



CITY OF JASPER, GEORGIA

Annual Financial Report

For the year ended December 31, 2023

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CITY OF JASPER, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2023

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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, 2023, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jasper, Georgia, as of December 31, 2023, 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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City 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 69 through 74 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 May 10, 2024, 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
May 10, 2024



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Mayor
Kirk Raffield

Interim City Manager
Kim Goldener

Mayor Pro Tem
Dr. Sonny Proctor

Council
John B. Foust, Jr
Anne Sneve
Jim Looney
Brandon Hannah

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, 2023. 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, 2023, by \$31,628,932. (reported as *net position*).
- As of December 31, 2023, Jasper's governmental funds reported combined ending fund balances of \$6,333,451. Approximately 61% of this total amount, \$3,849,815 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, function 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 73. 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 24-27.

- **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 28-29.

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 32-68 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 69-74 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, 2023 and 2022						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current and other						
assets	\$ 10,522,161	\$ 9,594,202	\$ 5,046,386	\$ 4,844,869	\$ 15,568,547	\$ 14,439,071
Capital assets	8,939,676	7,548,176	31,245,479	21,063,445	40,185,155	28,611,621
Total Assets	<u>19,461,837</u>	<u>17,142,378</u>	<u>36,291,865</u>	<u>25,908,314</u>	<u>55,753,702</u>	<u>43,050,692</u>
DEFERRED OUTFLOWS OF RESOURCES						
Total Deferred Outflows						
of Resources	<u>703,483</u>	<u>364,185</u>	<u>395,786</u>	<u>289,914</u>	<u>1,099,269</u>	<u>654,099</u>
LIABILITIES AND NET POSITION						
Liabilities						
Current and other						
liabilities	2,365,658	1,880,325	2,625,740	1,722,211	4,991,398	3,602,536
Noncurrent liabilities	<u>2,582,441</u>	<u>1,683,713</u>	<u>15,642,980</u>	<u>5,699,575</u>	<u>18,225,421</u>	<u>7,383,288</u>
Total Liabilities	<u>4,948,099</u>	<u>3,564,038</u>	<u>18,268,720</u>	<u>7,421,786</u>	<u>23,216,819</u>	<u>10,985,824</u>
DEFERRED INFLOWS OF RESOURCES						
Total Deferred Inflows						
of Resources	<u>2,000,782</u>	<u>2,221,157</u>	<u>6,438</u>	<u>154,645</u>	<u>2,007,220</u>	<u>2,375,802</u>
Net Position						
Net investment in						
capital assets	8,186,970	7,067,669	15,040,350	15,583,354	23,227,320	22,651,023
Restricted	2,511,326	2,553,316	0	0	2,511,326	2,553,316
Unrestricted	<u>2,518,143</u>	<u>2,100,383</u>	<u>3,372,143</u>	<u>3,038,443</u>	<u>5,890,286</u>	<u>5,138,826</u>
Total Net Position	<u>\$ 13,216,439</u>	<u>\$ 11,721,368</u>	<u>\$ 18,412,493</u>	<u>\$ 18,621,797</u>	<u>\$ 31,628,932</u>	<u>\$ 30,343,165</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets for the City of Jasper exceeded liabilities by \$31,628,932 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 (73%) 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 58% (\$18,412,493) 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.

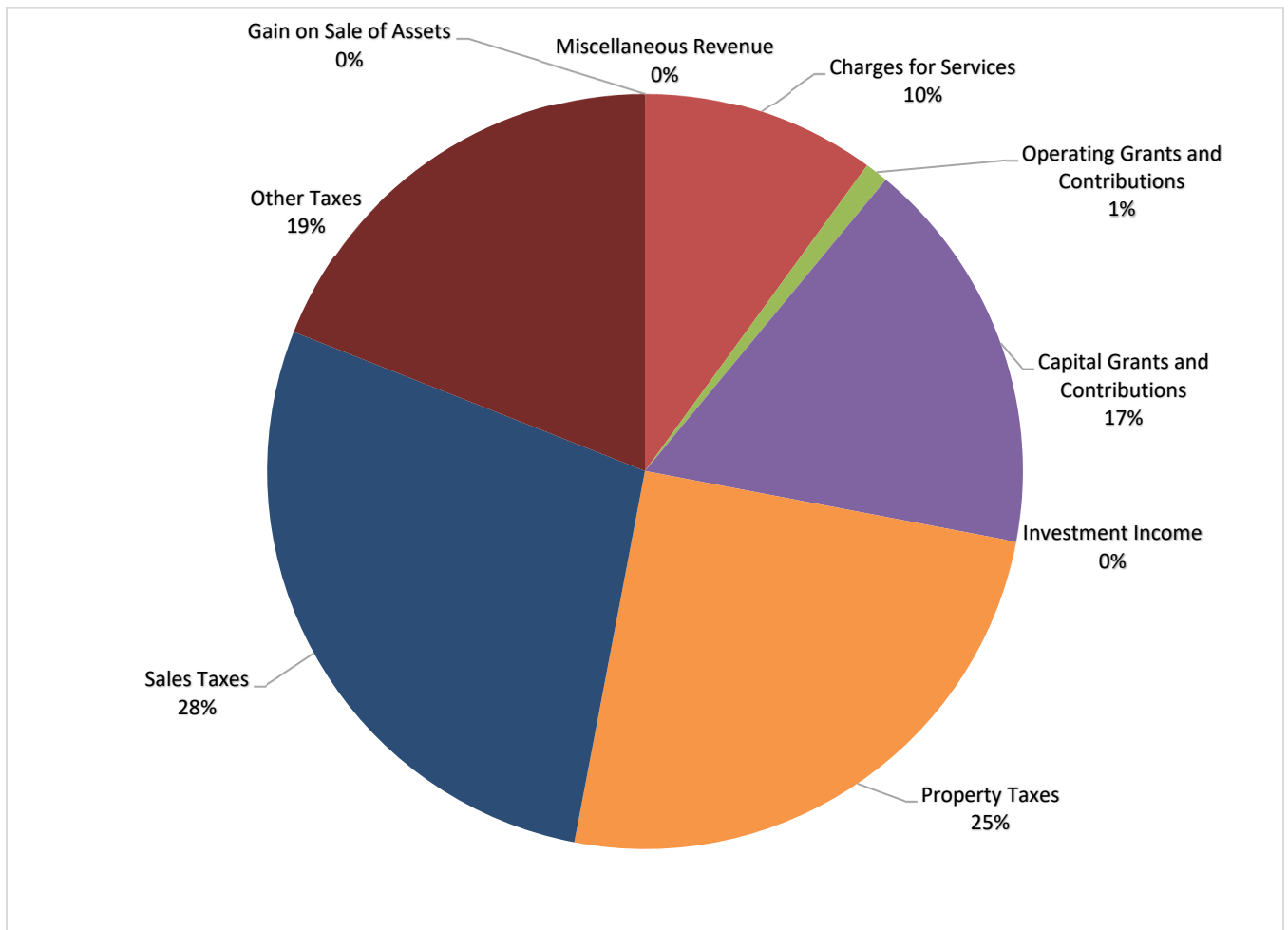
City of Jasper
Changes in Net Position
For the years ending December 31, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
PROGRAM REVENUES						
Charges for services	\$ 807,055	\$ 840,401	\$ 5,847,708	\$ 5,821,872	\$ 6,654,763	\$ 6,662,273
Operating grants and contributions	118,832	130,463	0	0	118,832	130,463
Capital grants and contributions	1,388,492	1,440,024	266,500	490,787	1,654,992	1,930,811
General revenues:						
Property taxes	2,064,538	1,771,979	0	0	2,064,538	1,771,979
Sales taxes	2,187,749	2,173,484	0	0	2,187,749	2,173,484
Other taxes	1,517,986	1,486,631	0	0	1,517,986	1,486,631
Investment income	36,036	11,132	75,979	17,455	112,015	28,587
Miscellaneous revenue	30,866	25,183	320,074	114,906	350,940	140,089
Total revenues	<u>8,151,554</u>	<u>7,879,297</u>	<u>6,510,261</u>	<u>6,445,020</u>	<u>14,661,815</u>	<u>14,324,317</u>
EXPENSES						
General Government	789,633	888,792	0	0	789,633	888,792
Judicial	164,232	137,365	0	0	164,232	137,365
Public Safety	3,924,152	3,357,342	0	0	3,924,152	3,357,342
Public Works	1,008,614	930,887	0	0	1,008,614	930,887
Culture and Recreation	88,815	107,367	0	0	88,815	107,367
Housing and Development	656,431	559,624	0	0	656,431	559,624
Interest on long-term debt	24,606	25,389	0	0	24,606	25,389
Water and sewer	0	0	6,368,636	5,320,490	6,368,636	5,320,490
Sanitation	0	0	350,929	269,163	350,929	269,163
Total expenses	<u>6,656,483</u>	<u>6,006,766</u>	<u>6,719,565</u>	<u>5,589,653</u>	<u>13,376,048</u>	<u>11,596,419</u>
Transfers in (out)	<u>0</u>	<u>135,103</u>	<u>0</u>	<u>(135,103)</u>	<u>0</u>	<u>0</u>
Increase (decrease) in net position	1,495,071	1,737,428	(209,304)	990,470	1,285,767	2,727,898
Net position - beginning	<u>11,721,368</u>	<u>9,983,940</u>	<u>18,621,797</u>	<u>17,631,327</u>	<u>30,343,165</u>	<u>27,615,267</u>
Net position - ending	<u>\$ 13,216,439</u>	<u>\$ 11,721,368</u>	<u>\$ 18,412,493</u>	<u>\$ 18,621,797</u>	<u>\$ 31,628,932</u>	<u>\$ 30,343,165</u>

Governmental Activities –

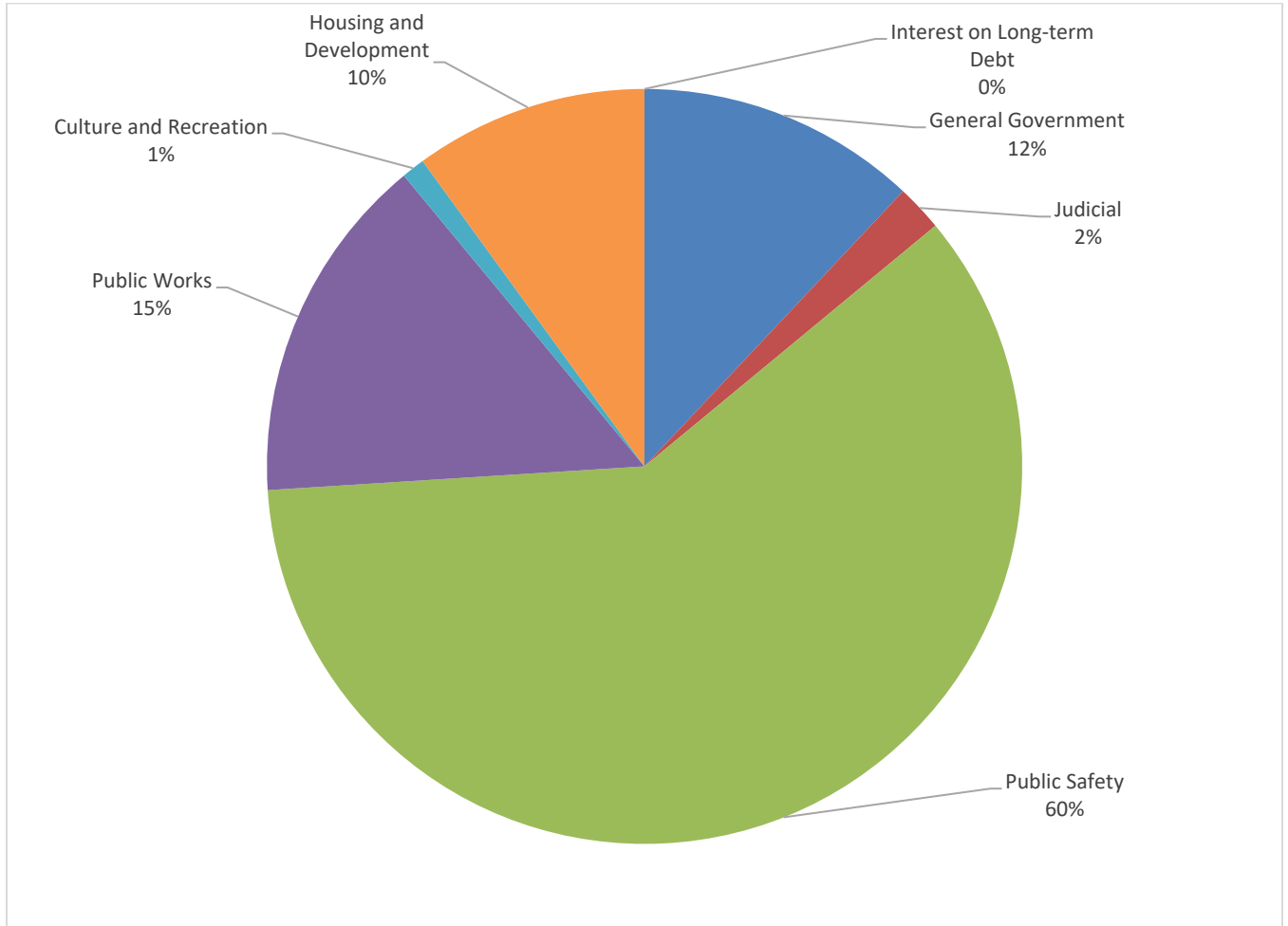
The following chart depicts revenues of the governmental activities for the year ended December 31, 2023:

Revenue by Source – Governmental Activities



The following chart depicts the expenses of the governmental activities for the year ended December 31, 2023:

Expenses by Function – Governmental Activities



Business-type Activities –

Business-type activities decreased the City of Jasper's net position by \$209,304; this is \$1,199,774 less than the increase in net position for 2022. The key elements of this difference in decrease are:

- The primary difference in the decrease in net position is that, in 2023, the increase in operating expenses was more significant than the increase in operating revenues. Operating Expenses in the Water and Sanitation fund increased by \$1,054,953 over 2022. The most significant increase in expenses was in the Water Fund in the amount of \$972,184. Revenue was up by \$231,004 over 2022. The most significant increase in revenues was for charges for service increased \$25,836.

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 \$6,333,451. Of this amount, \$3,849,815 (61%) 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 \$3,849,815, while total fund balance was \$3,896,124. 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 62% of total General Fund expenditures, while total fund balance represents 63% 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 other departmental expenditures to prevent budget overruns.

- In the Legislative Department, salaries expense, professional fees, and liability insurance expense were more than budgeted; therefore, the budget was increased by \$28,000.
- In the Street Department, electricity expense was more than budgeted; therefore, the budget was increased by \$19,000.
- In the Planning and Zoning Department, rental expense, repairs and maintenance, supplies, and payments to others were more than budgeted; therefore, the budget was increased by \$61,000.

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	\$ 18,412,493
▪ Sanitation	\$ 0

The total decrease in net position for both funds was \$209,304. 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 \$40,185,155 in capital assets (net of accumulated depreciation). Capital assets include infrastructure, land, buildings, and machinery and equipment. Approximately 78% of this investment is related to business-type activities and approximately 22% relates to governmental activities.

During 2023, the City invested \$12,931,909 in new capital assets. Major capital asset events during the current year included the following:

Governmental-type Activities 2023

Speedburger Storm Drain Repair	\$ 279,274
Police Equipment	63,644
Fire Equipment	51,695
Police Vehicles (4)	241,308
Police Camera Software	153,807
Fire Vehicles (4)	484,811
Park Improvements	367,422
	<u>\$ 1,641,961</u>

Business-type Activities 2023

Wastewater Plant Improvements CIP	\$ 7,975,958
Camp Road Waterline Extension CIP	67,200
Waterline Repairs	90,411
Meter Upgrades	2,915,287
	<u>\$ 11,048,856</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/Amortization)
As of December 31, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 3,385,966	\$ 3,385,966	\$ 1,423,264	\$ 1,423,264	\$ 4,809,230	\$ 4,809,230
Construction in progress	300,205	16,900	9,900,916	1,927,420	10,201,121	1,944,320
Buildings and improvements	1,153,697	1,096,891	2,552,603	2,540,603	3,706,300	3,637,494
Infrastructure	3,193,724	2,901,600	28,799,990	25,794,292	31,993,714	28,695,892
Machinery and equipment	3,926,991	3,149,177	3,070,421	3,024,749	6,997,412	6,173,926
Park improvements	776,879	536,102	0	0	776,879	536,102
Right-to-use assets						
Software	229,981	76,174	0	0	229,981	76,174
Total	12,967,443	11,162,810	45,747,194	34,710,328	58,714,637	45,873,138
Accumulated depreciation/amortization	(4,027,767)	(3,538,460)	(14,501,715)	(13,646,883)	(18,529,482)	(17,185,343)
Net Capital Assets	<u>\$ 8,939,676</u>	<u>\$ 7,624,350</u>	<u>\$ 31,245,479</u>	<u>\$ 21,063,445</u>	<u>\$ 40,185,155</u>	<u>\$ 28,687,795</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 50-51 of this report.

Long-term debt. At December 31, 2023, the City of Jasper had \$15,944,384 in long-term debt which was an increase of \$9,747,199 from 2022. 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, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Notes payable	\$ 430,995	\$ 480,507	\$ 12,593,193	\$ 2,598,504	\$ 13,024,188	\$ 3,079,011
Bonds payable	0	0	2,741,000	3,042,000	2,741,000	3,042,000
Subscriptions payable	179,196	76,174	0	0	179,196	76,174
Compensated absences	117,877	84,811	76,905	86,180	194,782	170,991
Total	<u>\$ 728,068</u>	<u>\$ 641,492</u>	<u>\$ 15,411,098</u>	<u>\$ 5,726,684</u>	<u>\$ 16,139,166</u>	<u>\$ 6,368,176</u>

In 2023, the City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This implementation had no impact on net position. See Note 16 for more information on this standard. The balance of subscriptions payable at December 31, 2023 were \$179,196.

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 52-57 of this report.

Economic Environment and Next Year's Budgets

The City's tax rates, fees, and charges for governmental and business-type activities, along with the projected growth are all major considerations when adopting the 2024 budget. The City has experienced more growth than in previous years and expect this growth to continue, which will increase revenues.

The following are some major factors considered in preparing the City's budget for 2024:

- 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 2023 from 5.467 mills to 5.221 mills. The levy in 2023 funds the 2024 budget.
- Capital Assets – For 2024, the City will utilize 2020 SPLOST for capital assets to public safety and parks.
- Infrastructure improvements – The use of 2014 SPLOST will allow the City to make improvements to roads, bridges, and sidewalks. The City is expanding the wastewater pollution control plant, as well as replacing infrastructure and seeking additional water resources.
- Economy impact – The City takes a conservative approach with revenue and expenditures.

For fiscal year 2024, the City Council approved a total budget of \$21,401,959. This budget includes operating and non-operating funds. The General Fund budget is \$7,335,604 and the Proprietary Funds are budgeted for \$8,822,884 (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, 2023

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 8,214,868	\$ 2,856,494	\$ 11,071,362	\$ 19,006
Restricted cash and cash equivalents	25,236	970,621	995,857	0
Receivables:				
Accounts (net)	0	673,394	673,394	0
Taxes (net)	1,914,163	0	1,914,163	0
Intergovernmental receivable	110,352	0	110,352	0
Other	0	585,951	585,951	0
Internal balances	218,552	(218,552)	0	0
Prepaid items	38,990	46,361	85,351	0
Inventories	0	132,117	132,117	0
Total current assets	10,522,161	5,046,386	15,568,547	19,006
Noncurrent assets				
Capital assets				
Non-depreciable	3,686,171	11,324,180	15,010,351	0
Depreciable/amortizable (net)	5,253,505	19,921,299	25,174,804	0
Total noncurrent assets	8,939,676	31,245,479	40,185,155	0
Total assets	19,461,837	36,291,865	55,753,702	19,006
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	703,483	395,786	1,099,269	0
LIABILITIES				
Current liabilities				
Payables				
Accounts	500,100	600,887	1,100,987	0
Retainages	0	429,321	429,321	0
Accrued salaries	88,285	18,743	107,028	0
Compensated absences payable	55,403	33,987	89,390	0
Accrued interest payable	7,725	14,016	21,741	0
Unearned revenue	1,602,476	21,720	1,624,196	0
Notes payable	45,856	383,717	429,573	0
Bonds payable	0	312,000	312,000	0
Subscriptions payable	47,896	0	47,896	0
Liabilities payable from restricted assets				
Customer deposits payable	17,917	811,349	829,266	0
Total current liabilities	2,365,658	2,625,740	4,991,398	0
Noncurrent liabilities				
Compensated absences payable	62,474	42,918	105,392	0
Net pension liability	2,003,528	961,586	2,965,114	0
Notes payable	385,139	12,209,476	12,594,615	0
Bonds payable	0	2,429,000	2,429,000	0
Subscriptions payable	131,300	0	131,300	0
Total noncurrent liabilities	2,582,441	15,642,980	18,225,421	0
Total liabilities	4,948,099	18,268,720	23,216,819	0
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	1,929,212	0	1,929,212	0
Deferred inflows of resources - pension	71,570	6,438	78,008	0
Total deferred inflows of resources	2,000,782	6,438	2,007,220	0

See accompanying notes to the financial statements.

CITY OF JASPER, GEORGIA
STATEMENT OF NET POSITION
December 31, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
NET POSITION				
Net investment in capital assets	\$ 8,186,970	\$ 15,040,350	\$ 23,227,320	\$ 0
Restricted for:				
Judicial and law enforcement				
technology equipment and supplies	32,603	0	32,603	0
Law enforcement equipment and supplies	32,608	0	32,608	0
Grant specifications	7,174	0	7,174	0
Capital outlay	2,431,622	0	2,431,622	0
Promotion of downtown commerce				
and business	7,319	0	7,319	0
Economic development	0	0	0	1,001
Unrestricted	2,518,143	3,372,143	5,890,286	18,005
Total net position	\$ 13,216,439	\$ 18,412,493	\$ 31,628,932	\$ 19,006

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CITY OF JASPER, GEORGIA
STATEMENT OF ACTIVITIES
For the year ended December 31, 2023

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	\$ 789,633	\$ 106,048	\$ 84,355	\$ 0	\$ (599,230)	\$ 0	\$ (599,230)	
Judicial	164,232	81,305	0	0	(82,927)	0	(82,927)	
Public safety	3,924,152	368,179	34,356	0	(3,521,617)	0	(3,521,617)	
Public works	1,008,614	0	0	1,388,492	379,878	0	379,878	
Culture and recreation	88,815	0	121	0	(88,694)	0	(88,694)	
Housing and development	656,431	251,523	0	0	(404,908)	0	(404,908)	
Interest on long-term debt	24,606	0	0	0	(24,606)	0	(24,606)	
Total governmental activities	6,656,483	807,055	118,832	1,388,492	(4,342,104)	0	(4,342,104)	
Business-type activities								
Water and Sewerage	6,368,636	5,608,639	0	266,500	0	(493,497)	(493,497)	
Sanitation	350,929	239,069	0	0	0	(111,860)	(111,860)	
Total business-type activities	6,719,565	5,847,708	0	266,500	0	(605,357)	(605,357)	
Total primary government	13,376,048	6,654,763	118,832	1,654,992	(4,342,104)	(605,357)	(4,947,461)	
Component Units								
Industrial Development Authority	0	0	0	0				\$ 0
Downtown Development Authority	0	0	0	0				0
Jasper Development Authority	327	0	0	0				(327)
Total component units	\$ 327	\$ 0	\$ 0	\$ 0				\$ (327)
General revenues								
Taxes								
Property					\$ 2,064,538	\$ 0	\$ 2,064,538	\$ 0
Sales					2,187,749	0	2,187,749	0
Franchise					511,470	0	511,470	0
Alcoholic beverage					366,006	0	366,006	0
Insurance premium					362,969	0	362,969	0
Business occupation					118,666	0	118,666	0
Hotel/Motel					93,593	0	93,593	0
Other					65,282	0	65,282	0
Interest and investment earnings					36,036	75,979	112,015	1
Miscellaneous					30,866	320,074	350,940	0
Total general revenues					5,837,175	396,053	6,233,228	1
Change in net position					1,495,071	(209,304)	1,285,767	(326)
Net position - beginning					11,721,368	18,621,797	30,343,165	19,332
Net position - ending					\$ 13,216,439	\$ 18,412,493	\$ 31,628,932	\$ 19,006

See accompanying notes to the financial statements.

CITY OF JASPER, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023

	General	American Rescue Plan Act Fund	2020 SPLOST	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	\$ 4,265,386	\$ 1,491,210	\$ 1,724,404	\$ 733,868	\$ 8,214,868
Restricted cash and cash equivalents	25,236	0	0	0	25,236
Receivable					
Taxes	1,900,563	0	0	13,600	1,914,163
Intergovernmental	0	0	110,352	0	110,352
Due from other funds	234,060	0	0	0	234,060
Prepaid items	38,990	0	0	0	38,990
Total assets	\$ 6,464,235	\$ 1,491,210	\$ 1,834,756	\$ 747,468	\$ 10,537,669
LIABILITIES					
Accounts payable	\$ 376,677	\$ 0	\$ 88,739	\$ 34,684	\$ 500,100
Due to other funds	0	0	0	15,508	15,508
Accrued salaries	88,285	0	0	0	88,285
Unearned revenue	105,300	1,484,036	0	13,140	1,602,476
Liabilities payable from restricted assets					
Customer deposits payable	17,917	0	0	0	17,917
Total liabilities	588,179	1,484,036	88,739	63,332	2,224,286
DEFERRED INFLOWS OF RESOURCES					
Property taxes levied for subsequent year	1,929,212	0	0	0	1,929,212
Unavailable revenue - property taxes	50,720	0	0	0	50,720
Total deferred inflows of resources	1,979,932	0	0	0	1,979,932
FUND BALANCES					
Nonspendable:					
Prepaid items	38,990	0	0	0	38,990
Restricted for:					
Judicial and law enforcement					
technology equipment and supplies	0	0	0	32,603	32,603
Law enforcement equipment and supplies	0	0	0	32,608	32,608
Promotion of downtown commerce					
and business	7,319	0	0	0	7,319
Grant specifications	0	7,174	0	0	7,174
Capital outlay	0	0	1,746,017	598,090	2,344,107
Assigned for:					
Tourism	0	0	0	20,835	20,835
Unassigned	3,849,815	0	0	0	3,849,815
Total fund balances	3,896,124	7,174	1,746,017	684,136	6,333,451
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,464,235	\$ 1,491,210	\$ 1,834,756	\$ 747,468	\$ 10,537,669

See accompanying notes to the financial statements.

CITY OF JASPER, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
December 31, 2023

Total fund balance - total governmental funds **\$ 6,333,451**

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	\$ 12,967,443	
Accumulated depreciation/amortization	<u>(4,027,767)</u>	8,939,676

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	\$ 703,483	
Deferred inflows of resources - pension	<u>(71,570)</u>	631,913

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. 50,720

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

Accrued interest payable	\$ (7,725)	
Compensated absences payable	(117,877)	
Net pension liability	(2,003,528)	
Note payable	(430,995)	
Subscriptions payable	<u>(179,196)</u>	<u>(2,739,321)</u>
Net position of the governmental activities		<u><u>\$ 13,216,439</u></u>

CITY OF JASPER, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2023

	General	American Rescue Plan Act Fund	2020 SPLOST	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	\$ 5,755,741	\$ 0	\$ 0	\$ 99,627	\$ 5,855,368
Licenses and permits	349,871	0	0	0	349,871
Fines and forfeitures	343,834	0	0	93,044	436,878
Charges for services	20,305	0	0	0	20,305
Intergovernmental	161,438	0	1,243,600	0	1,405,038
Interest	27,965	6,947	6,106	3,388	44,406
Contributions	93,915	0	0	0	93,915
Other	30,866	0	0	0	30,866
Total revenues	6,783,935	6,947	1,249,706	196,059	8,236,647
EXPENDITURES					
Current					
General government	778,663	0	0	0	778,663
Judicial	131,684	0	0	28,102	159,786
Public safety	3,546,116	0	0	192,129	3,738,245
Public works	1,141,921	0	0	0	1,141,921
Culture and recreation	66,514	0	0	0	66,514
Housing and development	493,683	0	0	154,126	647,809
Capital outlay	0	0	1,244,714	124,394	1,369,108
Debt service	70,558	0	0	52,762	123,320
Total expenditures	6,229,139	0	1,244,714	551,513	8,025,366
Excess (deficiency) of revenues over (under) expenditures	554,796	6,947	4,992	(355,454)	211,281
Other financing sources (uses)					
Proceeds from issuance of debt	0	0	0	153,807	153,807
Net change in fund balances	554,796	6,947	4,992	(201,647)	365,088
Fund balances, January 1	3,341,328	227	1,741,025	885,783	5,968,363
Fund balances, December 31	\$ 3,896,124	\$ 7,174	\$ 1,746,017	\$ 684,136	\$ 6,333,451

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, 2023

Net change in fund balances - total governmental funds **\$ 365,088**

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	\$ 1,804,633	
Depreciation/amortization	<u>(489,307)</u>	1,315,326

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	\$ 240,958	
Cost of benefits earned net of employee contributions	<u>(253,037)</u>	(12,079)

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. (85,103)

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	\$ 100,297	
Debt issuance	(153,807)	
Net change in interest payable	<u>(1,583)</u>	(55,093)

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>(33,068)</u>
Change in net position of governmental activities		<u><u>\$ 1,495,071</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, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 4,913,400	\$ 5,526,120	\$ 5,755,741	\$ 229,621
Licenses and permits	393,350	353,716	349,871	(3,845)
Fines and forfeitures	200,600	135,000	343,834	208,834
Charges for services	23,050	11,550	20,305	8,755
Intergovernmental	34,000	173,021	161,438	(11,583)
Interest	6,500	25,164	27,965	2,801
Contributions	0	0	93,915	93,915
Other	7,000	21,121	30,866	9,745
Total revenues	5,577,900	6,245,692	6,783,935	538,243
EXPENDITURES				
Current				
General government				
Legislative	217,910	245,910	245,004	906
Executive	164,201	244,850	233,373	11,477
Elections	0	10,755	10,743	12
Financial administration	347,268	307,468	289,543	17,925
Judicial				
Municipal court	131,780	131,963	131,684	279
Public safety				
Police	2,051,560	1,856,694	1,845,856	10,838
Fire	1,920,290	1,675,927	1,666,076	9,851
Animal control	41,650	35,000	34,184	816
Public works				
Streets	767,800	1,106,100	1,105,455	645
Fleet maintenance and shop	53,825	40,735	36,466	4,269
Culture and recreation				
Parks and recreation	33,450	67,220	66,514	706
Housing and development				
Protective inspection	66,150	149,400	136,274	13,126
Planning and zoning	367,150	357,670	357,409	261
Debt service	70,558	70,558	70,558	0
Total expenditures	6,233,592	6,300,250	6,229,139	71,111
Excess (deficiency) of revenues over (under) expenditures	(655,692)	(54,558)	554,796	609,354
Other financing sources (uses)				
Transfers in	530,025	0	0	0
Net change in fund balance	(125,667)	(54,558)	554,796	609,354
Fund balances, January 1	125,667	54,558	3,341,328	3,286,770
Fund balances, December 31	\$ 0	\$ 0	\$ 3,896,124	\$ 3,896,124

See accompanying notes to the financial statements.

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, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 1,484,036	\$ 1,484,036	\$ 0	\$ (1,484,036)
Interest	100	6,500	6,947	447
Total revenues	1,484,136	1,490,536	6,947	(1,483,589)
EXPENDITURES	1,484,136	1,490,536	0	1,490,536
Net change in fund balance	0	0	6,947	6,947
Fund balances, January 1	0	0	227	227
Fund balances, December 31	\$ 0	\$ 0	\$ 7,174	\$ 7,174

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CITY OF JASPER, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2023

	Business-Type Activities		
	Water and Sewerage	Nonmajor Sanitation	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,853,886	\$ 2,608	\$ 2,856,494
Restricted cash and cash equivalents	970,621	0	970,621
Receivables			
Accounts (net)	653,572	19,822	673,394
Other	585,951	0	585,951
Due from other funds	0	2,086	2,086
Prepaid items	45,434	927	46,361
Inventories	132,117	0	132,117
Total current assets	5,241,581	25,443	5,267,024
Noncurrent assets			
Capital assets			
Nondepreciable	11,324,180	0	11,324,180
Depreciable (net)	19,877,034	44,265	19,921,299
Total noncurrent assets	31,201,214	44,265	31,245,479
Total assets	36,442,795	69,708	36,512,503
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	368,123	27,663	395,786
LIABILITIES			
Current liabilities			
Payables			
Accounts	600,887	0	600,887
Retainages	429,321	0	429,321
Accrued salaries	17,867	876	18,743
Due to other funds	204,167	16,471	220,638
Compensated absences payable	33,645	342	33,987
Unearned revenue	21,720	0	21,720
Accrued interest payable	14,012	4	14,016
Notes payable	363,146	20,571	383,717
Bonds payable	312,000	0	312,000
Liabilities payable from restricted assets			
Customer deposits payable	811,349	0	811,349
Total current liabilities	2,808,114	38,264	2,846,378
Noncurrent liabilities			
Compensated absences payable	41,121	1,797	42,918
Net pension liability	904,656	56,930	961,586
Notes payable	12,209,476	0	12,209,476
Bonds payable	2,429,000	0	2,429,000
Total noncurrent liabilities	15,584,253	58,727	15,642,980
Total liabilities	18,392,367	96,991	18,489,358
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	6,058	380	6,438
NET POSITION			
Net investment in capital assets	15,016,656	23,694	15,040,350
Unrestricted	3,395,837	(23,694)	3,372,143
Total net position	\$ 18,412,493	\$ 0	\$ 18,412,493

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, 2023

	Business-Type Activities		
	Water and Sewerage	Nonmajor Sanitation	Totals
OPERATING REVENUES			
Charges for service	\$ 5,608,639	\$ 239,069	\$ 5,847,708
Miscellaneous	319,622	452	320,074
Total operating revenues	5,928,261	239,521	6,167,782
OPERATING EXPENSES			
Cost of sales and services	3,232,504	199,453	3,431,957
Personal services	2,089,459	126,861	2,216,320
Depreciation	831,467	23,365	854,832
Total operating expenses	6,153,430	349,679	6,503,109
Operating income	(225,169)	(110,158)	(335,327)
Non-operating revenues (expenses)			
Interest revenue	75,682	297	75,979
Interest expense	(215,206)	(1,250)	(216,456)
Total non-operating revenues (expenses)	(139,524)	(953)	(140,477)
Net income before capital contributions and transfers	(364,693)	(111,111)	(475,804)
Capital contributions			
Capital contributions	266,500	0	266,500
Net income before transfers	(98,193)	(111,111)	(209,304)
Transfers			
Transfers in	0	111,111	111,111
Transfers out	(111,111)	0	(111,111)
Total transfers in (out)	(111,111)	111,111	0
Change in net position	(209,304)	0	(209,304)
Net position, January 1	18,621,797	0	18,621,797
Net position, December 31	\$ 18,412,493	\$ 0	\$ 18,412,493

See accompanying notes to the financial statements.

CITY OF JASPER, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2023

	Business-Type Activities		
	Water and Sewerage	Nonmajor Sanitation	Totals
Cash flows from operating activities:			
Receipts from customers and users	\$ 5,144,671	\$ 240,144	\$ 5,384,815
Payments to suppliers	(3,412,808)	(211,878)	(3,624,686)
Payments to employees	(1,901,057)	(114,139)	(2,015,196)
Other receipts	319,622	452	320,074
Net cash provided (used) by operating activities	150,428	(85,421)	65,007
Cash flows from non-capital financing activities:			
Payments to other funds	(111,111)	0	(111,111)
Receipts from other funds	341,563	117,103	458,666
Net cash provided (used) by non-capital financing activities	230,452	117,103	347,555
Cash flows from capital and related financing activities:			
Receipts of capital contributions	402,991	0	402,991
Acquisition of capital assets	(10,006,658)	0	(10,006,658)
Payment of retainages payable	(54,135)	0	(54,135)
Payment of capital related accounts payable	(93,345)	0	(93,345)
Principal payments - bonds payable	(301,000)	0	(301,000)
Proceeds from notes payable	10,179,026	0	10,179,026
Principal payments - notes payable	(154,999)	(29,338)	(184,337)
Interest paid	(206,375)	(1,246)	(207,621)
Net cash provided (used) by capital and related financing activities	(234,495)	(30,584)	(265,079)
Cash flows from investing activities:			
Interest received	75,682	297	75,979
Net increase in cash and cash equivalents	222,067	1,395	223,462
Cash and cash equivalents, January 1	3,602,440	1,213	3,603,653
Cash and cash equivalents, December 31	\$ 3,824,507	\$ 2,608	\$ 3,827,115

CITY OF JASPER, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2023

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$ (225,169)	\$ (110,158)	\$ (335,327)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	831,467	23,365	854,832
(Increase) decrease in accounts receivable	(22,878)	1,075	(21,803)
(Increase) decrease in other receivables	(477,868)	0	(477,868)
(Increase) decrease in prepaid items	(7,100)	1,612	(5,488)
(Increase) decrease in inventory	43,058	0	43,058
(Increase) decrease in deferred outflows of resources - pension	(100,485)	(5,387)	(105,872)
Increase (decrease) in accounts payable	(216,262)	(14,037)	(230,299)
Increase (decrease) in accrued payroll liabilities	(7,570)	(1,959)	(9,529)
Increase (decrease) in unearned revenue	(342)	0	(342)
Increase (decrease) in customer deposits payable	37,120	0	37,120
Increase (decrease) in net pension liability	436,204	28,528	464,732
Increase (decrease) in deferred inflows of resources - pension	(139,747)	(8,460)	(148,207)
Total adjustments	375,597	24,737	400,334
Net cash provided (used) by operating activities	\$ 150,428	\$ (85,421)	\$ 65,007

Cash and cash equivalents reconciliation

Cash and cash equivalents	\$ 2,853,886	\$ 2,608	\$ 2,856,494
Restricted cash and cash equivalents	970,621	0	970,621
	<u>\$ 3,824,507</u>	<u>\$ 2,608</u>	<u>\$ 3,827,115</u>

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled \$600,887.
Acquisition of capital assets through retainages payable totaled \$429,321.

CITY OF JASPER, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2023

ASSETS

Cash and cash equivalents	\$ 125,411
Accounts receivable	<u>10,054</u>
Total assets	<u>135,465</u>

LIABILITIES

Due to others	<u>53,666</u>
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NET POSITION

Restricted for individuals, organizations, and other governments	<u><u>\$ 81,799</u></u>
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CITY OF JASPER, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended December 31, 2023

ADDITIONS

Court fees collected for other agencies	\$ 182,593
Court individual cases	<u>135,036</u>
Total additions	<u>317,629</u>

DEDUCTIONS

Court fees distributed to other agencies	182,595
Payments to others	<u>81,801</u>
Total deductions	<u>264,396</u>

Change in net position	53,233
Net position, January 1	<u>28,566</u>
Net position, December 31	<u><u>\$ 81,799</u></u>

CITY OF JASPER, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
December 31, 2023

	<u>Industrial Development Authority</u>	<u>Jasper Development Authority</u>	<u>Totals</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,001	\$ 18,005	\$ 19,006
NET POSITION			
Restricted for economic development	1,001	0	1,001
Unrestricted	<u>0</u>	<u>18,005</u>	<u>18,005</u>
Total net position	<u>\$ 1,001</u>	<u>\$ 18,005</u>	<u>\$ 19,006</u>

CITY OF JASPER, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the year ended December 31, 2023

	<u>Industrial Development Authority</u>	<u>Jasper Development Authority</u>	<u>Totals</u>
Expenses			
Total expenses	\$ 0	\$ 327	\$ 327
Program revenues			
Total program revenues	0	0	0
Net (expense) revenue	0	(327)	(327)
General revenues			
Interest	1	0	1
Change in net position	1	(327)	(326)
Net position - December 1	1,000	18,332	19,332
Net position - December 31	<u>\$ 1,001</u>	<u>\$ 18,005</u>	<u>\$ 19,006</u>

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CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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
	in Years
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
Right-to-use assets	
Software	3 to 5

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

1. Summary of Significant Accounting Policies (continued)

H. Capital Assets, continued

The City has recorded intangible right-to-use assets as a result of implementing GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The intangible right-to-use assets are initially measured at an amount equal to the initial measurement of the related subscription liability plus any subscription payments made prior to the subscription term, less subscription incentives, and plus ancillary changes necessary to place the subscription into service. The intangible right-to-use assets are amortized on a straight-line basis over the shorter of the estimated useful life of the underlying asset or life of the related subscription.

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 assets 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.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

1. Summary of Significant Accounting Policies (continued)

I. Deferred Outflows / Inflows of Resources, continued

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets 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.

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.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

1. Summary of Significant Accounting Policies (continued)

K. Long-Term Obligations

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

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

L. Fund Equity and Net Position

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

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

1. Summary of Significant Accounting Policies (continued)

L. Fund Equity and Net Position, continued

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.

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.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

1. Summary of Significant Accounting Policies (continued)

L. Fund Equity and Net Position, continued

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, 2023

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, 2023

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, 2023

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, 2023

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:

Governmental Activities	General Fund	2020 SPLOST	Nonmajor Governmental Funds	Totals
Receivables:				
Taxes	\$ 2,032,020	\$ 0	\$ 13,600	\$ 2,045,620
Intergovernmental	0	110,352	0	110,352
Less allowance for uncollectible	(131,457)	0	0	(131,457)
Net totals	<u>\$ 1,900,563</u>	<u>\$ 110,352</u>	<u>\$ 13,600</u>	<u>\$ 2,024,515</u>
Business-type Activities	Water and Sewerage Fund	Nonmajor Sanitation Fund	Totals	
Receivables:				
Accounts	\$ 816,782	\$ 19,822	\$ 836,604	
Other	585,951	0	585,951	
Less allowance for uncollectible	(163,210)	0	(163,210)	
Net totals	<u>\$ 1,239,523</u>	<u>\$ 19,822</u>	<u>\$ 1,259,345</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 2023 tax digest year, based upon the assessments as of January 1, 2023, were levied on October 2, 2023, billed on November 15, 2023, and due on January 31, 2024. Unpaid tax bills become delinquent on February 1, 2024, and liens will be put on property with unpaid tax on March 2, 2024. The 2023 tax digest is to fund the 2024 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, 2023

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	\$ 202,081
	Nonmajor Governmental	15,508
	Nonmajor Enterprise	16,471
Nonmajor Enterprise	Water and Sewerage	2,086
		<u>\$ 236,146</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>
Water and Sewerage	Nonmajor Enterprise	<u>\$ 111,111</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, 2023

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	16,900	283,305	0	300,205
Total non-depreciable assets	<u>3,402,866</u>	<u>283,305</u>	<u>0</u>	<u>3,686,171</u>
Depreciable/amortizable assets				
Buildings and improvements	1,096,891	56,806	0	1,153,697
Infrastructure	2,901,600	292,124	0	3,193,724
Machinery and equipment	3,149,177	777,814	0	3,926,991
Park improvements	536,102	240,777	0	776,879
Right-to-use assets				
Software	76,174	153,807	0	229,981
Total depreciable/amortizable assets	<u>7,759,944</u>	<u>1,521,328</u>	<u>0</u>	<u>9,281,272</u>
Less accumulated depreciation				
Buildings and improvements	(387,089)	(27,327)	0	(414,416)
Infrastructure	(1,071,417)	(113,373)	0	(1,184,790)
Machinery and equipment	(1,874,964)	(288,059)	0	(2,163,023)
Park improvements	(204,990)	(24,393)	0	(229,383)
Right-to-use assets				
Software	0	(36,155)	0	(36,155)
Total accumulated depreciation/amortization	<u>(3,538,460)</u>	<u>(489,307)</u>	<u>0</u>	<u>(4,027,767)</u>
Total depreciable/amortizable assets, net	<u>4,221,484</u>	<u>1,032,021</u>	<u>0</u>	<u>5,253,505</u>
Governmental activities capital assets, net	<u>\$ 7,624,350</u>	<u>\$ 1,315,326</u>	<u>\$ 0</u>	<u>\$ 8,939,676</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 1,423,264	\$ 0	\$ 0	\$ 1,423,264
Construction in progress	1,927,420	8,063,906	(90,410)	9,900,916
Total non-depreciable assets	<u>3,350,684</u>	<u>8,063,906</u>	<u>(90,410)</u>	<u>11,324,180</u>
Depreciable assets				
Buildings and improvements	2,540,603	12,000	0	2,552,603
Infrastructure	25,794,292	3,005,698	0	28,799,990
Machinery and equipment	1,980,653	45,672	0	2,026,325
Vehicle	1,044,096	0	0	1,044,096
Total depreciable assets	<u>31,359,644</u>	<u>3,063,370</u>	<u>0</u>	<u>34,423,014</u>
Less accumulated depreciation				
Buildings and improvements	(806,877)	(57,761)	0	(864,638)
Infrastructure	(11,206,530)	(548,923)	0	(11,755,453)
Machinery and equipment	(859,141)	(148,934)	0	(1,008,075)
Vehicle	(774,335)	(99,214)	0	(873,549)
Total accumulated depreciation	<u>(13,646,883)</u>	<u>(854,832)</u>	<u>0</u>	<u>(14,501,715)</u>
Total depreciable assets, net	<u>17,712,761</u>	<u>2,208,538</u>	<u>0</u>	<u>19,921,299</u>
Business-type activities capital assets, net	<u>\$ 21,063,445</u>	<u>\$ 10,272,444</u>	<u>\$ (90,410)</u>	<u>\$ 31,245,479</u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

7. Capital Assets (continued)

Beginning balances of the Governmental activities have been restated for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The restatement totaled \$76,174.

Depreciation/amortization expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 22,255
Judicial	2,017
Public Safety	279,628
Public Works	144,436
Housing and Development	7,232
Culture and Recreation	33,739
	<hr/>

Total depreciation/amortization expense for governmental activities	\$ 489,307
	<hr/> <hr/>

Business-type activities

Water and Sewerage	\$ 831,467
Sanitation	23,365
	<hr/>

Total depreciation expense for business-type activities	\$ 854,832
	<hr/> <hr/>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

8. Long-Term Liabilities

Notes from Direct Borrowings

Governmental Activities

Finance Purchases

The City has entered into multiple agreements with various financial institutions to finance the purchase of certain vehicles and equipment. The notes are secured by the equipment. The balances of these agreements at the end of the current year are \$430,995. Individual notes outstanding at the end of the current year are listed below with their related interest rate and maturity.

- \$80,925 equipment finance purchase due in monthly installments of \$1,463 through September 2024, interest at 3.23%, \$11,753 outstanding.
- \$568,924 equipment finance purchase due in monthly installments of \$53,008 through September 2033, interest at 4.51%, \$419,242 outstanding.

Governmental Activities, continued

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

Year Ending December 31,	Principal	Interest	Total
2024	\$ 45,856	\$ 19,080	\$ 64,936
2025	35,641	17,367	53,008
2026	37,248	15,760	53,008
2027	38,928	14,080	53,008
2028	40,683	12,325	53,008
2029-2033	232,639	32,395	265,034
Totals	<u>\$ 430,995</u>	<u>\$ 111,007</u>	<u>\$ 542,002</u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

8. Long-Term Liabilities (continued)

Notes from Direct Borrowings, continued

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% (\$42,002 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% (\$1,034,075 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.

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 (\$8,492,796 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, 2023

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 of 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 \$3,012,939. Individual notes outstanding at the end of the current year are listed below with their related interest rate and maturity.

- \$196,715 equipment finance purchase due in monthly installments of \$3,555 through September 2024, interest at 3.23%, \$28,669 outstanding.
- \$111,821 property finance purchase due in monthly installments of \$1,000 through December 2029, interest at 1.42%, \$68,983 outstanding.
- \$2,915,290 equipment finance purchase due in monthly installments of \$32,157 through December 2033, interest at 5.86%, \$2,915,287 outstanding.

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

Year Ending December 31,	Principal	Interest	Total
2024	\$ 383,717	\$ 185,451	\$ 569,168
2025	327,890	169,172	497,062
2026	343,663	153,302	496,965
2027	360,313	136,651	496,964
2028	377,897	119,068	496,965
2029-2033	2,141,016	296,371	2,437,387
2034-2035	154,520	2,354	156,874
Totals	\$ 4,089,016	\$ 1,062,369	\$ 5,151,385

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

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 (\$2,741,000 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	\$ 312,000	\$ 29,617	\$ 341,617
2024	312,000	26,060	338,060
2025	312,000	22,504	334,504
2026	321,000	18,913	339,913
2027	324,000	15,225	339,225
2028-2032	1,160,000	23,891	1,183,891
Totals	<u>\$ 2,741,000</u>	<u>\$ 136,210</u>	<u>\$ 2,877,210</u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

8. Long-Term Liabilities (continued)

Subscriptions Payable

Governmental Activities

The City entered into an agreement to subscribe to certain software. The subscription agreements qualify as subscriptions under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and have been recorded at the present value of the future minimum subscription payments at their inception. Subscriptions payable are comprised of the following individual subscriptions at the end of the current year:

- \$76,174 camera software due in annual installments of \$20,291 through September 2026, interest at 2.565%, \$57,856 outstanding.
- \$153,807 camera software due in annual installments of \$32,467 through July 2027, interest at 2.738%, \$121,340 outstanding.

The City's subscriptions payable debt service requirements to maturity are as follows:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 47,896	\$ 4,866	\$ 52,762
2025	49,190	3,571	52,761
2026	50,520	2,242	52,762
2027	31,590	876	32,466
Totals	<u>\$ 179,196</u>	<u>\$ 11,555</u>	<u>\$ 190,751</u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

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:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Notes from direct borrowings	\$ 480,507	\$ 0	\$ (49,512)	\$ 430,995	\$ 45,856
Subscriptions payable	76,174	153,807	(50,785)	179,196	47,896
Compensated absences	84,811	92,102	(59,036)	117,877	55,403
	<u>\$ 641,492</u>	<u>\$ 245,909</u>	<u>\$ (159,333)</u>	<u>\$ 728,068</u>	<u>\$ 149,155</u>
Business-type activities					
Notes from direct borrowings	\$ 2,598,504	\$ 10,179,026	\$ (184,337)	\$ 12,593,193	\$ 383,717
Revenue bonds	3,042,000	0	(301,000)	2,741,000	312,000
Compensated absences	86,180	31,462	(40,737)	76,905	33,987
	<u>\$ 5,726,684</u>	<u>\$ 10,210,488</u>	<u>\$ (526,074)</u>	<u>\$ 15,411,098</u>	<u>\$ 729,704</u>

Beginning balances of the Governmental activities have been restated for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The restatement totaled \$76,174.

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 \$24,606 and \$216,456 for the governmental activities and business-type activities, respectively.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

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, net	\$ 8,939,676	\$ 31,245,479
Unspent debt proceeds	0	159,272
Retainage payable	0	(429,321)
Capital related accounts payable	(142,515)	(600,887)
Notes payable	(430,995)	(12,593,193)
Bonds payable	0	(2,741,000)
Subscriptions payable	(179,196)	0
Net investment in capital assets	<u>\$ 8,186,970</u>	<u>\$ 15,040,350</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, 2023

10. Pension Plans (continued)

Defined Benefit Pension Plan, continued

At July 1, 2023, the date of the most recent actuarial valuation, participants consisted of the following:

Active participants	67
Vested terminated participants	41
Retired participants and beneficiaries	<u>38</u>
Total number of participants	<u><u>146</u></u>

Benefits Provided. As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by City Council, the plan provides pension benefits and death and disability benefits for plan members and beneficiaries. Eligibility for participation is available immediately beginning with the date of employment for all full-time employees working more than 20 hours per week. Elected officials are not covered by the Plan. Employee benefits vest 50% after five years of service and continue vesting an additional 10% each year thereafter. Benefits fully vest after ten years of service. A City employee who retires at age 65 with five years of service is entitled to full benefits of 1.25% - 2.00% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he/she has a minimum of 10 years total credited service. Retirement between the ages of 55 and 65 will result in a reduced monthly benefit. To receive full benefits, an employee must be employed until age 65. The benefit is calculated on the last five years' highest averaged earnings. Effective January 1, 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, 2023

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 \$353,573, or 9.66% of covered payroll. Employees do not contribute to the plan.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current year, the City reported a net pension liability of \$2,965,114. The net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. For the current year, the City recognized pension expense of \$579,355.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

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, 2022	\$ 7,171,252	\$ 5,466,675	\$ 1,704,577
Changes for the year:			
Service cost	119,147	0	119,147
Interest	521,969	0	521,969
Differences between expected and actual experience	593,057	0	593,057
Contributions—employer	0	353,573	(353,573)
Net investment income (loss)	0	(366,319)	366,319
Benefit payments, including refunds of employee contributions	(425,707)	(425,707)	0
Administrative expense	0	(13,618)	13,618
Net changes	<u>808,466</u>	<u>(452,071)</u>	<u>1,260,537</u>
Balances at March 31, 2023	<u>\$ 7,979,718</u>	<u>\$ 5,014,604</u>	<u>\$ 2,965,114</u>
Plan fiduciary net position as a percentage of the total pension liability			62.84%
Covered payroll			\$ 3,439,172
Employer's net pension liability as a percentage of covered payroll			86.22%

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City contributions subsequent to the measurement date	\$ 267,463	\$ 0
Changes in participant fund allocation	58,154	(58,154)
Differences between expected and actual experience	549,186	(17,736)
Changes of assumptions	0	(2,118)
Net difference between projected and actual earnings on pension plan investments	224,466	0
Totals	<u><u>\$ 1,099,269</u></u>	<u><u>\$ (78,008)</u></u>

The \$267,463 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:

Year Ending December 31,	Amount
2024	\$ 208,380
2025	83,076
2026	309,079
2027	153,263
Totals	<u><u>\$ 753,798</u></u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

10. Pension Plans (continued)

Defined Benefit Pension Plan, continued

Actuarial Assumptions. The total pension liability in the July 1, 2023 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, 2023 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, 2023

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, 2023 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%	6.40%
International equity	20%	6.80%
Real estate	10%	3.90%
Global fixed income	5%	0.46%
Domestic fixed income	20%	0.40%
Total	100%	

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

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

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease	6.375%	\$ 3,991,372
Current discount rate	7.375%	\$ 2,965,114
1% increase	8.375%	\$ 2,114,115

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

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. 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 \$34,672.

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, 2023

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	\$ 99,627
Disbursements for tourism	\$ 154,126 154.7% 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, 2023

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. Commitments and Contingencies

Contractual Commitments

At the end of the current year, contractual commitments on uncompleted contracts were \$9,938,078.

Litigation

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. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the City's current year. The requirements of this statement are effective for periods beginning after June 15, 2022. The implementation of this standard had no effect on the City's net position.

The City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the City's current year. The requirements of this statement are effective for periods beginning after June 15, 2022. The implementation of this standard had no effect on the City's net position.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

16. New Accounting Pronouncements (continued)

The City implemented GASB Statement No. 99, *Omnibus 2022*, effective for the City's current year. The requirements of this statement are effective for periods beginning after June 15, 2022. The implementation of this standard had no effect on the City's net position.

17. Changes in Beginning Balances

Governmental Activities

A prior period adjustment has been made to adjust the beginning balance of capital assets and subscriptions payable. This adjustment had no impact on beginning net position. This adjustment was related to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. See Note 16 for more details on the implementation of the new standard.

18. Subsequent Events

Subsequent to December 31, 2023, the City entered into a direct borrowing agreement with the Georgia Environmental Finance Authority to finance the construction of a new master lift station, the installation of sewer lines, and the upgrade of the City's sewer distribution system in the amount of \$4,500,000; interest at 2.36%, which shall be due and payable in 239 consecutive monthly installments upon completion of the project.

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, 2023
(Unaudited)

	Fiscal Year End		
	2023	2022	2021
Total pension liability			
Service cost	\$ 119,147	\$ 112,209	\$ 124,477
Interest	521,969	495,273	463,282
Differences between expected and actual experience	593,057	(29,561)	155,588
Changes of assumptions	0	0	0
Change of benefit terms	0	0	0
Other changes	0	167,435	0
Benefit payments, including refunds of employee contributions	(425,707)	(354,911)	(239,697)
Net change in total pension liability	808,466	390,445	503,650
Total pension liability - beginning	7,171,252	6,780,807	6,277,157
Total pension liability - ending (a)	\$ 7,979,718	\$ 7,171,252	\$ 6,780,807
Plan fiduciary net position			
Contributions - employer	\$ 353,573	\$ 353,460	\$ 220,754
Net investment income	(366,319)	313,276	1,616,301
Benefit payments, including refunds of employee contributions	(425,707)	(354,911)	(239,697)
Administrative expense	(13,618)	(12,662)	(12,234)
Net change in plan fiduciary net position	(452,071)	299,163	1,585,124
Plan fiduciary net position - beginning	5,466,675	5,167,512	3,582,388
Plan fiduciary net position - ending (b)	\$ 5,014,604	\$ 5,466,675	\$ 5,167,512
Net pension liability (asset) - ending : (a) - (b)	\$ 2,965,114	\$ 1,704,577	\$ 1,613,295
Plan's fiduciary net position as a percentage of the total pension liability	62.84%	76.23%	76.21%
Covered payroll	\$ 3,439,172	\$ 3,096,780	\$ 3,192,704
Net pension liability as a percentage of covered payroll	86.22%	55.04%	50.53%

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

Fiscal Year End

2020	2019	2018	2017	2016	2015
\$ 97,074	\$ 76,252	\$ 83,554	\$ 96,340	\$ 93,171	\$ 86,325
339,475	316,332	267,312	274,439	247,450	225,394
87,530	77,892	466,554	(324,913)	111,686	100,123
(6,354)	0	52,508	0	0	(34,541)
1,417,725	0	0	0	0	0
0	0	0	0	0	0
(175,110)	(190,332)	(164,875)	(110,788)	(97,349)	(88,050)
1,760,340	280,144	705,053	(64,922)	354,958	289,251
4,516,817	4,236,673	3,531,620	3,596,542	3,241,584	2,952,333
<u>\$ 6,277,157</u>	<u>\$ 4,516,817</u>	<u>\$ 4,236,673</u>	<u>\$ 3,531,620</u>	<u>\$ 3,596,542</u>	<u>\$ 3,241,584</u>
\$ 130,284	\$ 137,285	\$ 154,727	\$ 138,580	\$ 123,819	\$ 150,163
(270,448)	136,896	429,790	383,621	9,291	264,083
(175,110)	(190,332)	(164,875)	(110,788)	(97,349)	(88,050)
(13,905)	(13,030)	(11,796)	(12,015)	(8,219)	(7,498)
(329,179)	70,819	407,846	399,398	27,542	318,698
3,911,567	3,840,748	3,432,902	3,033,504	3,005,962	2,687,264
<u>\$ 3,582,388</u>	<u>\$ 3,911,567</u>	<u>\$ 3,840,748</u>	<u>\$ 3,432,902</u>	<u>\$ 3,033,504</u>	<u>\$ 3,005,962</u>
<u>\$ 2,694,769</u>	<u>\$ 605,250</u>	<u>\$ 395,925</u>	<u>\$ 98,718</u>	<u>\$ 563,038</u>	<u>\$ 235,622</u>
57.07%	86.60%	90.65%	97.20%	84.35%	92.73%
\$ 3,499,237	\$ 3,510,420	\$ 2,938,575	\$ 2,883,728	\$ 3,101,939	\$ 2,826,201
77.01%	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, 2023
(Unaudited)

	Fiscal Year End		
	2023	2022	2021
Actuarially determined contribution	\$ 353,573	\$ 352,558	\$ 353,761
Contributions in relation to the actuarially determined contribution	<u>(353,573)</u>	<u>(352,558)</u>	<u>(366,992)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (13,231)</u>
Covered payroll	\$ 3,660,096	\$ 3,134,494	\$ 2,765,656
Contributions as a percentage of covered payroll	9.66%	11.25%	13.27%

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

Fiscal Year End					
2020	2019	2018	2017	2016	2015
\$ 158,776	\$ 137,295	\$ 135,782	\$ 144,938	\$ 137,308	\$ 121,121
(156,986)	(138,020)	(135,782)	(144,938)	(137,308)	(121,121)
<u>\$ 1,790</u>	<u>\$ (725)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 3,216,286	\$ 3,626,192	\$ 3,542,587	\$ 3,048,645	\$ 2,883,728	\$ 3,101,939
4.88%	3.81%	3.83%	4.75%	4.76%	3.90%

CITY OF JASPER, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2023

1. Valuation Date

The actuarially determined contribution rate was determined as of July 1, 2023, 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, 2024.

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 16 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, 2023

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

There were no changes in assumptions in the last two fiscal years.

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COMBINING STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS

CITY OF JASPER, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2023

	Special Revenue			Capital Projects	Total Nonmajor Governmental Funds
	Technology Surcharge	Confiscated Assets	Hotel/Motel Tax	2014 SPLOST	
ASSETS					
Cash and cash equivalents	\$ 52,691	\$ 28,434	\$ 54,653	\$ 598,090	\$ 733,868
Taxes receivable	0	0	13,600	0	13,600
Total assets	\$ 52,691	\$ 28,434	\$ 68,253	\$ 598,090	\$ 747,468
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 2,774	\$ 0	\$ 31,910	\$ 0	\$ 34,684
Unearned revenue	0	13,140	0	0	13,140
Due to other funds	0	0	15,508	0	15,508
	<u>2,774</u>	<u>13,140</u>	<u>47,418</u>	<u>0</u>	<u>63,332</u>
Fund balances					
Restricted for:					
Judicial and law enforcement					
technology equipment and supplies	32,603	0	0	0	32,603
Law enforcement equipment and supplies	17,314	15,294	0	0	32,608
Capital outlay	0	0	0	598,090	598,090
Assigned for tourism	0	0	20,835	0	20,835
Total fund balances	<u>49,917</u>	<u>15,294</u>	<u>20,835</u>	<u>598,090</u>	<u>684,136</u>
Total liabilities and fund balances	\$ 52,691	\$ 28,434	\$ 68,253	\$ 598,090	\$ 747,468

CITY OF JASPER, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2023

	<u>Special Revenue</u>			<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Technology Surcharge</u>	<u>Confiscated Assets</u>	<u>Hotel/Motel Tax</u>	<u>2014 SPLOST</u>	
REVENUES					
Taxes	\$ 0	\$ 0	\$ 99,627	\$ 0	\$ 99,627
Fines and forfeitures	81,305	11,739	0	0	93,044
Interest	1,012	30	82	2,264	3,388
Total revenues	<u>82,317</u>	<u>11,769</u>	<u>99,709</u>	<u>2,264</u>	<u>196,059</u>
EXPENDITURES					
Current					
Judicial	28,102	0	0	0	28,102
Public safety	190,226	1,903	0	0	192,129
Housing and development	0	0	154,126	0	154,126
Capital outlay	0	0	0	124,394	124,394
Debt service	52,762	0	0	0	52,762
Total expenditures	<u>271,090</u>	<u>1,903</u>	<u>154,126</u>	<u>124,394</u>	<u>551,513</u>
Excess (deficiency) of revenues over (under) expenditures	(188,773)	9,866	(54,417)	(122,130)	(355,454)
Other financing sources (uses)					
Proceeds from issuance of debt	153,807	0	0	0	153,807
Net change in fund balance	(34,966)	9,866	(54,417)	(122,130)	(201,647)
Fund balances, January 1	84,883	5,428	75,252	720,220	885,783
Fund balances, December 31	<u>\$ 49,917</u>	<u>\$ 15,294</u>	<u>\$ 20,835</u>	<u>\$ 598,090</u>	<u>\$ 684,136</u>

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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 50,000	\$ 81,305	\$ 31,305
Interest	1,000	1,012	12
Total revenues	<u>51,000</u>	<u>82,317</u>	<u>31,317</u>
EXPENDITURES			
Current			
Judicial	28,350	28,102	248
Public safety	190,503	190,226	277
Debt service	53,000	52,762	238
Total expenditures	<u>271,853</u>	<u>271,090</u>	<u>763</u>
Excess (deficiency) of revenues over (under) expenditures	(220,853)	(188,773)	32,080
Other financing sources (uses)			
Proceeds from issuance of debt	154,000	153,807	(193)
Net change in fund balance	(66,853)	(34,966)	31,887
Fund balances, January 1	<u>66,853</u>	<u>84,883</u>	<u>18,030</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 49,917</u></u>	<u><u>\$ 49,917</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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 11,740	\$ 11,739	\$ (1)
Interest	30	30	0
Total revenues	<u>11,770</u>	<u>11,769</u>	<u>(1)</u>
EXPENDITURES			
Current			
Public safety	<u>2,020</u>	<u>1,903</u>	<u>117</u>
Excess (deficiency) of revenues over (under) expenditures	9,750	9,866	116
Other financing sources (uses)			
Contingency	<u>31,632</u>	<u>0</u>	<u>(31,632)</u>
Net change in fund balance	(21,882)	9,866	31,748
Fund balances, January 1	<u>21,882</u>	<u>5,428</u>	<u>(16,454)</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 15,294</u></u>	<u><u>\$ 15,294</u></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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 100,000	\$ 99,627	\$ (373)
Interest	80	82	2
Total revenues	<u>100,080</u>	<u>99,709</u>	<u>(371)</u>
EXPENDITURES			
Current			
Housing and development	<u>154,140</u>	<u>154,126</u>	<u>14</u>
Net change in fund balance	(54,060)	(54,417)	(357)
Fund balances, January 1	<u>54,060</u>	<u>75,252</u>	<u>21,192</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 20,835</u></u>	<u><u>\$ 20,835</u></u>

OTHER INFORMATION

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CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS
December 31, 2023

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
GOVERNMENTAL ACTIVITIES				
2019 Fire Truck	09/15/2024	53,008	18,905	34,103
09/15/2018 - \$568,923.59	09/15/2025	53,008	17,367	35,641
Annual Debt Service - 4.51%	09/15/2026	53,008	15,760	37,248
Mature - 09/15/2033	09/15/2027	53,008	14,080	38,928
100-80000	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	53,007	6,569	46,438
	09/15/2032	53,007	4,475	48,532
	09/15/2033	53,003	2,287	50,716
		<u>\$ 530,073</u>	<u>\$ 110,831</u>	<u>\$ 419,242</u>
Vehicle / Equipment Finance Purchase	01/04/2024	1,463	35	1,428
09/04/2019 - \$80,925	02/04/2024	1,462	31	1,431
Monthly Debt Service - 3.23%	03/04/2024	1,462	27	1,435
Mature - 09/04/2024	04/04/2024	1,462	23	1,439
Assets for Multiple Funds- GF Portion Shown	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	1,691	12	1,679
		<u>\$ 11,929</u>	<u>\$ 176</u>	<u>\$ 11,753</u>
Body Camera Software	09/01/2024	20,295	1,502	18,793
01/01/2023 - \$76,174	09/01/2025	20,783	1,502	19,281
Annual Debt Service - 2.565%	09/01/2026	20,796	1,014	19,782
Mature - 09/01/2026		<u>\$ 61,874</u>	<u>\$ 4,018</u>	<u>\$ 57,856</u>
Fleet Camera Software	07/01/2024	32,466	3,364	29,102
07/01/2023 - \$153,807	07/01/2025	32,466	2,557	29,909
Annual Debt Service - 2.738%	07/01/2026	32,466	1,728	30,738
Mature - 07/01/2027	07/01/2027	32,467	876	31,591
		<u>\$ 129,865</u>	<u>\$ 8,525</u>	<u>\$ 121,340</u>
TOTAL GOVERNMENTAL ACTIVITIES				<u><u>\$ 610,191</u></u>

CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS
December 31, 2023

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
ENTERPRISE FUNDS				
Water Sewer Fund				
Vehicle / Equipment Finance Purchase	01/04/2024	1,006	24	982
09/04/2019 - \$55,676	02/04/2024	1,006	21	985
Monthly Debt Service - 3.23%	03/04/2024	1,006	19	987
Mature - 09/04/2024	04/04/2024	1,006	16	990
Assets for Multiple Funds- WS Portion Shown	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	170	3	167
		<u>\$ 8,218</u>	<u>\$ 120</u>	<u>\$ 8,098</u>
Land Finance Purchase	01/31/2024	1,000	82	918
1/31/2020 - \$111,820.61	02/29/2024	1,000	80	920
Monthly Debt Service - 1.418%	03/31/2024	1,000	79	921
Mature - 12/31/2029	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
	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

CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS
December 31, 2023

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	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	24	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
	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>\$ 72,000</u>	<u>\$ 3,017</u>	<u>\$ 68,983</u>
Equipment Finance Purchase	01/01/2024	32,157	14,236	17,921
12/31/2023 - \$2,915,287	02/01/2024	32,157	14,149	18,008
Monthly Debt Service - 5.860%	03/01/2024	32,157	14,061	18,096
Mature - 12/1/2033	04/01/2024	32,157	13,972	18,185
	05/01/2024	32,157	13,884	18,273
	06/01/2024	32,157	13,794	18,363
	07/01/2024	32,157	13,705	18,452
	08/01/2024	32,157	13,615	18,542
	09/01/2024	32,157	13,524	18,633
	10/01/2024	32,157	13,433	18,724
	11/01/2024	32,157	13,342	18,815
	12/01/2024	32,157	13,250	18,907
	01/01/2025	32,157	13,157	19,000
	02/01/2025	32,157	13,065	19,092
	03/01/2025	32,157	12,971	19,186
	04/01/2025	32,157	12,878	19,279
	05/01/2025	32,157	12,784	19,373

CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS
December 31, 2023

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	06/01/2025	32,157	12,689	19,468
	07/01/2025	32,157	12,594	19,563
	08/01/2025	32,157	12,498	19,659
	09/01/2025	32,157	12,402	19,755
	10/01/2025	32,157	12,306	19,851
	11/01/2025	32,157	12,209	19,948
	12/01/2025	32,157	12,112	20,045
	01/01/2026	32,157	12,014	20,143
	02/01/2026	32,157	11,915	20,242
	03/01/2026	32,157	11,817	20,340
	04/01/2026	32,157	11,717	20,440
	05/01/2026	32,157	11,617	20,540
	06/01/2026	32,157	11,517	20,640
	07/01/2026	32,157	11,416	20,741
	08/01/2026	32,157	11,315	20,842
	09/01/2026	32,157	11,213	20,944
	10/01/2026	32,157	11,111	21,046
	11/01/2026	32,157	11,008	21,149
	12/01/2026	32,157	10,905	21,252
	01/01/2027	32,157	10,801	21,356
	02/01/2027	32,157	10,697	21,460
	03/01/2027	32,157	10,592	21,565
	04/01/2027	32,157	10,487	21,670
	05/01/2027	32,157	10,381	21,776
	06/01/2027	32,157	10,275	21,882
	07/01/2027	32,157	10,168	21,989
	08/01/2027	32,157	10,060	22,097
	09/01/2027	32,157	9,952	22,205
	10/01/2027	32,157	9,844	22,313
	11/01/2027	32,157	9,735	22,422
	12/01/2027	32,157	9,626	22,531
	01/01/2028	32,157	9,515	22,642
	02/01/2028	32,157	9,405	22,752
	03/01/2028	32,157	9,294	22,863
	04/01/2028	32,157	9,182	22,975
	05/01/2028	32,157	9,070	23,087
	06/01/2028	32,157	8,957	23,200
	07/01/2028	32,157	8,844	23,313
	08/01/2028	32,157	8,730	23,427
	09/01/2028	32,157	8,616	23,541
	10/01/2028	32,157	8,501	23,656
	11/01/2028	32,157	8,385	23,772
	12/01/2028	32,157	8,269	23,888
	01/01/2029	32,157	8,152	24,005
	02/01/2029	32,157	8,035	24,122
	03/01/2029	32,157	7,917	24,240
	04/01/2029	32,157	7,799	24,358
	05/01/2029	32,157	7,680	24,477
	06/01/2029	32,157	7,561	24,596
	07/01/2029	32,157	7,440	24,717
	08/01/2029	32,157	7,320	24,837
	09/01/2029	32,157	7,199	24,958
	10/01/2029	32,157	7,077	25,080

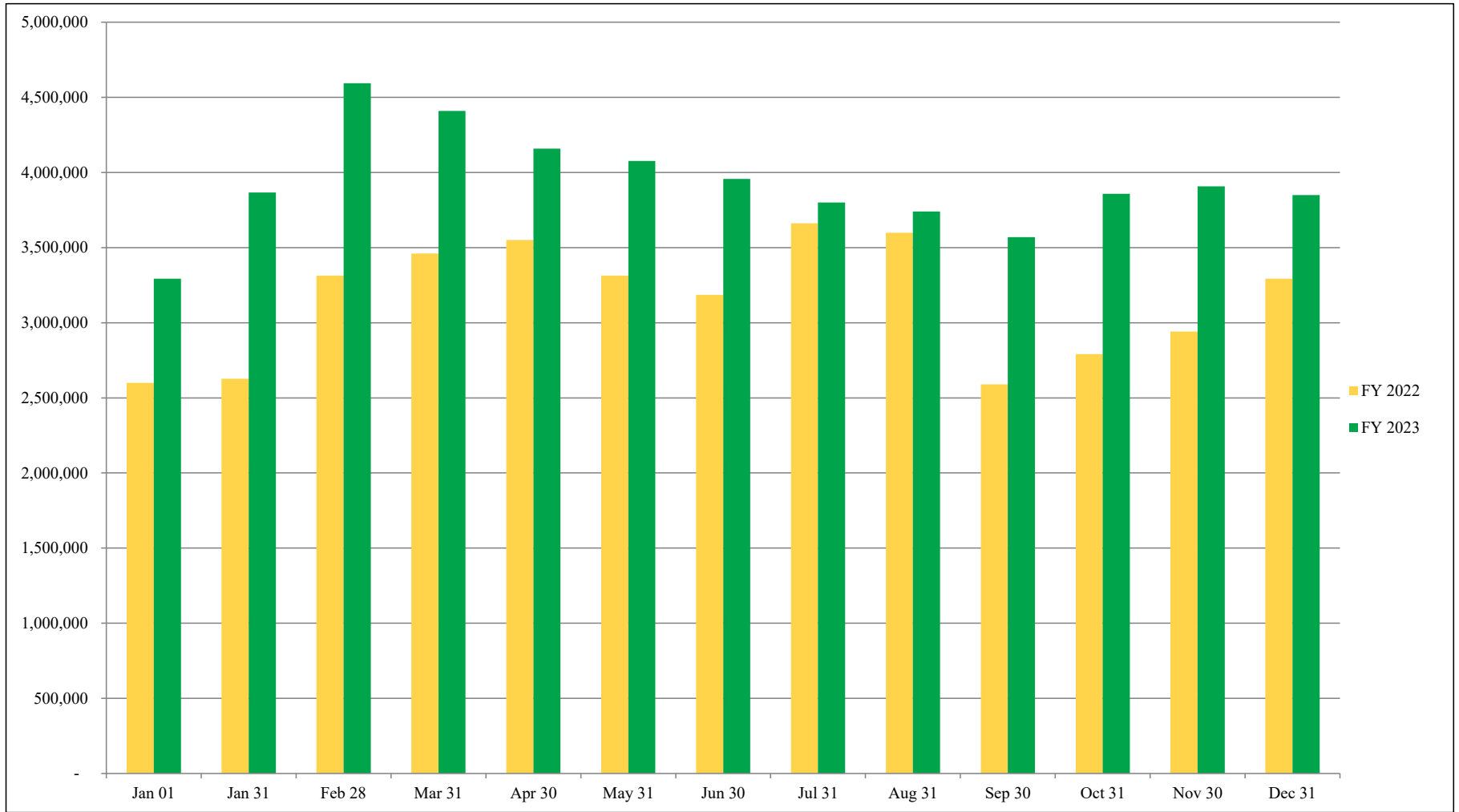
CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS
December 31, 2023

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	11/01/2029	32,157	6,954	25,203
	12/01/2029	32,157	6,831	25,326
	01/01/2030	32,157	6,707	25,450
	02/01/2030	32,157	6,583	25,574
	03/01/2030	32,157	6,458	25,699
	04/01/2030	32,157	6,333	25,824
	05/01/2030	32,157	6,207	25,950
	06/01/2030	32,157	6,080	26,077
	07/01/2030	32,157	5,953	26,204
	08/01/2030	32,157	5,825	26,332
	09/01/2030	32,157	5,696	26,461
	10/01/2030	32,157	5,567	26,590
	11/01/2030	32,157	5,437	26,720
	12/01/2030	32,157	5,306	26,851
	01/01/2031	32,157	5,175	26,982
	02/01/2031	32,157	5,044	27,113
	03/01/2031	32,157	4,911	27,246
	04/01/2031	32,157	4,778	27,379
	05/01/2031	32,157	4,644	27,513
	06/01/2031	32,157	4,510	27,647
	07/01/2031	32,157	4,375	27,782
	08/01/2031	32,157	4,239	27,918
	09/01/2031	32,157	4,103	28,054
	10/01/2031	32,157	3,966	28,191
	11/01/2031	32,157	3,828	28,329
	12/01/2031	32,157	3,690	28,467
	01/01/2032	32,157	3,551	28,606
	02/01/2032	32,157	3,411	28,746
	03/01/2032	32,157	3,271	28,886
	04/01/2032	32,157	3,130	29,027
	05/01/2032	32,157	2,988	29,169
	06/01/2032	32,157	2,846	29,311
	07/01/2032	32,157	2,703	29,454
	08/01/2032	32,157	2,559	29,598
	09/01/2032	32,157	2,414	29,743
	10/01/2032	32,157	2,269	29,888
	11/01/2032	32,157	2,123	30,034
	12/01/2032	32,157	1,976	30,181
	01/01/2033	32,157	1,729	30,428
	02/01/2033	32,157	1,581	30,576
	03/01/2033	32,157	1,432	30,725
	04/01/2033	32,157	1,283	30,874
	05/01/2033	32,157	1,132	31,025
	06/01/2033	32,157	981	31,176
	07/01/2033	32,157	868	31,289
	08/01/2033	32,157	777	31,380
	09/01/2033	32,157	624	31,533
	10/01/2033	32,157	470	31,687
	11/01/2033	32,157	315	31,842
	12/01/2033	32,157	159	31,998
		<u>\$ 3,858,840</u>	<u>\$ 943,553</u>	<u>\$ 2,915,287</u>

CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS
December 31, 2023

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
GEFA-2002	FY2024	42,728	726	42,002
\$4,661/monthly - APR-4.21 %				
Debt Service shown is Total of Payments for FY		\$ 42,728	\$ 726	\$ 42,002
Mature -10/01/2024				
GEFA CW	FY2024	99,081	18,148	80,933
\$1,658,605 - 01/01/2015	FY2025	99,081	16,662	82,419
\$8,257/monthly - APR - 1.82%	FY2026	99,081	15,150	83,931
Debt Service shown is Total of Payments for FY	FY2027	99,081	13,609	85,472
Mature -01/01/2035	FY2028	99,081	12,041	87,040
	FY2029	99,081	10,443	88,638
	FY2030	99,081	8,817	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	2,006	97,075
	FY2035	57,797	349	57,448
		\$ 1,147,688	\$ 113,613	\$ 1,034,075
City of Jasper Facilities Project-Series 2020	FY2024	341,617	29,617	312,000
\$3,642,000 9/2/2020	FY2025	338,060	26,060	312,000
\$1,626/monthly - APR - 2.82%	FY2026	334,504	22,504	312,000
Debt Service shown is Total of Payments for FY	FY2027	339,913	18,913	321,000
Mature -07/01/2034	FY2028	339,225	15,225	324,000
Combined/Refinanced 9/2/2020 - 2020 Bond	FY2029	335,531	11,531	324,000
	FY2030	339,811	7,811	332,000
	FY2031	339,990	3,990	336,000
	FY2032	168,559	559	168,000
		\$ 2,877,210	\$ 136,210	\$ 2,741,000
Total Water Sewer Fund Fund				\$ 6,809,445
Sanitation Fund				
Vehicle / Equipment Finance Purchase	01/04/2024	2,549	61	2,488
09/04/2019 - \$141,039	02/04/2024	2,549	54	2,495
Monthly Debt Service - 3.23%	03/04/2024	2,549	48	2,501
Mature - 09/04/2024	04/04/2024	2,549	41	2,508
Assets for Multiple Funds- Sanitation Portion Shown	05/04/2024	2,549	34	2,515
	06/04/2024	2,549	27	2,522
	07/04/2024	2,548	20	2,528
	08/04/2024	2,549	14	2,535
	09/04/2024	486	7	479
Total Solid Waste Sanitation Fund		\$ 20,877	\$ 306	\$ 20,571
Notes currently in drawdown phase at December 31, 2023 (amortization schedule not available)				\$ 8,504,177
TOTAL ENTERPRISE FUNDS				\$ 15,334,193
TOTAL PRIMARY GOVERNMENT				\$ 15,944,384

CITY OF JASPER, GEORGIA
SCHEDULE OF GENERAL FUND UNASSIGNED FUND BALANCE BY MONTH
Fiscal Years 2022 and 2023



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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, 2023, and the related notes to the financial statements, which collectively comprise the City of Jasper, Georgia's basic financial statements and have issued our report thereon dated May 10, 2024.

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. We identified a deficiency in internal control, described below, that we consider to be a material weakness.

2023-001

Condition: The City lacks sufficient controls and procedures regarding year-end close to ensure timely and accurate financial reporting. This included material adjustments to capital assets and debt during the audit process.

Criteria: Internal controls should be in place to ensure the City can perform timely and accurate year-end close procedures for the City to be able to produce its annual financial statements timely.

Effect: Failure to properly design and implement internal controls over year-end close procedures may lead to financial statements that are materially misstated and lead to delays in financial reporting.

2023-001, continued

Cause: A material capital asset addition through the issuance of debt was unrecorded at year-end.

Recommendation: We recommend the City's Finance Department continue to implement and/or strengthen internal controls over the year-end closeout procedures. We also recommend management reconcile account balances monthly to the subsidiary ledgers to ensure proper and timely recording.

Management Response: Management concurs with this finding. Management will ensure that proper internal controls over the year-end closeout procedures are designed and implemented. Also, the Finance Department will ensure that account balances are reconciled monthly to the subsidiary ledgers. This action was taken immediately upon receipt of the comment from our audits.

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
May 10, 2024

STATE REPORTING SECTION

CITY OF JASPER, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2023

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2014 Referendum					
Roads, Streets, and Bridges	\$ 6,000,000	\$ 6,000,000	\$ 5,048,205	\$ 124,394	\$ 5,172,599
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			\$ 101,900	\$ 0	\$ 101,900
Water and Sewer Facilities			142,622	0	142,622
Public Safety - Vehicles,					
Facilities, and Equipment			617,091	857,541	1,474,632
Parks and Recreation Facilities			63,314	387,173	450,487
Total	\$ 5,002,400	\$ 5,002,400	\$ 924,927	\$ 1,244,714	\$ 2,169,641

* 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.