

CITY OF JASPER
Jasper, Alabama

Financial Statements and
Supplemental Information

September 30, 2022

KELLUM, WILSON & ASSOCIATES, P.C.
Certified Public Accountants
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CITY OF JASPER, ALABAMA

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Jasper, Alabama

Report on the Audit of 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, and the budgetary comparison for the General Fund of the City of Jasper, Alabama (the "City") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Jasper City Board of Education of the City of Jasper, Alabama, which represent 100 percent of the assets, net position, and revenues of that component unit column as of September 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Jasper City Board of Education is based solely on the report of the other auditors.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other 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'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.

Auditors' 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 auditors' 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 for 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'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'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, Schedule of Changes in the Net Pension Liability and the Schedule of Employer Contributions 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's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the other supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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's internal control over financial reporting and compliance.

Kellum, Wilson & Associates, P.C.

Kellum, Wilson & Associates, P.C.

October 23, 2023

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

As management of the City of Jasper, Alabama (the "City"), we present this narrative overview and analysis designed to assist readers of the City's financial statements for the fiscal year ended September 30, 2022. Our discussion and analysis focuses on significant financial issues, provides an overview of the City's financial activity, identifies changes in the City's financial position, identifies any material deviations from the financial plan (the approved budget), and identifies individual fund issues or concerns.

Financial Highlights

- The assets of the City's Governmental Activities exceed its liabilities at the close of the fiscal year ended September 30, 2022, by \$29,704,852 (net position). The portion of net position that may be used to meet the City's ongoing obligations to citizens and creditors (unrestricted net position) is \$1,431,648.
- The City's total net position increased by \$8,057,145 in fiscal 2022.
- The City's total net capital assets decreased by \$1,395,795 in fiscal 2022. This decrease was mainly attributable to depreciation exceeding current year additions.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$52,265,811, an increase of \$32,580,617 from the prior year. Of this amount, \$31,770,287 is restricted. The City issued the 2022 GOW bonds in the fiscal year.
- At the end of the current fiscal year, the unassigned fund balance of the General Fund (the City's primary operating fund) was \$19,325,613. An Increase of \$5,447,006.
- The City's net long-term debt increased by \$22,092,967. The City issued the 2022 GOW bonds in the fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's financial statements, which is comprised of the basic financial statements and the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with an overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, liabilities, and deferred inflows and outflows of resources with the difference reported as net position. This statement combines governmental funds' current financial resources with capital assets and long-term obligations. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information focused on functions and shows how the City's net position changed during the most recent fiscal year. This is intended to summarize and simplify the user's analysis of revenue and expenses of various governmental services and/or subsidies to various business-type activities. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused employee leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to typically recover all or a significant portion of the cost of operation, including depreciation, through user fees and charges for services (*business-type activities*). The governmental activities of the City include general government, public safety, public works, recreation and cultural services, and non-departmental. The business-type activities of the City reflect private sector type operations and include cemeteries and garbage services.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the activities of *its component units*, the Jasper City Board of Education and the Industrial Development Board of the City of Jasper, Alabama. A component unit is a legally separate organization over which the City can exercise influence and/or may be obligated to provide financial subsidies. The focus of the statements is clearly on the primary government and the presentation allows the readers to address the City's relative relationship with the component units. The Jasper City Board of Education and the Industrial Development Board issue complete financial statements, which may be obtained by contacting the entities directly.

Fund Financial Statements

Traditional users of governmental financial statements will find the *Fund Financial Statements* presentation more familiar. The focus is on the City's major funds rather than the City as a whole. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Governmental, proprietary, and fiduciary are the three categories of fund types.

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Fund Financial Statements – Continued

Governmental Funds – The City of Jasper maintains four individual *major governmental funds*. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, American Rescue Plan, One-Cent Sales Tax Fund and the 2022 GOW fund. Data from other governmental funds are combined into a single *nonmajor governmental funds* aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

For management control of expenditures, the City adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for the City's major governmental funds to demonstrate compliance with their budgets.

Proprietary Funds – The City of Jasper maintains three proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to provide for separate information for the two cemeteries and the garbage services, each of which is considered a major fund of the City.

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 statements because the resources of those funds are not available to support City programs.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparisons and the City's progress in funding its obligations to provide pension benefits to its employees.

The combining fund statements and schedules are presented immediately following the required supplementary information.

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

**Condensed Statements of Net Position
September 30, 2022 and 2021**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and Other Assets	\$ 55,626,330	\$ 22,076,349	\$ 389,007	\$ 754,994	\$ 56,015,337	\$ 22,831,343
Capital Assets (Net)	<u>79,757,607</u>	<u>81,249,129</u>	<u>877,681</u>	<u>781,954</u>	<u>80,635,288</u>	<u>82,031,083</u>
Total Assets	<u>135,383,937</u>	<u>103,325,478</u>	<u>1,266,688</u>	<u>1,536,948</u>	<u>136,650,625</u>	<u>104,862,426</u>
Deferred Outflows of Resources	<u>7,172,510</u>	<u>7,137,609</u>	<u>345,583</u>	<u>356,581</u>	<u>7,518,093</u>	<u>7,494,190</u>
Other Liabilities	3,913,833	5,696,762	283,534	432,080	4,197,367	6,128,842
Long-Term Liabilities	<u>104,483,110</u>	<u>82,282,577</u>	<u>1,217,249</u>	<u>1,465,636</u>	<u>105,700,359</u>	<u>83,748,213</u>
Total Liabilities	<u>108,396,943</u>	<u>87,979,339</u>	<u>1,500,783</u>	<u>1,897,716</u>	<u>109,897,726</u>	<u>89,877,055</u>
Deferred Inflows Of Resources	4,454,652	1,005,751	369,686	84,301	4,824,338	1,090,052
Net Position:						
Net Invested in Capital Assets	(3,497,082)	16,069,600	594,098	344,301	(2,902,984)	16,413,901
Restricted	31,770,286	4,517,159	-	-	31,770,286	4,517,159
Unrestricted (Deficit)	<u>1,431,648</u>	<u>891,238</u>	<u>(852,296)</u>	<u>(432,789)</u>	<u>579,352</u>	<u>458,449</u>
Total Net Position	<u>\$ 29,704,852</u>	<u>\$ 21,477,997</u>	<u>\$ (258,198)</u>	<u>\$ (88,488)</u>	<u>\$ 29,446,654</u>	<u>\$ 21,389,509</u>

The City's total assets were \$136,650,625 as of September 30, 2022. Capital assets, including infrastructure, account for \$80,635,288.

The remaining City assets of \$53,385,347 are accounted for in cash and cash equivalents, \$2,239,999 in accounts receivable, \$24,300 in liens receivable, and the remainder spread among miscellaneous assets.

At September 30, 2022, the City had outstanding liabilities of \$109,897,726, of which \$105,700,359 was long-term. Long-term liabilities include warrants and notes payable, compensated absences, accrued landfill closure and post closure care costs, pension liabilities, and the OPEB obligation. Of the total amount outstanding, approximately \$5,694,586 is due within one year, with the remainder due at various dates before 2044.

Included in other liabilities in the above table are \$831,175 in accounts payable (most of which will be paid from the general fund and bond funds), and deferred revenue of \$2,557,684. The remainder is accrued interest and deposits.

The largest portion of the City's net position reflects its investment in capital assets, less any outstanding related debt used to acquire those assets. The City's capital assets are used to provide services to citizens. Consequently, investments in capital assets are not available for future spending. Although the City's investment in 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. The remaining unrestricted net position is \$579,352.

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

**Condensed Statement of Activities
For the Years Ended September 30, 2022, and 2021**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 5,071,835	\$ 4,634,615	\$ 1,748,711	\$ 1,831,146	\$ 6,820,546	\$ 6,465,761
Grants/Contributions	1,340,268	761,085	-	-	1,340,268	761,085
General Revenues:						
Property Taxes	3,282,133	3,353,363	-	-	3,282,133	3,353,363
Sales Taxes	21,452,499	18,504,593	-	-	21,452,499	18,504,593
Other Taxes	4,214,033	4,340,297	-	-	4,214,033	4,340,297
Other General Revenues	<u>614,708</u>	<u>300,591</u>	<u>10,688</u>	<u>142,631</u>	<u>625,396</u>	<u>443,222</u>
Total Revenues	<u>35,975,476</u>	<u>31,894,544</u>	<u>1,759,399</u>	<u>1,973,777</u>	<u>37,734,875</u>	<u>33,868,321</u>
Expenses						
Governmental Activities:						
General Government	1,669,436	1,939,616	-	-	1,669,436	1,939,616
Public Safety	7,208,518	7,674,741	-	-	7,208,518	7,674,741
Public Works	4,802,626	4,494,269	-	-	4,802,626	4,494,269
Recreation and Cultural	3,166,568	3,023,517	-	-	3,166,568	3,023,517
Nondepartmental	8,063,794	8,282,124	-	-	8,063,794	8,282,124
Interest on Long-Term Debt	2,837,679	2,054,124	-	-	2,837,679	2,054,124
Business-Type Activities:						
Cemeteries	-	-	18,996	21,827	18,996	21,827
Garbage Collection	<u>-</u>	<u>-</u>	<u>1,910,113</u>	<u>1,732,227</u>	<u>1,910,113</u>	<u>1,732,227</u>
Total Expenses	<u>27,748,621</u>	<u>27,468,391</u>	<u>1,929,109</u>	<u>1,754,054</u>	<u>29,677,730</u>	<u>29,222,445</u>
Net Increase (Decrease)	<u>8,226,855</u>	<u>4,426,153</u>	<u>(169,710)</u>	<u>219,723</u>	<u>8,057,145</u>	<u>4,645,876</u>
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>\$ 8,226,855</u>	<u>\$ 4,426,153</u>	<u>\$ (169,710)</u>	<u>\$ 219,723</u>	<u>\$ 8,057,145</u>	<u>\$ 4,645,876</u>

Total revenues for the City were \$37,734,875 for the year ended September 30, 2022. Governmental activities provided \$35,975,476 or 95.3%, while \$1,759,399 of business-type activities revenue was provided by charges for services and interest income. The governmental activities received \$21,452,499 or 56.85% of total revenue, from sales taxes and \$3,916,356, or 10.38% of total revenue, from business licenses and permits.

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Fund Financial Analysis

Governmental Funds

The General Fund is the chief operating fund of the City. The total general fund balance increased by \$5,172,766 in 2022 to \$19,676,768. At the end of the current fiscal year, the unassigned fund balance was \$19,325,613. 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. This is very 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 fiscal year. Unassigned fund balance represents approximately 97.9% of total general fund expenditures, while total fund balance represents 99.7% of the total general fund expenditures.

Enterprise Funds

The City operates the New Prospect Cemetery and the North Oakhill Cemetery. Lots are sold for \$250 each at New Prospect and \$600 each at North Oakhill. The City normally charges New Prospect \$1,000 for each mowing. The cemeteries will generally operate with a small profit each year, largely as a result of interest income from a certificate of deposit owned by North Oakhill Cemetery. This year, New Prospect Cemetery recorded loss from operations of \$(8,518) and North Oakhill Cemetery recorded income from operations of \$20,422.

The City also operates a garbage collection service for the citizens of the City. Current year loss from operations was \$(173,092).

Budgetary Highlights

The following is a brief review of the budgeting changes from the original to the final budget for the General Fund.

- No significant budget changes were made during the year.

Capital Assets

**Capital Assets
As of September 30, 2022, and 2021
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 1,847,867	\$ 1,746,973	\$ 122,500	\$ 122,500	\$ 1,970,367	\$ 1,869,473
Construction in Progress	359,438	-	-	-	359,438	-
Buildings	48,196,365	50,024,587	103,765	117,933	48,300,130	50,142,520
Equipment	4,253,009	4,287,889	651,415	541,521	4,904,424	4,829,410
Infrastructure	<u>25,100,928</u>	<u>25,189,680</u>	<u>-</u>	<u>-</u>	<u>25,100,928</u>	<u>25,189,680</u>
Total	<u>\$ 79,757,607</u>	<u>\$ 81,249,129</u>	<u>\$ 877,680</u>	<u>\$ 781,954</u>	<u>\$ 80,635,287</u>	<u>\$ 82,031,083</u>

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Capital Assets – Continued

This investment in capital assets includes land, buildings, improvements other than buildings, system improvements (drainage and streets), machinery and equipment, park facilities, roads, highways, and bridges. The total decrease in the City's investment in capital assets for the current fiscal year was \$1,395,795 (net of depreciation).

Major capital asset events during the current fiscal year included the following:

- Construction of roads.
- Development of sidewalks.

Debt Administration

As of year-end, the City had \$87,710,149 in debt (bonds, notes, etc.) outstanding compared to \$65,618,182 at the end of last year, a \$22,091,967 increase. During the fiscal year the City issued the 2022 GOW

Outstanding Debt at Year-End

	<u>2022</u>	<u>2021</u>
Governmental:		
Note Payable	\$ 1,250,967	\$ 1,366,057
Note Payable	154,583	189,583
Note Payable	529,139	574,000
2014 Bond Issue	8,875,000	10,235,000
2012 Bond Issue	-	80,595
2015 Bond Issue	3,100,000	3,280,569
Deferred Amounts	4,171,877	1,118,725
2017 Bond Issue	9,425,000	9,930,000
2020 Bond Issue	38,035,000	38,405,000
2022 Bond Issue	21,885,000	-
Business-Type:		
Bank Loans	231,296	270,752
2019 Bond Issue	52,287	92,470
2015 Bond Issue	<u>-</u>	<u>74,431</u>
Total Debt	\$ <u>87,710,149</u>	\$ <u>65,617,182</u>

The City financed the purchase of a fire truck and a garbage truck in 2021.

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022**

Economic Factors

The City of Jasper is largely dependent upon its sales tax revenue for growth in income. In periods of economic decline, the City is faced with increasing taxes, licenses, or user charges as a means to increase revenue or reducing expenses in the form of reductions in services or the number of employees.

Financial Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, contact the City Clerk on the second floor of City Hall, 400 West 19th Street, Post Office Box 1589, Jasper, Alabama 35502-1589.

CITY OF JASPER, ALABAMA
Statement of Net Position
September 30, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Jasper City Board of Education	Industrial Development Board of the City of Jasper, Alabama
ASSETS					
Cash and Cash Equivalents	\$ 52,520,975	\$ 864,372	\$ 53,385,347	\$ 7,098,615	\$ 1,482,716
Investments	-	-	-	14,422,734	-
Due from Primary Government	-	-	-	-	-
Receivables, Net	2,159,944	80,055	2,239,999	4,115,981	31,255
Liens Receivable	24,300	-	24,300	-	-
Internal Balances	569,956	(569,956)	-	-	-
Inventories and Prepays	351,155	14,536	365,691	111,776	-
Capital Assets, Net					
Nondepreciable	2,207,305	122,500	2,329,805	7,134,147	-
Depreciable	<u>77,550,302</u>	<u>755,181</u>	<u>78,305,483</u>	<u>22,258,766</u>	<u>3,847,293</u>
TOTAL ASSETS	135,383,937	1,266,688	136,650,625	55,142,019	5,361,264
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge on Refunding	2,236,576	-	2,236,576	-	-
Deferred Outflows					
Related to Pension Liability	-	-	-	3,608,000	-
Employer OPEB Contribution	1,373,888	-	1,373,888	5,838,873	-
Contributions to Pension Plan	<u>3,562,046</u>	<u>345,583</u>	<u>3,907,629</u>	<u>2,102,725</u>	<u>-</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	7,172,510	345,583	7,518,093	11,549,598	-
LIABILITIES					
Accounts Payable	802,835	28,340	831,175	2,279,140	1,347
Deposit	-	255,194	255,194	-	-
Deferred Revenue	2,557,684	-	2,557,684	43,177	-
Accrued Interest Payable	553,314	-	553,314	240,462	-
NONCURRENT LIABILITIES					
Due Within One Year	5,612,721	81,865	5,694,586	776,045	50,000
Due in More Than One Year	89,413,978	201,718	89,615,696	25,627,769	-
Net Pension Obligation	<u>9,456,411</u>	<u>933,666</u>	<u>10,390,077</u>	<u>20,963,000</u>	<u>-</u>
TOTAL LIABILITIES	108,396,943	1,500,783	109,897,726	49,929,593	51,347
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	2,041,811	-
Related to OPEB Liability	826,690	-	826,690	11,418,842	-
Related to Pension Deferrals	<u>3,627,962</u>	<u>369,686</u>	<u>3,997,648</u>	<u>6,527,000</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	4,454,652	369,686	4,824,338	19,987,653	-
NET POSITION					
Invested in Capital Assets	(3,497,082)	594,098	(2,902,984)	15,488,408	3,797,293
Restricted for:					
Capital Projects	27,562,461	-	27,562,461	4,937,621	-
Other Purposes	4,207,825	-	4,207,825	(228,820)	-
Unrestricted	<u>1,431,648</u>	<u>(852,296)</u>	<u>579,352</u>	<u>(23,422,839)</u>	<u>1,512,624</u>
TOTAL NET POSITION	\$ 29,704,852	\$ (258,198)	\$ 29,446,654	\$ (3,225,630)	\$ 5,309,917

The notes to the financial statements are an integral part of this statement.

CITY OF JASPER, ALABAMA
Statement of Activities
September 30, 2022

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position				
	Program Revenues			Capital Grants and Contributions	Primary Government			Component Units	
	Charges for Services	Program Grants and Contributions			Governmental Activities	Business-Type Activities	Total	Jasper City Board of Education	Industrial Development Board of the City of Jasper, Alabama
FUNCTIONS									
PRIMARY GOVERNMENT									
Governmental Activities									
General Government	\$ (1,669,436)	\$ 3,916,356	\$ -	\$ 684,898	\$ 2,931,818	\$ -	\$ -	\$ -	
Public Safety	(7,208,518)	486,450	-	-	(6,722,068)	-	-	-	
Public Works	(4,802,626)	28,223	-	655,370	(4,119,033)	-	-	-	
Recreation and Cultural Services	(3,166,568)	90,919	-	-	(3,075,649)	-	-	-	
Nondepartmental	(8,063,794)	549,887	-	-	(7,513,907)	-	-	-	
Interest on Long-Term Debt	(2,837,679)	-	-	-	(2,837,679)	-	-	-	
Total Governmental Activities	(27,748,621)	5,071,835	-	1,340,268	(21,336,518)	-	-	-	
Business-Type Activities									
Cemeteries	(18,996)	30,900	-	-	11,904	-	-	-	
Garbage Collection	(1,910,113)	1,717,811	-	-	(192,302)	-	-	-	
Total Business-Type Activities	(1,929,109)	1,748,711	-	-	(180,398)	-	-	-	
TOTAL PRIMARY GOVERNMENT	(29,677,730)	6,820,546	\$ -	1,340,268	(21,336,518)	(180,398)	(6,379,958)	(193,446)	
COMPONENT UNITS									
Jasper City Board of Education	\$ (31,451,839)	\$ 2,775,873	\$ 21,422,053	\$ 873,955					
Industrial Development Board	(193,446)	-	-	-					
TOTAL COMPONENT UNITS	(31,645,285)	2,775,873	21,422,053	873,955					
GENERAL REVENUES									
Sales and Use Taxes					21,452,499	-	7,763,250	-	
Property Tax					3,282,133	-	2,022,682	-	
Licenses and Permits					-	-	-	527,315	
Other Taxes					4,214,033	-	181,322	-	
Investment Earnings					164,260	1,450	50,532	6,421	
Other General Revenues					450,448	9,238	1,621,239	-	
Total General Revenues					29,563,373	10,688	11,639,025	533,736	
Transfers					-	-	-	-	
Changes in Net Position					8,226,855	(169,710)	5,259,067	340,290	
NET POSITION – BEGINNING OF YEAR					21,477,997	(88,488)	(8,484,697)	4,969,627	
NET POSITION – END OF YEAR					<u>\$ 29,704,852</u>	<u>\$ (258,198)</u>	<u>\$ (3,225,630)</u>	<u>\$ 5,309,917</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF JASPER, ALABAMA

Balance Sheet
 Governmental Funds
 September 30, 2022

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	American Rescue Plan	One-Cent Sales Tax	2022 GOW		
ASSETS						
Cash and Cash Equivalents	\$ 14,601,366	\$ 2,558,445	\$ 2,294,115	\$ 21,285,608	\$ 11,781,441	\$ 52,520,975
Receivable, Net	2,136,325	-	-	-	23,619	2,159,944
Liens Receivable	24,300	-	-	-	-	24,300
Due from Other Funds	3,665,206	-	-	-	1,206,057	4,871,263
Inventories and Prepaids	351,155	-	-	-	-	351,155
TOTAL ASSETS	\$ 20,778,352	\$ 2,558,445	\$ 2,294,115	\$ 21,285,608	\$ 13,011,117	\$ 59,927,637
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 623,181	\$ -	\$ -	\$ -	\$ 179,655	\$ 802,836
Due to Other Funds	478,403	-	721,653	-	3,101,250	4,301,306
Deferred Revenue	-	2,557,684	-	-	-	2,557,684
TOTAL LIABILITIES	1,101,584	2,557,684	721,653	-	3,280,905	7,661,826
FUND BALANCES						
Unreserved						
Nonspendable Fund Balance	351,155	-	-	-	-	351,155
Restricted Fund Balance	-	761	1,572,462	21,285,608	8,911,456	31,770,287
Committed Fund Balance	-	-	-	-	-	-
Assigned Fund Balance	-	-	-	-	818,756	818,756
Unassigned Fund Balance	19,325,613	-	-	-	-	19,325,613
TOTAL FUND BALANCES	19,676,768	761	1,572,462	21,285,608	9,730,212	52,265,811
TOTAL LIABILITIES AND FUND BALANCES	\$ 20,778,352	\$ 2,558,445	\$ 2,294,115	\$ 21,285,608	\$ 13,011,117	\$ 59,927,637

The notes to the financial statements are an integral part of this statement.

CITY OF JASPER, ALABAMA

Balance Sheet – Continued

September 30, 2022

Fund Balances – Total Governmental Funds \$ 52,265,811

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.

Governmental Capital Assets	\$ 129,141,908	
Less Accumulated Depreciation	<u>(49,384,301)</u>	
		79,757,607
Deferred outflows of resources related to		
Pensions		3,562,046
OPEB		1,373,888
Refunding		2,236,576

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.

Governmental Bonds Payable and Loans Payable	(87,426,566)	
Current Year Accrued Interest	(553,314)	
Accrued Landfill Closure and Post Closure Costs	(346,671)	
Net Pension Obligation	(9,456,411)	
Compensated Absences	(1,315,996)	
OPEB Obligation	<u>(5,937,466)</u>	
		(105,036,424)
Deferred inflows of resources related to pensions are not reported in the funds		<u>(4,454,652)</u>

Net Position of Governmental Activities \$ 29,704,852

The notes to the financial statements are an integral part of this statement.

CITY OF JASPER, ALABAMA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2022

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	American Rescue Plan	One-Cent Sales Tax	2022 GOW		
REVENUES						
Taxes	\$ 27,718,363	\$ -	\$ -	\$ -	\$ 1,230,302	\$ 28,948,665
Interest	41,166	650	13	112,853	9,578	164,260
Licenses and Permits	3,916,356	-	-	-	-	3,916,356
Fines and Forfeitures	302,252	-	-	-	184,198	486,450
Intergovernmental	64,582	-	-	-	135,145	199,727
Charges and Fees	669,029	-	-	-	-	669,029
Rental Income	135,318	-	-	-	-	135,318
Grant Proceeds and Donations	1,000	601,081	-	-	738,187	1,340,268
Miscellaneous	13,802	-	-	-	101,601	115,403
TOTAL REVENUES	32,861,868	601,731	13	112,853	2,399,011	35,975,476
EXPENDITURES						
Current						
General Government	1,573,007	112,746	283	-	75,201	1,761,237
Public Safety	6,559,981	-	-	-	18,973	6,578,954
Public Works	3,140,200	-	-	-	70,694	3,210,894
Recreation and Cultural Services	2,456,978	-	-	-	249,346	2,706,324
Nondepartmental	3,256,419	-	-	-	-	3,256,419
Intergovernmental	2,741,550	-	-	-	-	2,741,550
Debt Service Principal	-	-	1,730,000	-	961,115	2,691,115
Interest and Other Charges	-	-	1,480,757	-	638,344	2,119,101
Capital Outlays	3,616	488,331	-	-	2,596,751	3,088,698
TOTAL EXPENDITURES	19,731,751	601,077	3,211,040	-	4,610,424	28,154,292
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	13,130,117	654	(3,211,027)	112,853	(2,211,413)	7,821,184
OTHER FINANCING SOURCES (USES)						
Proceeds of Long-Term Debt	-	-	-	25,142,814	-	25,142,814
Bond Issue Cost	-	-	-	(383,381)	-	(383,381)
Transfers In	140,000	-	4,400,000	-	9,788,397	14,328,397
Transfers Out	(8,097,351)	-	(1,249,450)	(3,586,678)	(1,394,918)	(14,328,397)
TOTAL OTHER FINANCING SOURCES (USES)	(7,957,351)	-	3,150,550	21,172,755	8,393,479	24,759,433
NET CHANGE IN FUND BALANCES	5,172,766	654	(60,477)	21,285,608	6,182,066	32,580,617
FUND BALANCES – BEGINNING OF YEAR	14,504,002	107	1,632,939	-	3,548,146	19,685,194
FUND BALANCES – END OF YEAR	\$ 19,676,768	\$ 761	\$ 1,572,462	\$ 21,285,608	\$ 9,730,212	\$ 52,265,811

The notes to the financial statements are an integral part of this statement.

CITY OF JASPER, ALABAMA

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
September 30, 2022

**NET CHANGE IN FUND BALANCES TOTAL
GOVERNMENTAL FUNDS**

\$ 32,580,617

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 depreciated over their estimated useful lives.

Capital Outlays Capitalized	\$ 3,088,698	
Depreciation	(4,580,217)	
Amortization of Bond Discount	(204,662)	
Advanced and Current Refundings	<u>(149,654)</u>	(1,845,835)

Contributions to pension plan in current fiscal year are not included on the Statement of Activities

952,184

Contributions to pension plan in prior fiscal year are included on the Statement of Activities

(754,035)

Some expenses reported in the Statement of Activities differ from amounts reported as expenditures in governmental funds.

Compensated Absences	421,541	
Change in OPEB Obligations	190,224	
Accrued Interest	(390,208)	
Pension Expense	(449,267)	
Accrued Closure and Post Closure Costs	<u>(26,667)</u>	(254,377)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which proceeds exceed repayments.

Bond and Loan Proceeds	(25,142,814)	
Principal Payments	<u>2,691,115</u>	<u>(22,451,699)</u>

**CHANGE IN NET POSITION
OF GOVERNMENTAL ACTIVITIES**

\$ 8,226,855

The notes to the financial statements are an integral part of this statement.

CITY OF JASPER, ALABAMA

Statement of Revenues, Expenditures, and Encumbrances – Budget to Actual

General Fund

For the Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 24,409,700	\$ 26,379,700	\$ 27,718,363	\$ 1,338,663
Interest	5,000	5,000	41,166	36,166
Licenses and Permits	3,669,900	3,679,900	3,916,356	236,456
Fines and Forfeitures	210,000	210,000	302,252	92,252
Intergovernmental	72,300	72,300	64,582	(7,718)
Charges and Fees	511,200	521,200	669,029	147,829
Rental Income	100,000	110,000	135,318	25,318
Miscellaneous	21,900	21,900	14,802	(7,098)
TOTAL REVENUES	29,000,000	31,000,000	32,861,868	1,861,868
EXPENDITURES				
General Government	1,575,700	1,580,700	1,573,007	7,693
Public Safety	7,536,235	7,535,735	6,559,981	975,754
Public Works	3,185,900	3,482,600	3,140,200	342,400
Recreation and Cultural Services	2,572,765	2,630,065	2,456,978	173,087
Nondepartmental	3,462,850	3,490,350	3,256,419	233,931
Intergovernmental	2,741,550	2,741,550	2,741,550	-
Capital Outlays	5,000	5,000	3,616	1,384
TOTAL EXPENDITURES	21,080,000	21,466,000	19,731,751	1,734,249
Excess of Revenues Over Expenditures	7,920,000	9,534,000	13,130,117	3,596,117
OTHER FINANCING SOURCES (USES)				
Transfers In	140,000	140,000	140,000	-
Transfers Out	(5,960,000)	(7,460,000)	(8,097,351)	(637,351)
TOTAL OTHER FINANCING SOURCES (USES)	(5,820,000)	(7,320,000)	(7,957,351)	(637,351)
NET CHANGE IN FUND BALANCE	2,100,000	2,214,000	5,172,766	2,958,766
FUND BALANCE – BEGINNING OF YEAR	14,504,002	14,504,002	14,504,002	-
FUND BALANCE – END OF YEAR	\$ 16,604,002	\$ 16,718,002	\$ 19,676,768	\$ 2,958,766

The notes to the financial statements are an integral part of this statement.

CITY OF JASPER, ALABAMA

Statement of Net Position – Proprietary Funds

September 30, 2022

	Proprietary Funds			Total Business-Type Activities
	New Prospect Cemetery	North Oakhill Cemetery	Garbage Collection	
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 210,837	\$ 188,996	\$ 464,539	\$ 864,372
Accounts Receivable, Net	422	-	79,633	80,055
Due from Other Funds	-	-	-	-
Inventory and Prepaids	-	-	14,536	14,536
TOTAL CURRENT ASSETS	211,259	188,996	558,708	958,963
Noncurrent Assets				
Capital Assets				
Land	122,500	-	-	122,500
Equipment and Improvements	30,648	177,427	3,797,400	4,005,475
	153,148	177,427	3,797,400	4,127,975
Less: Accumulated Depreciation	(30,647)	(97,614)	(3,122,033)	(3,250,294)
TOTAL NONCURRENT ASSETS	122,501	79,813	675,367	877,681
TOTAL ASSETS	333,760	268,809	1,234,075	1,836,644
DEFERRED OUTFLOWS OF RESOURCES				
Contributions to Pension Plan	-	-	345,583	345,583
LIABILITIES				
Current Liabilities				
Accounts Payable	-	-	28,340	28,340
Deposit	-	-	255,194	255,194
Due to Other Funds	-	-	569,956	569,956
	-	-	853,490	853,490
Noncurrent Liabilities				
Due Within One Year				
Bonds and Note Payable	-	-	81,865	81,865
Due in More Than One Year				
Net Pension Obligation	-	-	933,666	933,666
Bonds and Note Payable	-	-	201,718	201,718
TOTAL LIABILITIES	-	-	2,070,739	2,070,739
DEFERRED INFLOWS OF RESOURCES				
Pension Deferrals	-	-	369,686	369,686
NET POSITION				
Invested in Capital Assets	122,501	79,813	391,784	594,098
Unrestricted	211,259	188,996	(1,252,551)	(852,296)
TOTAL NET POSITION	\$ 333,760	\$ 268,809	\$ (860,767)	\$ (258,198)

The notes to the financial statements are an integral part of this statement.

CITY OF JASPER, ALABAMA

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the Year Ended September 30, 2022

	Proprietary Funds			Total Business-Type Activities
	New Prospect Cemetery	North Oakhill Cemetery	Garbage Collection	
OPERATING REVENUES				
Sales of Lots	\$ 500	\$ 30,400	\$ -	\$ 30,900
Collection Fees	-	-	1,717,811	1,717,811
Annual Upkeep	-	-	-	-
Miscellaneous	-	-	9,238	9,238
TOTAL OPERATING REVENUES	500	30,400	1,727,049	1,757,949
OPERATING EXPENSES				
Personnel	-	-	1,059,683	1,059,683
Vehicle Expenses	-	-	205,005	205,005
Repairs and Maintenance	8,770	4,250	203,938	216,958
Depreciation	-	5,728	182,191	187,919
Other	248	-	207,484	207,732
Supplies	-	-	19,583	19,583
Utilities	-	-	22,257	22,257
TOTAL OPERATING EXPENSES	9,018	9,978	1,900,141	1,919,137
OPERATING INCOME (LOSS)	(8,518)	20,422	(173,092)	(161,188)
NONOPERATING REVENUES (EXPENSES)				
Interest Expense	-	-	(9,972)	(9,972)
Interest Income	740	156	554	1,450
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	740	156	(9,418)	(8,522)
CHANGE IN NET POSITION	(7,778)	20,578	(182,510)	(169,710)
NET POSITION – BEGINNING OF YEAR	341,538	248,231	(678,257)	(88,488)
NET POSITION – END OF YEAR	\$ 333,760	\$ 268,809	\$ (860,767)	\$ (258,198)

The notes to the financial statements are an integral part of this statement.

CITY OF JASPER, ALABAMA
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2022

	Proprietary Funds			Total Business-Type Activities
	New Prospect Cemetery	North Oakhill Cemetery	Garbage Collection	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts from Citizens	\$ 500	\$ 30,400	\$ 1,717,811	\$ 1,748,711
Cash Receipts for Annual Upkeep	-	-	-	-
Other Miscellaneous Collections	-	-	9,238	9,238
Cash Paid to Employees for Services	-	-	(1,059,683)	(1,059,683)
Cash Paid to Suppliers	(10,298)	(4,250)	(601,336)	(615,884)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(9,798)</u>	<u>26,150</u>	<u>66,030</u>	<u>82,382</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash Received from Interest Earnings	<u>318</u>	<u>156</u>	<u>554</u>	<u>1,028</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	318	156	554	1,028
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Increase (Decrease) in Due to Other Funds	<u>-</u>	<u>-</u>	<u>(26,556)</u>	<u>(26,556)</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	-	(26,556)	(26,556)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal Payments on Long-Term Debt	-	-	(154,070)	(154,070)
Proceeds from New Debt	-	-	-	-
Purchase of Capital Assets	-	-	(283,645)	(283,645)
Cash Paid for Interest Expense	<u>-</u>	<u>-</u>	<u>(9,972)</u>	<u>(9,972)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	-	(447,687)	(447,687)
NET INCREASE (DECREASE) IN CASH	(9,480)	26,306	(407,659)	(390,833)
CASH AND CASH EQUIVALENTS- BEGINNING OF YEAR	<u>220,317</u>	<u>162,690</u>	<u>872,198</u>	<u>1,255,205</u>
CASH AND CASH EQUIVALENTS- END OF YEAR	<u>\$ 210,837</u>	<u>\$ 188,996</u>	<u>\$ 464,539</u>	<u>\$ 864,372</u>

The notes to the financial statements are an integral part of this statement.

CITY OF JASPER, ALABAMA

Statement of Cash Flows – Continued

Proprietary Funds

For the Year Ended September 30, 2022

	Proprietary Funds			Total Business-Type Activities
	New Prospect Cemetery	North Oakhill Cemetery	Garbage Collection	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (8,518)	\$ 20,422	\$ (173,092)	\$ (161,188)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation and Amortization	-	5,728	182,191	187,919
Pension Expense	-	-	-	-
Change in Accounts Receivable	(1,280)	-	(844)	(2,124)
Change in Inventory	-	-	2,975	2,975
Change in Deferred Outflows and Inflows	-	-	296,383	296,383
Change in Accounts Payable	-	-	(679)	(679)
Change in Customer Deposits	-	-	29,674	29,674
Change in Net Pension Liability	-	-	(270,578)	(270,578)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (9,798)</u>	<u>\$ 26,150</u>	<u>\$ 66,030</u>	<u>\$ 82,382</u>

The notes to the financial statements are an integral part of this statement.

CITY OF JASPER, ALABAMA
Statement of Net Position
Fiduciary Funds
September 30, 2022

	<u>Private Purpose Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 27,609
Accounts Receivable	<u>-</u>
TOTAL ASSETS	27,609
LIABILITIES	
Accounts Payable	<u>-</u>
NET POSITION	
Held in Trusts for Individual	\$ <u><u>27,609</u></u>

The notes to the financial statements are an integral part of this statement.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Jasper, Alabama (the "City"), operates under a Mayor-Council form of government. The City's major operations include police and fire protection, parks, library and recreation, public works, and general administrative services. In addition, the City owns and operates two cemeteries.

The City's financial statements have been prepared in accordance 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 GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes the ultimate authority on GAAP for state and local governmental units. The more significant accounting policies established by GAAP and used by the City are discussed below.

As required by GAAP, these financial statements present the City and its component units, legally separate entities for which the City is considered to be financially accountable. The City has no blended component units. On the other hand, the City does have two discretely presented component units. The Jasper City Board of Education has a September 30 year-end and the Industrial Development Board of the City of Jasper, Alabama, has a December 31 year-end.

- Jasper City Board of Education – Five members of the Board of Education are appointed by the City and the Board of Education as an agency of the State of Alabama under the general supervision and financial jurisdiction of the Alabama State Department of Education. The City is obligated in some manner for the debt of the Board of Education and the City levies a sales tax specifically for operations of the Board of Education. Complete financial statements for the Jasper City Board of Education may be obtained at the following administrative office: Jasper City Board of Education, 110 17th Street West, P.O. Box 500, Jasper, Alabama 35502-0500.
- Industrial Development Board of the City of Jasper, Alabama – The Industrial Development Board members are appointed by the City and the City is obligated in some manner for the debt of the Industrial Development Board. Complete financial statements for the Industrial Development Board may be obtained at the following administrative office: Industrial Development Board, P.O. Box 972, Jasper, Alabama 35502.
- Related Organizations – The City is also responsible for appointing a voting majority of the boards of other organizations, but the City's financial accountability for these organizations does not extend beyond making the appointments or the financial resources and obligations of these organizations are immaterial. The City appointed a voting majority of the following boards: Jasper Water Works and Sewer Board, Inc., City of Jasper Library Board, City of Jasper Board of Zoning Adjustments, City of Jasper Housing Authority, and City of Jasper Medical and Public Building Authority. These organizations are related organizations, which have not been included in the reporting entity.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide and fund financial statements. Government-wide financial statements focus on the City as a whole and are designed to allow the users of financial reports to assess the City's *operational accountability*. The fund financial statements focus on major individual funds and are designed to demonstrate the City's *fiscal accountability*. Operational accountability refers to the City's responsibility to report the extent to which it has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet those objectives for the foreseeable future. Fiscal accountability is the City's responsibility to demonstrate that its actions in the current period have complied with public decisions concerning the raising and spending of public money in the short-term (usually one budgetary cycle or one year).

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. *Governmental activities*, which normally are 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.

The government-wide statement of activities reflects both the gross and net costs per functional category (i.e., general government, public safety, etc.) by offsetting direct expenses with program revenues. Direct expenses are those that are clearly identifiable with a specific program. 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 and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenue.

The fund financial statements provide separate financial statements for governmental funds, proprietary funds, and fiduciary funds (even though fiduciary funds are excluded from the government-wide financial statements). The emphasis of the fund financial statements is on the City's major funds and each major fund is reported in a separate column. Nonmajor funds of each type are summarized into a single column.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources 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 the related liability is incurred. Property taxes are recognized as revenues in the year 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 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 generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Property taxes, sales and use taxes, beer taxes, lodging taxes, rental and leasing taxes, payments in lieu of taxes, intergovernmental revenue, 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 year. All other revenues are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- General Fund – The General Fund is the main operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.
- American Rescue Plan – This fund is used to account for the American Rescue Plan funds received.
- One-Cent Sales Tax Fund – The One-Cent Sales Tax Fund is a fund used to account for the collection of the additional one-cent sales tax revenue and the disbursements of these funds.
- 2022 GOW Fund – The fund is used to account for the proceeds and disbursement of the 2022 GOW bond issue.

The City reports the following major proprietary funds to account for the activities associated with the respective cemeteries and garbage services:

- New Prospect Cemetery and North Oakhill Cemetery
- Garbage Collection Fund – The Garbage Collection Fund was established to account for garbage service provided by the City. Garbage fees collected from businesses and residents are deposited into this fund. The fees collected for garbage service are used to pay for certain garbage expenses and capital improvements.

Additionally, the City reports the following fund types:

- Special Revenue Funds – The City's nonmajor special revenue funds are used to account for resources that are legally restricted to expenditure for specific purposes, not including those accounted for in capital projects funds.
- Debt Service Funds – Debt Service Funds account for the payment of principal and interest on long-term debt not financed by proprietary funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

- Capital Projects Funds – The City's nonmajor capital projects funds account for the costs of constructing or acquiring capital assets and major improvements other than those financed by proprietary funds.
- Fiduciary Funds – Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net position and is reported using accounting principles similar to proprietary funds.

The City's fiduciary fund is presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other private parties) and cannot be used to address activities or obligations of the government, this fund is not incorporated into the government-wide statements.

The City maintains the following fiduciary fund:

- Hazardous Duty Pay – In 1992 the Legislature of the State of Alabama enacted a bill enabling the City of Jasper to levy additional court costs and charges of twelve dollars (\$12) upon any criminal or civil case whose jurisdiction is in the City of Jasper Municipal Court of the 1411 Judicial Circuit. The legislative act requires that money collected from these charges be placed in a special fund known as the Hazardous Duty Pay Fund. As funds are available, each police officer is entitled to hazardous duty pay of \$150 per month, and each jailer is entitled to \$100 per month. Funds are transferred into the Hazardous Duty Pay Fund as court costs are collected, and funds are transferred out as payroll to the police officers and jailers.

Proprietary funds distinguish *operating* revenue and expense from nonoperating items. Operating revenue and expenses generally result from providing services and delivering goods in connection with a proprietary fund's ongoing operations. The principal operating revenue of the City's enterprise funds are charges to customers and users for sales and services. Operating expenses for enterprise funds include the cost of sales and services and depreciation of capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Management Estimates and Assumptions

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 reported amounts and disclosures in the financial statements. Accordingly, actual results could differ from these estimates.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Budgetary Control

The fiscal year of the City is the twelve-month period beginning October 1. The departments submit to the City Clerk a budget of estimated expenditures for the ensuing fiscal year after which the City Clerk subsequently submits a budget of estimated expenditures and revenues to the City Council. Upon receipt of the budget estimates, the Council holds a public hearing on the proposed budget. After the public hearing, the budget is legally enacted through passage of an ordinance. The City Clerk is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Assets, Liabilities, and Net Position or Equity

Cash and Investments:

Cash includes cash on hand, amounts in demand deposits, and short-term investments with a maturity date within three months of the date acquired by the City. State statutes authorize the City to invest in U.S. Government obligations, U.S. Government agency obligations, U.S. corporate stock, U.S. corporate debt, State of Alabama Government obligations, County Government obligations, and other Municipal Government obligations. All investments are reported at fair value.

For purposes of the statements of cash flows, cash and cash equivalents include short-term investments with an original maturity date of three months or less.

Accounts Receivable:

Activity between funds that is representative of lending and borrowing arrangements, as well as all other outstanding balances between funds at year-end, are referred to as either due to/from other funds (for the current portion) or advances to/from other funds (for the noncurrent portion). Any outstanding balances between governmental activities and business-type activities are reported in the government-wide statement of net position as “internal balances.”

Accounts receivable are written off on an individual basis in the year the City deems them uncollectible. Management has estimated the allowance to be zero. The City grants credit to customers who use its various services, substantially all of whom are local residents or businesses.

Prepaid Items:

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year.

Inventories:

Inventories in the general fund consist of expendable supplies held for the City's use and are carried at cost using the first-in, first-out method.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Assets, Liabilities, and Net Position or Equity – Continued

Capital Assets:

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimates useful lives:

Buildings	20 - 50 years
Machinery and Equipment	3 - 10 years
Improvements	10 - 20 years
Other Infrastructure	10 - 50 years

Revenues:

Property taxes are billed and collected within the same period in which the taxes are levied. The City is responsible for levying property taxes, but the taxes are collected by the Walker County Tax Assessor and remitted to the City.

Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. This category includes deferred charge on refunding reported on the government-wide statement of net position. The deferred charge on refunding is the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt. This category also includes amounts related to pensions for certain actuarially determined differences projected and actual investment earnings.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, this category includes revenue received in advance and amounts related to pensions for certain actuarially determined differences between projected and actual experience.

Expenditures:

Expenditures are recognized when the related liability is incurred.

Compensated Absences:

The City accrues accumulated unpaid vacation and sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Assets, Liabilities, and Net Position or Equity – Continued

Interfund Activity:

Interfund activity is reported as services provided, reimbursements, or transfers. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Government-Wide and Proprietary Fund Net Position:

Government-Wide and Proprietary Fund net position are divided into three components:

- Invested in capital assets – consists of the historical cost of capital assets less accumulated depreciation and less any outstanding debt used to finance those assets.
- Restricted net position – consists of net position that is restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors (including those who have donated to the City's parks endowment).
- Unrestricted – all other net position is reported in this category.

Governmental Fund Balances:

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used:

- Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. Nonspendable amounts consist of inventories and prepaids at September 30, 2022.
- Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. Restricted amounts are for construction and debt service at September 30, 2022.
- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to ordinances passed by the City Council, the City's highest level of decision-making authority. Commitments may be modified or rescinded only through ordinances approved by the City Council. Committed amounts are for capital improvements at September 30, 2022.
- Assigned – includes amounts that the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Amounts may be assigned by the City Clerk or other City management.

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Assets, Liabilities, and Net Position or Equity – Continued

Governmental Fund Balances – Continued:

- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed, or assigned for a specific purpose within the General Fund. The City reports all amounts that are not classified in the above categories as unassigned.

As of September 30, 2022, fund balances are composed of the following:

	General Fund	American Rescue Plan Fund	One-Cent Sales Tax	2022 GOW	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Inventories	\$ 30,222	\$ -	\$ -	\$ -	\$ -	\$ 30,222
Prepaid Items	320,933	-	-	-	-	320,933
Restricted:						
Construction	-	-	-	21,285,608	6,276,853	27,562,461
Debt Service	-	-	1,572,462	-	2,352,201	3,924,663
Miscellaneous	-	761	-	-	282,402	283,163
Committed:						
Construction	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Assigned:						
Construction	-	-	-	-	-	-
Miscellaneous	-	-	-	-	818,756	818,756
Unassigned:	<u>19,325,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,325,613</u>
	<u>\$ 19,676,768</u>	<u>\$ 761</u>	<u>\$ 1,572,462</u>	<u>\$ 21,285,608</u>	<u>\$ 9,730,212</u>	<u>\$ 52,265,811</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assignment actions.

Subsequent Events:

In preparing the financial statements, management evaluated subsequent events through October 20, 2023, the date the financial statements were available to be issued.

NOTE 2. CASH AND CASH EQUIVALENTS

Custodial credit risk – This is the risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a deposit policy for custodial credit risk; however, none of the City's bank balances were exposed to custodial credit risk. All of the City's bank balances are insured by the Federal Deposit Insurance Corporation and the Security for Alabama Funds Enhancement (SAFE) Program. The SAFE Program is a multiple financial collateral pool administered by the State Treasurer according to State of Alabama statute.

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2022

NOTE 2. CASH AND CASH EQUIVALENTS – CONTINUED

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

NOTE 3. RECEIVABLES

Receivables as of September 30, 2022, for the City's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Garbage Collection	Other Nonmajor Funds	Total
Taxes and Intergovernmental Accounts	\$ 2,039,680 <u>96,645</u>	\$ - <u>79,633</u>	\$ 23,619 <u>-</u>	\$ 2,063,299 <u>176,278</u>
Gross Receivables	2,136,325	79,633	23,619	2,239,577
Less Allowance for Uncollectible Accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Receivables	\$ <u>2,136,325</u>	\$ <u>79,633</u>	\$ <u>23,619</u>	\$ <u>2,239,577</u>

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2022

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022, was as follows:

	Balance 10/01/21	Additions/ Completions	Retirements/ Transfers	Balance 09/30/22
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 1,746,973	\$ 100,894	\$ -	\$ 1,847,867
Construction in Progress	<u>-</u>	<u>359,438</u>	<u>-</u>	<u>359,438</u>
Total Capital Assets Not Being Depreciated	1,746,973	460,332	-	2,207,305
Capital Assets Being Depreciated:				
Buildings and Improvements	66,763,499	295,856	-	67,059,355
Equipment	17,599,165	813,793	-	18,412,958
Infrastructure	<u>39,943,576</u>	<u>1,518,714</u>	<u>-</u>	<u>41,462,290</u>
Total Capital Assets Being Depreciated	124,306,240	2,628,363	-	126,934,603
Less Accumulated Depreciation for:				
Buildings and Improvements	16,738,912	2,124,078	-	18,862,990
Equipment	13,311,276	848,673	-	14,159,949
Infrastructure	<u>14,753,896</u>	<u>1,607,466</u>	<u>-</u>	<u>16,361,362</u>
Total Accumulated Depreciation	<u>44,804,084</u>	<u>4,580,217</u>	<u>-</u>	<u>49,384,301</u>
Total Capital Assets Being Depreciated, Net	<u>79,502,156</u>	<u>(1,951,854)</u>	<u>-</u>	<u>77,550,302</u>
Governmental Activities Capital Assets, Net	<u>\$ 81,249,129</u>	<u>\$ (1,491,522)</u>	<u>\$ -</u>	<u>\$ 79,757,607</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land and Land Rights	\$ <u>122,500</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>122,500</u>
Total Capital Assets Not Being Depreciated	<u>122,500</u>	<u>-</u>	<u>-</u>	<u>122,500</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	462,390	-	-	462,390
Equipment	<u>3,259,440</u>	<u>283,645</u>	<u>-</u>	<u>3,543,085</u>
Total Capital Assets Being Depreciated	3,721,830	283,645	-	4,005,475
Less Accumulated Depreciation for:				
Buildings and Improvements	344,457	14,168	-	358,625
Equipment	<u>2,717,919</u>	<u>173,751</u>	<u>-</u>	<u>2,891,670</u>
Total Accumulated Depreciation	<u>3,062,376</u>	<u>187,919</u>	<u>-</u>	<u>3,250,295</u>
Total Capital Assets Being Depreciated, Net	<u>659,454</u>	<u>95,726</u>	<u>-</u>	<u>755,180</u>
Business-Type Activities Capital Assets, Net	<u>\$ 781,954</u>	<u>\$ 95,726</u>	<u>\$ -</u>	<u>\$ 877,680</u>

NOTE 4. CAPITAL ASSETS – CONTINUED

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

Governmental Activities:	
General Government	\$ 59,120
Nondepartmental	2,065,825
Public Safety	429,963
Public Works	1,565,065
Recreation and Cultural Services	<u>460,244</u>
Total Depreciation Expense – Governmental Activities	\$ <u>4,580,217</u>
Business-Type Activities:	
Garbage Services	\$ 182,191
Cemeteries	<u>5,728</u>
Total Depreciation Expense – Business-Type Activities	\$ <u>187,919</u>

Discretely Presented Component Units

INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF JASPER, ALABAMA

	<u>Balance</u> <u>01/01/221</u>	<u>Additions/</u> <u>Completions</u>	<u>Retirements/</u> <u>Transfers</u>	<u>Balance</u> <u>12/31/22</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Land and Land Improvements	\$ 3,847,293	\$ -	\$ -	\$ 3,847,293
Buildings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets Being Depreciated	<u>3,847,293</u>	<u>-</u>	<u>-</u>	<u>3,847,293</u>
Less Accumulated Depreciation:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-Type Activities Capital Assets, Net	<u>\$ 3,847,293</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,847,293</u>

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2022

NOTE 4. CAPITAL ASSETS – CONTINUED**JASPER CITY BOARD OF EDUCATION**

	<u>Balance</u> <u>10/01/21</u>	<u>Additions/</u> <u>Completions</u>	<u>Retirements/</u> <u>Transfers</u>	<u>Balance</u> <u>09/30/22</u>
Capital Assets Not Being Depreciated:				
Land and Land Improvements	\$ 1,987,871	\$ -	\$ -	\$ 1,987,871
Construction in Progress	<u>5,777,274</u>	<u>2,595,288</u>	<u>3,226,286</u>	<u>5,146,276</u>
Total Capital Assets Not Being Depreciated	<u>7,765,145</u>	<u>2,595,288</u>	<u>3,226,286</u>	<u>7,134,147</u>
Capital Assets Being Depreciated:				
Land Improvements – Exhaustible	1,795,809	1,315,613	-	3,111,422
Buildings	16,257,941	332,341	-	16,590,282
Building Improvements	11,479,895	1,910,674	-	13,390,569
Equipment	1,531,962	58,945	24,535	1,566,372
Vehicles	<u>2,492,931</u>	<u>76,193</u>	<u>-</u>	<u>2,569,124</u>
Total Capital Assets Being Depreciated	<u>33,558,538</u>	<u>3,693,766</u>	<u>24,535</u>	<u>37,227,769</u>
Less Accumulated Depreciation for:				
Land Improvements – Exhaustible	506,768	108,670	-	615,438
Buildings	9,799,146	301,754	-	10,100,900
Building Improvements	1,577,178	86,883	-	1,664,061
Equipment	774,750	51,684	16,035	810,399
Vehicles	<u>1,610,046</u>	<u>168,159</u>	<u>-</u>	<u>1,778,205</u>
Total Accumulated Depreciation	<u>14,267,888</u>	<u>717,150</u>	<u>16,035</u>	<u>14,969,003</u>
Total Capital Assets Being Depreciated, Net	<u>19,290,650</u>	<u>2,976,616</u>	<u>8,500</u>	<u>22,258,766</u>
Governmental Activities Capital Assets, Net	\$ <u>27,055,795</u>	\$ <u>5,571,904</u>	\$ <u>3,234,786</u>	\$ <u>29,392,913</u>

Depreciation expense was charged as direct expense to programs of the Board of Education as follows:

Instructional Services	\$ 492,425
Instructional Support Services	19,571
Operation and Maintenance	18,902
Student Transportation Services	162,210
Food Services	19,335
General Administrative Services	<u>4,707</u>
Total Depreciation Expense	\$ <u>717,150</u>

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2022

NOTE 5. INTERFUND BALANCES AND TRANSFERS

Interfund balances at September 30, 2022, consisted of the following:

	Due to:				
	General Fund	State Cap Improv	2012 Warrant	Other Funds	Total
Due from:					
Garbage Fund	\$ 563,956	\$ 6,000	\$ -	\$ -	\$ 569,956
General Fund	-	2,892	475,511	-	478,403
One-Cent Sales Tax	-	-	721,654	-	721,654
Warrant Fund	3,000,000	-	-	-	3,000,000
Tap V	100,000	-	-	-	100,000
Foothills	<u>1,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,250</u>
 Total	 \$ <u>3,665,206</u>	 \$ <u>8,892</u>	 \$ <u>1,197,165</u>	 \$ <u>-</u>	 \$ <u>4,871,263</u>

The balances receivable in each of the funds shown above resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the year ended September 30, 2022, consisted of the following:

	Transfer in:										
	General Fund	One-Cent Sales Tax	ST Cap Improv	2017Bond Improv	2017 Comm Pro JT Fund	Tap V	328	329	2012 Warrant	Foothills Festival	Total
Transfer Out:											
General Fund	\$ -	\$ 4,400,000	\$ 500,000	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 2,137,351	\$ 60,000	\$ 8,097,351
One-Cent Sales Tax	-	-	-	-	-	380,000	36,000	100,000	733,450	-	1,249,450
Corrections fund	140,000	-	-	-	-	-	-	-	-	-	140,000
2022 GOW	-	-	-	3,586,678	-	-	-	-	-	-	3,586,678
Alcohol	-	-	-	-	-	-	-	730,000	-	-	730,000
2017 Warrant	-	-	-	-	-	314,918	-	-	-	-	314,918
Gas Tax 80-427	-	-	-	-	-	-	210,000	-	-	-	210,000
All Others	-	-	-	-	-	-	-	-	-	-	-
 Total	 \$ <u>140,000</u>	 \$ <u>4,400,000</u>	 \$ <u>500,000</u>	 \$ <u>3,586,678</u>	 \$ <u>1,000,000</u>	 \$ <u>380,000</u>	 \$ <u>350,918</u>	 \$ <u>310,000</u>	 \$ <u>3,600,801</u>	 \$ <u>60,000</u>	 \$ <u>14,328,397</u>

Transfers are primarily used to move funds:

- For various capital projects and debt service.

NOTE 6. LITIGATION

There are pending lawsuits in which the City is involved. The City Attorney estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

The City and the Board of Education have received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under the terms of the grants. City management believes such disallowances, if any, will be immaterial.

NOTE 7. RISK MANAGEMENT

The City carries traditional insurance coverage rather than self-insurance.

NOTE 8. NONCURRENT LIABILITIES

General Obligation Warrants

General Obligation ("GO") Warrants are direct obligations issued on a pledge of the general taxing power of the payment of the debt obligations of the City. GO Warrants require the City to compute at the time other taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity (the City is in compliance with this requirement).

On April 29, 2014, the City issued \$50,760,000 of General Obligation Warrants. The bonds mature on March 1 in years from 2015 through 2044 and carry interest rates of 2.00% to 5.00%. The bonds proceeds are being used to construct a new high school.

In August 2015, the City issued \$4,780,000 of General Obligation Warrants. Bonds mature May 1 in years 2016 through 2032 and carry interest rates from 2.00% to 4.00%. The bond proceeds are being used for equipment and infrastructure.

In May 2017, the City issued \$10,980,000 of General Obligation Warrants. Bonds mature May 1 in years 2019 through 2034 and carry interest rates from 2.00% to 4.00%. The bond proceeds are being used for capital improvements and equipment.

In March 2020, the City issued \$38,770,000 of General Obligation Warrants. Bonds mature March 1 in years 2021 through 2044 and carry interest rates from 1.82% to 3.20%. The proceeds are used to refund a portion of the 2014 issue.

In February 2002, the City issued \$21,885,000 of General Obligation Warrants. Bonds mature November 1, 2022 through 2031 and carry interest rates from 3% to 5%. The proceeds are used for construction.

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2022

NOTE 8. NONCURRENT LIABILITIES – CONTINUED**General Obligation Warrants – Continued**

At September 30, 2022, warrants payable consisted of the following individual issues:

	<u>Governmental</u>	<u>Business-Type</u>
2015 General Obligation Warrants dated August 2015, due semi-annual installments May 1 and November 1 each year through 2032, bearing interest ranging from 2.00% to 4.00%.	\$ 3,100,000	\$ -
2014 General Obligation Warrants dated April 29, 2014, due in semi-annual installments through March 1, 2044, bearing interest ranging from 2.00% to 5.00%.	8,875,000	-
2017 General Obligation Warrants, dated May 2017, due in semi-annual installments May 1 through November 1 each year through 2034, bearing interest ranging from 2.00% to 4.00%.	9,425,000	-
2019 General Obligation Warrants, dated February 2019, due in monthly installments of \$3,568, bearing interest of 3.55%, secured by equipment.	-	52,287
2020 General Obligation Warrant, dated March 2020, due in semi-annual installments March 1 and September 1 each year through 2024 bearing interest ranging from 1.82% to 3.2%.	38,035,000	-
2022 General Obligation Warrant, date February 4, 2022, due in semi-annual installments November 1 and May 1 each year through 2031 bearing interest ranging from 3% to 5%.	<u>21,885,000</u>	<u>-</u>
Total Warrants Payable	<u>\$ 81,320,000</u>	<u>\$ 52,287</u>

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2022

NOTE 8. NONCURRENT LIABILITIES – CONTINUED**Notes Payable – Governmental**

In April 2016, the City purchased a building (Jasper Civic Center), secured by building, installments of \$11,233 are paid monthly beginning October 2017, interest is fixed at 1.50%. The balance will be paid in full with the September 2032 payment. Loan balance at September 30, 2022, is \$1,250,967.

In February 2017, the City borrowed \$350,000 from Powersouth Energy, for the purpose of energy efficient improvements. Monthly installments are payable through 2027 at 0.00% interest. The balance at September 30, 2022, was \$154,583.

In February 2021, the City borrowed \$574,000 for the purchase of a fire truck. Monthly installments are payable through 2031 at 2.2% interest. The balance at September 30, 2022, was \$529,139.

Notes Payable – Business-Type

At September 30, 2022, notes payable consisted of the following:

Pinnacle Bank installment note, dated February 2021, due in monthly installments through January 2024, secured by garbage truck, interest fixed at 3.55%.	<u>\$ 231,296</u>
Total Notes Payable	<u>\$ 231,296</u>

Current Year Transactions

Transactions for the year ended September 30, 2022, are summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds/Notes Payable:					
General Obligation					
Warrants	\$ 61,931,164	\$ 21,885,000	\$ 2,496,164	\$ 81,320,000	\$ 4,455,569
Notes Payable	2,129,640	-	194,951	1,934,689	194,954
Deferred Amounts	<u>1,118,725</u>	<u>3,257,814</u>	<u>204,662</u>	<u>4,171,877</u>	<u>698,999</u>
Total Governmental					
Warrants and					
Notes Payable	65,179,529	25,142,814	2,895,777	87,426,566	5,349,522
Other Liabilities:					
Accrued Landfill and					
Post Closure Costs	320,004	26,667	-	346,671	-
Compensated Absences	1,737,537	-	421,541	1,315,996	263,199
OPEB Obligation	<u>6,127,690</u>	<u>313,032</u>	<u>503,256</u>	<u>5,937,466</u>	<u>-</u>
Total Governmental					
Activities	<u>\$ 73,364,760</u>	<u>\$ 25,482,513</u>	<u>\$ 3,820,574</u>	<u>\$ 95,026,699</u>	<u>\$ 5,612,721</u>

NOTE 8. NONCURRENT LIABILITIES – CONTINUED

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities:					
Bonds/Notes Payable:					
General Obligation					
Warrants	\$ 166,901	\$ -	\$ 114,614	\$ 52,287	\$ 41,633
Long-Term Notes	<u>270,752</u>	<u>-</u>	<u>39,456</u>	<u>231,296</u>	<u>40,232</u>
Total Business-Type					
Warrants and					
Notes Payable	<u>\$ 437,653</u>	<u>\$ -</u>	<u>\$ 154,070</u>	<u>\$ 283,583</u>	<u>\$ 81,865</u>

NOTE 8. NONCURRENT LIABILITIES – CONTINUED

Future debt service to maturities for warrants and notes payable outstanding:

	Total	2023	2024	2025	2026	2027	2028 - 2032	2033 - 2037	2038 - 2042	2043 - 2044
GOVERNMENTAL ACTIVITIES										
GOW Series 2015										
Principal	\$ 3,100,000	\$ 265,000	\$ 275,000	\$ 590,000	\$ 150,000	\$ 150,000	\$ 1,670,000	\$ -	\$ -	\$ -
Interest	643,775	108,750	100,800	92,550	73,375	68,500	199,800	-	-	-
Total	<u>3,743,775</u>	<u>373,750</u>	<u>375,800</u>	<u>682,550</u>	<u>223,375</u>	<u>218,500</u>	<u>1,869,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
GOW Series 2022										
Principal	\$ 21,885,000	\$ 2,040,000	\$ 2,110,000	\$ 2,200,000	\$ 2,285,000	\$ 2,390,000	\$ 10,860,000	\$ -	\$ -	\$ -
Interest	5,069,600	956,900	884,100	797,900	708,200	602,750	1,119,750	-	-	-
Total	<u>26,954,600</u>	<u>2,996,900</u>	<u>2,994,100</u>	<u>2,997,900</u>	<u>2,993,200</u>	<u>2,992,750</u>	<u>11,979,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
GOW Series 2014										
Principal	\$ 8,875,000	\$ 1,425,000	\$ 1,500,000	\$ 1,240,000	\$ -	\$ -	\$ 2,950,000	\$ 1,760,000	\$ -	\$ -
Interest	1,589,997	313,538	240,413	184,313	165,713	165,713	487,307	33,000	-	-
Total	<u>10,464,997</u>	<u>1,738,538</u>	<u>1,740,413</u>	<u>1,424,313</u>	<u>165,713</u>	<u>165,713</u>	<u>3,437,307</u>	<u>1,793,000</u>	<u>-</u>	<u>-</u>
GOW Series 2017										
Principal	\$ 9,425,000	\$ 580,000	\$ 595,000	\$ 635,000	\$ 635,000	\$ 700,000	\$ 3,880,000	\$ 2,400,000	\$ -	\$ -
Interest	2,308,880	313,255	302,525	278,725	266,025	240,625	787,025	120,700	-	-
Total	<u>11,733,880</u>	<u>893,255</u>	<u>897,525</u>	<u>913,725</u>	<u>901,025</u>	<u>940,625</u>	<u>4,667,025</u>	<u>2,520,700</u>	<u>-</u>	<u>-</u>
GOW Series 2020										
Principal	\$ 38,035,000	\$ 375,000	\$ 385,000	\$ 390,000	\$ 1,670,000	\$ 1,705,000	\$ 6,345,000	\$ 9,020,000	\$ 12,545,000	\$ 5,600,000
Interest	15,744,378	1,090,659	1,083,476	1,075,977	1,054,620	1,017,904	4,681,667	3,650,233	1,909,202	180,640
Total	<u>53,779,378</u>	<u>1,465,659</u>	<u>1,468,476</u>	<u>1,465,977</u>	<u>2,724,620</u>	<u>2,722,904</u>	<u>11,026,667</u>	<u>12,670,233</u>	<u>14,454,202</u>	<u>5,780,640</u>
Fire Truck										
Principal	\$ 529,139	\$ 53,759	\$ 54,946	\$ 56,181	\$ 57,423	\$ 58,699	\$ 248,131	\$ -	\$ -	\$ -
Interest	54,576	11,099	9,912	8,676	7,434	6,158	11,297	-	-	-
Total	<u>583,715</u>	<u>64,858</u>	<u>64,858</u>	<u>64,857</u>	<u>64,857</u>	<u>64,857</u>	<u>259,428</u>	<u>-</u>	<u>-</u>	<u>-</u>
Powersouth Energy										
Principal	\$ 154,583	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 14,583	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-	-	-
Total	<u>154,583</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>14,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Note Payable - JCC										
Principal	\$ 1,250,967	\$ 116,828	\$ 118,592	\$ 120,383	\$ 122,202	\$ 124,047	\$ 648,915	\$ -	\$ -	\$ -
Interest	96,948	17,963	16,199	14,408	12,590	10,744	25,044	-	-	-
Total	<u>1,347,915</u>	<u>134,791</u>	<u>134,791</u>	<u>134,791</u>	<u>134,792</u>	<u>134,791</u>	<u>673,959</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities										
Principal	\$ 83,254,689	\$ 4,890,587	\$ 5,073,538	\$ 5,266,564	\$ 4,954,625	\$ 5,142,329	\$ 26,602,046	\$ 13,180,000	\$ 12,545,000	\$ 5,600,000
Interest	25,508,154	2,812,164	2,637,425	2,452,549	2,287,957	2,112,394	7,311,890	3,803,933	1,909,202	180,640
Total	<u>108,762,843</u>	<u>7,702,751</u>	<u>7,710,963</u>	<u>7,719,113</u>	<u>7,242,582</u>	<u>7,254,723</u>	<u>33,913,936</u>	<u>16,983,933</u>	<u>14,454,202</u>	<u>5,780,640</u>
BUSINESS-TYPE ACTIVITIES										
GOW Series 2019										
Principal	\$ 52,287	\$ 41,633	\$ 10,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,246	1,183	63	-	-	-	-	-	-	-
Total	<u>53,533</u>	<u>42,816</u>	<u>10,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Note Payable Garbage Truck										
Principal	\$ 231,296	\$ 40,232	\$ 41,020	\$ 41,833	\$ 42,654	\$ 43,493	\$ 22,064	\$ -	\$ -	\$ -
Interest	12,809	4,151	3,363	2,550	1,729	890	126	-	-	-
Total	<u>244,105</u>	<u>44,383</u>	<u>44,383</u>	<u>44,383</u>	<u>44,383</u>	<u>44,383</u>	<u>22,190</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities										
Principal	\$ 283,583	\$ 81,865	\$ 51,674	\$ 41,833	\$ 42,654	\$ 43,493	\$ 22,064	\$ -	\$ -	\$ -
Interest	14,055	5,334	3,426	2,550	1,729	890	126	-	-	-
Total	<u>297,638</u>	<u>87,199</u>	<u>55,100</u>	<u>44,383</u>	<u>44,383</u>	<u>44,383</u>	<u>22,190</u>	<u>-</u>	<u>-</u>	<u>-</u>

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2022

NOTE 8. NONCURRENT LIABILITIES – CONTINUED

Advance Refunding of Long-Term Debt

During the fiscal year ended September 30, 2021, the City issued \$38,770,000 of general obligation warrants, of which \$38,384,707 was placed in an irrevocable trust for the purpose of generating resources for a portion of future debt service payments through the year 2044 on the City's Series 2014 general obligation warrants. As a result, the refunded warrants are considered to be defeased, and the liabilities have been removed from the financial statements. The deferred gain on the refunding was \$2,292,482 and will be amortized over the life of the bonds.

Jasper City Board of Education

Long-term liability obligations for the year ended September 30, 2022, are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds and Notes Payable:					
Special Tax School Warrants, 2016 Series	\$ 5,940,807	\$ -	\$ 319,417	\$ 5,621,390	\$ 329,000
PSCA Leveraged Funds, Series 2019	7,553,760	-	274,286	7,279,474	288,311
Unamortized Discount/Premium	<u>1,064,162</u>	<u>-</u>	<u>60,521</u>	<u>1,003,641</u>	<u>60,521</u>
Total Bonds and Notes Payable	<u>14,558,729</u>	<u>-</u>	<u>654,224</u>	<u>13,904,505</u>	<u>677,832</u>
Other Liabilities					
Compensated Absences	178,913	-	22,147	156,766	93,316
Net Pension Liability	27,505,000	-	6,542,000	20,963,000	-
Net OPEB Liability	<u>15,415,301</u>	<u>-</u>	<u>3,081,601</u>	<u>12,333,700</u>	<u>-</u>
Total Other Liabilities	<u>43,099,214</u>	<u>-</u>	<u>9,645,748</u>	<u>33,453,466</u>	<u>93,316</u>
Governmental Activities					
Long-Term Debt	\$ <u>57,657,943</u>	\$ <u>-</u>	\$ <u>10,299,972</u>	\$ <u>47,357,971</u>	\$ <u>771,148</u>

Debt service requirements on long-term debt at September 30, 2022, are as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 617,311	\$ 480,112	\$ 1,097,423
2024	641,207	455,826	1,097,033
2025	666,957	430,543	1,097,500
2026	693,013	404,176	1,097,189
2027	719,382	376,715	1,096,097
2028 – 2032	4,053,996	1,429,765	5,483,761
2033 – 2037	4,363,545	622,045	4,985,590
2038 – 2039	<u>1,145,453</u>	<u>51,803</u>	<u>1,197,256</u>
Totals	\$ <u>12,900,864</u>	\$ <u>4,250,985</u>	\$ <u>17,151,849</u>

NOTE 8. NONCURRENT LIABILITIES – CONTINUED

Industrial Development Board of the City of Jasper, Alabama

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-Type Activities:					
Bonds/Notes Payable:					
Revenue Bond	\$ <u>50,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>50,000</u>	\$ <u>50,000</u>
Total Business-Type Warrants and Notes Payable	\$ <u>50,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>50,000</u>	\$ <u>50,000</u>

Aggregate maturities required on notes payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
12/31/23	\$ <u>50,000</u>	\$ <u>2,000</u>	\$ <u>52,000</u>
Total	\$ <u>50,000</u>	\$ <u>2,000</u>	\$ <u>52,000</u>

Landfill Closure and Post Closure Care Cost

State and Federal laws and regulations require the City to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post closure care costs as an operating expense of the public works function in each period based on landfill capacity used as of fiscal year end. It is estimated that the landfill is at 60% capacity.

The \$346,671 reported as landfill closure and post closure care liability at September 30, 2022, represents the cumulative amount reported to date, based on the expected capacity of 11 years. The City will recognize the remaining estimated cost of closure and post closure care of \$69,024 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and post closure care in 2022. The City expects to close the landfill in 2029. Actual cost may be higher due to inflation, changes in technology, or changes in regulation.

NOTE 9. PENSION PLAN

Pensions. The Employees' Retirement System of Alabama (the Plan) financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to the plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the Governmental Accounting Standards Board (GASB). Under these requirements, the Plan is considered a component unit of the State of Alabama and is included in the State's Comprehensive Annual Financial Report.

NOTE 9. PENSION PLAN – CONTINUED

General Information about the Pension Plan

Plan Description. The Employees' Retirement System of Alabama, an agency multiple-employer plan, was established October 1, 1945, under the provisions of Act 515 of the Legislature of 1945 for the purpose of providing retirement allowances and other specified benefits for state employees, State Police, and on an elective basis, to all cities, counties, towns, and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control. The ERS Board of Control consists of 15 trustees. Act 390 of the Legislature of 2021 created two additional representatives and change the composition of representatives within the ERS Board of Control effective October 1, 2021. The Plan is administered by the Retirement Systems of Alabama (RSA). Title 36-Chapter 27 of the Code of Alabama grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

The ERS Board of Control consists of 15 trustees as follows:

- 1) The Governor, ex officio.
- 2) The State Treasurer, ex officio.
- 3) The State Personnel Director, ex officio.
- 4) The State Director of Finance, ex officio.
- 5) Three vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of state government nor from any department of which an ex officio trustee is the head.
- 6) Eight members of ERS who are elected by members from the same category of ERS for a term of four years as follows:
 - a. Two retired members with one from the ranks of retired state employees and one from the ranks of retired employees of a city, county, or a public agency each of whom is an active beneficiary of ERS.
 - b. Two vested active state employees.
 - c. One full time employee of a participating municipality or city in ERS pursuant to the Code of Alabama 1975, Section 36-27-6.
 - d. One full time employee of a participating county in ERS pursuant to the Code of Alabama 1975, Section 36-27-6.
 - e. One full time employee or retiree of a participating employer in ERS pursuant to the Code of Alabama 1975, Section 36-27-6.
 - f. One full time employee of a participating employer other than a municipality, city or county in ERS pursuant to the Code of Alabama 1975, Section 36-27-6.

Benefits Provided. State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the ERS. Benefits for ERS members vest after 10 years of creditable service. State employees who retire after age 60 (52 for State Police) with 10 years or more of creditable service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Local employees who retire after age 60 with 10 years or more of creditable service or with 25 or 30 years of service (regardless of age), depending on the particular entity's election, are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the ERS (except State Police) are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service. State police are allowed 2.875% for each year of State Police service in computing the formula method.

NOTE 9 PENSION PLAN – CONTINUED

General Information about the Pension Plan (Continued)

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 ERS members are eligible for retirement after age 62 (56 for State Police) with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the ERS (except State Police) are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service. State Police are allowed 2.375 % for each year of State Police service in computing the formula method.

Members are eligible for disability retirement if they have 10 years of credible service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits equal to the annual earnable compensation of the member as reported to the Plan for the preceding year ending September 30 are paid to the beneficiary.

Act 132 of the Legislature of 2019 allowed employers who participate in the ERS pursuant to *Code of Alabama 1975, Section 36-27-6* to provide Tier 1 retirement benefits to their Tier 2 members. Tier 2 members of employers adopting Act 2019-132 will contribute 7.5% of earnable compensation for regular employees and 8.5% for firefighters and law enforcement officers. A total of 590 employers adopted Act 2019-132.

The ERS serves approximately 879 local participating employers. The ERS membership includes approximately 104,510 participants. As of September 30, 2021, membership consisted of:

	<u>City</u>
Retirees and beneficiaries currently receiving benefits	133
Vested Inactive Members	5
Nonvested Inactive Members	46
Active Members	181
Post-DROP participants still in active service	<u>-</u>
Total	<u>365</u>

Contributions. Covered members of the ERS contributed 5% of earnable compensation to the ERS as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, covered members of the ERS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered members of the ERS are required by statute to contribute 7.50% of earnable compensation. Certified law enforcement, correctional officers, and firefighters of the ERS contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, certified law enforcement, correctional officers, and firefighters of the ERS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 8.50% of earnable compensation. State Police of the ERS contribute 10% of earnable compensation.

NOTE 9. PENSION PLAN – CONTINUED

General Information about the Pension Plan (Continued)

Employers participating in the ERS pursuant to *Code of Alabama 1975, Section 36-27-6* were not required by statute to increase covered member contribution rates but were provided the opportunity to do so through Act 2011-676. By adopting Act 2011-676, Tier 1 regular members contribution rates increased from 5% to 7.5% of earnable compensation and Tier I firefighters and law enforcement officers increased from 6% to 8.5% of earnable compensation.

Tier 2 covered members of the ERS (except State Police and certified law enforcement, correctional officers, and firefighters) contribute 6% of earnable compensation to the ERS as required by statute. Tier 2 certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 7% of earnable compensation. Tier 2 State Police members of the ERS contribute 10% of earnable compensation. These contributions rates are the same for Tier 2 covered members of ERS local participating employers.

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the Plan. For the year ended September 30, 2022, the City's active employee contribution rate was 9.88% of covered employee payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 6.06% of pensionable payroll.

The City's contractually required contribution rate for the year ended September 30, 2022, was 13.49% of pensionable pay for Tier 1 employees and 10.24% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2019, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan were \$1,051,692 for the year ended September 30, 2022.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2020, rolled forward to September 30, 2021, using standard roll-forward techniques as shown in the following table:

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2022

NOTE 9. PENSION PLAN – CONTINUED

Net Pension Liability (Continued)

		<u>Expected</u>	<u>Actual</u>
Total Pension Liability			
As of September 30, 2020	(a)	\$ 34,660,854	\$ 32,892,857
Discount Rate	(b)	7.70%	7.45%
Entry Age Normal Cost for			
October 1, 2020 – September 30, 2021	(c)	\$ 578,440	\$ 578,440
Transfers Among Employers	(d)	\$ -	\$ 117,804
Actual Benefit Payments and Refunds for			
October 1, 2020 – September 30, 2021	(e)	\$ <u>(2,307,680)</u>	\$ <u>(2,307,680)</u>
Total Pension Liability			
As of September 30, 2021			
[(a) x (1+(b))] + (c) + (d) + [(e) x (1+0.5x(b))]	(f)	\$ <u>35,511,654</u>	\$ <u>33,725,325</u>
Difference Between Expected and Actual	(g)		\$ (1,786,329)
Less Liability Transferred for Immediate			
Recognition	(h)		\$ <u>117,804</u>
Experience (Gain)/Loss = (g) – (h)	(i)		\$ (1,904,133)

Net Pension Liability (Continued)

Actuarial Assumptions. The total pension liability as of September 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% – 6.00% for State and Local Employees and 4.00% – 7.75% for State Police, including inflation
Investment rate of return*	7.45%

*Net of pension plan investment expense

Mortality rates for ERS were based on the Pub-2010 Below-Median Tables, projected generationally using the MP-2020 scale, which is adjusted by 66-2/3% beginning with year 2019:

NOTE 9. PENSION PLAN – CONTINUED

Net Pension Liability (Continued)

Group	Membership Table	Set forward (+)/Setback(-)	Adjustment to Rates
Non-FLC Service Retirees	General Healthy Below Median	Male: +2, Female: +2	Male:90% ages < 65, 96% ages >= 65 female: 96% all ages
FLC/State Police Retirees	Public Safety Healthy Below Median	Male: +1, Female: none	None
Beneficiaries	Contingent Survivor Below Median	Male:+2, Female: +2	None
Non-FLC Disabled Retirees	General Disability	Male: +7, Female: +3	None
FLC/State Police Disabled Retirees	Public Safety Disability	Male: +7, Female: none	None

The actuarial assumptions used in the September 30, 2020, valuation were based on the results of an actuarial experience study for the October 1, 2015, through September 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return*</u>
Fixed Income	15.00%	2.80%
U.S. Large Stocks	32.00%	8.00%
U.S. Mid Stocks	9.00%	10.00%
U.S. Small Stocks	4.00%	11.00%
International Developed Market Stocks	12.00%	9.50%
International Emerging Market Stocks	3.00%	11.00%
Alternatives	10.00%	9.00%
Real Estate	10.00%	6.50%
Cash	<u>5.00%</u>	1.50%
Total	<u>100.00%</u>	

*Includes assumed rate of inflation of 2.00%.

NOTE 9. PENSION PLAN – CONTINUED

Net Pension Liability (Continued)

Discount rate. The discount rate used to measure the total pension liability was the long-term rate of return, 7.45%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 9/30/2020	\$ <u>34,660,854</u>	\$ <u>21,396,292</u>	\$ <u>13,264,562</u>
Changes for the year:			
Service Cost	578,440	-	578,440
Interest	2,580,040	-	2,580,040
Change in Benefit Terms	538,858	-	538,858
Changes in Assumptions	1,210,564	-	1,210,564
Differences Between Expected and Actual Experience	(1,904,133)	-	(1,904,133)
Contributions – Employer	-	807,536	(807,536)
Contributions – Employee	-	425,573	(425,573)
Net Investment Income	-	4,645,146	(4,645,146)
Benefit Payments, Including Refunds of Employee Contributions	(2,307,680)	(2,307,680)	-
Administrative Expenses	-	-	-
Transfers Among Employers	<u>117,804</u>	<u>117,804</u>	<u>-</u>
Net Changes	<u>813,893</u>	<u>3,688,379</u>	<u>(2,874,486)</u>
Balances at 9/30/2021	\$ <u>35,474,747</u>	\$ <u>25,084,671</u>	\$ <u>10,390,076</u>

Sensitivity of the net pension liability to changes in the discount rate. The following table presents the City's net pension liability calculated using the discount rate of 7.45%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.45%) or 1-percentage-point higher (8.45%) than the current rate:

	1% Decrease (6.45%)	Current Rate (7.45%)	1% Increase (8.45%)
City's Net Pension Liability	\$ 14,406,350	\$ 10,390,076	\$ 7,010,605

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2022

NOTE 9. PENSION PLAN – CONTINUED

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2021. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2021. The auditors’ report on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at www.rsa-al.gov/index.php/employers/financial-reports/gasb-68-reports/.

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

For the year ended September 30, 2022, the City recognized pension expense of \$376,326. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pension of the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 1,819,237	\$ 2,189,231
Changes of Assumptions	1,036,701	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,808,417
Employer Contributions Subsequent to the Measurement Date	<u>1,051,692</u>	<u>-</u>
Total	<u>\$ 3,907,630</u>	<u>\$ 3,997,648</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expense as follows:

Year Ended September 30:	
2022	\$ 802,833
2023	(169,561)
2024	(133,226)
2025	(538,685)
2026	(51,379)
Thereafter	<u>-</u>
Total	<u>\$ (90,018)</u>

Other Post-Employment Benefits

Plan Description: In December 1988, the City approved a motion to extend medical/dental benefits to retirees of the City. The City provides post-retirement medical/dental benefits to all retirees with 25 years of service or to those age 60 with 10 years of service and before Medicare eligibility. Employees hired after November 4, 2008, are not eligible for City subsidized retiree health benefits. The benefits continue to age 65. These benefits are provided through the Local Government Health Insurance Programs administered by the Alabama State Employee Insurance Board.

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2022

NOTE 9. PENSION PLAN – CONTINUED

Other Post-Employment Benefits – Continued

Funding Policies: The City is subsidizing premiums paid for retirees at 85% of the premium amount. The retiree is responsible for the remaining 15%. As of September 30, 2022, there were 64 former employees and family members that were receiving benefits. The City finances the plan on a pay-as-you-go basis. For the year ended September 30, 2022, the City recognized \$622,955 of expenditures.

The adoption date for the new GASB 75 OPEB Accounting Standard was for the Fiscal Year beginning October 1, 2017. The following shows the development of the Net OPEB Liability (NOL), the Total OPEB Expense, the Schedule of Deferred Inflows/Outflows, and the Trend and Discount Rate Sensitivity Analysis.

Net OPEB Liability (NOL)

The Standard sets the method of determining the City's Total OPEB Liability and Net OPEB Liability. The Net OPEB Liability is the difference between the Total OPEB liability and the Plan Fiduciary Net Position. The Plan Fiduciary Net Position is zero for plans with no dedicated plan assets. To be included as assets of the plan the assets must be held in an irrevocable trust for the exclusive purpose of providing post-retirement benefits. Changes in benefit terms are recognized immediately. Changes in assumptions and experience gains/losses are amortized over the average remaining service of active employees and inactive participants. Investment gains/losses are amortized over five (5) years.

Annual OPEB Cost and Net OPEB Obligation

Beginning Net OPEB Obligation – 10/1/2021	\$ 6,127,690
Service Cost	\$ 74,945
Interest	133,898
Difference Between Expected and Actual Experience	1,166,992
Change in Assumptions	<u>(1,062,803)</u>
OPEB Cost	\$ 313,032
Contributions	<u>(503,256)</u>
Change in Net OPEB Obligation	\$ <u>(190,224)</u>
Ending Net OPEB Obligation – 9/30/2022	\$ <u>5,937,466</u>

Total OPEB Expense

Part of the disclosure is the Total OPEB Expense included in the financial statements each fiscal year. This expense includes the service cost, interest cost, and the amortized amount of each basis required by GASB 75.

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2022

NOTE 9. PENSION PLAN – CONTINUED

Other Post-Employment Benefits – Continued

<u>Total OPEB Expense</u>	<u>FY2022</u>
Service Cost at October 1, 2021	\$ 74,945
Interest Cost (Including Interest on Service Cost)	133,898
Changes of Benefit Terms	-
Current Recognized Deferred Outflows/(Inflows)	-
Difference Between Expected and Actual Experience	519,030
Changes in Assumptions and Other Inputs (Other Changes, if Significant)	(104,918)
Difference of Projected Investment Earnings	-
Total OPEB Expense as of September 30, 2022	\$ <u>622,955</u>

GASB 75 requires disclosure of the deferred inflows/outflows resulting from the changes in the Total OPEB liability each year. Included will be a schedule showing the original amortization amount, the years to be amortized, and the remaining balance.

<u>Schedule of Deferred Inflows/Outflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 1,159,153	\$ (75,771)
Changes in Assumption/Inputs	214,735	(750,919)
Net Difference Between Projected and Actual Investments	-	-
Total	\$ <u>1,373,888</u>	\$ <u>(826,690)</u>

Sensitivity Analysis of the Trend and Discount Rate

GASB 75 requires that a sensitivity analysis of the trend and discount rate used in the valuation. The sensitivity is plus or minus 1% from the base rates used in the valuation. The values shown are as of September 30, 2022.

<u>Trend</u>	<u>Total OPEB Liability</u>	<u>% Difference</u>
1% Decrease (3.50%)	\$ 5,569,066	-6.2%
Current Trend 4.50%	5,937,466	
1% Increase (5.50%)	6,344,545	6.9%

<u>Discount Rate</u>	<u>Total OPEB Liability</u>	<u>% Difference</u>
+1% Discount Sensitivity (3.26%)	\$ 5,577,529	-6.1%
Current Discount Rate 2.26%	5,937,466	
-1% Discount Sensitivity 1.26%	6,332,414	6.7%

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2022

NOTE 9. PENSION PLAN – CONTINUED

Other Post-Employment Benefits – Continued

Projection of Net Inflows (Outflows)

Fiscal Year	Net Inflows (Outflows)
2023	\$ 344,688
2024	190,253
2025	12,257
2026	-
2027	-
Total	<u>\$ 547,198</u>

Required Supplementary Information

Below is the Schedule of Funding Progress. Ultimately 10 years of funding progress will be shown:

Measurement Date	Fiduciary Net Position (a)	Total OPEB Liability Entry Age Normal Percentage of Salary (b)	Net OPEB Liability (b) – (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	Net OPEB Liability as a Percentage of Covered Payroll (b) – (a)/(c)
September 30, 2018	\$ -	\$ 4,744,971	\$ 4,744,971	0.00%	\$ 2,641,704	179.62%
September 30, 2019	-	5,597,726	5,597,726	0.00%	2,614,248	214.12%
September 30, 2020	-	5,690,170	5,690,170	0.00%	2,590,682	219.64%
September 30, 2021	-	6,127,690	6,127,690	0.00%	1,943,781	315.25%
September 30, 2022	-	5,937,466	5,937,466	0.00%	1,594,528	372.37%

Actuarial Valuation: Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the Plan and the annual required contribution of the City and Plan participants are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Method	Individual Entry Age Normal Cost Method – Level Percentage of Projected Salary.
Service Cost	Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan’s benefit formula. This allocation is based on each participant’s service between date of hire and date of expected termination.
Total OPEB Liability	The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.
Discount Rate	4.77% (2.27% real rate of return plus 2.50% inflation)

NOTE 9. PENSION PLAN – CONTINUED

Other Post-Employment Benefits – Continued

Average Per Capita Claim Cost

CY2023 LGHIP annual premium of \$14,568 used for non-Medicare individual coverage to age 65. This is a pooled rate for pre-65 retirees.

Health Care Cost Trend 4.50% level

Mortality RPH-2014 Total Table with Projection MP-2021.

Turnover Termination rates are based on the termination rates in the latest actuarial valuation report for the Retirement Systems of Alabama (“RSA”).

Disability None assumed

Retirement Rates Same source for termination rates was used for retirement rate.

Retiree Contributions 15% of the premium for medical/dental coverage.

Salary Scale 3.50%

Data Assumptions

Coverage 100% of all retirees who currently have healthcare coverage will continue with the same coverage.

90% of all eligible actives who currently have individual healthcare coverage will continue with individual only coverage upon retirement. 27% of those with family coverage will continue with family coverage and 63% with family coverage will continue with individual only coverage at retirement.

Valuation Methodology and Terminology

We have used GASB accounting methodology to determine the postretirement medical benefit obligations.

Valuation Date September 30, 2022

Measurement Date September 30, 2022

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2022

NOTE 10. TAX ABATEMENTS

Under ordinance No. 2011-15 the City is authorized to provide economic development assistance to eligible retail developments. Possible assistance would be building permit exclusion, landfill disposal fee waived, sales and use tax exemption for construction cost, and sales tax rebates (30.00% of excess sales tax generated for a period of five years and 20.00% for two years). Development cost will need to exceed \$1,000,000. In general, for the sales and use tax rebate the development would generate 20 or more new full-time jobs within one calendar quarter.

Rebate of sales tax for the purpose of new or relocated business:

Cannon	\$ 183,185
PLG Investments	205,500
McDonald's	10,121
Wendy's	13,099
Atkins	195,657
Milo's	9,925
Five Below	19,643
Applebee's	46,816
Dunham's	70,201

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JASPER, ALABAMA
Schedule of Changes in Net Pension Liability
Fiscal Year Ending September 30, 2022

	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY								
Service Cost	\$ 578,440	\$ 622,487	\$ 594,189	\$ 583,569	\$ 597,982	\$ 536,676	\$ 535,900	\$ 547,221
Interest	2,580,040	2,360,388	2,236,058	2,330,947	2,309,506	2,221,373	2,153,823	2,105,941
Changes in Benefit Terms	538,858	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(1,904,133)	2,163,108	917,046	(1,844,988)	(125,994)	291,131	142,648	-
Changes of Assumptions	1,210,564	-	-	150,948	-	1,103,905	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,307,680)	(2,176,324)	(2,125,247)	(2,351,890)	(2,272,544)	(1,957,898)	(2,018,103)	(2,091,162)
Transfers Among Employers	117,804	(51,351)	18,157	(18,924)	(192,612)	(4,956)	-	-
NET CHANGE IN TOTAL PENSION LIABILITY	813,893	2,918,308	1,640,203	(1,150,338)	316,338	2,190,231	814,268	562,000
TOTAL PENSION LIABILITY – BEGINNING	34,660,854	31,742,546	30,102,343	31,252,681	30,936,343	28,746,112	27,931,844	27,369,844
TOTAL PENSION LIABILITY – ENDING (a)	\$ 35,474,747	\$ 34,660,854	\$ 31,742,546	\$ 30,102,343	\$ 31,252,681	\$ 30,936,343	\$ 28,746,112	\$ 27,931,844
PLAN FIDUCIARY NET POSITION								
Contributions – Employer	\$ 807,536	\$ 773,373	\$ 920,211	\$ 836,981	\$ 830,036	\$ 865,143	\$ 788,365	\$ 760,561
Contributions – Member	425,573	420,088	421,507	396,113	390,170	378,513	398,028	426,342
Net Investment Income	4,645,146	1,184,507	541,480	1,866,853	2,424,875	1,841,210	221,011	2,086,869
Benefit Payments, Including Refunds of Employee Contributions	(2,307,680)	(2,176,324)	(2,125,247)	(2,351,890)	(2,272,544)	(1,957,898)	(2,018,103)	(2,091,162)
Transfers Among Employers	117,804	(51,351)	18,157	(18,924)	(192,612)	(4,956)	9,318	25,600
NET CHANGE IN PLAN FIDUCIARY NET POSITION	3,688,379	150,293	(223,892)	729,133	1,179,925	1,122,012	(601,381)	1,208,210
PLAN NET POSITION – BEGINNING	21,396,292	21,245,999	21,469,891	20,740,758	19,560,833	18,438,821	19,040,202	17,831,992
PLAN NET POSITION – ENDING (b)	\$ 25,084,671	\$ 21,396,292	\$ 21,245,999	\$ 21,469,891	\$ 20,740,758	\$ 19,560,833	\$ 18,438,821	\$ 19,040,202
NET PENSION LIABILITY (ASSET) – ENDING (a) - (b)	\$ 10,390,076	\$ 13,264,562	\$ 10,496,547	\$ 8,632,452	\$ 10,511,923	\$ 11,375,510	\$ 10,307,291	\$ 8,891,642
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.71%	61.73%	66.93%	71.32%	66.36%	63.23%	64.14%	68.17%
Covered-Employee Payroll*	\$ 8,052,150	\$ 7,756,426	\$ 7,976,978	\$ 7,976,978	\$ 7,505,349	\$ 7,403,269	\$ 6,774,687	\$ 6,711,095
Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	129.03%	171.01%	131.59%	108.22%	140.06%	153.66%	152.14%	132.49%

*Employer's covered-payroll during the measurement period is the total payroll paid to covered employees (not just pensionable payroll). For FY2022 the measurement period is October 1, 2020– September 30.

This schedule is presented to show information for 10 years. However, until a full 10-year trend is compiled governments will present information for the years available.

The accompanying notes are an integral part of these financial statements.

CITY OF JASPER, ALABAMA
 Schedule of Employer Contributions
 September 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contributions*	\$ 1,051,692	\$ 881,834	\$ 766,542	\$ 848,817	\$ 848,817	\$ 841,724	\$ 863,662	\$ 778,957
Contributions in Relation to the Actuarially Determined Contributions*	<u>1,051,692</u>	<u>881,834</u>	<u>766,542</u>	<u>848,817</u>	<u>848,817</u>	<u>841,724</u>	<u>863,662</u>	<u>778,957</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll**	\$ 7,594,181	\$ 8,052,150	\$ 7,756,426	\$ 7,976,978	\$ 7,976,978	\$ 7,505,349	\$ 7,403,269	\$ 6,774,687
Contributions as a Percentage of Covered-Employee Payroll	13.85%	10.95%	9.88%	10.64%	10.64%	11.21%	11.67%	11.50%

*Amount of employer contributions related to normal and accrued liability components of employer rate net of any refunds or error service payments. The Schedule of Employer Contributions is based on the 12 month period of the underlying financial statement.

**Employer's covered payroll for FY2022 is the total covered payroll for the 12 month period of the underlying financial statement.

NOTES TO SCHEDULE

Actuarially determined contribution rates are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported. Contributions for fiscal year 2022 were based on the September 30, 2019, actuarial valuation.

Methods and Assumptions used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percent Closed
Remaining Amortization Period	28.1 Years
Asset Valuation Method	Five Year Smoothed Market
Inflation	2.75%
Salary Increases	3.25 - 5.00%, Including Inflation
Investment Rate of Return	7.70%, Net of Pension Plan Investment Expense Including Inflation

This schedule is presented to show information for 10 years. However, until a full 10-year trend is compiled governments will present information for the years available.

The accompanying notes are an integral part of these financial statements.

CITY OF JASPER, ALABAMA
Schedule of Changes in Net OPEB Liability
Fiscal Year Ending September 30, 2022

	2022	2021	2020	2019	2018
TOTAL PENSION LIABILITY					
Service Cost	\$ 74,945	\$ 87,078	\$ 81,197	\$ 60,633	\$ 58,267
Interest	133,898	126,237	147,191	185,025	191,882
Changes in Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	1,166,992	559,042	(217,839)	389,442	-
Changes of Assumptions	(1,062,803)	(1,409)	372,746	593,049	-
Benefit Payments, Including Refunds of Employee Contributions	(503,256)	(333,428)	(290,851)	(375,394)	(346,150)
Transfers Among Employers	-	-	-	-	-
NET CHANGE IN TOTAL PENSION LIABILITY	(190,224)	437,520	92,444	852,755	(96,001)
TOTAL PENSION LIABILITY – BEGINNING	6,127,690	5,690,170	5,597,726	4,744,971	4,840,972
TOTAL PENSION LIABILITY – ENDING (a)	\$ 5,937,466	\$ 6,127,690	\$ 5,690,170	\$ 5,597,726	\$ 4,744,971
PLAN FIDUCIARY NET POSITION					
NET PENSION LIABILITY (ASSET) – ENDING (a) - (b)	\$ 5,937,466	\$ 6,127,690	\$ 5,690,170	\$ 5,597,726	\$ 4,744,971
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll*	\$ 1,594,528	\$ 1,943,781	\$ 2,590,682	\$ 2,614,248	\$ 2,641,704
Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	372.37%	315.25%	219.64%	214.12%	179.62%

This schedule is presented to show information for 10 years. However, until a full 10-year trend is compiled governments will present information for the years available.

OTHER SUPPLEMENTARY INFORMATION

CITY OF JASPER, ALABAMA
Combining Balance Sheet
All Nonmajor Governmental Funds
September 30, 2022

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Total Nonmajor Other Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,665,986	\$ 8,957,501	\$ 1,157,954	\$ 11,781,441
Receivables, Net	-	23,619	-	23,619
Prepays	-	-	-	-
Due from Other Funds	-	8,893	1,197,164	1,206,057
TOTAL ASSETS	<u>\$ 1,665,986</u>	<u>\$ 8,990,013</u>	<u>\$ 2,355,118</u>	<u>\$ 13,011,117</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 104,810	\$ 71,928	\$ 2,917	\$ 179,655
Due to Other Funds	1,250	3,100,000	-	3,101,250
TOTAL LIABILITIES	106,060	3,171,928	2,917	3,280,905
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted Fund Balance	741,170	5,818,085	2,352,201	8,911,456
Committed Fund Balance	-	-	-	-
Assigned Fund Balance	818,756	-	-	818,756
TOTAL FUND BALANCES	<u>1,559,926</u>	<u>5,818,085</u>	<u>2,352,201</u>	<u>9,730,212</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,665,986</u>	<u>\$ 8,990,013</u>	<u>\$ 2,355,118</u>	<u>\$ 13,011,117</u>

See Independent Auditors' Report.

CITY OF JASPER, ALABAMA

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances

All Nonmajor Governmental Funds

September 30, 2022

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Total Nonmajor Other Governmental Funds
REVENUES				
Taxes	\$ 1,230,302	\$ -	\$ -	\$ 1,230,302
Interest	443	9,131	4	9,578
Fines and Forfeitures	184,198	-	-	184,198
Intergovernmental	-	135,145	-	135,145
Grant Proceeds and Donations	82,750	655,437	-	738,187
Miscellaneous	65,696	35,905	-	101,601
TOTAL REVENUES	<u>1,563,389</u>	<u>835,618</u>	<u>4</u>	<u>2,399,011</u>
EXPENDITURES				
General Government	1,374	56,064	17,763	75,201
Public Safety	18,973	-	-	18,973
Public Works	3,958	66,736	-	70,694
Recreation and Cultural Services	249,346	-	-	249,346
Intergovernmental	-	-	-	-
Debt Service: Principal	-	-	961,115	961,115
Interest and Other Charges	-	-	638,344	638,344
Capital Outlays	275,000	2,321,751	-	2,596,751
TOTAL EXPENDITURES	<u>548,651</u>	<u>2,444,551</u>	<u>1,617,222</u>	<u>4,610,424</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,014,738	(1,608,933)	(1,617,218)	(2,211,413)
OTHER FINANCING SOURCES (USES)				
Proceeds of Long-Term Debt	-	-	-	-
Bond Issue Cost	-	-	-	-
Deposit with Escrow Agent	-	-	-	-
Transfers In	60,000	6,127,596	3,600,801	9,788,397
Transfers Out	(1,080,000)	(314,918)	-	(1,394,918)
TOTAL OTHER FINANCING SOURCES (USES)	(1,020,000)	5,812,678	3,600,801	8,393,479
NET CHANGE IN FUND BALANCES	(5,262)	4,203,745	1,983,583	6,182,066
FUND BALANCES – BEGINNING	<u>1,565,188</u>	<u>1,614,340</u>	<u>368,618</u>	<u>3,548,146</u>
FUND BALANCES – ENDING	<u>\$ 1,559,926</u>	<u>\$ 5,818,085</u>	<u>\$ 2,352,201</u>	<u>\$ 9,730,212</u>

See Independent Auditors' Report.

CITY OF JASPER, ALABAMA
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 September 30, 2022

	Corrections	Alcohol Fund	State Street	Gasoline Tax	Ten Cent Gas Tax	Court Ordered Fund	Court Administered Fund
ASSETS							
Cash and Cash Equivalents	\$ 54,070	\$ 766,202	\$ 107,902	\$ 80,400	\$ 251,910	\$ 35,830	\$ 193,551
Receivables, Net	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 54,070</u>	<u>\$ 766,202</u>	<u>\$ 107,902</u>	<u>\$ 80,400</u>	<u>\$ 251,910</u>	<u>\$ 35,830</u>	<u>\$ 193,551</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 1,050	\$ -
Due to Other Funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,050</u>	<u>-</u>
FUND BALANCES							
Restricted	54,070	-	107,902	80,400	251,910	34,780	193,551
Assigned	-	666,202	-	-	-	-	-
TOTAL FUND BALANCES	<u>54,070</u>	<u>666,202</u>	<u>107,902</u>	<u>80,400</u>	<u>251,910</u>	<u>34,780</u>	<u>193,551</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 54,070</u>	<u>\$ 766,202</u>	<u>\$ 107,902</u>	<u>\$ 80,400</u>	<u>\$ 251,910</u>	<u>\$ 35,830</u>	<u>\$ 193,551</u>

See Independent Auditors' Report.

CITY OF JASPER, ALABAMA
 Combining Balance Sheet – Continued
 Nonmajor Special Revenue Funds
 September 30, 2022

	Foothills Festival	PD Equipment Grant Fund	Special Projects Fund	Animal Shelter	Total Nonmajor Special Revenue Funds
ASSETS					
Cash and Cash Equivalents	\$ 28,947	\$ 13,855	\$ 4,702	\$ 128,617	\$ 1,665,986
Receivables, Net	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
TOTAL ASSETS	\$ 28,947	\$ 13,855	\$ 4,702	\$ 128,617	\$ 1,665,986
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 3,760	\$ -	\$ -	\$ -	\$ 104,810
Due to Other Funds	1,250	-	-	-	1,250
TOTAL LIABILITIES	5,010	-	-	-	106,060
FUND BALANCES					
Restricted	-	13,855	4,702	-	741,170
Assigned	23,937	-	-	128,617	818,756
TOTAL FUND BALANCES	23,937	13,855	4,702	128,617	1,559,926
TOTAL LIABILITIES AND FUND BALANCES	\$ 28,947	\$ 13,855	\$ 4,702	\$ 128,617	\$ 1,665,986

CITY OF JASPER, ALABAMA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 September 30, 2022

	Corrections	Alcohol Fund	State Street	Gasoline Tax	Ten Cent Gas Tax	Court Ordered Fund	Court Administered Fund
REVENUES							
Taxes	\$ -	\$ 970,130	\$ 78,371	\$ 71,872	\$ 109,929	\$ -	\$ -
Interest	-	225	40	90	2	14	1
Fines and Forfeitures	157,376	-	-	-	-	-	26,822
Licenses and Permits	-	-	-	-	-	-	-
Grant Proceeds and Donations	-	-	-	-	-	-	-
Miscellaneous	-	9,720	12,505	-	-	29,696	-
TOTAL REVENUES	157,376	980,075	90,916	71,962	109,931	29,710	26,823
EXPENDITURES							
General Government	-	987	-	-	327	-	-
Public Safety	288	-	-	-	-	18,066	327
Public Works	-	-	-	-	-	-	-
Recreation and Cultural Services	-	60,000	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Capital Outlays	-	-	275,000	-	-	-	-
TOTAL EXPENDITURES	288	60,987	275,000	-	327	18,066	327
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	157,088	919,088	(184,084)	71,962	109,604	11,644	26,496
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	(140,000)	(730,000)	-	(210,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(140,000)	(730,000)	-	(210,000)	-	-	-
NET CHANGE IN FUND BALANCE	17,088	189,088	(184,084)	(138,038)	109,604	11,644	26,496
FUND BALANCES – BEGINNING	36,982	477,114	291,986	218,438	142,306	23,136	167,055
FUND BALANCES – ENDING	\$ 54,070	\$ 666,202	\$ 107,902	\$ 80,400	\$ 251,910	\$ 34,780	\$ 193,551

See Independent Auditors' Report.

CITY OF JASPER, ALABAMA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Continued
 Nonmajor Special Revenue Funds
 September 30, 2022

	Foothills Festival	PD Equipment Grant Fund	Special Projects Fund	Animal Shelter	Total Nonmajor Special Revenue Funds
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,230,302
Interest	64	-	7	-	443
Fines and Forfeitures	-	-	-	-	184,198
Licenses and Permits	-	-	-	-	-
Grant Proceeds and Donations	82,250	-	500	-	82,750
Miscellaneous	12,959	-	816	-	65,696
TOTAL REVENUES	<u>95,273</u>	<u>-</u>	<u>1,323</u>	<u>-</u>	<u>1,563,389</u>
EXPENDITURES					
General Government	-	60	-	-	1,374
Public Safety	-	-	-	292	18,973
Public Works	-	-	3,958	-	3,958
Recreation and Cultural Services	189,346	-	-	-	249,346
Intergovernmental	-	-	-	-	-
Capital Outlays	-	-	-	-	275,000
TOTAL EXPENDITURES	<u>189,346</u>	<u>60</u>	<u>3,958</u>	<u>292</u>	<u>548,651</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(94,073)</u>	<u>(60)</u>	<u>(2,635)</u>	<u>(292)</u>	<u>1,014,738</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	60,000	-	-	-	60,000
Transfers Out	-	-	-	-	(1,080,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,020,000)</u>
NET CHANGE IN FUND BALANCE	<u>(34,073)</u>	<u>(60)</u>	<u>(2,635)</u>	<u>(292)</u>	<u>(5,262)</u>
FUND BALANCES – BEGINNING	<u>58,010</u>	<u>13,915</u>	<u>7,337</u>	<u>128,909</u>	<u>1,565,188</u>
FUND BALANCES – ENDING	<u>\$ 23,937</u>	<u>\$ 13,855</u>	<u>\$ 4,702</u>	<u>\$ 128,617</u>	<u>\$ 1,559,926</u>

See Independent Auditors' Report.

CITY OF JASPER, ALABAMA
 Combining Balance Sheet
 Nonmajor Capital Projects Funds
 September 30, 2022

	Atrip	State Capital Improvements	2017 Bond Improvement Fund	Tap V	West Jasper CDBG	2017 Community Project Fund	Tap IV Project Fund
ASSETS							
Cash and Cash Equivalents	\$ 444,497	\$ 474,722	\$ 6,366,760	\$ 118,782	\$ 364,159	\$ 1,009,436	\$ -
Receivables, Net	-	-	7,835	15,784	-	-	-
Prepaid Insurance	-	-	-	-	-	-	-
Due from Other Funds	-	8,893	-	-	-	-	-
TOTAL ASSETS	\$ 444,497	\$ 483,615	\$ 6,374,595	\$ 134,566	\$ 364,159	\$ 1,009,436	\$ -
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ -	\$ 54,581	\$ 13,070	\$ -	\$ -
Due to Other Funds	-	-	3,000,000	100,000	-	-	-
Due to Other Governments	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	3,000,000	154,581	13,070	-	-
FUND BALANCES							
Restricted	444,497	483,615	3,374,595	(20,015)	351,089	1,009,436	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	444,497	483,615	3,374,595	(20,015)	351,089	1,009,436	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 444,497	\$ 483,615	\$ 6,374,595	\$ 134,566	\$ 364,159	\$ 1,009,436	\$ -

See Independent Auditors' Report.

CITY OF JASPER, ALABAMA
 Combining Balance Sheet – Continued
 Nonmajor Capital Projects Funds
 September 30, 2022

	US 78 Atrip 	Total Nonmajor Capital Projects Funds
ASSETS		
Cash and Cash Equivalents	\$ 179,145	\$ 8,957,501
Receivables, Net	-	23,619
Prepaid Insurance	-	-
Due from Other Funds	-	8,893
TOTAL ASSETS	\$ 179,145	\$ 8,990,013
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	4,277	71,928
Due to Other Funds	-	3,100,000
Due to Other Governments	-	-
TOTAL LIABILITIES	4,277	3,171,928
FUND BALANCES		
Restricted	174,868	5,818,085
Committed	-	-
Assigned	-	-
TOTAL FUND BALANCES	174,868	5,818,085
TOTAL LIABILITIES AND FUND BALANCES	\$ 179,145	\$ 8,990,013

CITY OF JASPER, ALABAMA
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Project Funds
 September 30, 2022

	Atrip	State Capital Improvements	2017 Bond Improvement Fund	Tap V	West Jasper CDBG	2017 Community Project Fund	Tap IV Project Fund
REVENUES							
Interest	\$ 333	\$ 173	\$ 8,225	\$ 169	\$ 171	\$ 59	\$ -
Intergovernmental	-	135,145	-	-	-	-	-
Grant Proceeds and Donations	67	-	-	640,000	15,370	-	-
Miscellaneous	-	35,903	-	-	-	-	2
TOTAL REVENUES	<u>400</u>	<u>171,221</u>	<u>8,225</u>	<u>640,169</u>	<u>15,541</u>	<u>59</u>	<u>2</u>
EXPENDITURES							
General Government	-	56,000	-	10	-	-	-
Public Works	-	-	66,736	-	-	-	-
Recreation and Cultural Services	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Capital Outlays	-	617,703	309,884	1,077,144	15,370	166,571	-
TOTAL EXPENDITURES	<u>-</u>	<u>673,703</u>	<u>376,620</u>	<u>1,077,154</u>	<u>15,370</u>	<u>166,571</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	400	(502,482)	(368,395)	(436,985)	171	(166,512)	2
OTHER FINANCING SOURCES (USES)							
Proceeds of Long-Term Debt	-	-	-	-	-	-	-
Transfers In	-	500,000	3,586,678	380,000	350,918	1,000,000	-
Transfers Out	-	-	(314,918)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>500,000</u>	<u>3,271,760</u>	<u>380,000</u>	<u>350,918</u>	<u>1,000,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	400	(2,482)	2,903,365	(56,985)	351,089	833,488	2
FUND BALANCES – BEGINNING	444,097	486,097	471,230	36,970	-	175,948	(2)
FUND BALANCES – ENDING	<u>\$ 444,497</u>	<u>\$ 483,615</u>	<u>\$ 3,374,595</u>	<u>\$ (20,015)</u>	<u>\$ 351,089</u>	<u>\$ 1,009,436</u>	<u>\$ -</u>

See Independent Auditors' Report.

CITY OF JASPER, ALABAMA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Continued
 Nonmajor Capital Project Funds
 September 30, 2022

	US 78 Atrip II	Total Nonmajor Capital Projects Funds
REVENUES		
Interest	1	9,131
Intergovernmental	-	135,145
Grant Proceeds and Donations	-	655,437
Miscellaneous	-	35,905
TOTAL REVENUES	<u>1</u>	<u>835,618</u>
EXPENDITURES		
General Government	54	56,064
Public Works	-	66,736
Recreation and Cultural Services	-	-
Intergovernmental	-	-
Capital Outlays	135,079	2,321,751
TOTAL EXPENDITURES	<u>135,133</u>	<u>2,444,551</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(135,132)	(1,608,933)
OTHER FINANCING SOURCES (USES)		
Proceeds of Long-Term Debt	-	-
Transfers In	310,000	6,127,596
Transfers Out	-	(314,918)
TOTAL OTHER FINANCING SOURCES (USES)	<u>310,000</u>	<u>5,812,678</u>
NET CHANGE IN FUND BALANCE FUND BALANCES – BEGINNING	<u>174,868</u>	<u>4,203,745</u>
FUND BALANCES – ENDING	<u>\$ 174,868</u>	<u>\$ 5,818,085</u>

See Independent Auditors' Report.

CITY OF JASPER, ALABAMA
 Combining Balance Sheet
 Nonmajor Debt Service Fund
 September 30, 2022

	<u>2012 Bond Issue</u>	<u>Total Nonmajor Debt Service Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,157,954	\$ 1,157,954
Due from Other Funds	1,197,164	1,197,164
Prepays	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 2,355,118</u>	<u>\$ 2,355,118</u>
LIABILITIES AND FUND BALANCES		
Due to Other Funds	\$ -	\$ -
Accounts Payable	<u>2,917</u>	<u>2,917</u>
LIABILITIES	2,917	2,917
FUND BALANCES		
Nonspendable	-	-
Restricted	2,352,201	2,352,201
Committed	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>2,352,201</u>	<u>2,352,201</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,355,118</u>	<u>\$ 2,355,118</u>

CITY OF JASPER, ALABAMA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Debt Service Fund

September 30, 2022

	2012 Bond Issue	Total Nonmajor Debt Service Fund
REVENUES		
Interest	\$ 4	\$ 4
TOTAL REVENUES	4	4
EXPENDITURES		
General Government	17,763	17,763
Public Works	-	-
Debt Service: Principal	961,115	961,115
Interest and Other Charges	638,344	638,344
TOTAL EXPENDITURES	1,617,222	1,617,222
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,617,218)	(1,617,218)
OTHER FINANCING SOURCES		
Proceeds of Long-Term Debt	-	-
Bond Issue Cost	-	-
Deposit with Escrow Agent	-	-
Transfer In	3,600,801	3,600,801
Transfer Out	-	-
TOTAL OTHER FINANCING SOURCES	3,600,801	3,600,801
NET CHANGE IN FUND BALANCES	1,983,583	1,983,583
FUND BALANCE – BEGINNING	368,618	368,618
FUND BALANCE – ENDING	\$ <u>2,352,201</u>	\$ <u>2,352,201</u>

See Independent Auditors' Report.

KELLUM, WILSON & ASSOCIATES, P.C.

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INDEPENDENT AUDITORS' 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
Jasper, Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jasper, Alabama (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 23, 2023. Our report includes a reference to other auditors who audited the financial statements of the Jasper City Board of Education of the City of Jasper, Alabama, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Kellum, Wilson & Associates, P.C.

Kellum, Wilson and Associates, P.C.

October 23, 2023

KELLUM, WILSON & ASSOCIATES, P.C.

Certified Public Accountants

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INDEPENDENT AUDITORS' 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
Jasper, Alabama

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Jasper Alabama's ("City") 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's major federal programs for the year ended September 30, 2022. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City 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 September 30, 2022.

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 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 City'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's federal programs.

Auditors' 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'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'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'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'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'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.

Kellum, Wilson & Associates, P.C.

Kellum, Wilson & Associates, P.C.

October 23, 2023

CITY OF JASPER, ALABAMA
 Schedule of Expenditures of Federal Awards
 Year Ended September 30, 2022

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Agency or Passthrough Number</u>	<u>Federal Expenditures</u>
U. S. Department of Transportation			
Passed Through:			
Alabama Department of Transportation Transportation Alternatives Program	20.205	TAPOA-TA21(903)	640,000
U. S. Department of Treasury			
Direct:			
Coronavirus State and Local Fiscal Recovery Funds	21.027		601,081
U. S. Department of Housing and Urban Development			
Passed Through:			
Alabama Department of Economic and Community Affairs Community Development Block Grant	14.218		15,370
Total Federal Expenditures			\$ <u><u>1,256,451</u></u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF JASPER, ALABAMA

Schedule of Expenditures of Federal Awards – Continued
Year Ended September 30, 2022

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City under programs of the federal government for the year ended September 30, 2022. 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 the 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 assets, or cash flow of the City.

NOTE B – 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 may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The City has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:
 Material weakness(es) identified? _____ yes X no
 Reportable condition(s) identified not
 considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:
 Material weakness(es) identified? _____ yes X no
 Reportable condition(s) identified not
 considered to be material weakness? _____ yes X none reported

Type of auditors' report issued on compliance
 for major programs: Unqualified

Type of auditors' report issued on compliance for major programs:
 Any findings disclosed that are required to be reported in
 Accordance with the Uniform Guidance? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Transportation Alternatives Program

Dollar threshold used to distinguish
 between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? _____ yes X no

FINDINGS – FINANCIAL STATEMENT AUDIT

No matters were reported.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

No matters were reported.