

# **CITY OF JASPER, GEORGIA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Calendar Year Ended  
December 31, 2011**

**Prepared By:  
Tacie Jo Williams, C.P.A.  
Director of Finance/City Clerk  
City of Jasper Finance Department**



**CITY OF JASPER, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Year Ended December 31, 2011**

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## **INTRODUCTORY SECTION**

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*The introductory section includes a transmittal letter from the Director of Finance, a general government organization chart and a list of principal officials for the City of Jasper, Georgia.*



## City of Jasper

200 Burnt Mountain Road  
Jasper, GA 30143  
Phone: 706-692-9100  
Fax: 706-692-9104

Mayor  
John Weaver

Mayor Pro Tem  
Jim Looney

Council  
Allison Brown  
Tony Fountain  
John Foust  
Anne Morrow

June 29, 2012

Honorable John W. Weaver, Mayor,  
Members of the City Council,  
and Citizens of City of Jasper, Georgia

The Comprehensive Annual Financial Report of the City of Jasper, Georgia (the “City”) for the calendar year ended December 31, 2011 is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designated to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that disclosures necessary to enable the reader to gain the maximum understanding of the City’s financial affairs have been included.

The responsibility for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles rests with City management. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefit likely to be derived and that the valuation of costs and benefits requires management estimates and judgments for which management is responsible.

RL Jennings & Company, PC, a licensed firm of certified public accountants, has audited the City’s financial statements and has issued an unqualified (“clean”) opinion in order to provide reasonable assurance that the financial statements are free of material misstatement. The independent auditor’s report is presented first in the financial section of the report.

Management’s discussion and analysis (MD&A) immediately follows the auditor’s report, providing a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this transmittal letter and should be read in conjunction with it.

### **PROFILE**

The City occupies 3.3 square miles of land area and is located approximately fifty miles north of Atlanta on Highway 515. The City is governed by a Mayor and five council members. The Mayor and Council are elected at large by the City residents to serve four year terms. The Mayor serves as City Manager and is responsible for the daily operations of all departments.

This report includes all City funds. The City provides a full range of services to include police and fire protection, water, sewerage and sanitation services, public works activities, recreational and cultural activities and code enforcement. The City is also financially accountable for three component units, legally separate entities, which include the Industrial Development Authority, the Downtown Development Authority of Jasper and the Jasper Development Authority, which are reported separately within the City’s financial statements.

The City and its component units actively seek to improve infrastructure through the construction of and upgrades to the water and sewerage system, through maintenance and construction of roads and streets and through strategic planning for future projects. Additionally, the Mayor and City Council are proactive in implementing programs that support and enrich the quality of life in the community by promoting public safety and providing cultural events for the enjoyment of City residents and visitors.

The City maintains budgetary controls, for which, the objective is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. Activities of the General Fund, Hotel/Motel Tax Fund, Confiscated Assets fund, Water and Sewerage Fund and the Sanitation Fund are included in the annual appropriated budget. The level of budgetary control, which is the level at which expenditures cannot legally exceed appropriated amounts, is established as the department level within each respective fund.

### **LOCAL ECONOMY**

The City of Jasper is the county seat of Pickens County, Georgia. The estimated population of Jasper is 3,684. Of the estimated population of 3,684, approximately 82% have graduated from high school, with an additional 21% having obtained a bachelor's degree or higher. Approximately 63% of the workforce located within the City was also a resident. The average drive time to work was 30 minutes.

The most common occupations found in the City were construction, health care, educational services and accommodation and food services. The City's unemployment rate is 7.8%, which is slightly lower than the rate of 9.8% for the State of Georgia. Median household income was \$45,702.

### **LONG-TERM FINANCIAL PLANNING**

The City is committed to continue providing quality services to residents while keeping a consistent millage rate for property taxes and reasonable water, sewerage and sanitation rates. The tax digest has shown consistent growth in past years, although it has grown at a slower pace in the last few years due to economic conditions. However, the Mayor and City Council is actively involved in financial planning with the goal of providing quality services to its citizens without increases in taxes and fees. Services and operations continue to be streamlined further in order to provide the expected level of service to residents without such increases.

Long-term financial planning involved identification of resources required to develop groundwater capabilities and a source of raw water which would be obtained through the construction of a reservoir. It was determined that the minimum of 1,000 acres of land would be required for constructing a reservoir and a search for suitable property was initiated. In addition, an expansion of the sewer plant has been designed and the City is beginning the process of obtaining federal or state funding to begin designing the project.

### **MAJOR INITIATIVES**

Key initiatives during 2011:

- Construction of a 500,000 gallon elevated water storage tank was started, and substantially completed. This water storage is important in the infrastructure necessary to stimulate economic develop in the southern portion of Jasper, along Highway 515.
- Efforts to revitalize the downtown area include continued efforts to relocate of the farmer's market to Main Street, the continuation of Main Street Mania events during which a portion of Main Street is utilized to host free concerts in a family-oriented atmosphere. In addition a new fine arts festival was hosted on Main Street by a group of volunteers with substantial support from the City's staff.
- "Going Green" efforts include the work started on golf cart paths around the City in order to offer City residents alternative transportation and the identification of greenbelts to provide for pedestrian paths as an additional alternative. This project has been coupled with a large passive recreation park project on 60 acres of undeveloped land owned by the City in the Hood Road area. The park will contain alternative transportation paths, including golf cart paths, bike trails and walking trails. It will be funded in a large part through the Georgia Department of Natural Resources Trail Grant.
- The City continued to provide land for a community garden area for residents to cultivate individual vegetable gardens, as a collaborative effort with the Master Gardeners of Pickens County. Also, the City continued an initiative to landscape neighborhood cul de sacs in order to incorporate trees and plant life in existing infrastructure. This was a joint effort between City staff and residents of the neighborhoods.
- The Mayor and Council participated in the activities of the Jasper Youth Sports Association (JYSA), which provides football and cheerleading programs for the youth of Jasper and Pickens County. The Mayor appointed a Council Member to serve as a liaison to the recreation board and also sponsored a golf tournament to fund registration fees for children who were unable to participate due to financial restraints. In addition, the City was a large sponsor in the cheerleading competition hosted by the Association in the fall of 2011. In the end of 2011, wrestling was absorbed in JYSA as well, with the support of the City.

**ACKNOWLEDGMENTS**

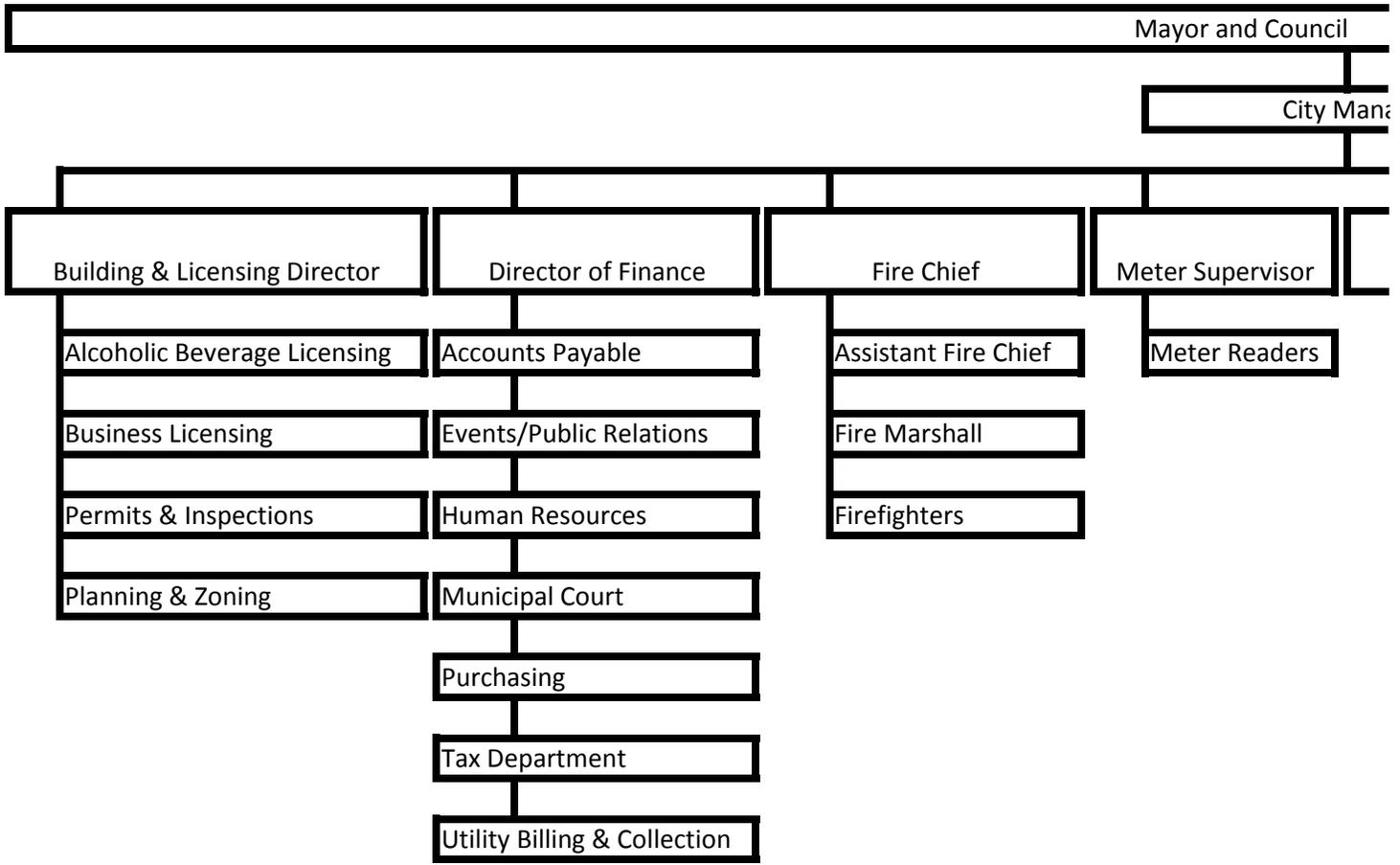
The preparation of this report would not have been possible without the efficient and dedicated service of the entire City staff. Additionally, due credit should be extended to the Mayor and members of the City Council for their support and interest in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

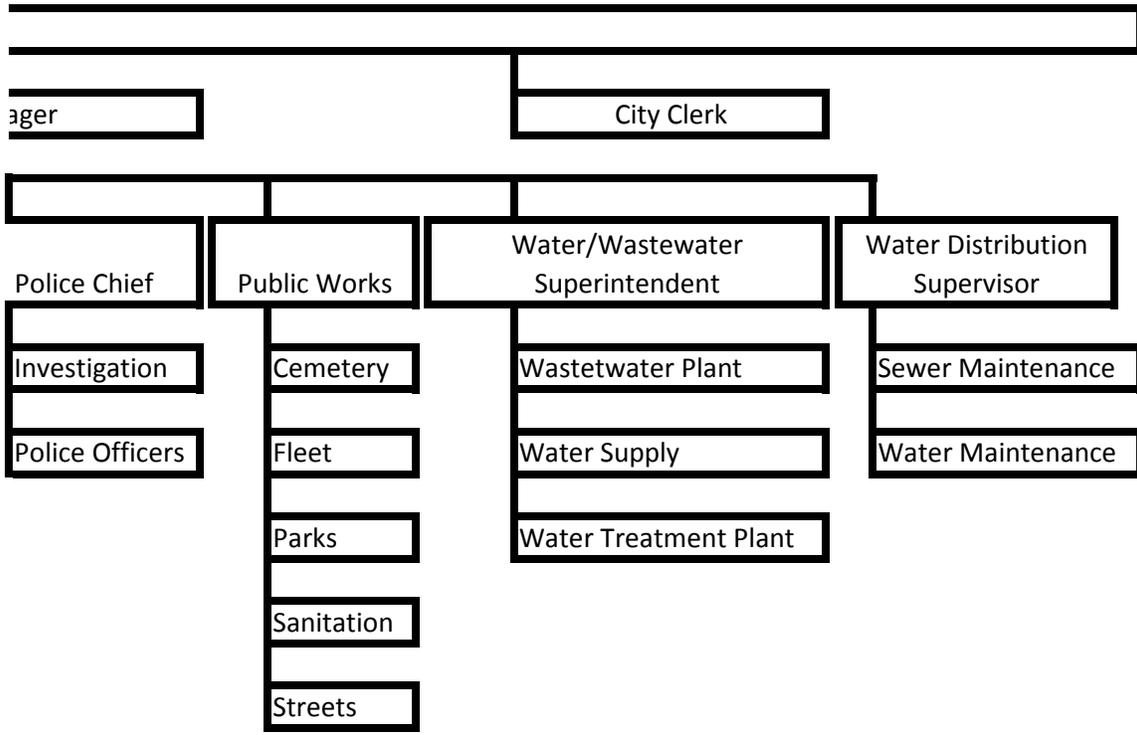
A handwritten signature in blue ink that reads "Tacie Jo Williams, CPA". The signature is written in a cursive style with a large initial "T".

Tacie Jo Williams, CPA  
Finance Director/City Clerk

**CITY OF JASPER, GEORGIA  
ORGANIZATIONAL CHART**



*NOTE: City Manager and City Clerk are annual appointees of the Mayor and Council.*



**CITY OF JASPER, GEORGIA  
PRINCIPAL OFFICIALS  
DECEMBER 31, 2011**

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**CITY COUNCIL**

John W. Weaver	Mayor
James A. Looney	Mayor Pro-Tem
Allison B. Brown	Council Member
John B. Foust, Jr.	Council Member
Tony D. Fountain	Council Member
Anne L. Morrow	Council Member

**APPOINTED OFFICIALS**

John W. Weaver	City Manager
Will Hays Pickett, Jr.	City Attorney
Tacie Jo Williams, CPA	City Clerk
R.L. Jennings & Company, P.C.	Auditors
G. Ben Turnipseed Engineers	Engineers
James T. Johnson	Municipal Court Judge

**DEPARTMENT HEADS**

Gregory G. Lovell	Chief of Police
Michael Castagna	Planning & Zoning Director
Charlotte Fortner	Water Maintenance Supervisor
David Hall	Water & Wastewater Superintendant
Garry Poole	Public Works Director
Steve Roper	Fire Chief
Tacie Jo Williams, CPA	Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Jasper  
Georgia

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Danison*

President

*Jeffrey R. Emer*

Executive Director

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## **FINANCIAL SECTION**

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*The financial section includes the independent auditor's report on the financial statement audit, the Management's Discussion and Analysis which provides a narrative introduction, overview and analysis of the financial statements, the basic financial statements including footnotes, and supplementary information.*

**RL Jennings & Company, PC**  
Certified Public Accountants

R. Lee Jennings, CFCA, CPA  
Mona Evans, CPA  
Thomas H. Evans, Jr., CPA  
Sherry L. Estes, CPA  
Lisa J. Hoyle, CPA  
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Member of  
American Institute of  
Certified Public Accountants  
Georgia Society of  
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor John W. Weaver and  
Members of the City Council  
City of Jasper, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Jasper, Georgia, as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Jasper, Georgia's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

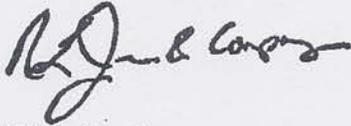
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jasper, Georgia, as of December 31, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2012, 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedule of funding progress for the City of Jasper Retirement Plan on pages 3 through 11 and 37 through 40 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Jasper, Georgia's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Ellijay, Georgia  
June 29, 2012

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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*Management's Discussion and Analysis (MD&A) is a narrative introduction, overview and analysis of the basic financial statements prepared by the City's Director of Finance.*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Within this section of the City of Jasper, Georgia's (the "City") basic financial statements, as management, we provide narrative discussion and analysis of the financial activities of the City for the calendar year ended December 31, 2011. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. The discussion focuses on the City's primary government. Unless otherwise noted, component units, related organizations, and joint ventures reported separately from the primary government are not included.

### **Financial Highlights**

- The City's assets exceeded its liabilities by \$18,471,444 (net assets) for the fiscal year reported. Of this amount, \$2,424,109 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased \$882,205 primarily due to the additional revenue stream from wastewater dump fees, increase in fines revenues, tax revenues and charges for services related to water, sewer and sanitation.
- At the end of the fiscal year, unrestricted fund balance for the General fund was \$403,985, which was an increase of \$91,172 from the prior year.
- The City's business-type activities revenues (charges for services) increased by \$83,929 over the prior year along with expenses increasing by \$61,325.
- General fund revenues exceeded budgeted expectations by \$29,754 for the fiscal year, while expenditures were less budgeted appropriations by \$113,436.

### **Overview of the Financial Statements**

Management's Discussion and Analysis introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The City also includes in this report additional information to supplement the basic financial statements.

### ***Government-wide Financial Statements***

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the *Statement of Net Assets*. This is the City-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as *net assets*. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall economic health of the City would extend to other non-financial factors such as diversification of the taxpayer base or the condition of the City infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities* which reports how the City's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues, such as grants, from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, planning and zoning, public safety, and public works. Business-type activities include water, sewerage and sanitation utilities.

The City's financial reporting includes the funds of the City (primary government) and organizations for which the City is accountable (component units). The City had three reportable component units, the Industrial Development Authority, the Downtown Development Authority of Jasper and the Jasper Development Authority. Other organizations such as related organizations and joint ventures are reported separately and are not included in the City's overall reporting entity.

### ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

*Governmental funds* are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to the government-wide statements to assist in understanding the difference between these two perspectives.

The City maintains three individual governmental 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, which is considered to be a major fund. Information from the other two funds, the Confiscated Assets Fund and the Hotel/Motel Tax 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.

*Proprietary funds* are reported in the fund financial statements and generally report services for which the City charges customers a fee. There are two kinds of proprietary funds. These are enterprise funds and internal service funds. The City utilizes only enterprise funds. Enterprise funds essentially encompass the same functions as reported as business-type activities in the government-wide statements. Unlike governmental funds, the enterprise funds also report services provided to customers external to the City limits such as water and sewer utilities.

Proprietary fund statements and statements for discretely presented component units (reporting that is similar to proprietary funds) provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail for major enterprise funds. The city had no component unit enterprise funds, nor any internal service funds.

*Notes to the financial statements* provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

*Other information* presented in addition to the basic financial statements and accompanying notes consists of 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 adopted and final revised budgets.

The combining statements referred to previously in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

**Government-wide Financial Analysis**

Net assets may serve over time as a useful indicator of a government's financial position. The City's combined net assets (government and business-type activities) totaled \$18,471,444 at December 31, 2011.

The City has \$15,863,033 of its net assets invested in capital assets (e.g. land, infrastructure, buildings, equipment, and other), less any related debt outstanding that was needed to build or acquire the assets. The City uses these assets to provide services to the citizens and the businesses in the City; consequently, these net assets are not available for future spending. The City has \$184,302 of restricted net assets that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. The remaining portion of net assets represents \$2,424,109 of unrestricted net assets that are available to meet ongoing obligations of the City.

The City's current assets amount to \$4,041,239. These assets include \$2,122,797 of cash and cash equivalents. This represents an increase of \$262,451 or 14.1% over the prior year.

Long-term liabilities show a net decrease of \$525,129 or 6.99% less than the prior year primarily due to repayments on contracts payable and capital leases, in addition to a decrease in accrued compensated absences.

The table below presents the City's condensed Statement of Net Assets as of December 31, 2011:

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 2,033,115	\$ 1,884,698	\$ 2,008,124	\$ 1,638,057	\$ 4,041,239	\$ 3,522,755
Capital Assets	3,472,341	3,568,188	19,149,326	18,735,485	22,621,667	22,303,673
<b>Total Assets</b>	<b>5,505,456</b>	<b>5,452,886</b>	<b>21,157,450</b>	<b>20,373,542</b>	<b>26,662,906</b>	<b>25,826,428</b>
Current and other liabilities	283,009	344,682	1,673,221	1,021,965	1,956,230	1,366,647
Long-term debt outstanding	680,489	829,652	5,469,159	5,956,340	6,149,648	6,785,992
Unearned revenue	77,584	76,550	8,000	8,000	85,584	84,550
<b>Total Liabilities</b>	<b>1,041,082</b>	<b>1,250,884</b>	<b>7,150,380</b>	<b>6,986,305</b>	<b>8,191,462</b>	<b>8,237,189</b>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	2,766,541	2,737,304	13,096,492	13,439,618	15,863,033	16,176,922
Restricted	58,104	46,787	126,198	46,296	184,302	93,083
Unrestricted	1,639,729	1,417,911	784,380	(98,677)	2,424,109	1,319,234
<b>Total Net Assets</b>	<b>\$ 4,464,374</b>	<b>\$ 4,202,002</b>	<b>\$ 14,007,070</b>	<b>\$ 13,387,237</b>	<b>\$ 18,471,444</b>	<b>\$ 17,589,239</b>

The City reported a positive balance in net assets for both governmental and business-type activities. Net assets increased \$262,372 for governmental activities and \$619,833 for business-type activities. The City's overall financial position improved during 2011.

The table below presents the City's Condensed Statement of Activities for the year ended December 31, 2011:

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 436,533	\$ 293,378	\$ 3,647,603	\$ 3,563,674	\$ 4,084,136	\$ 3,857,052
Operating grants and contributions	10,384	5,864	-	-	10,384	5,864
Capital grants and contributions	-	675,160	130,935	312,698	130,935	987,858
General Revenues:						
Property taxes	1,094,945	1,022,989	-	-	1,094,945	1,022,989
General sales and use taxes	1,030,709	994,677	-	-	1,030,709	994,677
Franchise and miscellaneous taxes	383,113	355,853	-	-	383,113	355,853
Selective sales and use taxes	368,999	367,773	-	-	368,999	367,773
Business taxes	276,227	223,965	-	-	276,227	223,965
Unrestricted grants and contributions	-	-	-	-	-	-
Unrestricted investment earnings	46,164	105,361	12,113	9,782	58,277	115,143
Miscellaneous	48,684	24,051	22,535	17,264	71,219	41,315
Transfers	476	-	(476)	-	-	-
Total revenues	<u>3,696,234</u>	<u>4,069,071</u>	<u>3,812,710</u>	<u>3,903,418</u>	<u>7,508,944</u>	<u>7,972,489</u>
<b>Expenses:</b>						
General government	476,463	581,826	-	-	476,463	581,826
Judicial	152,801	121,194	-	-	152,801	121,194
Public safety	1,732,653	1,679,928	-	-	1,732,653	1,679,928
Public works	826,175	748,450	-	-	826,175	748,450
Culture and recreation	52,516	82,740	-	-	52,516	82,740
Housing and development	155,110	172,333	-	-	155,110	172,333
Interest charges	38,144	42,252	-	-	38,144	42,252
Water and sewer	-	-	3,063,481	2,966,884	3,063,481	2,966,884
Sanitation	-	-	129,396	164,668	129,396	164,668
Total expenses	<u>3,433,862</u>	<u>3,428,723</u>	<u>3,192,877</u>	<u>3,131,552</u>	<u>6,626,739</u>	<u>6,560,275</u>
Increase (decrease) in net assets	262,372	640,348	619,833	771,866	882,205	1,412,214
Beginning net assets	4,202,002	3,640,654	13,387,237	12,615,371	17,589,239	16,256,025
Prior period adjustment	-	(79,000)	-	-	-	(79,000)
Ending net assets	<u>\$ 4,464,374</u>	<u>\$ 4,202,002</u>	<u>\$ 14,007,070</u>	<u>\$ 13,387,237</u>	<u>\$ 18,471,444</u>	<u>\$ 17,589,239</u>

**Governmental activities.** Governmental activities increased the City's net assets by \$262,372.

Total revenues for the City amounted to \$3,696,234, of which property, franchise and business taxes provided 47.46% and sales and use tax provided 37.87%. Therefore, the general economy and local businesses have a major impact on the City's revenue stream and evidences that the City is heavily reliant on tax revenues to support governmental operations.

Property tax revenues increased by \$71,956 or 7.03%. There was a small increase in the total real property digest billed for 2011 due to annexation and reassessments in values of taxable property. Charges for services increased \$143,155, or 48.79% due to an increase in fine revenues attributed primarily to all personnel now being qualified to operate speed detection devices. This was remedied in the end of 2010 and beginning of 2011, and all officers are now trained to operate such devices. This has allowed for the revenue stream to be more consistent with prior trends. Local option sales tax increased by \$36,032, or 3.6%. This is primarily attributable to general outcomes of a recovering economy in this area. The growth is slow, but gradually is recovering in small increments.

Program expenses for governmental activities totaled \$3,433,862, which is a small increase of \$5,139 over the prior year. This increase is attributed to slight increases in operational expenditures.

**Business-type activities.** Business-type activities increased the City's net assets by \$619,833.

Total revenues of \$3,813,186 amounts to a decrease of \$90,232 primarily as a result of a decrease in the amount of grant revenue and contributions recorded during 2011. The decrease is a result of changes in capital projects and infrastructure instead of operating revenue changes.

Program expenses for business-type activities totaled \$3,192,877, which is an increase of \$61,325 over the prior year.

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

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City'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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$565,634, an increase of \$122,357 in comparison with the prior year. The primary component of the combined ending fund balance is \$483,037, which is contained in the general fund.

### ***Major Governmental Fund***

The general fund is the operating fund of the City. At the end of the current fiscal year, the unrestricted fund balance was \$403,985. This amount is available for spending at the City's discretion. The unrestricted fund balance increased \$91,172 during the current fiscal year, primarily from an increase in fine revenue and property tax revenue.

### ***Non-Major Governmental Funds***

Special revenue funds are used to account for the City's collection and disbursement of specific revenues that are legally restricted for specified purposes. The City has two non-major special revenue funds: the Confiscated Assets Fund and the Hotel/Motel Tax Fund.

Non-major governmental funds revenues totaled \$70,700 for the year ended December 31, 2011. Non-major governmental fund expenditures totaled \$72,009. Fund balance for non-major governmental funds was \$82,597, which represents a decrease of \$1,309 as compared to the prior year. This is attributed primarily to a capital outlay expenditure in the Confiscated Assets Fund for public safety equipment that was offset materially by an increase in the Hotel/Motel Tax Fund, which is the result of hotel/motel tax collected and interest accrued on outstanding balances, along with additional funds collected through fundraising efforts on behalf of the football and cheerleading recreation programs.

### **General Fund Budgetary 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 City's comparison of actual revenues and expenditures to the adopted budget can be found in the required supplementary information section of the annual report. Actual revenues exceeded budgeted amounts by \$29,754, primarily as the result of fine revenues and business taxes. While expenditures did not exceed budget in total, actual expenditures exceed the budget in certain departments (the legal level of control): Fire, Parks Administration, and Debt Service by \$7,416, \$9,099, and \$1,484, respectively. The excess over budget in the Fire Department stems from immaterial overages in several operating line items. Overrun in the cost to renovate the restroom and concession stands at the City baseball parks constituted the excess over budget in the Parks Administration department. The immaterial budget overrun in Debt Service stemmed from additional principal paid on the police precinct debt.

### ***Proprietary Funds***

The City's proprietary fund statements provide the same type of information found in the government-wide statements for business-type activities, but in greater detail. The City has two enterprise funds: The Water and Sewerage Fund (Major Fund) and the Sanitation Fund (Non-major Fund).

The Water and Sewerage Fund has net assets of \$14,007,070, the result of an increase in the amount of \$619,833, attributed to both an additional revenue stream from wastewater dump fees and growth in the customer base for both the water and sewer utility and sanitation services. Net assets invested in capital assets, net of related debt is \$13,096,492, resulting in a balance of \$126,198 in restricted net assets and a balance of \$784,380 in unrestricted net assets.

## Capital Asset and Debt Administration

### Capital assets

City of Jasper's investment in capital assets for its governmental and business-type activities as of December 31, 2011 amounts to \$22,621,667 (net of accumulated depreciation). Capital asset investments include land, construction in progress, water and sewerage system, land improvements, buildings, machinery and equipment, infrastructure and vehicles.

Major additions of capital assets this fiscal year include the following:

- Squaw Valley Road bridge, \$38,363
- 2011 Police Cruiser, \$27,565
- City Park bathroom renovation, \$19,455
- Land purchased for tank construction on Liberty Lane, \$89,911
- Replacement of roof at the wastewater treatment plant, \$13,900
- Caterpillar 289C Compact Track Loader, \$61,370
- Caterpillar 247B Skidsteer, \$15,500
- Meter reading truck fleet replacement, \$61,878
- Water line extensions, \$78,062

The following table represents capital assets, net of accumulated depreciation as of December 31, 2011:

	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Land	\$ 975,735	\$ 975,735	\$ 1,120,760	\$ 1,030,849	\$ 2,096,495	\$ 2,006,584
Construction in progress	6,081	5,809	575,061	426,898	581,142	432,707
Buildings and improvements	669,761	679,374	2,015,957	2,027,095	2,685,718	2,706,469
Infrastructure	1,094,065	1,117,636	14,919,147	14,774,426	16,013,212	15,892,062
Machinery and equipment	567,522	638,749	388,576	398,547	956,098	1,037,296
Site improvements	159,177	150,885	-	-	159,177	150,885
Vehicles	-	-	129,825	77,670	129,825	77,670
Total	\$ 3,472,341	\$ 3,568,188	\$ 19,149,326	\$ 18,735,485	\$ 22,621,667	\$ 22,303,673

Refer to Note 4 in the notes to the financial statements for more detailed information relating to the City's capital assets.

### Long-term debt

The City of Jasper's long-term debt had a net decrease of \$525,129 during the fiscal year. The decrease is attributed to the continued repayment of debt with little increase in debt issued in 2011. There was a significant decrease in the amount of compensated absences accrued as well.

The following table represents long-term debt outstanding as of December 31, 2011:

	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Notes payable	\$ 537,562	\$ 582,740	\$ 4,947,269	\$ 5,036,487	\$ 5,484,831	\$ 5,619,227
Compensated absences	123,637	226,134	60,664	144,283	184,301	370,417
Contracts payable	-	-	974,202	1,009,511	974,202	1,009,511
Capital leases	168,238	248,144	169,287	258,689	337,525	506,833
Total	<u>\$ 829,437</u>	<u>\$ 1,057,018</u>	<u>\$ 6,151,422</u>	<u>\$ 6,448,970</u>	<u>\$ 6,980,859</u>	<u>\$ 7,505,988</u>

Additional information on the City's long-term debt can be found in Note 9 to the financial statements.

### Economic Environment and Next Year's Budgets

The City considered many factors when adopting the fiscal year 2012 budget. The City's tax rates and fees for 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 it expects a continued stable but eventually growing economic environment. The City's budget will experience a small increase in tax revenues during 2012. Sale tax will likely continue to slowly increase from the effect of larger retail stores and a slowly improving retail economy. The following are some of the major factors considered in preparing the City's budget for 2012:

- 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 operating millage rate of 4.69 mils has been charged by the City since 2006. The millage rate for the General Fund has steadily decreased over a period of 15 years, which is evidence of this government's commitment to a consistent and fair millage rate for property taxes that will continue to facilitate the provision of city services at the general public's expected level.
- Infrastructure improvements – The City provided substantial capital funding to continue improving the water and sewer infrastructure. This long range plan to replace deteriorating infrastructure and continue to expand treatment facilities to serve the growing customer base was considered. Funding was allocated for repaving roads, park construction, and machinery and equipment necessary for city crews to operate efficiently.

- Economy impact – The City’s revenue and expenditures were implemented with a conservative approach to reflect the continued anticipation of stagnant economy, as seen in the past year and forecasted to continue into the next year.
- The City restricts the use of one-time revenues to capital projects.

For fiscal year 2012, the City Council approved a total budget of \$8,072,867. This budget includes operating and non-operating funds. The General Fund budget is \$3,927,046 and the Proprietary Funds are budgeted for \$3,523,742 (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 Tacie Jo Williams, Finance Director/City Clerk, City of Jasper, Georgia, 200 Burnt Mountain Road, Jasper, GA 30143.

## **BASIC FINANCIAL STATEMENTS**

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*The basic financial statements include the government-wide statement of net assets and government-wide statement of activities which include all of the primary government's governmental activities and business type activities. In addition, the basic financial statements include the fund financial statements and the notes to the financial statements.*

**CITY OF JASPER, GEORGIA**  
**STATEMENT OF NET ASSETS**  
**December 31, 2011**

	Governmental Activities	Business-type Activities	Total Primary Government	Component Units		
				Industrial Development Authority	Downtown Development Authority	Jasper Development Authority
<b>ASSETS</b>						
<b>Current Assets:</b>						
Cash	\$ 232,332	\$ 836,598	\$ 1,068,930	\$ -	\$ -	\$ 23,169
Restricted cash	58,104	611,855	669,959	1,000	4,007	-
Cash equivalents	383,908	-	383,908	-	-	-
Accounts receivable, net	-	334,906	334,906	-	-	-
Taxes receivable, net	1,074,487	-	1,074,487	-	-	-
Internal balances	45,824	(45,824)	-	-	-	-
Receivable from other governments	100,265	130,935	231,200	-	-	-
Fines receivable, net	91,293	-	91,293	-	-	-
Other receivables	5,312	44,588	49,900	-	-	-
Interest receivable-primary government	-	-	-	-	826	-
Note receivable-primary government	-	-	-	-	537,562	-
Inventories	-	77,766	77,766	-	-	-
Prepaid expenses	41,590	17,300	58,890	-	-	-
<b>Total Current Assets</b>	<b>2,033,115</b>	<b>2,008,124</b>	<b>4,041,239</b>	<b>1,000</b>	<b>542,395</b>	<b>23,169</b>
Capital assets, not being depreciated	981,816	1,695,821	2,677,637	-	-	-
Capital assets, net of accumulated depreciation	2,490,525	17,453,505	19,944,030	-	-	-
<b>Total Capital Assets</b>	<b>3,472,341</b>	<b>19,149,326</b>	<b>22,621,667</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>\$ 5,505,456</b>	<b>\$ 21,157,450</b>	<b>\$ 26,662,906</b>	<b>\$ 1,000</b>	<b>\$ 542,395</b>	<b>\$ 23,169</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Current Liabilities:</b>						
Accounts payable	\$ 90,766	\$ 436,452	\$ 527,218	\$ -	\$ -	\$ -
Intergovernmental payable	307	-	307	-	-	-
Accrued salaries	29,981	11,574	41,555	-	-	-
Accrued interest	5,018	16,742	21,760	-	826	-
Interest payable-component unit	826	-	826	-	-	-
Unearned revenue	77,584	8,000	85,584	-	-	-
Court bonds outstanding	600	-	600	-	-	-
Other accrued expenses	6,563	-	6,563	-	-	-
Liabilities Payable from Restricted Assets:						
Customer deposits	-	485,657	485,657	-	-	-
Retainage payable	-	40,533	40,533	-	-	-
Current Portion of Long-term Liabilities:						
Capital leases	27,735	79,489	107,224	-	47,913	-
Notes payable	-	301,411	301,411	-	-	-
Other contracts payable	-	256,358	256,358	-	-	-
Note payable to component units	47,913	-	47,913	-	-	-
Compensated absences	73,300	45,005	118,305	-	-	-
<b>Total Current Liabilities</b>	<b>360,593</b>	<b>1,681,221</b>	<b>2,041,814</b>	<b>-</b>	<b>48,739</b>	<b>-</b>
Long-term Liabilities:						
Note payable to component units	489,649	-	489,649	-	-	-
Other contracts payable	-	717,844	717,844	-	-	-
Capital leases	140,503	89,798	230,301	-	489,649	-
Notes payable	-	4,645,858	4,645,858	-	-	-
Compensated absences	50,337	15,659	65,996	-	-	-
<b>Total Long-term Liabilities</b>	<b>680,489</b>	<b>5,469,159</b>	<b>6,149,648</b>	<b>-</b>	<b>489,649</b>	<b>-</b>
<b>Total Liabilities</b>	<b>1,041,082</b>	<b>7,150,380</b>	<b>8,191,462</b>	<b>-</b>	<b>538,388</b>	<b>-</b>
Net Assets:						
Invested in capital assets, net of related debt	2,766,541	13,096,492	15,863,033	-	-	-
Restricted for:						
Capital projects	-	126,198	126,198	-	-	-
Tourism	16,163	-	16,163	-	4,007	-
Public safety	41,941	-	41,941	-	-	-
Economic development	-	-	-	1,000	-	-
Unrestricted	1,639,729	784,380	2,424,109	-	-	23,169
<b>Total Net Assets</b>	<b>4,464,374</b>	<b>14,007,070</b>	<b>18,471,444</b>	<b>1,000</b>	<b>4,007</b>	<b>23,169</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 5,505,456</b>	<b>\$ 21,157,450</b>	<b>\$ 26,662,906</b>	<b>\$ 1,000</b>	<b>\$ 542,395</b>	<b>\$ 23,169</b>

The accompanying notes are an integral part of this statement.

**CITY OF JASPER, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2011**

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenue				Primary Government			Component Units		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Industrial Development Authority	Downtown Development Authority	Jasper Development Authority
Primary Government										
Governmental Activities:										
General government	\$ 476,463	\$ 1,919	\$ 1,662	\$ -	\$ (472,882)	\$ -	\$ (472,882)	\$ -	\$ -	\$ -
Judicial	152,801	5,660	-	-	(147,141)	-	(147,141)	-	-	-
Public safety	1,732,653	347,947	4,972	-	(1,379,734)	-	(1,379,734)	-	-	-
Public works	826,175	-	3,750	-	(822,425)	-	(822,425)	-	-	-
Culture and recreation	52,516	-	-	-	(52,516)	-	(52,516)	-	-	-
Housing and development	155,110	81,007	-	-	(74,103)	-	(74,103)	-	-	-
Interest charges	38,144	-	-	-	(38,144)	-	(38,144)	-	-	-
Total Governmental Activities	<u>3,433,862</u>	<u>436,533</u>	<u>10,384</u>	<u>-</u>	<u>(2,986,945)</u>	<u>-</u>	<u>(2,986,945)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type Activities:										
Water and sewer	3,063,481	3,568,542	-	130,935	-	635,996	635,996			
Sanitation	129,396	79,061	-	-	-	(50,335)	(50,335)			
Total Business-type Activities	<u>3,192,877</u>	<u>3,647,603</u>	<u>-</u>	<u>130,935</u>	<u>-</u>	<u>585,661</u>	<u>585,661</u>			
Total Primary Government	<u>\$ 6,626,739</u>	<u>\$ 4,084,136</u>	<u>\$ 10,384</u>	<u>\$ 130,935</u>	<u>(2,986,945)</u>	<u>585,661</u>	<u>(2,401,284)</u>			
Component Units--										
Industrial Development Authority	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -
Downtown Development Authority	3,438	-	-	-				-	(3,438)	-
Jasper Development Authority	-	-	-	-				-	-	-
Total Component Units	<u>\$ 3,438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>-</u>	<u>(3,438)</u>	<u>-</u>
General revenues:										
Taxes:										
Property taxes, levied for general purposes					1,094,945	-	1,094,945	-	-	-
General sales and use taxes					1,030,709	-	1,030,709	-	-	-
Franchise taxes					383,113	-	383,113	-	-	-
Selective sales and use taxes					368,999	-	368,999	-	-	-
Business taxes					276,227	-	276,227	-	-	-
Unrestricted investment earnings					46,164	12,113	58,277	-	62	172
Miscellaneous					48,684	22,535	71,219	-	-	-
Transfers					476	(476)	-	-	-	-
Total general revenues and transfers					<u>3,249,317</u>	<u>34,172</u>	<u>3,283,489</u>	<u>-</u>	<u>62</u>	<u>172</u>
Change in net assets					<u>262,372</u>	<u>619,833</u>	<u>882,205</u>	<u>-</u>	<u>(3,376)</u>	<u>172</u>
Net assets, beginning of year					<u>4,202,002</u>	<u>13,387,237</u>	<u>17,589,239</u>	<u>1,000</u>	<u>7,383</u>	<u>22,997</u>
Net assets, end of year					<u>\$ 4,464,374</u>	<u>\$ 14,007,070</u>	<u>\$ 18,471,444</u>	<u>\$ 1,000</u>	<u>\$ 4,007</u>	<u>\$ 23,169</u>

The accompanying notes are an integral part of this statement.

**CITY OF JASPER, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2011**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>ASSETS</i>			
Cash	\$ 214,475	\$ 17,857	\$ 232,332
Restricted cash	37,462	20,642	58,104
Cash equivalents	383,908	-	383,908
Taxes receivable, net	1,030,693	43,794	1,074,487
Interfund receivable	45,824	-	45,824
Receivable from other governments	98,868	1,397	100,265
Fines receivable, net	91,293	-	91,293
Other receivables	5,312	-	5,312
Prepaid items	<u>41,590</u>	<u>-</u>	<u>41,590</u>
Total Assets	<u>\$ 1,949,425</u>	<u>\$ 83,690</u>	<u>\$ 2,033,115</u>
 <i>LIABILITIES AND FUND BALANCES</i>			
Liabilities:			
Accounts payable	\$ 89,673	\$ 1,093	\$ 90,766
Taxes payable	307	-	307
Accrued salaries	29,981	-	29,981
Deferred revenue	1,339,264	-	1,339,264
Court bonds outstanding	600	-	600
Other accrued items	<u>6,563</u>	<u>-</u>	<u>6,563</u>
Total Liabilities	<u>1,466,388</u>	<u>1,093</u>	<u>1,467,481</u>
 Fund balances:			
Nonspendable	41,590	40,234	81,824
Restricted for:			
Tourism	-	16,163	16,163
Technology	37,462	-	37,462
Public safety	-	4,479	4,479
Assigned	-	21,721	21,721
Unrestricted	<u>403,985</u>	<u>-</u>	<u>403,985</u>
Total Fund Balances	<u>483,037</u>	<u>82,597</u>	<u>565,634</u>
Total Liabilities and Fund Balances	<u>\$ 1,949,425</u>	<u>\$ 83,690</u>	<u>\$ 2,033,115</u>

The accompanying notes are an integral part of this statement.

**CITY OF JASPER, GEORGIA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**December 31, 2011**

Total fund balance, governmental funds	\$	565,634
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets. The cost of the capital assets is \$5,426,998, and the accumulated depreciation is \$1,954,657.		3,472,341
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Some of the City's tax revenues will be collected after the fiscal year end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred on the fund financial statements.		1,261,680
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Some liabilities are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets. These liabilities include the following:

Accrued interest		(5,018)
Other accrued liabilities		(826)
Compensated absences		(123,637)
Note payable to component units		(537,562)
Capital leases		(168,238)
		(1,244,281)

Net Assets of Governmental Activities in the Statement of Net Assets	\$	4,464,374
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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, 2011**

	General	Nonmajor Governmental Funds	Total Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Revenues:			
Taxes	\$ 3,077,748	\$ 48,147	\$ 3,125,895
Licenses and permits	81,647	-	81,647
Intergovernmental	20,530	-	20,530
Charges for services	10,662	-	10,662
Fines and forfeitures	344,224	-	344,224
Investment earnings	9,106	302	9,408
Contributions and donations	10,384	-	10,384
Miscellaneous	26,312	22,136	48,448
Penalties and interest on delinquent taxes	36,641	115	36,756
Total Revenues	<u>3,617,254</u>	<u>70,700</u>	<u>3,687,954</u>
Expenditures:			
Current:			
General government	491,892	-	491,892
Judicial	148,620	-	148,620
Public safety	1,735,742	12,597	1,748,339
Public works	796,810	-	796,810
Culture and recreation	54,125	-	54,125
Housing and development	103,411	59,412	162,823
Debt Service:			
Principal	125,477	-	125,477
Interest and other charges	37,987	-	37,987
Total Expenditures	<u>3,494,064</u>	<u>72,009</u>	<u>3,566,073</u>
Excess (deficiency) of revenues over (under) expenditures	<u>123,190</u>	<u>(1,309)</u>	<u>121,881</u>
Other Financing Sources (Uses):			
Transfers in	<u>476</u>	-	<u>476</u>
Total other financing sources and uses	<u>476</u>	-	<u>476</u>
Net changes in fund balances	123,666	(1,309)	122,357
Fund balances (deficit), beginning of year	<u>359,371</u>	<u>83,906</u>	<u>443,277</u>
Fund balances, end of year	<u>\$ 483,037</u>	<u>\$ 82,597</u>	<u>\$ 565,634</u>

The accompanying notes are an integral part of this statement.

**CITY OF JASPER, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2011**

Net change in fund balances - total governmental funds: \$ 122,357

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount of capital outlays \$109,908 netted with depreciation \$205,514 in the current period. (95,606)

Governmental funds do not report the gain or loss realized on the disposal of a capital asset. In contrast, the Statement of Activities reports an immaterial gain or loss as a component of the operating line items. 236

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. 7,568

Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of debt principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds. 125,477

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

Accrued interest	(157)
Compensated absences	102,497
	<u>102,497</u>

Change in net assets of governmental activities in the Statement of Activities \$ 262,372

**CITY OF JASPER, GEORGIA**  
**STATEMENT OF FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**December 31, 2011**

	Business-type Activities - Enterprise Funds		
	Major Fund Water and Sewerage Fund	Nonmajor Fund Sanitation	Total
<i>ASSETS</i>			
Current Assets:			
Cash	\$ 809,139	\$ 27,459	\$ 836,598
Restricted cash	611,855	-	611,855
Accounts receivable, net	327,768	7,138	334,906
Receivables from other governments	130,935	-	130,935
Other receivables	42,608	1,980	44,588
Inventories	77,766	-	77,766
Prepaid items	16,353	947	17,300
Total Current Assets	2,016,424	37,524	2,053,948
Non-Current Assets:			
Capital Assets Not Being Depreciated:			
Land and improvements	1,120,760	-	1,120,760
Construction in progress	575,061	-	575,061
Capital Assets Net of Accumulated Depreciation:			
Buildings and improvements	2,015,957	-	2,015,957
Machinery and equipment	372,913	15,663	388,576
Vehicles	129,825	-	129,825
Infrastructure	14,919,147	-	14,919,147
Total Non-Current Assets	19,133,663	15,663	19,149,326
Total Assets	\$ 21,150,087	\$ 53,187	\$ 21,203,274
 <i>LIABILITIES AND FUND NET ASSETS</i>			
Current Liabilities:			
Accounts payable	\$ 436,452	\$ -	\$ 436,452
Salaries payable	11,033	541	11,574
Accrued interest payable	16,736	6	16,742
Interfund payable	44,556	1,268	45,824
Unearned revenue	8,000	-	8,000
Liabilities Payable from Restricted Assets:			
Customer deposits	485,657	-	485,657
Retainage payable	40,533	-	40,533
Current Portion of Long-term Liabilities:			
Compensated absences	44,950	55	45,005
Notes payable	301,411	-	301,411
Other contracts payable	256,358	-	256,358
Capital lease obligation	78,441	1,048	79,489
Total Current Liabilities	1,724,127	2,918	1,727,045
Non-Current Liabilities:			
Compensated absences	15,659	-	15,659

The accompanying notes are an integral part of this statement.

**CITY OF JASPER, GEORGIA**  
**STATEMENT OF FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**December 31, 2011**

	Business-type Activities - Enterprise Funds		
	Major Fund Water and <u>Sewerage Fund</u>	Nonmajor Fund <u>Sanitation</u>	<u>Total</u>
Capital lease obligation	89,798	-	89,798
Notes payable	4,645,858	-	4,645,858
Other contracts payable	717,844	-	717,844
Total Non-Current Liabilities	5,469,159	-	5,469,159
Total Liabilities	7,193,286	2,918	7,196,204
Fund Net Assets:			
Invested in capital assets, net of related debt	13,081,877	14,615	13,096,492
Restricted for other purposes	126,198	-	126,198
Unrestricted	748,726	35,654	784,380
Total Fund Net Assets	13,956,801	50,269	14,007,070
Total Liabilities and Fund Net Assets	\$ 21,150,087	\$ 53,187	\$ 21,203,274

The accompanying notes are an integral part of this statement.

**CITY OF JASPER, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2011**

	Business-type Activities - Enterprise Funds		
	Major Fund Water and Sewerage	Nonmajor Fund Sanitation	Total
Operating Revenues:			
Charges for services	\$ 3,568,542	\$ 79,061	\$ 3,647,603
Miscellaneous	22,535	-	22,535
Total Operating Revenues	<u>3,591,077</u>	<u>79,061</u>	<u>3,670,138</u>
Operating Expenses:			
Sewer administration	20,144	-	20,144
Sewer maintenance	104,680	-	104,680
Waste water treatment plant	353,509	-	353,509
Water administration	232,050	-	232,050
Meter reading	175,503	-	175,503
Water supply	241,230	-	241,230
Water treatment plant	652,728	-	652,728
Water distribution	559,091	-	559,091
Solid waste collection	-	113,720	113,720
Total Operating Expenses before Depreciation	<u>2,338,935</u>	<u>113,720</u>	<u>2,452,655</u>
Depreciation expense	<u>510,542</u>	<u>15,075</u>	<u>525,617</u>
Total Operating Expenses	<u>2,849,477</u>	<u>128,795</u>	<u>2,978,272</u>
Operating Income (Loss)	<u>741,600</u>	<u>(49,734)</u>	<u>691,866</u>
Non-Operating Revenues (Expenses):			
Interest revenue	11,891	222	12,113
Intergovernmental	130,935	-	130,935
Interest expense	(195,244)	(601)	(195,845)
Loss on disposal of assets	<u>(18,760)</u>	<u>-</u>	<u>(18,760)</u>
Total Non-Operating Revenue (Expenses)	<u>(71,178)</u>	<u>(379)</u>	<u>(71,557)</u>
Income (loss) before contributions and transfers	670,422	(50,113)	620,309
Transfers in	-	75,000	75,000
Transfers out	<u>(75,476)</u>	<u>-</u>	<u>(75,476)</u>
Change in fund net assets	594,946	24,887	619,833
Total fund net assets, beginning	<u>13,361,855</u>	<u>25,382</u>	<u>13,387,237</u>
Total fund net assets, ending	<u>\$ 13,956,801</u>	<u>\$ 50,269</u>	<u>\$ 14,007,070</u>

The accompanying notes are an integral part of this statement.

**CITY OF JASPER, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2011**

	Business-type Activities		
	Enterprise Funds		
	Major Water <u>Fund</u>	Nonmajor Sanitation <u>Fund</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from customers	\$ 3,632,667	\$ 79,215	\$ 3,711,882
Payments to suppliers	(1,005,092)	(29,420)	(1,034,512)
Payments to employees	(1,404,931)	(92,236)	(1,497,167)
Net cash provided by (used in) operating activities	<u>1,222,644</u>	<u>(42,441)</u>	<u>1,180,203</u>
Cash Flows from Noncapital Financing Activities:			
Interfund loans - proceeds and collections	3,185	51	3,236
Transfers in	-	75,000	75,000
Transfers out	(75,476)	-	(75,476)
Net cash provided by (used in) noncapital financing activities	<u>(72,291)</u>	<u>75,051</u>	<u>2,760</u>
Cash Flows from Capital Financing Activities:			
Purchase of capital assets	(521,341)	-	(521,341)
Principal paid on capital debt	(415,442)	(20,578)	(436,020)
Interest paid on capital debt	(190,952)	(636)	(191,588)
Proceeds from issuance of capital debt	197,192	-	197,192
Sale of capital assets	24,316	-	24,316
Net cash provided by (used in) capital financing activities	<u>(906,227)</u>	<u>(21,214)</u>	<u>(927,441)</u>
Cash Flows from Investing Activities:			
Interest income	11,891	222	12,113
Net cash provided by (used in) investing activities	<u>11,891</u>	<u>222</u>	<u>12,113</u>
Net increase (decrease) in cash	256,017	11,618	267,635
Cash, beginning of year	1,164,977	15,841	1,180,818
Cash, end of year	<u>\$ 1,420,994</u>	<u>\$ 27,459</u>	<u>\$ 1,448,453</u>
Reconciliation of Total Cash:			
Unrestricted	\$ 809,139	\$ 27,459	\$ 836,598
Restricted	611,855	-	611,855
	<u>\$ 1,420,994</u>	<u>\$ 27,459</u>	<u>\$ 1,448,453</u>

The accompanying notes are an integral part of this statement.

**CITY OF JASPER, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2011**

	Business-type Activities		
	Enterprise Funds		
	Major Water <u>Fund</u>	Nonmajor Sanitation <u>Fund</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 741,600	\$ (49,734)	\$ 691,866
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	510,542	15,075	525,617
Change in assets and liabilities:			
Accounts receivable	9,792	(346)	9,446
Other receivables	10,816	500	11,316
Due from other governments			
Inventory	6,797	-	6,797
Prepaid expenses	(2,454)	162	(2,292)
Accounts payable	-		
Customer deposits	20,980	-	20,980
Accrued salaries and benefits	2	(171)	(169)
Compensated absences	(75,431)	(7,927)	(83,358)
	<u>481,044</u>	<u>7,293</u>	<u>488,337</u>
Net cash provided by (used in) operating activities	<u>\$ 1,222,644</u>	<u>\$ (42,441)</u>	<u>\$ 1,180,203</u>
Noncash transactions:			
Assets purchased through capital leases	\$ 60,208	\$ -	\$ 60,208

The accompanying notes are an integral part of this statement.

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## **NOTES TO THE FINANCIAL STATEMENTS**

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*The notes to the financial statements are a required component of the basic financial statements of the City. The notes present required and essential information for the fair presentation of the statements that have not been disclosed on the face of the financial statements.*

**CITY OF JASPER, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2011**

**1. SUMMARY OF ACCOUNTING POLICIES**

The accounting policies of the City of Jasper, Georgia, hereafter referred to as “the City”, conform to Generally Accepted Accounting Principles (GAAP). The City’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The Proprietary Fund applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

**A. THE REPORTING ENTITY**

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The City’s financial statements include the accounts of all operations. The criteria for including organizations within the City’s reporting entity, as set forth in Governmental Accounting Standards Board’s Statement No. 14 (GASB 14), “The Financial Reporting Entity”, is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit’s board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit or impose a financial burden on the primary government. As a result of applying the criteria of GASB 14, the Industrial Development Authority, the Downtown Development Authority of Jasper and the Jasper Development Authority have been included in the City’s financial statements in a discrete presentation in a separate column in the government-wide financial statements in order to express that they are legally separate from the City. The City is liable for repayment of debt incurred by the Industrial Development Authority, the Downtown Development Authority of Jasper and the Jasper Development Authority due to the City appointing the board; in addition, the City has agreed to financially support the Authorities, if necessary, in the future. All component units have the same year end as the City and this is consistent with all past years. Financial information pertaining to the component units can be obtained from the City upon request.

Also, the Housing Authority is recognized as a related organization of the City in that the City appoints the board members of the Authority. It exists in order to provide housing for low-income individuals that reside in the City limits and meet certain eligibility requirements. Payments in lieu of taxes are made to the City rather than property taxes.

**B. BASIS OF PRESENTATION – FUND ACCOUNTING**

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The City’s funds are grouped into two broad fund categories and three generic fund types for financial statement presentation purposes. Governmental funds include the General and Special Revenue funds. Proprietary funds include Enterprise funds.

**C. BASIS OF ACCOUNTING**

*GOVERNMENT-WIDE FINANCIAL STATEMENTS*

The statement of net assets and the statement of activities display information about the City, the primary government, as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared.

## NOTES TO FINANCIAL STATEMENTS (continued)

Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expense identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for capital improvements result from both the capital projects and enterprise funds and the restrictions on their net asset use.

### *FUND FINANCIAL STATEMENTS*

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

### *Governmental Funds*

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

### Revenue Recognition:

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e., collectible within the current year or within sixty days of year-end and available to pay obligations of the current period). This includes investment earnings, property and sales taxes, estate taxes, fines and forfeitures and state-levied locally shared taxes (including motor vehicle fees). Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until all eligibility requirements have been met.

Property taxes, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax receivables are recorded and deferred until expenditures are made. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Other revenues, including licenses and permits, certain charges for services and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. However, some licenses are deferred since the revenue is not available to finance expenditures of the current fiscal year.

### Expenditure Recognition:

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt and other long term obligations, which have not matured, are recognized when due. Allocation of costs, such as depreciation, is not recognized in the governmental funds.

## NOTES TO FINANCIAL STATEMENTS (continued)

### *Proprietary Funds*

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Allocation of costs, such as depreciation, is recorded in proprietary funds. Unbilled utility receivables are recorded at each year-end.

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 City's enterprise funds are charges for water and sewer usage and solid waste collection. Operating expenses for the enterprise funds include all costs to operate the water and sewer system and to deliver water and sewer service to customers as well as providing solid waste collection services. 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 government's policy to use restricted resources first, then unrestricted resources as they are needed.

The City reports the following major governmental fund:

General Fund – This 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 enterprise fund:

Water and Sewerage Fund – This fund accounts for the development, operation and maintenance of the utility system that provides water service, and for the development of an infrastructure system capable of providing sewerage service.

## **D. FUND BALANCE FLOW ASSUMPTIONS**

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

### *FUND BALANCE POLICIES*

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

## NOTES TO FINANCIAL STATEMENTS (continued)

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

### E. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City because it is considered unnecessary to assure effective budgetary control or to facilitate effective cash planning and control.

### F. CASH AND INVESTMENTS

For the purposes of the Statement of Cash Flows, the City considers all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash equivalents.

Cash includes amounts in demand deposits. Statutes authorize the City to invest in U.S. Government obligations, U.S. Government agency obligations, State of Georgia obligations, obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated "AA" or better by Moody's Investors Service, Inc., negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association, repurchase agreements when collateralized by U.S. Government or agency obligations, and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

### G. PROPERTY TAXES AND OTHER RECEIVABLES

Collection of each year's property taxes by the City is not always completed in the current year. Consequently, current year property taxes receivable are only measurable based on actual collections within thirty days of the year end. Those current and prior property taxes which are collected within thirty days of the year end are susceptible to accrual and therefore are accrued and reflected in revenue. It is not practical to measure delinquent taxes at the end of the year and, further, the amounts thereof are not material in relation to the financial statements taken as a whole. Collections within thirty days of the year end are recorded as revenue and those taxes which are not collected within the specified time period are shown as deferred revenues on the balance sheet. Property taxes receivable are stated at net amounts receivable. An allowance for uncollectible taxes for \$34,794 was established by management at December 31, 2011. The property tax bills for 2011 were levied at the end of 2011 and were intended for use during the 2012 calendar year, the year in which they are due. Therefore, the entire levy of \$1,039,587 was included in deferred revenue on the governmental financial statements.

The City property tax calendar is as follows:

Levy Date	December 2, 2011
Due Date	February 3, 2012
Delinquent Date	March 5, 2012
Lien Date	June 5, 2012

Accounts receivable in the Water Fund and fines receivable in the General Fund are stated at net amounts receivable. An allowance for doubtful accounts was established by management at December 31, 2011, amounting to \$82,523 in the Water Fund and \$83,800 in the General Fund based on prior years experience and collection policies.

## NOTES TO FINANCIAL STATEMENTS (continued)

### H. INVENTORIES

Inventories consist of supplies and are stated at cost. Inventories are accounted for on the first-in, first-out (FIFO) method of accounting for inventories. The City uses the purchases method of accounting for inventories; under which materials and supplies are recorded as expenses when purchased and are adjusted as inventory when accounted for at interval periods during the year.

### I. PREPAID ITEMS

Expenditures for insurance and similar services extending over more than one accounting period in governmental funds are accounted for on the consumption basis. Prepaid expenditures are similarly reported in the government-wide and fund financial statements.

### J. CAPITAL ASSETS AND DEPRECIATION

The City chooses to capitalize assets that have useful life extending beyond one year and exceed the established threshold of \$2,500 for each asset. Purchased or constructed capital assets are reported at cost or estimated at historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to October 1, 2003, are not reported in the basic financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2003. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30-50 years
Buildings	50 years
Building improvements	20 years
Vehicles	2-15 years
Office equipment	3-15 years
Computer equipment	3-15 years

### K. COMPENSATED ABSENCES

The liability for compensated absences in the government-wide and proprietary fund statements consists of unpaid, accumulated annual leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

### L. ESTIMATES

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

### M. INTERFUND BALANCES

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables and payables." These amounts are eliminated in the governmental and

## NOTES TO FINANCIAL STATEMENTS (continued)

business-type activities columns of the statement of net assets, except for any residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

### 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

For the year ended December 31, 2011, expenditures materially exceeded appropriations in the park department by a total of \$9,099. The excess stemmed from an overrun in capital outlay for restroom & concession stand renovations. This overexpenditure was funded by unused budgeted expenditures in other departments in the General Fund.

### 3. DEPOSITS

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2011, the City had no bank balance that was exposed to custodial credit risk.

### 4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011, was as follows:

	Beginning <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	Transfers <u>In (Out)</u>	Ending <u>Balances</u>
<i>Governmental activities:</i>					
Capital assets not being depreciated:					
Land	\$ 975,735	\$ -	\$ -	\$ -	\$ 975,735
Construction in progress	5,809	272	-	-	6,081
Total capital assets not being depreciated	981,544	272	-	-	981,816
Capital assets being depreciated:					
Buildings and improvements	875,199	10,777	-	-	885,976
Infrastructure	1,211,790	38,363	-	-	1,250,153
Machinery and equipment	1,886,347	41,041	(53,226)	31,224	1,905,386
Park improvements	384,212	19,455	-	-	403,667
Total capital assets being depreciated	4,357,548	109,636	(53,226)	31,224	4,445,182
Less accumulated depreciation:					
Buildings and improvements	(195,825)	(20,390)	-	-	(216,215)
Infrastructure	(94,154)	(61,934)	-	-	(156,088)
Machinery and equipment	(1,247,598)	(112,027)	52,985	(31,224)	(1,337,864)
Park improvements	(233,327)	(11,163)	-	-	(244,490)
Total accumulated depreciation	(1,770,904)	(205,514)	52,985	(31,224)	(1,954,657)
Total capital assets being depreciated, net	2,586,644	(95,878)	(241)	-	2,490,425
Governmental activities capital assets, net	\$ 3,568,188	\$ (95,606)	\$ (241)	\$ -	\$ 3,472,241
<i>Business-type activities:</i>					
Capital assets not being depreciated:					
Land	\$ 1,030,849	\$ 89,911	\$ -	\$ -	\$ 1,120,760
Construction in progress	426,898	520,979	(372,816)	-	575,061

**NOTES TO FINANCIAL STATEMENTS (continued)**

Total capital assets not being depreciated	1,457,747	610,890	(372,816)	-	1,695,821
Capital assets being depreciated:					
Buildings and improvements	2,180,707	34,811	-	-	2,215,518
Machinery and equipment	1,005,449	99,520	(59,734)	-	1,045,235
Vehicles	462,750	78,423	-	(31,224)	509,949
Water and sewer infrastructure	21,433,123	531,689	-	-	21,964,812
Total capital assets being depreciated	25,082,029	744,443	(59,734)	(31,224)	25,735,514
Less accumulated depreciation:					
Buildings and improvements	(153,612)	(45,949)	-	-	(199,561)
Machinery and equipment	(606,902)	(66,432)	16,675	-	(656,659)
Vehicles	(385,080)	(26,269)	-	31,224	(380,125)
Water and sewer infrastructure	(6,658,697)	(386,967)	-	-	(7,045,664)
Total accumulated depreciation	(7,804,291)	(525,617)	16,675	31,224	(8,282,009)
Total capital assets being depreciated, net	17,277,738	218,826	(43,059)	-	17,453,505
Business-type activities capital assets, net	\$ 18,735,485	\$ 829,716	\$ (415,875)	\$ -	\$19,149,326

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

*Governmental activities:*

General government	\$ 9,844
Judicial	6,882
Public safety	87,450
Public works	83,173
Culture and recreation	18,118
Housing and development	<u>47</u>
	<u>\$205,514</u>

*Business-type activities:*

Water and Sewerage	\$510,542
Sanitation	<u>15,075</u>
	<u>\$525,617</u>

**5. INTERFUND BALANCES AND ACTIVITY**

**A. TRANSFER TO/FROM OTHER FUNDS**

Transfers between funds consisted of the following at year end:

\$75,000	Transfer to Nonmajor Sanitation Fund from Water Fund for administrative supplement
<u>476</u>	Transfer to General Fund from Water Fund for allocation of residual payroll account
<u>\$75,476</u>	

**B. BALANCES DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds consisted of the following at year end:

\$44,556	Due from Water Fund to General Fund for operating expenses
<u>1,268</u>	Due from a nonmajor fund to General Fund for operating expenses
<u>\$45,824</u>	

The outstanding balances between funds primarily result from the time lag between the dates that (1) interfund reimbursable expenditures occur and (2) payments between funds are made. All interfund balances are expected to be repaid within one year from the date of the financial statements. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) provide unrestricted revenues collected in the General Fund to finance various programs accounted for in accordance with budgetary authorizations.

**NOTES TO FINANCIAL STATEMENTS (continued)**

**6. DUE FROM OTHER GOVERNMENTS**

The receivable consists of the following at year end:

Governmental Activities

*General Fund:*

Georgia Department of Revenue	\$ 98,868
Nonmajor Hotel/Motel Tax Fund:	
Pickens County Industrial Development Authority	<u>1,397</u>
Total Governmental Activities	<u>\$100,265</u>

**7. RESTRICTED ASSETS AND CLASSIFICATIONS OF EQUITY**

*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.

*RESTRICTED ASSETS AND RELATED EQUITY*

At December 31, 2011, the General Fund reflects a portion of fund balance as nonspendable for the purpose of prepaid insurance totaling \$41,590, reflected in the current assets of the fund. Also, in General Fund, \$37,462 is shown as restricted for the purposes of technology improvements for public safety.

The nonmajor funds reflect a portion of fund balance as nonspendable in the amount of \$40,234, which represents a long-term receivable related to litigation over hotel/motel taxes (see note 14). There is also a total amount of \$20,642 in restricted fund balance shown in the nonmajor funds. This is representative of cash restricted by legislative acts for tourism and public safety, as reflected on the balance sheet. The remainder of the fund balance in the nonmajor funds is shown as assigned in the amount of \$21,721, due to the fact that it is set aside by management for the purposes of the funds—tourism and public safety.

The Water and Sewerage Fund has restricted assets, consisting of cash totaling \$611,855, for the purpose of repayment of customer deposits in the amount of \$485,657 (which has a corresponding restricted liability) and for construction projects of \$126,198. The balance of cash for construction projects is shown as restricted net assets on the Statement of Fund Net Assets.

**8. NOTES PAYABLE TO THE COMPONENT UNITS**

The Downtown Development Authority of Jasper currently holds three notes 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 the annual debt service payments. Upon the payment in full of the debt, the assets are to be sold to the City at a purchase price of \$1. The amount due from the General Fund at year end was \$537,562.

Regions Bank, land purchase, payable in monthly installments of \$1,256, including interest at 5.70%. Original balance \$150,927, matures in 2015.	\$ 45,572
Community Bank of Pickens County, land purchase, payable in monthly installments of \$1,044, including interest at 5.88%. Original balance \$136,400, matures in 2017.	62,439
Regions Bank, police precinct, payable in monthly installments of \$3,104, including interest at 4.75%. Original balance \$475,500, matures in 2024.	<u>429,551</u>
	537,562
Less current portion of debt	<u>(47,913)</u>
	<u>\$ 489,649</u>

**NOTES TO FINANCIAL STATEMENTS (continued)**

Therefore, as reflected in the government-wide financial statements, the total amount of the note payable due to the component units from the primary government was \$537,562. The long-term debt activity for this note has been included in the summary of changes in long-term debt at the end of Note 8. Payments of principal and interest related to the above leases for the next five years and until maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 47,913	\$ 24,654	\$ 72,567
2013	50,350	22,216	72,566
2014	52,913	19,653	72,566
2015	46,165	17,020	63,185
2016	42,586	14,908	57,494
2017 - 2021	182,378	49,160	231,538
2022 - 2024	<u>115,257</u>	<u>7,717</u>	<u>122,974</u>
	<u>\$ 537,562</u>	<u>\$ 155,328</u>	<u>\$ 692,890</u>

**9. LONG-TERM LIABILITIES**

Governmental Activities

Capital Leases:

The following capital leases had outstanding balances at December 31, 2011:

First State Bank of Livingston, fire truck lease, payable in annual installments of \$28,003, including interest at 4.14%. Original balance \$278,000, matures in 2018. \$ 159,930

BB&T Governmental Finance Corporation, turnout gear lease, payable in monthly installments of \$529, including interest at 4.53%. Original balance \$28,326, matures in 2012. 527

RBC Centura Bank, vehicle lease, payable in monthly installments of \$1,323, including interest at 4.19%. Original balance \$71,903, matures in 2012. 3,050

BB&T Governmental Finance Corporation, Motorola radio system upgrade, payable in monthly installments of \$1,192, including interest at 3.66%. Original balance \$40,609, matures in 2012. 4,731

Less current portion of debt 168,238  
(27,735)  
\$ 140,503

Payments of principal and interest related to the above leases for the next five years and until maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 27,735	\$ 8,642	\$36,377
2013	20,469	7,534	28,003
2014	21,567	6,437	28,004
2015	22,723	5,280	28,003
2016	23,941	4,062	28,003
2017 - 2018	<u>51,803</u>	<u>4,203</u>	<u>56,006</u>
TOTAL	<u>\$ 168,238</u>	<u>\$ 36,158</u>	<u>\$ 204,396</u>

The following total represents capital assets purchased with the above capital leases and the related accumulated depreciation:

	<u>Asset</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Machinery and equipment	<u>\$ 395,136</u>	<u>\$ 223,561</u>	<u>\$ 171,575</u>

## NOTES TO FINANCIAL STATEMENTS (continued)

### Business-Type Activities

#### Capital Leases:

The following capital leases had outstanding balances at December 31, 2011:

Jasper Banking Company, land acquisition, payable in monthly installments of \$1,462, including interest at 5.25%. Original balance \$181,832, matures in 2014.	\$ 33,729
BB&T Governmental Finance Corporation, equipment lease, payable in monthly installments of \$1,175, including interest at 4.59%. Original balance \$61,680, matures in 2012.	2,336
RBC Centura Bank, vehicle lease, payable in monthly installments of \$3,088, including interest at 4.186%. Original balance \$166,250, matures in 2012.	5,595
Bancorp South Equipment, equipment lease, payable in monthly installments of \$1,162, including interest at 3.4%. Original balance \$61,370, matures in 2014.	51,183
BB&T Governmental Finance Corporation, equipment lease, payable in monthly installments of \$1,854, including interest at 3.79%. Original balance \$63,000, matures in 2013.	32,394
BB&T Governmental Finance Corporation, equipment lease, payable in monthly installments of \$1,899, including interest at 3.33%. Original balance \$65,000, matures in 2013.	<u>44,050</u>
	169,287
Less current portion of debt	<u>(79,489)</u>
	<u>\$ 89,798</u>

Payments of principal and interest related to the above leases for the next five years and until maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 79,489	\$ 5,052	\$ 84,541
2013	63,196	2,210	65,406
2014	<u>26,602</u>	<u>222</u>	<u>26,824</u>
	<u>\$ 169,287</u>	<u>\$ 7,484</u>	<u>\$ 176,771</u>

The following totals represent capital assets purchased with the above capital leases and the related accumulated depreciation:

	<u>Asset</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$ 181,832	\$ -	\$ 181,832
Machinery and equipment	<u>372,994</u>	<u>178,758</u>	<u>194,236</u>
	<u>\$ 554,826</u>	<u>\$ 178,758</u>	<u>\$ 376,068</u>

#### Notes Payable:

The following notes payable had outstanding balances at December 31, 2011:

Georgia Environmental Facilities Authority, infrastructure construction, payable in monthly installments of \$3,304, including interest at 5.5%. Original balance \$391,283, matures in 2013.	\$ 56,953
Georgia Environmental Facilities Authority, infrastructure construction, payable in monthly installments of \$10,955, including interest at 4.24%. Original balance \$1,771,316, matures in 2019.	843,327

**NOTES TO FINANCIAL STATEMENTS (continued)**

Georgia Environmental Facilities Authority, infrastructure construction, payable in monthly installments of \$4,661, including interest at 4.21%. Original balance \$757,484, matures in 2024.	534,547
Georgia Environmental Facilities Authority, infrastructure construction, payable in monthly installments of \$4,178 including interest at 4.14%. Original balance \$681,126, matures in 2027.	561,738
Georgia Environmental Facilities Authority, infrastructure construction, payable in monthly installments of \$11,501, including interest at 4.19%. Original balance \$1,866,938, matures in 2029.	1,731,582
Georgia Environmental Facilities Authority, infrastructure construction, payable in monthly installments of \$7,103, including interest at 4.19%. Original balance \$1,153,040, matures in 2031.	1,140,667
Georgia Environmental Facilities Authority, infrastructure construction, accruing interest at 3%, not yet in repayment.	<u>78,455</u>
	4,947,269
Less current portion of debt	<u>(301,411)</u>
	<u>\$4,645,858</u>

Payments of principal and interest related to the above notes payable for the next five years and until maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 301,411	\$ 199,013	\$ 500,424
2013	294,787	185,814	480,601
2014	287,085	173,693	460,778
2015	299,395	161,383	460,778
2016	312,233	148,545	460,778
2017 – 2021	1,427,778	547,448	1,975,226
2022 – 2026	1,213,121	279,644	1,510,765
2027 – 2031	<u>733,004</u>	<u>59,986</u>	<u>792,990</u>
	4,868,814	1,755,526	6,642,340
Amount not yet in repayment	<u>78,455</u>	-	<u>78,455</u>
	<u>\$4,947,269</u>	<u>\$1,755,526</u>	<u>\$6,720,795</u>

*Contracts Payable:*

In 2005, the City extended sewer service along Highway 515 and Hwy 108 in order to provide necessary infrastructure for economic development in the area. The majority of the project was funded with low-interest loans. However, a portion of the construction was paid through a long-term contract not to exceed 30 years with a contractor who installed the infrastructure. Annual payments are determined by Council on an annual basis dependent on budgetary considerations, and the contract allowed for additional principal payments to be applied to development costs for future development from the contractor. The original balance of the contract was \$821,200, and the remaining balance at December 31, 2011 was \$385,579.

In 2005, the City entered into a contract to purchase 14.158 acres of land located above the raw water source for the City’s water system on Cove Road in order to secure the water rights. The total purchase price for those water rights and the land was \$710,900. This was a long-term contract not to exceed 30 years. Annual payments are determined by Council dependent on budgetary considerations, and the contract allowed for additional principal payments to be applied to development costs for future development from the seller. The balance on December 31, 2011 was \$588,623.

**NOTES TO FINANCIAL STATEMENTS (continued)**

The following represents the changes in long-term debt from the previous year:

	Beginning Balance	Additions	Reductions	Adjustments	Ending Balance	Amounts Due in One Year
<b>Governmental Activities:</b>						
Capital leases	\$ 248,144	\$ -	\$ 80,299	\$ 393	\$ 168,238	\$ 27,735
Note payable-component unit	582,740	-	45,178	-	537,562	47,913
Compensated absences	<u>226,134</u>	<u>80,146</u>	<u>182,643</u>	<u>-</u>	<u>123,637</u>	<u>73,300</u>
	<u>1,057,018</u>	<u>80,146</u>	<u>308,120</u>	<u>393</u>	<u>829,437</u>	<u>148,948</u>
<b>Business-Type Activities:</b>						
Capital leases	258,689	60,208	149,608	-	169,287	79,489
Notes payable	5,036,487	197,192	286,410	-	4,947,269	301,411
Other contracts payable	1,009,511	-	35,309	-	974,202	256,358
Compensated absences	<u>144,283</u>	<u>38,180</u>	<u>121,799</u>	<u>-</u>	<u>60,664</u>	<u>45,005</u>
	<u>6,448,970</u>	<u>295,580</u>	<u>593,126</u>	<u>-</u>	<u>6,151,422</u>	<u>682,263</u>
Total long-term liabilities	<u>\$7,505,988</u>	<u>\$ 375,726</u>	<u>\$ 901,246</u>	<u>\$ 393</u>	<u>\$6,980,859</u>	<u>\$ 831,211</u>

Long-term liabilities such as compensated absences are liquidated by the fund to which the liability is related. Reductions shown above in governmental activities were liquidated by General Fund. Reductions shown above in business-type activities were liquidated primarily by Water and Sewerage Fund.

**10. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and workers compensation for which the City carries the insurance coverage. There were no significant reductions of insurance coverage compared to the prior year. Settled claims have not exceeded the commercial excess coverage in any of the past three years.

Self Insurance

The City pays unemployment claims to the state department of labor on a reimbursement basis. There were no liabilities for such claims at December 31, 2011.

**11. RETIREMENT PLANS**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code §457. The Mayor and Council established the defined contribution plan and Southern Financial Advisors administers the plan. All City employees are eligible immediately upon employment at a full-time status and participation is optional. This is a noncontributory plan in that all contributions are made by the employees only. Employees’ actual contributions are calculated and made based on a weekly payroll basis, and employees are 100% vested upon participation in the plan. The deferred compensation amounts are not available to employees until termination, retirement, death (payable to a beneficiary) or unforeseeable emergency. During the year ended December 31, 2011, employee contributions were \$3,542.

The City also offers a defined benefit pension plan, City of Jasper Retirement Plan (CJRP), which provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CJRP is affiliated with Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The GMEBS assigns the authority to establish and amend the benefit provisions of the plans that participate in GMEBS to the respective employer entities; for the CJRP, that authority rests with the City. Georgia Municipal Association issued a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to the Georgia Municipal Association or by calling (404) 688-0472.

**NOTES TO FINANCIAL STATEMENTS (continued)**

Funding Policy. The Commission is required to contribute at an actuarially determined rate; the current rate is 5.94% of annual covered payroll through October 1, 2011, and it increased to 6.18% for the remainder of the calendar year. The contribution requirements of plan members and the City are established and may be amended by the GMEBS Board of Trustees. Participant contributions are not made due to this particular plan being a noncontributory defined benefit pension plan.

Annual Pension Cost. Based on results of the January 1, 2012 actuarial valuation, the City’s annual pension cost for GMEBS was equal to the City’s required contributions. The City’s actual contribution for the year ended December 31, 2011 was \$135,911. The required contribution was determined as part of the January 1, 2011 actuarial valuation using the entry age actuarial cost method. The significant actuarial assumptions used to compute the actuarial accrued liability and the annual recommended contribution of the Plan meet the actuarial standards of Practice No. 4, Measuring Pension Obligations, establishing generally accepted actuarial principles and practices.

The actuarial assumptions included (a) 7.75% investment rate of return, (b) projected salary increases for inflation of 3.50% with .5% merit increases for age and service, and (c) no cost of living adjustments. The actuarial value of CJRP assets was determined using a smoothing technique, which gradually incorporates investment performance that exceeds or falls short of the expected return of 7.75%. The period, and related method for amortizing the initial unfunded actuarial accrued liability over 30 years from 1988 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods from the end of the year which any change arises as a level dollar amount. The amortization periods, if applicable, are closed for this plan year.

Plan Membership:	
Retirees and beneficiaries	17
Terminated plan members entitled but not yet receiving benefits	18
Active plan members	<u>65</u>
	<u>100</u>

Trend of Information for CJRP  
(Dollar amounts in thousands)

	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12-31-11	\$135,911	100%	-
12-31-10	\$160,248	100%	-
12-31-09	\$ 151,426	100%	-

Funding Schedule for Most Recent Valuation Date

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (ALL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/12	\$2,033,082	\$2,309,746	\$276,664	88.02%	\$2,343,572	11.81%

Note—one year of this disclosure is included in the notes to the financial statements; however, the remainder is located in required supplementary information immediately following the notes to financial statements. This required schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations, if applicable.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 12. JOINT VENTURE

The City, in conjunction with cities and counties in the fifteen (15) county Northwest Georgia area are members of the Northwest Georgia Regional Commission (NWGRC), formerly known as the North Georgia Regional Development Center which merged with Coosa Valley Regional Development Center in 2009 as mandated by state law. Membership in NWGRC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RDCs, and was amended in 2008 to consolidate the existing RDC's into fewer larger organizations called Regional Commissions (RC). Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The City paid annual dues to the RC for the year ended December 31, 2011, in the amount of \$3,684. The RC Board membership includes the chief elected official of each county and the chief elected official of the largest municipality in each county. The county board members elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public Board member from a county.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RDC's (later transferred to RC's) as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond its resources, (O.C.G.A. 50-8-39.1). Complete financial statements of the Northwest Georgia Regional Commission can be obtained directly from their office:

Northwest Georgia Regional Commission  
503 Waugh Street  
Dalton, Georgia 30720

The City is a member of the Northwest Georgia Regional Water Sources 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 a regional organization of water related interests 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 coordinating the activities of federal, state and local entities. The City pays annual dues in the amount of \$1,500. Complete financial statements of the Northwest Georgia Water Resources Partnership can be obtained directly from their office:

North Georgia Regional Water Resources Partnership  
P. O. Box 1793  
Rome, Georgia 30162-1793

### 13. HOTEL/MOTEL TAX REVENUES AND TOURISM EXPENDITURES

In October 2005, the Mayor and Council rescinded the hotel/motel tax at the rate of 7% and established a new ordinance in November 2005 changing the rate of collection to 6%. This tax became effective for collection in January 2006. The code section requires that the City expend an amount equal to 66.66% to promote tourism. For the year ended December 31, 2011, the City collected a total of \$48,257. The City expended the required funds in accordance with state law and had \$16,163 in tourism funds remaining at the year end, and \$17,857 in unrestricted hotel/motel taxes collected. Note that these totals reflect the cash activity of the tax collected and expended, which excludes any accrued collections at the end of the fiscal year.

### 14. COMMITMENTS AND CONTINGENCIES

In 2009, management of the City performed an audit of excise taxes collected and remitted by a local hotel as reported in the preceding audit. The amount that remains outstanding at December 31, 2011 is \$40,234, \$28,604 of which is excise tax unpaid and \$11,630 of which is penalties and interest accrued through the end of the year. The City filed a lawsuit in 2009 to continue pursuing collection of these funds.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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*The required supplementary information section includes a budgetary comparison schedule for the General Fund as well as pertinent information as to the preparation of and policies pertaining to the City's annual budget. In addition, this section includes additional information and schedules regarding the City's defined benefit pension plan.*

**CITY OF JASPER, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts (See Note A)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 953,934	\$ 1,074,984	\$ 1,066,847	\$ (8,137)
Franchise taxes	359,000	383,113	383,113	-
Business taxes	222,000	272,932	276,227	3,295
General sales and use taxes	1,141,000	1,050,000	1,030,709	(19,291)
Selective use taxes	305,000	321,000	320,852	(148)
Licenses and permits	79,050	80,621	81,647	1,026
Intergovernmental	119,000	19,000	20,530	1,530
Charges for services	26,060	9,490	10,662	1,172
Fines and forfeitures	250,000	325,000	344,224	19,224
Investment earnings	12,500	9,500	9,106	(394)
Contributions and donations	5,500	7,500	10,384	2,884
Miscellaneous	1,000	1,060	26,312	25,252
Penalties and interest on delinquent taxes	18,500	33,300	36,641	3,341
Total Revenues	3,492,544	3,587,500	3,617,254	29,754
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Legislative	65,225	59,072	44,549	14,523
Executive	138,146	132,688	119,961	12,727
Elections	2,805	125	125	-
Financial administration	376,528	398,625	327,257	71,368
<b>Judicial:</b>				
Municipal court	131,363	157,523	148,620	8,903
<b>Public Safety:</b>				
Police	862,738	965,583	960,259	5,324
Fire	766,857	766,890	774,306	(7,416)
Animal Control	19,127	2,807	1,177	1,630
<b>Public Works:</b>				
Streets	512,629	616,810	604,775	12,035
Fleet maintenance and shop	175,658	191,434	189,535	1,899
Cemetery	2,500	2,500	2,500	-
<b>Culture and Recreation:</b>				
Parks administration	203,447	45,026	54,125	(9,099)
<b>Housing and development:</b>				
Protective inspection	50,239	49,964	47,337	2,627
Planning and zoning	58,598	56,473	56,074	399
Debt service	195,461	161,980	163,464	(1,484)
Total Expenditures	3,561,321	3,607,500	3,494,064	113,436

The accompanying notes to RSI are an integral part of this schedule.

**CITY OF JASPER, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended December 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(See Note A)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>(68,777)</u>	<u>(20,000)</u>	<u>123,190</u>	<u>143,190</u>
Other Financing Sources (Uses)				
Transfer in	-	20,000	476	(19,524)
Proceeds from capital leases	<u>68,777</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>68,777</u>	<u>20,000</u>	<u>476</u>	<u>(19,524)</u>
Net change in fund balance	-	-	123,666	123,666
Fund balance, beginning of year	<u>359,371</u>	<u>359,371</u>	<u>359,371</u>	<u>-</u>
Fund balance, end of year	<u>\$ 359,371</u>	<u>\$ 359,371</u>	<u>\$ 483,037</u>	<u>\$ 123,666</u>

The accompanying notes to RSI are an integral part of this schedule.

**CITY OF JASPER, GEORGIA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended December 31, 2011**

**A. BUDGETS AND BUDGETARY CONTROL**

The Director of Finance prepares a draft of the annual budget and submits it to the Mayor for approval. Once the Mayor approves the budget, it is submitted to the Council Budget Committee for approval to submit to Council. The City then advertises in a local newspaper giving notice regarding a public hearing in which local citizens may give their input regarding the proposed budget. The City also places a copy of the proposed budget on file at City Hall for public inspection, as well as publishes it on the City website. Once the proposed budget has been presented to Council, the City holds a public hearing. After all of the above steps have been taken, the City Council and Mayor then formally adopt the annual balance budget in a legally permissible manner. The legal level of control of the budget of the City is the department level. All appropriations lapse at the fiscal year end.

Budgets have been legally adopted for all funds. Budgets are 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. Expenditures are budgeted by department and class as follows: operating expenditures/expenses, capital outlay and debt service. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to approval by the City Council and Mayor. Revisions to the budget were made throughout the year.

During the year ended December 31, 2011, some expenditures exceeded appropriated amounts as shown in the preceding budgetary comparison statement. However, management operated using reserved capital from prior years conservatively while still adhering to sound budgeting practices city-wide. The following expenditure categories in the General Fund exceeded budgeted amounts as indicated below in the City's funds:

Fire	\$ 7,416
Parks administration	\$ 9,099
Debt service	\$ 1,484

**CITY OF JASPER, GEORGIA  
SCHEDULE OF FUNDING PROGRESS FOR THE  
CITY OF JASPER RETIREMENT PLAN  
For the Year Ended December 31, 2011**

*Funded Status*

The table below sets forth required supplementary information to be disclosed in the schedule of funding progress. The items presented are based on the actuarial valuation date:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (ALL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/12	\$2,033,082	\$2,309,746	\$276,664	88.02%	\$2,343,572	11.81%
1/1/11	\$1,889,453	\$2,150,962	\$261,509	87.8%	\$2,439,843	10.7%
1/1/10	\$1,668,831	\$1,911,003	\$222,172	88.4%	\$2,171,370	10.2%
5/1/09	\$1,271,688	\$1,841,356	\$569,668	69.1%	\$2,243,546	25.4%
5/1/08	\$1,577,943	\$1,759,368	\$181,425	89.7%	\$2,530,373	7.2%
5/1/07	\$1,384,624	\$1,615,413	\$230,789	85.7%	\$2,291,284	10.1%
5/1/06	\$1,209,878	\$1,399,153	\$189,275	86.5%	\$2,181,189	8.7%
5/1/05	\$1,063,242	\$1,311,997	\$248,755	81.0%	\$1,914,069	12.9%
5/1/04	\$ 939,199	\$1,163,891	\$226,378	80.7%	\$1,710,569	13.1%
5/1/03	\$ 821,613	\$1,058,823	\$237,210	77.6%	\$1,783,175	13.3%
5/1/02	\$ 750,176	\$1,036,021	\$285,845	72.4%	\$1,480,540	19.3%
5/1/01	\$ 676,800	\$ 992,959	\$316,159	68.2%	\$1,345,836	23.5%
5/1/00	\$ 612,921	\$ 919,604	\$306,683	66.7%	\$1,135,820	27.0%
5/1/99	\$ 546,874	\$ 824,432	\$277,558	66.3%	\$ 989,015	28.1%
5/1/98	\$ 488,437	\$ 764,343	\$275,906	63.9%	\$ 854,064	32.3%

*Effect of plan changes on the actuarial accrued liability*

The effect on the actuarial accrued liability of any current-year changes in actuarial assumptions or benefit provisions is:

The plan provisions valued and the actuarial assumptions are the same as those used in the preceding valuation.

*Effect of plan changes on recommended contributions*

The effect on the recommended contributions of any current-year changes in actuarial assumptions, benefit provisions or actuarial funding method is:

The plan provisions valued and the actuarial assumptions and cost methods are the same as those used to determine the contribution requirement for the preceding year.

See actuarial assumptions used, disclosed in Note 10 to the financial statements.

## NONMAJOR GOVERNMENTAL FUNDS

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***Confiscated Assets Fund:***

*This fund is used to account for the City's share of monies that have been forfeited through the court system that are restricted for law enforcement purposes.*

***Hotel/Motel Tax Fund:***

*This fund is used to account for the 6% lodging tax levied in the City.*

**CITY OF JASPER, GEORGIA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
December 31, 2011**

	<u>Confiscated Assets Fund</u>	<u>Hotel/Motel Tax Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ -	\$ 17,857	\$ 17,857
Restricted cash	4,479	16,163	20,642
Taxes receivable	-	43,794	43,794
Receivable from other governments	<u>-</u>	<u>1,397</u>	<u>1,397</u>
 Total Assets	 <u>\$ 4,479</u>	 <u>\$ 79,211</u>	 <u>\$ 83,690</u>
 <b>LIABILITIES</b>			
Accounts payable	<u>\$ -</u>	<u>\$ 1,093</u>	<u>\$ 1,093</u>
 Total Liabilities	 <u>-</u>	 <u>1,093</u>	 <u>1,093</u>
 <b>FUND BALANCES</b>			
Nonspendable	-	40,234	40,234
Restricted fund balance	4,479	16,163	20,642
Assigned fund balance	<u>-</u>	<u>21,721</u>	<u>21,721</u>
Total Fund Balances	<u>4,479</u>	<u>78,118</u>	<u>82,597</u>
 Total Liabilities and Fund Balances	 <u>\$ 4,479</u>	 <u>\$ 79,211</u>	 <u>\$ 83,690</u>

**CITY OF JASPER, GEORGIA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
For the Year Ended December 31, 2011**

	<u>Confiscated Assets Fund</u>	<u>Hotel/Motel Tax Fund</u>	<u>Total</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ 48,147	\$ 48,147
Miscellaneous	-	22,136	22,136
Sales and use tax penalty	-	115	115
Interest	<u>49</u>	<u>253</u>	<u>302</u>
Total Revenues	<u>49</u>	<u>70,651</u>	<u>70,700</u>
<b>EXPENDITURES</b>			
<i>Current</i>			
Public Safety:			
Custody of property	12,597	-	12,597
Housing and Development:			
Tourism	<u>-</u>	<u>59,412</u>	<u>59,412</u>
Total Expenditures	<u>12,597</u>	<u>59,412</u>	<u>72,009</u>
Net change in fund balances	(12,548)	11,239	(1,309)
Fund balances, beginning	<u>17,027</u>	<u>66,879</u>	<u>83,906</u>
Fund balances, ending	<u>\$ 4,479</u>	<u>\$ 78,118</u>	<u>\$ 82,597</u>

**CITY OF JASPER, GEORGIA  
CONFISCATED ASSETS FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended December 31, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Interest	\$ 100	\$ 12,597	\$ 49	\$ 12,548
Total Revenues	<u>100</u>	<u>12,597</u>	<u>49</u>	<u>12,548</u>
<b>EXPENDITURES</b>				
<i>Current</i>				
Public Safety:				
Custody of property	<u>100</u>	<u>12,597</u>	<u>12,597</u>	<u>-</u>
Total Expenditures	<u>100</u>	<u>12,597</u>	<u>12,597</u>	<u>-</u>
Net change in fund balances	-	-	(12,548)	(12,548)
Fund balances, beginning	<u>17,027</u>	<u>17,027</u>	<u>17,027</u>	<u>-</u>
Fund balances, ending	<u>\$ 17,027</u>	<u>\$ 17,027</u>	<u>\$ 4,479</u>	<u>\$ (12,548)</u>

**CITY OF JASPER, GEORGIA  
HOTEL/MOTEL TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended December 31, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Taxes	\$ 39,000	\$ 46,000	\$ 48,147	\$ 2,147
Miscellaneous	15,000	18,000	22,136	4,136
Sales and use tax penalty	-	-	115	115
Interest	<u>300</u>	<u>160</u>	<u>253</u>	<u>93</u>
Total Revenues	<u>54,300</u>	<u>64,160</u>	<u>70,651</u>	<u>6,491</u>
<b>EXPENDITURES</b>				
<i>Current</i>				
Housing and Development:				
Tourism	<u>54,300</u>	<u>64,160</u>	<u>59,412</u>	<u>4,748</u>
Total Expenditures	<u>54,300</u>	<u>64,160</u>	<u>59,412</u>	<u>4,748</u>
Net change in fund balances	-	-	11,239	11,239
Fund balances, beginning	<u>66,879</u>	<u>66,879</u>	<u>66,879</u>	<u>-</u>
Fund balances, ending	<u>\$ 66,879</u>	<u>\$ 66,879</u>	<u>\$ 78,118</u>	<u>\$ 11,239</u>

## STATISTICAL SECTION (Unaudited)

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*The statistical section presents detailed information as a context for understanding what the information presented in the components of the financial section says about the overall financial health of the City of Jasper, Georgia.*

### **Contents**

#### **Financial Trends**

*These schedules contain trend information to help the reader understand how the City's financial well-being has changed over time.*

#### **Revenue Capacity**

*These schedules contain information to help the reader assess the City's most significant local revenue source, which is property tax.*

#### **Debt Capacity**

*These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.*

#### **Demographic and Economic Information**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.*

#### **Operating Information**

*These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and activities it performs.*

**Sources:** *Unless otherwise noted, the information presented in these schedules is derived from the financial report for the relevant year. The City implemented Statement 34 in 2004; therefore, schedules reflecting government-wide information include information beginning that year.*

**Note:** *The City of Jasper converted its fiscal year from a September 30<sup>th</sup> year end to a calendar year end in 2007. Therefore, information presented for years 2007 and prior reflects information for such fiscal year end and information presented for years 2008 and subsequent reflect the calendar year end. Information for the conversion period of October 1<sup>st</sup> through December 31<sup>st</sup>, 2007 is not included so as to minimize confusion in comparisons.*

**CITY OF JASPER, GEORGIA**  
**NET ASSETS BY COMPONENT**  
**Last Four Fiscal Years**  
**(accrual basis of accounting)**

	Calendar Year			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Governmental Activities:</b>				
Invested in capital assets, net of related debt	\$ 1,890,426	\$ 2,067,336	\$ 2,737,304	\$ 2,766,541
Restricted (1)	52,681	36,360	46,787	58,104
Unrestricted	<u>1,340,057</u>	<u>1,536,958</u>	<u>1,417,911</u>	<u>1,639,729</u>
Total governmental activities net assets	<u>3,283,164</u>	<u>3,640,654</u>	<u>4,202,002</u>	<u>4,464,374</u>
<b>Business-Type Activities:</b>				
Invested in capital assets, net of related debt	11,802,875	12,096,237	13,439,618	13,096,492
Restricted (2)	-	176,231	46,296	126,198
Unrestricted	<u>(299,936)</u>	<u>342,903</u>	<u>(98,677)</u>	<u>784,380</u>
Total business-type activities net assets	<u>11,502,939</u>	<u>12,615,371</u>	<u>13,387,237</u>	<u>14,007,070</u>
<b>Primary Government:</b>				
Invested in capital assets, net of related debt	13,693,301	14,163,573	16,176,922	15,863,033
Restricted	52,681	212,591	93,083	184,302
Unrestricted	<u>1,040,121</u>	<u>1,879,861</u>	<u>1,319,234</u>	<u>2,424,109</u>
Total primary government activities net assets	<u>\$ 14,786,103</u>	<u>\$ 16,256,025</u>	<u>\$ 17,589,239</u>	<u>\$ 18,471,444</u>

(1) In the governmental activities for years 2008 through 2011, the restricted net assets consists primarily of restricted cash from the special revenue funds net of any restricted liabilities.

(2) In the business-type activities for years 2008 through 2011, the restricted net assets consists primarily of restricted cash from infrastructure construction projects.

**CITY OF JASPER, GEORGIA**  
**CHANGES IN NET ASSETS**  
**Last Four Fiscal Years**  
**(accrual basis of accounting)**

	Calendar Year			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Expenses</b>				
Governmental Activities:				
General government	\$ 599,677	\$ 556,543	\$ 581,826	\$ 476,463
Judicial	132,116	131,285	121,194	152,801
Public safety	1,568,807	1,615,089	1,679,928	1,732,653
Custody of property**	-	1,542	140	-
Public works	675,619	615,723	748,310	826,175
Culture and recreation	98,076	85,223	82,740	52,516
Housing and development	168,755	153,817	122,214	155,110
Tourism^^	46,745	43,473	50,119	-
Interest charges	29,443	32,960	42,252	38,144
Total governmental activities expenses	<u>3,319,238</u>	<u>3,235,655</u>	<u>3,428,723</u>	<u>3,433,862</u>
Business-type Activities:				
Water and sewer	2,864,500	2,717,378	2,966,884	3,063,481
Sanitation	116,673	156,286	164,668	129,396
Total business-type activities expenses	<u>2,981,173</u>	<u>2,873,664</u>	<u>3,131,552</u>	<u>3,192,877</u>
Total primary government expenses	<u>6,300,411</u>	<u>6,109,319</u>	<u>6,560,275</u>	<u>6,626,739</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for service:				
General government	255	205	80	1,919
Judicial	33,462	24,974	16,675	5,660
Public safety	360,990	230,700	199,379	347,947
Custody of property	-	1,399	-	-
Public works	-	-	1,200	-
Culture and recreation	-	-	-	-
Housing and development	98,692	124,546	76,044	81,007
Tourism	-	-	-	-
Operating grants and contributions	15,000	2,778	5,864	10,384
Capital grants and contributions	57,096	72,770	675,160	-
Total governmental activities program revenues	<u>565,495</u>	<u>457,372</u>	<u>974,402</u>	<u>446,917</u>
Business-type Activities:				
Charges for service:				
Water and sewer	2,684,656	3,439,695	3,483,836	3,568,542
Sanitation	94,698	96,101	79,838	79,061
Capital grants and contributions	44,113	378,333	312,698	130,935
Total business-type activities expenses	<u>2,823,467</u>	<u>3,914,129</u>	<u>3,876,372</u>	<u>3,778,538</u>
Total primary government program revenues	<u>3,388,962</u>	<u>4,371,501</u>	<u>4,850,774</u>	<u>4,225,455</u>

**CITY OF JASPER, GEORGIA**  
**CHANGES IN NET ASSETS**  
**Last Four Fiscal Years**  
**(accrual basis of accounting)**

	Calendar Year			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	(2,753,743)	(2,778,283)	(2,454,321)	(2,986,945)
Business-type activities	<u>(157,706)</u>	<u>1,040,465</u>	<u>744,820</u>	<u>585,661</u>
 Total primary government net (expense)/revenue	 <u>(2,911,449)</u>	 <u>(1,737,818)</u>	 <u>(1,709,501)</u>	 <u>(2,401,284)</u>
 <b>General Revenue and Other Changes in Net Assets</b>				
Governmental Activities:				
Taxes				
Property taxes	912,820	1,199,539	1,022,989	1,094,945
Sales taxes	1,063,438	929,924	994,677	1,030,709
Other taxes	940,475	938,544	947,591	1,028,339
Grants and contributions not restricted to specific programs	71,326	15,706	-	-
Unrestricted investment earnings	27,118	48,539	105,361	46,164
Miscellaneous	9,436	3,521	24,051	48,684
Transfers	-	-	-	476
Total governmental activities	<u>3,024,613</u>	<u>3,135,773</u>	<u>3,094,669</u>	<u>3,249,317</u>
 Business-Type Activities:				
Grants and contributions not restricted to specific programs	79,165	-	-	-
Investment earnings	3,227	3,576	9,782	12,113
Miscellaneous	19,385	18,632	17,264	22,535
Transfers	-	-	-	(476)
Total business-type activities	<u>101,777</u>	<u>22,208</u>	<u>27,046</u>	<u>34,172</u>
 Total primary government	 <u>3,126,390</u>	 <u>3,157,981</u>	 <u>3,121,715</u>	 <u>3,283,489</u>
 <b>Change in Net Assets</b>				
Governmental activities	270,870	357,490	640,348	262,372
Business-type activities	<u>(55,929)</u>	<u>1,062,673</u>	<u>771,866</u>	<u>619,833</u>
 Total primary government	 <u>\$ 214,941</u>	 <u>\$ 1,420,163</u>	 <u>\$ 1,412,214</u>	 <u>\$ 882,205</u>

\*\*In 2011, this line item was combined with the Public Safety function.

^^In 2011, this line item was combined with the Housing and Development function.

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**CITY OF JASPER, GEORGIA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>Fiscal Year</u>						<u>Calendar Year</u>			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011*</u>
<b>General Fund</b>										
Reserved	\$ 4,758	\$ 6,587	\$ 125,306	\$ 140,119	\$ 149,472	\$ 22,473	\$ 65,904	\$ 42,893	\$ 46,558	\$ -
Unreserved	463,838	874,354	1,065,959	977,119	972,108	865,086	430,516	566,930	312,813	-
Nonspendable	-	-	-	-	-	-	-	-	-	41,590
Restricted	-	-	-	-	-	-	-	-	-	37,462
Unrestricted	-	-	-	-	-	-	-	-	-	403,985
<b>Total general fund</b>	<u>\$ 468,596</u>	<u>\$ 880,941</u>	<u>\$ 1,191,265</u>	<u>\$ 1,117,238</u>	<u>\$ 1,121,580</u>	<u>\$ 887,559</u>	<u>\$ 496,420</u>	<u>\$ 609,823</u>	<u>\$ 359,371</u>	<u>\$ 483,037</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,632	\$ 37,734	\$ 26,682	\$ 28,964	\$ -
Unreserved, reported in special revenue funds	-	-	(41)	23,150	4,207	-	14,452	38,638	54,942	-
Nonspendable	-	-	-	-	-	-	-	-	-	40,234
Restricted	-	-	-	-	-	-	-	-	-	20,642
Assigned	-	-	-	-	-	-	-	-	-	21,721
<b>Total all other governmental funds</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (41)</u>	<u>\$ 23,150</u>	<u>\$ 4,207</u>	<u>\$ 9,632</u>	<u>\$ 52,186</u>	<u>\$ 65,320</u>	<u>\$ 83,906</u>	<u>\$ 82,597</u>

\*GASB 54 became effective for calendar year 2011. This caused a reclassification of fund balances in governmental type funds.

**CITY OF JASPER, GEORGIA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year						Calendar Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues:										
Taxes	\$ 1,740,272	\$ 1,796,145	\$ 1,946,187	\$ 2,265,080	\$ 2,560,778	\$ 2,791,682	\$ 2,705,527	\$ 2,982,132	\$ 2,828,463	\$ 3,125,895
Licenses and permits	189,716	215,063	245,008	193,936	118,252	117,749	95,942	124,546	76,044	81,647
Intergovernmental	35,479	74,910	31,100	35,380	40,043	186,692	93,406	108,897	28,095	20,530
Charges for services	7,483	3,062	1,841	26,672	39,781	45,376	37,755	29,870	20,125	10,662
Fines and forfeitures	196,650	204,076	207,154	318,333	239,850	236,977	359,702	227,408	197,209	344,224
Investment earnings	1,796	815	1,666	2,542	15,702	23,076	9,763	24,447	12,499	9,408
Contributions and donations	7,200	4,800	-	47,550	50,047	32,377	71,326	2,778	673,799	10,384
Miscellaneous	8,432	19,092	62,751	68,956	34,480	10,681	9,436	3,521	24,051	48,448
Penalties and interest on delinquent taxes (2)	-	-	-	8,115	7,493	23,722	17,355	24,092	92,862	36,756
<b>Total Revenues</b>	<u>2,187,028</u>	<u>2,317,963</u>	<u>2,495,707</u>	<u>2,966,564</u>	<u>3,106,426</u>	<u>3,468,332</u>	<u>3,400,212</u>	<u>3,527,691</u>	<u>3,953,147</u>	<u>3,687,954</u>
Expenditures:										
Current:										
General government	612,572	492,553	677,153	572,061	606,722	670,623	586,349	541,627	583,712	491,892
Judicial	38,848	43,718	60,802	137,674	130,490	138,904	149,693	122,977	113,275	148,620
Public safety	961,884	1,271,980	1,146,041	1,216,737	1,368,306	1,532,553	1,502,913	2,111,326	1,611,441	1,748,339
Custody of property**	-	-	-	-	-	-	-	1,542	140	-
Public works	726,573	365,273	345,143	646,415	690,624	787,132	853,228	694,558	1,372,650	796,810
Culture and recreation	21,936	22,246	247,292	186,910	153,228	222,433	84,195	77,727	67,455	54,125
Housing and development	140,108	108,544	152,523	170,888	132,948	164,009	164,173	150,084	120,613	162,823
Tourism^^	-	-	-	19,470	14,107	34,862	54,956	43,473	50,119	-
Debt Service: (1)										
Principal	74,866	83,400	-	152,722	139,730	166,108	118,776	142,766	142,913	125,477
Interest and other charges	34,711	29,488	-	46,524	48,131	39,128	32,698	33,183	43,695	37,987
<b>Total Expenditures</b>	<u>2,611,498</u>	<u>2,417,202</u>	<u>2,628,954</u>	<u>3,149,401</u>	<u>3,284,286</u>	<u>3,755,752</u>	<u>3,546,981</u>	<u>3,919,263</u>	<u>4,106,013</u>	<u>3,566,073</u>
Excess (deficiency) of revenues over (under) expenditures	(424,470)	(99,239)	(133,247)	(182,837)	(177,860)	(287,420)	(146,769)	(391,572)	(152,866)	121,881

**CITY OF JASPER, GEORGIA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

Other Financing Sources (Uses):										
Proceeds from capital leases	183,624	318,098	11,500	179,831	88,318	100,229	83,660	518,109	-	-
Proceeds from the sale of capital assets	-	5,180	232,030	4,330	-	5,425	-	-	-	-
Transfers from component unit	-	-	-	-	-	-	-	-	-	-
Transfers to component unit	-	(30,094)	-	-	(19,631)	-	-	-	-	-
Transfers in	362,654	254,353	200,000	138,971	123,869	97,647	-	-	-	476
Transfers out	<u>(62,654)</u>	<u>(35,953)</u>	<u>-</u>	<u>(5,638)</u>	<u>(29,297)</u>	<u>(13,084)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>483,624</u>	<u>511,584</u>	<u>443,530</u>	<u>317,494</u>	<u>163,259</u>	<u>190,217</u>	<u>83,660</u>	<u>518,109</u>	<u>-</u>	<u>476</u>
Net changes in fund balances	<u>\$ 59,154</u>	<u>\$ 412,345</u>	<u>\$ 310,283</u>	<u>\$ 134,657</u>	<u>\$ (14,601)</u>	<u>\$ (97,203)</u>	<u>\$ (63,109)</u>	<u>\$ 126,537</u>	<u>\$ (152,866)</u>	<u>\$ 122,357</u>
Debt services as a percentage of noncapital expenditures	4.66%	5.43%	6.72%	7.26%	6.18%	6.15%	4.70%	5.52%	5.58%	4.73%

(1) Debt service totals are not shown separately in the audit report for 2004.

(2) Penalties and interest on delinquent taxes was not shown separately until the audit report in 2005. It has been shown in a separate line item on all subsequent reports.

\*\*In 2011, this line item was combined with the Public Safety function.

^^In 2011, this line item was combined with the Housing and Development function.

**CITY OF JASPER, GEORGIA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Years**

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Motor Vehicles/ Mobile Homes</b>	<b>Less: Tax Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as % of Actual Value</b>
2002	87,255,975	21,917,986	4,631,158	(15,243,649)	98,561,470	4.70	246,403,675	40%
2003	98,134,496	20,536,853	5,038,723	(17,515,261)	106,194,811	4.70	265,487,028	40%
2004	118,853,143	24,198,473	5,446,844	(17,906,013)	130,592,447	4.70	326,481,118	40%
2005	136,374,023	25,198,385	5,996,414	(19,206,256)	148,362,566	4.70	370,906,415	40%
2006	151,136,522	29,817,896	6,125,503	(25,321,717)	161,758,204	4.69	404,395,510	40%
2007	169,243,802	32,523,419	7,104,361	(24,756,807)	184,114,775	4.69	460,286,938	40%
2008**	209,006,002	35,548,387	7,887,669	(28,166,156)	224,275,902	4.69	560,689,755	40%
2009**	217,612,863	34,790,661	7,966,829	(35,669,978)	224,700,375	4.69	561,750,938	40%
2010**	192,056,888	31,493,217	6,798,292	(5,113,847)	225,234,550	4.69	563,086,375	40%
2011**	192,996,066	34,134,406	6,837,437	(5,330,071)	228,637,838	4.69	571,594,595	40%

\*\* Calendar year ended December 31st

**CITY OF JASPER, GEORGIA**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**Last Ten Years**  
**(rate per \$1,000 of assessed value)**

Fiscal Year	Direct				Overlapping	
	City of Jasper	Pickens County	Board of Education	Total	State of Georgia	Total Direct & Overlapping Rates
2001	4.71	6.10	15.20	26.01	0.25	26.26
2002	4.70	6.08	14.96	25.74	0.25	25.99
2003	4.70	5.95	14.89	25.54	0.25	25.79
2004	4.70	5.91	15.87	26.48	0.25	26.73
2005	4.70	6.16	15.12	25.98	0.25	26.23
2006	4.69	6.26	15.22	26.17	0.25	26.42
2007	4.69	6.13	14.47	25.29	0.25	25.54
2008**	4.69	5.90	14.47	25.06	0.25	25.31
2009**	4.69	6.26	15.97	26.92	0.25	27.17
2010**	4.69	6.26	15.97	26.92	0.25	27.17
2011**	4.69	8.23	15.97	28.89	0.25	29.14

\*\* Calendar year ended December 31st for each year marked as such.

Source: Georgia Department of Revenue

**Note:** Overlapping rates are those of local and county governments that apply to property owners within the City of Jasper.

**CITY OF JASPER, GEORGIA  
PRINCIPAL PROPERTY TAXPAYERS  
Current Year and Nine Years Ago**

Taxpayer	2011			2002**		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Eric S Zorn, as Trustee of Wal-real Estate	\$ 4,914,354	1	2.15%	-		
Lexington Insulators	4,584,366	2	2.01%	\$ -		
Mountainside Manor, LP	3,532,612	3	1.55%	-		
Ziegler-Georgia 13, LLC	3,476,547	4	1.52%	-		
H D Development of Maryland	3,467,828	5	1.52%	-		
Fairway of Jasper, LLC	3,462,869	6	1.51%	-		
Wal-Mart/Sam's Club	2,930,123	7	1.28%	-		
Ingles Market, Inc.	2,871,567	8	1.26%	-		
Community Bank of Pickens County	2,035,880	9	0.89%	-		
The Home Depot	<u>1,841,012</u>	10	0.81%	-		
	<u>\$ 28,202,804</u>					

Source: City of Jasper Finance Department

\*\*Information for 2002 is not available at this time.

**CITY OF JASPER, GEORGIA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Years**

Year of Tax Levy	Collected within the Fiscal Year of Levy			Total Collections to Date		
	Taxes Levied for the Fiscal Year	Amount Collected	Percentage of Levy	Collection in Subsequent Years	Amount Collected	Percentage of Levy
2002	\$ 410,840	\$ 365,901	89.06%	\$ 42,966	\$ 408,829	99.51%
2003	\$ 441,674	\$ 383,024	86.72%	\$ 53,404	\$ 436,428	98.81%
2004	\$ 555,722	\$ 500,251	90.02%	\$ 49,957	\$ 550,208	99.01%
2005	\$ 652,692	\$ 619,328	94.89%	\$ 30,389	\$ 649,717	99.54%
2006	\$ 693,396	\$ 665,090	95.92%	\$ 24,596	\$ 689,686	99.46%
2007	\$ 801,126	\$ 750,252	93.65%	\$ 42,920	\$ 793,172	99.01%
2008**	\$ 971,406	\$ 881,252	90.72%	\$ 66,317	\$ 947,569	97.55%
2009**	\$ 985,142	\$ 315,052	31.98%	\$ 627,632	\$ 942,684	95.69%
2010**	\$ 1,022,201	\$ 253,893	24.84%	\$ 701,674	\$ 955,567	93.48%
2011**	\$ 1,039,587	\$ 232,238	22.34%	(1)		

(1) The tax bills for 2011 were billed at the end of 2011, and collections shown are deferred revenue, as this revenue is not recognized until 2012. Therefore there are no subsequent collections to report for this schedule.

Source: City of Jasper Finance Department

\*\* Calendar year ended December 31st of each year marked as such.

**CITY OF JASPER, GEORGIA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Years**

Fiscal Year	Governmental Activities		Business Type Activities			% of Personal Income	Population	Per Capita
	Capital Leases	Note Payable to Component Unit	Notes Payable	Capital Leases	Total Primary Government			
2002	\$ 599,265	\$ -	\$ 2,232,861	\$ 292,389	\$ 3,124,515	7.24%	2,482	\$ 1,259
2003	\$ 833,746	\$ -	\$ 2,675,862	\$ 216,024	\$ 3,725,632	8.29%	2,550	\$ 1,461
2004	\$ 748,420	\$ -	\$ 2,739,033	\$ 224,126	\$ 3,711,579	7.98%	2,912	\$ 1,275
2005	\$ 505,656	\$ 269,872	\$ 3,925,537	\$ 252,184	\$ 4,953,249	10.38%	2,965	\$ 1,671
2006	\$ 485,669	\$ 238,657	\$ 4,115,969	\$ 327,724	\$ 5,168,019	10.77%	3,052	\$ 1,693
2007	\$ 469,514	\$ 188,932	\$ 3,953,810	\$ 448,940	\$ 5,061,196	10.00%	3,116	\$ 1,624
2008**	\$ 427,324	\$ 171,522	\$ 5,415,396	\$ 352,886	\$ 6,367,128	12.19%	3,166	\$ 2,011
2009**	\$ 348,932	\$ 625,257	\$ 5,807,138	\$ 249,204	\$ 7,030,531	13.60%	3,269	\$ 2,151
2010**	\$ 248,144	\$ 582,740	\$ 6,045,998	\$ 258,689	\$ 7,135,571	14.24%	3684	\$ 1,937
2011**	\$ 168,238	\$ 537,562	\$ 4,947,269	\$ 169,287	\$ 5,822,356	*	*	*

\* Information for 2010 not available for personal income, population and per capita ratios.

\*\* Calendar year ended December 31st for years marked as such.

**CITY OF JASPER, GEORGIA  
LEGAL DEBT MARGIN INFORMATION  
Ten Year Summary**

Fiscal Year	Capital Leases	Note Payable	Total	Total Assessed	Debt as a % of Total Assessed
		to Component	Governmental		
		Unit	Debt	Value	Value
2002	\$ 599,265	-	\$ 599,265	\$ 246,403,675	0.24%
2003	\$ 833,746	-	\$ 833,746	\$ 265,487,028	0.31%
2004	\$ 748,420	-	\$ 748,420	\$ 326,481,118	0.23%
2005	\$ 505,656	\$ 269,872	\$ 775,528	\$ 370,906,415	0.21%
2006	\$ 485,669	\$ 238,657	\$ 724,326	\$ 404,395,510	0.18%
2007	\$ 469,514	\$ 188,932	\$ 658,446	\$ 460,286,938	0.14%
2008**	\$ 427,324	\$ 171,522	\$ 598,846	\$ 560,689,755	0.11%
2009**	\$ 348,932	\$ 625,257	\$ 974,189	\$ 561,750,938	0.17%
2010**	\$ 248,144	\$ 582,740	\$ 830,884	\$ 563,086,375	0.15%
2011**	\$ 168,238	\$ 537,562	\$ 705,800	\$ 571,594,595	0.12%

**Note:** Per Georgia Constitution, a municipality may only allow general obligation indebtedness up to 10% of the total assessed value of taxable property in its incorporated area.

\*\* Calendar year ended December 31st

**CITY OF JASPER, GEORGIA  
TOP TEN WATER CUSTOMERS  
For the Past Two Years**

**For Calendar Year 2011**

	<b>Rank</b>	<b>Gallons Consumed</b>	<b>Water Revenue</b>	<b>Sewer Revenue</b>	<b>Total Revenue</b>	<b>% of Total Operating Revenues</b>
Pickens County Water Authority	1	49,949,300	\$ 88,410	\$ -	\$ 88,410	2.46%
Mountainside Manor	2	7,550,500	\$ 48,853	\$ 37,478	\$ 86,331	2.40%
Piedmont Mountainside Hospital	3	4,946,500	\$ 12,090	\$ 11,235	\$ 23,325	0.65%
Jennifer English	4	4,056,100	\$ 13,482	\$ -	\$ 13,482	0.38%
Pickens County High School	5	3,717,100	\$ 13,041	\$ 12,309	\$ 25,350	0.71%
Grandview Healthcare	6	2,875,100	\$ 7,249	\$ 6,661	\$ 13,910	0.39%
Pickens County Detention Center	7	2,746,500	\$ 6,960	\$ 6,385	\$ 13,345	0.37%
Homestead Apartments	8	2,594,900	\$ 16,820	\$ 12,901	\$ 29,721	0.83%
Lexington Insulators	9	2,294,000	\$ 5,942	\$ 5,412	\$ 11,354	0.32%
Fairway Jasper	10	1,564,900	\$ 8,981	\$ 6,725	\$ 15,706	0.44%

**For Calendar Year 2010**

	<b>Rank</b>	<b>Gallons Consumed</b>	<b>Water Revenue</b>	<b>Sewer Revenue</b>	<b>Total Revenue</b>	<b>% of Total Operating Revenues</b>
Mountainside Manor	1	7,558,600	\$ 48,629	\$ 37,264	\$ 85,893	2.41%
Pickens County High School	2	4,214,500	\$ 14,657	\$ 13,876	\$ 28,533	0.80%
Piedmont Mountainside Hospital	3	4,131,400	\$ 10,256	\$ 9,483	\$ 19,739	0.55%
Pickens County Detention Center	4	3,691,500	\$ 9,086	\$ 8,417	\$ 17,503	0.49%
Homestead Apartments	5	2,826,700	\$ 17,341	\$ 13,398	\$ 30,739	0.86%
Lexington Insulators	6	2,768,300	\$ 7,009	\$ 6,432	\$ 13,441	0.38%
Grandview Healthcare	7	2,470,700	\$ 6,339	\$ 5,792	\$ 12,131	0.34%
Jennifer English	8	2,291,400	\$ 7,747	\$ -	\$ 7,747	0.22%
W.L. Wilson	9	1,940,800	\$ 6,588	\$ -	\$ 6,588	0.18%
Brooks Hollow Apartments	10	974,800	\$ 9,575	\$ 7,017	\$ 16,592	0.47%

*Source: City of Jasper Water Administration Department*

**Note:** Top ten customers are ranked by number of gallons consumed, not annual billing.

**CITY OF JASPER, GEORGIA  
WATER CUSTOMERS  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Number of Customers</u>	<u>Number Increase from Prior Year</u>	<u>% Increase from Prior Year</u>
2002	4,056	276	7.30%
2003	4,157	101	2.49%
2004	4,262	105	2.53%
2005	4,471	209	4.90%
2006	4,653	182	4.07%
2007	4,984	331	7.11%
2008**	5,238	254	5.10%
2009**	5,252	14	0.27%
2010**	5,410	158	3.01%
2011**	5,464	54	1.00%

*Source: City of Jasper Water Administration Department*

\*\*Calendar Year basis.

**CITY OF JASPER, GEORGIA  
UTILITY RATES  
December 31, 2011**

**WATER SERVICE FOR ALL CUSTOMER TYPES:**

	<u>Base Rate</u>	<u>Price per 1,000</u>	
		<u>gallons</u>	
Resident inside City limits	\$ 15.00	\$	2.25
Resident outside City limits	25.00		3.25
Resident outside City limits on sewer	17.00		3.25
		<u>Inside City limits - Outside City limits -</u>	
		<u>Price per 1,000</u>	
	<u>Base Rate</u>	<u>gallons</u>	<u>gallons</u>
Commercial customers - 3/4" meter	\$ 35.00	\$ 2.25	\$ 3.25
Commercial customers - 1" meter	50.00	2.25	3.25
Commercial customers - 2" meter	65.00	2.25	3.25
Commercial customers - 3" meter	75.00	2.25	3.25
Commercial customers - 4" meter	80.00	2.25	3.25
Commercial customers - 6" meter	100.00	2.25	3.25
Irrigation meters - 3/4" meter	35.00	4.25	4.25
Irrigation meters - 1" meter	50.00	4.25	4.25
Irrigation meters - 2" meter	65.00	4.25	4.25
Irrigation meters - 3" meter	75.00	4.25	4.25
Irrigation meters - 4" meter	80.00	4.25	4.25
Irrigation meters - 6" meter	100.00	4.25	4.25

**Note:** All customers that are not sewer customers are charged a summer surcharge of \$1 per 1,000 gallons based on usage that exceeds average winter-based usage. The surcharge applies to April through October of each year.

**SEWER SERVICE FOR ALL CUSTOMER TYPES:**

	<u>Base Rate</u>	<u>Price per 1,000</u>	
		<u>gallons</u>	
Resident inside City limits	\$ 10.00	\$	2.15
Resident outside City limits	12.00		3.15
		<u>Inside City limits - Outside City limits -</u>	
		<u>Price per 1,000</u>	
	<u>Base Rate</u>	<u>gallons</u>	<u>gallons</u>
Commercial customers - 3/4" meter	\$ 20.00	\$ 2.15	\$ 3.15
Commercial customers - 1" meter	30.00	2.15	3.15
Commercial customers - 2" meter	40.00	2.15	3.15
Commercial customers - 3" meter	50.00	2.15	3.15
Commercial customers - 4" meter	75.00	2.15	3.15
Commercial customers - 6" meter	100.00	2.15	3.15

**CITY OF JASPER, GEORGIA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Years**

<b>Calendar Year</b>	<b>City Population</b>	<b>Personal Income (in millions)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2002	2,482	\$ 43,154	\$ 28,510	39.8	3,909	4.0%
2003	2,550	\$ 44,966	\$ 28,108	39.5	3,909	4.2%
2004	2,912	\$ 46,504	\$ 30,286	39.3	4,053	3.6%
2005	2,965	\$ 47,697	\$ 31,769	39.0	4,176	3.8%
2006	3,052	\$ 47,987	\$ 32,874	38.7	4,176	3.7%
2007	3,116	\$ 50,617	\$ 34,245	38.7	4,295	4.2%
2008	3,166	\$ 52,222	\$ 33,764	38.4	4,322	9.9%
2009	3,269	\$ 51,695	\$ 33,786	34.6	4,462	9.7%
2010	3,684	\$ 50,115	\$ 21,177	38.8	4,060	10.1%
2011	*	*	*	*	*	7.8%

*Sources: Northwest Georgia Regional Commission, U.S. Census Bureau Fact Finder, Georgia Department of Labor*

**Note:** "\*" As of the date of the report, complete statistical information for 2011 was not yet available.

**CITY OF JASPER, GEORGIA  
PRINCIPAL EMPLOYERS  
Current Year and Nine Years Ago**

Employer	2011			2002		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Pickens County Board of Education	750	1				
Piedmont Mountainside Hospital	425	2				
Pickens County	324	3				
Wal-Mart	200	4				
Lexington Insulators	176	5				
Kroger	123	6				
Home Depot	98	7				
Ingles	91	8				
City of Jasper	78	9				
Daystar Apparel	56	10				

\* Data unavailable for percentage of total city employment for 2011 and all data for 2002.

**CITY OF JASPER, GEORGIA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

<b><u>Function/Program</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>
General government	10.0	11.0	11.0	12.0	13.0	12.0	11.0	10.0	10.5	11.0
Judicial	-	1.0	1.0	1.0	1.0	1.2	1.2	1.2	1.2	-
Public safety	19.0	20.0	21.0	21.0	24.0	27.0	28.0	27.0	29.0	30.0
Public works	4.0	3.0	6.0	6.0	8.0	8.0	5.0	7.0	8.0	8.0
Culture and recreation	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Housing and development	2.0	4.0	4.0	3.0	3.5	3.5	3.5	2.0	2.5	2.0
Water	19.5	19.5	21.5	22.5	27.0	26.0	24.0	24.0	22.0	22.0
Sewer	8.5	5.5	7.5	5.5	2.5	4.5	4.5	3.0	3.0	2.0
Sanitation	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	3.0	2.0
<b>Total</b>	<b><u>66.0</u></b>	<b><u>67.0</u></b>	<b><u>76.0</u></b>	<b><u>75.0</u></b>	<b><u>82.0</u></b>	<b><u>85.2</u></b>	<b><u>80.2</u></b>	<b><u>77.2</u></b>	<b><u>80.2</u></b>	<b><u>78.0</u></b>

*Source: City of Jasper Finance Department*

**CITY OF JASPER, GEORGIA**  
**OPERATING INDICATORS BY FUNCTION**  
**Last Five Years**

<b>Function</b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>
Public Safety					
Police					
Responded calls	10,112	10,253	10,132	9,422	9,941
Traffic citations issued	2,259	2,790	2,778	2,067	2,894
Fire					
Structure fires	54	38	27	42	32
Vehicle fires	19	24	10	16	11
Grass/brush fires	66	29	29	14	31
Auto accidents	150	93	131	184	179
Medical emergencies	849	802	793	860	932
Other calls	124	207	220	202	194
Building and licensing department					
Building permits	74	49	31	21	24
Land disturbing permits	36	18	7	6	5
Business licenses	488	501	485	461	448
Out of state insurance business licenses	210	257	256	265	256
Water and sewer					
New connections	110	63	22	9	11
Average daily consumption (gallons per day)	991,839	922,640	934,392	948,707	1,073,469

*Source: City of Jasper Police, Fire, Building and Licensing, and Water Administration Departments*

Operating indicators are not available for functions other than those listed above.

**CITY OF JASPER, GEORGIA**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**Last Ten Fiscal Years**

<b>Function</b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>
<b>Public Safety</b>										
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	7	8	10	9	8	7	9	9	9	9
<b>Fire</b>										
Fire stations	1	1	1	1	1	1	1	1	1	1
Fire engines	4	4	4	4	4	4	4	4	4	4
<b>Public Works</b>										
Streets (miles)	*	*	*	*	*	*	*	49.45	51.8	51.8
Sidewalks (miles)	*	*	*	*	*	*	*	4.73	4.73	4.73
<b>Culture &amp; Recreation</b>										
Acreage of parks	91.60	91.78	91.78	93.66	93.66	108.41	108.41	108.41	108.41	108.41
Playgrounds	1	1	1	1	2	2	2	2	2	2
Baseball fields	2	2	2	2	2	2	2	2	2	2
Tennis courts	-	-	2	2	2	2	2	2	2	2
<b>Water</b>										
Water mains (miles)	*	*	*	*	*	*	*	169.8	173.38	174.35
Water plant capacity (million gallons daily)	1.47	1.47	1.47	1.47	2	2	2	3.5	3.5	3.5
<b>Sewer</b>										
Sanitary sewer mains (miles)	*	*	*	*	*	*	*	30.08	31.22	31.48
Sewer plant capacity (million gallons daily)	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8

\* Information not available for periods before 2009.

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## **COMPLIANCE AND INTERNAL CONTROL**

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Georgia Society of  
Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor John W. Weaver and  
Members of the City Council  
City of Jasper, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Jasper, Georgia, as of and for the year ended December 31, 2011, which collectively comprise the City of Jasper, Georgia's basic financial statements and have issued our report thereon dated June 29, 2012. 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.

**Internal Control Over Financial Reporting**

Management of City of Jasper, Georgia, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered City of Jasper, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Jasper, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Jasper, Georgia's internal control over financial reporting.

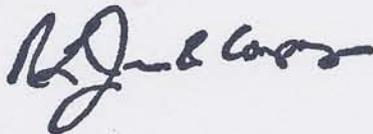
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "R. J. ...".

Ellijay, Georgia  
June 29, 2012