CITY OF SPRINGFIELD, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

	Page
FINANCIAL SECTION	
Independent Auditor's Report	2
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements:	
Balance Sheet - Governmental Funds	6
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	8
Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	9
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	10
Statement of Net Position - Proprietary Funds	11
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	12
Statement of Cash Flows - Proprietary Funds	13
Notes to the Financial Statements	14
Required Supplementary Information:	
Schedule of Changes in the Net Pension Liability and Related Ratios	36
Schedule of Contributions	37
Supplementary Information:	
Schedule of Projects Paid with Special Sales Tax Proceeds	38
Water and Sewer System Information in Accordance with the Continual Disclosure Statement for Bond Series 2012	39
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*	41

LANIER, DEAL & PROCTOR

CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM RUSSELL LANIER, CPA
RICHARD N. DEAL, CPA, CGMA
KAY S. PROCTOR, CPA, CFE, CGMA
WILLIAM BLAKE BLOSER, CPA
TIFFANY D. JENKINS, CPA, CGMA
RICHARD N. DEAL II, CPA

201 SOUTH ZETTEROWER AVENUE
P.O. BOX 505
STATESBORO, GEORGIA 30459
PHONE (912) 489-8756
FAX (912) 489-1243

MEMBERS
AMERICAN INSITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

GEORGIA SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Springfield, Georgia

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the Net Pension Liability and Related Ratios and the Schedule of Contributions on pages 36 and 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Springfield, Georgia's basic financial statements. The schedules of projects paid with special sales tax proceeds and water and sewer information, are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of projects paid with special sales tax proceeds is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of projects paid with special sales tax proceeds is fairly stated in all material respects in relation to the basic financial statements as a whole.

The schedule of water and sewer information has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2021 on our consideration of the City of Springfield, 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* in considering City of Springfield, Georgia's internal control over financial reporting and compliance.

Hanier, Deal & Proctor

Statesboro, Georgia
August 13, 2021

CITY OF SPRINGFIELD, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 1,675,482	$ 1,772,640	$ 3,448,122	$ 31,545
Restricted cash and cash equivalents	92,009	103,690	195,699	-
Certificates of deposit	-	114,757	114,757	-
Receivables:				
Accounts	-	175,664	175,664	-
Taxes	233,130	-	233,130	-
Intergovernmental	168,794	-	168,794	-
Internal balances	109,511	(109,511)	-	-
Prepaid items	30,192	-	30,192	-
Restricted Assets:				
Cash and cash equivalents	-	1,685,716	1,685,716	-
Capital assets:				
Nondepreciable capital assets	2,851,608	2,671,709	5,523,317	99,357
Depreciable capital assets, net	3,494,697	10,096,897	13,591,594	192,672
Total Assets	8,655,423	16,511,562	25,166,985	323,574
DEFERRED OUTFLOWS OF RESOURCES				
Resources related to pensions	171,827	67,591	239,418	-
LIABILITIES				
Current Liabilities:				
Accounts payable	95,588	120,472	216,060	-
Accrued liabilities	53,547	4,979	58,526	-
Accrued interest payable	-	25,158	25,158	-
Unearned revenue	9,745	357,982	367,727	-
Compensated absences payable	28,036	16,309	44,345	-
Customer deposits	-	103,690	103,690	-
Revenue bonds payable	-	311,907	311,907	-
Long-Term Liabilities:				
Compensated absences payable (net of current portion)	18,691	10,873	29,564	-
Revenue bonds payable (net of current portion)	-	4,870,957	4,870,957	-
Net pension liability	337,831	117,297	455,128	-
Total Liabilities	543,438	5,939,624	6,483,062	-
DEFERRED INFLOWS OF RESOURCES				
Resources related to pensions	3,315	-	3,315	-
Unamortized premium on refunded bonds	-	36,199	36,199	-
Total Deferred Inflows of Resources	3,315	36,199	39,514	-
NET POSITION				
Net investment in capital assets	6,346,305	7,585,742	13,932,047	292,029
Restricted for:				
Capital projects	818,850	1,147,223	1,966,073	-
Public safety	92,009	-	92,009	-
Debt service	-	538,493	538,493	-
Unrestricted	1,023,333	1,331,872	2,355,205	31,545
Total Net Position	$ 8,280,497	$ 10,603,330	$ 18,883,827	$ 323,574

See accompanying notes to the basic financial statements.

CITY OF SPRINGFIELD, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Program/Function	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total	Component Unit
Governmental Activities:								
General government	$ 649,882	$ 98,665	-	-	$ (551,217)		$ (551,217)	-
Judicial - Municipal court	72,494	-	-	-	(72,494)		(72,494)	-
Public safety	621,356	106,532	$ 213,788	-	(301,036)		(301,036)	-
Public works	379,873	-	-	$ 617,691	237,818		237,818	-
Community development	58,945	-	10,000	-	(48,945)		(48,945)	-
Culture and recreation	174,669	-	-	-	(174,669)		(174,669)	-
Total Govermental Activities	1,957,219	205,197	223,788	617,691	(910,543)		(910,543)	-
Business-Type Activities:								
Water and Sewer	1,852,290	2,263,560	-	102,500		$ 513,770	513,770	-
Sanitation	192,660	190,660	-	-		(2,000)	(2,000)	-
Arts & Events	214,782	92,730	-	-		(122,052)	(122,052)	-
Total Business-Type Activities	2,259,732	2,546,950	-	102,500		389,718	389,718	-
Total Primary Government	$ 4,216,951	$ 2,752,147	$ 223,788	$ 720,191	(910,543)	389,718	(520,825)	-
Component Unit								
Downtown Development Authority	$ 30,552	$ 15,653	$ 25,000	$ 199,821				$ 209,922
General Revenues								
Property taxes levied for:								
General purposes					447,140	-	447,140	-
Sales taxes					612,566	-	612,566	-
Insurance premium tax					224,389	-	224,389	-
Franchise taxes					207,266	-	207,266	-
Other taxes					90,162	-	90,162	-
Interest earned					1,166	3,819	4,985	-
Gain on sale of capital assets					1,652	9,130	10,782	-
Other					1,744	-	1,744	-
Transfers					(39,435)	39,435	-	-
Total General Revenues and Transfers					1,546,650	52,384	1,599,034	-
Change in Net Position					636,107	442,102	1,078,209	209,922
Net Position, Beginning of Year					7,644,390	10,161,228	17,805,618	113,652
Net Position, End of Year					$ 8,280,497	$ 10,603,330	$ 18,883,827	$ 323,574

See accompanying notes to the basic financial statements.

CITY OF SPRINGFIELD, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	SPLOST Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 962,398	$ 713,084	$ 1,675,482
Restricted cash and cash equivalents	92,009	-	92,009
Receivables:			
Taxes	233,130	-	233,130
Intergovernmental	63,028	105,766	168,794
Interfund	109,511	-	109,511
Prepaid items	30,192	-	30,192
TOTAL ASSETS	$ 1,490,268	$ 818,850	$ 2,309,118
LIABILITIES			
Accounts payable	$ 95,588	$ -	$ 95,588
Accrued liabilities	53,547	-	53,547
Unearned revenue	9,745	-	9,745
TOTAL LIABILITIES	158,880	-	158,880
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	25,324	-	25,324
FUND BALANCES			
Nonspendable	30,192	-	30,192
Restricted	92,009	818,850	910,859
Assigned	447,536	-	447,536
Unassigned	736,327	-	736,327
TOTAL FUND BALANCES	1,306,064	818,850	2,124,914
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 1,490,268	$ 818,850	$ 2,309,118

See accompanying notes to the basic financial statements.

CITY OF SPRINGFIELD, GEORGIA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020

Amounts reported for governmental activities in the statement of net position are different because:			
Total Governmental Fund Balances			$ 2,124,914
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:			
	Cost	$ 8,053,990	
	Less accumulated depreciation	(1,707,685)	6,346,305
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds:			
	Property taxes		25,324
Deferred outflows and deferred inflows related to pensions is not reported in the governmental funds:			
	Deferred outflows of resources	171,827	
	Deferred inflows of resources	(3,315)	168,512
The City's net pension liability is not reported in the governmental funds but is in the statement of net position.			(337,831)
Compensated absences payable are not due and payable in the current period, and, therefore, are not reported in the funds.			(46,727)
Net Position Of Governmental Activities			$ 8,280,497

See accompanying notes to the basic financial statements.

CITY OF SPRINGFIELD, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	General	SPLOST Capital Projects Fund	Total Governmental Funds
REVENUES			
Taxes	$ 1,595,267	-	$ 1,595,267
Intergovernmental	259,929	$ 571,096	831,025
Licenses and permits	98,665	-	98,665
Fines and forfeitures	106,532	-	106,532
Interest	1,166	454	1,620
Contributions	10,000	-	10,000
Other	1,744	-	1,744
Total revenues	2,073,303	571,550	2,644,853
EXPENDITURES			
Current:			
General government	498,025	-	498,025
Judicial	71,655	-	71,655
Public safety	988,322	-	988,322
Public works	655,226	-	655,226
Culture and recreation	52,568	-	52,568
Community development	171,816	-	171,816
Capital outlay			
General government	-	137,844	137,844
Public safety	-	4,503	4,503
Total expenditures	2,437,612	142,347	2,579,959
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(364,309)	429,203	64,894
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	1,652	-	1,652
Transfers out	(39,435)	-	(39,435)
Total other financing sources (uses)	(37,783)	-	(37,783)
NET CHANGE IN FUND BALANCES	(402,092)	429,203	27,111
FUND BALANCES, JANUARY 1, 2020	1,708,156	389,647	2,097,803
FUND BALANCES, DECEMBER 31, 2020	$ 1,306,064	$ 818,850	$ 2,124,914

See accompanying notes to the basic financial statements.

CITY OF SPRINGFIELD, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Amounts reported for governmental activities in the statement of activities are different because:		
Net Change In Fund Balances - Total Governmental Funds		$ 27,111
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Depreciation expense	$ (211,693)	
Capital outlay	879,395	667,702
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Property taxes:		
Unavailable revenue @ 12/31/20	25,324	
Unavailable revenue @ 12/31/19	(39,068)	(13,744)
Governmental funds do not report the cost of disposed capital assets but the cost is is reported on the statement of activities.		-
The change in the net pension liability and pension related deferred outflows and deferred inflows is reported on the government-wide statement of activities but not in the governmental funds.		(39,800)
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 12/31/20	(46,727)	
Liability @ 12/31/19	41,565	(5,162)
Change In Net Position of Governmental Activities		$ 636,107

See accompanying notes to the basic financial statements.

CITY OF SPRINGFIELD, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes:				
Property	$ 366,554	$ 457,450	$ 460,884	$ 3,434
Sales	528,000	602,851	612,566	9,715
Franchise	197,000	199,822	207,266	7,444
Insurance premium	210,000	224,390	224,389	(1)
Alcoholic beverage	66,800	72,863	73,256	393
Other	26,000	17,349	16,906	(443)
Licenses and permits	74,600	95,560	98,665	3,105
Intergovernmental	42,000	259,929	259,929	-
Fines and forfeitures	140,050	106,533	106,532	(1)
Interest	1,900	1,166	1,166	-
Contributions	-	-	10,000	10,000
Other	20,525	3,029	1,744	(1,285)
Total revenues	1,673,429	2,040,942	2,073,303	32,361
EXPENDITURES				
Current:				
General government	482,504	500,097	498,025	2,072
Judicial	82,198	72,309	71,655	654
Public safety:				
Police	685,395	659,450	644,772	14,678
Fire	376,715	468,862	343,550	125,312
Public works	300,117	655,226	655,226	-
Culture and recreation	52,081	53,127	52,568	559
Community development	193,096	172,975	171,816	1,159
Total expenditures	2,172,106	2,582,046	2,437,612	144,434
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(498,677)	(541,104)	(364,309)	176,795
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	1,652	1,652	-
Transfers out	(39,435)	(39,435)	(39,435)	-
Total other financing sources (uses)	(39,435)	(37,783)	(37,783)	-
NET CHANGE IN FUND BALANCE	(538,112)	(578,887)	(402,092)	176,795
FUND BALANCE, JANUARY 1, 2020	1,708,156	1,708,156	1,708,156	-
FUND BALANCE, DECEMBER 31, 2020	$ 1,170,044	$ 1,129,269	$ 1,306,064	$ 176,795

See accompanying notes to the basic financial statements.

CITY OF SPRINGFIELD, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020

ASSETS	Water and Sewer	Sanitation	Arts and Events	Total
Current Assets				
Cash and cash equivalents	$ 1,775,170	$ (801)	$ (1,729)	$ 1,772,640
Restricted cash and cash equivalents	103,690	-	-	103,690
Certificates of deposit	114,757	-	-	114,757
Accounts receivable	153,990	20,404	1,270	175,664
Interfund receivable	-	68,542	-	68,542
Total Current Assets	2,147,607	88,145	(459)	2,235,293
Noncurrent Assets				
Restricted Assets - Cash and cash equivalents	1,685,716	-	-	1,685,716
Capital Assets, net of accumulated depreciation	11,212,629	-	1,555,977	12,768,606
Total Noncurrent Assets	12,898,345	-	1,555,977	14,454,322
Total Assets	15,045,952	88,145	1,555,518	16,689,615
DEFERRED OUTFLOWS OF RESOURCES				
Resources related to pensions	67,591	-	-	67,591
LIABILITIES				
Current Liabilities				
Accounts payable	99,886	16,793	3,793	120,472
Accrued liabilities	4,283	-	696	4,979
Accrued interest payable	25,158	-	-	25,158
Customer deposits	103,690	-	-	103,690
Unearned revenue	329,292	-	28,690	357,982
Compensated absences payable - Current	16,309	-	-	16,309
Revenue bond payable - Current	311,907	-	-	311,907
Interfund payable	174,331	3,630	92	178,053
Total Current Liabilities	1,064,856	20,423	33,271	1,118,550
Long-term Liabilites				
Compensated absences payable (net of current portion)	10,873	-	-	10,873
Revenue bond payable (net of current portion)	4,870,957	-	-	4,870,957
Net pension liability	117,297	-	-	117,297
Total Long-term Liabilites	4,999,127	-	-	4,999,127
Total Liabilities	6,063,983	20,423	33,271	6,117,677
DEFERRED INFLOWS OF RESOURCES				
Unamortized premium on refunded bonds	36,199	-	-	36,199
NET POSITION				
Net investment in capital assets	6,029,765	-	1,555,977	7,585,742
Restricted for debt service	538,493	-	-	538,493
Restricted for capital projects	1,147,223	-	-	1,147,223
Unrestricted	1,297,880	67,722	(33,730)	1,331,872
Total Net Position	$ 9,013,361	$ 67,722	$ 1,522,247	$ 10,603,330

See accompanying notes to the basic financial statements.

CITY OF SPRINGFIELD, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Water and Sewer	Sanitation	Arts and Events	Total
OPERATING REVENUES				
Water and sewer sales	$ 1,673,817	-	-	$ 1,673,817
Sanitation fees	-	$ 190,660	-	190,660
Impact fees	521,054	-	-	521,054
Late charges	67,359	-	-	67,359
Theater income	-	-	$ 62,805	62,805
Other income	1,330	-	29,925	31,255
Total operating revenues	2,263,560	190,660	92,730	2,546,950
OPERATING EXPENSES				
Salaries	267,548	-	47,180	314,728
Payroll taxes	20,283	-	4,026	24,309
Employee benefits/Uniforms	76,054	-	-	76,054
Utilities	128,407	-	18,968	147,375
Telephone	5,914	-	2,915	8,829
Contractual services	428,006	192,660	54,982	675,648
Professional services	59,018	-	-	59,018
Training	55	-	-	55
Travel	865	-	-	865
Dues and subscriptions	4,312	-	-	4,312
Insurance	1,254	-	-	1,254
Materials and supplies	39,811	-	10,498	50,309
Gasoline, oil, etc.	7,099	-	-	7,099
Repairs and maintenance	98,738	-	3,514	102,252
Bad debts	14,000	-	-	14,000
Depreciation	489,929	-	72,699	562,628
Other	523	-	-	523
Total operating expenses	1,641,816	192,660	214,782	2,049,258
OPERATING INCOME (LOSS)	621,744	(2,000)	(122,052)	497,692
NONOPERATING REVENUE (EXPENSE)				
Gain on sale of capital assets	9,130	-	-	9,130
Bond issuance cost	(121,220)			(121,220)
Interest income	3,809	2	8	3,819
Interest expense	(89,254)	-	-	(89,254)
Total nonoperating revenue (expense)	(197,535)	2	8	(197,525)
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	424,209	(1,998)	(122,044)	300,167
CAPITAL CONTRIBUTIONS	102,500	-	-	102,500
TRANSFERS IN (OUT)	-	-	39,435	39,435
CHANGE IN NET POSITION	526,709	(1,998)	(82,609)	442,102
NET POSITION, JANUARY 1, 2020	8,486,652	69,720	1,604,856	10,161,228
NET POSITION, DECEMBER 31, 2020	$ 9,013,361	$ 67,722	$ 1,522,247	$ 10,603,330

See accompanying notes to the basic financial statements.

CITY OF SPRINGFIELD, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Water and Sewer	Sanitation	Arts and Events	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 2,309,052	$ 187,512	$ 92,538	$ 2,589,102
Cash payments for employees	(349,507)	-	(52,135)	(401,642)
Cash payments for goods and services	(860,242)	(191,348)	(97,745)	(1,149,335)
Net cash provided by (used by) operating activities	1,099,303	(3,836)	(57,342)	1,038,125
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from (to) other funds	5,439	(5,439)	-	-
Transfer in (out)	-	-	39,435	39,435
Net cash provided by (used by) noncapital financing activities	5,439	(5,439)	39,435	39,435
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(615,896)	-	-	(615,896)
Proceeds from sale of capital assets	9,130	-	-	9,130
Principal payments on bonds payable	(4,343,136)	-	-	(4,343,136)
Capital contributions	102,500	-	-	102,500
Bond issuance cost	(121,220)	-	-	(121,220)
Interest payments	(106,306)	-	-	(106,306)
Proceeds from revenue bond	5,486,000	-	-	5,486,000
Net cash provided by (used by) capital and related financing activities	411,072	-	-	411,072
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in certificates of deposit	(1,438)	-	-	(1,438)
Interest received	3,809	2	8	3,819
Net cash provided by (used by) investing activities	2,371	2	8	2,381
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,518,185	(9,273)	(17,899)	1,491,013
CASH AND CASH EQUIVALENTS, JANUARY 1, 2020	2,046,391	8,472	16,170	2,071,033
CASH AND CASH EQUIVALENTS, DECEMBER 31, 2020	$ 3,564,576	$ (801)	$ (1,729)	$ 3,562,046
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES				
Operating income (loss)	621,744	$ (2,000)	$ (122,052)	$ 497,692
Adjustments:				
Depreciation	489,929	-	72,699	562,628
(Increase) decrease in operating assets:				
Accounts receivable	83,817	(3,148)	(1,270)	79,399
Prepaid items	-	-	2,000	2,000
(Increase) decrease in deferred outflows of resources				
Resources related to pensions	(36,394)	-	-	(36,394)
Increase (decrease) in operating liabilities:				
Accounts payable	(86,240)	1,312	(8,868)	(93,796)
Accrued liabilities	(3,991)	-	(929)	(4,920)
Customer deposits	675	-	-	675
Compensated absences payable	2,020	-	-	2,020
Unearned revenue	(25,000)	-	1,078	(23,922)
Net pension liability	67,558	-	-	67,558
(Increase) decrease in deferred inflows of resources:				
Resources related to pensions	(14,815)	-	-	(14,815)
Net cash provided by (used by) operating activities	$ 1,099,303	$ (3,836)	$ (57,342)	$ 1,038,125

See accompanying notes to the basic financial statements.

The City of Springfield, Georgia (the City) was incorporated under the provisions of Georgia law on August 19, 1912. The City operates under a Council-City Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), streets and lanes, sanitation, planning and zoning, water and sewer, and various administrative services.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise fund at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

The most significant of the City's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes, or issues their debt.

The component unit column included on the government-wide financial statements identifies the financial data of the City's discretely presented component unit. It is reported separately to emphasize that it is legally separate from the City.

A brief description of the City's discretely presented component unit follows:

Springfield Downtown Development Authority (the Authority) – The Springfield Downtown Development Authority was activated in 2016 to invigorate the local economy and social strength of the community, while maintaining the historic charm and financial viability of the City. The City appoints the members of the Authority's board and assists with its funding. There are no separate financial statements for the Authority.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1-B. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements – The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes, grants and the City's general revenues, from business-type activities, generally financed in whole or part with service charges to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the City.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements – During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major individual governmental funds are reported in separate columns.

Fund Accounting – The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses two categories of funds: governmental and proprietary.

Governmental Funds – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance.

The following are the City's major governmental funds:

> ***General Fund*** – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of the State of Georgia.
>
> ***SPLOST Capital Projects Fund*** – This fund accounts for the special purpose local option sales tax collected pursuant to a referendum for various capital improvements within the City.

Proprietary Funds – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary funds are classified as enterprise funds and internal service funds. The City has three enterprise funds. The City accounts for its water and sewer operations in the Water and Sewer fund and solid waste collection and disposal in the Sanitation Fund. The City accounts for the operations of the Mars Theatre through the Arts and Events Fund.

1-C. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis in accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

Revenues – Non-exchange Transactions – Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest and federal and state grants.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the City to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or United States Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. The general fund reported an allowance for uncollectible taxes of $7,000. The water and sewer enterprise fund and the sanitation enterprise fund reported an allowance for uncollectibles of $54,000 and $5,000, respectively, at December 31, 2020.

Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns on the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances on this statement. These amounts are ultimately eliminated from the total column on the statement of net position.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable since this amount is not available for general appropriation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets – Cash and Cash Equivalents

Restricted cash includes amounts set aside for water and sewer capital projects and to meet the requirements of applicable bond covenants of the water and sewer revenue bond.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the City fund financial statements. Capital assets utilized by the proprietary fund are reported in the business-type activities column of the government-wide statement of net position and in the proprietary fund's statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of roads, bridges and water and sewer lines. For roads and bridges, the City has only capitalized infrastructure constructed after December 31, 2003. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land, right-of-ways and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

	Estimated Useful Lives	
Asset Class	Governmental Activities	Business-type Activities
Buildings and improvements	30-50 years	7-10 years
Machinery and equipment	5-10 years	5-10 years
Furniture and fixtures	5 years	5 years
Vehicles	5-8 years	5-8 years
Infrastructure	3-10 years	40 years
Water system	-	40 years
Sewer collection system	-	40 years

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. The proprietary fund reports the total compensated liability at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "*when due."*

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of those funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Capital leases are recognized as a liability in the governmental fund financial statements when due.

Bond Premiums, Discounts and Issuance Costs

On the government-wide statement of net position and the proprietary fund type statement of net position, bond premiums and discounts are netted against bonds payable. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts are amortized over the life of the bonds using the effective interest method and bond issuance costs are expensed in the current period.

At the governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as an expenditure.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is resources related to pensions reported at the government-wide level for governmental and business-type activities and at the fund level for enterprise funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has an item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The City also has deferred inflows of resources related to its pension plan reported at the government-wide level for governmental and business-type activities and at the fund level for its proprietary funds.

Fund Equity

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

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

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

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

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

Assigned – Fund balances are reported as assigned when amounts are constrained by the City Council's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- Committed
- Assigned
- Unassigned

Net Position – Net position represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer, and sanitation, and theater income for the Arts and Events Fund. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of each fund and include administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the non-operating revenues/expenses section in proprietary funds. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between governmental and business-type activities are eliminated from the total column.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City adopts an annual operating budget for the general fund and the capital projects fund. The budget resolution reflects the total of each department's appropriation in each fund.

All budgets are adopted on a basis consistent with GAAP.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the City Council.

During the year, the City Council approved budget revisions.

All unexpended annual appropriations lapse at year-end.

NOTE 3 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk.

At December 31, 2020, the carrying amount of the City's deposits (checking and certificates of deposit) was $5,444,294 and the bank balance was $5,503,180. Of the bank balance, $364,757 was covered by federal depository insurance, and $5,138,423 was collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Discretely Presented Component Unit

At December 31, 2020, the carry amount of deposits for the Springfield Downtown Development Authority was $31,545 and the bank balance was $31,545 which was covered by federal depository insurance.

NOTE 4 – PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are billed near the end of each year and are payable within sixty days. The Effingham County Tax Commissioner bills and collects the City's property taxes. Property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For the year ended December 31, 2020, property taxes were levied on August 11, 2020, and were due December 31, 2020.

NOTE 5 – RECEIVABLES

Receivables at December 31, 2020, consisted of taxes, accounts (billings for user charges) and intergovernmental receivables arising from grants.

Receivables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

NOTE 6 – INTERFUND BALANCES AND TRANSFERS

Receivable Fund	Payable Fund	Amount
General Fund	Arts and Events	$ 92
	Water and Sewer	105,789
	Sanitation	3,630
Sanitation	Water and Sewer	68,542
		$ 178,053

Interfund balances at December 31, 2020 represent charges for services or reimbursable expenses. The City expects to repay all interfund balances within one year.

Interfund transfers of $39,435 were made from the general fund to the arts and events enterprise fund to help fund operations for the Mars Theatre.

NOTE 7 – FUND BALANCES – GOVERNMENTAL FUNDS

As of December 31, 2020, fund balances are composed of the following:

	General Fund	SPLOST Capital Projects Fund	Total Governmental Funds
Nonspendable:			
Prepaid items	$ 30,192	-	$ 30,192
Restricted:			
Capital projects	-	$ 818,850	818,850
Police	92,009	-	92,009
Assigned:			
Subsequent year budget	447,536	-	447,536
Unassigned	736,327	-	736,327
Total fund balances	$ 1,306,064	$ 818,850	$ 2,124,914

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

	Balance 1/1/2020	Additions	Deductions	Balance 12/31/2020
Governmental Activities:				
Capital assets not being depreciated:				
Land	$2,560,590	-	-	$2,560,590
Construction in progress	838,471	$ 280,019	$ 827,472	291,018
Total capital assets not being depreciated	3,399,061	280,019	827,472	2,851,608
Capital assets being depreciated:				
Buildings	445,753	1,304,987	-	1,750,740
Improvements other than buildings	676,282	-	-	676,282
Machinery and equipment	1,029,222	29,469	137,299	921,392
Infrastructure	1,761,576	92,392	-	1,853,968
Total capital assets being depreciated	3,912,833	1,426,848	137,299	5,202,382
Total capital assets	7,311,894	1,706,867	964,771	8,053,990
Accumulated depreciation:				
Buildings	230,817	26,300	-	257,117
Improvements other than buildings	336,471	37,173	-	373,644
Machinery and equipment	746,575	87,788	137,299	697,064
Infrastructure	319,428	60,432	-	379,860
Total accumulated depreciation	1,633,291	211,693	137,299	1,707,685
Governmental activities capital assets, net	$5,678,603	$ 1,495,174	$ 827,472	$6,346,305

Governmental activities depreciation expense:

General government	$ 25,800
Public safety	76,789
Streets	104,658
Recreation	4,446
Total governmental activities depreciation expense	$211,693

NOTE 8 – CAPITAL ASSETS (Continued)

The following table presents the changes in capital assets for the City's enterprise funds:

	Balance 1/1/2020	Additions	Deductions	Balance 12/31/2020
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 2,511,889	-	-	$ 2,511,889
Construction in progress	320,211	$ 159,820	$ 320,211	159,820
Total capital assets not being depreciated	2,832,100	159,820.00	320,211	2,671,709
Capital assets being depreciated:				
Buildings	1,609,513	-	-	1,609,513
Improvements other than buildings	14,220,072	776,287	-	14,996,359
Machinery and equipment	1,243,995	15,524	35,202	1,224,317
Total capital assets being depreciated	17,073,580	791,811	35,202	17,830,189
Total capital assets	19,905,680	951,631	355,413	20,501,898
Accumulated depreciation:				
Buildings	149,824	40,238	-	190,062
Improvements other than buildings	6,247,376	409,418	-	6,656,794
Machinery and equipment	793,142	128,496	35,202	886,436
Total accumulated depreciation	7,190,342	578,152	35,202	7,733,292
Business-type activities capital assets, net	$ 12,715,338	$ 373,479	$ 320,211	$ 12,768,606

The following table presents the changes in capital assets for the City's component unit:

	Balance 1/1/2020	Additions	Deductions	Balance 12/31/2020
Component unit - Springfield Downtown Development Authority:				
Capital assets not being depreciated:				
Land	-	$ 99,357	-	$ 99,357
Capital assets being depreciated:				
Buildings	$ 110,109	100,464	-	210,573
Total capital assets	110,109	199,821	-	309,930
Accumulated depreciation:				
Buildings	12,846	5,055	-	17,901
Total accumulated depreciation	12,846	5,055	-	17,901
Business-type activities capital assets, net	$ 97,263	$ 194,766	$ -	$ 292,029

NOTE 9 – WATER AND SEWER REFUNDING REVENUE BONDS

Series 2020

In 2020, the City issued $5,486,000 in a City of Springfield Water and Sewer Refunding and Improvement Revenue Bond, Series 2020. The bond was issued to refund the outstanding Series 2012 Revenue Refunding Bonds and to provide funds needed to pay the cost of constructing additions and improvements to the City's water and sewer system.

The bond is secured by a lien on the revenues of the water and sewer system and the City is required to have a Revenue Fund in which all income and revenue of every nature derived from the ownership and operation of the water and sewer system is to be deposited. The City is also required to maintain a Bond Sinking Fund consisting of a Debt Service Account and a Debt Service Reserve Account, as well as a Renewal and Extension Fund that shall be held and used by the City for emergencies, current or future replacements and improvements, and certain other capital expenses. The Renewal and Extension fund may also be used for debt service to the extent that revenues are otherwise unavailable.

After all of the operating expenses of the system are paid from the Revenue Fund, amounts are paid into the Debt Service Account in the Bond Sinking Fund on or before the last business day of each month one-sixth of the principal and interest coming due on the next succeeding principal payment date.

The bond has an interest rate of 1.44 percent. The bond requires principal and interest payments payable semiannually on March 1 and September 1 each year.

As of December 31, 2020, annual debt service requirements for the series 2020 refunding revenue bonds are as follows:

Year ending December 31	Principal	Interest	Total
2021	$ 311,907	$ 73,514	$ 385,421
2022	316,414	69,007	385,421
2023	320,987	64,434	385,421
2024	325,626	59,795	385,421
2025	330,331	55,090	385,421
2026-2030	1,724,661	202,444	1,927,105
2031-2035	1,852,938	74,167	1,927,105
	$ 5,182,864	$ 598,451	$ 5,781,315

NOTE 10 – CHANGES IN LONG-TERM DEBT

	Outstanding January 1, 2020	Additions	Reductions	Outstanding December 31, 2020	Amounts Due in One Year
Governmental Activities					
Compensated absences	$ 41,565	$ 46,399	$ 41,237	$ 46,727	$ 28,036
Business-Type Activities					
Revenue bonds payable	$ 4,040,000	$ 5,486,000	$ 4,343,136	$ 5,182,864	$ 311,907
Unamortized bond premium	39,216	-	39,216	-	-
	4,079,216	5,486,000	4,382,352	5,182,864	311,907
Compensated absences	25,162	24,116	22,096	27,182	16,309
Total Business-Type Activities	$ 4,104,378	$ 5,510,116	$ 4,404,448	$ 5,210,046	$ 328,216

The compensated absences liability will be paid from the General Fund for governmental activities and from the Water and Sewer Fund for business-type activities. Principal and interest payments related to revenue bonds payable for the City's Water and Sewer System are financed from income derived from the operation of the Water and Sewer System.

NOTE 11 – EMPLOYEE RETIREMENT PLAN

Plan Description

The City's defined benefit pension plan, the City of Springfield Retirement Plan (the "Plan"), provides retirement and disability benefits and death benefits to plan members and beneficiaries. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia. The City is assigned the authority to establish and amend benefit provisions of the Plan. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information. The report can be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

Benefits Provided

The Plan provides retirement benefits to eligible employees of the City. All regular employees meeting the eligibility requirements are covered under the plan. Elected or appointed members of the City and municipal legal officers are not eligible to participate in the plan. In order to be eligible for participation, regular employees must work a minimum of twenty hours per week for at least five months per year. Regular employees qualify for immediate participation in the plan and participation is mandatory for all eligible employees.

Plan participants are eligible to receive early retirement benefits at the age of fifty-five with the completion of ten years of total credited service. Normal retirement benefits may be received at the age of sixty-five with five years of total credited service.

NOTE 11 – EMPLOYEE RETIREMENT PLAN (Continued)

Normal retirement benefits are calculated based on a flat percentage of 1.25 percent of final average earnings multiplied by years of total credited service as an eligible regular employee. The number of years of total credited service which may be used to calculate the benefit is not limited. Monthly benefits are paid at $1/12^{th}$ of the calculated amount. The same formula is used for all participants who are regular employees. Final average earnings are the annual average of earnings paid to a participant by the City for the five consecutive years of credited service preceding the participant's most recent termination in which the participant's earnings were the highest.

Final average earnings for participants electing to receive early retirement benefits are reduced by a percentage ranging from 50 percent to 93 percent depending on the number of years benefits are received prior to normal retirement age.

Disability retirement benefits shall be computed in the same manner as the normal retirement benefit, based upon the participant's accrued benefit as of his disability retirement date. The minimum disability benefit will be no less than 20% of the participant's average monthly earnings for the twelve calendar month period immediately preceding his termination of employment as a result of a disability.

In-service death benefits are payable to the participant's pre-retirement beneficiary, equal to the decreased monthly retirement benefit that would have otherwise been payable to the participant, had he elected a 100% joint and survivor benefit under the plan. In order to be eligible for this benefit, a participant must be eligible for early or normal retirement.

Employees Covered by Benefit Terms
At July 1, 2020, the most recent actuarial valuation, there were 44 participants as follows:

Active participants	20
Retirees and beneficiaries	12
Vested former employees	12
	44

Contributions
The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The estimated minimum annual contribution under these standards is $55,342. This minimum contribution has been determined as the sum of 1) the normal cost (including administrative expenses), 2) the 30-year level percentage of payroll amortization of the unfunded actuarial accrued liability or the 10-year level percentage of payroll amortization of the surplus, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the employer contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards.

NOTE 11 – EMPLOYEE RETIREMENT PLAN (Continued)

Net Pension Liability
The City's net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020.

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

Inflation	2.25 percent
Salary increases	Range of 3.25 to 8.5 percent, including inflation
Investment rate of return	7.375 percent, net of pension plan investment expenses, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates return for each major asset class are summarized in the following table:

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

NOTE 11 – EMPLOYEE RETIREMENT PLAN (Continued)

Discount Rate

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

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a)-(b)
Balance, March 31, 2019	$ 1,288,354	$ 1,065,242	$ 223,112
Changes for the year:			
Service cost	26,222	-	26,222
Interest	95,865	-	95,865
Contributions from the employer	-	40,798	(40,798)
Net investment income	-	(70,832)	70,832
Difference between expected and actual experience	(4,420)	-	(4,420)
Benefit payments, including refunds of employee contributions	(72,748)	(72,748)	-
Administrative expenses	-	(9,911)	9,911
Other	74,404	-	74,404
Net Changes	119,323	(112,693)	232,016
Balance, March 31, 2020	$ 1,407,677	$ 952,549	$ 455,128

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.375 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.375 percent) or one percentage point higher (8.375 percent) than the current rate:

	Discount Rate - 1% (6.375%)	Current Discount Rate (7.375%)	Discount Rate + 1% (8.375%)
City's net pension liability	$642,229	$455,128	$301,504

NOTE 11 – EMPLOYEE RETIREMENT PLAN (Continued)

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

For the year ended December 31, 2020, the City recognized pension expense of $103,388. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions after measurement date	$ 38,956	-
Differences in expected and actual experience	22,452	$ (3,315)
Effects of changes in assumptions	60,934	-
Net differences between projected and actual net investment income	117,076	-
	$ 239,418	$ (3,315)

City contributions subsequent to the measurement date of $38,956 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31	
2021	$ 58,117
2022	53,712
2023	55,487
2024	29,831
	$ 197,147

NOTE 12 – COMMITMENTS AND CONTINGENT LIABILITIES

As of December 31, 2020 there was no pending litigation that would have a material effect on the financial statements.

NOTE 13 – 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; workers' compensation claims; and natural disasters. The City carries commercial insurance to cover these risks.

The City joined the Georgia Interlocal Risk Management Agency (GIRMA). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by the City's management based on the anticipated needs. The City is required to pay all premiums, applicable deductibles and assessments billed by GIRMA, as well as following loss reduction and prevention procedures established by GIRMA. GIRMA's responsibility includes paying claims, and representing the City in defense and settlement of claims. GIRMA's basis for establishing the liabilities for unpaid claims is "IBNR" established by an actuary. The City has not compiled a record of claims paid up to the applicable deductible for the prior year or the current fiscal year. The City is unaware of any claims for which the City is liable (up to the applicable deductible) which were outstanding and unpaid at December 31, 2020. No provisions have been made in the financial statements for the year ended December 31, 2020 or any estimate of potential unpaid claims.

The City has elected to be a member of the Georgia Municipal Association Workers' Compensation Self-Insurance Fund (the Fund). As a participant in the Fund, the City has no legal obligation to pay its own workers' compensation claims. The City is required to make an annual contribution to the Fund in an amount that is determined on the basis of actuarial projections of losses. With payment of the City's annual contribution, the City has effectively transferred the risk and responsibility for payment of its workers' compensation claims. However, the enabling statute creating the Fund permits the Fund to levy an assessment upon its members to make up any deficiency the Fund may have in surplus or reserves. No amount has been recorded in the financial statements for this contingency as management believes the likelihood for assessment is remote.

NOTE 14 – JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the Coastal Georgia area, is a member of the Coastal Regional Commission of Georgia (RC) and is required to pay annual dues thereto. During the year ended December 31, 2020, the City paid $3,708 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-33 which provides for the organizational structure of the RC in Georgia. The RC Regional Council membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Coastal Regional Commission of Georgia
1181 Coastal Drive SW
Darien, Georgia 31305

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 13, 2021, the date that the financial statements were available for issue. No subsequent events requiring disclosure in the financial statements were noted.

CITY OF SPRINGFIELD, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SPRINGFIELD RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020 (1)	2019 (1)	2018 (1)	2017 (1)	2016 (1)	2015 (1)
Total pension liability						
Service cost	$ 26,222	$ 21,911	$ 23,853	$ 15,875	$ 24,505	$ 19,268
Interest	95,865	90,032	83,815	87,169	84,779	80,341
Differences between expected and actual experience	(4,420)	29,396	31,015	(86,872)	(17,268)	55,044
Changes of assumptions	74,404	-	20,522	-	-	(35,093)
Benefit payments, including refunds of employee contributions	(72,748)	(63,001)	(61,343)	(57,549)	(64,819)	(59,758)
Net change in total pension liability	119,323	78,338	97,862	(41,377)	27,197	59,802
Total pension liability-beginning	1,288,354	1,210,016	1,112,154	1,153,531	1,126,334	1,066,532
Total pension liability-ending (a)	$ 1,407,677	$ 1,288,354	$ 1,210,016	$ 1,112,154	$ 1,153,531	$ 1,126,334
Plan fiduciary net position						
Contributions-employer	$ 40,798	$ 38,500	$ 42,399	$ 48,743	$ 45,737	$ 42,481
Net investment income	(70,832)	37,552	119,723	109,811	2,380	80,911
Benefit payments, including refunds of employee contributions	(72,748)	(63,001)	(61,343)	(57,549)	(64,819)	(59,758)
Administrative expense	(9,911)	(9,515)	(9,390)	(9,776)	(6,915)	(6,339)
Net change in plan fiduciary net position	(112,693)	3,536	91,389	91,229	(23,617)	57,295
Plan fiduciary net position-beginning	1,065,242	1,061,706	970,317	879,088	902,705	845,410
Plan fiduciary net position-ending (b)	$ 952,549	$ 1,065,242	$ 1,061,706	$ 970,317	$ 879,088	$ 902,705
Net pension liability-ending (a)-(b)	$ 455,128	$ 223,112	$ 148,310	$ 141,837	$ 274,443	$ 223,629
Plan fiduciary net position as a percentage of the total pension liability	67.67%	82.68%	87.74%	87.25%	76.21%	80.15%
Covered-employee payroll	$ 895,916	$ 921,105	$ 755,032	$ 764,679	$ 686,655	$ 873,130
Net pension liability as a percentage of covered-employee payroll	50.80%	24.22%	19.64%	18.55%	39.97%	25.61%

(1) Only fiscal years 2020, 2019, 2018, 2017, 2016, and 2015 were available. The City will continue to present information for years available until a full 10-year trend is compiled.

Notes to Schedule:

Changes of assumptions

Amounts reported for the fiscal year ending in 2020 and later reflect the following assumption changes based on an actuarial study conducted in November and December of 2019:

- The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
- Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.
- The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligiblity was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70 and older as long as a participant was at least eligible for early retirement.
- The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is avialable on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older.
- Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71, and 100% at ages 72 and older. In addition, the first year a participant is eligible for normal retirement, the rate is increased by 30%.
- Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.
- Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal retirement eligibility, 10% from normal retirement eligiblity through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.
- The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.
- The disability rates were changed to 50% of the rates in the prior age-based table.
- The inflation assumption was decreased from 2.75% to 2.25%.
- The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at 15 years of service.
- The investment return assumption was decreased from 7.50% to 7.375%.

Benefit changes

There were no changes in benefit provisions in the last two fiscal years.

CITY OF SPRINGFIELD, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF SPRINGFIELD RETIREMENT PLAN
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	*	$ 43,353	$ 36,882	$ 44,238	$ 50,244	$ 44,234
Contributions in relation to the actuarially determined contribution	*	43,353	36,882	44,238	50,244	44,234
Contribution deficiency (excess)	*	-	-	-	-	-
Covered-employee payroll	*	$ 921,105	$ 755,032	$ 764,679	$ 686,655	$ 873,130
Contributions as a percentage of covered-employee payroll	*	4.71%	4.88%	5.79%	7.32%	5.07%

*2020 information will be determined after fiscal year end and will be included in the 2021 valuation report

Notes to Schedule:

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 19 years.
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Actuarial Assumptions:

Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age	See changes of assumptions in the Notes to Schedule of Changes in the Net Pension Liability (Asset)
Mortality	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25

CITY OF SPRINGFIELD, GEORGIA
SCHEDULE OF PROJECTS PAID
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Project	Original Estimated Cost	Current Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Total	Estimated Percentage of Completion
2012 SPLOST						
Roads, streets and bridges	$ 1,047,600	-	-	-	-	0%
Public buildings	104,760	$ 104,760	$ 104,760		$ 104,760	100%
Public safety projects	392,850	181,000	97,857	$ 4,503	102,360	57%
Recreation projects	419,040	266,601	-	-	-	0%
Water and sewer projects	654,750	654,750	629,961	-	629,961	96%
Totals	$ 2,619,000	$ 1,207,111	832,578	4,503	$ 837,081	69%
2017 SPLOST						
Roads, streets and bridges	$ 764,200	$ 764,200	$ 7,200	-	$ 7,200	1%
Public buildings	2,254,390	2,254,390	1,098,029	$ 137,844	1,235,873	55%
Public safety projects	267,470	267,470	-	-	-	0%
Recreation projects	267,470	267,470	-	-	-	0%
Water and sewer projects	267,470	267,470	-	-	-	0%
Totals	$ 3,821,000	$ 3,821,000	$ 1,105,229	137,844	$ 1,243,073	33%
	Total SPLOST expenditures			$ 142,347		

Historical Demand Data

Water and Sewer Demand

The following table shows historical data of water and sewer demand for the last five years:

	Daily Water Production		Daily Sewage Treated	
Fiscal Year	Peak MGD	Average MGD	Peak MGD	Average MGD
2016	0.842	0.469	0.561	0.385
2017	1.687	0.509	0.547	0.374
2018	0.964	0.540	0.464	0.364
2019	0.782	0.634	0.564	0.414
2020	0.787	0.635	0.860	0.381

Historical Customer Data

Number of Customers of the System

The following table shows historical numbers of customers of the System for the last ten fiscal years:

Fiscal Year	Water Customers	Sewer Customers
2011	1,260	1,116
2012	1,280	1,122
2013	1,528	1,356
2014	1,645	1,454
2015	1,714	1,546
2016	1,877	1,642
2017	1,973	1,735
2018	2,032	1,802
2019	2,073	1,843
2020	2,123	1,908

Rates, Fees, and Charges

Current Water and Sewer Rate Schedule

Water and Sewer Residential Customers Inside City Limits:

Usage	Water Rates
First 2,000 gallons	$11.55
2,000-5,000 gallons	$2.31 per thousand
5,000-20,000 gallons	$2.89 per thousand
Over 20,000 gallons	$3.18 per thousand

Usage	Sewer Rates
First 2,000 gallons	$18.02
Over 2,000 gallons	$3.60 per thousand

Water and Sewer Residential Customers Outside City Limits:

Usage	Water Rates
First 2,000 gallons	$17.33
2,000-5,000 gallons	$2.89 per thousand
5,000-20,000 gallons	$4.04 per thousand
Over 20,000 gallons	$5.20 per thousand

Usage	Sewer Rates
First 2,000 gallons	$36.04
Over 2,000 gallons	$4.50 per thousand

Impact Fees:

Water	$1,750
Sewer	$4,206

Meter Fees:

Size	Inside City Rate
3/4"	$600
Irrigation Meter	$700
1"	$498
2"	$1,559
4"	$4,738
6"	$6,887

LANIER, DEAL & PROCTOR

CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM RUSSELL LANIER, CPA
RICHARD N. DEAL, CPA, CGMA
KAY S. PROCTOR, CPA, CFE, CGMA
WILLIAM BLAKE BLOSER, CPA
TIFFANY D. JENKINS, CPA, CGMA
RICHARD N. DEAL II, CPA

201 SOUTH ZETTEROWER AVENUE
P.O. BOX 505
STATESBORO, GEORGIA 30459
PHONE (912) 489-8756
FAX (912) 489-1243

MEMBERS
AMERICAN INSITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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

To the City Council
City of Springfield, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, and each major fund of City of Springfield, Georgia, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise City of Springfield, Georgia's basic financial statements, and have issued our report thereon dated August 13, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Springfield, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Springfield, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Springfield, Georgia's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Springfield, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lanier, Deal + Proctor

Statesboro, Georgia
August 13, 2021