



CITY OF JASPER, GEORGIA

Annual Financial Report

For the year ended December 31, 2022

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CITY OF JASPER, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2022

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Independent Auditor's Report

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jasper, Georgia, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Jasper, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jasper, Georgia, as of December 31, 2022, and the respective changes in the financial position and, where applicable, cash flows thereof, and the budgetary comparisons of the General Fund and the American Rescue Plan Act Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Jasper, Georgia and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Jasper, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Jasper, Georgia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 and the required supplementary information on pages 66 through 73 to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Jasper, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information is comprised of the schedule of indebtedness and the schedule of general fund unassigned fund balance by month but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2023, on our consideration of the City of Jasper, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Jasper, Georgia's internal control over financial reporting and compliance.

Rushton, LLC

Gainesville, Georgia
April 7, 2023



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Mayor
Steve Lawrence

City Manager
Sonia Jammes

Mayor Pro Tem
Kirk Raffield

Council
John B. Foust, Jr
Anne Sneve
Dr. Sonny Proctor
Jim Looney

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Jasper, it is our pleasure to present this narrative discussion and analysis of the City of Jasper's financial performance, providing an overview of the activities for the year ended December 31, 2022. The purpose of this narrative is to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about the City of Jasper. This analytical information is designed to be read in conjunction with the City's financial statements, which follow this section.

Financial Highlights

- The City of Jasper's assets exceeded its liabilities at December 31, 2022, by \$30,343,165. (reported as *net position*).
- As of December 31, 2022, Jasper's governmental funds reported combined ending fund balances of \$5,968,363. Approximately 55% of this total amount, \$3,278,448 is available for spending at the City Council's discretion (unassigned fund balance of the General Fund).

More detailed information regarding these activities and funds begins on page 7.

Overview of the Financial Statements

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

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

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

The purpose of the **Statement of Net Position** (pages 15 - 16) is to attempt to report all assets held and liabilities owed by the City. The City reports all assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between the total assets and total liabilities is labeled *net position*. Although the purpose of the City is not to accumulate net position, in general, as this amount increases it indicates that the financial position of the City is improving over time.

The **Statement of Activities** (page 17), on the other hand, presents the revenues and expenses of the City. Under the accrual basis of accounting mentioned earlier, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for several weeks after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *change in net position*. The primary focus of the Statement of Activities is on the *net cost* of various activities provided by the City and identifies the extent to which each function of the City draws from general revenues or is self-financing through fees, grants, or other sources.

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

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

The City’s government-wide financial statements are presented on pages 15-17.

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

The focus of fund financial statements is directed to specific activities of the City and its most significant funds, not the City as a whole. A fund is an entity with a self-balancing set of accounts that the City uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the City’s non-major funds can be found beginning on page 74. The City’s funds are divided into three broad categories – governmental, proprietary, and fiduciary – and use different accounting approaches.

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

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

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

1. Special Revenue Funds
2. Capital Projects Funds

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

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

The City's basic governmental fund financial statements are presented on pages 18-23 of this report.

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

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

The City's proprietary fund financial statements are presented on pages 24-26.

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

The City's fiduciary fund financial statements are presented on pages 27-28.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-65 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's defined benefit pension plan. The required supplementary information can be found on pages 66-73 of this report.

Other Supplementary Information

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

Overview of the City's Financial Position and Operations

The City's overall financial position and operations for this year is summarized as follows based on the information included in the government-wide financial statements (see pages 15-17):

City of Jasper Statement of Net Position December 31, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
ASSETS						
Current and other						
assets	\$ 9,594,202	\$ 7,309,399	\$ 4,844,869	\$ 4,595,366	\$ 14,439,071	\$ 11,904,765
Capital assets	7,548,176	7,170,659	21,063,445	19,528,921	28,611,621	26,699,580
Total Assets	17,142,378	14,480,058	25,908,314	24,124,287	43,050,692	38,604,345
DEFERRED OUTFLOWS OF RESOURCES						
Total Deferred Outflows						
of Resources	364,185	410,804	289,914	291,125	654,099	701,929
LIABILITIES AND NET POSITION						
Liabilities						
Current and other						
liabilities	1,880,325	1,194,076	1,722,211	1,495,133	3,602,536	2,689,209
Noncurrent liabilities	1,683,713	1,748,728	5,699,575	4,981,171	7,383,288	6,729,899
Total Liabilities	3,564,038	2,942,804	7,421,786	6,476,304	10,985,824	9,419,108
DEFERRED INFLOWS OF RESOURCES						
Total Deferred Inflows						
of Resources	2,221,157	1,964,118	154,645	307,781	2,375,802	2,271,899
Net Position						
Net investment in						
capital assets	7,067,669	6,382,998	15,583,354	15,037,400	22,651,023	21,420,398
Restricted	2,553,316	1,958,387	0	0	2,553,316	1,958,387
Unrestricted	2,100,383	1,642,555	3,038,443	2,593,927	5,138,826	4,236,482
Total Net Position	\$ 11,721,368	\$ 9,983,940	\$ 18,621,797	\$ 17,631,327	\$ 30,343,165	\$ 27,615,267

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets for the City of Jasper exceeded liabilities by \$30,343,165 at the close of the current year. However, much of the net position either is restricted as to the purposes for which it can be used or are invested in capital assets.

The largest portion (75%) of the City of Jasper's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire the assets. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Although the net position of our business-type activities represents 61% (\$18,621,797) of total net position, these resources cannot be used to add to the net position surplus in governmental activities. The City generally can only use the net position to finance the continuing operations of the business-type activities.

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

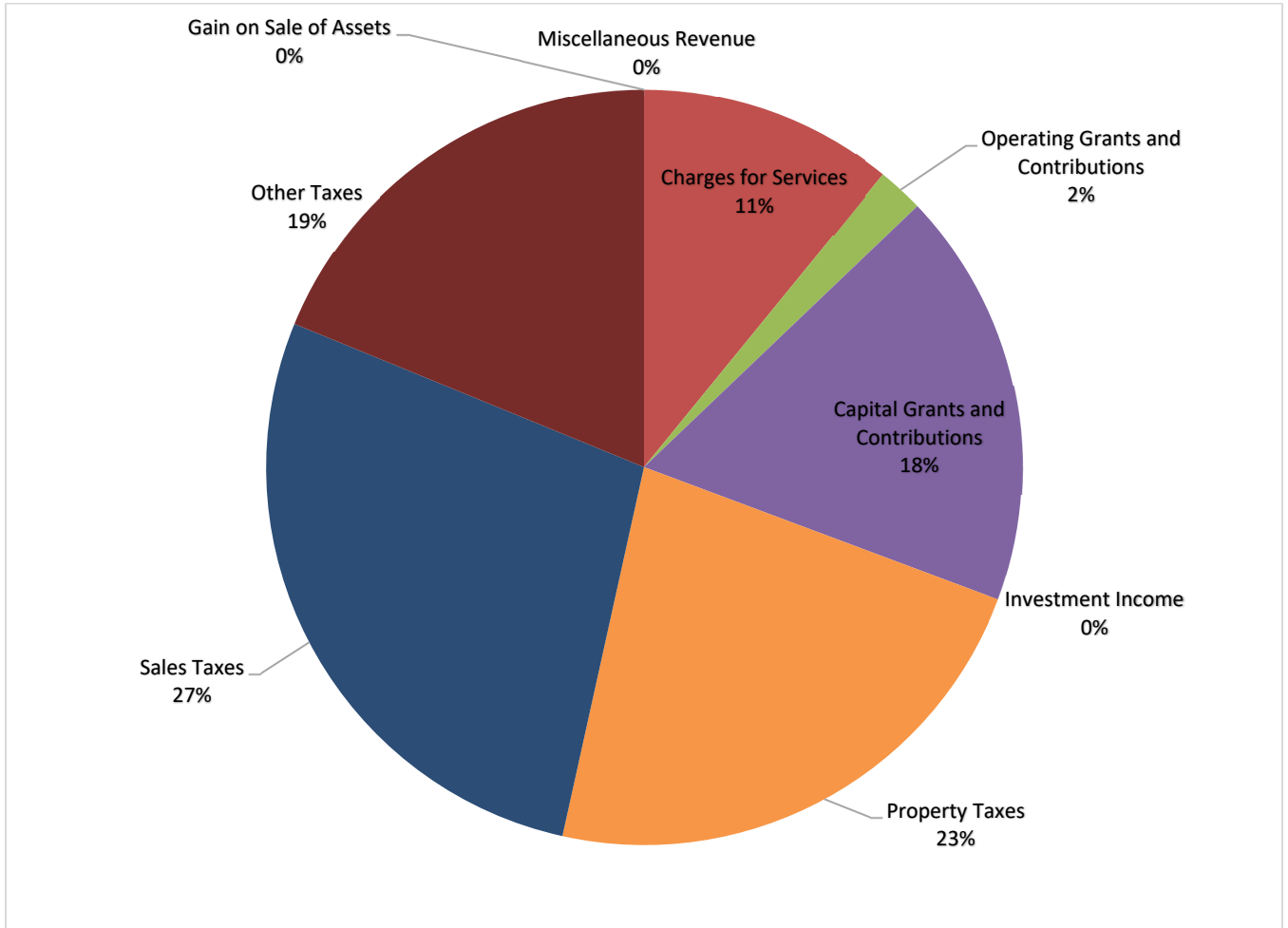
City of Jasper
Changes in Net Position
For the years ending December 31, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
PROGRAM REVENUES						
Charges for services	\$ 840,401	\$ 574,538	\$ 5,821,872	\$ 5,620,213	\$ 6,662,273	\$ 6,194,751
Operating grants and contributions	130,463	101,596	0	0	130,463	101,596
Capital grants and contributions	1,440,024	984,324	490,787	279,500	1,930,811	1,263,824
General revenues:						
Property taxes	1,771,979	1,740,537	0	0	1,771,979	1,740,537
Sales taxes	2,173,484	1,865,729	0	0	2,173,484	1,865,729
Other taxes	1,486,631	1,489,046	0	0	1,486,631	1,489,046
Investment income	11,132	6,919	17,455	2,712	28,587	9,631
Miscellaneous revenue	25,183	10,209	114,906	45,992	140,089	56,201
Total revenues	7,879,297	6,772,898	6,445,020	5,948,417	14,324,317	12,721,315
EXPENSES						
General Government	888,792	788,729	0	0	888,792	788,729
Judicial	137,365	123,041	0	0	137,365	123,041
Public Safety	3,357,342	2,934,482	0	0	3,357,342	2,934,482
Public Works	930,887	888,944	0	0	930,887	888,944
Culture and Recreation	107,367	85,019	0	0	107,367	85,019
Housing and Development	559,624	376,009	0	0	559,624	376,009
Interest on long-term debt	25,389	38,702	0	0	25,389	38,702
Water and sewer	0	0	5,320,490	4,584,595	5,320,490	4,584,595
Sanitation	0	0	269,163	260,460	269,163	260,460
Total expenses	6,006,766	5,234,926	5,589,653	4,845,055	11,596,419	10,079,981
Transfers in (out)	135,103	100,019	(135,103)	(100,019)	0	0
Increase (decrease) in net position	1,737,428	1,437,953	990,470	1,203,381	2,727,898	2,641,334
Net position - beginning	9,983,940	8,545,987	17,631,327	16,427,946	27,615,267	24,973,933
Net position - ending	\$ 11,721,368	\$ 9,983,940	\$ 18,621,797	\$ 17,631,327	\$ 30,343,165	\$ 27,615,267

Governmental Activities –

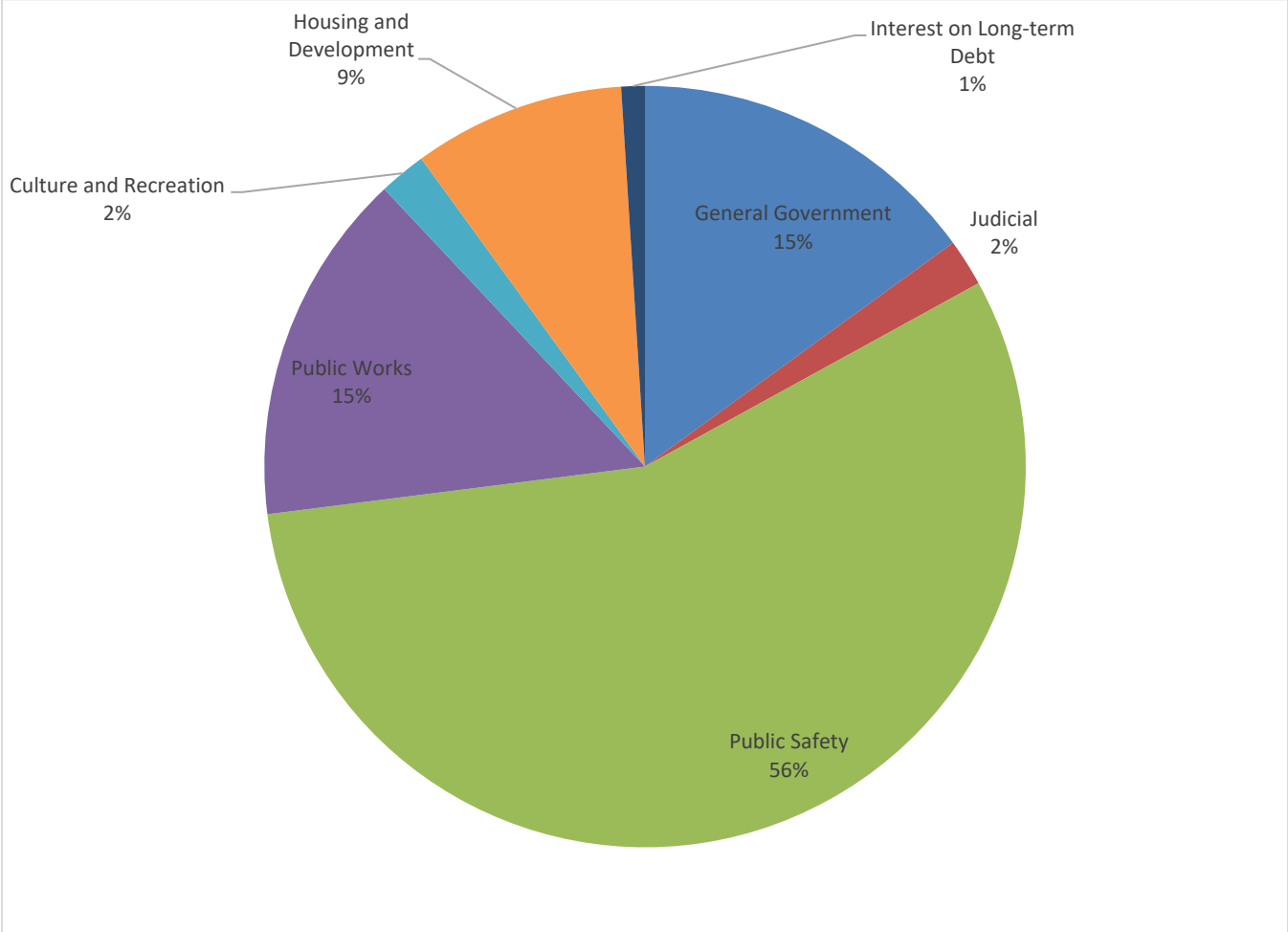
The following chart depicts revenues of the governmental activities for the year ended December 31, 2022:

Revenue by Source – Governmental Activities



The following chart depicts the expenses of the governmental activities for the year ended December 31, 2022:

Expenses by Function – Governmental Activities



Business-type Activities –

Business-type activities increased the City of Jasper’s net position by \$990,470; this is \$212,911 less than the increase in net position for 2021. The key elements of this difference in decrease are:

- The primary difference in the decrease in net position is that in 2022 the increase in operating expenses was more significant than the increase in operating revenues. Operating Expenses in the Water and Sanitation fund increased by \$667,567 over 2021. Revenue was up by \$243,705 over 2021. The most significant increase in revenues was for charges for service increased \$183,924.

Financial Analysis of the City’s Funds

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

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

As the City completed this year, its governmental funds reported a combined ending fund balance of \$5,968,363. Of this amount, \$3,278,448 (55%) constitutes unassigned fund balance, meaning no constraints have been placed on how this money may be spent. The General Fund is the only governmental fund that can have positive unassigned fund balance. The remainder of fund balance is either non-spendable, restricted by a third party or assigned for a specific purpose.

The **General Fund** is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the General Fund was \$3,278,448, while total fund balance was \$3,341,328. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 57% of total General Fund expenditures, while total fund balance represents 58% of that same amount.

General Fund Budget Highlights

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

Adjustments to the General Fund Expenditures: Adjustments were made to property tax revenues to prevent budget overruns.

- In the Legislative Department, travel and employee training was more than budgeted; therefore, the budget was increased by \$6,500.
- In the Financial Admin Department, salaries expense was more than budgeted; therefore, the budget was increased by \$42,000.
- In the Election Department, supplies was more than budgeted; therefore, the budget was increased by \$1,500.
- In the Police Department, supplies was more than budgeted; therefore, the budget was increased by \$16,000.
- In the Fire Department, salaries expense was more than budgeted; therefore, the budget was increased by \$162,000.

- In the Street Department, repairs and maintenance was more than budgeted; therefore, the budget was increased by \$105,000.
- In the Fleet Department, salaries expense was more than budgeted; therefore, the budget was increased by \$6,000.
- In the Planning and Zoning Department, salaries expense was more than budgeted; therefore, the budget was increased by \$12,000.

Proprietary Funds

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

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

▪ Water and Sewer	\$ 18,621,797
▪ Sanitation	\$ 0

The total increase in net position for both funds was \$990,470. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City’s business-type activities.

Capital Assets and Debt Administration

Capital Assets. The City of Jasper has invested \$22,651,023 in capital assets (net of accumulated depreciation). Capital assets include infrastructure, land, buildings, and machinery and equipment. Approximately 69% of this investment is related to business-type activities and approximately 31% relates to governmental activities.

During 2022, the City invested \$3,321,088 in new capital assets. Major capital asset events during the current year included the following:

Governmental-type Activities 2022	
Gennett Drive Upgrades	\$ 327,005
Police Vehicles (5)	245,591
Police Vehicle Printers and Equipment	61,947
	<u>\$ 634,543</u>
Business-type Activities 2022	
Wastewater Plant Improvements CIP	\$ 1,523,924
Lilly Tank Repainting CIP	78,662
Waterline Repairs	452,794
Property on Cove Road	140,917
Roland Property	120,000
Water Department Equipment (8)	135,431
	<u>\$ 2,451,728</u>

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

City of Jasper
Capital Assets (Net of Accumulated Depreciation)
As of December 31, 2022 and 2021

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 3,385,966	\$ 3,385,966	\$ 1,423,264	\$ 1,162,347	\$ 4,809,230	\$ 4,548,313
Construction in progress	16,900	0	1,927,420	468,653	1,944,320	468,653
Buildings and improvements	1,096,891	1,067,491	2,540,603	2,486,832	3,637,494	3,554,323
Infrastructure	2,901,600	2,558,095	25,794,292	25,319,806	28,695,892	27,877,901
Machinery and equipment	3,149,177	2,818,236	3,024,749	2,889,318	6,173,926	5,707,554
Park improvements	536,102	536,102	0	0	536,102	536,102
Total	11,086,636	10,365,890	34,710,328	32,326,956	45,796,964	42,692,846
Accumulated depreciation	(3,538,460)	(3,195,231)	(13,646,883)	(12,798,035)	(17,185,343)	(15,993,266)
Net Capital Assets	<u>\$ 7,548,176</u>	<u>\$ 7,170,659</u>	<u>\$ 21,063,445</u>	<u>\$ 19,528,921</u>	<u>\$ 28,611,621</u>	<u>\$ 26,699,580</u>

Additional information on the City of Jasper's capital assets can be found in the Note 7 in the notes to the financial statements on pages 48-49 of this report.

Long-term debt. At December 31, 2022, the City of Jasper had \$6,121,011 in long-term debt which was an increase of \$493,550 from 2021. The increase is attributed to the refunding of existing GEFA loans with a Revenue Bond at a much lower interest rate. The excess equity was put aside for future water system improvements.

City of Jasper
Outstanding Debt
As of December 31, 2022 and 2021

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Notes payable	\$ 480,507	\$ 787,661	\$ 2,598,504	\$ 1,497,800	\$ 3,079,011	\$ 2,285,461
Bonds payable	0	0	3,042,000	3,342,000	3,042,000	3,342,000
Compensated absences	84,811	153,693	86,180	93,158	170,991	246,851
Total	<u>\$ 565,318</u>	<u>\$ 941,354</u>	<u>\$ 5,726,684</u>	<u>\$ 4,932,958</u>	<u>\$ 6,292,002</u>	<u>\$ 5,874,312</u>

Additional information on the City's long-term debt can be found in the Note 8 in the notes to the financial statements on pages 50-55 of this report.

Economic Environment and Next Year's Budgets

The City considered many factors when adopting the 2023 budget. The City's tax rates, fees, and charges for governmental and business-type activities are major considerations during the budget adoption. The City is experiencing more growth than what has been experienced in previous years. The City is expecting the steady growth in population for future years. The City expects Enterprise Fund revenues to increase with the steady growth in population.

The following are some major factors considered in preparing the City's budget for 2023:

- Sustainability of existing services – The City strives to provide services at or exceeding the standard without putting an additional burden on the citizens. To sustain financial success, the City evaluates current expenses and revenue and prioritizes services and cost to ensure appropriations are beneficial to the long-term goals of the City.
- Cost of government – The City's millage rate was rolled back in 2022 from 5.558 mills to 5.467 mills. The levy in 2022 funds the 2023 budget.
- Capital Assets – For 2023, the City will utilize 2020 SPLOST for capital assets to public safety, parks and water/sewer improvements.
- Infrastructure improvements – The City continues seeking additional water resources, replacing infrastructure, and expanding the wastewater treatment facility. 2014 SPLOST will continue to allow public works improvements to roads, bridges, and sidewalks.
- Economy impact – The City takes a conservative approach with revenue and expenditures.

For fiscal year 2023, the City Council approved a total budget of \$16,394,934. This budget includes operating and non-operating funds. The General Fund budget is \$6,233,592 and the Proprietary Funds are budgeted for \$6,766,000 (Water, Sewerage, and Sanitation). The City's budgets and relative fund balances are maintained in compliance with the City's adopted financial policies.

Contacting the City's Financial Management

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

BASIC FINANCIAL STATEMENTS

CITY OF JASPER, GEORGIA
STATEMENT OF NET POSITION
December 31, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 7,418,206	\$ 2,521,432	\$ 9,939,638	\$ 19,332
Restricted cash and cash equivalents	1,533	1,082,221	1,083,754	0
Receivables:				
Accounts (net)	0	651,591	651,591	0
Taxes (net)	1,914,410	0	1,914,410	0
Intergovernmental receivable	327,709	136,491	464,200	0
Other	0	108,083	108,083	0
Internal balances	(129,003)	129,003	0	0
Prepaid items	61,347	40,873	102,220	0
Inventories	0	175,175	175,175	0
Total current assets	9,594,202	4,844,869	14,439,071	19,332
Noncurrent assets				
Capital assets				
Non-depreciable	3,402,866	3,350,684	6,753,550	0
Depreciable (net)	4,145,310	17,712,761	21,858,071	0
Total noncurrent assets	7,548,176	21,063,445	28,611,621	0
Total assets	17,142,378	25,908,314	43,050,692	19,332
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	364,185	289,914	654,099	0
LIABILITIES				
Current liabilities				
Payables				
Accounts	105,348	323,644	428,992	0
Retainages	0	54,135	54,135	0
Accrued salaries	69,340	18,997	88,337	0
Compensated absences payable	39,861	37,546	77,407	0
Accrued interest payable	6,144	5,181	11,325	0
Unearned revenue	1,610,165	22,062	1,632,227	0
Notes payable	49,467	184,417	233,884	0
Bonds payable	0	302,000	302,000	0
Liabilities payable from restricted assets				
Customer deposits payable	0	774,229	774,229	0
Total current liabilities	1,880,325	1,722,211	3,602,536	0
Noncurrent liabilities				
Compensated absences payable	44,950	48,634	93,584	0
Net pension liability	1,207,723	496,854	1,704,577	0
Bonds payable	0	2,740,000	2,740,000	0
Notes payable	431,040	2,414,087	2,845,127	0
Total noncurrent liabilities	1,683,713	5,699,575	7,383,288	0
Total liabilities	3,564,038	7,421,786	10,985,824	0
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	1,705,167	0	1,705,167	0
Deferred inflows of resources - pension	515,990	154,645	670,635	0
Total deferred inflows of resources	2,221,157	154,645	2,375,802	0

See accompanying notes to the financial statements.

CITY OF JASPER, GEORGIA
STATEMENT OF NET POSITION
December 31, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
NET POSITION				
Net investment in capital assets	\$ 7,067,669	\$ 15,583,354	\$ 22,651,023	\$ 0
Restricted for:				
Judicial and law enforcement				
technology equipment and supplies	67,569	0	67,569	0
Law enforcement equipment and supplies	22,742	0	22,742	0
Grant specifications	227	0	227	0
Capital outlay	2,461,245	0	2,461,245	0
Economic development	1,533	0	1,533	1,000
Unrestricted	2,100,383	3,038,443	5,138,826	18,332
Total net position	\$ 11,721,368	\$ 18,621,797	\$ 30,343,165	\$ 19,332

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CITY OF JASPER, GEORGIA
STATEMENT OF ACTIVITIES
For the year ended December 31, 2022

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Total Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 888,792	\$ 107,032	\$ 46,200	\$ 0	\$ (735,560)	\$ 0	\$ (735,560)	
Judicial	137,365	56,234	0	0	(81,131)	0	(81,131)	
Public safety	3,357,342	360,602	84,263	0	(2,912,477)	0	(2,912,477)	
Public works	930,887	0	0	1,440,024	509,137	0	509,137	
Culture and recreation	107,367	0	0	0	(107,367)	0	(107,367)	
Housing and development	559,624	316,533	0	0	(243,091)	0	(243,091)	
Interest on long-term debt	25,389	0	0	0	(25,389)	0	(25,389)	
Total governmental activities	<u>6,006,766</u>	<u>840,401</u>	<u>130,463</u>	<u>1,440,024</u>	<u>(3,595,878)</u>	<u>0</u>	<u>(3,595,878)</u>	
Business-type activities								
Water and Sewerage	5,320,490	5,619,096	0	490,787	0	789,393	789,393	
Sanitation	269,163	202,776	0	0	0	(66,387)	(66,387)	
Total business-type activities	<u>5,589,653</u>	<u>5,821,872</u>	<u>0</u>	<u>490,787</u>	<u>0</u>	<u>723,006</u>	<u>723,006</u>	
Total primary government	<u>11,596,419</u>	<u>6,662,273</u>	<u>130,463</u>	<u>1,930,811</u>	<u>(3,595,878)</u>	<u>723,006</u>	<u>(2,872,872)</u>	
Component Units								
Industrial Development Authority	0	0	0	0				\$ 0
Downtown Development Authority	0	0	0	0				0
Jasper Development Authority	314	0	0	0				(314)
Total component units	<u>\$ 314</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>				<u>\$ (314)</u>
General revenues								
Taxes								
Property					\$ 1,771,979	\$ 0	\$ 1,771,979	\$ 0
Sales					2,173,484	0	2,173,484	0
Franchise					473,761	0	473,761	0
Alcoholic beverage					379,239	0	379,239	0
Insurance premium					347,027	0	347,027	0
Business occupation					107,569	0	107,569	0
Hotel/Motel					112,641	0	112,641	0
Other					66,394	0	66,394	0
Interest and investment earnings					11,132	17,455	28,587	0
Miscellaneous					25,183	114,906	140,089	0
Transfers					(135,103)	135,103	0	0
Total general revenues and transfers					<u>5,333,306</u>	<u>267,464</u>	<u>5,600,770</u>	<u>0</u>
Change in net position					1,737,428	990,470	2,727,898	(314)
Net position - beginning					<u>9,983,940</u>	<u>17,631,327</u>	<u>27,615,267</u>	<u>19,646</u>
Net position - ending					<u>\$ 11,721,368</u>	<u>\$ 18,621,797</u>	<u>\$ 30,343,165</u>	<u>\$ 19,332</u>

See accompanying notes to the financial statements.

CITY OF JASPER, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2022

	General	American Rescue Plan Act Fund	2020 SPLOST	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	\$ 3,218,337	\$ 1,484,263	\$ 1,770,635	\$ 944,971	\$ 7,418,206
Restricted cash and cash equivalents	1,533	0	0	0	1,533
Receivable					
Taxes	1,899,055	0	0	15,355	1,914,410
Intergovernmental	222,216	0	105,493	0	327,709
Due from other funds	21,608	0	0	0	21,608
Prepaid items	61,347	0	0	0	61,347
Total assets	\$ 5,424,096	\$ 1,484,263	\$ 1,876,128	\$ 960,326	\$ 9,744,813
LIABILITIES					
Accounts payable	\$ 71,192	\$ 0	\$ 0	\$ 34,156	\$ 105,348
Due to other funds	0	0	135,103	15,508	150,611
Accrued salaries	69,340	0	0	0	69,340
Unearned revenue	101,250	1,484,036	0	24,879	1,610,165
Total liabilities	241,782	1,484,036	135,103	74,543	1,935,464
DEFERRED INFLOWS OF RESOURCES					
Property taxes levied for subsequent year	1,705,167	0	0	0	1,705,167
Unavailable revenue - property taxes	135,819	0	0	0	135,819
Total deferred inflows of resources	1,840,986	0	0	0	1,840,986
FUND BALANCES					
Nonspendable:					
Prepaid items	61,347	0	0	0	61,347
Restricted for:					
Judicial and law enforcement					
technology equipment and supplies	0	0	0	67,569	67,569
Law enforcement equipment and supplies	0	0	0	22,742	22,742
Promotion of downtown commerce					
and business	1,533	0	0	0	1,533
Grant specifications	0	227	0	0	227
Capital outlay	0	0	1,741,025	720,220	2,461,245
Assigned for:					
Tourism	0	0	0	75,252	75,252
Unassigned	3,278,448	0	0	0	3,278,448
Total fund balances	3,341,328	227	1,741,025	885,783	5,968,363
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,424,096	\$ 1,484,263	\$ 1,876,128	\$ 960,326	\$ 9,744,813

CITY OF JASPER, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
December 31, 2022

Total fund balance - total governmental funds \$ 5,968,363

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

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

Capital assets	\$ 11,086,636	
Accumulated depreciation	<u>(3,538,460)</u>	7,548,176

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

Deferred outflows of resources - pension	\$ 364,185	
Deferred inflows of resources - pension	<u>(515,990)</u>	(151,805)

Deferred inflows of resources related to property taxes that are not available to pay current obligations. These are reported as revenues in the statement of activities when earned. 135,819

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

Accrued interest payable	\$ (6,144)	
Compensated absences payable	(84,811)	
Net pension liability	(1,207,723)	
Note payable	<u>(480,507)</u>	<u>(1,779,185)</u>

Net position of the governmental activities \$ 11,721,368

CITY OF JASPER, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2022

	<u>General</u>	<u>American Rescue Plan Act Fund</u>	<u>2020 SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
REVENUES					
Taxes	\$ 5,295,947	\$ 0	\$ 0	\$ 112,641	\$ 5,408,588
Licenses and permits	423,546	0	0	0	423,546
Fines and forfeitures	319,283	0	0	56,134	375,417
Charges for services	41,438	0	0	0	41,438
Intergovernmental	244,330	29,989	1,212,855	0	1,487,174
Interest	10,331	190	3,177	2,387	16,085
Contributions	78,360	0	0	0	78,360
Other	25,183	0	0	0	25,183
Total revenues	<u>6,438,418</u>	<u>30,179</u>	<u>1,216,032</u>	<u>171,162</u>	<u>7,855,791</u>
EXPENDITURES					
Current					
General government	832,485	0	0	0	832,485
Judicial	103,090	0	0	24,004	127,094
Public safety	3,015,809	0	0	94,790	3,110,599
Public works	1,057,365	0	0	0	1,057,365
Culture and recreation	88,529	0	0	0	88,529
Housing and development	370,749	0	0	167,936	538,685
Capital outlay	0	0	351,342	66,835	418,177
Debt service	333,165	0	0	0	333,165
Total expenditures	<u>5,801,192</u>	<u>0</u>	<u>351,342</u>	<u>353,565</u>	<u>6,506,099</u>
Excess (deficiency) of revenues over (under) expenditures	<u>637,226</u>	<u>30,179</u>	<u>864,690</u>	<u>(182,403)</u>	<u>1,349,692</u>
Other financing sources (uses)					
Transfers in	29,989	0	0	0	29,989
Transfers out	0	(29,989)	(135,103)	0	(165,092)
Total other financing sources (uses)	<u>29,989</u>	<u>(29,989)</u>	<u>(135,103)</u>	<u>0</u>	<u>(135,103)</u>
Net change in fund balances	667,215	190	729,587	(182,403)	1,214,589
Fund balances, January 1	<u>2,674,113</u>	<u>37</u>	<u>1,011,438</u>	<u>1,068,186</u>	<u>4,753,774</u>
Fund balances, December 31	<u>\$ 3,341,328</u>	<u>\$ 227</u>	<u>\$ 1,741,025</u>	<u>\$ 885,783</u>	<u>\$ 5,968,363</u>

See accompanying notes to the financial statements.

CITY OF JASPER, GEORGIA
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2022

Net change in fund balances - total governmental funds \$ 1,214,589

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

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

Capital outlays	\$ 747,278	
Depreciation	<u>(367,160)</u>	380,118

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

Cost of assets disposed	\$ (73,151)	
Related accumulated depreciation	<u>70,550</u>	(2,601)

Contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

Cost of assets	\$ 46,619	
Related accumulated depreciation	<u>(46,619)</u>	0

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

Pension contributions	\$ 247,761	
Cost of benefits earned net of employee contributions	<u>(502,602)</u>	(254,841)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. These includes recognition of unavailable revenue. 23,503

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

Debt principal repayments	\$ 307,154	
Net change in interest payable	<u>624</u>	307,778

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

Net change in compensated absences		<u>68,882</u>
Change in net position of governmental activities		<u><u>\$ 1,737,428</u></u>

CITY OF JASPER, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 4,972,162	\$ 5,308,703	\$ 5,295,947	\$ (12,756)
Licenses and permits	344,650	394,650	423,546	28,896
Fines and forfeitures	149,266	230,000	319,283	89,283
Charges for services	17,000	32,500	41,438	8,938
Intergovernmental	32,000	311,989	244,330	(67,659)
Interest	7,000	7,000	10,331	3,331
Contributions	0	0	78,360	78,360
Other	5,000	5,000	25,183	20,183
Total revenues	5,527,078	6,289,842	6,438,418	148,576
EXPENDITURES				
Current				
General government				
Legislative	217,553	224,053	224,011	42
Executive	160,087	202,087	201,120	967
Elections	0	1,500	1,016	484
Financial administration	485,096	485,096	406,338	78,758
Judicial				
Municipal court	103,483	103,483	103,090	393
Public safety				
Police	1,507,439	1,512,439	1,512,187	252
Fire	1,305,268	1,467,268	1,467,072	196
Animal control	60,920	60,920	36,550	24,370
Public works				
Streets	617,514	1,013,519	1,013,003	516
Fleet maintenance and shop	38,790	44,790	44,362	428
Cemetery	400	0	0	0
Culture and recreation				
Parks and recreation	142,400	142,400	88,529	53,871
Housing and development				
Protective inspection	49,455	49,455	49,434	21
Planning and zoning	309,822	321,822	321,315	507
Debt service	157,836	333,214	333,165	49
Total expenditures	5,156,063	5,962,046	5,801,192	160,854
Excess (deficiency) of revenues over (under) expenditures	371,015	327,796	637,226	309,430
Other financing sources (uses)				
Transfers in	0	0	29,989	29,989
Net change in fund balance	371,015	327,796	667,215	339,419
Fund balances, January 1	(371,015)	(327,796)	2,674,113	3,001,909
Fund balances, December 31	\$ 0	\$ 0	\$ 3,341,328	\$ 3,341,328

CITY OF JASPER, GEORGIA
AMERICAN RESCUE PLAN ACT FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 742,018	\$ 742,018	\$ 29,989	\$ (712,029)
Interest	0	0	190	190
Total revenues	<u>742,018</u>	<u>742,018</u>	<u>30,179</u>	<u>(711,839)</u>
EXPENDITURES	<u>400,000</u>	<u>400,000</u>	<u>0</u>	<u>400,000</u>
Excess (deficiency) of revenues over (under) expenditures	342,018	342,018	30,179	(311,839)
Other financing sources (uses)				
Transfers out	<u>0</u>	<u>0</u>	<u>(29,989)</u>	<u>(29,989)</u>
Net change in fund balance	342,018	342,018	190	(341,828)
Fund balances, January 1	<u>(342,018)</u>	<u>(342,018)</u>	<u>37</u>	<u>342,055</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 227</u></u>	<u><u>\$ 227</u></u>

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CITY OF JASPER, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2022

	Business-Type Activities		
	Water and Sewerage	Nonmajor Sanitation	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,520,219	\$ 1,213	\$ 2,521,432
Restricted cash and cash equivalents	1,082,221	0	1,082,221
Receivables			
Accounts (net)	630,694	20,897	651,591
Intergovernmental	136,491	0	136,491
Other	108,083	0	108,083
Due from other funds	143,496	0	143,496
Prepaid items	38,334	2,539	40,873
Inventories	175,175	0	175,175
Total current assets	4,834,713	24,649	4,859,362
Noncurrent assets			
Capital assets			
Nondepreciable	3,350,684	0	3,350,684
Depreciable (net)	17,645,131	67,630	17,712,761
Total noncurrent assets	20,995,815	67,630	21,063,445
Total assets	25,830,528	92,279	25,922,807
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	267,638	22,276	289,914
LIABILITIES			
Current liabilities			
Payables			
Accounts	309,607	14,037	323,644
Retainages	54,135	0	54,135
Accrued salaries	18,281	716	18,997
Due to other funds	6,100	8,393	14,493
Compensated absences payable	36,865	681	37,546
Unearned revenue	22,062	0	22,062
Accrued interest payable	5,181	0	5,181
Notes payable	155,000	29,417	184,417
Bonds payable	302,000	0	302,000
Liabilities payable from restricted assets			
Customer deposits payable	774,229	0	774,229
Total current liabilities	1,683,460	53,244	1,736,704
Noncurrent liabilities			
Compensated absences payable	45,057	3,577	48,634
Net pension liability	468,452	28,402	496,854
Notes payable	2,393,595	20,492	2,414,087
Bonds payable	2,740,000	0	2,740,000
Total noncurrent liabilities	5,647,104	52,471	5,699,575
Total liabilities	7,330,564	105,715	7,436,279
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	145,805	8,840	154,645
NET POSITION			
Net investment in capital assets	15,565,633	17,721	15,583,354
Unrestricted	3,056,164	(17,721)	3,038,443
Total net position	\$ 18,621,797	\$ 0	\$ 18,621,797

See accompanying notes to the financial statements.

CITY OF JASPER, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the year ended December 31, 2022

	Business-Type Activities		
	Water and Sewerage	Nonmajor Sanitation	Totals
OPERATING REVENUES			
Charges for service	\$ 5,619,096	\$ 202,776	\$ 5,821,872
Miscellaneous	105,592	9,314	114,906
Total operating revenues	5,724,688	212,090	5,936,778
OPERATING EXPENSES			
Cost of sales and services	2,865,629	174,432	3,040,061
Personal services	1,490,219	69,028	1,559,247
Depreciation	825,398	23,450	848,848
Total operating expenses	5,181,246	266,910	5,448,156
Operating income	543,442	(54,820)	488,622
Non-operating revenues (expenses)			
Debt issuance cost	(70,015)	0	(70,015)
Interest revenue	17,409	46	17,455
Interest expense	(69,229)	(2,253)	(71,482)
Total non-operating revenues (expenses)	(121,835)	(2,207)	(124,042)
Net income before capital contributions and transfers	421,607	(57,027)	364,580
Capital contributions			
Intergovernmental	136,491	0	136,491
Capital contributions	354,296	0	354,296
Total capital contributions	490,787	0	490,787
Net income before transfers	912,394	(57,027)	855,367
Transfers			
Transfers in	135,103	55,630	190,733
Transfers out	(55,630)	0	(55,630)
Total transfers in (out)	79,473	55,630	135,103
Change in net position	991,867	(1,397)	990,470
Net position, January 1	17,629,930	1,397	17,631,327
Net position, December 31	\$ 18,621,797	\$ 0	\$ 18,621,797

CITY OF JASPER, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2022

	Business-Type Activities		
	Water and Sewerage	Nonmajor Sanitation	Totals
Cash flows from operating activities:			
Receipts from customers and users	\$ 5,624,023	\$ 201,239	\$ 5,825,262
Payments to suppliers	(2,888,574)	(166,082)	(3,054,656)
Payments to employees	(1,704,152)	(126,217)	(1,830,369)
Other receipts	105,591	9,314	114,905
Net cash provided (used) by operating activities	<u>1,136,888</u>	<u>(81,746)</u>	<u>1,055,142</u>
Cash flows from non-capital financing activities:			
Payments to other funds	(86,873)	0	(86,873)
Receipts from other funds	58,411	100,812	159,223
Net cash provided (used) by non-capital financing activities	<u>(28,462)</u>	<u>100,812</u>	<u>72,350</u>
Cash flows from capital and related financing activities:			
Receipts of capital contributions	354,296	0	354,296
Acquisition of capital assets	(2,235,892)	0	(2,235,892)
Principal payments - bonds payable	(300,000)	0	(300,000)
Acquisition of notes payable	1,331,143	0	1,331,143
Note issue costs paid	(70,015)	0	(70,015)
Principal payments - notes payable	(202,108)	(28,331)	(230,439)
Interest paid	(67,645)	(2,253)	(69,898)
Net cash provided (used) by capital and related financing activities	<u>(1,190,221)</u>	<u>(30,584)</u>	<u>(1,220,805)</u>
Cash flows from investing activities:			
Interest received	17,409	46	17,455
Net increase in cash and cash equivalents	(64,386)	(11,472)	(75,858)
Cash and cash equivalents, January 1	3,666,826	12,685	3,679,511
Cash and cash equivalents, December 31	<u>\$ 3,602,440</u>	<u>\$ 1,213</u>	<u>\$ 3,603,653</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 543,442	\$ (54,820)	\$ 488,622
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	825,398	23,450	848,848
(Increase) decrease in accounts receivable	(4,573)	(1,537)	(6,110)
(Increase) decrease in other receivables	(34,293)	0	(34,293)
(Increase) decrease in prepaid items	(3,290)	(994)	(4,284)
(Increase) decrease in inventory	(81,430)	0	(81,430)
(Increase) decrease in deferred outflows of resources - pension	891	320	1,211
Increase (decrease) in accounts payable	61,774	9,344	71,118
Increase (decrease) in accrued payroll liabilities	(7,979)	1,234	(6,745)
Increase (decrease) in unearned revenue	(4,670)	0	(4,670)
Increase (decrease) in customer deposits payable	48,463	0	48,463
Increase (decrease) in net pension liability	(85,631)	(26,821)	(112,452)
Increase (decrease) in deferred inflows of resources - pension	(121,214)	(31,922)	(153,136)
Total adjustments	<u>593,446</u>	<u>(26,926)</u>	<u>566,520</u>
Net cash provided (used) by operating activities	<u>\$ 1,136,888</u>	<u>\$ (81,746)</u>	<u>\$ 1,055,142</u>
Cash and cash equivalents reconciliation			
Cash and cash equivalents	\$ 2,520,219	\$ 1,213	\$ 2,521,432
Restricted cash and cash equivalents	1,082,221	0	1,082,221
	<u>\$ 3,602,440</u>	<u>\$ 1,213</u>	<u>\$ 3,603,653</u>
Noncash investing, capital, and financing activities:			
Acquisition of capital assets through accounts payable totaled \$93,345.			
Acquisition of capital assets through retainages payable totaled \$54,135.			

See accompanying notes to the financial statements.

CITY OF JASPER, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2022

ASSETS	
Cash and cash equivalents	\$ 71,799
Accounts receivable	<u>8,411</u>
Total assets	<u>80,210</u>
LIABILITIES	
Due to others	<u>51,644</u>
NET POSITION	
Restricted for individuals, organizations, and other governments	<u><u>\$ 28,566</u></u>

See accompanying notes to the financial statements.

CITY OF JASPER, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended December 31, 2022

ADDITIONS	
Court fees collected for other agencies	\$ 139,745
Court individual cases	<u>33,279</u>
Total additions	<u>173,024</u>
DEDUCTIONS	
Court fees distributed to other agencies	139,745
Payments to others	<u>28,566</u>
Total deductions	<u>168,311</u>
Change in net position	4,713
Net position, January 1	<u>23,853</u>
Net position, December 31	<u><u>\$ 28,566</u></u>

CITY OF JASPER, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
December 31, 2022

	<u>Industrial Development Authority</u>	<u>Jasper Development Authority</u>	<u>Totals</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,000	\$ 18,332	\$ 19,332
NET POSITION			
Restricted for economic development	1,000	0	1,000
Unrestricted	<u>0</u>	<u>18,332</u>	<u>18,332</u>
Total net position	<u>\$ 1,000</u>	<u>\$ 18,332</u>	<u>\$ 19,332</u>

CITY OF JASPER, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the year ended December 31, 2022

	Industrial Development Authority	Jasper Development Authority	Totals
Expenses			
Total expenses	\$ 0	\$ 314	\$ 314
Program revenues			
Total program revenues	0	0	0
Net (expense) revenue	0	(314)	(314)
General revenues			
Interest	0	0	0
Change in net position	0	(314)	(314)
Net position - December 1	1,000	18,646	19,646
Net position - December 31	\$ 1,000	\$ 18,332	\$ 19,332

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

The City of Jasper Downtown Development Authority (the "DDA") is reported as a blended component unit in the accompanying financial statements. Although legally separate from the City, the DDA is reported as if it were part of the primary government. The purpose of the DDA is to promote business and commerce within the downtown business district of the City. The Mayor and City Council appoint all of the board members to the DDA. Due to the insignificant amount of operating activity, the operations of the DDA are reported in the General Fund. Through an intergovernmental contract, the City is responsible for the repayment of the debt of the Authority. Separate financial statements are not issued.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

1. Summary of Significant Accounting Policies (continued)

A. Reporting Entity

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

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

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

B. Government-wide and Fund Financial Statements

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

1. Summary of Significant Accounting Policies (continued)

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

1. Summary of Significant Accounting Policies (continued)

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

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

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

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

The City reports the following major governmental funds:

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

The **American Rescue Plan Act Fund** is used to account for revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund.

The **2020 SPLOST Fund** is used to account for the receipt and disbursement of special purpose local option sales tax (SPLOST) funds.

The City reports the following major proprietary funds:

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

1. Summary of Significant Accounting Policies (continued)

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

The City also reports the following fund types:

Governmental Fund Types

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

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

Proprietary Fund Types

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

Fiduciary Fund Types

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

1. Summary of Significant Accounting Policies (continued)

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Cash and Investments

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

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

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

1. Summary of Significant Accounting Policies (continued)

E. Receivables and Payables

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

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

F. Prepaid Items

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

G. Inventories

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

1. Summary of Significant Accounting Policies (continued)

H. Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

1. Summary of Significant Accounting Policies (continued)

I. Deferred Outflows / Inflows of Resources

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

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

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

1. Summary of Significant Accounting Policies (continued)

J. Compensated Absences

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

K. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Issuance costs are reported as expenses when incurred.

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

L. Fund Equity and Net Position

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

1. Summary of Significant Accounting Policies (continued)

L. Fund Equity and Net Position, continued

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

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

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

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

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Council retains the authority to assign amounts for specific purposes by a formal vote (resolution). Only the City Council may modify or rescind the assignment.

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

1. Summary of Significant Accounting Policies (continued)

L. Fund Equity and Net Position, 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: (1) Committed, (2) Assigned, (3) Unassigned.

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

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

M. Management Estimates

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

1. Summary of Significant Accounting Policies (continued)

N. Interfund Transactions

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

O. Budgets

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

R. Pensions

For the purposes of measuring the net pension liability, deferred inflows/outflows of resources related to pensions and pension expense information about the fiduciary net position of the City of Jasper Employees' Pension Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

2. Legal Compliance - Budgets

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

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

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

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

3. Deposits

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

3. Deposits (continued)

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes, and City policy, require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

Interest rate risk: The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

4. Receivables

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

<u>Governmental Activities</u>	<u>General Fund</u>	<u>2020 SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
Receivables:				
Taxes	\$ 2,007,386	\$ 0	\$ 15,355	\$ 2,022,741
Intergovernmental	222,216	105,493	0	327,709
Less allowance for uncollectible	(108,331)	0	0	(108,331)
Net totals	<u>\$ 2,121,271</u>	<u>\$ 105,493</u>	<u>\$ 15,355</u>	<u>\$ 2,242,119</u>
	<u>Water and Sewerage Fund</u>	<u>Nonmajor Sanitation Fund</u>	<u>Totals</u>	
Receivables:				
Accounts	\$ 778,064	\$ 20,897	\$ 798,961	
Intergovernmental	136,491	0	136,491	
Other	108,083	0	108,083	
Less allowance for uncollectible	(147,370)	0	(147,370)	
Net totals	<u>\$ 875,268</u>	<u>\$ 20,897</u>	<u>\$ 896,165</u>	

5. Property Taxes

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for the 2022 tax digest year, based upon the assessments as of January 1, 2022, were levied on September 29, 2022, billed on November 3, 2022, and due on January 31, 2023. Unpaid tax bills become delinquent on February 1, 2023, and liens will be put on property with unpaid tax on March 3, 2023. The 2022 tax digest is to fund the 2023 budget. Therefore, the tax proceeds for this year have been reported as deferred inflows of resources.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

6. Interfund Receivables, Payables, and Transfers

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water and Sewerage	\$ 6,100
	Nonmajor Governmental	15,508
Water and Sewerage	2020 SPLOST	135,103
	Nonmajor Enterprise	8,393
		<u>\$ 165,104</u>

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

Interfund activity consisted of the following for the current year:

<u>Transfer Out Fund</u>	<u>Transfer In Fund</u>	<u>Amount</u>
American Rescue Plan Act	General	\$ 29,989
2020 SPLOST	Water and Sewerage	135,103
Water and Sewerage	Nonmajor Enterprise	55,630
		<u>\$ 220,722</u>

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

7. Capital Assets

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

	Balance Beginning	Increases	Decreases	Balance Ending
Governmental activities				
Non-depreciable assets				
Land	\$ 3,385,966	\$ 0	\$ 0	\$ 3,385,966
Construction in progress	0	16,900	0	16,900
Total non-depreciable assets	<u>3,385,966</u>	<u>16,900</u>	<u>0</u>	<u>3,402,866</u>
Depreciable assets				
Buildings and improvements	1,067,491	29,400	0	1,096,891
Infrastructure	2,558,095	343,505	0	2,901,600
Machinery and equipment	2,818,236	404,092	(73,151)	3,149,177
Park improvements	536,102	0	0	536,102
Total depreciable assets	<u>6,979,924</u>	<u>776,997</u>	<u>(73,151)</u>	<u>7,683,770</u>
Less accumulated depreciation				
Buildings and improvements	(362,471)	(24,618)	0	(387,089)
Infrastructure	(959,549)	(111,868)	0	(1,071,417)
Machinery and equipment	(1,690,849)	(254,665)	70,550	(1,874,964)
Park improvements	(182,362)	(22,628)	0	(204,990)
Total accumulated depreciation	<u>(3,195,231)</u>	<u>(413,779)</u>	<u>70,550</u>	<u>(3,538,460)</u>
Total depreciable assets, net	<u>3,784,693</u>	<u>363,218</u>	<u>(2,601)</u>	<u>4,145,310</u>
Governmental activities capital assets, net	<u>\$ 7,170,659</u>	<u>\$ 380,118</u>	<u>\$ (2,601)</u>	<u>\$ 7,548,176</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 1,162,347	\$ 260,917	\$ 0	\$ 1,423,264
Construction in progress	468,653	1,602,586	(143,819)	1,927,420
Total non-depreciable assets	<u>1,631,000</u>	<u>1,863,503</u>	<u>(143,819)</u>	<u>3,350,684</u>
Depreciable assets				
Buildings and improvements	2,486,832	53,771	0	2,540,603
Infrastructure	25,319,806	474,486	0	25,794,292
Machinery and equipment	1,845,222	135,431	0	1,980,653
Vehicle	1,044,096	0	0	1,044,096
Total depreciable assets	<u>30,695,956</u>	<u>663,688</u>	<u>0</u>	<u>31,359,644</u>
Less accumulated depreciation				
Buildings and improvements	(747,970)	(58,907)	0	(806,877)
Infrastructure	(10,666,342)	(540,188)	0	(11,206,530)
Machinery and equipment	(726,545)	(132,596)	0	(859,141)
Vehicle	(657,178)	(117,157)	0	(774,335)
Total accumulated depreciation	<u>(12,798,035)</u>	<u>(848,848)</u>	<u>0</u>	<u>(13,646,883)</u>
Total depreciable assets, net	<u>17,897,921</u>	<u>(185,160)</u>	<u>0</u>	<u>17,712,761</u>
Business-type activities capital assets, net	<u>\$ 19,528,921</u>	<u>\$ 1,678,343</u>	<u>\$ (143,819)</u>	<u>\$ 21,063,445</u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

7. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$	20,910
Judicial		2,017
Public Safety		177,898
Public Works		129,110
Housing and Development		7,232
Culture and Recreation		29,993
		29,993

Total depreciation expense for governmental activities	\$	367,160
		367,160

Business-type activities

Water and Sewerage	\$	825,398
Sanitation		23,450
		23,450

Total depreciation expense for business-type activities	\$	848,848
		848,848

**Governmental
Activities**

Current year depreciation expense	\$	367,160
Prior accumulated depreciation on assets through contributions from an outside source		46,619
		46,619
Additions to accumulated depreciation	\$	413,779
		413,779

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

8. Long-Term Liabilities

Notes from Direct Borrowings

Governmental Activities

Finance Purchases

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

The City has entered into multiple agreements with various financial institutions to finance the purchase certain vehicles and equipment. The notes are secured by the equipment. The balances of these agreements at the end of the current year are \$480,507. Individual notes outstanding at the end of the current year are listed below with their related interest rate and maturity.

- \$225,155 equipment finance purchase due in monthly installments of \$4,031 through July 2022, interest at 2.93%, paid in full in the current year.
- \$80,925 equipment finance purchase due in monthly installments of \$1,463 through September 2024, interest at 3.23%, \$28,626 outstanding.
- \$39,052 equipment finance purchase due in monthly installments of \$1,162 through March 2022, interest at 4.51%, paid in full in the current year.
- \$568,924 equipment finance purchase due in monthly installments of \$53,008 through September 2033, interest at 4.51%, \$451,881 outstanding.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

8. Long-Term Liabilities (continued)

Notes from Direct Borrowings, continued

Governmental Activities, continued

Annual debt service requirements for notes from direct borrowings are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	\$ 49,467	\$ 21,091	\$ 70,558
2024	47,083	19,080	66,163
2025	35,641	17,367	53,008
2026	37,248	15,760	53,008
2027	38,928	14,080	53,008
2028-2032	222,606	42,433	265,039
2033	49,534	2,287	51,821
Totals	<u>\$ 480,507</u>	<u>\$ 132,098</u>	<u>\$ 612,605</u>

Business-Type Activities

GEFA Loans

The City has entered into a direct borrowing agreement with the Georgia Environmental Finance Authority to finance improvements to the City’s water and sewerage system. The City borrowed \$757,484 due in monthly installments of \$4,661 of principal and interest through September 2024; interest at 4.21% (\$94,978 outstanding). Note payments and performance obligations are secured by revenues on taxes, fees and charges collected by the City. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable.

The City has entered into a direct borrowing agreement with the Georgia Environmental Finance Authority to finance improvements to the City’s water and sewerage system. The City borrowed \$1,660,000 due in monthly installments of \$8,257 of principal and interest through July 2035; interest at 1.82% (\$1,113,549 outstanding). Note payments and performance obligations are secured by revenues on taxes, fees and charges collected by the City. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

8. Long-Term Liabilities (continued)

Notes from Direct Borrowings, continued

Business-Type Activities, continued

Finance Purchases

The City has entered into multiple agreements with various financial institutions to finance the purchase certain vehicles, equipment, and property. The notes are secured by the equipment. The balances of these agreements at the end of the current year are \$149,539. Individual notes outstanding at the end of the current year are listed below with their related interest rate and maturity.

- \$413,363 equipment finance purchase due in monthly installments of \$7,401 through July 2022, interest at 2.93%, paid in full in the current year.
- \$196,715 equipment finance purchase due in monthly installments of \$3,555 through September 2024, interest at 3.23%, \$69,618 outstanding.
- \$111,821 property finance purchase due in monthly installments of \$1,000 through December 2029, interest at 1.42%, \$79,921 outstanding.

Bond Anticipation Notes

The City has entered into a contract with United Community Bank for the issuance of a \$10,000,000 tax-exempt, 4.20% interest, drawdown bond anticipation note, to finance expansion of the City's water treatment plant. The City may draw down funds up to \$10,000,000. As of the end of the current year, this note is still in the drawdown phase (\$1,229,057 outstanding) and is not included in the amortization schedule below.

The City has entered into a contract with United Community Bank for the issuance of a \$5,627,000 taxable, 5.61% interest, drawdown bond anticipation note, to finance expansion of the City's water treatment plant. The City may draw down funds up to \$5,627,000. As of the end of the current year, this note is still in the drawdown phase (\$11,381 outstanding) and is not included in the amortization schedule below.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

8. Long-Term Liabilities (continued)

Notes from Direct Borrowings, continued

Business-Type Activities, continued

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

Year Ending December 31,	Principal	Interest	Total
2023	\$ 184,417	\$ 25,616	\$ 210,033
2024	161,393	20,486	181,879
2025	93,671	17,507	111,178
2026	95,344	15,736	111,080
2027	97,048	14,033	111,081
2028-2032	475,120	44,283	519,403
2033-2035	251,073	6,109	257,182
Totals	<u>\$ 1,358,066</u>	<u>\$ 143,770</u>	<u>\$ 1,501,836</u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

8. Long-Term Liabilities (continued)

Revenue Bonds

Business-Type Activities

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

- \$3,642,000 – Downtown Development Authority of Jasper Revenue Bonds (\$3,042,000, outstanding) – Series 2020 bonds due in monthly principal and interest payments of \$25,000 - \$28,000, interest at 1.4%, through June 1, 2032. The bonds were issued for the purpose of prepaying five previously issued GEFA notes from direct borrowings and to fund the 2020 Facilities Project Fund of which proceeds will be used to finance the costs to expand the City’s Water Treatment Plant. The bonds are secured by a pledge of an installment sale agreement between the Authority and the City. Upon the occurrence of an event of default, the bondholders may declare the principal balance and any accrued interest thereon to be immediately due and payable. Upon any declaration of acceleration, the bondholder shall immediately declare all payments due under the intergovernmental installment sale agreement to be immediately due and payable. In the event that the City has insufficient funds to pay the installment sale agreement, the City shall levy an ad valorem tax on all available taxable property located in the boundaries of the City in an amount sufficient to fulfill the City’s obligations under the installment sale agreement.

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

Year Ending December 31,	Principal	Interest	Total
2023	\$ 302,000	\$ 32,825	\$ 334,825
2024	312,000	29,320	341,320
2025	312,000	25,764	337,764
2026	312,000	22,207	334,207
2027	322,000	18,608	340,608
2028-2032	1,482,000	37,705	1,519,705
Totals	<u>\$ 3,042,000</u>	<u>\$ 166,429</u>	<u>\$ 3,208,429</u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

8. Long-Term Liabilities (continued)

Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Notes from direct borrowings	\$ 787,661	\$ 0	\$ (307,154)	\$ 480,507	\$ 49,467
Compensated absences	153,693	43,390	(112,272)	84,811	39,861
	<u>\$ 941,354</u>	<u>\$ 43,390</u>	<u>\$ (419,426)</u>	<u>\$ 565,318</u>	<u>\$ 89,328</u>
Business-type activities					
Notes from direct borrowings	\$ 1,497,800	\$ 1,331,143	\$ (230,439)	\$ 2,598,504	\$ 184,417
Revenue bonds	3,342,000	0	(300,000)	3,042,000	302,000
Compensated absences	93,158	45,587	(52,565)	86,180	37,546
	<u>\$ 4,932,958</u>	<u>\$ 1,376,730</u>	<u>\$ (583,004)</u>	<u>\$ 5,726,684</u>	<u>\$ 523,963</u>

For governmental funds, compensated absences are liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Water and Sewerage Fund and the Sanitation Fund. The total interest incurred and charged to expense for the current year was \$25,389 and \$71,482 for the governmental activities and business-type activities, respectively.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

9. Net Investment in Capital Assets

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

	Governmental Activities	Business-Type Activities
Cost of capital assets	\$ 11,086,636	\$ 34,710,328
Accumulated depreciation	<u>(3,538,460)</u>	<u>(13,646,883)</u>
Book value	7,548,176	21,063,445
Unspent debt proceeds	0	307,893
Retainage payable	0	(54,135)
Capital related accounts payable	0	(93,345)
Bonds payable	0	(3,042,000)
Notes payable	<u>(480,507)</u>	<u>(2,598,504)</u>
Net investment in capital assets	<u>\$ 7,067,669</u>	<u>\$ 15,583,354</u>

10. Pension Plans

Defined Benefit Pension Plan

Plan Description. The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Jasper Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. Participants are not allowed to contribute to the Plan. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

10. Pension Plans (continued)

Defined Benefit Pension Plan, continued

At July 1, 2022, the date of the most recent actuarial valuation, participants consisted of the following:

Active participants	72
Vested terminated participants	35
Retired participants and beneficiaries	36
Total number of participants	143

Benefits Provided. As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by City Council, the plan provides pension benefits and death and disability benefits for plan members and beneficiaries. Eligibility for participation is available immediately beginning with the date of employment for all full-time employees working more than 20 hours per week. Elected officials are not covered by the Plan. Employee benefits vest 50% after five years of service and continue vesting an additional 10% each year thereafter. Benefits fully vest after ten years of service. A City employee who retires at age 65 with five years of service is entitled to full benefits of 1.25% - 2.00% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he/she has a minimum of 10 years total credited service. Retirement between the ages of 55 and 65 will result in a reduced monthly benefit. To receive full benefits, an employee must be employed until age 65. The benefit is calculated on the last five years' highest averaged earnings. Effective January 1, 2022, a participant is eligible for retirement benefits at a 1.50% flat formula at the age of 52 with 5 years of service or when participant's age and years of service sum to 80 or greater. Effective January 3, 2022, benefits of the City Manager vest immediately.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

10. Pension Plans (continued)

Defined Benefit Pension Plan, continued

Contributions. The plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted an actuarial funding policy for the plan which meets the state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the plan, as adopted by the City Council, is to contribute an amount equal to or greater than the recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by the plan members during the year, with an additional amount to finance any unfunded accrued liability. The City's contributions to the plan for the current year totaled \$353,460, or 11.28% of covered payroll. Employees do not contribute to the plan.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current year, the City reported a net pension liability of \$1,704,577. The net pension liability was measured as of March 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. For the current year, the City recognized pension expense of \$343,019.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

10. Pension Plans (continued)

Defined Benefit Pension Plan, continued

The components of the net pension liability are as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at March 31, 2021	\$ 6,780,807	\$ 5,167,512	\$ 1,613,295
Changes for the year:			
Service cost	112,209	0	112,209
Interest	495,273	0	495,273
Differences between expected and actual experience	(29,561)	0	(29,561)
Contributions—employer	0	353,460	(353,460)
Net investment income	0	313,276	(313,276)
Other changes	167,435	0	167,435
Benefit payments, including refunds of employee contributions	(354,911)	(354,911)	0
Administrative expense	0	(12,662)	12,662
Net changes	390,445	299,163	91,282
Balances at March 31, 2022	\$ 7,171,252	\$ 5,466,675	\$ 1,704,577

Plan fiduciary net position as a percentage of the total pension liability	76.23%
Covered payroll	\$ 3,096,780
Employer's net pension liability as a percentage of covered payroll	55.04%

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

10. Pension Plans (continued)

Defined Benefit Pension Plan, continued

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
City contributions subsequent to the measurement date	\$ 264,418	\$ 0
Changes in participant fund allocation	140,089	(140,089)
Differences between expected and actual experience	240,841	(23,648)
Changes of assumptions	8,751	(3,177)
Net difference between projected and actual earnings on pension plan investments	<u>0</u>	<u>(503,721)</u>
Totals	<u><u>\$ 654,099</u></u>	<u><u>\$ (670,635)</u></u>

The \$264,418 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 23,097
2024	(93,149)
2025	(218,453)
2026	<u>7,551</u>
Totals	<u><u>\$ (280,954)</u></u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

10. Pension Plans (continued)

Defined Benefit Pension Plan, continued

Actuarial Assumptions. The total pension liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The mortality and economic actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 through June 30, 2019.

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

10. Pension Plans (continued)

Defined Benefit Pension Plan, continued

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.55%
International equity	20%	7.30%
Real estate	10%	3.65%
Global fixed income	5%	0.50%
Domestic fixed income	20%	0.40%
Total	<u>100%</u>	

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

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

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease	6.375%	\$ 2,636,616
Current discount rate	7.375%	\$ 1,704,577
1% increase	8.375%	\$ 932,254

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

10. Pension Plans (continued)

Defined Benefit Pension Plan, continued

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

Other Plans

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

11. Deferred Compensation Plan

The City of Jasper offers its employees a deferred compensation plan (the City of Jasper Savings and Retirement Plan) created in accordance with Internal Revenue Code Section 457. The Mayor and Council established this defined contribution plan and Valic administers the plan. Full-time City employees are eligible after completing 12 months of employment and participation is optional. Employees' actual contributions are calculated and made based on a weekly payroll basis, and employees' contributions are 100% vested immediately. During the current year, the City's match was capped at 5%. Employees' contributions are vested immediately. The deferred compensation benefits are not available to employees until termination of employment, retirement, death (payable to a beneficiary) or unforeseeable emergency. During the current year, employee contributions were \$28,591.

In accordance with GASB Statement No. 32 "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the assets and liabilities of the City's Deferred Compensation Plan are not included within the City's financial statements.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

12. Hotel/Motel Lodging Tax

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

Lodging tax receipts	\$ 112,641
Disbursements for tourism	\$ 167,936 149.1% of tax receipts

The City did not transfer any Hotel/Motel receipts to the General Fund during the current year.

13. Joint Ventures

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

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

14. Risk Management

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

15. Contingencies

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

16. New Accounting Pronouncements

The City implemented GASB Statement No. 87, *Leases*, effective for the City's current year. The requirements of this statement are effective for periods beginning after June 15, 2021. The implementation of this standard had no effect on net position.

17. Subsequent Events

Subsequent to December 31, 2022, the City entered into a service contract with Consolidated Pipe & Supply Company, Inc. (the "Company") in the amount of \$2,430,732; interest at 4.00%, through December 2029. The purpose of the agreement is for the Company to install and maintain a water meter interface system that will benefit the City's water and sewerage system. At the completion of the project, the City will have the right to purchase the system components and assets from the Company for \$1. The agreement will take the form of a financed purchase and will be included the City's long-term debt.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JASPER, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN FISCAL YEARS
December 31, 2022
(Unaudited)

	Fiscal Year End		
	2022	2021	2020
Total pension liability			
Service cost	\$ 112,209	\$ 124,477	\$ 97,074
Interest	495,273	463,282	339,475
Differences between expected and actual experience	(29,561)	155,588	87,530
Changes of assumptions	0	0	(6,354)
Change of benefit terms	0	0	1,417,725
Other changes	167,435	0	0
Benefit payments, including refunds of employee contributions	(354,911)	(239,697)	(175,110)
Net change in total pension liability	390,445	503,650	1,760,340
Total pension liability - beginning	6,780,807	6,277,157	4,516,817
Total pension liability - ending (a)	\$ 7,171,252	\$ 6,780,807	\$ 6,277,157
Plan fiduciary net position			
Contributions - employer	\$ 353,460	\$ 220,754	\$ 130,284
Net investment income	313,276	1,616,301	(270,448)
Benefit payments, including refunds of employee contributions	(354,911)	(239,697)	(175,110)
Administrative expense	(12,662)	(12,234)	(13,905)
Net change in plan fiduciary net position	299,163	1,585,124	(329,179)
Plan fiduciary net position - beginning	5,167,512	3,582,388	3,911,567
Plan fiduciary net position - ending (b)	\$ 5,466,675	\$ 5,167,512	\$ 3,582,388
Net pension liability (asset) - ending : (a) - (b)	\$ 1,704,577	\$ 1,613,295	\$ 2,694,769
Plan's fiduciary net position as a percentage of the total pension liability	76.23%	76.21%	57.07%
Covered payroll	\$ 3,096,780	\$ 3,192,704	\$ 3,499,237
Net pension liability as a percentage of covered payroll	55.04%	50.53%	77.01%

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

Fiscal Year End

2019	2018	2017	2016	2015
\$ 76,252	\$ 83,554	\$ 96,340	\$ 93,171	\$ 86,325
316,332	267,312	274,439	247,450	225,394
77,892	466,554	(324,913)	111,686	100,123
0	52,508	0	0	(34,541)
0	0	0	0	0
0	0	0	0	0
<u>(190,332)</u>	<u>(164,875)</u>	<u>(110,788)</u>	<u>(97,349)</u>	<u>(88,050)</u>
280,144	705,053	(64,922)	354,958	289,251
<u>4,236,673</u>	<u>3,531,620</u>	<u>3,596,542</u>	<u>3,241,584</u>	<u>2,952,333</u>
<u><u>\$ 4,516,817</u></u>	<u><u>\$ 4,236,673</u></u>	<u><u>\$ 3,531,620</u></u>	<u><u>\$ 3,596,542</u></u>	<u><u>\$ 3,241,584</u></u>
\$ 137,285	\$ 154,727	\$ 138,580	\$ 123,819	\$ 150,163
136,896	429,790	383,621	9,291	264,083
(190,332)	(164,875)	(110,788)	(97,349)	(88,050)
<u>(13,030)</u>	<u>(11,796)</u>	<u>(12,015)</u>	<u>(8,219)</u>	<u>(7,498)</u>
70,819	407,846	399,398	27,542	318,698
<u>3,840,748</u>	<u>3,432,902</u>	<u>3,033,504</u>	<u>3,005,962</u>	<u>2,687,264</u>
<u><u>\$ 3,911,567</u></u>	<u><u>\$ 3,840,748</u></u>	<u><u>\$ 3,432,902</u></u>	<u><u>\$ 3,033,504</u></u>	<u><u>\$ 3,005,962</u></u>
<u><u>\$ 605,250</u></u>	<u><u>\$ 395,925</u></u>	<u><u>\$ 98,718</u></u>	<u><u>\$ 563,038</u></u>	<u><u>\$ 235,622</u></u>
86.60%	90.65%	97.20%	84.35%	92.73%
\$ 3,510,420	\$ 2,938,575	\$ 2,883,728	\$ 3,101,939	\$ 2,826,201
17.24%	13.47%	3.42%	18.15%	8.34%

See accompanying notes to the required supplementary information.

CITY OF JASPER, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
December 31, 2022
(Unaudited)

	Fiscal Year End		
	2022	2021	2020
Actuarially determined contribution	\$ 353,460	\$ 353,761	\$ 158,776
Contributions in relation to the actuarially determined contribution	(353,460)	(366,992)	(156,986)
Contribution deficiency (excess)	\$ 0	\$ (13,231)	\$ 1,790
Covered payroll	\$ 3,134,494	\$ 2,765,656	\$ 3,216,286
Contributions as a percentage of covered payroll	11.28%	13.27%	4.88%

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

Fiscal Year End

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 137,295	\$ 135,782	\$ 144,938	\$ 137,308	\$ 121,121
<u>(138,020)</u>	<u>(135,782)</u>	<u>(144,938)</u>	<u>(137,308)</u>	<u>(121,121)</u>
<u>\$ (725)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 3,626,192	\$ 3,542,587	\$ 3,048,645	\$ 2,883,728	\$ 3,101,939
3.81%	3.83%	4.75%	4.76%	3.90%

See accompanying notes to the required supplementary information.

CITY OF JASPER, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2022

1. Valuation Date

The actuarially determined contribution rate was determined as of July 1, 2022, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the year ending December 31, 2023.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Projected unit credit

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 13 years

Asset valuation method = Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Net investment rate of return = 7.375%

Projected salary increases = 2.25% plus service based merit increases

Cost of living adjustments = 0.00%

Retirement age for inactive vested participants = 65

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

CITY OF JASPER, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2022

3. Changes in Benefits

The following changes to benefits amounts reported for fiscal years ending in 2022 and later reflect that effective January 1, 2022:

Participants became eligible for Alternative Normal Retirement under the Rule of 80 with minimum age of 52 years old.

The City Manager in such position on January 3, 2022 is eligible for normal retirement at age 65 or at the Rule of 80 with minimum age 52, and is 100% vested immediately.

4. Changes of Assumptions

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

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

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

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

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.

CITY OF JASPER, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2022

4. Changes of Assumptions (continued)

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

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

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

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

CITY OF JASPER, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2022

4. Changes of Assumptions (continued)

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

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

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

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

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

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

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COMBINING STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS

CITY OF JASPER, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2022

	Special Revenue			Capital Projects	Total Nonmajor Governmental Funds
	Technology Surcharge	Confiscated Assets	Hotel/Motel Tax	2014 SPLOST	
ASSETS					
Cash and cash equivalents	\$ 91,936	\$ 30,307	\$ 102,508	\$ 720,220	\$ 944,971
Taxes receivable	0	0	15,355	0	15,355
Total assets	\$ 91,936	\$ 30,307	\$ 117,863	\$ 720,220	\$ 960,326
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 7,053	\$ 0	\$ 27,103	\$ 0	\$ 34,156
Unearned revenue	0	24,879	0	0	24,879
Due to other funds	0	0	15,508	0	15,508
	<u>7,053</u>	<u>24,879</u>	<u>42,611</u>	<u>0</u>	<u>74,543</u>
Fund balances					
Restricted for:					
Judicial and law enforcement	67,569	0	0	0	67,569
Law enforcement	17,314	5,428	0	0	22,742
Capital outlay	0	0	0	720,220	720,220
Assigned for tourism	0	0	75,252	0	75,252
Total fund balances	84,883	5,428	75,252	720,220	885,783
Total liabilities and fund balances	\$ 91,936	\$ 30,307	\$ 117,863	\$ 720,220	\$ 960,326

CITY OF JASPER, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2022

	Special Revenue			Capital Projects	Total Nonmajor Governmental Funds
	Technology Surcharge	Confiscated Assets	Hotel/Motel Tax	2014 SPLOST	
REVENUES					
Taxes	\$ 0	\$ 0	\$ 112,641	\$ 0	\$ 112,641
Fines and forfeitures	56,134	0	0	0	56,134
Interest	543	12	56	1,776	2,387
Total revenues	56,677	12	112,697	1,776	171,162
EXPENDITURES					
Current					
Judicial	24,004	0	0	0	24,004
Public safety	94,775	15	0	0	94,790
Housing and development	0	0	167,936	0	167,936
Capital outlay	0	0	0	66,835	66,835
Total expenditures	118,779	15	167,936	66,835	353,565
Net change in fund balance	(62,102)	(3)	(55,239)	(65,059)	(182,403)
Fund balances, January 1	146,985	5,431	130,491	785,279	1,068,186
Fund balances, December 31	\$ 84,883	\$ 5,428	\$ 75,252	\$ 720,220	\$ 885,783

CITY OF JASPER, GEORGIA
TECHNOLOGY SURCHARGE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 38,618	\$ 56,134	\$ 17,516
Interest	100	543	443
Total revenues	<u>38,718</u>	<u>56,677</u>	<u>17,959</u>
EXPENDITURES			
Current			
Judicial	25,300	24,004	1,296
Public safety	96,450	94,775	1,675
Total expenditures	<u>121,750</u>	<u>118,779</u>	<u>2,971</u>
Net change in fund balance	(83,032)	(62,102)	20,930
Fund balances, January 1	<u>83,032</u>	<u>146,985</u>	<u>63,953</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 84,883</u></u>	<u><u>\$ 84,883</u></u>

CITY OF JASPER, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ 30	\$ 12	\$ (18)
EXPENDITURES			
Current			
Public safety	20	15	5
Net change in fund balance	10	(3)	(13)
Fund balances, January 1	(10)	5,431	5,441
Fund balances, December 31	<u>\$ 0</u>	<u>\$ 5,428</u>	<u>\$ 5,428</u>

CITY OF JASPER, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 92,000	\$ 112,641	\$ 20,641
Interest	40	56	16
Total revenues	<u>92,040</u>	<u>112,697</u>	<u>20,657</u>
EXPENDITURES			
Current			
Housing and development	<u>168,000</u>	<u>167,936</u>	<u>64</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(75,960)</u>	<u>(55,239)</u>	<u>20,721</u>
Net change in fund balance	(75,960)	(55,239)	20,721
Fund balances, January 1	<u>75,960</u>	<u>130,491</u>	<u>54,531</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 75,252</u></u>	<u><u>\$ 75,252</u></u>

OTHER INFORMATION

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CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS
December 31, 2022

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
GOVERNMENTAL ACTIVITIES				
2019 Fire Truck	09/15/2023	53,008	20,376	32,632
09/15/2018 - \$568,923.59	09/15/2024	54,197	18,905	35,292
Annual Debt Service - 4.51%	09/15/2025	53,008	17,367	35,641
Mature - 09/15/2033	09/15/2026	53,008	15,760	37,248
100-80000	09/15/2027	53,008	14,080	38,928
	09/15/2028	53,008	12,325	40,683
	09/15/2029	53,008	10,490	42,518
	09/15/2030	53,008	8,573	44,435
	09/15/2031	53,008	6,569	46,438
	09/15/2032	53,007	4,475	48,531
	09/15/2033	51,821	2,287	49,534
		<u>\$ 583,088</u>	<u>\$ 131,207</u>	<u>\$ 451,881</u>
Vehicle / Equipment Finance Purchase	01/04/2023	1,463	80	1,382
09/04/2019 - \$80,925	02/04/2023	1,463	77	1,386
Monthly Debt Service - 3.23%	03/04/2023	1,463	73	1,390
Mature - 09/04/2024	04/04/2023	1,463	69	1,393
Assets for Multiple Funds- GF Portion Shown	05/04/2023	1,463	65	1,397
	06/04/2023	1,463	62	1,401
	07/04/2023	1,463	58	1,405
	08/04/2023	1,463	54	1,409
	09/04/2023	1,463	50	1,412
	10/04/2023	1,463	46	1,416
	11/04/2023	1,463	43	1,420
	12/04/2023	1,463	39	1,424
	01/04/2024	1,463	35	1,428
	02/04/2024	1,463	31	1,431
	03/04/2024	1,463	27	1,435
	04/04/2024	1,463	23	1,439
	05/04/2024	1,463	20	1,443
	06/04/2024	1,463	16	1,447
	07/04/2024	1,463	12	1,451
	08/04/2024	1,729	12	1,717
		<u>\$ 29,517</u>	<u>\$ 891</u>	<u>\$ 28,626</u>
TOTAL GOVERNMENTAL ACTIVITIES				<u>\$ 480,507</u>

CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS
December 31, 2022

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
ENTERPRISE FUNDS				
Water Sewer Fund				
Vehicle / Equipment Finance Purchase	01/04/2023	1,039	55	984
09/04/2019 - \$55,676	02/04/2023	1,006	53	953
Monthly Debt Service - 3.23%	03/04/2023	1,006	50	956
Mature - 09/04/2024	04/04/2023	1,006	48	958
Assets for Multiple Funds- WS Portion Shown	05/04/2023	1,006	45	961
	06/04/2023	1,006	42	964
	07/04/2023	1,006	40	966
	08/04/2023	1,006	37	969
	09/04/2023	1,006	35	971
	10/04/2023	1,006	32	974
	11/04/2023	1,006	29	977
	12/04/2023	1,006	27	979
	01/04/2024	1,006	24	982
	02/04/2024	1,006	21	985
	03/04/2024	1,006	19	987
	04/04/2024	1,006	16	990
	05/04/2024	1,006	13	993
	06/04/2024	1,006	11	995
	07/04/2024	1,006	8	998
	08/04/2024	1,006	5	1,001
	09/04/2024	169	3	166
		\$ 20,322	\$ 613	\$ 19,709
Land Finance Purchase	01/31/2023	1,000	94	906
1/31/2020 - \$111,820.61	02/28/2023	1,000	93	907
Monthly Debt Service - 1.418%	03/31/2023	1,000	92	908
Mature - 12/31/2029	04/30/2023	1,000	91	909
	05/31/2023	1,000	90	910
	06/30/2023	1,000	89	911
	07/31/2023	1,000	88	912
	08/31/2023	1,000	87	913
	09/30/2023	1,000	86	914
	10/31/2023	1,000	85	915
	11/30/2023	1,000	84	916
	12/31/2023	1,000	83	917
	01/31/2024	1,000	82	918
	02/29/2024	1,000	80	920
	03/31/2024	1,000	79	921
	04/30/2024	1,000	78	922
	05/31/2024	1,000	77	923
	06/30/2024	1,000	76	924
	07/31/2024	1,000	75	925
	08/31/2024	1,000	74	926
	09/30/2024	1,000	73	927
	10/31/2024	1,000	72	928
	11/30/2024	1,000	71	929
	12/31/2024	1,000	70	930
	01/31/2025	1,000	68	932
	02/28/2025	1,000	67	933
	03/31/2025	1,000	66	934

CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS
December 31, 2022

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	04/30/2025	1,000	65	935
	05/31/2025	1,000	64	936
	06/30/2025	1,000	63	937
	07/31/2025	1,000	62	938
	08/31/2025	1,000	61	939
	09/30/2025	1,000	60	940
	10/31/2025	1,000	58	942
	11/30/2025	1,000	57	943
	12/31/2025	1,000	56	944
	01/31/2026	1,000	55	945
	02/28/2026	1,000	54	946
	03/31/2026	1,000	53	947
	04/30/2026	1,000	52	948
	05/31/2026	1,000	51	949
	06/30/2026	1,000	50	950
	07/31/2026	1,000	48	952
	08/31/2026	1,000	47	953
	09/30/2026	1,000	46	954
	10/31/2026	1,000	45	955
	11/30/2026	1,000	44	956
	12/31/2026	1,000	43	957
	01/31/2027	1,000	42	958
	02/28/2027	1,000	40	960
	03/31/2027	1,000	39	961
	04/30/2027	1,000	38	962
	05/31/2027	1,000	37	963
	06/30/2027	1,000	36	964
	07/31/2027	1,000	35	965
	08/31/2027	1,000	34	966
	09/30/2027	1,000	33	967
	10/31/2027	1,000	31	969
	11/30/2027	1,000	30	970
	12/31/2027	1,000	29	971
	01/31/2028	1,000	28	972
	02/29/2028	1,000	27	973
	03/31/2028	1,000	26	974
	04/30/2028	1,000	25	976
	05/31/2028	1,000	23	977
	06/30/2028	1,000	22	978
	07/31/2028	1,000	21	979
	08/31/2028	1,000	20	980
	09/30/2028	1,000	19	981
	10/31/2028	1,000	18	982
	11/30/2028	1,000	16	984
	12/31/2028	1,000	15	985
	01/31/2029	1,000	14	986
	02/28/2029	1,000	13	987
	03/31/2029	1,000	12	988
	04/30/2029	1,000	11	989
	05/31/2029	1,000	9	991
	06/30/2029	1,000	8	992
	07/31/2029	1,000	7	993
	08/31/2029	1,000	6	994

CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS
December 31, 2022

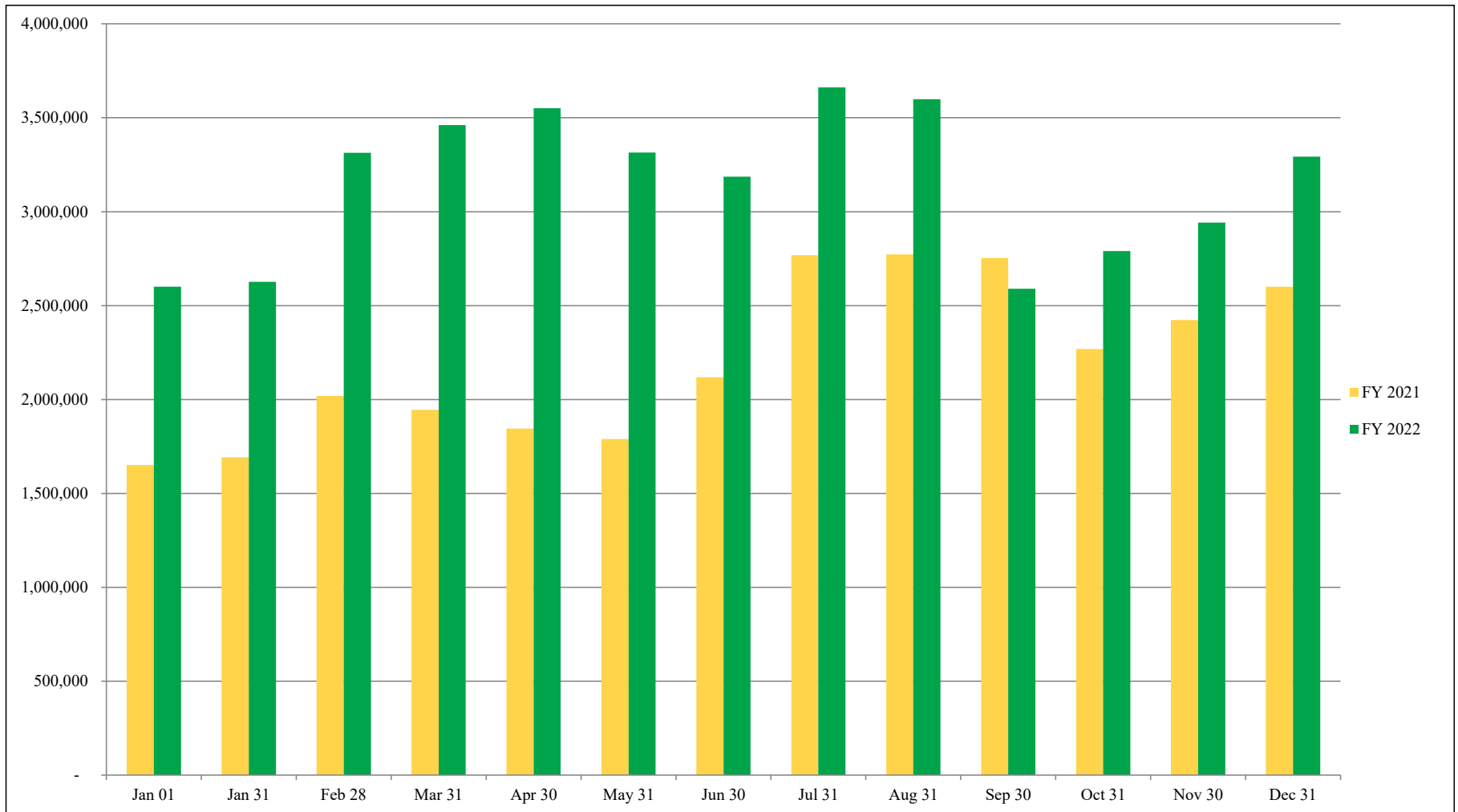
DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	09/30/2029	1,000	5	995
	10/31/2029	1,000	4	996
	11/30/2029	1,000	2	998
	12/31/2029	1,000	1	999
		<u>\$ 84,000</u>	<u>\$ 4,079</u>	<u>\$ 79,921</u>
GEFA-2002	FY2023	55,927	2,951	52,976
\$4,661/monthly - APR-4.21 %	FY2024	41,942	726	42,002
Debt Service shown is Total of Payments for FY				
Mature -10/01/2024		<u>\$ 97,868</u>	<u>\$ 3,677</u>	<u>\$ 94,978</u>
GEFA CW	FY2023	99,081	19,606	79,475
\$1,658,605 - 01/01/2015	FY2024	99,081	18,147	80,933
\$8,257/monthly - APR - 1.82%	FY2025	99,081	16,662	82,419
Debt Service shown is Total of Payments for FY	FY2026	99,081	15,149	83,931
Mature -01/01/2035	FY2027	99,081	13,609	85,472
	FY2028	99,081	12,040	87,040
	FY2029	99,081	10,443	88,638
	FY2030	99,081	8,816	90,264
	FY2031	99,081	7,160	91,921
	FY2032	99,081	5,473	93,608
	FY2033	99,081	3,755	95,326
	FY2034	99,081	2,005	97,075
	FY2035	57,797	349	57,448
		<u>\$ 1,246,763</u>	<u>\$ 133,214</u>	<u>\$ 1,113,549</u>
City of Jasper Facilities Project-Series 2020	FY2023	334,825	32,825	302,000
\$3,642,000 9/2/2020	FY2024	341,320	29,320	312,000
\$1,626/monthly - APR - 2.82%	FY2025	337,764	25,764	312,000
Debt Service shown is Total of Payments for FY	FY2026	334,207	22,207	312,000
Mature -07/01/2034	FY2027	340,608	18,608	322,000
Combined/Refinanced 9/2/2020 - 2020 Bond	FY2028	338,917	14,917	324,000
	FY2029	335,223	11,223	324,000
	FY2030	340,495	7,495	333,000
	FY2031	339,670	3,670	336,000
	FY2032	165,400	400	165,000
		<u>\$ 3,208,429</u>	<u>\$ 166,429</u>	<u>\$ 3,042,000</u>
Total Water Sewer Fund Fund				<u>\$ 4,350,157</u>

CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS
December 31, 2022

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
Sanitation Fund				
Vehicle / Equipment Finance Purchase	01/04/2023	2,628	140	2,488
09/04/2019 - \$141,039	02/04/2023	2,548	133	2,415
Monthly Debt Service - 3.23%	03/04/2023	2,549	127	2,422
Mature - 09/04/2024	04/04/2023	2,549	120	2,428
Assets for Multiple Funds- Sanitation Portion Shown	05/04/2023	2,549	114	2,435
	06/04/2023	2,549	107	2,441
	07/04/2023	2,549	101	2,448
	08/04/2023	2,549	94	2,455
	09/04/2023	2,549	88	2,461
	10/04/2023	2,549	81	2,468
	11/04/2023	2,549	74	2,475
	12/04/2023	2,549	68	2,481
	01/04/2024	2,549	61	2,488
	02/04/2024	2,549	54	2,495
	03/04/2024	2,549	48	2,501
	04/04/2024	2,549	41	2,508
	05/04/2024	2,549	34	2,515
	06/04/2024	2,549	27	2,522
	07/04/2024	2,549	20	2,528
	08/04/2024	2,549	14	2,535
	09/04/2024	408	7	401
Total Solid Waste Sanitation Fund		<u>\$ 51,462</u>	<u>\$ 1,553</u>	<u>\$ 49,909</u>
Notes currently in drawdown phase at December 31, 2022 (amortization schedule not available)				<u>\$ 1,240,438</u>
TOTAL ENTERPRISE FUNDS				<u>\$ 5,640,504</u>
TOTAL PRIMARY GOVERNMENT				<u>\$ 6,121,011</u>

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CITY OF JASPER, GEORGIA
SCHEDULE OF GENERAL FUND UNASSIGNED FUND BALANCE BY MONTH
Fiscal Years 2021 and 2022



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OTHER REPORTING SECTION

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jasper, Georgia, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Jasper, Georgia’s basic financial statements and have issued our report thereon dated April 7, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Jasper, Georgia’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Rushton, LLC

Certified Public Accountants
Gainesville, Georgia
April 7, 2023

STATE REPORTING SECTION

CITY OF JASPER, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2022

<u>Project</u>	<u>Estimated Cost *</u>		<u>Expenditures</u>		
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
2014 Referendum					
Roads, Streets, and Bridges	\$ 6,000,000	\$ 6,000,000	\$ 4,971,377	\$ 66,835	\$ 5,038,212
2020 Referendum					
Roads, Streets, and Bridges; Water and Sewer Facilities; Public Safety; and Parks and Recreation	\$ 5,002,400	\$ 5,002,400			
Roads, Streets, and Bridges			\$ 85,000	\$ 16,900	\$ 101,900
Water and Sewer Facilities			142,622	0	142,622
Public Safety - Vehicles, Facilities, and Equipment			288,359	328,732	617,091
Parks and Recreation Facilities			57,604	5,710	63,314
Total	<u>\$ 5,002,400</u>	<u>\$ 5,002,400</u>	<u>\$ 573,585</u>	<u>\$ 351,342</u>	<u>\$ 924,927</u>
				Water and Sewer Facilities Expenditures Financed by Intergovernmental Revenues	<u>135,103</u>
Total Expenditures and Transfers Out of the 2020 SPLOST Capital Projects Fund				<u>\$ 486,445</u>	

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