



CITY OF JASPER, GEORGIA

Annual Financial Report

For the year ended December 31, 2025

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CITY OF JASPER, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2025

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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, 2025, 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, 2025, 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 opinions.

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 and the required supplementary information, as referred to in the table of contents, 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. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also 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, the schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards 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 1, 2026, 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 1, 2026

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Mayor
Kirk Raffield

City Manager
Brandon Douglas

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, 2025. 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 and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2025, by \$38,439,837. (reported as *net position*).
- As of December 31, 2025, Jasper's governmental funds reported combined ending fund balances of \$6,371,594. Approximately 67% of this total amount, \$4,237,532 is available for spending at the City Council's discretion (unassigned fund balance of the General Fund).

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

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

The focus of fund financial statements is directed to specific activities of the City and its most significant funds, not the City as a whole. A fund is an entity with a self-balancing set of accounts that the City uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the City's nonmajor funds can be found beginning on page 78. 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 Sewerage 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 32-71 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 72-77 of this report.

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, 2025 and 2024

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
ASSETS						
Current	\$ 11,563,352	\$ 10,977,546	\$ 6,061,810	\$ 4,309,859	\$ 17,625,162	\$ 15,287,405
Capital	12,641,600	10,270,051	40,976,290	39,353,860	53,617,890	49,623,911
Other noncurrent	0	0	221,877	228,051	221,877	228,051
Total Assets	<u>24,204,952</u>	<u>21,247,597</u>	<u>47,259,977</u>	<u>43,891,770</u>	<u>71,464,929</u>	<u>65,139,367</u>
DEFERRED OUTFLOWS OF RESOURCES						
Total Deferred Outflows of Resources	<u>566,809</u>	<u>511,844</u>	<u>306,068</u>	<u>303,523</u>	<u>872,877</u>	<u>815,367</u>
LIABILITIES AND NET POSITION						
Liabilities						
Current	2,638,584	2,266,403	3,360,525	18,652,533	5,999,109	20,918,936
Noncurrent	<u>3,133,890</u>	<u>2,374,068</u>	<u>21,576,467</u>	<u>6,417,255</u>	<u>24,710,357</u>	<u>8,791,323</u>
Total Liabilities	<u>5,772,474</u>	<u>4,640,471</u>	<u>24,936,992</u>	<u>25,069,788</u>	<u>30,709,466</u>	<u>29,710,259</u>
DEFERRED INFLOWS OF RESOURCES						
Total Deferred Inflows of Resources	<u>2,956,433</u>	<u>2,777,048</u>	<u>232,070</u>	<u>291,153</u>	<u>3,188,503</u>	<u>3,068,201</u>
Net Position						
Net investment in						
capital assets	11,232,686	9,747,428	17,881,382	16,040,431	29,114,068	25,787,859
Restricted	2,365,806	2,283,041	0	0	2,365,806	2,283,041
Unrestricted	<u>2,444,362</u>	<u>2,311,453</u>	<u>4,515,601</u>	<u>2,793,921</u>	<u>6,959,963</u>	<u>5,105,374</u>
Total Net Position	<u>\$ 16,042,854</u>	<u>\$ 14,341,922</u>	<u>\$ 22,396,983</u>	<u>\$ 18,834,352</u>	<u>\$ 38,439,837</u>	<u>\$ 33,176,274</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources for the City of Jasper exceeded liabilities and deferred inflows of resources by \$38,469,837 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 (76%) 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% (\$22,396,983) 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.

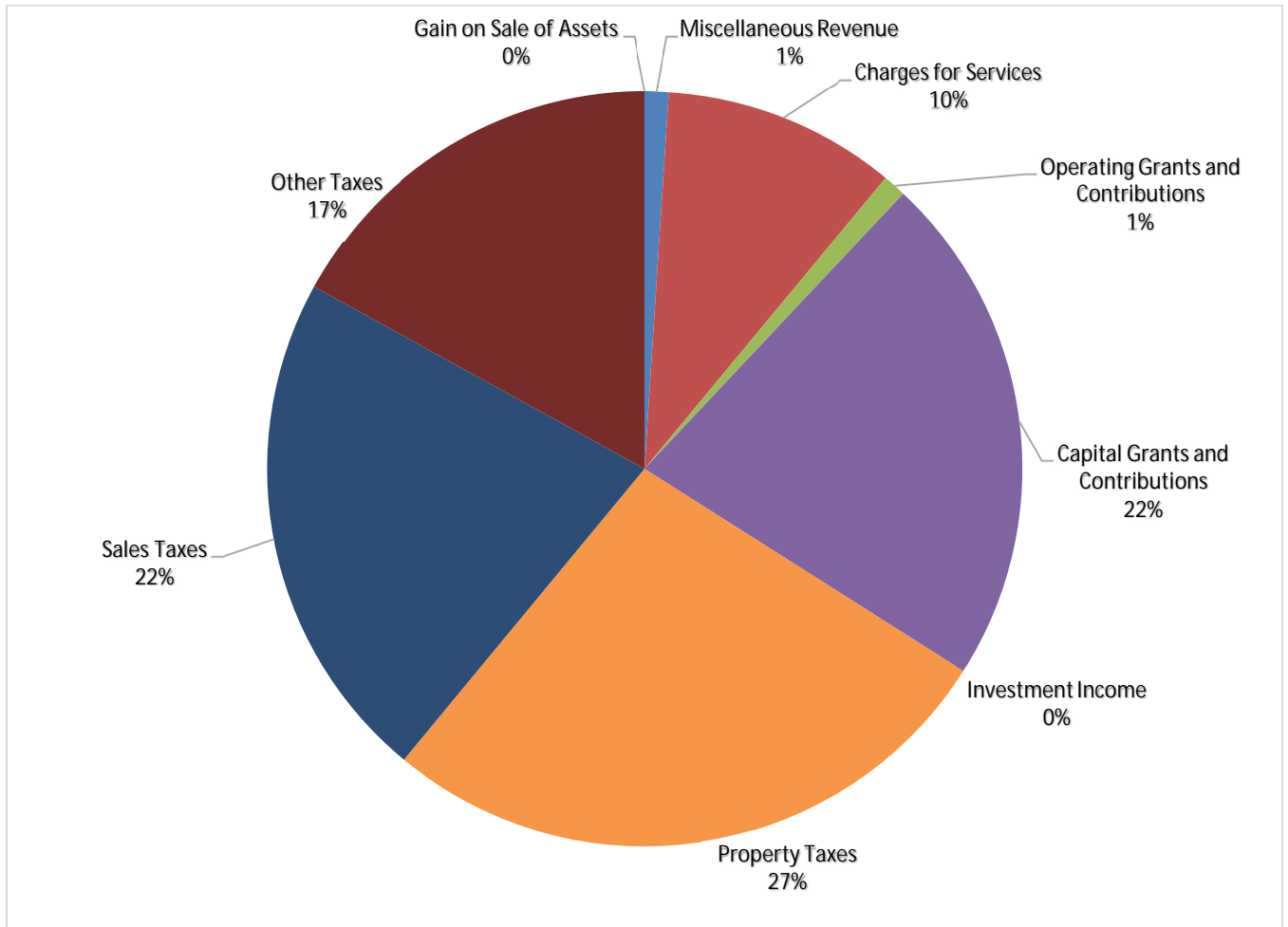
City of Jasper
Changes in Net Position
For the years ending December 31, 2025 and 2024

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
<i>PROGRAM REVENUES</i>						
Charges for services	\$ 1,095,441	\$ 973,401	\$ 7,902,598	\$ 6,655,439	\$ 8,998,039	\$ 7,628,840
Operating grants and contributions	145,917	170,927	0	0	145,917	170,927
Capital grants and contributions	2,448,300	1,753,550	2,874,190	893,722	5,322,490	2,647,272
General revenues:					0	0
Property taxes	2,988,726	2,327,618	0	0	2,988,726	2,327,618
Sales taxes	2,375,260	2,343,800	0	0	2,375,260	2,343,800
Other taxes	1,821,435	1,706,952	0	0	1,821,435	1,706,952
Investment income	31,124	46,906	83,248	83,066	114,372	129,972
Miscellaneous revenues	65,281	80,210	615,593	45,898	680,874	126,108
Total revenues	<u>10,971,484</u>	<u>9,403,364</u>	<u>11,475,629</u>	<u>7,678,125</u>	<u>22,447,113</u>	<u>17,081,489</u>
<i>EXPENSES</i>						
General Government	968,539	810,593	0	0	968,539	810,593
Judicial	191,592	176,504	0	0	191,592	176,504
Public Safety	5,565,464	5,028,808	0	0	5,565,464	5,028,808
Public Works	1,291,522	1,125,799	0	0	1,291,522	1,125,799
Culture and Recreation	281,483	99,955	0	0	281,483	99,955
Housing and Development	602,798	699,033	0	0	602,798	699,033
Interest on long-term debt	19,697	22,691	0	0	19,697	22,691
Water and sewer	0	0	7,924,609	7,133,364	7,924,609	7,133,364
Sanitation	0	0	337,846	333,827	337,846	333,827
Total expenses	<u>8,921,095</u>	<u>7,963,383</u>	<u>8,262,455</u>	<u>7,467,191</u>	<u>17,183,550</u>	<u>15,430,574</u>
Transfers in(out)	<u>(349,457)</u>	<u>(224,700)</u>	<u>349,457</u>	<u>224,700</u>	<u>0</u>	<u>0</u>
Increase (decrease) in net position	<u>1,700,932</u>	<u>1,215,281</u>	<u>3,562,631</u>	<u>435,634</u>	<u>5,263,563</u>	<u>1,650,915</u>
Net position - beginning, as previously reported	14,341,922	13,216,439	18,834,352	18,412,493	33,176,274	31,628,932
Change in accounting principle	0	(89,798)	0	(13,775)	0	(103,573)
Net position - beginning, as restated	<u>14,341,922</u>	<u>13,126,641</u>	<u>18,834,352</u>	<u>18,398,718</u>	<u>33,176,274</u>	<u>31,525,359</u>
Net position - ending	<u>\$ 16,042,854</u>	<u>\$ 14,341,922</u>	<u>\$ 22,396,983</u>	<u>\$ 18,834,352</u>	<u>\$ 38,439,837</u>	<u>\$ 33,176,274</u>

Governmental Activities –

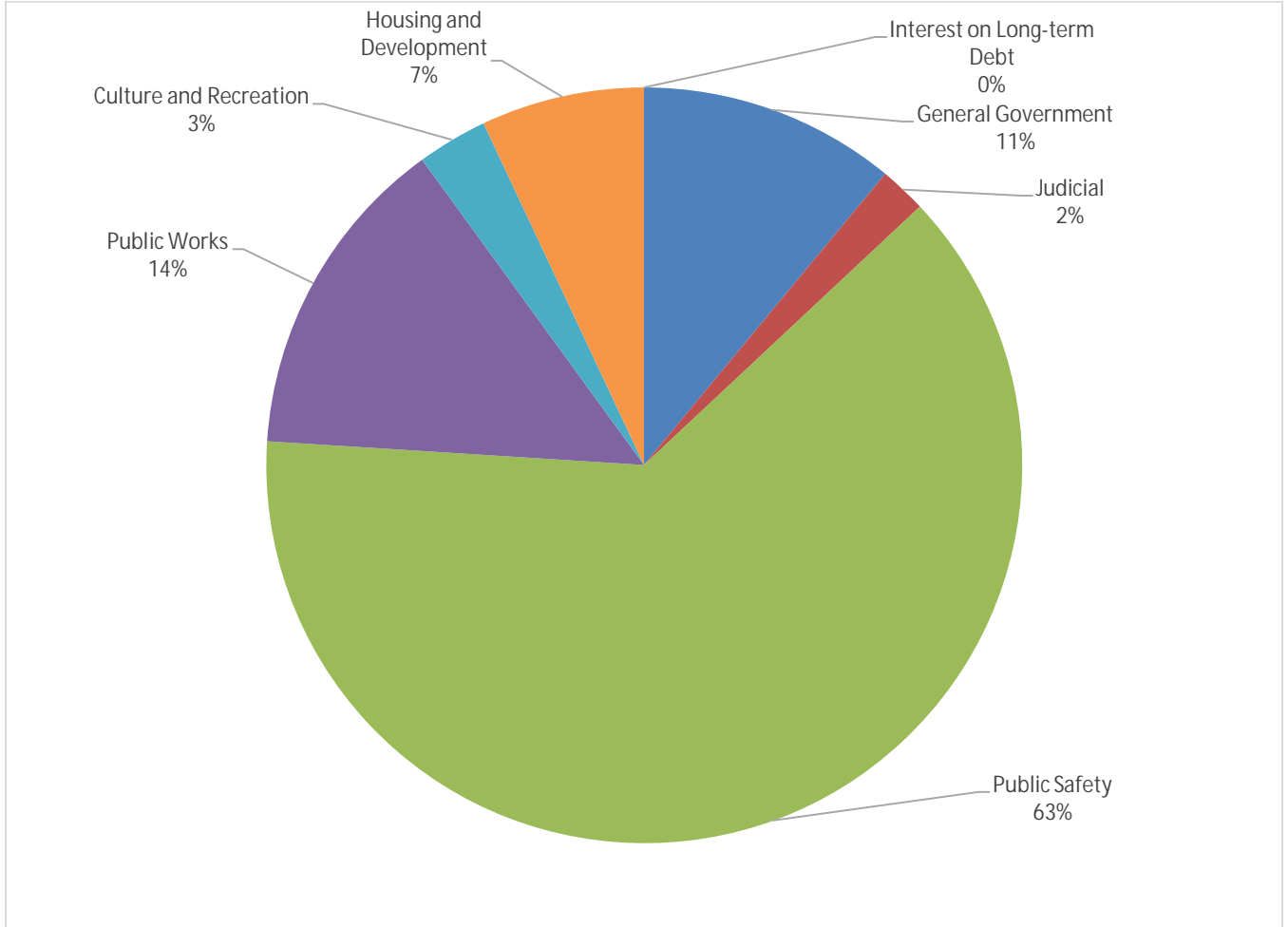
The following chart depicts revenues of the governmental activities for the year ended December 31, 2025:

Revenue by Source – Governmental Activities



The following chart depicts the expenses of the governmental activities for the year ended December 31, 2025:

Expenses by Function – Governmental Activities



Business-type Activities –

Business-type activities increased the City of Jasper's net position by \$3,562,631; this is \$3,126,997 more than the increase in net position for 2024. The key elements of this difference in increase are:

- The primary difference in the increase in net position is the increase in intergovernmental revenue. Operating revenues in the proprietary funds increased by \$1,775,257 over 2024. The most significant increase in operating revenues was in the Water and Sewerage Fund in the amount of \$1,761,114. The most significant increase in revenues was for charges for service increased \$1,247,159. Operating expenses in the Water and Sewerage Fund were up by \$1,209,553 over 2024.

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 \$6,371,594. Of this amount, \$4,237,532 (67%) 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 \$4,237,532, while total fund balance was \$4,529,802. 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 53% of total General Fund expenditures, while total fund balance represents 57% of that same amount.

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 City continued to expend these funds in accordance with the American Rescue Plan Act requirements. At the end of the current year, restricted fund balance of the American Rescue Plan Act Fund was \$0.

The 2020 SPLOST Fund is used to account for the receipt and disbursement of special purpose local option sales tax (SPLOST) funds. The City continued to expend these funds in accordance with the referendum. At the end of the current year, restricted fund balance of the 2020 SPLOST Fund was \$1,562,746.

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.

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 Sewerage	\$ 22,396,983
▪ Sanitation	\$ 0

The total increase in net position for both funds was \$3,562,631. 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 \$53,617,890 in capital assets (net of accumulated depreciation). Capital assets include infrastructure, land, buildings, and machinery and equipment. Approximately 76% of this investment is related to business-type activities and approximately 24% relates to governmental activities.

During 2025, the City invested \$6,288,771 in new capital assets. Major capital asset events during the current year included the following:

Governmental-type Activities 2025	
Fire Equipment	\$ 274,488
Police Equipment	488,327
Park Improvements	142,942
Street Department Equipment (2)	85,030
Fire Engine Equipment	67,611
Perrow Park CIP	1,513,565
Liberty Lain Fire Station CIP	581,667
	<u>\$ 3,153,630</u>
Business-type Activities 2025	
Wastewater Plant Improvements CIP	\$ 1,839,220
Water Treatment Plan Filter CIP	121,445
Sanitary Sewer Collection Rehabilitation CIP	394,862
Master Sewer Lift Station CIP	180,201
Water Distribution System Rehabilitation CIP	88,985
Waterlines (3)	256,239
Water Department Equipment (3)	97,571
Water Department Vehicles (3)	156,295
	<u>\$ 3,134,818</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, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 3,385,966	\$ 3,385,966	\$ 1,423,264	\$ 1,423,264	\$ 4,809,230	\$ 4,809,230
Construction in progress	1,803,731	403,496	20,884,447	18,654,596	22,688,178	19,058,092
Buildings and improvements	1,853,399	1,174,591	2,568,509	2,576,477	4,421,908	3,751,068
Infrastructure	3,634,309	3,508,266	29,410,368	29,083,452	33,044,677	32,591,718
Machinery and equipment	5,063,123	4,532,074	2,948,448	3,228,109	8,011,571	7,760,183
Park improvements	1,736,858	1,593,916	0	0	1,736,858	1,593,916
Intangible right-to-use assets					0	0
Software	229,981	229,981	0	0	229,981	229,981
Total	17,707,367	14,828,290	57,235,036	54,965,898	74,942,403	69,794,188
Accumulated depreciation/amortization	(5,065,767)	(4,558,239)	(16,258,746)	(15,612,038)	(21,324,513)	(20,170,277)
Net Capital Assets	\$ 12,641,600	\$ 10,270,051	\$ 40,976,290	\$ 39,353,860	\$ 53,617,890	\$ 49,623,911

Additional information on the City of Jasper's capital assets can be found in the Note 8 in the notes to the financial statements on pages 51-53 of this report.

Long-term debt. At December 31, 2025, the City of Jasper had \$22,697,793 in long-term debt which was an increase of \$238,629 from 2024. The increase is attributed to draws on existing notes from direct borrowings to fund the Wastewater Plant Improvements project.

City of Jasper
Outstanding Debt
As of December 31, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Notes payable	\$ 823,601	\$ 385,139	\$ 4,314,485	\$ 19,513,724	\$ 5,138,086	\$ 19,898,863
Bonds payable	0	0	17,477,596	2,429,000	17,477,596	2,429,000
Subscriptions payable	82,111	131,301	0	0	82,111	131,301
Compensated absences	262,350	231,489	104,551	91,487	366,901	322,976
Total	\$ 1,168,062	\$ 747,929	\$ 21,896,632	\$ 22,034,211	\$ 23,064,694	\$ 22,782,140

Additional information on the City's long-term debt can be found in the Note 9 in the notes to the financial statements on pages 53-61 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 2026 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 2026:

- Sustainability of existing services – The City strives to provide exceptional services to their citizens as well as customers outside city limits. For long-term goals, the City continuously evaluates current expenses and revenue all while prioritizing services.
- Cost of government – The City's millage rate decreased in 2025 from 6.221 mills to 6.136 mills. The levy in 2025 funds the 2026 budget.
- Capital Assets – For 2026, the City will utilize 2020 SPLOST for capital assets for public safety and parks. Fund balance from the General Fund will also be used for some public safety and city hall assets.
- Infrastructure improvements – The use of 2026 SPLOST will allow the City to make improvements to the water/sewer system. The City is installing a new master lift station, 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 2026, the City Council approved a total budget of \$19,322,249. This budget includes operating and non-operating funds. The General Fund budget is \$8,266,995 and the Proprietary Funds are budgeted for \$8,639,957 (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.

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BASIC FINANCIAL STATEMENTS

CITY OF JASPER, GEORGIA
STATEMENT OF NET POSITION
December 31, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 7,538,867	\$ 1,982,667	\$ 9,521,534	\$ 18,378
Restricted cash and cash equivalents	84,351	920,069	1,004,420	0
Receivables:				
Accounts (net)	21,005	1,004,411	1,025,416	0
Taxes (net)	2,670,698	0	2,670,698	0
Intergovernmental	765,002	2,203,202	2,968,204	0
Leases	0	6,174	6,174	0
Other	0	50,595	50,595	0
Internal balances	317,944	(317,944)	0	0
Prepaid items	165,485	54,749	220,234	0
Inventories	0	157,887	157,887	0
Total current assets	11,563,352	6,061,810	17,625,162	18,378
Noncurrent assets				
Leases receivable	0	221,877	221,877	0
Capital assets				
Non-depreciable	5,189,697	22,307,711	27,497,408	0
Depreciable/amortizable (net)	7,451,903	18,668,579	26,120,482	0
Total noncurrent assets	12,641,600	41,198,167	53,839,767	0
Total assets	24,204,952	47,259,977	71,464,929	18,378
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	566,809	306,068	872,877	0
LIABILITIES				
Current liabilities				
Payables				
Accounts	1,013,469	1,334,162	2,347,631	0
Retainages	64,821	29,451	94,272	0
Accrued salaries	150,648	30,931	181,579	0
Compensated absences payable	123,305	45,668	168,973	0
Accrued interest payable	5,463	24,494	29,957	0
Unearned revenue	1,045,179	25,366	1,070,545	0
Notes payable	132,069	343,663	475,732	0
Bonds payable	0	606,721	606,721	0
Subscriptions payable	50,520	0	50,520	0
Liabilities payable from restricted assets				
Customer deposits payable	53,110	920,069	973,179	0
Total current liabilities	2,638,584	3,360,525	5,999,109	0
Noncurrent liabilities				
Compensated absences payable	139,045	58,883	197,928	0
Net pension liability	2,271,722	675,887	2,947,609	0
Notes payable	691,532	3,970,822	4,662,354	0
Bonds payable	0	16,870,875	16,870,875	0
Subscriptions payable	31,591	0	31,591	0
Total noncurrent liabilities	3,133,890	21,576,467	24,710,357	0
Total liabilities	5,772,474	24,936,992	30,709,466	0
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	2,806,790	0	2,806,790	0
Deferred inflows of resources - leases	0	228,436	228,436	0
Deferred inflows of resources - pension	149,643	3,634	153,277	0
Total deferred inflows of resources	2,956,433	232,070	3,188,503	0

See accompanying notes to the financial statements.

CITY OF JASPER, GEORGIA
STATEMENT OF NET POSITION
December 31, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
NET POSITION				
Net investment in capital assets	\$ 11,232,686	\$ 17,881,382	\$ 29,114,068	\$ 0
Restricted for:				
Judicial and law enforcement				
technology equipment and supplies	10,965	0	10,965	0
Law enforcement equipment and supplies	21,501	0	21,501	0
Capital outlay	2,302,199	0	2,302,199	0
Promotion of downtown commerce				
and business	31,141	0	31,141	0
Economic development	0	0	0	1,002
Unrestricted	2,444,362	4,515,601	6,959,963	17,376
Total net position	\$ 16,042,854	\$ 22,396,983	\$ 38,439,837	\$ 18,378

CITY OF JASPER, GEORGIA
STATEMENT OF ACTIVITIES
For the year ended December 31, 2025

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	\$ 968,539	\$ 153,392	\$ 112,122	\$ 968,338	\$ 265,313	\$ 0	\$ 265,313	
Judicial	191,592	56,208	0	0	(135,384)	0	(135,384)	
Public safety	5,565,464	400,008	33,795	0	(5,131,661)	0	(5,131,661)	
Public works	1,291,522	0	0	1,479,962	188,440	0	188,440	
Culture and recreation	281,483	0	0	0	(281,483)	0	(281,483)	
Housing and development	602,798	485,833	0	0	(116,965)	0	(116,965)	
Interest on long-term debt	19,697	0	0	0	(19,697)	0	(19,697)	
Total governmental activities	<u>8,921,095</u>	<u>1,095,441</u>	<u>145,917</u>	<u>2,448,300</u>	<u>(5,231,437)</u>	<u>0</u>	<u>(5,231,437)</u>	
Business-type activities								
Water and Sewerage	7,924,609	7,599,044	0	2,874,190	0	2,548,625	2,548,625	
Sanitation	337,846	303,554	0	0	0	(34,292)	(34,292)	
Total business-type activities	<u>8,262,455</u>	<u>7,902,598</u>	<u>0</u>	<u>2,874,190</u>	<u>0</u>	<u>2,514,333</u>	<u>2,514,333</u>	
Total primary government	<u>17,183,550</u>	<u>8,998,039</u>	<u>145,917</u>	<u>5,322,490</u>	<u>(5,231,437)</u>	<u>2,514,333</u>	<u>(2,717,104)</u>	
Component Units								
Industrial Development Authority	0	0	0	0				\$ 0
Jasper Development Authority	316	0	0	0				(316)
Total component units	<u>\$ 316</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>				<u>\$ (316)</u>
General revenues and transfers								
Taxes								
Property					\$ 2,988,726	\$ 0	\$ 2,988,726	\$ 0
Sales					2,375,260	0	2,375,260	0
Franchise					647,425	0	647,425	0
Alcoholic beverage					364,955	0	364,955	0
Insurance premium					445,691	0	445,691	0
Business occupation					203,985	0	203,985	0
Hotel/Motel					94,999	0	94,999	0
Other					64,380	0	64,380	0
Interest and investment earnings					31,124	83,248	114,372	0
Gain on sale of assets					0	49,639	49,639	0
Miscellaneous					65,281	565,954	631,235	0
Transfers					(349,457)	349,457	0	0
Total general revenues and transfers					<u>6,932,369</u>	<u>1,048,298</u>	<u>7,980,667</u>	<u>0</u>
Change in net position					1,700,932	3,562,631	5,263,563	(316)
Net position - beginning					<u>14,341,922</u>	<u>18,834,352</u>	<u>33,176,274</u>	<u>18,694</u>
Net position - ending					<u>\$ 16,042,854</u>	<u>\$ 22,396,983</u>	<u>\$ 38,439,837</u>	<u>\$ 18,378</u>

See accompanying notes to the financial statements.

CITY OF JASPER, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	General	American Rescue Plan Act Fund	2020 SPLOST	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	\$ 5,060,574	\$ 911,339	\$ 1,505,160	\$ 61,794	\$ 7,538,867
Restricted cash and cash equivalents	84,351	0	0	0	84,351
Receivable					
Accounts	21,005	0	0	0	21,005
Taxes	2,664,419	0	0	6,279	2,670,698
Intergovernmental	20,000	0	745,002	0	765,002
Due from other funds	392,374	0	0	236,251	628,625
Prepaid items	165,485	0	0	0	165,485
Total assets	\$ 8,408,208	\$ 911,339	\$ 2,250,162	\$ 304,324	\$ 11,874,033
LIABILITIES					
Payables					
Accounts	\$ 523,199	\$ 0	\$ 464,992	\$ 25,278	\$ 1,013,469
Retainages		0	64,821	0	64,821
Due to other funds	153,078	0	157,603	0	310,681
Accrued salaries	150,648	0	0	0	150,648
Unearned revenue	133,840	911,339	0	0	1,045,179
Liabilities payable from restricted assets					
Customer deposits payable	53,110	0	0	0	53,110
Total liabilities	1,013,875	911,339	687,416	25,278	2,637,908
DEFERRED INFLOWS OF RESOURCES					
Property taxes levied for subsequent year	2,806,790	0	0	0	2,806,790
Unavailable revenue - property taxes	57,741	0	0	0	57,741
Total deferred inflows of resources	2,864,531	0	0	0	2,864,531
FUND BALANCES					
Nonspendable:					
Prepaid items	165,485	0	0	0	165,485
Restricted for:					
Judicial and law enforcement					
technology equipment and supplies	0	0	0	10,965	10,965
Law enforcement equipment and supplies	0	0	0	21,501	21,501
Promotion of downtown commerce					
and business	31,141	0	0	0	31,141
Capital outlay	95,644	0	1,562,746	236,251	1,894,641
Assigned for:					
Tourism	0	0	0	10,329	10,329
Unassigned	4,237,532	0	0	0	4,237,532
Total fund balances	4,529,802	0	1,562,746	279,046	6,371,594
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,408,208	\$ 911,339	\$ 2,250,162	\$ 304,324	\$ 11,874,033

CITY OF JASPER, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
December 31, 2025

Total fund balance - total governmental funds \$ 6,371,594

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	\$ 17,707,367	
Accumulated depreciation/amortization	<u>(5,065,767)</u>	12,641,600

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	\$ 566,809	
Deferred inflows of resources - pension	<u>(149,643)</u>	417,166

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. 57,741

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

Accrued interest payable	\$ (5,463)	
Compensated absences payable	(262,350)	
Net pension liability	(2,271,722)	
Note payable	(823,601)	
Subscriptions payable	<u>(82,111)</u>	<u>(3,445,247)</u>

Net position of the governmental activities		<u>\$ 16,042,854</u>
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CITY OF JASPER, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2025

	General	American Rescue Plan Act Fund	2020 SPLOST	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	\$ 7,087,328	\$ 0	\$ 0	\$ 101,278	\$ 7,188,606
Licenses and permits	582,913	0	0	0	582,913
Fines and forfeitures	387,683	0	0	56,208	443,891
Charges for services	68,637	0	0	0	68,637
Intergovernmental	167,943	347,997	1,971,771	0	2,487,711
Interest	30,391	0	7,286	878	38,555
Contributions	99,077	0	0	0	99,077
Other	65,281	0	0	0	65,281
Total revenues	8,489,253	347,997	1,979,057	158,364	10,974,671
EXPENDITURES					
Current					
General government	940,593	0	0	0	940,593
Judicial	166,296	0	0	16,006	182,302
Public safety	4,917,585	0	0	18,385	4,935,970
Public works	1,245,817	0	0	0	1,245,817
Culture and recreation	123,466	0	0	0	123,466
Housing and development	560,230	0	0	103,119	663,349
Capital outlay	0	0	2,730,343	95,412	2,825,755
Debt service	53,008	0	0	52,761	105,769
Total expenditures	8,006,995	0	2,730,343	285,683	11,023,021
Excess (deficiency) of revenues over (under) expenditures	482,258	347,997	(751,286)	(127,319)	(48,350)
Other financing sources (uses)					
Transfers in	0	0	100	236,251	236,351
Transfers out	(153,178)	(347,997)	(157,603)	0	(658,778)
Issuance of debt	0	0	474,103	0	474,103
Proceeds from sale of capital assets	51,700	0	0	0	51,700
Total other financing sources (uses)	(101,478)	(347,997)	316,600	236,251	103,376
Net change in fund balances	380,780	0	(434,686)	108,932	55,026
Fund balances, January 1	4,149,022	0	1,997,432	170,114	6,316,568
Fund balances, December 31	\$ 4,529,802	\$ 0	\$ 1,562,746	\$ 279,046	\$ 6,371,594

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, 2025

Net change in fund balances - total governmental funds \$ 55,026

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	\$ 3,287,378	
Depreciation/amortization	<u>(839,963)</u>	2,447,415

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

Cost of assets contributed	\$ 94,465	
Related accumulated depreciation	<u>(21,495)</u>	72,970

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

Cost of assets disposed	\$ (502,766)	
Related accumulated depreciation	<u>353,930</u>	(148,836)

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	\$ 343,028	
Cost of benefits earned net of employee contributions	<u>(646,595)</u>	(303,567)

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. (3,184)

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	\$ 84,831	
Issuance of debt	(474,103)	
Net change in interest payable	<u>1,241</u>	(388,031)

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>(30,861)</u>
Change in net position of governmental activities		<u>\$ 1,700,932</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, 2025

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 6,462,082	\$ 7,080,720	\$ 7,087,328	\$ 6,608
Licenses and permits	212,500	581,500	582,913	1,413
Fines and forfeitures	305,900	388,000	387,683	(317)
Charges for services	15,800	68,674	68,637	(37)
Intergovernmental	36,500	167,807	167,943	136
Interest	20,000	30,300	30,391	91
Contributions	76,000	99,000	99,077	77
Other	3,500	63,400	65,281	1,881
Total revenues	7,132,282	8,479,401	8,489,253	9,852
EXPENDITURES				
Current				
General government				
Legislative	183,499	191,499	109,009	82,490
Executive	367,657	458,507	453,320	5,187
Elections	10,743	10,743	0	10,743
Financial administration	348,742	441,076	378,264	62,812
Judicial				
Municipal court	151,156	168,049	166,296	1,753
Public safety				
Police	2,408,211	2,575,346	2,557,117	18,229
Fire	2,142,840	2,425,819	2,349,108	76,711
Animal control	41,765	72,437	11,360	61,077
Public works				
Streets	1,057,367	1,220,574	1,199,806	20,768
Fleet maintenance and shop	53,339	53,339	46,011	7,328
Culture and recreation				
Parks and recreation	42,400	122,699	123,466	(767)
Housing and development				
Protective inspection	223,055	223,055	63,955	159,100
Planning and zoning	405,990	430,550	410,216	20,334
Downtown development	76,000	86,100	86,059	41
Debt service	53,008	53,008	53,008	0
Total expenditures	7,565,772	8,532,801	8,006,995	525,806
Excess (deficiency) of revenues over (under) expenditures	(433,490)	(53,400)	482,258	535,658
Other financing sources (uses)				
Transfers out	0	0	(153,178)	(153,178)
Proceeds from sale of capital assets	0	53,400	51,700	(1,700)
Total other financing sources (uses)	0	53,400	(101,478)	(154,878)
Net change in fund balance	(433,490)	0	380,780	380,780
Fund balances, January 1	433,490	0	4,149,022	4,149,022
Fund balances, December 31	\$ 0	\$ 0	\$ 4,529,802	\$ 4,529,802

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, 2025

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 0	\$ 0	\$ 347,997	\$ 347,997
EXPENDITURES				
Current				
Public works	0	0	0	0
Excess (deficiency) of revenues over (under) expenditures	0	0	347,997	347,997
Other financing sources (uses)				
Transfers out	0	0	(347,997)	(347,997)
Net change in fund balance	0	0	0	0
Fund balances, January 1	0	0	0	0
Fund balances, December 31	\$ 0	\$ 0	\$ 0	\$ 0

CITY OF JASPER, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2025

	Business-Type Activities		
	Water and Sewerage	Nonmajor Sanitation	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,973,498	\$ 9,169	\$ 1,982,667
Restricted cash and cash equivalents	920,069	0	920,069
Receivables			
Accounts (net)	978,678	25,733	1,004,411
Intergovernmental	2,203,202	0	2,203,202
Leases	6,174	0	6,174
Other	50,595	0	50,595
Due from other funds	74,430	1,351	75,781
Prepaid items	54,251	498	54,749
Inventories	157,887	0	157,887
Total current assets	<u>6,418,784</u>	<u>36,751</u>	<u>6,455,535</u>
Noncurrent assets			
Leases receivable	221,877	0	221,877
Capital assets			
Nondepreciable	22,307,711	0	22,307,711
Depreciable (net)	18,654,307	14,272	18,668,579
Total noncurrent assets	<u>41,183,895</u>	<u>14,272</u>	<u>41,198,167</u>
Total assets	<u>47,602,679</u>	<u>51,023</u>	<u>47,653,702</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	286,349	19,719	306,068
LIABILITIES			
Current liabilities			
Payables			
Accounts	1,334,162	0	1,334,162
Retainages	29,451	0	29,451
Accrued salaries	29,080	1,851	30,931
Due to other funds	378,192	15,533	393,725
Compensated absences payable	44,907	761	45,668
Unearned revenue	25,366	0	25,366
Accrued interest payable	24,494	0	24,494
Notes payable	343,663	0	343,663
Bonds payable	606,721	0	606,721
Liabilities payable from restricted assets			
Customer deposits payable	920,069	0	920,069
Total current liabilities	<u>3,736,105</u>	<u>18,145</u>	<u>3,754,250</u>
Noncurrent liabilities			
Compensated absences payable	54,887	3,996	58,883
Net pension liability	627,546	48,341	675,887
Notes payable	3,970,822	0	3,970,822
Bonds payable	16,870,875	0	16,870,875
Total noncurrent liabilities	<u>21,524,130</u>	<u>52,337</u>	<u>21,576,467</u>
Total liabilities	<u>25,260,235</u>	<u>70,482</u>	<u>25,330,717</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - leases	228,436	0	228,436
Deferred inflows of resources - pension	3,374	260	3,634
Total deferred inflows of resources	<u>231,810</u>	<u>260</u>	<u>232,070</u>
NET POSITION			
Net investment in capital assets	17,867,110	14,272	17,881,382
Unrestricted	4,529,873	(14,272)	4,515,601
Total net position	<u>\$ 22,396,983</u>	<u>\$ 0</u>	<u>\$ 22,396,983</u>

See accompanying notes to the financial statements.

CITY OF JASPER, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the year ended December 31, 2025

	Business-Type Activities		
	Water and Sewerage	Nonmajor Sanitation	Totals
OPERATING REVENUES			
Charges for service	\$ 7,599,044	\$ 303,554	\$ 7,902,598
Miscellaneous	565,954	0	565,954
Total operating revenues	8,164,998	303,554	8,468,552
OPERATING EXPENSES			
Cost of sales and services	4,812,777	214,026	5,026,803
Personal services	1,507,948	107,394	1,615,342
Depreciation	1,164,340	16,426	1,180,766
Total operating expenses	7,485,065	337,846	7,822,911
Operating income	679,933	(34,292)	645,641
Non-operating revenues (expenses)			
Interest revenue	83,017	231	83,248
Interest expense	(439,544)	0	(439,544)
Distribution of capital assets to Governmental Activities	(72,970)	0	(72,970)
Gain (loss) on sale of capital assets	37,539	12,100	49,639
Total non-operating revenues (expenses)	(391,958)	12,331	(379,627)
Net income before capital contributions and transfers	287,975	(21,961)	266,014
Capital contributions			
Intergovernmental revenue	2,599,690	0	2,599,690
Capital contributions	274,500	0	274,500
Total capital contributions	2,874,190	0	2,874,190
Net income before transfers	3,162,165	(21,961)	3,140,204
Transfers			
Transfers in	422,427	10,528	432,955
Transfers out	(10,528)	0	(10,528)
Total transfers in (out)	411,899	10,528	422,427
Change in net position	3,574,064	(11,433)	3,562,631
Net position, January 1	18,822,919	11,433	18,834,352
Net position, December 31	\$ 22,396,983	\$ 0	\$ 22,396,983

CITY OF JASPER, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2025

	Business-Type Activities		
	Water and Sewerage	Nonmajor Sanitation	Totals
Cash flows from operating activities:			
Receipts from customers and users	\$ 7,639,095	\$ 300,991	\$ 7,940,086
Payments to suppliers	(4,718,692)	(213,810)	(4,932,502)
Payments to employees	(1,562,493)	(99,313)	(1,661,806)
Other receipts	565,954	0	565,954
Net cash provided (used) by operating activities	<u>1,923,864</u>	<u>(12,132)</u>	<u>1,911,732</u>
Cash flows from non-capital financing activities:			
Receipts of lease principal payments	12,408	0	12,408
Payments to other funds	(10,528)	(18,092)	(28,620)
Receipts from other funds	80,451	10,528	90,979
Net cash provided (used) by non-capital financing activities	<u>82,331</u>	<u>(7,564)</u>	<u>74,767</u>
Cash flows from capital and related financing activities:			
Receipts of capital contributions	274,500	0	274,500
Acquisition of capital assets	(1,587,371)	(9,798)	(1,597,169)
Proceeds from sale of capital assets	68,300	12,100	80,400
Receipts from other governments	1,373,424	0	1,373,424
Payment of retainages payable	(842,027)	0	(842,027)
Payment of capital related accounts payable	(563,928)	0	(563,928)
Receipts from other funds	422,427	0	422,427
Payments to other funds	(74,430)	0	(74,430)
Proceeds from bonds payable	15,627,000	0	15,627,000
Principal payments - bonds payable	(578,404)	0	(578,404)
Proceeds from notes payable	504,262	0	504,262
Principal payments - notes payable	(15,954,890)	0	(15,954,890)
Interest paid	(445,118)	0	(445,118)
Net cash provided (used) by capital and related financing activities	<u>(1,776,255)</u>	<u>2,302</u>	<u>(1,773,953)</u>
Cash flows from investing activities:			
Interest received	83,017	231	83,248
Net increase in cash and cash equivalents	312,957	(17,163)	295,794
Cash and cash equivalents, January 1	<u>2,580,610</u>	<u>26,332</u>	<u>2,606,942</u>
Cash and cash equivalents, December 31	<u><u>\$ 2,893,567</u></u>	<u><u>\$ 9,169</u></u>	<u><u>\$ 2,902,736</u></u>

CITY OF JASPER, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2025

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

Operating income	\$ 679,933	\$ (34,292)	\$ 645,641
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	1,164,340	16,426	1,180,766
(Increase) decrease in accounts receivable	34,957	(2,563)	32,394
(Increase) decrease in other receivables	(45,506)	0	(45,506)
(Increase) decrease in prepaid items	(9,723)	216	(9,507)
(Increase) decrease in inventory	49,954	0	49,954
(Increase) decrease in deferred outflows of resources - pension	(4,654)	2,109	(2,545)
Increase (decrease) in accounts payable	53,854	0	53,854
Increase (decrease) in accrued payroll liabilities	15,536	1,901	17,437
Increase (decrease) in unearned revenue	598	0	598
Increase (decrease) in customer deposits payable	62,025	0	62,025
Increase (decrease) in net pension liability	(21,153)	6,857	(14,296)
Increase (decrease) in deferred inflows of resources - pension	(44,274)	(2,786)	(47,060)
Increase (decrease) in deferred inflows of resources - leases	(12,023)	0	(12,023)
Total adjustments	<u>1,243,931</u>	<u>22,160</u>	<u>1,266,091</u>
Net cash provided (used) by operating activities	<u>\$ 1,923,864</u>	<u>\$ (12,132)</u>	<u>\$ 1,911,732</u>

Cash and cash equivalents reconciliation

Cash and cash equivalents	\$ 1,973,498	\$ 9,169	\$ 1,982,667
Restricted cash and cash equivalents	920,069	0	920,069
	<u>\$ 2,893,567</u>	<u>\$ 9,169</u>	<u>\$ 2,902,736</u>

Noncash investing, capital, and financing activities:

- Acquisition of capital assets through accounts payable totaled \$1,280,308.
- Acquisition of capital assets through retainages payable totaled \$29,451.
- Issuance of notes payable through intergovernmental receivable totaled \$251,389.
- Distribution of capital assets to the governmental activities totaled \$94,465, with related accumulated depreciation of \$21,495.

CITY OF JASPER, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2025

ASSETS	
Cash and cash equivalents	\$ 40,687
Accounts receivable	<u>5,061</u>
Total assets	<u>45,748</u>
LIABILITIES	
Due to others	<u>14,484</u>
NET POSITION	
Restricted for individuals, organizations, and other governments	<u><u>\$ 31,264</u></u>

CITY OF JASPER, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended December 31, 2025

ADDITIONS	
Court fees collected for other agencies	\$ 156,892
Court individual cases	<u>54,126</u>
Total additions	<u>211,018</u>
DEDUCTIONS	
Court fees distributed to other agencies	156,893
Payments to others	<u>58,042</u>
Total deductions	<u>214,935</u>
Change in net position	(3,917)
Net position, January 1	<u>35,181</u>
Net position, December 31	<u><u>\$ 31,264</u></u>

CITY OF JASPER, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
December 31, 2025

	Industrial Development Authority	Jasper Development Authority	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,002	\$ 17,376	\$ 18,378
NET POSITION			
Restricted for economic development	1,002	0	1,002
Unrestricted	0	17,376	17,376
Total net position	\$ 1,002	\$ 17,376	\$ 18,378

CITY OF JASPER, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the year ended December 31, 2025

	<u>Industrial Development Authority</u>	<u>Jasper Development Authority</u>	<u>Totals</u>
Expenses			
Total expenses	\$ 0	\$ 316	\$ 316
Program revenues			
Total program revenues	<u>0</u>	<u>0</u>	<u>0</u>
Net (expense) revenue	0	(316)	(316)
Change in net position	0	(316)	(316)
Net position - January 1	<u>1,002</u>	<u>17,692</u>	<u>18,694</u>
Net position - December 31	<u><u>\$ 1,002</u></u>	<u><u>\$ 17,376</u></u>	<u><u>\$ 18,378</u></u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

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 discretely presented 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, 2025

1. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

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. Separate financial statements are not prepared for 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. Separate financial statements are not prepared for 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, 2025

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, 2025

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, 2025

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 used to account for assets that are held for others. They are reported using the economic resources measurement focus and accrual basis of accounting. 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, 2025

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, 2025

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. Lease Receivable

The City lease receivable is measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred in flow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

G. 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.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

1. Summary of Significant Accounting Policies (continued)

H. 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.

I. 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.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

1. Summary of Significant Accounting Policies (continued)

I. Capital Assets, continued

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
Park improvements	10 to 20
Intangible right-to-use assets	
Software	3 to 5

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.

J. 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.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

1. Summary of Significant Accounting Policies (continued)

J. Deferred Outflows / Inflows of Resources, continued

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.

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 and leases.

K. Compensated Absences

The City provides paid time off (PTO) to full-time employees, which may be used for vacation, personal, or sick purposes. PTO is accrued each pay period based on employees' length of service. The City caps the accumulation and payout of PTO based on years of service and employee classification, in accordance with formal personnel policies. Upon separation from employment, employees may be compensated absences for unused PTO balances subject to the applicable caps established by City policy. Certain employees' PTO balances may also be paid upon retirement, subject to the same limits.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

1. Summary of Significant Accounting Policies (continued)

K. Compensated Absences, continued

The City's liability for compensated absences is calculated in accordance with GASB Statement No. 101, *Compensated Absences*. The liability reflects amounts earned but not yet taken by employees for which payment is either probable or required. The liability includes PTO balances for employees who are currently eligible to receive termination payments as well as those who are expected to become eligible in the future. The accrual is based on estimated payout provisions and includes related employer payroll taxes.

The compensated absences liability is reported in the government-wide statements and proprietary fund statements, with the portion expected to be liquidated with current financial resources reported as liability in the governmental funds.

L. 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.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

1. Summary of Significant Accounting Policies (continued)

M. Fund Equity and Net Position

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

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

Fund balances are classified as follows:

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

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

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

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

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

1. Summary of Significant Accounting Policies (continued)

M. Fund Equity and Net Position, continued

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City’s policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

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

Net Position Flow Assumption – Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

1. Summary of Significant Accounting Policies (continued)

N. 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.

O. 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.

P. 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.

Q. 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, 2025

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, 2025

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, 2025

4. Receivables

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

<u>Governmental Activities</u>	<u>General Fund</u>	<u>2020 SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
Receivables:				
Accounts	\$ 21,005	\$ 0	\$ 0	\$ 21,005
Taxes	2,816,515	0	6,279	2,822,794
Intergovernmental	20,000	745,002	0	765,002
Less allowance for uncollectible	(152,096)	0	0	(152,096)
Net totals	<u>\$ 2,705,424</u>	<u>\$ 745,002</u>	<u>\$ 6,279</u>	<u>\$ 3,456,705</u>

<u>Business-type Activities</u>	<u>Water and Sewerage Fund</u>	<u>Nonmajor Sanitation Fund</u>	<u>Totals</u>
Receivables:			
Accounts	\$ 1,219,559	\$ 25,733	\$ 1,245,292
Intergovernmental	2,203,202	0	2,203,202
Other	50,595	0	50,595
Less allowance for uncollectible	(240,881)	0	(240,881)
Net totals	<u>\$ 3,232,475</u>	<u>\$ 25,733</u>	<u>\$ 3,258,208</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 2025 tax digest year, based upon the assessments as of January 1, 2025, were levied on October 23, 2025, billed on November 13, 2025, and due on February 2, 2026. Unpaid tax bills become delinquent on February 3, 2026, and liens will be put on property with unpaid tax on March 5, 2026. The 2025 tax digest is to fund the 2026 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, 2025

6. Lease Receivable

In December 2024, the City entered into a ten-year lease with a cell phone service provider to provide the tenant with the right to a portion of real property, together with the right to use the tower located thereon. The lease provides one additional ten-year term. Under the lease, the tenant will pay the City an annual amount of \$13,800 for the first year of the lease. On the annual anniversary date of the commencement date, the annual rent amount is increased by 2.0% of the rent paid in the previous year. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at an imputed discount rate of 3.411%. The value of the lease receivable and deferred inflow of resources associated with the lease was \$228,051 and \$228,436, respectively, at December 31, 2025. During the current year, the City recognized \$12,023 in lease revenue (reported as other revenue on the statement of activities) and \$1,392 in interest revenue under the lease.

The annual requirements to amortize the lease receivable as of December 31, 2025 are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	\$ 6,174	\$ 7,902	\$ 14,076
2027	6,670	7,688	14,358
2028	7,188	7,457	14,645
2029	7,730	7,207	14,937
2030	8,297	6,940	15,237
2031-2035	50,914	29,962	80,876
2036-2040	69,377	19,917	89,294
2041-2044	71,701	6,382	78,083
Totals	<u>\$ 228,051</u>	<u>\$ 93,455</u>	<u>\$ 321,506</u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

7. 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	\$ 376,841
	Nonmajor Enterprise	15,533
Water and Sewerage	2020 SPLOST	74,430
Nonmajor Governmental	General	153,078
	2020 SPLOST	83,173
Nonmajor Enterprise	Water and Sewerage	<u>1,351</u>
		<u><u>\$ 704,406</u></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 transfers consisted of the following for the current year:

<u>Transfer Out Fund</u>	<u>Transfer In Fund</u>	<u>Amount</u>
General	2020 SPLOST	\$ 100
	Nonmajor Governmental	153,078
American Rescue Plan Act	Water and Sewerage	347,997
2020 SPLOST	Water and Sewerage	74,430
	Nonmajor Governmental	83,173
Water and Sewerage	Nonmajor Enterprise	<u>10,528</u>
		<u><u>\$ 669,306</u></u>
Transfers of capital assets from business-type activities to governmental activities		<u><u>\$ 72,970</u></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, 2025

7. Interfund Receivables, Payables, and Transfers (continued)

During the current year, the City transferred \$100 from the General Fund to the 2020 SPLOST Capital Projects Fund to establish an initial cash balance for the receipt and disbursement of future grant funds related to eligible capital projects.

In the current and prior year, certain intergovernmental revenues were received in the General Fund and the 2020 SPLOST Capital Projects Fund. However, the associated expenditures to be reimbursed by these revenues were incurred in the 2014 SPLOST Capital Projects Fund. This resulted in temporary interfund balances and transfers to align expenditures with available cash and revenue receipts. These interfund balances remain outstanding at year end and are expected to be resolved through future reimbursements and fund activity.

8. Capital Assets

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

	<u>Balance Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance Ending</u>
Governmental activities				
Non-depreciable assets				
Land	\$ 3,385,966	\$ 0	\$ 0	\$ 3,385,966
Construction in progress	403,496	2,183,246	(783,011)	1,803,731
Total non-depreciable assets	<u>3,789,462</u>	<u>2,183,246</u>	<u>(783,011)</u>	<u>5,189,697</u>
Depreciable/amortizable assets				
Buildings and improvements	1,174,591	764,429	(85,621)	1,853,399
Infrastructure	3,508,266	126,043	0	3,634,309
Machinery and equipment	4,532,074	948,194	(417,145)	5,063,123
Park improvements	1,593,916	142,942	0	1,736,858
Intangible right-to-use assets				
Software	229,981	0	0	229,981
Total depreciable/amortizable assets	<u>11,038,828</u>	<u>1,981,608</u>	<u>(502,766)</u>	<u>12,517,670</u>
Less accumulated depreciation				
Buildings and improvements	(446,058)	(56,619)	11,545	(491,132)
Infrastructure	(1,317,245)	(136,329)	0	(1,453,574)
Machinery and equipment	(2,442,574)	(571,672)	342,385	(2,671,861)
Park improvements	(264,671)	(45,302)	0	(309,973)
Intangible right-to-use assets				
Software	(87,691)	(51,536)	0	(139,227)
Total accumulated depreciation/amortization	<u>(4,558,239)</u>	<u>(861,458)</u>	<u>353,930</u>	<u>(5,065,767)</u>
Total depreciable/amortizable assets, net	<u>6,480,589</u>	<u>1,120,150</u>	<u>(148,836)</u>	<u>7,451,903</u>
Governmental activities capital assets, net	<u>\$ 10,270,051</u>	<u>\$ 3,303,396</u>	<u>\$ (931,847)</u>	<u>\$ 12,641,600</u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

8. Capital Assets (continued)

	<u>Balance Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance Ending</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 1,423,264	\$ 0	\$ 0	\$ 1,423,264
Construction in progress	18,654,596	2,229,851	0	20,884,447
Total non-depreciable assets	<u>20,077,860</u>	<u>2,229,851</u>	<u>0</u>	<u>22,307,711</u>
Depreciable assets				
Buildings and improvements	2,576,477	86,497	(94,465)	2,568,509
Infrastructure	29,083,452	326,916	0	29,410,368
Machinery and equipment	2,141,513	97,571	(201,284)	2,037,800
Vehicle	1,086,596	166,093	(342,041)	910,648
Total depreciable assets	<u>34,888,038</u>	<u>677,077</u>	<u>(637,790)</u>	<u>34,927,325</u>
Less accumulated depreciation				
Buildings and improvements	(923,058)	(57,576)	21,495	(959,139)
Infrastructure	(12,603,577)	(866,271)	0	(13,469,848)
Machinery and equipment	(1,134,738)	(158,946)	170,522	(1,123,162)
Vehicle	(950,665)	(97,973)	342,041	(706,597)
Total accumulated depreciation	<u>(15,612,038)</u>	<u>(1,180,766)</u>	<u>534,058</u>	<u>(16,258,746)</u>
Total depreciable assets, net	<u>19,276,000</u>	<u>(503,689)</u>	<u>(103,732)</u>	<u>18,668,579</u>
Business-type activities capital assets, net	<u>\$ 39,353,860</u>	<u>\$ 1,726,162</u>	<u>\$ (103,732)</u>	<u>\$ 40,976,290</u>

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

Primary Government

Governmental activities

General Government	\$ 25,775
Judicial	2,017
Public Safety	577,080
Public Works	163,666
Housing and Development	16,669
Culture and Recreation	54,756

Total depreciation/amortization expense for governmental activities \$ 839,963

Business-type activities

Water and Sewerage	\$ 1,164,340
Sanitation	16,426

Total depreciation expense for business-type activities \$ 1,180,766

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

8. Capital Assets (continued)

	Governmental Activities	Business-Type Activities
Current year depreciation/amortization expense	\$ 839,963	\$ 1,180,766
Prior accumulated depreciation on assets through transfer from enterprise funds	21,495	0
Additions to accumulated depreciation/amortization	<u>\$ 861,458</u>	<u>\$ 1,180,766</u>

9. 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 \$823,601. Individual notes outstanding at the end of the current year are listed below with their related interest rate and maturity.

- \$568,924 equipment finance purchase due in monthly installments of \$53,008 through September 2033, interest at 4.51%, \$349,498 outstanding.
- \$474,103 equipment finance purchase due in annual installments of \$94,821 through June 2030, interest at 0.00%, \$474,103 outstanding.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

9. Long-Term Liabilities (continued)

Notes from Direct Borrowings, continued

Governmental Activities, continued

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

Year Ending December 31,	Principal	Interest	Total
2026	\$ 132,069	\$ 15,760	\$ 147,829
2027	133,749	14,080	147,829
2028	135,504	12,325	147,829
2029	137,339	10,490	147,829
2030	139,256	8,573	147,829
2031-2033	145,684	13,332	159,016
Totals	<u>\$ 823,601</u>	<u>\$ 74,560</u>	<u>\$ 898,161</u>

Business-Type Activities

GEFA Loans

The City has entered into a direct borrowing agreement with the Georgia Environmental Finance Authority to finance improvements to the City's water and sewerage system. The City borrowed \$1,660,000 due in monthly installments of \$8,257 of principal and interest through July 2035; interest at 1.82% (\$870,723 outstanding). Note payments and performance obligations are secured by revenues on taxes, fees and charges collected by the City. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

9. Long-Term Liabilities (continued)

Notes from Direct Borrowings, continued

Business-Type Activities, continued

GEFA Loans, continued

The City has entered into a direct borrowing agreement with the Georgia Environmental Finance Authority in the amount of \$4,500,000 to finance improvements to the City's water and sewerage system. As of December 31, 2025, the City has drawn \$647,346 on this agreement. Principal and interest will be payable in 239 consecutive monthly installments, which are expected to commence on the earlier of either the completion of the project or May 1, 2026; interest at 2.36%. 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. This note is still in drawdown phase at December 31, 2025 and, therefore, is not included in the amortization schedule below.

The City has entered into a direct borrowing agreement with the Georgia Environmental Finance Authority in the amount of \$3,500,000 to finance improvements to the City's water and sewerage system. As of December 31, 2025, the City has drawn \$289,630 on this agreement. Principal and interest will be payable in 239 consecutive monthly installments, which are expected to commence on the earlier of either the completion of the project or April 1, 2026; interest at 2.28%. 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. This note is still in drawdown phase at December 31, 2025 and, therefore, is not included in the amortization schedule below.

The City has entered into a direct borrowing agreement with the Georgia Environmental Finance Authority in the amount of \$63,525 to finance investigations into the lead service lines in the City's drinking water system. As of December 31, 2025, the City has drawn \$50,328 and recognized \$50,328 in principal forgiveness on this agreement. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

9. Long-Term Liabilities (continued)

Notes from Direct Borrowings, continued

Business-Type Activities, continued

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. This obligation was paid in full in the current year.

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. This obligation was paid in full in the current year.

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 \$2,506,786. Individual notes outstanding at the end of the current year are listed below with their related interest rate and maturity.

- \$111,821 property finance purchase due in monthly installments of \$1,000 through December 2029, interest at 1.42%, \$46,637 outstanding.
- \$2,915,290 equipment finance purchase due in monthly installments of \$32,157 through December 2033, interest at 5.86%, \$2,460,149 outstanding.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

9. Long-Term Liabilities (continued)

Notes from Direct Borrowings, continued

Business-Type Activities, continued

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 343,663	\$ 153,302	\$ 496,965
2027	360,313	136,651	496,964
2028	377,897	119,068	496,965
2029	396,465	100,500	496,965
2030	403,896	80,968	484,864
2031-2035	1,495,275	117,257	1,612,532
Totals	<u>\$ 3,377,509</u>	<u>\$ 707,746</u>	<u>\$ 4,085,255</u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

9. 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 (\$2,117,000 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.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

9. Long-Term Liabilities (continued)

Revenue Bonds, continued

Business-Type Activities, continued

Revenue bonds were issued through the City and were comprised of the following individual issue for the current fiscal year:

- \$15,627,000 – City of Jasper Revenue Bonds (\$15,360,596 outstanding) – Series 2022A-2022C bonds due in monthly principal and interest payments of \$5,224 - \$25,020, interest ranging from 1.375% to 1.500%, through January 17, 2065. The bonds were issued for the purpose of prepaying two previously issued bond anticipation notes that financed the acquisition, construction and installation of certain additions, extensions, and improvements to the existing water and sewerage system of the City. The bonds are secured by a first pledge of and a first lien on the net revenues of the System. 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.

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

Year Ending December 31,	Principal	Interest	Total
2026	\$ 606,721	\$ 245,112	\$ 851,833
2027	620,058	237,184	857,242
2028	627,455	229,096	856,551
2029	631,922	220,937	852,859
2030	644,455	212,676	857,131
2031-2035	2,136,596	958,590	3,095,186
2036-2040	1,756,319	830,324	2,586,643
2041-2045	1,889,424	697,216	2,586,640
2046-2050	2,032,639	554,003	2,586,642
2051-2055	2,186,722	399,917	2,586,639
2056-2060	2,352,506	234,082	2,586,588
2061-2065	1,992,779	59,525	2,052,304
Totals	<u>\$ 17,477,596</u>	<u>\$ 4,878,662</u>	<u>\$ 22,356,258</u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

9. 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 \$20,295 through September 2026, interest at 2.565%, \$19,782 outstanding.
- \$153,807 camera software due in annual installments of \$32,467 through July 2027, interest at 2.738%, \$62,329 outstanding.

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

Year Ending December 31,	Principal	Interest	Total
2026	\$ 50,520	\$ 2,242	\$ 52,762
2027	31,591	876	32,467
Totals	<u>\$ 82,111</u>	<u>\$ 3,118</u>	<u>\$ 85,229</u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

9. Long-Term Liabilities (continued)

Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Notes from direct borrowings	\$ 385,139	\$ 474,103	\$ (35,641)	\$ 823,601	\$ 132,069
Subscriptions payable	131,301	0	(49,190)	82,111	50,520
Compensated absences	231,489	30,861	0	262,350	123,305
	<u>\$ 747,929</u>	<u>\$ 504,964</u>	<u>\$ (84,831)</u>	<u>\$ 1,168,062</u>	<u>\$ 305,894</u>
Business-type activities					
Notes from direct borrowings	\$ 19,513,724	\$ 755,651	\$ (15,954,890)	\$ 4,314,485	\$ 343,663
Revenue bonds	2,429,000	15,627,000	(578,404)	17,477,596	606,721
Compensated absences	91,487	13,064	0	104,551	45,668
	<u>\$ 22,034,211</u>	<u>\$ 16,395,715</u>	<u>\$ (16,533,294)</u>	<u>\$ 21,896,632</u>	<u>\$ 996,052</u>

The additions noted for compensated absences reflect the net change for the year.

The total interest incurred and charged to expense for the current year was \$19,697 and \$439,544 for the governmental activities and business-type activities, respectively.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

10. 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	\$ 12,641,600	\$ 40,976,290
Retainage payable	(64,821)	(29,451)
Capital related accounts payable	(438,381)	(1,280,308)
Unspent debt proceeds	0	6,932
Notes payable	(823,601)	(4,314,485)
Bonds payable	0	(17,477,596)
Subscriptions payable	(82,111)	0
Net investment in capital assets	<u>\$ 11,232,686</u>	<u>\$ 17,881,382</u>

11. 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, 2025

11. Pension Plans (continued)

Defined Benefit Pension Plan, continued

At July 1, 2025, the date of the most recent actuarial valuation, participants consisted of the following:

Active participants	75
Vested terminated participants	51
Retired participants and beneficiaries	39
Total number of participants	165

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. Effective, July 1, 2024, the City Manager is eligible for retirement benefits at a 2.50% flat formula at the age of 52 with 5 years of service or when the City Manager's age and years of service sum to 70 or greater. An additional 6 years of credited service, for the City Manager, shall count solely for the purpose of computing the amount of any benefit. An additional 9 years of credited service, for the City Manager, shall count solely for the purpose of calculating eligibility for the Rule of 70 Actuarially Neutral Rate (ANR).

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

11. 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 \$445,089, or 8.72% 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 \$2,947,609. The net pension liability was measured as of March 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. For the current year, the City recognized pension expense of \$686,037.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

11. 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, 2024	\$ 8,201,330	\$ 5,691,377	\$ 2,509,953
Changes for the year:			
Service cost	163,935	0	163,935
Interest	598,585	0	598,585
Differences between expected and actual experience	154,437	0	154,437
Contributions—employer	0	476,284	(476,284)
Net investment income (loss)	0	297,106	(297,106)
Other changes	278,761	0	278,761
Benefit payments, including refunds of employee contributions	(497,711)	(497,711)	0
Administrative expense	0	(15,328)	15,328
Net changes	698,007	260,351	437,656
Balances at March 31, 2025	\$ 8,899,337	\$ 5,951,728	\$ 2,947,609

Plan fiduciary net position as a percentage of the total pension liability	66.88%
Covered payroll	\$ 4,571,823
Employer's net pension liability as a percentage of covered payroll	64.47%

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

11. 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	\$ 333,817	\$ 0
Changes in participant fund allocation	137,427	(137,427)
Differences between expected and actual experience	264,091	(15,850)
Net difference between projected and actual earnings on pension plan investments	<u>137,542</u>	<u>0</u>
Totals	<u><u>\$ 872,877</u></u>	<u><u>\$ (153,277)</u></u>

The \$333,817 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
2026	\$ 273,816
2027	118,002
2028	(30,294)
2029	<u>24,259</u>
Totals	<u><u>\$ 385,783</u></u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

11. Pension Plans (continued)

Defined Benefit Pension Plan, continued

Actuarial Assumptions. The total pension liability in the July 1, 2025 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, 2025 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, 2025

11. 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, 2025 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%	6.60%
International equity	20%	7.03%
Real estate	10%	3.40%
Global fixed income	5%	3.70%
Domestic fixed income	20%	2.70%
Total	<u>100%</u>	

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

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

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease	6.375%	\$ 4,112,253
Current discount rate	7.375%	2,947,609
1% increase	8.375%	1,982,372

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

11. 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.

12. 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 \$42,485.

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, 2025

13. 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	\$ 101,278
Disbursements for tourism	\$ 103,119 101.8% of tax receipts

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

14. 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, 2025

15. 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.

16. Commitments and Contingencies

Contractual Commitments

At the end of the current year, contractual commitments on uncompleted contracts were \$6,560,557.

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.

17. New Accounting Pronouncements

The City implemented GASB Statement No. 102, *Certain Risk Disclosures*, effective for the City's current year. The requirements of this statement are effective for periods beginning after June 15, 2024. The implementation of this standard had no impact on the City's net position.

18. Subsequent Events

On April 16, 2026, the City issued general obligation bonds to finance all or a portion of the cost of certain projects in the City in the amount of \$4,500,000; interest at 3.32%, which shall be due and payable in 10 consecutive bi-annual installments beginning March 1, 2027 through September 1, 2031. Debt repayment will be funded by future SPLOST collections.

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, 2025
(Unaudited)

	Fiscal Year End		
	2025	2024	2023
Total pension liability			
Service cost	\$ 163,935	\$ 141,988	\$ 119,147
Interest	598,585	581,213	521,969
Differences between expected and actual experience	154,437	(19,876)	593,057
Changes of assumptions	0	0	0
Change of benefit terms	0	0	0
Other changes	278,761	0	0
Benefit payments, including refunds of employee contributions	(497,711)	(481,713)	(425,707)
Net change in total pension liability	698,007	221,612	808,466
Total pension liability - beginning	8,201,330	7,979,718	7,171,252
Total pension liability - ending (a)	\$ 8,899,337	\$ 8,201,330	\$ 7,979,718
Plan fiduciary net position			
Contributions - employer	\$ 476,284	\$ 340,210	\$ 353,573
Net investment income	297,106	829,973	(366,319)
Benefit payments, including refunds of employee contributions	(497,711)	(481,713)	(425,707)
Administrative expense	(15,328)	(11,697)	(13,618)
Net change in plan fiduciary net position	260,351	676,773	(452,071)
Plan fiduciary net position - beginning	5,691,377	5,014,604	5,466,675
Plan fiduciary net position - ending (b)	\$ 5,951,728	\$ 5,691,377	\$ 5,014,604
Net pension liability (asset) - ending : (a) - (b)	\$ 2,947,609	\$ 2,509,953	\$ 2,965,114
Plan's fiduciary net position as a percentage of the total pension liability	66.88%	69.40%	62.84%
Covered payroll	\$ 4,571,823	\$ 3,920,335	\$ 3,439,172
Net pension liability as a percentage of covered payroll	64.47%	64.02%	86.22%

Fiscal Year End

	2022	2021	2020	2019	2018	2017	2016
\$	112,209	\$ 124,477	\$ 97,074	\$ 76,252	\$ 83,554	\$ 96,340	\$ 93,171
	495,273	463,282	339,475	316,332	267,312	274,439	247,450
	(29,561)	155,588	87,530	77,892	466,554	(324,913)	111,686
	0	0	(6,354)	0	52,508	0	0
	0	0	1,417,725	0	0	0	0
	167,435	0	0	0	0	0	0
	<u>(354,911)</u>	<u>(239,697)</u>	<u>(175,110)</u>	<u>(190,332)</u>	<u>(164,875)</u>	<u>(110,788)</u>	<u>(97,349)</u>
	390,445	503,650	1,760,340	280,144	705,053	(64,922)	354,958
	<u>6,780,807</u>	<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>
\$	<u><u>7,171,252</u></u>	<u><u>6,780,807</u></u>	<u><u>6,277,157</u></u>	<u><u>4,516,817</u></u>	<u><u>4,236,673</u></u>	<u><u>3,531,620</u></u>	<u><u>3,596,542</u></u>
\$	353,460	\$ 220,754	\$ 130,284	\$ 137,285	\$ 154,727	\$ 138,580	\$ 123,819
	313,276	1,616,301	(270,448)	136,896	429,790	383,621	9,291
	(354,911)	(239,697)	(175,110)	(190,332)	(164,875)	(110,788)	(97,349)
	<u>(12,662)</u>	<u>(12,234)</u>	<u>(13,905)</u>	<u>(13,030)</u>	<u>(11,796)</u>	<u>(12,015)</u>	<u>(8,219)</u>
	299,163	1,585,124	(329,179)	70,819	407,846	399,398	27,542
	<u>5,167,512</u>	<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><u>5,466,675</u></u>	<u><u>5,167,512</u></u>	<u><u>3,582,388</u></u>	<u><u>3,911,567</u></u>	<u><u>3,840,748</u></u>	<u><u>3,432,902</u></u>	<u><u>3,033,504</u></u>
\$	<u><u>1,704,577</u></u>	<u><u>1,613,295</u></u>	<u><u>2,694,769</u></u>	<u><u>605,250</u></u>	<u><u>395,925</u></u>	<u><u>98,718</u></u>	<u><u>563,038</u></u>
	76.23%	76.21%	57.07%	86.60%	90.65%	97.20%	84.35%
\$	3,096,780	\$ 3,192,704	\$ 3,499,237	\$ 3,510,420	\$ 2,938,575	\$ 2,883,728	\$ 3,101,939
	55.04%	50.53%	77.01%	17.24%	13.47%	3.42%	18.15%

CITY OF JASPER, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
December 31, 2025
(Unaudited)

	<u>Fiscal Year End</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Actuarially determined contribution	\$ 476,284	\$ 436,484	\$ 356,617
Contributions in relation to the actuarially determined contribution	<u>(445,089)</u>	<u>(340,210)</u>	<u>(353,573)</u>
Contribution deficiency (excess)	<u>\$ 31,195</u>	<u>\$ 96,274</u>	<u>\$ 3,044</u>
Covered payroll	\$ 5,101,883	\$ 4,287,282	\$ 3,660,096
Contributions as a percentage of covered payroll	8.72%	7.94%	9.66%

Fiscal Year End

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 352,558	\$ 353,761	\$ 158,776	\$ 137,295	\$ 135,782	\$ 144,938	\$ 137,308
<u>(352,558)</u>	<u>(366,992)</u>	<u>(156,986)</u>	<u>(138,020)</u>	<u>(135,782)</u>	<u>(144,938)</u>	<u>(137,308)</u>
<u>\$ 0</u>	<u>\$ (13,231)</u>	<u>\$ 1,790</u>	<u>\$ (725)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 3,134,494	\$ 2,765,656	\$ 3,216,286	\$ 3,626,192	\$ 3,542,587	\$ 3,048,645	\$ 2,883,728
11.25%	13.27%	4.88%	3.81%	3.83%	4.75%	4.76%

CITY OF JASPER, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

1. Valuation Date

The actuarially determined contribution rate was determined as of July 1, 2025, 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, 2026.

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, 2025

3. Changes in Benefits

Amounts reported for years ending in 2025 and later reflect that effective July 1, 2024, the City Manager became eligible for alternative normal retirement under the Rule of 70 with no minimum age, had their benefit multiplier increased to 2.50%, and was granted additional service for benefit computation and alternative normal retirement eligibility.

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, 2025

	Special Revenue			Capital Projects	Total Nonmajor Governmental Funds
	Technology Surcharge	Confiscated Assets	Hotel/Motel Tax	2014 SPLOST	
ASSETS					
Cash and cash equivalents	\$ 11,882	\$ 21,501	\$ 28,411	\$ 0	\$ 61,794
Taxes receivable	0	0	6,279	0	6,279
Due from other funds	0	0	0	236,251	236,251
Total assets	\$ 11,882	\$ 21,501	\$ 34,690	\$ 236,251	\$ 304,324
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 917	\$ 0	\$ 24,361	\$ 0	\$ 25,278
Fund balances					
Restricted for:					
Judicial and law enforcement					
technology equipment and supplies	10,965	0	0	0	10,965
Law enforcement equipment and supplies	0	21,501	0	0	21,501
Capital outlay	0	0	0	236,251	236,251
Assigned for tourism	0	0	10,329	0	10,329
Total fund balances	10,965	21,501	10,329	236,251	279,046
Total liabilities and fund balances	\$ 11,882	\$ 21,501	\$ 34,690	\$ 236,251	\$ 304,324

CITY OF JASPER, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2025

	Special Revenue			Capital Projects	Total Nonmajor Governmental Funds
	Technology Surcharge	Confiscated Assets	Hotel/Motel Tax	2014 SPLOST	
REVENUES					
Taxes	\$ 0	\$ 0	\$ 101,278	\$ 0	\$ 101,278
Fines and forfeitures	56,208	0	0	0	56,208
Interest	683	23	27	145	878
Total revenues	56,891	23	101,305	145	158,364
EXPENDITURES					
Current					
Judicial	16,006	0	0	0	16,006
Public safety	18,385	0	0	0	18,385
Housing and development	0	0	103,119	0	103,119
Capital outlay	0	0	0	95,412	95,412
Debt service	52,761	0	0	0	52,761
Total expenditures	87,152	0	103,119	95,412	285,683
Excess (deficiency) of revenues over (under) expenditures	(30,261)	23	(1,814)	(95,267)	(127,319)
Other financing sources (uses)					
Transfers in	0	0	0	236,251	236,251
Net change in fund balances	(30,261)	23	(1,814)	140,984	108,932
Fund balances, January 1	41,226	21,478	12,143	95,267	170,114
Fund balances, December 31	\$ 10,965	\$ 21,501	\$ 10,329	\$ 236,251	\$ 279,046

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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 88,000	\$ 56,208	\$ (31,792)
Interest	600	683	83
Total revenues	<u>88,600</u>	<u>56,891</u>	<u>(31,709)</u>
EXPENDITURES			
Current			
Judicial	28,000	16,006	11,994
Public safety	60,600	18,385	42,215
Debt service	0	52,761	(52,761)
Total expenditures	<u>88,600</u>	<u>87,152</u>	<u>1,448</u>
Net change in fund balance	0	(30,261)	(30,261)
Fund balances, January 1	<u>0</u>	<u>41,226</u>	<u>41,226</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 10,965</u></u>	<u><u>\$ 10,965</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ 22	\$ 23	\$ 1
EXPENDITURES			
Current			
Public safety	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	22	23	1
Other financing sources (uses)			
Contingency	<u>15,340</u>	<u>0</u>	<u>(15,340)</u>
Net change in fund balance	(15,318)	23	15,341
Fund balances, January 1	<u>15,318</u>	<u>21,478</u>	<u>6,160</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 21,501</u></u>	<u><u>\$ 21,501</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 103,100	\$ 101,278	\$ (1,822)
Interest	50	27	(23)
Total revenues	<u>103,150</u>	<u>101,305</u>	<u>(1,845)</u>
EXPENDITURES			
Current			
Housing and development	<u>103,150</u>	<u>103,119</u>	<u>31</u>
Net change in fund balance	0	(1,814)	(1,814)
Fund balances, January 1	<u>0</u>	<u>12,143</u>	<u>12,143</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 10,329</u></u>	<u><u>\$ 10,329</u></u>

OTHER INFORMATION

CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS (UNAUDITED)
December 31, 2025

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
GOVERNMENTAL ACTIVITIES				
2019 Fire Truck	09/15/2026	53,008	15,760	37,248
09/15/2018 - \$568,923.59	09/15/2027	53,008	14,080	38,928
Annual Debt Service - 4.51%	09/15/2028	53,008	12,325	40,683
Mature - 09/15/2033	09/15/2029	53,008	10,490	42,518
100-80000	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	53,004	2,288	50,716
		\$ 424,058	\$ 74,560	\$ 349,498
Motorola Radios	06/01/2026	94,821	-	94,821
06/01/2025 - \$474,103	06/01/2027	94,821	-	94,821
Annual Debt Service - 0.00%	06/01/2028	94,821	-	94,821
Mature - 06/01/2030	06/01/2029	94,821	-	94,821
	06/01/2030	94,819	-	94,819
		\$ 474,103	\$ -	\$ 474,103
Body Camera Software	09/01/2026	\$ 20,295	\$ 513	\$ 19,782
01/01/2023 - \$76,174				
Annual Debt Service - 2.565%				
Mature - 09/01/2026				
Fleet Camera Software	07/01/2026	32,467	1,729	30,738
07/01/2023 - \$153,807	07/01/2027	32,467	876	31,591
Annual Debt Service - 2.738%				
Mature - 07/01/2027		\$ 64,934	\$ 2,605	\$ 62,329
TOTAL GOVERNMENTAL ACTIVITIES				\$ 905,712

ENTERPRISE FUNDS

Water Sewer Fund

Land Finance Purchase	01/31/2026	1,000	55	945
1/31/2020 - \$111,820.61	02/28/2026	1,000	54	946
Monthly Debt Service - 1.418%	03/31/2026	1,000	53	947
Mature - 12/31/2029	04/30/2026	1,000	52	948
	05/31/2026	1,000	51	949
	06/30/2026	1,000	50	950
	07/31/2026	1,000	48	952
	08/31/2026	1,000	47	953
	09/30/2026	1,000	46	954
	10/31/2026	1,000	45	955
	11/30/2026	1,000	44	956
	12/31/2026	1,000	43	957
	01/31/2027	1,000	42	958
	02/28/2027	1,000	40	960
	03/31/2027	1,000	39	961
	04/30/2027	1,000	38	962

CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS (UNAUDITED)
December 31, 2025

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	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
		\$ 48,000	\$ 1,363	\$ 46,637
Equipment Finance Purchase	01/01/2026	32,157	12,014	20,143
12/31/2023 - \$2,915,290	02/01/2026	32,157	11,915	20,242
Monthly Debt Service - 5.860%	03/01/2026	32,157	11,817	20,340
Mature - 12/1/2033	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

CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS (UNAUDITED)
December 31, 2025

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	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
	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

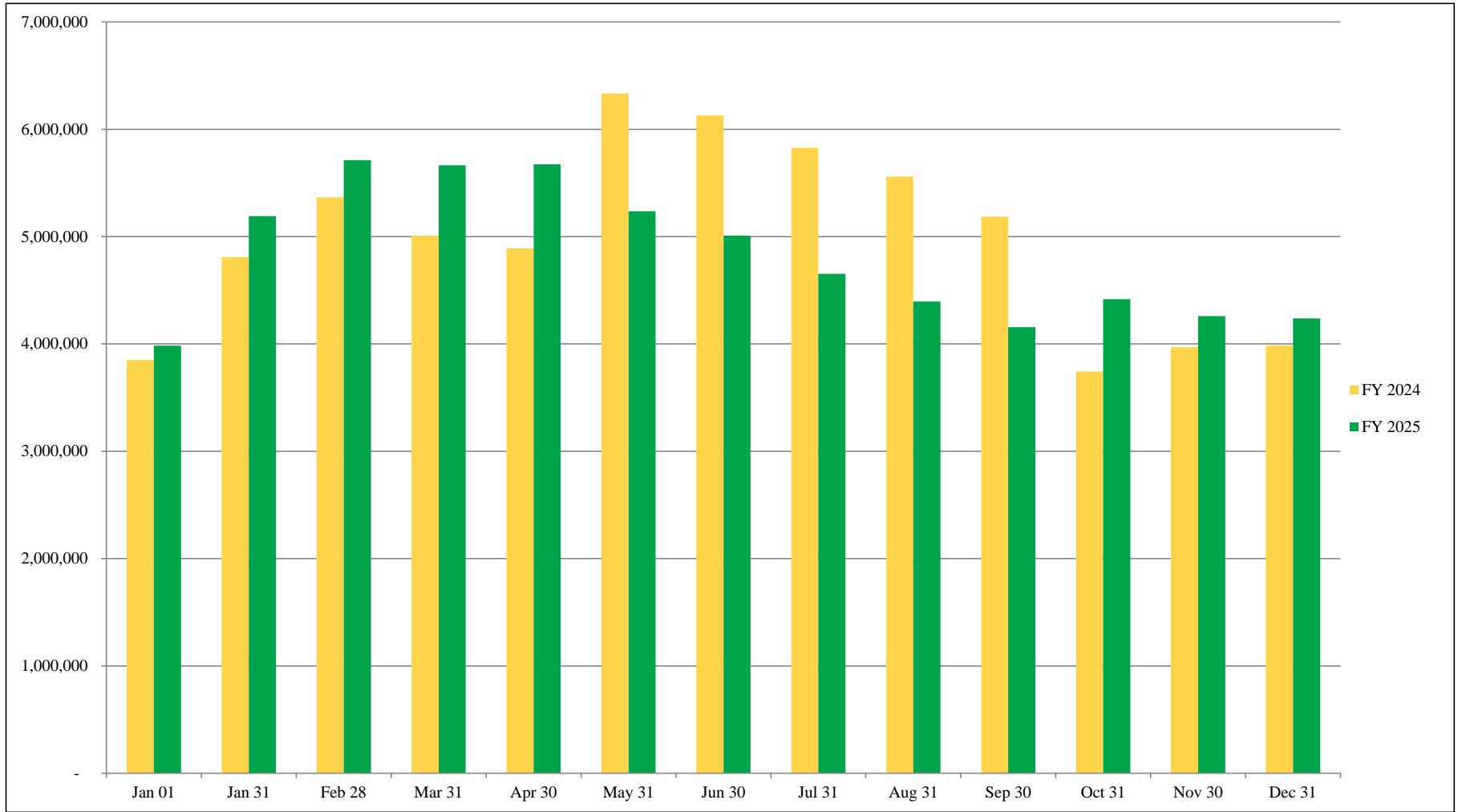
CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS (UNAUDITED)
December 31, 2025

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	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
		\$ 3,087,072	\$ 626,923	\$ 2,460,149
GEFA CW	FY2026	99,081	15,150	83,931
\$1,658,605 - 01/01/2015	FY2027	99,081	13,609	85,472
\$8,257/monthly - APR - 1.82%	FY2028	99,081	12,041	87,040
Debt Service shown is Total of Payments for FY	FY2029	99,081	10,443	88,638
Mature -01/01/2035	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
		\$ 949,526	\$ 78,803	\$ 870,723
City of Jasper Facilities Project-Series 2020	FY2026	334,504	22,504	312,000
\$3,642,000 9/2/2020	FY2027	339,913	18,913	321,000
\$1,626/monthly - APR - 2.82%	FY2028	339,225	15,225	324,000
Debt Service shown is Total of Payments for FY	FY2029	335,531	11,531	324,000
Mature - 07/01/2034	FY2030	339,811	7,811	332,000
Combined/Refinanced 9/2/2020 - 2020 Bond	FY2031	339,990	3,990	336,000
	FY2032	168,559	559	168,000
		\$ 2,197,533	\$ 80,533	\$ 2,117,000

CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS (UNAUDITED)
December 31, 2025

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
City of Jasper Facilities Project-Series 2022	FY2026	517,329	222,608	294,721
\$15,627,000 1/17/2025	FY2027	517,329	218,271	299,058
\$5,224-\$25,020/monthly - APR - 1.375%-1.500%	FY2028	517,326	213,871	303,455
Debt Service shown is Total of Payments for FY	FY2029	517,328	209,406	307,922
Mature - 07/01/2034	FY2030	517,330	204,875	312,455
Reparing 2 Bond Anticipation Notes	FY2031	517,326	200,277	317,049
	FY2032	517,329	195,612	321,717
	FY2033	517,327	190,878	326,449
	FY2034	517,326	186,074	331,252
	FY2035	517,328	181,199	336,129
	FY2036	517,328	176,253	341,075
	FY2037	517,326	171,233	346,093
	FY2038	517,331	166,140	351,191
	FY2039	517,329	160,971	356,358
	FY2040	517,329	155,727	361,602
	FY2041	517,327	150,405	366,922
	FY2042	517,329	145,004	372,325
	FY2043	517,327	139,524	377,803
	FY2044	517,327	133,963	383,364
	FY2045	517,330	128,320	389,010
	FY2046	517,327	122,594	394,733
	FY2047	517,329	116,784	400,545
	FY2048	517,329	110,888	406,441
	FY2049	517,330	104,904	412,426
	FY2050	517,327	98,833	418,494
	FY2051	517,326	92,672	424,654
	FY2052	517,328	86,421	430,907
	FY2053	517,328	80,077	437,251
	FY2054	517,329	73,640	443,689
	FY2055	517,328	67,107	450,221
	FY2056	517,327	60,479	456,848
	FY2057	517,277	53,703	463,574
	FY2058	517,329	46,927	470,402
	FY2059	517,328	40,001	477,327
	FY2060	517,328	32,973	484,355
	FY2061	517,329	25,841	491,488
	FY2062	517,326	18,604	498,722
	FY2063	517,329	11,260	506,069
	FY2064	488,450	3,807	484,643
	FY2065	11,871	14	11,857
		\$ 20,158,736	\$ 4,798,140	\$ 15,360,596
Total Water Sewer Fund				\$ 20,855,105
Notes currently in drawdown phase at December 31, 2025 (amortization schedule not available)				\$ 936,976
TOTAL ENTERPRISE FUNDS				\$ 21,792,081
TOTAL PRIMARY GOVERNMENT				\$ 22,697,793

CITY OF JASPER, GEORGIA
SCHEDULE OF GENERAL FUND UNASSIGNED FUND BALANCE BY MONTH (UNAUDITED)
Fiscal Years 2024 and 2025



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OTHER REPORTING SECTION

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SINGLE AUDIT 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, 2025, 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 1, 2026.

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, Georgia’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Jasper, Georgia’s internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Jasper, Georgia’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2025-001.

City of Jasper, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Jasper, Georgia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. City of Jasper, Georgia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rushton, LLC

Gainesville, Georgia
May 1, 2026

Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Jasper, Georgia’s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Jasper, Georgia’s major federal programs for the year ended December 31, 2025. The City of Jasper, Georgia’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Jasper, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Jasper, Georgia and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Jasper, Georgia’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Jasper, Georgia’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Jasper, Georgia's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Jasper, Georgia's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Jasper, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Jasper, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Jasper, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Rushton, LLC

Gainesville, Georgia
May 1, 2026

CITY OF JASPER, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2025

Federal Grant/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Number	Total Federal Expenditures
<u>U.S. Department of Agriculture</u>			
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	<u>\$ 2,483,105</u>
<u>U.S. Department of the Treasury</u>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	<u>347,997</u>
<u>Appalachian Regional Commission</u>			
Appalachian Regional Development	23.001	N/A	<u>620,341</u>
<u>U.S. Environmental Protection Agency</u>			
Passed through Georgia Environmental Finance Authority: Clean Water State Revolving Fund	66.458	CW2024007	545,221
Drinking Water State Revolving Fund	66.468	DW2024004	<u>210,430</u>
Total U.S. Environmental Protection Agency			<u>755,651</u>
<u>U.S. Department of Homeland Security</u>			
Passed through the Georgia Emergency Management Agency: Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4600-DR-GA	<u>111,623</u>
Total Federal Awards			<u><u>\$ 4,318,717</u></u>

See accompanying notes to the schedule of expenditures of federal awards and the schedule of findings and questioned costs.

CITY OF JASPER, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Jasper, Georgia, under programs for the federal government for the year ended December 31, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. De Minimis Indirect Cost Rate

The City of Jasper, Georgia has elected not to use the 15-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

4. Payments to Subrecipients

For the current year, the City of Jasper, Georgia did not pass federal funds through to subrecipients.

CITY OF JASPER, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2025

1. Summary of the Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	None reported
Significant deficiencies identified not considered material weaknesses?	None reported
Noncompliance material to financial statements noted?	Yes

B. Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant deficiencies identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None reported
Identification of major program:	
10.760 Water and Waste Disposal Systems for Rural Communities	
Dollar threshold used to distinguish Between Type A and Type B programs:	\$1,000,000
Auditee qualified as low-risk auditee?	No

CITY OF JASPER, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2025

2. Financial Statement Findings and Responses

2025-001

Criteria: OCGA Code Section 48-8-121 requires that SPLOST proceeds shall not be commingled with other funds of the City.

Condition: The City's Local Maintenance Improvement Grant (LMIG) revenues were deposited into the General Fund and 2020 SPLOST Capital Projects Fund and the amounts were expended in the 2014 SPLOST Capital Projects Fund in the prior and current year and reimbursement has not been made. As a result, the General Fund and 2020 SPLOST Capital Projects Fund owe the 2014 SPLOST Capital Projects Fund amounts at year-end.

Cause: The grant funds should have been deposited into the 2014 SPLOST Capital Projects Fund cash account since the project was accounted for within the 2014 SPLOST Capital Projects Fund.

Effect: Failure to comply with OCGA Code Section 48-8-121 is a violation of state law.

Recommendation: All revenues and expenditures should be accounted for within the appropriate fund. The amount due from the General Fund and 2020 SPLOST Capital Projects Fund should be deposited into the 2014 SPLOST Capital Projects Fund account promptly.

Management Response: Management concurs with this finding. The City has recorded an amount Due to 2014 SPLOST Capital Projects Fund and intends to make a timely reimbursement from the respective funds. In the future, the City will account for revenues in the appropriate accounts. This action was implemented immediately upon receipt of the comment from our auditors.

3. Prior Year Audit Findings Follow-Ups

None noted

4. Federal Award Findings and Questioned Costs

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

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STATE REPORTING SECTION

CITY OF JASPER, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2025

<u>Project</u>	<u>Estimated Cost *</u>		<u>Expenditures</u>		
	<u>Original</u>	<u>Current</u>	<u>Prior Years **</u>	<u>Current Year</u>	<u>Total</u>
2014 Referendum					
Roads, Streets, and Bridges	\$ 6,000,000	\$ 6,000,000	\$ 5,504,102	\$ 0	\$ 5,504,102
Roads, Streets, and Bridges expenditures financed with intergovernmental revenue				95,412	
Total expenditures in the 2014 SPLOST Fund				<u>\$ 95,412</u>	
2020 Referendum					
Roads, Streets, and Bridges; Water and Sewer Facilities; Public Safety; and Parks and Recreation	\$ 5,002,400	\$ 6,458,953			
Roads, Streets, and Bridges			\$ 172,560	\$ 83,173	\$ 255,733
Water and Sewer Facilities			142,622	74,430	217,052
Public Safety - Vehicles, Facilities, and Equipment			1,925,095	1,130,712	3,055,807
Parks and Recreation Facilities			1,015,083	1,599,631	2,614,714
Total	<u>\$ 5,002,400</u>	<u>\$ 6,458,953</u>	<u>\$ 3,255,360</u>	<u>\$ 2,887,946</u>	<u>\$ 6,143,306</u>

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

** The prior years column has been restated for 2014 SPLOST in the amount of \$172,872 to reflect previously identified expenditures of SPLOST funds that should have been financed through alternative funds.