\$ 316,355</u>



**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*December 31, 2020*

**8. Long-Term Liabilities (continued)**

**Notes from Direct Borrowings, continued**

**Business-Type Activities**

The City has entered into multiple notes from direct borrowing agreements with the Georgia Environmental Finance Authority to finance improvements to the City's water and sewerage system. Note payments and performance obligations are secured by revenues on taxes, fees and charges collected by the City. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Individual notes from direct borrowings outstanding at the end of the current year are listed below with their related interest rate and maturity. During the current year, the City paid five GEFA direct borrowings in full through the issue of the Downtown Development Authority of Jasper Revenue Bonds Series 2020. See Revenue Bonds section of note 8 for additional details.

<u>Agreement</u>	<u>Rate</u>	<u>Maturity</u>	<u>Balance</u>
GEFA 2002L29WJ	4.21%	2024	\$ 194,478
GEFA CW12006	1.82%	2035	1,268,228
Total notes from direct borrowings			1,462,706
Less current portion of notes from direct borrowings			(125,341)
Long-term portion of notes from direct borrowings			<u>\$ 1,337,365</u>

The City's notes from direct borrowings debt service requirements to maturity are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 125,341	\$ 29,666	\$ 155,007
2022	128,834	26,169	155,003
2023	132,451	22,556	155,007
2024	122,148	18,873	141,021
2025	82,419	16,662	99,081
2026-2030	435,345	60,058	495,403
2031-2035	436,168	18,741	454,909
Totals	<u>\$ 1,462,706</u>	<u>\$ 192,725</u>	<u>\$ 1,655,431</u>

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*December 31, 2020*

**8. Long-Term Liabilities (continued)**

**Revenue Bonds**

**Business-Type Activities**

Revenue bonds were issued through the Downtown Development Authority of Jasper Blended Component Unit and were comprised of the following individual issue for the current fiscal year:

- \$3,642,000 – Downtown Development Authority of Jasper Revenue Bonds (\$3,614,000, outstanding) – Series 2020 bonds due in monthly principal and interest payments of \$25,000 - \$28,000, interest at 1.4%, through June 1, 2032. The bonds were issued for the purpose of prepaying five previously issued GEFA notes from direct borrowings and to fund the 2020 Facilities Project Fund of which proceeds will be used to finance the costs to expand the City’s Water Treatment Plant. The bonds are secured by a pledge of an installment sale agreement between the Authority and the City. Upon the occurrence of an event of default, the bondholders may declare the principal balance and any accrued interest thereon to be immediately due and payable. Upon any declaration of acceleration, the bondholder shall immediately declare all payments due under the intergovernmental installment sale agreement to be immediately due and payable. In the event that the City has insufficient funds to pay the installment sale agreement, the City shall levy an ad valorem tax on all available taxable property located in the boundaries of the City in an amount sufficient to fulfill the City’s obligations under the installment sale agreement.

The City’s Revenue bonds debt service requirements to maturity are as follows:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 300,000	\$ 39,666	\$ 339,666
2022	300,000	36,246	336,246
2023	302,000	32,825	334,825
2024	312,000	29,320	341,320
2025	312,000	25,764	337,764
2026-2030	1,615,000	74,450	1,689,450
2031-2035	476,000	4,070	480,070
Totals	<u>\$ 3,617,000</u>	<u>\$ 242,341</u>	<u>\$ 3,859,341</u>

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**8. Long-Term Liabilities (continued)**

**Changes in Long-Term Liabilities**

The following is a summary of changes in long-term liabilities of the City for the current year:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>					
Notes from direct borrowings	\$ 311,854	\$ 0	\$ (40,321)	\$ 271,533	\$ 43,330
Capital lease obligations	767,483	0	(102,207)	665,276	105,968
Compensated absences	167,170	73,257	(92,260)	148,167	88,900
Total governmental activities	<u>\$ 1,246,507</u>	<u>\$ 73,257</u>	<u>\$ (234,788)</u>	<u>\$ 1,084,976</u>	<u>\$ 238,198</u>
<b>Business-type activities</b>					
Notes from direct borrowings	\$ 4,484,882	\$ 0	\$ (3,022,176)	\$ 1,462,706	\$ 125,341
Revenue bonds	0	3,642,000	(25,000)	3,617,000	300,000
Capital lease obligations	405,266	0	(120,636)	284,630	124,402
Compensated absences	95,302	38,558	(39,593)	94,267	48,131
Total business-type activities	<u>\$ 4,985,450</u>	<u>\$ 3,680,558</u>	<u>\$ (3,207,405)</u>	<u>\$ 5,458,603</u>	<u>\$ 597,874</u>

For governmental funds, compensated absences are liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Water and Sewerage Fund and the Sanitation Fund. The total interest incurred and charged to expense for the current year was \$44,968 and \$88,882 for the governmental activities and business-type activities, respectively. The City paid and charged to expense \$93,434 of debt issue costs during the current year.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**9. Net Investment in Capital Assets**

The net investment in capital assets reported on the government-wide statement of net position is calculated as follows for the current year:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Cost of capital assets	\$ 11,036,498	\$ 33,503,492
Accumulated depreciation	(3,790,802)	(14,064,302)
Book value	7,245,696	19,439,190
Unspent debt proceeds	0	700,050
Bonds payable	0	(3,617,000)
Notes payable	(271,533)	(1,462,706)
Capital lease obligation	(665,276)	(284,630)
Net investment in capital assets	<u>\$ 6,308,887</u>	<u>\$ 14,774,904</u>

**10. Pension Plans**

**Defined Benefit Pension Plan**

*Plan Description.* The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Jasper Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. Participants are not allowed to contribute to the Plan. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained 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.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**10. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

At July 1, 2020, the date of the most recent actuarial valuation, participants consisted of the following:

Active participants	81
Vested terminated participants	24
Retired participants and beneficiaries	<u>27</u>
Total number of participants	<u><u>132</u></u>

*Benefits Provided.* As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by City Council, the plan provides pension benefits and death and disability benefits for plan members and beneficiaries. Eligibility for participation is available immediately beginning with the date of employment for all full-time employees working more than 20 hours per week. Elected officials are not covered by the Plan. Employee benefits vest 50% after five years of service and continue vesting an additional 10% each year thereafter. Benefits fully vest after ten years of service. A City employee who retires at age 65 with five years of service is entitled to full benefits of 1.25% - 2.00% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he/she has a minimum of 10 years total credited service. Retirement between the ages of 55 and 65 will result in a reduced monthly benefit. To receive full benefits, an employee must be employed until age 65. The benefit is calculated on the last five years' highest averaged earnings. Effective January 1, 2020, a participant is eligible for retirement benefits at the age of 65 with 5 years of service or when participant's age and years of service sum to 80 or greater.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**10. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

*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 an actuarial funding policy for the plan which meets the 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 recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by the plan members during the year, with an additional amount to finance any unfunded accrued liability. The City's contributions to the plan for the current year totaled \$158,776, or 4.94% of covered payroll. Employees do not contribute to the plan.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.* At the end of the current year, the City reported a net pension liability of \$2,694,769. The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. For the current year, the City recognized pension expense of \$1,789,866.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**10. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

The components of the net pension liability are as follows:

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Balances at March 31, 2019</b>	\$ 4,516,817	\$ 3,911,567	\$ 605,250
<b>Changes for the year:</b>			
Service cost	97,074	0	97,074
Interest	339,475	0	339,475
Differences between expected and actual experience	87,530	0	87,530
Contributions—employer	0	130,284	(130,284)
Net investment income	0	(270,447)	270,447
Benefit payments, including refunds of employee contributions	(175,110)	(175,110)	0
Administrative expense	0	(13,905)	13,905
Other	1,411,372	0	1,411,372
<b>Net changes</b>	<b>1,760,341</b>	<b>(329,178)</b>	<b>2,089,519</b>
<b>Balances at March 31, 2020</b>	<b>\$ 6,277,158</b>	<b>\$ 3,582,389</b>	<b>\$ 2,694,769</b>

Plan fiduciary net position as a percentage of the total pension liability	57.07%
Covered payroll	\$ 3,499,237
Employer's net pension liability as a percentage of covered payroll	77.01%

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**10. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

At the end of the current year, the City reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
City contributions subsequent to the measurement date	\$ 119,082	\$ 0
Differences between expected and actual experience	376,759	(108,304)
Changes of assumptions	26,253	(5,295)
Net difference between projected and actual earnings on pension plan investments	<u>443,077</u>	<u>0</u>
Totals	<u><u>\$ 965,171</u></u>	<u><u>\$ (113,599)</u></u>

The \$119,082 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

<b>Year Ending December 31,</b>	<b>Amount</b>
2021	\$ 157,040
2022	168,009
2023	255,079
2024	138,833
2025	<u>13,529</u>
Totals	<u><u>\$ 732,490</u></u>



**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**10. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

*Actuarial Assumptions.* The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Projected salary increases	2.25% plus service-based merit increases
Cost of living adjustments	0.00%
Net investment rate of return	7.375%

Healthy mortality rates were based on the Sex-Distinct Pri-2012 Head-County Weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the Sex-Distinct Pri-2012 Head-County Weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

The mortality and economic actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 through June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**10. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.41%
International equity	20%	6.96%
Real estate	10%	4.76%
Global fixed income	5%	3.06%
Domestic fixed income	20%	1.96%
Total	<u>100%</u>	

*Discount Rate.* The discount rate used to measure the total pension liability was 7.375 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Asset/Liability to Changes in the Discount Rate.* The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.375 percent) or one percentage-point higher (8.375 percent) than the current rate:

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease	6.375%	\$ 3,593,146
Current discount rate	7.375%	\$ 2,694,769
1% increase	8.375%	\$ 1,952,549

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**10. Pension Plans (continued)**

**Defined Benefit Pension Plan, continued**

*Plan Fiduciary Net Position.* Detailed information about the Plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report.

**Other Plans**

In addition to the plan above, various City employees are also covered under the Peace Officers' Annuity and Benefit Fund of Georgia and the Georgia Firefighters' Pension Fund. Further information regarding these plans can be obtained from the plans' annual reports. These plans are immaterial to the financial statements.

**11. Deferred Compensation Plan**

The City of Jasper offers its employees a deferred compensation plan (the City of Jasper Savings and Retirement Plan) created in accordance with Internal Revenue Code Section 457. The Mayor and Council established this defined contribution plan and Valic administers the plan. Full-time City employees are eligible after completing 12 months of employment and participation is optional. Employees' actual contributions are calculated and made based on a weekly payroll basis, and employees' contributions are 100% vested immediately. During the current year, the City's match was capped at 5%. Employees' contributions are vested immediately. The deferred compensation benefits are not available to employees until termination of employment, retirement, death (payable to a beneficiary) or unforeseeable emergency. During the current year, employee contributions were \$41,332.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**12. Hotel/Motel Lodging Tax**

The City has levied a 6% lodging tax in accordance with OCGA 48-13-51. The City is required to spend an amount equal to at least 66.66% for the purpose of promoting tourism, conventions, and trade shows or for facilities used for these purposes. A summary of the transactions for the current year follows:

Lodging tax receipts	\$ 64,241
Disbursements for tourism	\$ 49,384 76.8% of tax receipts

**13. Joint Ventures**

Under Georgia law, the City, in conjunction with other cities and counties in the northwest Georgia area, is a member of the Northwest Georgia Regional Commission (NWGRC) and is required to pay annual dues thereto. Membership in a regional commission (RC) is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RCs in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the Northwest Georgia Regional Commission financial statements can be obtained directly from their office at 503 Waugh Street, Dalton, GA 30720.

The City is a member of the Northwest Georgia Water Resources Partnership. This is an organization of water withdrawal permit holders, local governments, and other advocacy entities with an interest in water issues. The purpose of the Water Resources Partnership is to establish a regional organization of water-related interest in Northwest Georgia for monitoring and contributing to the development of federal, state and local policy, educating the citizenry on water-related issues, funding and managing regional water-related activities, and coordination the activities of federal, state and local entities. No annual dues are required to be paid by the City. Complete financial statements of the Northwest Georgia Water Resources Partnership can be obtained directly from the entity at P.O. Box 1793, Rome, GA 30162.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**14. Risk Management**

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance in amounts deemed prudent by City management. There have been no significant reductions of insurance coverage from coverage in the prior year and settled claims have not exceeded the coverages in the past three years.

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the City, its performance, and its financial results.

**15. Contingencies**

The City is a defendant in several lawsuits. Management intends to contest these open cases vigorously. The City’s legal counsel has stated that the outcome of these lawsuits is not presently determinable. The City expects insurance to cover any negative judgements.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*December 31, 2020*

**16. Changes in Beginning Balances**

**Governmental Activities**

**General Fund**

A prior period adjustment has been made to consolidate the City's blended component unit, City of Jasper Downtown Development Authority, into the General Fund. The Jasper Downtown Development Authority had previously been reported as a discretely presented component unit. This adjustment increased beginning fund balance by \$9,194.

**Fiduciary Funds**

**Municipal Court Custodial Fund**

A prior period adjustment has been made to correct the beginning net position in the Municipal Court Custodial Fund. This adjustment increased beginning net position by \$9,537.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF JASPER, GEORGIA**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**  
**LAST TEN FISCAL YEARS**  
**December 31, 2020**  
**(Unaudited)**

	Fiscal Year End		
	2020	2019	2018
<b>Total pension liability</b>			
Service cost	\$ 97,074	\$ 76,252	\$ 83,554
Interest	339,475	316,332	267,312
Differences between expected and actual experience	87,530	77,892	466,554
Changes of assumptions	(6,354)	0	52,508
Change of benefit terms	1,417,726	0	0
Benefit payments, including refunds of employee contributions	<u>(175,110)</u>	<u>(190,332)</u>	<u>(164,875)</u>
Net change in total pension liability	1,760,341	280,144	705,053
Total pension liability - beginning	<u>4,516,817</u>	<u>4,236,673</u>	<u>3,531,620</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 6,277,158</u></u>	<u><u>\$ 4,516,817</u></u>	<u><u>\$ 4,236,673</u></u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 130,284	\$ 137,285	\$ 154,727
Net investment income	(270,447)	136,896	429,790
Benefit payments, including refunds of employee contributions	(175,110)	(190,332)	(164,875)
Administrative expense	<u>(13,905)</u>	<u>(13,030)</u>	<u>(11,796)</u>
Net change in plan fiduciary net position	(329,178)	70,819	407,846
Plan fiduciary net position - beginning	<u>3,911,567</u>	<u>3,840,748</u>	<u>3,432,902</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 3,582,389</u></u>	<u><u>\$ 3,911,567</u></u>	<u><u>\$ 3,840,748</u></u>
<b>Net pension liability (asset) - ending : (a) - (b)</b>	<u><u>\$ 2,694,769</u></u>	<u><u>\$ 605,250</u></u>	<u><u>\$ 395,925</u></u>
Plan's fiduciary net position as a percentage of the total pension liability	57.07%	86.60%	90.65%
Covered payroll	\$ 3,499,237	\$ 3,510,420	\$ 2,938,575
Net pension liability as a percentage of covered payroll	77.01%	17.24%	13.47%

Note: Fiscal year 2015 was the first year of implementation. Therefore, years prior are not reported.



**Fiscal Year End**

<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 96,340	\$ 93,171	\$ 86,325
274,439	247,450	225,394
(324,913)	111,686	100,123
0	0	(34,541)
0	0	0
<u>(110,788)</u>	<u>(97,349)</u>	<u>(88,050)</u>
(64,922)	354,958	289,251
<u>3,596,542</u>	<u>3,241,584</u>	<u>2,952,333</u>
<u><u>\$ 3,531,620</u></u>	<u><u>\$ 3,596,542</u></u>	<u><u>\$ 3,241,584</u></u>
\$ 138,580	\$ 123,819	\$ 150,163
383,621	9,291	264,083
(110,788)	(97,349)	(88,050)
<u>(12,015)</u>	<u>(8,219)</u>	<u>(7,498)</u>
399,398	27,542	318,698
<u>3,033,504</u>	<u>3,005,962</u>	<u>2,687,264</u>
<u><u>\$ 3,432,902</u></u>	<u><u>\$ 3,033,504</u></u>	<u><u>\$ 3,005,962</u></u>
<u><u>\$ 98,718</u></u>	<u><u>\$ 563,038</u></u>	<u><u>\$ 235,622</u></u>
97.20%	84.35%	92.73%
\$ 2,883,728	\$ 3,101,939	\$ 2,826,201
3.42%	18.15%	8.34%

See accompanying notes to the required supplementary information.

**CITY OF JASPER, GEORGIA**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**  
**December 31, 2020**  
**(Unaudited)**

	Fiscal Year End		
	2020	2019	2018
Actuarially determined contribution	\$ 158,776	\$ 137,295	\$ 135,782
Contributions in relation to the actuarially determined contribution	<u>(158,776)</u>	<u>(138,020)</u>	<u>(135,782)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ (725)</u>	<u>\$ 0</u>
Covered payroll	\$ 3,216,286	\$ 3,626,192	\$ 3,542,587
Contributions as a percentage of covered payroll	4.94%	3.81%	3.83%

Note: Fiscal year 2015 was the first year of implementation. Therefore, years prior are not reported.

<b>Fiscal Year End</b>		
<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 144,938	\$ 137,308	\$ 121,121
<u>(144,938)</u>	<u>(137,308)</u>	<u>(121,121)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 3,048,645	\$ 2,883,728	\$ 3,101,939
4.75%	4.76%	3.90%

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2020**

**1. Valuation Date**

The actuarially determined contribution rate was determined as of July 1, 2020, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the year ending December 31, 2021.

**2. Methods and Assumptions Used to Determine Contribution Rates**

Actuarial cost method = Projected unit credit

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 13 years

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 amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Net investment rate of return = 7.375%

Projected salary increases = 2.25% plus service based merit increases

Cost of living adjustments = 0.00%

Retirement age for inactive vested participants = 65

Mortality = Healthy mortality rates were based on the Sex-Distinct Pri-2012 Head-Count Weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the Sex-Distinct Pri-2012 Head-Count Weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2020**

**3. Changes in Benefits**

The following changes to benefits amounts reported for fiscal years ending in 2020 and later reflect that effective January 1, 2020:

Participants became eligible for Alternative Normal Retirement under the Rule of 80 with minimum age of 55 years old.

The benefit formula was updated to use a flat 1.50% multiplier with a comparison to the prior formula for those employed on or before the effective date.

Vested participants can receive up to three years of prior military service credit for benefit computation purposes.

In-service distributions are prohibited except for participants receiving in-service distributions as of the effective date.

**4. Changes of Assumptions**

The following assumption changes based on an actuarial study conducted in November and December of 2019:

The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.

The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2020**

**4. Changes of Assumptions (continued)**

Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.

The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70 and older as long as a participant was at least eligible for early retirement.

The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.

Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.

Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.

**CITY OF JASPER, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2020**

**4. Changes of Assumptions (continued)**

Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal retirement eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.

The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.

The disability rates were changed to 50% of the rates in the prior age-based table.

The inflation assumption was decreased from 2.75% to 2.25%.

The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.

The investment return assumption was decreased from 7.50% to 7.375%.

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***COMBINING STATEMENTS***  
***NONMAJOR GOVERNMENTAL FUNDS***

**CITY OF JASPER, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2020**

	Special Revenue			Capital Projects		Total Nonmajor Governmental Funds
	Technology Surcharge	Confiscated Assets	Hotel/Motel Tax	2014 SPLOST	2020 SPLOST	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 130,314	\$ 5,431	\$ 159,740	\$ 860,212	\$ 285,254	\$ 1,440,951
Taxes receivable	0	0	5,411	0	0	5,411
Intergovernmental receivable	0	0	0	0	81,041	81,041
<b>Total assets</b>	<b>\$ 130,314</b>	<b>\$ 5,431</b>	<b>\$ 165,151</b>	<b>\$ 860,212</b>	<b>\$ 366,295</b>	<b>\$ 1,527,403</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 1,378	\$ 0	\$ 19,895	\$ 0	\$ 4,843	\$ 26,116
Due to other funds	0	0	15,508	0	0	15,508
	1,378	0	35,403	0	4,843	41,624
<b>Fund balances</b>						
Restricted for:						
Judicial and law enforcement	128,936	0	0	0	0	128,936
Law enforcement	0	5,431	0	0	0	5,431
Capital outlay				860,212	361,452	1,221,664
Assigned to tourism	0	0	129,748	0	0	129,748
<b>Total fund balances</b>	<b>128,936</b>	<b>5,431</b>	<b>129,748</b>	<b>860,212</b>	<b>361,452</b>	<b>1,485,779</b>
<b>Total liabilities and fund balances</b>	<b>\$ 130,314</b>	<b>\$ 5,431</b>	<b>\$ 165,151</b>	<b>\$ 860,212</b>	<b>\$ 366,295</b>	<b>\$ 1,527,403</b>

**CITY OF JASPER, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the year ended December 31, 2020**

	<u>Special Revenue</u>			<u>Capital Projects</u>		<b>Total Nonmajor Governmental Funds</b>
	<u>Technology Surcharge</u>	<u>Confiscated Assets</u>	<u>Hotel/Motel Tax</u>	<u>2014 SPLOST</u>	<u>2020 SPLOST</u>	
<b>REVENUES</b>						
Taxes	\$ 0	\$ 0	\$ 64,241	\$ 0	\$ 0	\$ 64,241
Fines and forfeitures	29,272	0	0	0	0	29,272
Intergovernmental	0	0	0	581,859	539,524	1,121,383
Interest	140	0	36	2,158	239	2,573
<b>Total revenues</b>	<u>29,412</u>	<u>0</u>	<u>64,277</u>	<u>584,017</u>	<u>539,763</u>	<u>1,217,469</u>
<b>EXPENDITURES</b>						
Current						
Judicial	27,188	0	0	0	0	27,188
Public safety	19,538	0	0	0	0	19,538
Housing and development	0	0	49,384	0	0	49,384
Capital outlay	0	0	0	50,939	178,311	229,250
<b>Total expenditures</b>	<u>46,726</u>	<u>0</u>	<u>49,384</u>	<u>50,939</u>	<u>178,311</u>	<u>325,360</u>
Excess (deficiency of revenue over (under) expenditures	(17,314)	0	14,893	533,078	361,452	892,109
Other financing sources (uses)						
Transfers out	0	0	(15,508)	0	0	(15,508)
Net change in fund balance	(17,314)	0	(615)	533,078	361,452	876,601
Fund balances, January 1	146,250	5,431	130,363	327,134	0	609,178
<b>Fund balances, December 31</b>	<u>\$ 128,936</u>	<u>\$ 5,431</u>	<u>\$ 129,748</u>	<u>\$ 860,212</u>	<u>\$ 361,452</u>	<u>\$ 1,485,779</u>

**CITY OF JASPER, GEORGIA  
 TECHNOLOGY SURCHARGE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 For the year ended December 31, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Fines and forfeitures	\$ 30,240	\$ 29,272	\$ (968)
Interest	100	140	40
<b>Total revenues</b>	<u>30,340</u>	<u>29,412</u>	<u>(928)</u>
<b>EXPENDITURES</b>			
Current			
Judicial	27,200	27,188	12
Public safety	20,100	19,538	562
<b>Total expenditures</b>	<u>47,300</u>	<u>46,726</u>	<u>574</u>
Net change in fund balance	(16,960)	(17,314)	(354)
Fund balances, January 1	<u>16,960</u>	<u>146,250</u>	<u>129,290</u>
<b>Fund balances, December 31</b>	<u><u>\$ 0</u></u>	<u><u>\$ 128,936</u></u>	<u><u>\$ 128,936</u></u>

**CITY OF JASPER, GEORGIA  
CONFISCATED ASSETS FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET (GAAP BASIS) AND ACTUAL  
For the year ended December 31, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Fines and forfeitures	\$ 651	\$ 0	\$ (651)
<b>EXPENDITURES</b>			
Current			
Public safety	651	0	651
Net change in fund balance	0	0	0
Fund balances, January 1	0	5,431	5,431
<b>Fund balances, December 31</b>	<u>\$ 0</u>	<u>\$ 5,431</u>	<u>\$ 5,431</u>

**CITY OF JASPER, GEORGIA**  
**HOTEL/MOTEL TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 66,100	\$ 64,241	\$ (1,859)
Interest	20	36	16
<b>Total revenues</b>	<u>66,120</u>	<u>64,277</u>	<u>(1,843)</u>
<b>EXPENDITURES</b>			
Current			
Housing and development	<u>49,433</u>	<u>49,384</u>	<u>49</u>
Excess (deficiency) of revenues over (under) expenditures	16,687	14,893	(1,794)
Other financing sources (uses)			
Transfers out	<u>(16,687)</u>	<u>(15,508)</u>	<u>(1,179)</u>
Net change in fund balance	0	(615)	(615)
Fund balances, January 1	<u>0</u>	<u>130,363</u>	<u>130,363</u>
<b>Fund balances, December 31</b>	<u><u>\$ 0</u></u>	<u><u>\$ 129,748</u></u>	<u><u>\$ 129,748</u></u>

**SUPPLEMENTARY INFORMATION**

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**CITY OF JASPER, GEORGIA**  
**SCHEDULE OF INDEBTEDNESS**  
**December 31, 2020**

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
<b>GOVERNMENTAL ACTIVITIES</b>				
2019 Fire Truck	09/15/2021	53,008	23,131	29,877
09/15/2018 - \$568,923.59	09/15/2022	53,008	21,784	31,224
Annual Debt Service - 4.51%	09/15/2023	53,008	20,376	32,632
Mature - 09/15/2033	09/15/2024	53,008	18,905	34,103
100-80000	09/15/2025	53,008	17,367	35,641
	09/15/2026	53,008	15,760	37,248
	09/15/2027	53,008	14,080	38,928
	09/15/2028	53,008	12,325	40,683
	09/15/2029	53,008	10,490	42,518
	09/15/2030	53,008	8,573	44,435
	09/15/2031	53,008	6,569	46,438
	09/15/2032	53,008	4,475	48,532
	09/15/2033	53,010	2,287	50,723
		\$ 689,105	\$ 176,122	\$ 512,983
Police Precinct	01/21/2021	3,748	604	3,143
09/21/2009 - \$477,500	02/21/2021	3,748	592	3,156
Monthly Debt Service - 4.755%	03/21/2021	3,748	579	3,168
Mature - 09/21/2024	04/21/2021	3,748	567	3,181
100-80000	05/21/2021	3,748	554	3,193
	06/21/2021	3,748	542	3,206
	07/21/2021	3,748	529	3,219
	08/21/2021	3,748	516	3,232
	09/21/2021	3,748	503	3,244
	10/21/2021	3,748	490	3,257
	11/21/2021	3,748	478	3,270
	12/21/2021	3,748	465	3,283
	01/21/2022	3,748	452	3,296
	02/21/2022	3,748	439	3,309
	03/21/2022	3,748	425	3,322
	04/21/2022	3,748	412	3,335
	05/21/2022	3,748	399	3,349
	06/21/2022	3,748	386	3,362
	07/21/2022	3,748	372	3,375
	08/21/2022	3,748	359	3,389
	09/21/2022	3,748	346	3,402
	10/21/2022	3,748	332	3,415
	11/21/2022	3,748	319	3,429
	12/21/2022	3,748	305	3,443
	01/21/2023	3,748	291	3,456
	02/21/2023	3,748	278	3,470
	03/21/2023	3,748	264	3,484
	04/21/2023	3,748	250	3,497
	05/21/2023	3,748	236	3,511
	06/21/2023	3,748	222	3,525
	07/21/2023	3,748	208	3,539
	08/21/2023	3,748	194	3,553
	09/21/2023	3,748	180	3,567
	10/21/2023	3,748	166	3,581
	11/21/2023	3,748	152	3,596
	12/21/2023	3,748	138	3,610

**CITY OF JASPER, GEORGIA**  
**SCHEDULE OF INDEBTEDNESS**  
**December 31, 2020**

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	01/21/2024	3,748	123	3,624
	02/21/2024	3,748	109	3,639
	03/21/2024	3,748	95	3,653
	04/21/2024	3,748	80	3,667
	05/21/2024	3,748	66	3,682
	06/21/2024	3,748	51	3,697
	07/21/2024	3,748	36	3,711
	08/21/2024	3,748	22	3,726
	09/21/2024	4,446	7	4,439
		<u>\$ 169,343</u>	<u>\$ 14,136</u>	<u>\$ 155,206</u>
East Spring Street House	02/05/2021	883	504	379
12/22/2016 - \$132,000	03/05/2021	883	454	430
Monthly Debt Service - 5.07%	04/05/2021	883	500	383
Mature - 12/22/2026	05/05/2021	883	483	401
100-80000	06/05/2021	883	497	386
	07/05/2021	883	479	404
	08/05/2021	883	494	390
	09/05/2021	883	492	391
	10/05/2021	883	474	409
	11/05/2021	883	488	395
	12/05/2021	883	471	412
	01/05/2022	883	485	398
	02/05/2022	883	483	400
	03/05/2022	883	435	449
	04/05/2022	883	479	404
	05/05/2022	883	462	421
	06/05/2022	883	476	407
	07/05/2022	883	459	425
	08/05/2022	883	472	411
	09/05/2022	883	470	413
	10/05/2022	883	453	430
	11/05/2022	883	467	417
	12/05/2022	883	450	433
	01/05/2023	883	463	420
	02/05/2023	883	461	422
	03/05/2023	883	415	468
	04/05/2023	883	457	426
	05/05/2023	883	441	443
	06/05/2023	883	453	430
	07/05/2023	883	437	446
	08/05/2023	883	450	434
	09/05/2023	883	448	436
	10/05/2023	883	431	452
	11/05/2023	883	444	439
	12/05/2023	883	428	456
	01/05/2024	883	440	443
	02/05/2024	883	438	445
	03/05/2024	883	408	475
	04/05/2024	883	434	449
	05/05/2024	883	418	465
	06/05/2024	883	430	453
	07/05/2024	883	414	469
	08/05/2024	883	426	457
	09/05/2024	883	424	459
	10/05/2024	883	408	475
	11/05/2024	883	420	463

**CITY OF JASPER, GEORGIA**  
**SCHEDULE OF INDEBTEDNESS**  
**December 31, 2020**

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	12/05/2024	883	404	479
	01/05/2025	883	416	467
	02/05/2025	883	414	470
	03/05/2025	883	372	511
	04/05/2025	883	409	474
	05/05/2025	883	394	489
	06/05/2025	883	405	478
	07/05/2025	883	390	493
	08/05/2025	883	401	482
	09/05/2025	883	399	484
	10/05/2025	883	384	499
	11/05/2025	883	395	489
	12/05/2025	883	380	503
	01/05/2026	883	390	493
	02/05/2026	883	388	495
	03/05/2026	883	349	535
	04/05/2026	883	384	500
	05/05/2026	883	369	514
	06/05/2026	883	379	504
	07/05/2026	883	365	518
	08/05/2026	883	375	509
	09/05/2026	883	373	511
	10/05/2026	883	358	525
	11/05/2026	883	368	515
	12/05/2026	883	354	529
	12/22/2026	84,346	199	84,146
		\$ 147,058	\$ 30,730	\$ 116,327
2019 Ford F-150 - Police Department	01/20/2021	1,162	64	1,098
03/21/2019 - \$39,052	02/20/2021	1,162	59	1,102
Monthly Debt Service - 4.51%	03/20/2021	1,162	55	1,107
Mature - 03/22/2022	04/20/2021	1,162	51	1,111
100-80000	05/20/2021	1,162	47	1,115
	06/20/2021	1,162	43	1,119
	07/20/2021	1,162	39	1,123
	08/20/2021	1,162	34	1,127
	09/20/2021	1,162	30	1,132
	10/20/2021	1,162	26	1,136
	11/20/2021	1,162	22	1,140
	12/20/2021	1,162	17	1,145
	01/20/2022	1,162	13	1,149
	02/20/2022	1,162	9	1,153
	03/20/2022	1,162	4	1,158
		\$ 17,428	\$ 513	\$ 16,915

**CITY OF JASPER, GEORGIA**  
**SCHEDULE OF INDEBTEDNESS**  
**December 31, 2020**

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
Vehicle / Equipment Lease	02/04/2021	1,463	163	1,299
09/04/2019 - \$80,925	03/04/2021	1,463	160	1,303
Monthly Debt Service - 3.23%	04/04/2021	1,463	156	1,306
Mature - 09/04/2024	05/04/2021	1,463	153	1,310
Assets for Multiple Funds- GF Portion Shown	06/04/2021	1,463	149	1,313
	07/04/2021	1,463	146	1,317
	08/04/2021	1,463	142	1,321
	09/04/2021	1,463	138	1,324
	10/04/2021	1,463	135	1,328
	11/04/2021	1,463	131	1,331
	12/04/2021	1,463	128	1,335
	01/04/2022	1,463	124	1,338
	02/04/2022	1,463	121	1,342
	03/04/2022	1,463	117	1,346
	04/04/2022	1,463	113	1,349
	05/04/2022	1,463	110	1,353
	06/04/2022	1,463	106	1,356
	07/04/2022	1,463	102	1,360
	08/04/2022	1,463	99	1,364
	09/04/2022	1,463	95	1,367
	10/04/2022	1,463	91	1,371
	11/04/2022	1,463	88	1,375
	12/04/2022	1,463	84	1,379
	01/04/2023	1,463	80	1,382
	02/04/2023	1,463	77	1,386
	03/04/2023	1,463	73	1,390
	04/04/2023	1,463	69	1,393
	05/04/2023	1,463	65	1,397
	06/04/2023	1,463	62	1,401
	07/04/2023	1,463	58	1,405
	08/04/2023	1,463	54	1,409
	09/04/2023	1,463	50	1,412
	10/04/2023	1,463	46	1,416
	11/04/2023	1,463	43	1,420
	12/04/2023	1,463	39	1,424
	01/04/2024	1,463	35	1,428
	02/04/2024	1,463	31	1,431
	03/04/2024	1,463	27	1,435
	04/04/2024	1,463	23	1,439
	05/04/2024	1,463	20	1,443
	06/04/2024	1,463	16	1,447
	07/04/2024	1,463	12	1,451
	08/04/2024	1,463	8	1,455
	09/04/2024	1,482	4	1,479
		\$ 64,371	\$ 3,741	\$ 60,630

**CITY OF JASPER, GEORGIA**  
**SCHEDULE OF INDEBTEDNESS**  
**December 31, 2020**

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
Vehicle / Equipment Lease	01/24/2021	4,031	183	3,849
07/24/2017 - \$225,155	02/24/2021	4,031	173	3,858
Monthly Debt Service - 2.93%	03/24/2021	4,031	164	3,868
Mature - 07/24/2022	04/24/2021	4,031	154	3,877
100-80000	05/24/2021	4,031	145	3,886
Assets for Multiple Funds- Gov't Portion allocated here	06/24/2021	4,031	135	3,896
	07/24/2021	4,031	126	3,905
	08/24/2021	4,031	116	3,915
	09/24/2021	4,031	107	3,925
	10/24/2021	4,031	97	3,934
	11/24/2021	4,031	88	3,944
	12/24/2021	4,031	78	3,953
	01/24/2022	4,031	68	3,963
	02/24/2022	4,031	59	3,973
	03/24/2022	4,031	49	3,982
	04/24/2022	4,031	39	3,992
	05/24/2022	4,031	29	4,002
	06/24/2022	4,031	20	4,012
	07/24/2022	4,025	10	4,015
		\$ 76,587	\$ 1,839	\$ 74,748
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>				\$ 936,809

**ENTERPRISE FUNDS**

**Water Sewer Fund**

Vehicle / Equipment Lease				
09/04/2019 - \$55,676	01/04/2021	1,006	115	891
Monthly Debt Service - 3.23%	02/04/2021	1,006	112	894
Mature - 09/04/2024	03/04/2021	1,006	110	896
Assets for Multiple Funds- WS Portion Shown	04/04/2021	1,006	107	899
	05/04/2021	1,006	105	901
	06/04/2021	1,006	103	903
	07/04/2021	1,006	100	906
	08/04/2021	1,006	98	908
	09/04/2021	1,006	95	911
	10/04/2021	1,006	93	913
	11/04/2021	1,006	90	916
	12/04/2021	1,006	88	918
	01/04/2022	1,006	85	921
	02/04/2022	1,006	83	923
	03/04/2022	1,006	80	926
	04/04/2022	1,006	78	928
	05/04/2022	1,006	75	931
	06/04/2022	1,006	73	933
	07/04/2022	1,006	70	936
	08/04/2022	1,006	68	938
	09/04/2022	1,006	65	941
	10/04/2022	1,006	63	943
	11/04/2022	1,006	60	946
	12/04/2022	1,006	58	948
	01/04/2023	1,006	55	951
	02/04/2023	1,006	53	953
	03/04/2023	1,006	50	956
	04/04/2023	1,006	48	958
	05/04/2023	1,006	45	961
	06/04/2023	1,006	42	964
	07/04/2023	1,006	40	966

**CITY OF JASPER, GEORGIA**  
**SCHEDULE OF INDEBTEDNESS**  
**December 31, 2020**

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	08/04/2023	1,006	37	969
	09/04/2023	1,006	35	971
	10/04/2023	1,006	32	974
	11/04/2023	1,006	29	977
	12/04/2023	1,006	27	979
	01/04/2024	1,006	24	982
	02/04/2024	1,006	21	985
	03/04/2024	1,006	19	987
	04/04/2024	1,006	16	990
	05/04/2024	1,006	13	993
	06/04/2024	1,006	11	995
	07/04/2024	1,006	8	998
	08/04/2024	1,006	5	1,001
	09/04/2024	121	3	118
		\$ 43,380	\$ 2,573	\$ 41,698
Vehicle / Equipment Lease	01/24/2021	7,416	335	7,081
07/24/2017 - \$301,754	02/24/2021	7,416	318	7,098
Monthly Debt Service - 2.93%	03/24/2021	7,401	301	7,100
Mature - 07/24/2022	04/24/2021	7,401	283	7,118
Assets for Multiple Funds- WS Portion Shown	05/24/2021	7,401	266	7,135
	06/24/2021	7,401	248	7,153
	07/24/2021	7,401	231	7,170
	08/24/2021	7,401	213	7,187
	09/24/2021	7,401	196	7,205
	10/24/2021	7,401	178	7,223
	11/24/2021	7,401	161	7,240
	12/24/2021	7,401	143	7,258
	01/24/2022	7,401	125	7,276
	02/24/2022	7,401	108	7,293
	03/24/2022	7,401	90	7,311
	04/24/2022	7,401	72	7,329
	05/24/2022	7,401	54	7,347
	06/24/2022	7,401	36	7,365
	07/24/2022	7,401	29	7,372
		\$ 140,647	\$ 3,387	\$ 137,261
GEFA-2002	FY2021	55,927	7,222	48,705
\$4,661/monthly - APR-4.21 %	FY2022	55,927	5,131	50,795
Debt Service shown is Total of Payments for FY	FY2023	55,927	2,951	52,976
Mature -10/01/2024	FY2024	41,942	726	42,001
		\$ 209,722	\$ 16,030	\$ 194,478

**CITY OF JASPER, GEORGIA**  
**SCHEDULE OF INDEBTEDNESS**  
**December 31, 2020**

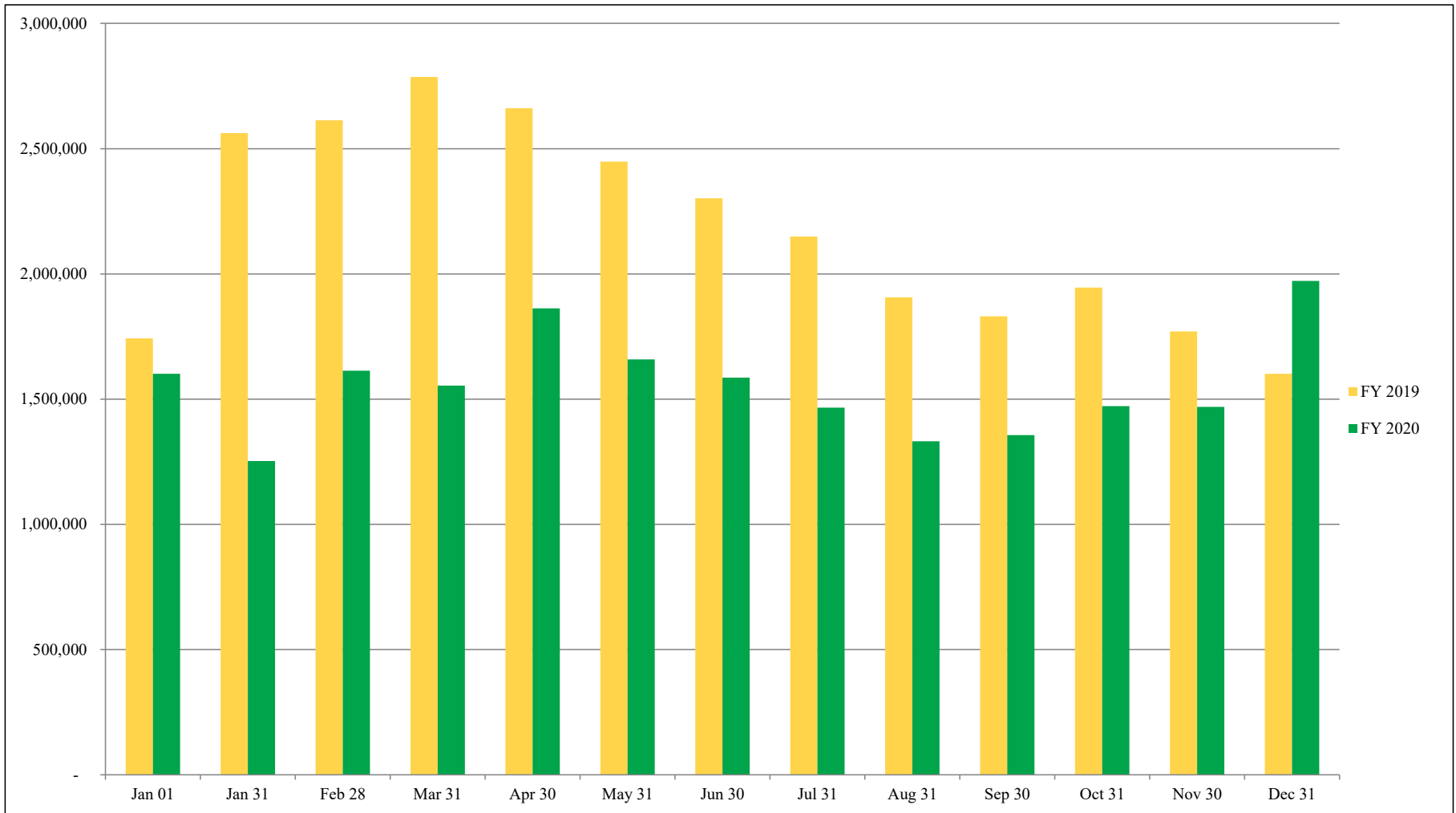
DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
GEFA CW	FY2021	99,081	22,445	76,636
\$1,658,605 - 01/01/2015	FY2022	99,081	21,038	78,042
\$8,257/monthly - APR - 1.82%	FY2023	99,081	19,606	79,475
Debt Service shown is Total of Payments for FY	FY2024	99,081	18,147	80,933
Mature -01/01/2035	FY2025	99,081	16,662	82,419
	FY2026	99,081	15,149	83,931
	FY2027	99,081	13,609	85,472
	FY2028	99,081	12,040	87,040
	FY2029	99,081	10,443	88,638
	FY2030	99,081	8,816	90,264
	FY2031	99,081	7,160	91,921
	FY2032	99,081	5,473	93,608
	FY2033	99,081	3,755	95,326
	FY2034	99,081	2,005	97,075
	FY2035	57,797	349	57,448
		<u>\$ 1,444,924</u>	<u>\$ 176,697</u>	<u>\$ 1,268,228</u>
City of Jasper Facilities Project-Series 2020	FY2021	339,951	39,951	300,000
\$3,642,000 9/2/2020	FY2022	336,531	36,531	300,000
\$1,626/monthly - APR - 2.82%	FY2023	334,111	32,111	302,000
Debt Service shown is Total of Payments for FY	FY2024	341,617	29,617	312,000
Mature -07/01/2034	FY2025	338,060	26,060	312,000
Combined/Refinanced 9/2/2020 - 2020 Bond	FY2026	334,504	22,504	312,000
	FY2027	339,913	17,913	322,000
	FY2028	339,225	15,225	324,000
	FY2029	335,531	11,531	324,000
	FY2030	339,811	6,811	333,000
	FY2031	339,990	3,990	336,000
	FY2032	168,559	28,559	140,000
		<u>\$ 3,887,803</u>	<u>\$ 270,803</u>	<u>\$ 3,617,000</u>
<b>Total Water Sewer Fund Fund</b>				<u>\$ 5,258,663</u>
<b>Sanitation Fund</b>				
Vehicle / Equipment Lease	01/04/2021	2,549	217	2,332
09/04/2019 - \$141,039	02/04/2021	2,549	285	2,264
Monthly Debt Service - 3.23%	03/04/2021	2,549	278	2,271
Mature - 09/04/2024	04/04/2021	2,549	272	2,277
Assets for Multiple Funds- Sanitation Portion Shown	05/04/2021	2,549	266	2,283
	06/04/2021	2,549	260	2,289
	07/04/2021	2,549	254	2,295
	08/04/2021	2,549	248	2,301
	09/04/2021	2,549	242	2,307
	10/04/2021	2,549	235	2,314
	11/04/2021	2,549	229	2,320
	12/04/2021	2,549	223	2,326
	01/04/2022	2,549	217	2,332
	02/04/2022	2,549	210	2,339
	03/04/2022	2,549	204	2,345
	04/04/2022	2,549	198	2,351

**CITY OF JASPER, GEORGIA**  
**SCHEDULE OF INDEBTEDNESS**  
**December 31, 2020**

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	05/04/2022	2,549	191	2,358
	06/04/2022	2,549	185	2,364
	07/04/2022	2,549	179	2,370
	08/04/2022	2,549	172	2,377
	09/04/2022	2,549	166	2,383
	10/04/2022	2,549	159	2,390
	11/04/2022	2,549	153	2,396
	12/04/2022	2,549	147	2,402
	01/04/2023	2,549	140	2,409
	02/04/2023	2,549	134	2,415
	03/04/2023	2,549	127	2,422
	04/04/2023	2,549	121	2,428
	05/04/2023	2,549	114	2,435
	06/04/2023	2,549	108	2,441
	07/04/2023	2,549	101	2,448
	08/04/2023	2,549	94	2,455
	09/04/2023	2,549	88	2,461
	10/04/2023	2,549	81	2,468
	11/04/2023	2,549	74	2,475
	12/04/2023	2,549	68	2,481
	01/04/2024	2,549	61	2,488
	02/04/2024	2,549	54	2,495
	03/04/2024	2,549	48	2,501
	04/04/2024	2,549	41	2,508
	05/04/2024	2,549	34	2,515
	06/04/2024	2,549	27	2,522
	07/04/2024	2,549	21	2,528
	08/04/2024	2,549	14	2,535
	09/04/2024	264	7	257
Total Solid Waste Sanitation Fund		<u>\$ 109,871</u>	<u>\$ 6,530</u>	<u>\$ 105,673</u>
<b>Sanitation Fund</b>				<u>\$ 105,673</u>
<b>TOTAL ENTERPRISE FUNDS</b>				<u>\$ 5,364,336</u>
<b>TOTAL PRIMARY GOVERNMENT</b>				<u>\$ 6,301,145</u>



**CITY OF JASPER, GEORGIA**  
**SCHEDULE OF GENERAL FUND UNASSIGNED FUND BALANCE BY MONTH**  
*Fiscal Years 2019 and 2020*



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***OTHER REPORTING SECTION***

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**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards**

Honorable Mayor and  
Members of the City Council  
City of Jasper, Georgia

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jasper, Georgia, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Jasper, Georgia's basic financial statements and have issued our report thereon dated May 25, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Jasper, Georgia'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 of Jasper's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Jasper's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. We did identify a certain deficiency in internal control, described below, that we consider to be a significant deficiency:

**2020-001**

*Condition:* While performing audit procedures on cash receipts, we noted that there is a lack of segregation of duties. The clerk processes cash receipts, records cash receipts, and takes the deposit to the bank.

*Criteria:* Proper internal controls require adequate segregation of duties in control over adjustments to the general ledger.

*Effect:* Failure to maintain adequate segregation of duties subjects the assets of the City to greater risk of misappropriation.

*Cause:* The City has an adequate number of employees to receipt utility payments, alcohol and business licenses, but not enough employees to properly segregate duties.

## 2020-001, continued

*Recommendation:* To ensure that sufficient internal controls are in place, the City should properly segregate duties.

*Management Response:* Management concurs with this finding. Management intends to evaluate the current policies and procedures to ensure that duties are segregated to the greatest extent possible utilizing the City's current resources. This action was taken immediately upon receipt of the comment from our auditors.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Jasper, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 matters that are required to be reported under *Government Auditing Standards*.

### City of Jasper, Georgia's Response to Finding

The City of Jasper, Georgia's response to the finding identified in our audit is described previously. The City of Jasper, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Jasper, Georgia'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rushion & Company, LLC*

Certified Public Accountants  
Gainesville, Georgia  
May 25, 2021

***STATE REPORTING SECTION***

**CITY OF JASPER, GEORGIA**  
**SCHEDULE OF PROJECTS FINANCED WITH**  
**SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**For the year ended December 31, 2020**

<u>Project</u>	<u>Estimated Cost *</u>		<u>Expenditures</u>		
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b>2014 Referendum</b>					
Roads, Streets, and Bridges	\$ 6,000,000	\$ 6,000,000	\$ 4,853,603	\$ 50,939	\$ 4,904,542
<b>2020 Referendum</b>					
Roads, Streets, and Bridges; Water and Sewer Facilities; Public Safety; Parks and Recreation	\$ 5,002,400	\$ 5,002,400	\$ 0	\$ 178,311	\$ 178,311

\* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.