

CITY OF JASPER
Jasper, Alabama

Financial Statements and
Supplemental Information

September 30, 2024

KELLUM, WILSON & ASSOCIATES, P.C.
Certified Public Accountants
600 Oak Hill Road
JASPER, ALABAMA 35504

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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, 2024, 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, 2024, 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.

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

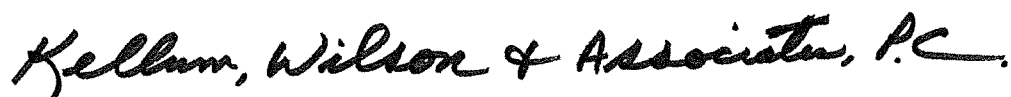
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the Net Pension Liability, and the Schedule of Employer Contributions be presented to supplement the basic financial statements. Such information is the 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 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 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 August 27, 2025, 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 City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Kellum, Wilson & Associates, P.C." with a stylized flourish at the end.

Kellum, Wilson & Associates, P.C.

August 27, 2025

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

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, 2024. 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, 2024, by \$51,268,832 (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 \$13,294,119.
- The City's total net position increased by \$8,506,037 in fiscal 2024.
- The City's total net capital assets increased by \$4,877,392 in fiscal 2024. This increase was mainly attributable to current year additions exceeding depreciation.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$56,881,295, a decrease of \$1,024,294 from the prior year. Of this amount, \$26,542,346 is restricted.
- At the end of the current fiscal year, the unassigned fund balance of the General Fund (the City's primary operating fund) was \$28,115,632. An increase of \$3,668,479.
- The City's net long-term debt decreased by \$5,742,902.

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, 2024**

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*, 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 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, 2024**

Fund Financial Statements – Continued

Governmental Funds – The City of Jasper maintains five 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, One-Cent Sales Tax Fund, 2017 Bond Improvement Fund, West Jasper CDBG 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 General Fund to demonstrate compliance with its budget.

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, 2024**

**Condensed Statements of Net Position
September 30, 2024 and 2023**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and Other Assets	\$ 58,594,913	\$ 59,898,499	\$ (95,433)	\$ (188,451)	\$ 58,499,480	\$ 59,710,048
Capital Assets (Net)	<u>87,458,535</u>	<u>82,779,039</u>	<u>1,405,456</u>	<u>1,207,560</u>	<u>88,863,991</u>	<u>83,986,599</u>
Total Assets	<u>146,053,448</u>	<u>142,677,538</u>	<u>1,310,023</u>	<u>1,019,109</u>	<u>147,363,471</u>	<u>143,696,647</u>
Deferred Outflows of Resources	<u>5,540,018</u>	<u>8,173,977</u>	<u>306,734</u>	<u>522,752</u>	<u>5,846,752</u>	<u>8,696,729</u>
Other Liabilities	8,383,473	8,534,270	384,678	366,136	8,768,151	8,900,406
Long-Term Liabilities	<u>90,891,185</u>	<u>97,360,222</u>	<u>1,418,825</u>	<u>1,550,853</u>	<u>92,310,010</u>	<u>98,911,075</u>
Total Liabilities	<u>99,274,658</u>	<u>105,894,492</u>	<u>1,803,503</u>	<u>1,916,989</u>	<u>101,078,161</u>	<u>107,811,481</u>
Deferred Inflows Of Resources	1,049,976	1,999,907	75,788	137,338	1,125,764	2,137,245
Net Position:						
Net Invested in						
Capital Assets	11,432,367	1,061,643	1,255,412	1,005,842	12,687,779	2,067,485
Restricted	26,542,346	31,393,807	-	-	26,542,346	31,393,807
Unrestricted (Deficit)	<u>13,294,119</u>	<u>10,501,666</u>	<u>(1,517,946)</u>	<u>(1,518,308)</u>	<u>11,776,173</u>	<u>8,983,358</u>
Total Net Position	<u>\$ 51,268,832</u>	<u>\$ 42,957,116</u>	<u>\$ (262,534)</u>	<u>\$ (512,466)</u>	<u>\$ 51,006,298</u>	<u>\$ 42,444,650</u>

The City's total assets were \$147,363,471 as of September 30, 2024. Capital assets, including infrastructure, account for \$88,863,991.

The remaining City assets of \$58,499,480 are accounted for in cash and cash equivalents, \$2,639,986 in accounts receivable, \$25,849 in liens and another receivable, and the remainder spread among miscellaneous assets.

At September 30, 2024, the City had outstanding liabilities of \$101,078,161, of which \$92,310,010 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 \$6,241,342 is due within one year, with the remainder due at various dates before 2044.

Included in other liabilities in the above table are \$1,758,477 in accounts payable (most of which will be paid from the general fund and bond funds). The remainder is accrued interest and deposits.

A large 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.

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

**Condensed Statement of Activities
For the Years Ended September 30, 2024, and 2023**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 5,253,000	\$ 5,178,953	\$ 2,645,030	\$ 1,984,743	\$ 7,898,030	\$ 7,163,696
Grants/Contributions	1,026,492	3,887,764	-	-	1,026,492	3,887,764
General Revenues:						
Property Taxes	3,941,617	3,371,346	-	-	3,941,617	3,371,346
Sales Taxes	23,810,695	23,540,334	-	-	23,810,695	23,540,334
Other Taxes	4,122,136	4,337,828	-	-	4,122,136	4,337,828
Other General Revenues	<u>2,077,881</u>	<u>2,290,939</u>	<u>6,155</u>	<u>8,308</u>	<u>2,084,036</u>	<u>2,299,247</u>
Total Revenues	<u>40,231,821</u>	<u>42,607,164</u>	<u>2,651,185</u>	<u>1,993,051</u>	<u>42,883,006</u>	<u>44,600,215</u>
Expenses						
Governmental Activities:						
General Government	1,937,066	2,234,935	-	-	1,937,066	2,234,935
Public Safety	9,072,868	8,148,072	-	-	9,072,868	8,148,072
Public Works	5,258,953	4,974,122	-	-	5,258,953	4,974,122
Recreation and Cultural	3,644,692	3,312,214	-	-	3,644,692	3,312,214
Nondepartmental	9,973,643	8,472,059	-	-	9,973,643	8,472,059
Interest on Long-Term Debt	2,088,494	2,213,498	-	-	2,088,494	2,213,498
Business-Type Activities:						
Cemeteries	-	-	8,278	12,028	8,278	12,028
Garbage Collection	<u>-</u>	<u>-</u>	<u>2,392,975</u>	<u>2,234,792</u>	<u>2,392,975</u>	<u>2,234,792</u>
Total Expenses	<u>31,975,716</u>	<u>29,354,900</u>	<u>2,401,253</u>	<u>2,246,820</u>	<u>34,376,969</u>	<u>31,601,720</u>
Net Increase (Decrease)	<u>8,256,105</u>	<u>13,252,264</u>	<u>249,932</u>	<u>(253,769)</u>	<u>8,506,037</u>	<u>12,998,495</u>
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>\$ 8,256,105</u>	<u>\$ 13,252,264</u>	<u>\$ 249,932</u>	<u>\$ (253,769)</u>	<u>\$ 8,506,037</u>	<u>\$ 12,998,495</u>

Total revenues for the City were \$42,883,006 for the year ended September 30, 2024. Governmental activities provided \$40,231,821 or 93.8%, while \$2,651,185 of business-type activities revenue was provided by charges for services and interest income. The governmental activities received \$23,810,695 or 59.2% of total revenue, from sales taxes and \$4,228,150, or 10.5% of total revenue, from business licenses and permits.

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

Fund Financial Analysis

Governmental Funds

The General Fund is the chief operating fund of the City. The total general fund balance increased by \$3,617,283 in 2024 to \$28,467,610. At the end of the current fiscal year, the unassigned fund balance was \$28,115,632. 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 118.2% of total general fund expenditures, while total fund balance represents 119.7% 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 \$(2,550) and North Oakhill Cemetery recorded income from operations of \$32,672.

The City also operates a garbage collection service for the citizens of the City. Current year income from operations was \$217,374

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, 2024 and 2023
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 2,347,570	\$ 2,347,570	\$ 122,500	\$ 122,500	\$ 2,470,070	\$ 2,470,070
Construction in Progress	7,711,822	3,801,246	-	-	7,711,822	3,801,246
Buildings	46,204,171	46,626,855	89,204	89,597	46,293,375	46,716,452
Equipment	4,207,662	4,580,348	1,193,749	995,463	5,401,411	5,575,811
Infrastructure	<u>26,987,310</u>	<u>25,423,020</u>	<u>-</u>	<u>-</u>	<u>26,987,310</u>	<u>25,423,020</u>
Total	<u>\$ 87,458,535</u>	<u>\$ 82,779,039</u>	<u>\$ 1,405,453</u>	<u>\$ 1,207,560</u>	<u>\$ 88,863,988</u>	<u>\$ 83,986,599</u>

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

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.

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 \$76,176,212 in debt (bonds, notes, etc.) outstanding compared to \$81,919,114 at the end of last year, a \$5,742,902 decrease.

	Outstanding Debt at Year-End	
	<u>2024</u>	<u>2023</u>
Governmental:		
Note Payable	\$ 1,015,547	\$ 1,134,139
Note Payable	420,434	475,380
2014 Bond Issue	5,950,000	7,450,000
2015 Bond Issue	2,560,000	2,835,000
Deferred Amounts	2,820,187	3,472,877
2017 Bond Issue	8,250,000	8,845,000
2020 Bond Issue	37,275,000	37,660,000
2022 Bond Issue	17,735,000	19,845,000
Business-Type:		
Bank Loans	150,044	191,064
2019 Bond Issue	<u>-</u>	<u>10,654</u>
Total Debt	\$ <u>76,176,212</u>	\$ <u>81,919,114</u>

The City did not have any new debt in 2024.

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

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, 121 17th Street West, Jasper, Alabama 35501.

CITY OF JASPER, ALABAMA

Statement of Net Position

September 30, 2024

	Primary Government			Component Unit
				Industrial Development Board of the City of Jasper, Alabama
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Investments	\$ 54,137,200	\$ 987,557	\$ 55,124,757	\$ 1,689,681
Accrued Interest Receivable	347,944	426	348,370	-
Receivables, Net	2,495,354	144,632	2,639,986	30,062
Liens Receivable	25,849	-	25,849	-
Internal Balances	1,236,588	(1,236,588)	-	-
Inventories and Prepaids	351,978	8,540	360,518	5,223
Capital Assets, Net				-
Nondepreciable	10,059,392	122,500	10,181,892	-
Depreciable	77,399,143	1,282,956	78,682,099	4,412,735
TOTAL ASSETS	146,053,448	1,310,023	147,363,471	6,137,701
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge on Refunding	1,939,889	-	1,939,889	-
Deferred Outflows				
Employer OPEB Contribution	565,888	-	565,888	-
Contributions to Pension Plan	3,034,241	306,734	3,340,975	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	5,540,018	306,734	5,846,752	-
LIABILITIES				
Accounts Payable	1,713,618	44,859	1,758,477	35,150
Deposit	-	297,986	297,986	-
Accrued Interest Payable	470,346	-	470,346	-
NONCURRENT LIABILITIES				
Due Within One Year	6,199,509	41,833	6,241,342	2,985
Due in More Than One Year	78,037,415	108,211	78,145,626	-
Net Pension Obligation	12,853,770	1,310,614	14,164,384	-
TOTAL LIABILITIES	99,274,658	1,803,503	101,078,161	38,135
DEFERRED INFLOWS OF RESOURCES				
Related to OPEB Liability	140,928	-	140,928	-
Related to Pension Deferrals	909,048	75,788	984,836	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,049,976	75,788	1,125,764	-
NET POSITION				
Invested in Capital Assets	11,432,367	1,255,412	12,687,779	4,409,750
Restricted for:				
Capital Projects	21,466,846	-	21,466,846	-
Other Purposes	5,075,500	-	5,075,500	-
Unrestricted	13,294,119	(1,517,946)	11,776,173	1,689,816
TOTAL NET POSITION	\$ 51,268,832	\$ (262,534)	\$ 51,006,298	\$ 6,099,566

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

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Primary Government				Primary Government			
	Expenses	Charges for Services	Program Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Industrial Development Board of the City of Jasper, Alabama
FUNCTIONS								
PRIMARY GOVERNMENT								
Governmental Activities								
General Government	\$ (1,937,066)	\$ 4,230,609	\$ -	\$ -	\$ 2,293,543	\$ -	\$ 2,293,543	\$ -
Public Safety	(9,072,868)	372,243	-	-	(8,700,625)	-	(8,700,625)	-
Public Works	(5,258,953)	89,318	-	1,026,492	(4,143,143)	-	(4,143,143)	-
Recreation and Cultural Services	(3,644,692)	272,474	-	-	(3,372,218)	-	(3,372,218)	-
Nondepartmental	(9,973,643)	288,356	-	-	(9,685,287)	-	(9,685,287)	-
Interest on Long-Term Debt	(2,088,494)	-	-	-	(2,088,494)	-	(2,088,494)	-
Total Governmental Activities	(31,975,716)	5,253,000	-	1,026,492	(25,696,224)	-	(25,696,224)	-
Business-Type Activities								
Cemeteries	(8,278)	38,400	-	-	-	30,122	30,122	-
Garbage Collection	(2,392,975)	2,606,630	-	-	-	213,655	213,655	-
Total Business-Type Activities	(2,401,253)	2,645,030	-	-	-	243,777	243,777	-
TOTAL PRIMARY GOVERNMENT	\$ (34,376,969)	\$ 7,898,030	\$ -	\$ 1,026,492	(25,696,224)	243,777	(25,452,447)	-
COMPONENT UNITS								
Industrial Development Board	\$ (237,848)	\$ -	\$ -	\$ 532,732				294,884
TOTAL COMPONENT UNITS	\$ (237,848)	\$ -	\$ -	\$ 532,732				
GENERAL REVENUES								
Sales and Use Taxes					23,810,695	-	23,810,695	-
Property Tax					3,941,617	-	3,941,617	-
Licenses and Permits					-	-	-	528,145
Other Taxes					4,122,136	-	4,122,136	-
Investment Earnings					1,568,100	6,155	1,574,255	70,172
Other General Revenues					509,781	-	509,781	-
Total General Revenues					33,952,329	6,155	33,958,484	598,317
Transfers					-	-	-	-
Changes in Net Position					8,256,105	249,932	8,506,037	893,201
NET POSITION – BEGINNING OF YEAR					43,012,727	(512,466)	42,500,261	5,206,365
NET POSITION – END OF YEAR					\$ 51,268,832	\$ (262,534)	\$ 51,006,298	\$ 6,099,566

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

CITY OF JASPER, ALABAMA

Balance Sheet

Governmental Funds

September 30, 2024

	General Fund	One-Cent Sales Tax	2017 Bond Improvement Fund	West Jasper CDBG	2022 GOW	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Investments	\$ 26,220,099	\$ 1,626,118	\$ 4,139,394	\$ 5,436	\$ 14,678,728	\$ 7,467,425	\$ 54,137,200
Receivable, Net	2,037,636	-	-	-	-	457,718	2,495,354
Accrued Interest Receivable	306,420	-	13,678	-	-	27,846	347,944
Liens Receivable	25,849	-	-	-	-	-	25,849
Due from Other Funds	1,426,788	-	-	-	-	815,673	2,242,461
Inventories and Prepaids	351,978	-	-	-	-	-	351,978
TOTAL ASSETS	\$ 30,368,770	\$ 1,626,118	\$ 4,153,072	\$ 5,436	\$ 14,678,728	\$ 8,768,662	\$ 59,600,786
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 1,270,287	\$ -	\$ 324,792	\$ -	\$ -	\$ 118,539	\$ 1,713,618
Due to Other Funds	630,873	-	-	-	-	375,000	1,005,873
TOTAL LIABILITIES	1,901,160	-	324,792	-	-	493,539	2,719,491
FUND BALANCES							
Unreserved							
Nonspendable Fund Balance	351,978	-	-	-	-	-	351,978
Restricted Fund Balance	-	1,626,118	3,828,280	5,436	14,678,728	6,403,784	26,542,346
Committed Fund Balance	-	-	-	-	-	-	-
Assigned Fund Balance	-	-	-	-	-	1,871,339	1,871,339
Unassigned Fund Balance	28,115,632	-	-	-	-	-	28,115,632
TOTAL FUND BALANCES	28,467,610	1,626,118	3,828,280	5,436	14,678,728	8,275,123	56,881,295
TOTAL LIABILITIES AND FUND BALANCES	\$ 30,368,770	\$ 1,626,118	\$ 4,153,072	\$ 5,436	\$ 14,678,728	\$ 8,768,662	\$ 59,600,786

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

CITY OF JASPER, ALABAMA

Balance Sheet – Continued

Governmental Funds

September 30, 2024

Fund Balances – Total Governmental Funds	\$	56,881,295
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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	\$	146,005,361	
Less Accumulated Depreciation		<u>(58,546,826)</u>	
			87,458,535

Deferred outflows of resources related to

Pensions			3,034,241
OPEB			565,888
Refunding			1,939,889

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	(76,026,168)	
Current Year Accrued Interest	(470,346)	
Accrued Landfill Closure and Post Closure Costs	(400,005)	
Net Pension Obligation	(12,853,770)	
Compensated Absences	(1,576,251)	
OPEB Obligation	<u>(6,234,500)</u>	
		(97,561,040)

Deferred inflows of resources related to

Pensions	(909,048)	
OPEB	<u>(140,928)</u>	<u>(1,049,976)</u>

Net Position of Governmental Activities	\$	<u>51,268,832</u>
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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, 2024

	General Fund	One-Cent Sales Tax	2017 Bond Improvement Fund	West Jasper CDBG	2022 GOW	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 30,615,871	\$ -	\$ -	\$ -	\$ -	\$ 1,258,577	\$ 31,874,448
Interest	650,803	12,811	84,668	85	782,640	37,093	1,568,100
Licenses and Permits	4,228,150	-	-	-	-	-	4,228,150
Fines and Forfeitures	204,042	-	-	-	-	161,756	365,798
Intergovernmental	74,869	-	-	-	-	139,453	214,322
Charges and Fees	659,052	-	-	-	-	-	659,052
Rental Income	126,956	-	-	-	-	-	126,956
Grant Proceeds and Donations	-	-	-	288,407	-	738,084	1,026,491
Miscellaneous	2,833	-	-	-	-	165,671	168,504
TOTAL REVENUES	36,562,576	12,811	84,668	288,492	782,640	2,500,634	40,231,821
EXPENDITURES							
Current							
General Government	1,390,192	-	112	-	-	23,652	1,413,956
Public Safety	7,939,113	-	-	-	-	9,868	7,948,981
Public Works	3,494,335	15,376	-	-	-	1,380	3,511,091
Recreation and Cultural Services	3,027,156	-	-	-	-	60,000	3,087,156
Nondepartmental	5,183,063	-	-	-	-	-	5,183,063
Intergovernmental	2,741,550	-	-	-	-	-	2,741,550
Debt Service Principal	-	1,885,000	-	-	-	3,153,538	5,038,538
Interest and Other Charges	-	1,323,889	-	-	-	1,313,536	2,637,425
Capital Outlays	1,740	14,675	5,598,245	674,145	-	3,405,550	9,694,355
TOTAL EXPENDITURES	23,777,149	3,238,940	5,598,357	674,145	-	7,967,524	41,256,115
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,785,427	(3,226,129)	(5,513,689)	(385,653)	782,640	(5,466,890)	(1,024,294)
OTHER FINANCING SOURCES (USES)							
Transfers In	140,000	4,400,000	5,670,000	250,128	-	6,584,707	17,044,835
Transfers Out	(9,308,144)	(1,193,000)	(180,128)	-	(5,500,000)	(863,563)	(17,044,835)
TOTAL OTHER FINANCING SOURCES (USES)	(9,168,144)	3,207,000	5,489,872	250,128	(5,500,000)	5,721,144	-
NET CHANGE IN FUND BALANCES	3,617,283	(19,129)	(23,817)	(135,525)	(4,717,360)	254,254	(1,024,294)
FUND BALANCES – BEGINNING OF YEAR	24,850,327	1,645,247	3,852,097	140,961	19,396,088	8,020,869	57,905,589
FUND BALANCES – END OF YEAR	\$ 28,467,610	\$ 1,626,118	\$ 3,828,280	\$ 5,436	\$ 14,678,728	\$ 8,275,123	\$ 56,881,295

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, 2024

NET CHANGE IN FUND BALANCES TOTAL
GOVERNMENTAL FUNDS

\$ (1,024,294)

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	\$ 9,694,355	
Depreciation	(4,967,235)	
Loss on Disposal	(47,624)	
Amortization of Bond Discount/Premium	662,678	
Advanced and Current Refundings	<u>(147,898)</u>	
		5,194,276

Contributions to pension plan in current fiscal year are not included on the Statement of Activities		942,196
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Contributions to pension plan in prior fiscal year are included on the Statement of Activities		(952,184)
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Some expenses reported in the Statement of Activities differ from
amounts reported as expenditures in governmental funds.

Compensated Absences	(176,095)	
Change in OPEB Obligations	(189,220)	
Accrued Interest	44,139	
Pension Expense	(594,584)	
Accrued Closure and Post Closure Costs	<u>(26,667)</u>	
		(942,427)

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	-	
Principal Payments	<u>5,038,538</u>	
		<u>5,038,538</u>

CHANGE IN NET POSITION
OF GOVERNMENTAL ACTIVITIES

\$ 8,256,105

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, 2024

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 30,537,200	\$ 31,012,200	\$ 30,615,871	\$ (396,329)
Interest	125,000	325,000	650,803	325,803
Licenses and Permits	4,015,600	4,125,600	4,228,150	102,550
Fines and Forfeitures	200,000	200,000	204,042	4,042
Intergovernmental	87,000	87,000	74,869	(12,131)
Charges and Fees	390,800	505,800	659,052	153,252
Rental Income	125,000	125,000	126,956	1,956
Miscellaneous	19,400	19,400	2,833	(16,567)
TOTAL REVENUES	35,500,000	36,400,000	36,562,576	162,576
EXPENDITURES				
General Government	1,605,300	1,611,150	1,390,192	220,958
Public Safety	8,742,670	8,737,670	7,939,113	798,557
Public Works	3,690,046	3,739,796	3,494,335	245,461
Recreation and Cultural Services	2,978,010	2,990,010	3,027,156	(37,146)
Nondepartmental	3,805,524	5,130,024	5,183,063	(53,039)
Intergovernmental	2,741,550	2,741,550	2,741,550	-
Capital Outlays	-	-	1,740	(1,740)
TOTAL EXPENDITURES	23,563,100	24,950,200	23,777,149	1,173,051
Excess of Revenues Over Expenditures	11,936,900	11,449,800	12,785,427	1,335,627
OTHER FINANCING SOURCES (USES)				
Transfers In	140,000	140,000	140,000	-
Transfers Out	(9,357,000)	(9,364,000)	(9,308,144)	55,856
TOTAL OTHER FINANCING SOURCES (USES)	(9,217,000)	(9,224,000)	(9,168,144)	55,856
NET CHANGE IN FUND BALANCE	2,719,900	2,225,800	3,617,283	1,391,483
FUND BALANCE – BEGINNING OF YEAR	24,850,327	24,850,327	24,850,327	-
FUND BALANCE – END OF YEAR	\$ 27,570,227	\$ 27,076,127	\$ 28,467,610	\$ 1,391,483

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, 2024

	Proprietary Funds			Total
	New Prospect Cemetery	North Oakhill Cemetery	Garbage Collection	Business-Type Activities
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 214,310	\$ 266,205	\$ 507,042	\$ 987,557
Accounts Receivable, Net	-	-	144,632	144,632
Accrued Interest Receivable	426	-	-	426
Due from Other Funds	-	-	-	-
Inventory and Prepaids	-	-	8,540	8,540
TOTAL CURRENT ASSETS	214,736	266,205	660,214	1,141,155
Noncurrent Assets				
Capital Assets				
Land	122,500	-	-	122,500
Equipment and Improvements	30,648	177,427	4,600,878	4,808,953
	153,148	177,427	4,600,878	4,931,453
Less: Accumulated Depreciation	(30,647)	(109,069)	(3,386,281)	(3,525,997)
TOTAL NONCURRENT ASSETS	122,501	68,358	1,214,597	1,405,456
TOTAL ASSETS	337,237	334,563	1,874,811	2,546,611
DEFERRED OUTFLOWS OF RESOURCES				
Contributions to Pension Plan	-	-	306,734	306,734
LIABILITIES				
Current Liabilities				
Accounts Payable	-	-	44,859	44,859
Deposit	-	-	297,986	297,986
Due to Other Funds	-	-	1,236,588	1,236,588
	-	-	1,579,433	1,579,433
Noncurrent Liabilities				
Due Within One Year				
Bonds and Note Payable	-	-	41,833	41,833
Due in More Than One Year				
Net Pension Obligation	-	-	1,310,614	1,310,614
Bonds and Note Payable	-	-	108,211	108,211
TOTAL LIABILITIES	-	-	3,040,091	3,040,091
DEFERRED INFLOWS OF RESOURCES				
Pension Deferrals	-	-	75,788	75,788
NET POSITION				
Invested in Capital Assets	122,501	68,358	1,064,553	1,255,412
Unrestricted	214,736	266,205	(1,998,887)	(1,517,946)
TOTAL NET POSITION	\$ 337,237	\$ 334,563	\$ (934,334)	\$ (262,534)

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, 2024

	Proprietary Funds			Total Business-Type Activities
	New Prospect Cemetery	North Oakhill Cemetery	Garbage Collection	
OPERATING REVENUES				
Sales of Lots	\$ -	\$ 38,400	\$ -	\$ 38,400
Collection Fees	-	-	2,498,762	2,498,762
Miscellaneous	-	-	107,868	107,868
TOTAL OPERATING REVENUES	-	38,400	2,606,630	2,645,030
OPERATING EXPENSES				
Personnel	-	-	1,340,488	1,340,488
Vehicle Expenses	-	-	200,295	200,295
Repairs and Maintenance	2,550	-	217,011	219,561
Depreciation	-	5,728	275,164	280,892
Other	-	-	215,188	215,188
Supplies	-	-	111,638	111,638
Utilities	-	-	29,472	29,472
TOTAL OPERATING EXPENSES	2,550	5,728	2,389,256	2,397,534
OPERATING INCOME (LOSS)	(2,550)	32,672	217,374	247,496
NONOPERATING REVENUES (EXPENSES)				
Interest Expense	-	-	(3,719)	(3,719)
Interest Income	5,324	223	608	6,155
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	5,324	223	(3,111)	2,436
CHANGE IN NET POSITION	2,774	32,895	214,263	249,932
NET POSITION – BEGINNING OF YEAR	334,463	301,668	(1,148,597)	(512,466)
NET POSITION – END OF YEAR	<u>\$ 337,237</u>	<u>\$ 334,563</u>	<u>\$ (934,334)</u>	<u>\$ (262,534)</u>

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, 2024

	Proprietary Funds			Total Business-Type Activities
	New Prospect Cemetery	North Oakhill Cemetery	Garbage Collection	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts from Citizens	\$ 232	\$ 38,400	\$ 2,498,762	\$ 2,537,394
Other Miscellaneous Collections	-	-	107,868	107,868
Cash Paid to Employees for Services	-	-	(1,340,488)	(1,340,488)
Cash Paid to Suppliers	(2,550)	-	(705,756)	(708,306)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(2,318)</u>	<u>38,400</u>	<u>560,386</u>	<u>596,468</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash Received from Interest Earnings	<u>5,324</u>	<u>223</u>	<u>608</u>	<u>6,155</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	5,324	223	608	6,155
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Increase (Decrease) in Due to Other Funds	<u>-</u>	<u>-</u>	<u>(72,110)</u>	<u>(72,110)</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	-	(72,110)	(72,110)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal Payments on Long-Term Debt	-	-	(51,674)	(51,674)
Proceeds from New Debt	-	-	-	-
Purchase of Capital Assets	-	-	(478,786)	(478,786)
Cash Paid for Interest Expense	<u>-</u>	<u>-</u>	<u>(3,719)</u>	<u>(3,719)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	-	(534,179)	(534,179)
NET INCREASE (DECREASE) IN CASH	3,006	38,623	(45,295)	(3,666)
CASH AND CASH EQUIVALENTS-- BEGINNING OF YEAR	<u>211,304</u>	<u>227,582</u>	<u>552,337</u>	<u>991,223</u>
CASH AND CASH EQUIVALENTS-- END OF YEAR	<u>\$ 214,310</u>	<u>\$ 266,205</u>	<u>\$ 507,042</u>	<u>\$ 987,557</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, 2024

	Proprietary Funds			Total
	New Prospect Cemetery	North Oakhill Cemetery	Garbage Collection	Business-Type Activities
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (2,550)	\$ 32,672	\$ 217,374	\$ 247,496
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation and Amortization	-	5,728	275,164	280,892
Change in Accounts Receivable	232	-	(33,382)	(33,150)
Change in Inventory	-	-	8,575	8,575
Change in Deferred Outflows and Inflows	-	-	154,468	154,468
Change in Accounts Payable	-	-	11,007	11,007
Change in Customer Deposits	-	-	17,376	17,376
Change in Net Pension Liability	-	-	(90,196)	(90,196)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (2,318)</u>	<u>\$ 38,400</u>	<u>\$ 560,386</u>	<u>\$ 596,468</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, 2024

	Private Purpose Trust
ASSETS	
Cash and Cash Equivalents	\$ 6,970
Accounts Receivable	<u>-</u>
TOTAL ASSETS	6,970
LIABILITIES	
Accounts Payable	<u>-</u>
NET POSITION	
Held in Trusts for Individual	\$ <u><u>6,970</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 one discretely presented component unit. The Industrial Development Board of the City of Jasper, Alabama, has a December 31 year-end.

- 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., Jasper City Board of Education, 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.
- 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.
- 2017 Bond Improvement Fund – The fund is used to account for capital improvements.
- West Jasper CDBG – The fund is used to account for CDBG grant funds and related capital improvements.

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, 2024.
- 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, 2024.
- 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, 2024.
- 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, 2024

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, 2024, fund balances are composed of the following:

	General Fund	One-Cent Sales Tax	2022 GOW	West Jasper CDBG	2017 Bond Improvement	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Inventories	\$ 24,079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,079
Prepaid Items	327,899	-	-	-	-	-	327,899
Restricted:							
Construction	-	-	14,678,728	5,436	3,828,280	2,954,402	21,466,846
Debt Service	-	1,626,118	-	-	-	3,136,520	4,762,638
Miscellaneous	-	-	-	-	-	312,862	312,862
Committed:							
Construction	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Assigned:							
Construction	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	1,871,339	1,871,339
Unassigned:	<u>28,115,632</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,115,632</u>
	<u>\$ 28,467,610</u>	<u>\$ 1,626,118</u>	<u>\$ 14,678,728</u>	<u>\$ 5,436</u>	<u>\$ 3,828,280</u>	<u>\$ 8,275,123</u>	<u>\$ 56,881,295</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 August 27, 2025, 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, 2024

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.

Investments – Included in cash and investments are investments totaling \$16,300,939. These investments are in U.S. Treasury with maturities of less than one year. Carrying amount is at cost.

NOTE 3. RECEIVABLES

Receivables as of September 30, 2024, for the City's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Garbage Collection</u>	<u>Other Funds</u>	<u>Total</u>
Taxes and Intergovernmental Accounts	\$ 1,972,377 <u>65,259</u>	\$ - <u>144,632</u>	\$ 457,718 <u>-</u>	\$ 2,430,095 <u>209,891</u>
Gross Receivables	2,037,636	144,632	457,718	2,639,986
Less Allowance for Uncollectible Accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Receivables	\$ <u>2,307,636</u>	\$ <u>144,632</u>	\$ <u>457,718</u>	\$ <u>2,639,986</u>

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2024

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024, was as follows:

	Balance 10/01/23	Additions/ Completions	Retirements/ Transfers	Balance 09/30/24
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 2,347,570	\$ -	\$ -	\$ 2,347,570
Construction in Progress	<u>3,801,246</u>	<u>6,296,598</u>	<u>2,386,022</u>	<u>7,711,822</u>
Total Capital Assets Not Being Depreciated	6,148,816	6,296,598	2,386,022	10,059,392
Capital Assets Being Depreciated:				
Buildings and Improvements	67,636,546	1,782,215	1,219	69,417,542
Equipment	19,697,948	687,026	634,974	19,750,000
Infrastructure	<u>43,462,671</u>	<u>3,315,756</u>	<u>-</u>	<u>46,778,427</u>
Total Capital Assets Being Depreciated	130,797,165	5,784,997	636,193	135,945,969
Less Accumulated Depreciation for:				
Buildings and Improvements	21,009,691	2,203,680	-	23,213,371
Equipment	15,117,600	1,012,089	587,351	15,542,338
Infrastructure	<u>18,039,651</u>	<u>1,751,466</u>	<u>-</u>	<u>19,791,117</u>
Total Accumulated Depreciation	<u>54,166,942</u>	<u>4,967,235</u>	<u>587,351</u>	<u>58,546,826</u>
Total Capital Assets Being Depreciated, Net	<u>76,630,223</u>	<u>817,762</u>	<u>48,842</u>	<u>77,399,143</u>
Governmental Activities Capital Assets, Net	\$ <u>82,779,039</u>	\$ <u>7,114,360</u>	\$ <u>2,434,864</u>	\$ <u>87,458,535</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land and Land Rights	\$ <u>122,500</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>4,111,144</u>	<u>478,786</u>	<u>243,367</u>	<u>4,346,563</u>
Total Capital Assets Being Depreciated	4,573,534	478,786	243,367	4,808,953
Less Accumulated Depreciation for:				
Buildings and Improvements	367,458	5,728	-	373,186
Equipment	<u>3,121,014</u>	<u>275,164</u>	<u>243,367</u>	<u>3,152,811</u>
Total Accumulated Depreciation	<u>3,488,472</u>	<u>280,892</u>	<u>243,367</u>	<u>3,526,997</u>
Total Capital Assets Being Depreciated, Net	<u>1,085,062</u>	<u>197,894</u>	<u>-</u>	<u>1,282,956</u>
Business-Type Activities Capital Assets, Net	\$ <u>1,207,562</u>	\$ <u>197,894</u>	\$ <u>-</u>	\$ <u>1,405,456</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	\$ 43,161
Intergovernmental	1,732,840
Nondepartmental	316,190
Public Safety	596,313
Public Works	1,721,195
Recreation and Cultural Services	<u>557,536</u>
Total Depreciation Expense – Governmental Activities	\$ <u>4,967,235</u>
Business-Type Activities:	
Garbage Services	\$ 275,164
Cemeteries	<u>5,728</u>
Total Depreciation Expense – Business-Type Activities	\$ <u>280,892</u>

Discretely Presented Component Units

INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF JASPER, ALABAMA

	Balance 01/01/23	Additions/ Completions	Retirements/ Transfers	Balance 12/31/24
Business-Type Activities:				
Capital Assets Being Depreciated:				
Land and Land Improvements	\$ 3,455,811	\$ 956,924	\$ -	\$ 4,412,735
Buildings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets Being Depreciated	<u>3,455,811</u>	<u>956,924</u>	<u>-</u>	<u>4,412,735</u>
Less Accumulated Depreciation:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-Type Activities Capital Assets, Net	\$ <u>3,455,811</u>	\$ <u>956,924</u>	\$ <u>-</u>	\$ <u>4,412,735</u>

NOTE 5. INTERFUND BALANCES AND TRANSFERS

Interfund balances at September 30, 2024, consisted of the following:

Due from:	Due to:				Total
	General Fund	State Cap Improv	Opioid Fund	2012 Warrant	
Garbage Fund	\$ 1,051,788	\$ 184,800	\$ -	\$ 579,186	\$ 1,815,774
General Fund	-	-	51,687	-	51,687
Tap VI	<u>375,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,000</u>
Total	<u>\$ 1,426,788</u>	<u>\$ 184,800</u>	<u>\$ 51,687</u>	<u>\$ 579,186</u>	<u>\$ 2,242,461</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, 2024, consisted of the following:

Transfer Out:	Transfer in:									Total
	General Fund	One-Cent Sales Tax	ST Cap Improv	2017 Bond Improv	2017 Comm Pro JT Fund	328	330	2012 Warrant	736	
General Fund	\$ -	\$ 4,400,000	\$ 500,000	\$ -	\$ 1,000,563	\$ -	\$ -	\$ 3,407,581	\$ -	\$ 9,308,144
One-Cent Sales Tax	-	-	-	170,000	-	70,000	200,000	753,000	-	1,193,000
Corrections fund	140,000	-	-	-	-	-	-	-	-	140,000
2022 GOW	-	-	-	5,500,000	-	-	-	-	-	5,500,000
Alcohol	-	-	-	-	-	-	-	720,000	-	720,000
2017 Bond Improv	-	-	-	-	-	180,128	-	-	-	180,128
Gas Tax 80-427	-	-	-	-	-	-	-	-	3,000	3,000
All Others	-	-	-	-	-	-	-	563	-	563
Total	<u>\$ 140,000</u>	<u>\$ 4,400,000</u>	<u>\$ 500,000</u>	<u>\$ 5,670,000</u>	<u>\$ 1,000,563</u>	<u>\$ 250,128</u>	<u>\$ 200,000</u>	<u>\$ 4,881,144</u>	<u>\$ 3,000</u>	<u>\$ 17,044,835</u>

Transfers are primarily used to move funds.

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 3.00% to 5.00%. The proceeds are used for construction.

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2024

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

At September 30, 2024, 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%.	\$ 2,560,000	\$ -
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%.	5,950,000	-
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%.	8,250,000	-
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 3.20%.	37,275,000	-
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 3.00% to 5.00%.	<u>17,735,000</u>	<u>-</u>
Total Warrants Payable	<u>\$ 71,770,000</u>	<u>\$ -</u>

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2024

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, 2024, is \$1,015,547.

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, 2024, was \$420,434.

Notes Payable – Business-Type

At September 30, 2024, 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>\$ 150,044</u>
Total Notes Payable	<u>\$ 150,044</u>

Current Year Transactions

Transactions for the year ended September 30, 2024, 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	\$ 76,635,000	\$ -	\$ 4,865,000	\$ 71,770,000	\$ 5,055,000
Notes Payable	1,609,519	-	173,538	1,435,981	176,564
Deferred Amounts	<u>3,472,877</u>	<u>-</u>	<u>652,690</u>	<u>2,820,187</u>	<u>652,695</u>
Total Governmental					
Warrants and					
Notes Payable	81,717,396	-	5,691,228	76,026,168	5,884,259
Other Liabilities:					
Accrued Landfill and					
Post Closure Costs	373,338	26,667	-	400,005	-
Compensated Absences	1,400,156	176,095	-	1,576,251	315,250
OPEB Obligation	<u>6,114,520</u>	<u>707,584</u>	<u>587,604</u>	<u>6,234,500</u>	<u>-</u>
Total Governmental					
Activities	<u>\$ 89,605,410</u>	<u>\$ 910,346</u>	<u>\$ 6,278,832</u>	<u>\$ 84,236,924</u>	<u>\$ 6,199,509</u>

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2024

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	\$ 10,654	\$ -	\$ 10,654	\$ -	\$ -
Long-Term Notes	<u>191,064</u>	<u>-</u>	<u>41,020</u>	<u>150,044</u>	<u>41,833</u>
Total Business-Type					
Warrants and					
Notes Payable	<u>\$ 201,718</u>	<u>\$ -</u>	<u>\$ 51,674</u>	<u>\$ 150,044</u>	<u>\$ 41,833</u>

NOTE 8. NONCURRENT LIABILITIES – CONTINUED

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

	Total	2025	2026	2027	2028	2029	2030 - 2034	2035 - 2039	2040 - 2044
GOVERNMENTAL ACTIVITIES									
GOW Series 2015									
Principal	\$ 2,560,000	\$ 590,000	\$ 150,000	\$ 150,000	\$ 310,000	\$ 325,000	\$ 1,035,000	\$ -	\$ -
Interest	434,225	92,550	73,375	68,500	63,625	52,775	83,400	-	-
Total	<u>2,994,225</u>	<u>682,550</u>	<u>223,375</u>	<u>218,500</u>	<u>373,625</u>	<u>377,775</u>	<u>1,118,400</u>	<u>-</u>	<u>-</u>
GOW Series 2022									
Principal	\$ 17,735,000	\$ 2,200,000	\$ 2,285,000	\$ 2,390,000	\$ 2,515,000	\$ 2,645,000	\$ 5,700,000	\$ -	\$ -
Interest	3,228,600	797,900	708,200	602,750	480,125	351,125	288,500	-	-
Total	<u>20,963,600</u>	<u>2,997,900</u>	<u>2,993,200</u>	<u>2,992,750</u>	<u>2,995,125</u>	<u>2,996,125</u>	<u>5,988,500</u>	<u>-</u>	<u>-</u>
GOW Series 2014									
Principal	\$ 5,950,000	\$ 1,240,000	\$ -	\$ -	\$ 1,415,000	\$ -	\$ 3,295,000	\$ -	\$ -
Interest	1,036,046	184,313	165,713	165,713	142,719	119,725	257,863	-	-
Total	<u>6,986,046</u>	<u>1,424,313</u>	<u>165,713</u>	<u>165,713</u>	<u>1,557,719</u>	<u>119,725</u>	<u>3,552,863</u>	<u>-</u>	<u>-</u>
GOW Series 2017									
Principal	\$ 8,250,000	\$ 635,000	\$ 635,000	\$ 700,000	\$ 720,000	\$ 745,000	\$ 4,815,000	\$ -	\$ -
Interest	1,693,100	278,725	266,025	240,625	212,625	183,825	511,275	-	-
Total	<u>9,943,100</u>	<u>913,725</u>	<u>901,025</u>	<u>940,625</u>	<u>932,625</u>	<u>928,825</u>	<u>5,326,275</u>	<u>-</u>	<u>-</u>
GOW Series 2020									
Principal	\$ 37,275,000	\$ 390,000	\$ 1,670,000	\$ 1,705,000	\$ 340,000	\$ 1,805,000	\$ 6,555,000	\$ 11,450,000	\$ 13,360,000
Interest	13,570,243	1,075,977	1,054,620	1,017,904	994,728	968,621	4,349,457	3,014,689	1,094,247
Total	<u>50,845,243</u>	<u>1,465,977</u>	<u>2,724,620</u>	<u>2,722,904</u>	<u>1,334,728</u>	<u>2,773,621</u>	<u>10,904,457</u>	<u>14,464,689</u>	<u>14,454,247</u>
Fire Truck									
Principal	\$ 420,434	\$ 56,181	\$ 57,423	\$ 58,699	\$ 59,999	\$ 61,340	\$ 126,792	\$ -	\$ -
Interest	33,565	8,676	7,434	6,158	4,858	3,518	2,921	-	-
Total	<u>453,999</u>	<u>64,857</u>	<u>64,857</u>	<u>64,857</u>	<u>64,857</u>	<u>64,858</u>	<u>129,713</u>	<u>-</u>	<u>-</u>
Note Payable - JCC									
Principal	\$ 1,015,547	\$ 120,383	\$ 122,202	\$ 124,047	\$ 125,921	\$ 127,823	\$ 395,171	\$ -	\$ -
Interest	62,786	14,408	12,590	10,744	8,870	6,969	9,205	-	-
Total	<u>1,078,333</u>	<u>134,791</u>	<u>134,792</u>	<u>134,791</u>	<u>134,791</u>	<u>134,792</u>	<u>404,376</u>	<u>-</u>	<u>-</u>
Total Governmental Activities									
Principal	\$ 73,205,981	\$ 5,231,564	\$ 4,919,625	\$ 5,127,746	\$ 5,485,920	\$ 5,709,163	\$ 21,921,963	\$ 11,450,000	\$ 13,360,000
Interest	20,058,565	2,452,549	2,287,957	2,112,394	1,907,550	1,686,558	5,502,621	3,014,689	1,094,247
Total	<u>93,264,546</u>	<u>7,684,113</u>	<u>7,207,582</u>	<u>7,240,140</u>	<u>7,393,470</u>	<u>7,395,721</u>	<u>27,424,584</u>	<u>14,464,689</u>	<u>14,454,247</u>
BUSINESS-TYPE ACTIVITIES									
GOW Series 2019									
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Note Payable Garbage Truck									
Principal	\$ 150,044	\$ 41,833	\$ 42,654	\$ 43,493	\$ 22,064	\$ -	\$ -	\$ -	\$ -
Interest	5,295	2,550	1,729	890	126	-	-	-	-
Total	<u>155,339</u>	<u>44,383</u>	<u>44,383</u>	<u>44,383</u>	<u>22,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities									
Principal	\$ 150,044	\$ 41,833	\$ 42,654	\$ 43,493	\$ 22,064	\$ -	\$ -	\$ -	\$ -
Interest	5,295	2,550	1,729	890	126	-	-	-	-
Total	<u>155,339</u>	<u>44,383</u>	<u>44,383</u>	<u>44,383</u>	<u>22,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2024

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.

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>4,185</u>	\$ <u>-</u>	\$ <u>1,200</u>	\$ <u>2,985</u>	\$ <u>2,985</u>
Total Business-Type Warrants and Notes Payable	\$ <u>4,185</u>	\$ <u>-</u>	\$ <u>1,200</u>	\$ <u>2,985</u>	\$ <u>2,985</u>

Aggregate maturities required on notes payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
12/31/24	\$ <u>2,985</u>	\$ <u>2,546</u>	\$ <u>5,531</u>
Total	\$ <u>2,985</u>	\$ <u>2,546</u>	\$ <u>5,531</u>

NOTE 8. NONCURRENT LIABILITIES – CONTINUED

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 \$400,005 reported as landfill closure and post closure care liability at September 30, 2024, represents the cumulative amount reported to date, based on the expected capacity of 10 years. The City will recognize the remaining estimated cost of closure and post closure care of \$42,357 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and post closure care in 2024. 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 vested active employee of a participating municipality or city in ERS pursuant to the Code of Alabama 1975, Section 36-27-6.
 - d. One vested active employee of a participating county in ERS pursuant to the Code of Alabama 1975, Section 36-27-6.
 - e. One vested active employee or retiree of a participating employer in ERS pursuant to the Code of Alabama 1975, Section 36-27-6.
 - f. One vested active 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 formula method. 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 608 employers adopted Act 2019-132 as of September 30, 2023.

Act 316 of the Legislature of 2019 allows employees at the time of retirement to receive a partial lump sum (PLOP) distribution as a single payment not to exceed the sum of 24 months of the maximum monthly retirement allowance the member could receive. This option may be selected in addition to the election of another retirement allowance option at a reduced amount based upon the amount of partial lump sum distribution selected.

The ERS serves approximately 884 local participating employers. The ERS membership includes approximately 113,079 participants. As of September 30, 2023, membership consisted of:

	<u>City</u>
Retirees and beneficiaries currently receiving benefits	136
Vested Inactive Members	4
Nonvested Inactive Members	64
Active Members	178
Post-DROP participants still in active service	<u>-</u>
Total	<u>382</u>

NOTE 9. PENSION PLAN – CONTINUED

General Information about the Pension Plan (Continued)

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.

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 1 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 contribution 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, 2024, 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, 2024, 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, 2021, 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 \$1,143,554 for the year ended September 30, 2024.

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2024

NOTE 9. PENSION PLAN – CONTINUED*Net Pension Liability*

The City's net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2022, rolled forward to September 30, 2023, using standard roll-forward techniques as shown in the following table:

		<u>Expected</u>	<u>Actual</u>
Total Pension Liability			
As of September 30, 2022	(a)	\$ 35,756,251	\$ 35,713,528
Discount Rate	(b)	7.45%	7.45%
Entry Age Normal Cost for			
October 1, 2022 – September 30, 2023	(c)	\$ 708,442	\$ 708,442
Transfers Among Employers	(d)	\$ -	\$ (82,905)
Actual Benefit Payments and Refunds for			
October 1, 2022 – September 30, 2023	(e)	\$ (2,505,388)	\$ (2,505,388)
Total Pension Liability			
As of September 30, 2023			
[(a) x (1+(b))] + (c) + (d) + [(e) x (1+0.5x(b))]	(f)	\$ 36,529,820	\$ 36,401,009
Difference Between Expected and Actual	(g)		\$ (128,811)
Less Liability Transferred for Immediate			
Recognition	(h)		\$ (82,905)
Experience (Gain)/Loss = (g) – (h)	(i)		\$ (45,906)

Actuarial Assumptions. The total pension liability as of September 30, 2023, was determined based on the annual actuarial funding valuation report prepared as of September 30, 2022. The key actuarial assumptions are summarized below:

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:

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2024

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, 2021, 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%.

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2024

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 9/30/2022	\$ <u>35,756,251</u>	\$ <u>20,629,366</u>	\$ <u>15,126,885</u>
Changes for the year:			
Service Cost	708,442	-	708,442
Interest	2,570,515	-	2,570,515
Change in Benefit Terms	-	-	-
Changes in Assumptions	-	-	-
Differences Between Expected and Actual Experience	(45,906)	-	(45,906)
Contributions – Employer	-	1,039,527	(1,039,527)
Contributions – Employee	-	543,111	(543,111)
Net Investment Income	-	2,612,914	(2,612,914)
Benefit Payments, Including Refunds of Employee Contributions	(2,505,388)	(2,505,388)	-
Administrative Expenses	-	-	-
Transfers Among Employers	<u>(82,905)</u>	<u>(82,905)</u>	<u>-</u>
Net Changes	<u>644,758</u>	<u>1,607,259</u>	<u>(962,501)</u>
Balances at 9/30/2023	\$ <u>36,401,009</u>	\$ <u>22,236,625</u>	\$ <u>14,164,384</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	\$ 18,210,253	\$ 14,164,384	\$ 10,755,412

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2024

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, 2023. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2023. 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, 2024, the City recognized pension expense of \$1,802,411. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pension of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 716,431	\$ 984,837
Changes of Assumptions	538,027	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	942,963	-
Employer Contributions Subsequent to the Measurement Date	<u>1,143,554</u>	<u>-</u>
Total	\$ <u>3,340,975</u>	\$ <u>984,837</u>

Employer contributions subsequent to the measurement date of \$1,143,554 are reported as deferred outflows of resources related to pensions will be recognized as a reduction of net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	
2025	\$ 591,945
2026	186,487
2027	673,792
2028	(239,640)
2029	-
Thereafter	<u>-</u>
Total	\$ <u>1,212,584</u>

NOTE 9. PENSION PLAN – CONTINUED**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.

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, 2024, there were 58 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, 2024, the City recognized \$776,489 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 – 10/1/2023	\$ 6,114,520
Service Cost	\$ 25,207
Interest	284,697
Difference Between Expected and Actual Experience	96,684
Change in Assumptions	<u>300,996</u>
OPEB Cost	\$ 707,584
Contributions	<u>(587,604)</u>
Change in Net OPEB Obligation	\$ <u>119,980</u>
Ending Net OPEB Obligation – 9/30/2024	\$ <u>6,234,500</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, 2024

NOTE 9. PENSION PLAN – CONTINUED**Other Post-Employment Benefits – Continued**

<u>Total OPEB Expense</u>	<u>FY20243</u>
Service Cost at October 1, 2023	\$ 25,207
Interest Cost (Including Interest on Service Cost)	284,697
Changes of Benefit Terms	-
Current Recognized Deferred Outflows/(Inflows)	-
Difference Between Expected and Actual Experience	638,571
Changes in Assumptions and Other Inputs	(171,986)
(Other Changes, if Significant)	-
Difference of Projected Investment Earnings	-
Total OPEB Expense as of September 30, 2024	\$ <u>776,489</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	\$ 370,877	\$ -
Changes in Assumption/Inputs	195,011	140,928
Net Difference Between Projected and Actual Investments	-	-
Total	\$ <u>565,888</u>	\$ <u>140,928</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, 2024.

<u>Trend</u>	<u>Total OPEB Liability</u>	<u>% Difference</u>
1% Decrease (3.50%)	\$ 5,867,019	-5.9%
Current Trend 4.50%	6,234,500	
1% Increase (5.50%)	6,638,692	6.5%
<u>Discount Rate</u>	<u>Total OPEB Liability</u>	<u>% Difference</u>
+1% Discount Sensitivity (5.06%)	\$ 5,871,260	-5.8%
Current Discount Rate 4.06%	6,234,500	
-1% Discount Sensitivity (3.06)%	6,631,504	6.4%

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2024

NOTE 9. PENSION PLAN – CONTINUED**Other Post-Employment Benefits – Continued**Projection of Net Inflows (Outflows)

<u>Fiscal Year</u>	<u>Net Inflows (Outflows)</u>
2025	\$ 288,254
2026	136,706
2027	-
2028	-
2029	-
Total	<u>\$ 424,960</u>

Required Supplementary Information

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

<u>Measurement Date</u>	<u>Fiduciary Net Position (a)</u>	<u>Total OPEB Liability Entry Age Normal Percentage of Salary (b)</u>	<u>Net OPEB Liability (b) – (a)</u>	<u>Funded Ratio (a) / (b)</u>	<u>Covered Payroll (c)</u>	<u>Net OPEB Liability as a Percentage of Covered Payroll (b) – (a)/(c)</u>
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%
September 30, 2023	-	6,114,520	6,114,520	0.00%	1,809,736	337.87%
September 30, 2024	-	6,234,500	6,234,500	0.00%	1,617,832	385.36%

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 4.06% (1.56% real rate of return plus 2.50% inflation)

NOTE 9. PENSION PLAN – CONTINUED**Other Post-Employment Benefits – Continued**

Average Per Capita Claim Cost

CY2024 LGHIP annual premium of \$15,792 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, 2024

Measurement Date September 30, 2024

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2024

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	\$ 162,885
PLG Investments	205,500
Wendy's	15,000
Five Below	22,939
Applebee's	40,871
Dunham's	56,075
Alabama Donuts	11,210
Rural King	1,100,000

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JASPER, ALABAMA
Schedule of Changes in Net Pension Liability
Fiscal Year Ending September 30, 2024

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY										
Service Cost	\$ 708,442	\$ 726,054	\$ 578,440	\$ 622,487	\$ 594,189	\$ 563,569	\$ 597,982	\$ 536,676	\$ 535,900	\$ 547,221
Interest	2,570,515	2,550,250	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	-	18,557	538,858	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(45,906)	(164,161)	(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	(2,505,368)	(2,486,416)	(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	(62,905)	(362,780)	117,804	(51,351)	18,157	(18,924)	(192,612)	(4,956)	-	-
NET CHANGE IN TOTAL PENSION LIABILITY	644,758	281,504	813,893	2,918,308	1,640,203	(1,150,338)	316,338	2,190,231	814,268	562,000
TOTAL PENSION LIABILITY – BEGINNING	35,756,251	35,474,747	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)	<u>\$ 36,401,009</u>	<u>\$ 35,756,251</u>	<u>\$ 35,474,747</u>	<u>\$ 34,660,854</u>	<u>\$ 31,742,546</u>	<u>\$ 30,102,343</u>	<u>\$ 31,252,681</u>	<u>\$ 30,936,343</u>	<u>\$ 28,746,112</u>	<u>\$ 27,931,844</u>
PLAN FIDUCIARY NET POSITION										
Contributions – Employer	\$ 1,039,527	\$ 1,052,655	\$ 807,536	\$ 773,373	\$ 920,211	\$ 836,981	\$ 830,036	\$ 865,143	\$ 788,365	\$ 760,561
Contributions – Member	543,111	464,096	425,573	420,088	421,507	396,113	390,170	378,513	398,028	426,342
Net Investment Income	2,612,914	(3,122,860)	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	(2,505,368)	(2,486,416)	(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	(62,905)	(362,780)	117,804	(51,351)	18,157	(18,924)	(192,612)	(4,956)	9,318	25,600
NET CHANGE IN PLAN FIDUCIARY NET POSITION	1,607,259	(4,455,305)	3,688,379	150,293	(223,892)	729,133	1,179,925	1,122,012	(601,381)	1,208,210
PLAN NET POSITION – BEGINNING	20,629,366	25,084,671	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)	<u>\$ 22,236,625</u>	<u>\$ 20,629,366</u>	<u>\$ 25,084,671</u>	<u>\$ 21,396,292</u>	<u>\$ 21,245,999</u>	<u>\$ 21,469,891</u>	<u>\$ 20,740,758</u>	<u>\$ 19,560,833</u>	<u>\$ 18,438,821</u>	<u>\$ 19,040,202</u>
NET PENSION LIABILITY (ASSET) – ENDING (a) - (b)	<u>\$ 14,164,384</u>	<u>\$ 15,126,885</u>	<u>\$ 10,390,076</u>	<u>\$ 13,264,562</u>	<u>\$ 10,496,547</u>	<u>\$ 8,632,452</u>	<u>\$ 10,511,923</u>	<u>\$ 11,375,510</u>	<u>\$ 10,307,291</u>	<u>\$ 8,891,642</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.09%	57.69%	70.71%	61.73%	66.93%	71.32%	66.36%	63.23%	64.14%	66.17%
Covered-Employee Payroll*	\$ 8,768,196	\$ 7,594,181	\$ 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	161.18%	199.19%	129.03%	171.01%	131.59%	108.22%	140.06%	153.65%	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 FY2023 the measurement period is October 1, 2021– September 30, 2022.

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

CITY OF JASPER, ALABAMA
Schedule of Employer Contributions
September 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contributions*	\$ 1,143,554	\$ 1,051,692	\$ 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>1,143,554</u>	<u>1,051,692</u>	<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**	\$ 9,184,830	\$ 8,788,196	\$ 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	12.45%	11.97%	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

**Employer's covered payroll for FY2024 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 2024 were base on the September 30, 2021, actuarial valuation.

Methods and Assumptions used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percent Closed
Remaining Amortization Period	26.1 Years
Asset Valuation Method	Five Year Smoothed Market
Inflation	2.50%
Salary Increases	3.25 – 6.00%, Including Inflation
Investment Rate of Return	7.45%, Net of Pension Plan Investment Expense Including Inflation

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, 2024

	2024	2023	2022	2021	2020	2019	2018
TOTAL PENSION LIABILITY							
Service Cost	\$ 25,207	\$ 31,143	\$ 74,945	\$ 87,078	\$ 81,197	\$ 60,633	\$ 58,267
Interest	284,697	271,500	133,898	126,237	147,191	185,025	191,882
Changes in Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	96,684	470,844	1,166,992	559,042	(217,839)	389,442	-
Changes of Assumptions	300,996	(42,850)	(1,062,803)	(1,409)	372,746	593,049	-
Benefit Payments, Including Refunds of Employee Contributions	(587,604)	(553,583)	(503,256)	(333,428)	(290,851)	(375,394)	(346,150)
Transfers Among Employers	-	-	-	-	-	-	-
NET CHANGE IN TOTAL PENSION LIABILITY	119,980	177,054	(190,224)	437,520	92,444	852,755	(96,001)
TOTAL PENSION LIABILITY – BEGINNING	6,114,520	5,937,466	6,127,690	5,690,170	5,597,726	4,744,971	4,840,972
TOTAL PENSION LIABILITY – ENDING (a)	<u>\$ 6,234,500</u>	<u>\$ 6,114,520</u>	<u>\$ 5,937,466</u>	<u>\$ 6,127,690</u>	<u>\$ 5,690,170</u>	<u>\$ 5,597,726</u>	<u>\$ 4,744,971</u>

PLAN FIDUCIARY NET POSITION

NET PENSION LIABILITY (ASSET) – ENDING (a) - (b)	\$ 6,234,500	\$ 6,114,520	\$ 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%	0.00%	0.00%
Covered-Employee Payroll*	\$ 1,617,832	\$ 1,809,736	\$ 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	385.36%	337.87%	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.

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

OTHER SUPPLEMENTARY INFORMATION

CITY OF JASPER, ALABAMA
Combining Balance Sheet
All Nonmajor Governmental Funds
September 30, 2024

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Total Nonmajor Other Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 3,193,367	\$ 1,716,724	\$ 2,557,334	\$ 7,467,425
Receivables, Net	-	457,718	-	457,718
Accrued Interest Receivables	6,160	21,686	-	27,846
Prepays	-	-	-	-
Due from Other Funds	51,687	184,800	579,186	815,673
TOTAL ASSETS	<u>\$ 3,251,214</u>	<u>\$ 2,380,928</u>	<u>\$ 3,136,520</u>	<u>\$ 8,768,662</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 107,672	\$ 10,867	\$ -	\$ 118,539
Due to Other Funds	-	375,000	-	375,000
TOTAL LIABILITIES	107,672	385,867	-	493,539
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted Fund Balance	1,272,203	1,995,061	3,136,520	6,403,784
Committed Fund Balance	-	-	-	-
Assigned Fund Balance	1,871,339	-	-	1,871,339
TOTAL FUND BALANCES	<u>3,143,542</u>	<u>1,995,061</u>	<u>3,136,520</u>	<u>8,275,123</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,251,214</u>	<u>\$ 2,380,928</u>	<u>\$ 3,136,520</u>	<u>\$ 8,768,662</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, 2024

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Total Nonmajor Other Governmental Funds
REVENUES				
Taxes	\$ 1,258,577	\$ -	\$ -	\$ 1,258,577
Interest	1,190	22,507	13,396	37,093
Fines and Forfeitures	161,756	-	-	161,756
Intergovernmental	-	139,453	-	139,453
Grant Proceeds and Donations	331	737,753	-	738,084
Miscellaneous	165,671	-	-	165,671
TOTAL REVENUES	<u>1,587,525</u>	<u>899,713</u>	<u>13,396</u>	<u>2,500,634</u>
EXPENDITURES				
General Government	12,519	(467)	11,600	23,652
Public Safety	9,868	-	-	9,868
Public Works	1,380	-	-	1,380
Recreation and Cultural Services	60,000	-	-	60,000
Intergovernmental	-	-	-	-
Debt Service: Principal	-	-	3,153,538	3,153,538
Interest and Other Charges	-	-	1,313,536	1,313,536
Capital Outlays	115,679	3,289,871	-	3,405,550
TOTAL EXPENDITURES	<u>199,446</u>	<u>3,289,404</u>	<u>4,478,674</u>	<u>7,967,524</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,388,079	(2,389,691)	(4,465,278)	(5,466,890)
OTHER FINANCING SOURCES (USES)				
Proceeds of Long-Term Debt	-	-	-	-
Bond Issue Cost	-	-	-	-
Deposit with Escrow Agent	-	-	-	-
Transfers In	3,000	1,700,563	4,881,144	6,584,707
Transfers Out	(863,000)	(563)	-	(863,563)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(860,000)</u>	<u>1,700,000</u>	<u>4,881,144</u>	<u>5,721,144</u>
NET CHANGE IN FUND BALANCES	528,079	(689,691)	415,866	254,254
FUND BALANCES – BEGINNING	<u>2,615,463</u>	<u>2,684,752</u>	<u>2,720,654</u>	<u>8,020,869</u>
FUND BALANCES – ENDING	<u>\$ 3,143,542</u>	<u>\$ 1,995,061</u>	<u>\$ 3,136,520</u>	<u>\$ 8,275,123</u>

See Independent Auditors' Report.

CITY OF JASPER, ALABAMA
Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2024

	Corrections	Alcohol Fund	State Street	Gasoline Tax	Ten Cent Gas Tax	Court Ordered Fund	Court Administered Fund	Foothills Festival
ASSETS								
Cash and Cash Equivalents	\$ 46,956	\$ 1,147,977	\$ 252,715	\$ 224,210	\$ 490,088	\$ 11,617	\$ 238,782	\$ 2
Receivables, Net	-	-	-	-	-	-	-	-
Accrued Interest Receivable	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 46,956	\$ 1,147,977	\$ 252,715	\$ 224,210	\$ 490,088	\$ 11,617	\$ 238,782	\$ 2
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ -	\$ 100,000	\$ -	\$ -	\$ 7,672	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	100,000	-	-	7,672	-	-	-
FUND BALANCES								
Restricted	46,956	-	252,715	224,210	482,416	11,617	238,782	-
Assigned	-	1,047,977	-	-	-	-	-	2
TOTAL FUND BALANCES	46,956	1,047,977	252,715	224,210	482,416	11,617	238,782	2
TOTAL LIABILITIES AND FUND BALANCES	\$ 46,956	\$ 1,147,977	\$ 252,715	\$ 224,210	\$ 490,088	\$ 11,617	\$ 238,782	\$ 2

CITY OF JASPER, ALABAMA
Combining Balance Sheet – Continued
Nonmajor Special Revenue Funds
September 30, 2024

	PD Equipment Grant Fund	Special Projects Fund	Opioid Fund	Animal Shelter	Total Nonmajor Special Revenue Funds
ASSETS					
Cash and Cash Equivalents	\$ 10,795	\$ 4,712	\$ 636,871	\$ 128,642	\$ 3,193,367
Receivables, Net	-	-	-	-	-
Accrued Interest Receivable	-	-	-	6,160	6,160
Due from Other Funds	-	-	51,687	-	51,687
TOTAL ASSETS	\$ 10,795	\$ 4,712	\$ 688,558	\$ 134,802	\$ 3,251,214
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	107,672
Due to Other Funds	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	107,672
FUND BALANCES					
Restricted	10,795	4,712	-	-	1,272,203
Assigned	-	-	688,558	134,802	1,871,339
TOTAL FUND BALANCES	10,795	4,712	688,558	134,802	3,143,542
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,795	\$ 4,712	\$ 688,558	\$ 134,802	\$ 3,251,214

See Independent Auditors' Report.

CITY OF JASPER, ALABAMA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
September 30, 2024

	Corrections	Alcohol Fund	State Street	Gasoline Tax	Ten Cent Gas Tax	Court Ordered Fund	Court Administered Fund
REVENUES							
Taxes	\$ -	\$ 983,897	\$ 78,644	\$ 72,040	\$ 123,996	\$ -	\$ -
Interest	5	262	93	76	67	5	40
Fines and Forfeitures	137,499	-	-	-	-	-	24,257
Licenses and Permits	-	-	-	-	-	-	-
Grant Proceeds and Donations	-	-	-	-	-	250	-
Miscellaneous	-	-	12,512	-	-	8,999	-
TOTAL REVENUES	137,504	984,159	91,249	72,116	124,063	9,254	24,297
EXPENDITURES							
General Government	-	1,279	-	-	-	-	-
Public Safety	-	-	-	-	-	9,868	-
Public Works	-	-	-	-	-	-	-
Recreation and Cultural Services	-	60,000	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Capital Outlays	-	-	37,064	-	7,672	-	-
TOTAL EXPENDITURES	-	61,279	37,064	-	7,672	9,868	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES							
	137,504	922,880	54,185	72,116	116,391	(614)	24,297
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	3,000	-
Transfers Out	(140,000)	(720,000)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(140,000)	(720,000)	-	-	-	3,000	-
NET CHANGE IN FUND BALANCE							
	(2,496)	202,880	54,185	72,116	116,391	2,386	24,297
FUND BALANCES – BEGINNING	49,452	845,097	198,530	152,094	366,025	9,231	214,485
FUND BALANCES – ENDING	\$ 46,956	\$ 1,047,977	\$ 252,715	\$ 224,210	\$ 482,416	\$ 11,617	\$ 238,782

See Independent Auditors' Report.

CITY OF JASPER, ALABAMA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
September 30, 2024

	Foothills Festival	PD Equipment Grant Fund	Special Projects Fund	Opioid Fund	Animal Shelter	Total Nonmajor Special Revenue Funds
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,258,577
Interest	1	-	4	107	530	1,190
Fines and Forfeitures	-	-	-	-	-	161,756
Licenses and Permits	-	-	-	-	-	-
Grant Proceeds and Donations	-	-	81	-	-	331
Miscellaneous	462	-	-	138,066	5,632	165,671
TOTAL REVENUES	463	-	85	138,173	6,162	1,587,525
EXPENDITURES						
General Government	-	-	-	11,240	-	12,519
Public Safety	-	-	-	-	-	9,868
Public Works	-	-	1,380	-	-	1,380
Recreation and Cultural Services	-	-	-	-	-	60,000
Intergovernmental	-	-	-	-	-	-
Capital Outlays	-	-	-	70,943	-	115,679
TOTAL EXPENDITURES	-	-	1,380	82,183	-	199,446
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	463	-	(1,295)	55,990	6,162	1,388,079
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	3,000
Transfers Out	-	(3,000)	-	-	-	(863,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	(3,000)	-	-	-	(860,000)
NET CHANGE IN FUND BALANCE	463	(3,000)	(1,295)	55,990	6,162	528,079
FUND BALANCES – BEGINNING	(461)	13,795	6,007	632,568	128,640	2,615,463
FUND BALANCES – ENDING	2	10,795	4,712	688,558	134,802	3,143,542

See Independent Auditors' Report.

	Atrip	State Capital Improvements	2017 Community Project Fund	US 78 Atrip II	TAP VI	American Rescue Plan	Jasper Lumber Rail Improvement	Total Nonmajor Capital Projects Funds
ASSETS								
Cash and Cash Equivalents	\$ 444,929	\$ 155,076	\$ 1,096,064	\$ 17,796	\$ 2,859	\$ -	\$ -	\$ 1,716,724
Receivables, Net	-	-	-	-	457,718	-	-	457,718
Accrued Interest Receivable	21,686	-	-	-	-	-	-	21,686
Prepaid Insurance	-	-	-	-	-	-	-	-
Due from Other Funds	-	184,800	-	-	-	-	-	184,800
TOTAL ASSETS	\$ 466,615	\$ 339,876	\$ 1,096,064	\$ 17,796	\$ 460,577	\$ -	\$ -	\$ 2,380,928
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 10,867	\$ -	\$ -	\$ 10,867
Due to Other Funds	-	-	-	-	375,000	-	-	375,000
Due to Other Governments	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	385,867	-	-	385,867
FUND BALANCES								
Restricted	466,615	339,876	1,096,064	17,796	74,710	-	-	1,995,061
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	466,615	339,876	1,096,064	17,796	74,710	-	-	1,995,061
TOTAL LIABILITIES AND FUND BALANCES	\$ 466,615	\$ 339,876	\$ 1,096,064	\$ 17,796	\$ 460,577	\$ -	\$ -	\$ 2,380,928

CITY OF JASPER, ALABAMA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Project Funds
September 30, 2024

	Atrip	State Capital Improvements	2017 Community Project Fund	US 78 Atrip II	TAP VI	American Rescue Plan	Jasper Lumber Rail Improvement	Total Nonmajor Capital Projects Funds
REVENUES								
Interest	\$ 21,718	\$ 133	\$ 634	1	6	\$ -	15	\$ 22,507
Intergovernmental	-	139,453	-	-	-	-	-	139,453
Grant Proceeds and Donations	-	16,335	-	-	457,718	-	263,700	737,753
Miscellaneous	-	-	-	-	-	-	-	-
TOTAL REVENUES	21,718	155,921	634	1	457,724	-	263,715	899,713
EXPENDITURES								
General Government	-	18	(711)	-	-	90	136	(467)
Public Works	-	-	-	-	-	-	-	-
Recreation and Cultural Services	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Capital Outlays	-	818,168	1,570,151	-	583,014	(652)	319,190	3,289,871
TOTAL EXPENDITURES	-	818,186	1,569,440	-	583,014	(562)	319,326	3,289,404
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	21,718	(662,265)	(1,568,806)	1	(125,290)	562	(55,611)	(2,389,691)
OTHER FINANCING SOURCES (USES)								
Proceeds of Long-Term Debt	-	-	-	-	-	-	-	-
Transfers In	-	500,000	1,000,563	-	200,000	-	-	1,700,563
Transfers Out	-	-	-	-	-	(563)	-	(563)
TOTAL OTHER FINANCING SOURCES (USES)	-	500,000	1,000,563	-	200,000	(563)	-	1,700,000
NET CHANGE IN FUND BALANCE	21,718	(162,265)	(568,243)	1	74,710	(1)	(55,611)	(689,691)
FUND BALANCES – BEGINNING	444,897	502,141	1,664,307	17,795	-	1	55,611	2,684,752
FUND BALANCES – ENDING	\$ 466,615	\$ 339,876	\$ 1,096,064	\$ 17,796	\$ 74,710	\$ -	\$ -	\$ 1,995,061

See Independent Auditors' Report.

CITY OF JASPER, ALABAMA

Combining Balance Sheet

Nonmajor Debt Service Fund

September 30, 2024

	<u>2012 Bond Issue</u>	<u>Total Nonmajor Debt Service Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 2,557,334	\$ 2,557,334
Due from Other Funds	579,186	579,186
Prepays	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 3,136,520</u></u>	<u><u>\$ 3,136,520</u></u>
LIABILITIES AND FUND BALANCES		
Due to Other Funds	\$ -	\$ -
Accounts Payable	<u>-</u>	<u>-</u>
LIABILITIES	-	-
FUND BALANCES		
Nonspendable	-	-
Restricted	3,136,520	3,136,520
Committed	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>3,136,520</u>	<u>3,136,520</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 3,136,520</u></u>	<u><u>\$ 3,136,520</u></u>

See Independent Auditors' Report.

CITY OF JASPER, ALABAMA

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

Nonmajor Debt Service Fund

September 30, 2024

	2012 Bond Issue	Total Nonmajor Debt Service Fund
REVENUES		
Interest	\$ 13,396	\$ 13,396
TOTAL REVENUES	13,396	13,396
EXPENDITURES		
General Government	11,600	11,600
Public Works	-	-
Debt Service: Principal	3,153,538	3,153,538
Interest and Other Charges	1,313,536	1,313,536
TOTAL EXPENDITURES	4,478,674	4,478,674
DEFICIENCY OF REVENUES OVER EXPENDITURES	(4,465,278)	(4,465,278)
OTHER FINANCING SOURCES		
Proceeds of Long-Term Debt	-	-
Bond Issue Cost	-	-
Deposit with Escrow Agent	-	-
Transfer In	4,881,144	4,881,144
Transfer Out	-	-
TOTAL OTHER FINANCING SOURCES	4,881,144	4,881,144
NET CHANGE IN FUND BALANCES	415,866	415,866
FUND BALANCE – BEGINNING	2,720,654	2,720,654
FUND BALANCE – ENDING	\$ 3,136,520	\$ 3,136,520

See Independent Auditors' Report.

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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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 27, 2025.

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 or significant deficiencies 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.

August 27, 2025