



CITY OF JASPER, GEORGIA

Annual Financial Report

For the year ended December 31, 2021

This page intentionally left blank.

CITY OF JASPER, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2021

TABLE OF CONTENTS

	PAGE
FINANCIAL SECTION	
Independent Auditor's Report.....	1-3
Management's Discussion and Analysis.....	4-14
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	15-16
Statement of Activities.....	17
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	19
Statement of Revenues, Expenditures and Changes in Fund Balances.....	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	21
General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual.....	22
American Rescue Plan Act Fund - Statement of Revenues, Expenditures, and Changes Fund Balances - Budget (GAAP) and Actual.....	23
Proprietary Funds:	
Statement of Net Position.....	24
Statement of Revenues, Expenses, and Changes in Net Position.....	25
Statement of Cash Flows.....	26
Fiduciary Funds:	
Statement of Fiduciary Net Position - Municipal Court Custodial Fund.....	27
Statement of Changes in Fiduciary Net Position - Municipal Court Custodial Fund.....	28
Component Units:	
Combining Statement of Net Position.....	29
Combining Statement of Activities.....	30
Notes to the Financial Statements.....	31-64
Required Supplementary Information:	
Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios.....	65-66
Schedule of Contributions.....	67-68
Notes to the Required Supplementary Information.....	69-72

CITY OF JASPER, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2021

TABLE OF CONTENTS

	<u>PAGE</u>
SUPPLEMENTARY INFORMATION	
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds.....	73
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	74
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Technology Surcharge Special Revenue Fund.....	75
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Confiscated Assets Special Revenue Fund.....	76
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Hotel/Motel Tax Special Revenue Fund.....	77
Supplemental Information:	
Schedule of Indebtedness.....	78-83
Schedule of General Fund Unassigned Fund Balance by Month.....	84
OTHER REPORTING SECTION	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	85-86
STATE REPORTING SECTION	
Schedule of Projects Financed with Special Purpose Local Option Sales Tax.....	87

Independent Auditor's Report

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jasper, Georgia, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Jasper, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jasper, Georgia, as of December 31, 2021, and the respective changes in the financial position and, where applicable, cash flows thereof, and the budgetary comparisons of the General Fund and the American Rescue Plan Act Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 and the required supplementary information on pages 65 through 72 to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2022, on our consideration of the City of Jasper, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Jasper, Georgia's internal control over financial reporting and compliance.

Rushton, LLC

Gainesville, Georgia
May 5, 2022



City of Jasper
200 Burnt Mountain Road
Jasper, GA 30143
Phone: 706-692-9100
Fax: 706-692-9104

Mayor
Steve Lawrence

City Manager
Sonia Jammes

Mayor Pro Tem
Kirk Raffield

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Jasper, it is our pleasure to present this narrative discussion and analysis of the City of Jasper's financial performance, providing an overview of the activities for the year ended December 31, 2021. The purpose of this narrative is to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about the City of Jasper. This analytical information is designed to be read in conjunction with the City's financial statements, which follow this section.

Financial Highlights

- The City of Jasper's assets exceeded its liabilities at December 31, 2021, by \$27,615,267. (reported as *net position*).
- As of December 31, 2021, Jasper's governmental funds reported combined ending fund balances of \$4,753,774. Approximately 55% of this total amount, \$2,600,211 is available for spending at the City Council's discretion (unassigned fund balance of the General Fund).

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

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

The focus of fund financial statements is directed to specific activities of the City and its most significant funds, not the City as a whole. A fund is an entity with a self-balancing set of accounts that the City uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the City’s non-major funds can be found beginning on page 73. The City’s funds are divided into three broad categories – governmental, proprietary, and fiduciary – and use different accounting approaches.

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

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

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

1. Special Revenue Funds
2. Capital Projects Funds

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

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

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

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

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

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

- **Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Jasper's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City acts as a trustee or fiduciary for the Municipal Court Custodial Fund. The City of Jasper implemented Governmental Accounting Standards Board Statement Number 84 regarding Fiduciary Activities during fiscal year ending December 31, 2019.

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

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-64 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's defined benefit pension plan. The required supplementary information can be found on pages 65-72 of this report.

Other Supplementary Information

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

Overview of the City's Financial Position and Operations

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

City of Jasper Statement of Net Position December 31, 2021 and 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current and other						
assets	\$ 7,309,399	\$ 5,226,688	\$ 4,595,366	\$ 3,995,898	\$ 11,904,765	\$ 9,222,586
Capital assets	7,170,659	7,245,696	19,528,921	19,439,190	26,699,580	26,684,886
Total Assets	<u>14,480,058</u>	<u>12,472,384</u>	<u>24,124,287</u>	<u>23,435,088</u>	<u>38,604,345</u>	<u>35,907,472</u>
DEFERRED OUTFLOWS OF RESOURCES						
Total Deferred Outflows of Resources	<u>410,804</u>	<u>582,539</u>	<u>291,125</u>	<u>382,632</u>	<u>701,929</u>	<u>965,171</u>
LIABILITIES AND NET POSITION						
Liabilities						
Current and other						
liabilities	1,194,076	489,255	1,495,133	1,415,696	2,689,209	1,775,008
Noncurrent liabilities	1,748,728	2,473,233	4,981,171	5,929,043	6,729,899	6,035,279
Total Liabilities	<u>2,942,804</u>	<u>2,962,488</u>	<u>6,476,304</u>	<u>7,344,739</u>	<u>9,419,108</u>	<u>7,810,287</u>
DEFERRED INFLOWS OF RESOURCES						
Total Deferred Inflows of Resources	<u>1,964,118</u>	<u>1,546,448</u>	<u>307,781</u>	<u>45,035</u>	<u>2,271,899</u>	<u>1,591,483</u>
Net Position						
Net investment in						
capital assets	6,382,998	6,308,887	15,037,400	14,774,904	21,420,398	21,083,791
Restricted	1,958,387	1,365,248	0	0	1,958,387	1,365,248
Unrestricted	1,642,555	871,852	2,593,927	1,653,042	4,236,482	2,524,894
Total Net Position	<u>\$ 9,983,940</u>	<u>\$ 8,545,987</u>	<u>\$ 17,631,327</u>	<u>\$ 16,427,946</u>	<u>\$ 27,615,267</u>	<u>\$ 24,973,933</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets for the City of Jasper exceeded liabilities by \$27,615,267 at the close of the current year. However, much of the net position either is restricted as to the purposes for which it can be used or are invested in capital assets.

The largest portion (78%) of the City of Jasper's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire the assets. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Although the net position of our business-type activities represents 64% (\$17,631,327) of total net position, these resources cannot be used to add to the net position surplus in governmental activities. The City generally can only use the net position to finance the continuing operations of the business-type activities.

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

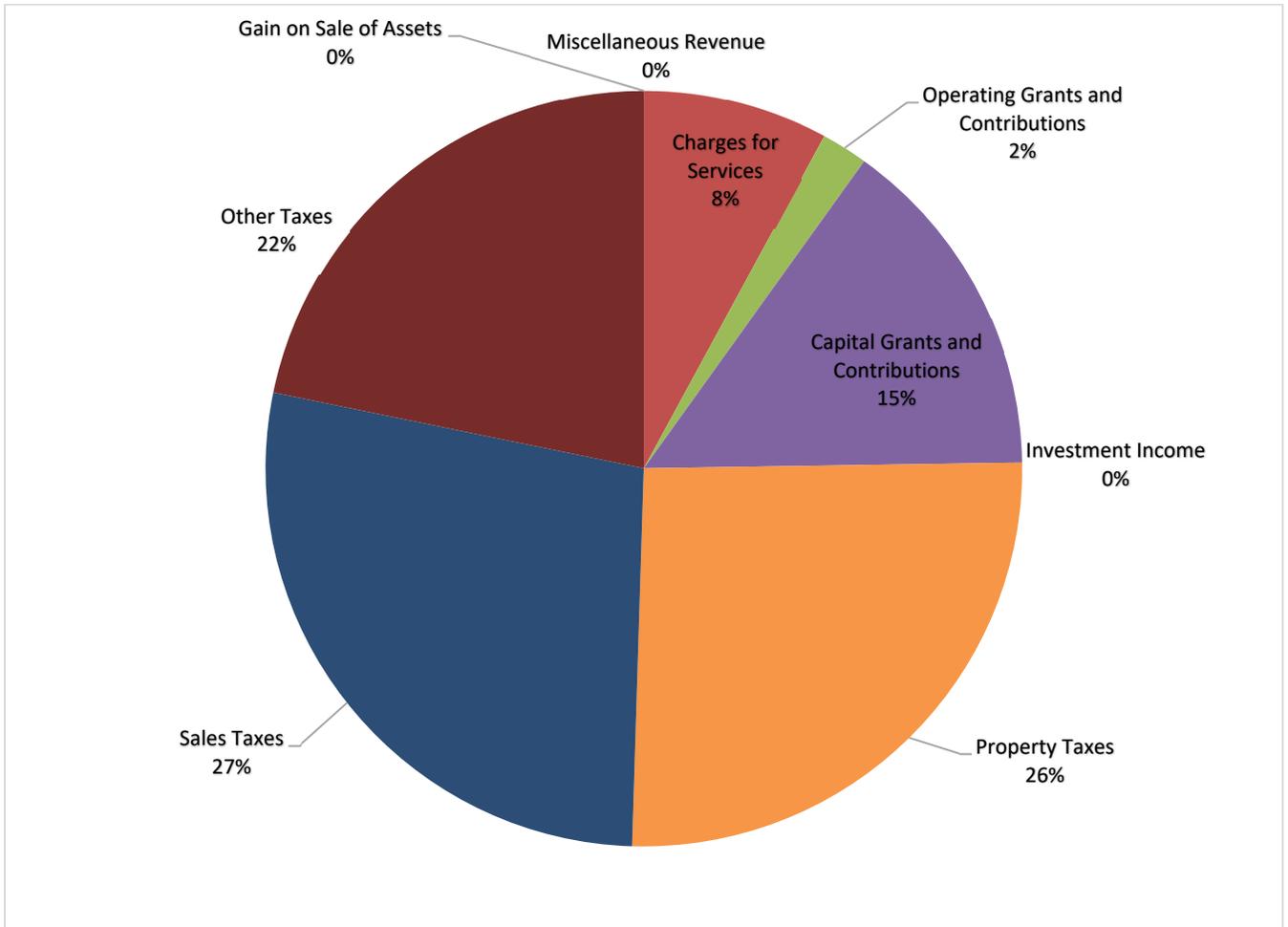
City of Jasper
Changes in Net Position
For the years ending December 31, 2021 and 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
PROGRAM REVENUES						
Charges for services	\$ 574,538	\$ 425,292	\$ 5,620,213	\$ 4,914,450	\$ 6,194,751	\$ 5,339,742
Operating grants and contributions	101,596	314,015	0	0	101,596	314,015
Capital grants and contributions	984,324	1,051,510	279,500	166,500	1,263,824	1,218,010
General revenues:					0	0
Property taxes	1,740,537	1,273,979	0	0	1,740,537	1,273,979
Sales taxes	1,865,729	1,609,640	0	0	1,865,729	1,609,640
Other taxes	1,489,046	1,355,282	0	0	1,489,046	1,355,282
Investment income	6,919	6,512	2,712	2,057	9,631	8,569
Gain on sale of assets	0	0	0	24,680	0	24,680
Miscellaneous revenue	10,209	79,154	45,992	33,378	56,201	112,532
Total revenues	<u>6,772,898</u>	<u>6,115,384</u>	<u>5,948,417</u>	<u>5,141,065</u>	<u>12,721,315</u>	<u>11,256,449</u>
EXPENSES						
General Government	788,729	865,968	0	0	788,729	865,968
Judicial	123,041	125,554	0	0	123,041	125,554
Public Safety	2,934,482	3,373,120	0	0	2,934,482	3,373,120
Public Works	888,944	1,208,253	0	0	888,944	1,208,253
Culture and Recreation	85,019	63,730	0	0	85,019	63,730
Housing and Development	376,009	193,198	0	0	376,009	193,198
Interest on long-term debt	38,702	44,968	0	0	38,702	44,968
Water and sewer	0	0	4,584,595	4,765,682	4,584,595	4,765,682
Sanitation	0	0	260,460	295,248	260,460	295,248
Total expenses	<u>5,234,926</u>	<u>5,874,791</u>	<u>4,845,055</u>	<u>5,060,930</u>	<u>10,079,981</u>	<u>10,935,721</u>
Transfers in (out)	<u>100,019</u>	<u>0</u>	<u>(100,019)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Increase (decrease) in net position	1,437,953	240,593	1,203,381	80,135	2,641,334	320,728
Net position - beginning	<u>8,545,987</u>	<u>8,305,394</u>	<u>16,427,946</u>	<u>16,347,811</u>	<u>24,973,933</u>	<u>24,653,205</u>
Net position - ending	<u>\$ 9,983,940</u>	<u>\$ 8,545,987</u>	<u>\$ 17,631,327</u>	<u>\$ 16,427,946</u>	<u>\$ 27,615,267</u>	<u>\$ 24,973,933</u>

Governmental Activities –

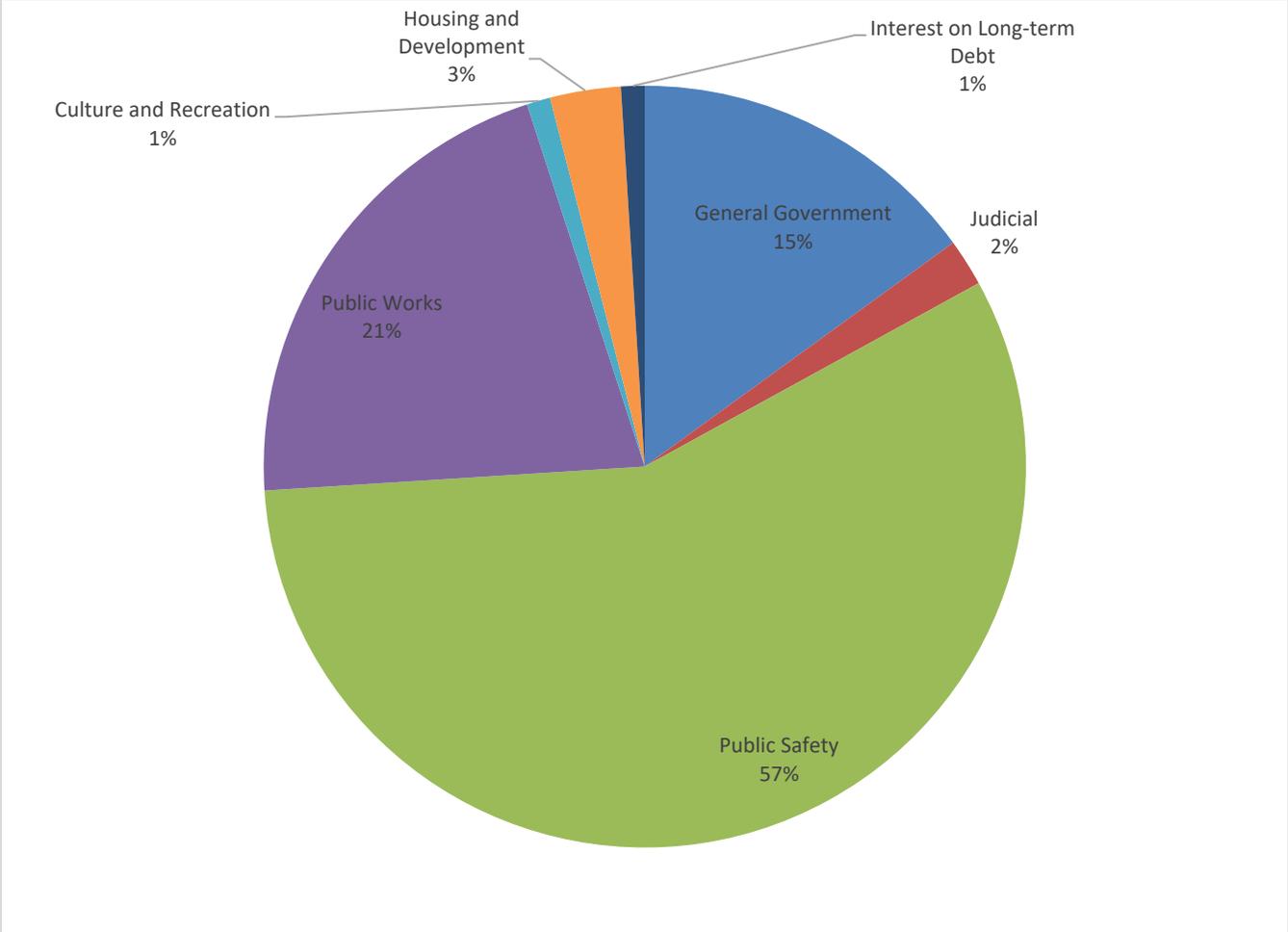
The following chart depicts revenues of the governmental activities for the year ended December 31, 2021:

Revenue by Source – Governmental Activities



The following chart depicts the expenses of the governmental activities for the year ended December 31, 2021:

Expenses by Function – Governmental Activities



Business-type Activities –

Business-type activities increased the City of Jasper’s net position by \$1,203,381; this is \$1,123,246 more than the increase in net position for 2020. The key elements of this difference in increase are:

- The primary difference in the increase in net position is that in 2021 the increase in Revenue was more significant than the decrease in Expenses. Operating Expenses in the Water and Sanitation fund decreased by \$73,616 over 2020. Revenue was up by \$703,977 over 2020. The biggest jump in revenues was for charges for service at increase of \$691,544.

Financial Analysis of the City’s Funds

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

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

As the City completed this year, its governmental funds reported a combined ending fund balance of \$4,753,774. Of this amount, \$2,600,211 (55%) constitutes unassigned fund balance, meaning no constraints have been placed on how this money may be spent. The General Fund is the only governmental fund that can have positive unassigned fund balance. The remainder of fund balance is either non-spendable, restricted by a third party or assigned for a specific purpose.

The **General Fund** is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the General Fund was \$2,600,211, while total fund balance was \$2,674,113. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 54% of total General Fund expenditures, while total fund balance represents 55% of that same amount.

General Fund Budget Highlights

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

Adjustments to the General Fund Expenditures: Adjustments were made from one department to another department to prevent budget overruns.

- In the Legislative Department, group insurance was more than budgeted; therefore, the budget was increased by \$3,300.
- In the Financial Admin Department, group insurance was more than budgeted; therefore, the budget was increased by \$57,000.
- In the Fleet Department, group insurance was more than budgeted; therefore, the budget was increased by \$1,000.

Proprietary Funds

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

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

▪ Water and Sewer	\$ 17,629,930
▪ Sanitation	\$ 1,397

The total increase in net position for both funds was \$1,203,381. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City's business-type activities.

Capital Assets and Debt Administration

Capital Assets. The City of Jasper has invested \$26,699,580 in capital assets (net of accumulated depreciation). Capital assets include infrastructure, land, buildings, and machinery and equipment. Approximately 73% of this investment is related to business-type activities and approximately 27% relates to governmental activities.

During 2021, the City invested \$1,200,858 in new capital assets. Major capital asset events during the current year included the following:

Governmental-type Activities
2021

Computer Software Upgrades	\$ 68,272
Police Department Vehicles (2)	89,974
Police Department Remodeling	32,106
Fire Department Extractor	5,320
Planning and Zoning Vehicle	36,158
	<u>\$ 231,830</u>

Business-type Activities
2021

Wastewater Plant Improvements CIP	\$ 101,137
Water Department Vehicles (7)	219,337
Infrastructure - Water Supply, Distribution, & WWTP	239,016
Infrastructure - Worley Crossroad Sewer Extension	175,700
Water Department Equipment (10)	233,838
	<u>\$ 969,028</u>

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

City of Jasper
Capital Assets (Net of Accumulated Depreciation)
As of December 31, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 3,385,966	\$ 3,385,966	\$ 1,162,347	\$ 1,162,347	\$ 4,548,313	\$ 4,548,313
Construction in progress	-	-	468,653	429,359	468,653	429,359
Buildings and improvements	1,067,491	1,124,833	2,486,832	2,493,171	3,554,323	3,618,004
Infrastructure	2,558,095	2,634,085	25,319,804	26,434,307	27,877,899	29,068,392
Machinery and equipment	2,818,236	3,097,925	2,889,319	2,975,509	5,707,555	6,073,434
Park improvements	536,102	793,689	-	-	536,102	793,689
Furniture and fixtures	-	-	-	8,799	-	8,799
Total	10,365,890	11,036,498	32,326,955	33,503,492	42,692,845	44,539,990
Accumulated depreciation	(3,195,231)	(3,789,265)	(12,798,034)	(13,533,281)	(15,993,265)	(17,322,546)
Net Capital Assets	<u>\$ 7,170,659</u>	<u>\$ 7,247,233</u>	<u>\$ 19,528,921</u>	<u>\$ 19,970,211</u>	<u>\$ 26,699,580</u>	<u>\$ 27,217,444</u>

Additional information on the City of Jasper's capital assets can be found in the Note 7 in the notes to the financial statements on pages 47-48 of this report.

Long-term debt. At December 31, 2021, the City of Jasper had \$5,874,312 in long-term debt which was an increase of \$669,267 from 2020. The increase is attributed to the refunding of existing GEFA loans with a Revenue Bond at a much lower interest rate. The excess equity was put aside for future water system improvements.

City of Jasper
Outstanding Debt
As of December 31, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Capital leases	\$ 559,393	\$ 665,276	\$ 160,435	\$ 284,630	\$ 719,828	\$ 949,906
Notes payable	-	-	1,337,365	5,079,706	1,337,365	5,079,706
Notes payable - component unit	228,268	271,533	-	-	228,268	271,533
Bonds payable	-	-	3,342,000	3,617,000	3,342,000	3,617,000
Compensated absences	153,693	148,167	93,158	94,267	246,851	242,434
Total	<u>\$ 941,354</u>	<u>\$ 1,084,976</u>	<u>\$ 4,932,958</u>	<u>\$ 9,075,603</u>	<u>\$ 5,874,312</u>	<u>\$ 10,160,579</u>

Additional information on the City's long-term debt can be found in the Note 8 in the notes to the financial statements on pages 49-54 of this report.

Economic Environment and Next Year's Budgets

The City considered many factors when adopting the 2022 budget. The City's tax rates, fees, and charges for governmental and business-type activities are major considerations during the budget adoption. The City is experiencing more growth than what has been experienced in previous years. The City is expecting the steady growth in population for future years. The City expects Enterprise Fund revenues to increase with the steady growth in population.

The following are some major factors considered in preparing the City's budget for 2022:

- Sustainability of existing services – The City has operated with the standard that services and associated cost should not be appropriated if they are not justified as long-term goals of the City. For continued financial success, the City evaluates current priorities and revenue structures and provides data for successful financial decision making. If at all possible, management of the City strive to provide services at or above the current level without further burdening those paying for those services.
- Cost of government – The City's millage rate was rolled back in 2021 from 5.690 mills to 5.558 mills after the increase in 2020. The levy in 2021 funds the 2022 budget.
- Capital Assets – For 2022, the City limited capital assets funded with the General Fund in order to balance the budget with the rollback millage rate. The revenue from the 2020 SPLOST will help in providing capital assets to public safety, parks, and water/sewer improvements.
- Infrastructure improvements – The City continues seeking additional water resources, replacing infrastructure, and expanding the wastewater treatment facility. SPLOST revenue will continue to allow public works improvements to roads, bridges, and sidewalks. The amounts budgeted for infrastructure improvements will help to position the City well with the expanding growth.
- Economy impact – Even with more economic growth, the City implemented a conservative approach with revenue and expenditures.

For fiscal year 2022, the City Council approved a total budget of \$14,888,217. This budget includes operating and non-operating funds. The General Fund budget is \$5,527,078 and the Proprietary Funds are budgeted for \$6,093,170 (Water, Sewerage, and Sanitation). The City's budgets and relative fund balances are maintained in compliance with the City's adopted financial policies.

Contacting the City's Financial Management

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

BASIC FINANCIAL STATEMENTS

CITY OF JASPER, GEORGIA
STATEMENT OF NET POSITION
December 31, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 3,775,304	\$ 2,605,466	\$ 6,380,770	\$ 19,646
Restricted cash and cash equivalents	1,669,896	1,074,045	2,743,941	0
Receivables:				
Accounts (net)	0	645,481	645,481	0
Taxes (net)	1,768,749	0	1,768,749	0
Intergovernmental receivable	97,015	0	97,015	0
Other	0	73,790	73,790	0
Internal balances	(66,250)	66,250	0	0
Prepaid items	64,685	36,589	101,274	0
Inventories	0	93,745	93,745	0
Total current assets	7,309,399	4,595,366	11,904,765	19,646
Noncurrent assets				
Capital assets				
Non-depreciable	3,385,966	1,631,000	5,016,966	0
Depreciable (net)	3,784,693	17,897,921	21,682,614	0
Total noncurrent assets	7,170,659	19,528,921	26,699,580	0
Total assets	14,480,058	24,124,287	38,604,345	19,646
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	410,804	291,125	701,929	0
LIABILITIES				
Current liabilities				
Accounts payable	103,660	159,181	262,841	0
Accrued salaries	47,738	18,764	66,502	0
Compensated absences payable	72,236	41,224	113,460	0
Accrued interest payable	6,768	3,597	10,365	0
Unearned revenue	839,295	26,732	866,027	0
Notes payable	45,456	128,838	174,294	0
Bonds payable	0	300,000	300,000	0
Capital lease payable	78,923	91,031	169,954	0
Liabilities payable from restricted assets				
Customer deposits payable	0	725,766	725,766	0
Total current liabilities	1,194,076	1,495,133	2,689,209	0
Noncurrent liabilities				
Compensated absences payable	81,457	51,934	133,391	0
Net pension liability	1,003,989	609,306	1,613,295	0
Capital lease payable	480,470	69,404	549,874	0
Bonds payable	0	3,042,000	3,042,000	0
Notes payable	182,812	1,208,527	1,391,339	0
Total noncurrent liabilities	1,748,728	4,981,171	6,729,899	0
Total liabilities	2,942,804	6,476,304	9,419,108	0
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	1,452,616	0	1,452,616	0
Deferred inflows of resources - pension	511,502	307,781	819,283	0
Total deferred inflows of resources	1,964,118	307,781	2,271,899	0

See accompanying notes to the financial statements.

CITY OF JASPER, GEORGIA
STATEMENT OF NET POSITION
December 31, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
NET POSITION				
Net investment in capital assets	\$ 6,382,998	\$ 15,037,400	\$ 21,420,398	\$ 0
Restricted for:				
Judicial and law enforcement				
technology equipment and supplies	129,671	0	129,671	0
Law enforcement equipment and supplies	22,745	0	22,745	0
Grant specifications	37	0	37	0
Capital outlay	1,796,717	0	1,796,717	0
Economic development	9,217	0	9,217	1,000
Unrestricted	1,642,555	2,593,927	4,236,482	18,646
Total net position	\$ 9,983,940	\$ 17,631,327	\$ 27,615,267	\$ 19,646

This page intentionally left blank.

CITY OF JASPER, GEORGIA
STATEMENT OF ACTIVITIES
For the year ended December 31, 2021

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Total Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 788,729	\$ 88,686	\$ 4,700	\$ 0	\$ (695,343)	\$ 0	\$ (695,343)	
Judicial	123,041	41,107	0	0	(81,934)	0	(81,934)	
Public safety	2,934,482	253,361	34,064	0	(2,647,057)	0	(2,647,057)	
Public works	888,944	0	62,832	984,324	158,212	0	158,212	
Culture and recreation	85,019	0	0	0	(85,019)	0	(85,019)	
Housing and development	376,009	191,384	0	0	(184,625)	0	(184,625)	
Interest on long-term debt	38,702	0	0	0	(38,702)	0	(38,702)	
Total governmental activities	<u>5,234,926</u>	<u>574,538</u>	<u>101,596</u>	<u>984,324</u>	<u>(3,574,468)</u>	<u>0</u>	<u>(3,574,468)</u>	
Business-type activities								
Water and Sewerage	4,584,595	5,435,172	0	279,500	0	1,130,077	1,130,077	
Sanitation	260,460	185,041	0	0	0	(75,419)	(75,419)	
Total business-type activities	<u>4,845,055</u>	<u>5,620,213</u>	<u>0</u>	<u>279,500</u>	<u>0</u>	<u>1,054,658</u>	<u>1,054,658</u>	
Total primary government	<u>10,079,981</u>	<u>6,194,751</u>	<u>101,596</u>	<u>1,263,824</u>	<u>(3,574,468)</u>	<u>1,054,658</u>	<u>(2,519,810)</u>	
Component Units								
Industrial Development Authority	0	0	0	0				\$ 0
Downtown Development Authority	0	0	0	0				0
Jasper Development Authority	15	0	0	0				(15)
Total component units	<u>\$ 15</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>				<u>\$ (15)</u>
General revenues								
Taxes								
Property					\$ 1,740,537	\$ 0	\$ 1,740,537	\$ 0
Sales					1,865,729	0	1,865,729	0
Franchise					500,850	0	500,850	0
Alcoholic beverage					393,580	0	393,580	0
Insurance premium					305,306	0	305,306	0
Business occupation					119,180	0	119,180	0
Hotel/Motel					115,039	0	115,039	0
Other					55,091	0	55,091	0
Interest and investment earnings					6,919	2,712	9,631	15
Miscellaneous					10,209	45,992	56,201	0
Transfers					(100,019)	100,019	0	0
Total general revenues and transfers					<u>5,012,421</u>	<u>148,723</u>	<u>5,161,144</u>	<u>15</u>
Change in net position					1,437,953	1,203,381	2,641,334	0
Net position - beginning					<u>8,545,987</u>	<u>16,427,946</u>	<u>24,973,933</u>	<u>19,646</u>
Net position - ending					<u>\$ 9,983,940</u>	<u>\$ 17,631,327</u>	<u>\$ 27,615,267</u>	<u>\$ 19,646</u>

See accompanying notes to the financial statements.

CITY OF JASPER, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	General	American Rescue Plan Act Fund	2020 SPLOST	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	\$ 2,665,935	\$ 742,055	\$ 914,423	\$ 1,109,369	\$ 5,431,782
Restricted cash and cash equivalents	13,418	0	0	0	13,418
Receivable					
Taxes	1,760,916	0	0	7,833	1,768,749
Intergovernmental	0	0	97,015	0	97,015
Due from other funds	21,608	0	0	0	21,608
Prepaid items	64,685	0	0	0	64,685
Total assets	\$ 4,526,562	\$ 742,055	\$ 1,011,438	\$ 1,117,202	\$ 7,397,257
LIABILITIES					
Accounts payable	\$ 71,554	\$ 0	\$ 0	\$ 32,106	\$ 103,660
Due to other funds	72,350	0	0	15,508	87,858
Accrued salaries	47,738	0	0	0	47,738
Unearned revenue	95,875	742,018	0	1,402	839,295
Total liabilities	287,517	742,018	0	49,016	1,078,551
DEFERRED INFLOWS OF RESOURCES					
Property taxes levied for subsequent year	1,452,616	0	0	0	1,452,616
Unavailable revenue - property taxes	112,316	0	0	0	112,316
Total deferred inflows of resources	1,564,932	0	0	0	1,564,932
FUND BALANCES					
Nonspendable:					
Prepaid items	64,685	0	0	0	64,685
Restricted for:					
Judicial and law enforcement					
technology equipment and supplies	0	0	0	129,671	129,671
Law enforcement equipment and supplies	0	0	0	22,745	22,745
Promotion of downtown commerce					
and business	9,217	0	0	0	9,217
Grant specifications	0	37	0	0	37
Capital outlay	0	0	1,011,438	785,279	1,796,717
Assigned for:					
Tourism	0	0	0	130,491	130,491
Unassigned	2,600,211	0	0	0	2,600,211
Total fund balances	2,674,113	37	1,011,438	1,068,186	4,753,774
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,526,562	\$ 742,055	\$ 1,011,438	\$ 1,117,202	\$ 7,397,257

CITY OF JASPER, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
December 31, 2021

Total fund balance - total governmental funds **\$ 4,753,774**

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

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

Capital assets	\$ 10,365,890	
Accumulated depreciation	<u>(3,195,231)</u>	7,170,659

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

Deferred outflows of resources - pension	\$ 410,804	
Deferred inflows of resources - pension	<u>(511,502)</u>	(100,698)

Deferred inflows of resources related to property taxes that are not available to pay current obligations. These are reported as revenues in the statement of activities when earned. 112,316

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

Accrued interest payable	\$ (6,768)	
Compensated absences payable	(153,693)	
Net pension liability	(1,003,989)	
Capital lease payable	(559,393)	
Note payable	<u>(228,268)</u>	<u>(1,952,111)</u>

Net position of the governmental activities \$ 9,983,940

CITY OF JASPER, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2021

	General	American Rescue Plan Act Fund	2020 SPLOST	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	\$ 4,891,282	\$ 0	\$ 0	\$ 115,039	\$ 5,006,321
Licenses and permits	279,058	0	0	0	279,058
Fines and forfeitures	233,760	0	0	41,107	274,867
Charges for services	20,614	0	0	0	20,614
Intergovernmental	34,064	0	1,044,009	0	1,078,073
Interest	6,710	37	1,251	2,067	10,065
Contributions	4,700	0	0	0	4,700
Other	10,209	0	0	0	10,209
Total revenues	5,480,397	37	1,045,260	158,213	6,683,907
EXPENDITURES					
Current					
General government	852,204	0	0	0	852,204
Judicial	105,444	0	0	17,284	122,728
Public safety	2,766,143	0	0	5,908	2,772,051
Public works	619,628	0	0	0	619,628
Culture and recreation	38,016	0	0	0	38,016
Housing and development	275,015	0	0	114,334	389,349
Capital outlay	0	0	252,652	76,828	329,480
Debt service	188,446	0	0	0	188,446
Total expenditures	4,844,896	0	252,652	214,354	5,311,902
Excess (deficiency) of revenues over (under) expenditures	635,501	37	792,608	(56,141)	1,372,005
Other financing sources (uses)					
Transfers in	42,603	0	0	0	42,603
Transfers out	0	0	(142,622)	0	(142,622)
Total other financing sources (uses)	42,603	0	(142,622)	0	(100,019)
Net change in fund balances	678,104	37	649,986	(56,141)	1,271,986
Fund balances, January 1	1,996,009	0	361,452	1,124,327	3,481,788
Fund balances, December 31	\$ 2,674,113	\$ 37	\$ 1,011,438	\$ 1,068,186	\$ 4,753,774

See accompanying notes to the financial statements.

CITY OF JASPER, GEORGIA
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2021

Net change in fund balances - total governmental funds \$ 1,271,986

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

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

Capital outlays	\$ 231,830	
Depreciation	<u>(306,867)</u>	(75,037)

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

Cost of assets disposed	\$ (902,438)	
Related accumulated depreciation	<u>902,438</u>	0

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

Pension contributions	\$ 218,862	
Cost of benefits earned net of employee contributions	<u>(211,067)</u>	7,795

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. These includes recognition of unavailable revenue. 88,993

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

Debt principal repayments	\$ 149,148	
Net change in interest payable	<u>594</u>	149,742

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

Net change in compensated absences		<u>(5,526)</u>
Change in net position of governmental activities		<u>\$ 1,437,953</u>

CITY OF JASPER, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 4,366,129	\$ 4,755,136	\$ 4,891,282	\$ 136,146
Licenses and permits	160,750	292,975	279,058	(13,917)
Fines and forfeitures	176,900	152,677	233,760	81,083
Charges for services	21,450	17,645	20,614	2,969
Intergovernmental	35,000	32,000	34,064	2,064
Interest	7,000	7,000	6,710	(290)
Contributions	2,500	500	4,700	4,200
Other	0	8,300	10,209	1,909
Total revenues	4,769,729	5,266,233	5,480,397	214,164
EXPENDITURES				
Current				
General government				
Legislative	169,729	200,392	200,381	11
Executive	157,489	168,307	150,764	17,543
Elections	200	8,200	4,922	3,278
Financial administration	408,214	496,278	496,137	141
Judicial				
Municipal court	96,334	105,964	105,444	520
Public safety				
Police	1,442,355	1,485,018	1,422,540	62,478
Fire	1,262,977	1,370,182	1,290,990	79,192
Animal control	77,567	81,958	52,613	29,345
Public works				
Streets	639,785	612,958	590,506	22,452
Fleet maintenance and shop	95,383	29,190	29,122	68
Cemetery	400	0	0	0
Culture and recreation				
Parks and recreation	52,121	46,955	38,016	8,939
Housing and development				
Protective inspection	74,483	72,512	68,464	4,048
Planning and zoning	124,653	211,106	206,551	4,555
Debt service	188,446	188,447	188,446	1
Total expenditures	4,790,136	5,077,467	4,844,896	232,571
Excess (deficiency) of revenues over (under) expenditures	(20,407)	188,766	635,501	446,735
Other financing sources (uses)				
Transfers in	20,407	30,600	42,603	12,003
Net change in fund balance	0	219,366	678,104	458,738
Fund balances, January 1	0	(219,366)	1,996,009	2,215,375
Fund balances, December 31	\$ 0	\$ 0	\$ 2,674,113	\$ 2,674,113

See accompanying notes to the financial statements.

CITY OF JASPER, GEORGIA
AMERICAN RESCUE PLAN ACT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 742,018	\$ 742,018	\$ 0	\$ (742,018)
Interest	0	0	37	37
Total revenues	<u>742,018</u>	<u>742,018</u>	<u>37</u>	<u>(741,981)</u>
EXPENDITURES	<u>742,018</u>	<u>742,018</u>	<u>0</u>	<u>742,018</u>
Net change in fund balance	0	0	37	37
Fund balances, January 1	0	0	0	0
Fund balances, December 31	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 37</u>	<u>\$ 37</u>

This page intentionally left blank.

CITY OF JASPER, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021

	Business-Type Activities		
	Water and Sewerage	Nonmajor Sanitation	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,592,781	\$ 12,685	\$ 2,605,466
Restricted cash and cash equivalents	1,074,045	0	1,074,045
Accounts receivable (net)	626,121	19,360	645,481
Other receivables	73,790	0	73,790
Due from other funds	66,804	36,789	103,593
Prepaid items	35,044	1,545	36,589
Inventories	93,745	0	93,745
Total current assets	<u>4,562,330</u>	<u>70,379</u>	<u>4,632,709</u>
Noncurrent assets			
Capital assets			
Nondepreciable	1,631,000	0	1,631,000
Depreciable (net)	17,806,841	91,080	17,897,921
Total noncurrent assets	<u>19,437,841</u>	<u>91,080</u>	<u>19,528,921</u>
Total assets	<u>24,000,171</u>	<u>161,459</u>	<u>24,161,630</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	<u>268,529</u>	<u>22,596</u>	<u>291,125</u>
LIABILITIES			
Current liabilities			
Accounts payable	154,488	4,693	159,181
Accrued salaries	17,429	1,335	18,764
Due to other funds	37,343	0	37,343
Compensated absences payable	40,839	385	41,224
Unearned revenue	26,732	0	26,732
Accrued interest payable	3,597	0	3,597
Notes payable	128,838	0	128,838
Bonds payable	300,000	0	300,000
Capital lease payable	62,547	28,484	91,031
Liabilities payable from restricted assets			
Customer deposits payable	<u>725,766</u>	<u>0</u>	<u>725,766</u>
Total current liabilities	<u>1,497,579</u>	<u>34,897</u>	<u>1,532,476</u>
Noncurrent liabilities			
Compensated absences payable	49,914	2,020	51,934
Net pension liability	554,083	55,223	609,306
Notes payable	1,208,527	0	1,208,527
Bonds payable	3,042,000	0	3,042,000
Capital lease payable	19,648	49,756	69,404
Total noncurrent liabilities	<u>4,874,172</u>	<u>106,999</u>	<u>4,981,171</u>
Total liabilities	<u>6,371,751</u>	<u>141,896</u>	<u>6,513,647</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	<u>267,019</u>	<u>40,762</u>	<u>307,781</u>
NET POSITION			
Net investment in capital assets	15,024,560	12,840	15,037,400
Unrestricted	<u>2,605,370</u>	<u>(11,443)</u>	<u>2,593,927</u>
Total net position	<u>\$ 17,629,930</u>	<u>\$ 1,397</u>	<u>\$ 17,631,327</u>

See accompanying notes to the financial statements.

CITY OF JASPER, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the year ended December 31, 2021

	Business-Type Activities		
	Water and Sewerage	Nonmajor Sanitation	Totals
OPERATING REVENUES			
Charges for service	\$ 5,435,172	\$ 185,041	\$ 5,620,213
Miscellaneous	45,811	181	45,992
Total operating revenues	5,480,983	185,222	5,666,205
OPERATING EXPENSES			
Cost of sales and services	2,075,303	66,634	2,141,937
Personal services	1,645,294	166,299	1,811,593
Depreciation	793,082	24,373	817,455
Total operating expenses	4,513,679	257,306	4,770,985
Operating income	967,304	(72,084)	895,220
Non-operating revenues (expenses)			
Interest revenue	2,703	9	2,712
Interest expense	(70,916)	(3,154)	(74,070)
Total non-operating revenues (expenses)	(68,213)	(3,145)	(71,358)
Net income before capital contributions and transfers	899,091	(75,229)	823,862
Capital contributions	279,500	0	279,500
Net income before transfers	1,178,591	(75,229)	1,103,362
Transfers			
Transfers in	142,622	60,000	202,622
Transfers out	(102,603)	0	(102,603)
Total transfers in (out)	40,019	60,000	100,019
Change in net position	1,218,610	(15,229)	1,203,381
Net position, January 1	16,411,320	16,626	16,427,946
Net position, December 31	\$ 17,629,930	\$ 1,397	\$ 17,631,327

CITY OF JASPER, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2021

	Business-Type Activities		
	Water and Sewerage	Nonmajor Sanitation	Totals
Cash flows from operating activities:			
Receipts from customers and users	\$ 5,408,584	\$ 183,684	\$ 5,592,268
Payments to suppliers	(2,043,545)	(69,220)	(2,112,765)
Payments to employees	(1,755,819)	(153,651)	(1,909,470)
Other receipts	45,811	181	45,992
Net cash provided (used) by operating activities	<u>1,655,031</u>	<u>(39,006)</u>	<u>1,616,025</u>
Cash flows from non-capital financing activities:			
Payments to other funds	(190,028)	(3,493)	(193,521)
Receipts from other funds	142,622	83,589	226,211
Net cash provided (used) by non-capital financing activities	<u>(47,406)</u>	<u>80,096</u>	<u>32,690</u>
Cash flows from capital and related financing activities:			
Receipts of capital contributions	279,500	0	279,500
Acquisition of capital assets	(907,186)	0	(907,186)
Principal payments - bonds payable	(275,000)	0	(275,000)
Principal payments - notes payable	(125,341)	0	(125,341)
Principal payments - capital lease payable	(96,764)	(27,431)	(124,195)
Interest paid	(70,274)	(3,154)	(73,428)
Net cash provided (used) by capital and related financing activities	<u>(1,195,065)</u>	<u>(30,585)</u>	<u>(1,225,650)</u>
Cash flows from investing activities:			
Interest received	2,703	9	2,712
Net increase in cash and cash equivalents	415,263	10,514	425,777
Cash and cash equivalents, January 1	3,251,563	2,171	3,253,734
Cash and cash equivalents, December 31	<u>\$ 3,666,826</u>	<u>\$ 12,685</u>	<u>\$ 3,679,511</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 967,304	\$ (72,084)	\$ 895,220
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	793,082	24,373	817,455
(Increase) decrease in accounts receivable	(121,408)	(1,357)	(122,765)
(Increase) decrease in other receivables	27,532	0	27,532
(Increase) decrease in prepaid items	(18,835)	(1,468)	(20,303)
(Increase) decrease in inventory	9,173	0	9,173
(Increase) decrease in deferred outflows of resources - pension	90,326	1,181	91,507
Increase (decrease) in accounts payable	41,420	(1,118)	40,302
Increase (decrease) in accrued payroll liabilities	22,213	(15,335)	6,878
Increase (decrease) in unearned revenue	18,732	0	18,732
Increase (decrease) in customer deposits payable	48,556	0	48,556
Increase (decrease) in net pension liability	(447,846)	(11,162)	(459,008)
Increase (decrease) in deferred inflows of resources - pension	224,782	37,964	262,746
Total adjustments	<u>687,727</u>	<u>33,078</u>	<u>720,805</u>
Net cash provided (used) by operating activities	<u>\$ 1,655,031</u>	<u>\$ (39,006)</u>	<u>\$ 1,616,025</u>
Cash and cash equivalents reconciliation			
Cash and cash equivalents	\$ 2,592,781	\$ 12,685	\$ 2,605,466
Restricted cash and cash equivalents	1,074,045	0	1,074,045
	<u>\$ 3,666,826</u>	<u>\$ 12,685</u>	<u>\$ 3,679,511</u>

See accompanying notes to the financial statements.

**CITY OF JASPER, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2021**

ASSETS	
Cash and cash equivalents	\$ 40,859
Accounts receivable	<u>3,784</u>
Total assets	<u>44,643</u>
LIABILITIES	
Due to others	<u>20,790</u>
NET POSITION	
Restricted for individuals, organizations, and other governments	<u><u>\$ 23,853</u></u>

See accompanying notes to the financial statements.

CITY OF JASPER, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended December 31, 2021

ADDITIONS	
Court fees collected for other agencies	\$ 108,845
Court individual cases	<u>44,231</u>
Total additions	<u>153,076</u>
DEDUCTIONS	
Court fees distributed to other agencies	108,845
Payments to others	<u>35,476</u>
Total deductions	<u>144,321</u>
Change in net position	8,755
Net position, January 1	<u>15,098</u>
Net position, December 31	<u><u>\$ 23,853</u></u>

CITY OF JASPER, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
December 31, 2021

	Industrial Development Authority	Jasper Development Authority	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,000	\$ 18,646	\$ 19,646
NET POSITION			
Restricted for economic development	1,000	0	1,000
Unrestricted	0	18,646	18,646
Total net position	\$ 1,000	\$ 18,646	\$ 19,646

CITY OF JASPER, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the year ended December 31, 2021

	<u>Industrial Development Authority</u>	<u>Jasper Development Authority</u>	<u>Totals</u>
Expenses			
Total expenses	\$ 0	\$ 15	\$ 15
Program revenues			
Total program revenues	<u>0</u>	<u>0</u>	<u>0</u>
Net (expense) revenue	0	(15)	(15)
General revenues			
Interest	<u>0</u>	<u>15</u>	<u>15</u>
Change in net position	0	0	0
Net position - December 1	<u>1,000</u>	<u>18,646</u>	<u>19,646</u>
Net position - December 31	<u><u>\$ 1,000</u></u>	<u><u>\$ 18,646</u></u>	<u><u>\$ 19,646</u></u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

The City of Jasper Downtown Development Authority (the "DDA") is reported as a blended component unit in the accompanying financial statements. The purpose of the DDA is to promote business and commerce within the downtown business district of the City. The Mayor and City Council appoint all of the board members to the DDA. Information included herein has been compiled from the records of the DDA. Due to the insignificant amount of operating activity, the operations of the DDA are reported in the General Fund. Through an intergovernmental contract, the City is responsible for the repayment of the debt of the Authority. Separate financial statements are not issued.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

1. Summary of Significant Accounting Policies (continued)

A. Reporting Entity

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

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

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

B. Government-wide and Fund Financial Statements

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

1. Summary of Significant Accounting Policies (continued)

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

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

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

1. Summary of Significant Accounting Policies (continued)

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

The City also reports the following fund types:

Governmental Fund Types

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

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

Proprietary Fund Types

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

Fiduciary Fund Types

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

1. Summary of Significant Accounting Policies (continued)

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

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

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

D. Cash and Investments

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

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

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

1. Summary of Significant Accounting Policies (continued)

E. Receivables and Payables

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

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

F. Prepaid Items

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

G. Inventories

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

1. Summary of Significant Accounting Policies (continued)

H. Capital Assets

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

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

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

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

1. Summary of Significant Accounting Policies (continued)

I. Deferred Outflows / Inflows of Resources

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

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

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

1. Summary of Significant Accounting Policies (continued)

J. Compensated Absences

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

K. Long-Term Obligations

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

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

L. Fund Equity and Net Position

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

1. Summary of Significant Accounting Policies (continued)

L. Fund Equity and Net Position, continued

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

Fund balances are classified as follows:

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

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

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

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

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

1. Summary of Significant Accounting Policies (continued)

L. Fund Equity and Net Position, continued

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

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

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

M. Management Estimates

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

1. Summary of Significant Accounting Policies (continued)

N. Interfund Transactions

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

O. Budgets

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

R. Pensions

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

2. Legal Compliance - Budgets

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

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

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

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

3. Deposits

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

3. Deposits (continued)

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

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

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

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

4. Receivables

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

<u>Governmental Activities</u>	<u>General Fund</u>	<u>2020 SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
Receivables:				
Taxes	\$ 1,835,163	\$ 0	\$ 7,833	\$ 1,842,996
Intergovernmental	0	97,015	0	97,015
Less allowance for uncollectible	(74,247)	0	0	(74,247)
Net totals	<u>\$ 1,760,916</u>	<u>\$ 97,015</u>	<u>\$ 7,833</u>	<u>\$ 1,865,764</u>
	<u>Water and Sewerage Fund</u>	<u>Nonmajor Sanitation Fund</u>	<u>Totals</u>	
Receivables:				
Accounts	\$ 750,323	\$ 19,360	\$ 769,683	
Other	73,790	0	73,790	
Less allowance for uncollectible	(124,202)	0	(124,202)	
Net totals	<u>\$ 699,911</u>	<u>\$ 19,360</u>	<u>\$ 719,271</u>	

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

5. Property Taxes

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for the 2021 tax digest year, based upon the assessments as of January 1, 2021, were levied on September 13, 2021, billed on October 25, 2021, and due on January 31, 2022. Unpaid tax bills become delinquent on February 1, 2022, and liens will be put on property with unpaid tax on March 3, 2022. The 2021 tax digest is to fund the 2022 budget. Therefore, the tax proceeds for this year have been reported as deferred inflows of resources.

6. Interfund Receivables, Payables, and Transfers

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water and Sewerage	\$ 6,100
	Nonmajor Governmental	15,508
Water and Sewerage	General	66,804
Nonmajor Enterprise	General	5,546
	Water and Sewerage	<u>31,243</u>
		<u>\$ 125,201</u>

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

Interfund activity consisted of the following for the current year:

<u>Transfer Out Fund</u>	<u>Transfer In Fund</u>	<u>Amount</u>
2020 SPLOST	Water and Sewerage	\$ 142,622
Water and Sewerage	Nonmajor Enterprise	60,000
	General	<u>42,603</u>
		<u>\$ 245,225</u>

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

7. Capital Assets

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

	Balance Beginning	Increases	Decreases	Balance Ending
Governmental activities				
Non-depreciable assets				
Land	\$ 3,385,966	\$ 0	\$ 0	\$ 3,385,966
Construction in progress	0	0	0	0
Total non-depreciable assets	<u>3,385,966</u>	<u>0</u>	<u>0</u>	<u>3,385,966</u>
Depreciable assets				
Buildings and improvements	1,124,833	32,106	(89,448)	1,067,491
Infrastructure	2,634,085	0	(75,990)	2,558,095
Machinery and equipment	3,097,925	199,724	(479,413)	2,818,236
Park improvements	793,689	0	(257,587)	536,102
Total depreciable assets	<u>7,650,532</u>	<u>231,830</u>	<u>(902,438)</u>	<u>6,979,924</u>
Less accumulated depreciation				
Buildings and improvements	(428,078)	(23,841)	89,448	(362,471)
Infrastructure	(959,880)	(75,659)	75,990	(959,549)
Machinery and equipment	(1,986,349)	(183,913)	479,413	(1,690,849)
Park improvements	(416,495)	(23,454)	257,587	(182,362)
Total accumulated depreciation	<u>(3,790,802)</u>	<u>(306,867)</u>	<u>902,438</u>	<u>(3,195,231)</u>
Total depreciable assets, net	<u>3,859,730</u>	<u>(75,037)</u>	<u>0</u>	<u>3,784,693</u>
Governmental activities capital assets, net	<u>\$ 7,245,696</u>	<u>\$ (75,037)</u>	<u>\$ 0</u>	<u>\$ 7,170,659</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 1,162,347	\$ 0	\$ 0	\$ 1,162,347
Construction in progress	429,359	101,137	(61,843)	468,653
Total non-depreciable assets	<u>1,591,706</u>	<u>101,137</u>	<u>(61,843)</u>	<u>1,631,000</u>
Depreciable assets				
Buildings and improvements	2,493,171	0	(6,339)	2,486,832
Infrastructure	26,434,307	414,718	(1,529,219)	25,319,806
Machinery and equipment	2,010,297	233,838	(398,913)	1,845,222
Vehicle	965,212	219,336	(140,452)	1,044,096
Furniture and fixtures	8,799	0	(8,799)	0
Total depreciable assets	<u>31,911,786</u>	<u>867,892</u>	<u>(2,083,722)</u>	<u>30,695,956</u>
Less accumulated depreciation				
Buildings and improvements	(695,673)	(58,636)	6,339	(747,970)
Infrastructure	(11,661,122)	(534,439)	1,529,219	(10,666,342)
Machinery and equipment	(1,119,597)	(5,862)	398,914	(726,545)
Vehicle	(579,111)	(218,518)	140,451	(657,178)
Furniture and fixtures	(8,799)	0	8,799	0
Total accumulated depreciation	<u>(14,064,302)</u>	<u>(817,455)</u>	<u>2,083,722</u>	<u>(12,798,035)</u>
Total depreciable assets, net	<u>17,847,484</u>	<u>50,437</u>	<u>0</u>	<u>17,897,921</u>
Business-type activities capital assets, net	<u>\$ 19,439,190</u>	<u>\$ 151,574</u>	<u>\$ (61,843)</u>	<u>\$ 19,528,921</u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

7. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$	11,080
Judicial		2,017
Public Safety		131,926
Public Works		111,068
Housing and Development		20,433
Culture and Recreation		30,343
		<hr/>

Total depreciation expense for governmental activities	\$	<u>306,867</u>
--	----	----------------

Business-type activities

Water and Sewerage	\$	793,082
Sanitation		24,373
		<hr/>

Total depreciation expense for business-type activities	\$	<u>817,455</u>
---	----	----------------

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

8. Long-Term Liabilities

Capital Lease Obligations

The City has entered into multiple capital lease agreements with various financial institutions to finance vehicle and equipment purchases. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balances of these leases at the end of the current fiscal year are \$559,393 and \$160,435 for governmental and business-type activities, respectively.

Total assets leased under capital leases are \$1,051,507 and \$570,254 for governmental and business-type activities, respectively, and are classified as follows:

	Governmental Activities		Business-type Activities	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Machinery and equipment	\$ 697,890	\$ 176,606	\$ 156,757	\$ 51,470
Vehicles and equipment	353,617	237,846	413,497	252,458
Total assets under capital leases	<u>\$ 1,051,507</u>	<u>\$ 414,452</u>	<u>\$ 570,254</u>	<u>\$ 303,928</u>

Individual leases outstanding at the end of the current year are listed below with their related interest rate and maturity.

Governmental Activities

Agreement	Rate	Maturity	Balance
BB&T 2017 Equipment Lease	2.93%	2022	\$ 27,938
BB&T 2019 Equipment Lease	3.23%	2024	44,888
Magnolia Bank Equipment Lease	4.51%	2022	3,460
Leasing 2, Inc. Fire Truck Lease	4.51%	2032	483,107
Total capital leases			559,393
Less current portion of leases			(78,923)
Long-term portion of leases			<u>\$ 480,470</u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

8. Long-Term Liabilities (continued)

Capital Lease Obligations, continued

The City's capital leases debt service requirements to maturity are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 78,923	\$ 23,290	\$ 102,213
2023	49,512	21,046	70,558
2024	45,656	19,045	64,701
2025	35,641	17,367	53,008
2026	37,248	15,760	53,008
2027-2031	213,002	52,038	265,040
2032-2034	99,411	6,763	106,174
Totals	<u>\$ 559,393</u>	<u>\$ 155,309</u>	<u>\$ 714,702</u>

Business-Type Activities

Individual leases outstanding at the end of the current year are listed below with their related interest rate and maturity.

<u>Agreement</u>	<u>Rate</u>	<u>Maturity</u>	<u>Balance</u>
BB&T 2017 Equipment Lease	2.93%	2022	\$ 51,293
BB&T 2019 Equipment Lease	3.23%	2024	109,142
Total capital leases			160,435
Less current portion of leases			(91,031)
Long-term portion of leases			<u>\$ 69,404</u>

The City's capital leases debt service requirements to maturity are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	91,031	5,804	96,835
2023	41,028	2,131	43,159
2024	28,376	342	28,718
Totals	<u>\$ 160,435</u>	<u>\$ 8,277</u>	<u>\$ 168,712</u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

8. Long-Term Liabilities (continued)

Notes from Direct Borrowings

Governmental Activities

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

<u>Agreement</u>	<u>Rate</u>	<u>Maturity</u>	<u>Balance</u>
Regions Bank - Police Precinct	4.75%	2024	\$ 116,655
United Community Bank - 36 E. Spring Street	5.07%	2026	111,613
Total direct borrowings			228,268
Less current portion of borrowings			(45,456)
Long-term portion of borrowings			<u>\$ 182,812</u>

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 45,456	\$ 10,116	\$ 55,572
2023	47,685	7,886	55,571
2024	39,323	5,630	44,953
2025	5,866	4,734	10,600
2026	89,938	4,216	94,154
Totals	<u>\$ 228,268</u>	<u>\$ 32,582</u>	<u>\$ 260,850</u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

8. Long-Term Liabilities (continued)

Notes from Direct Borrowings, continued

Business-Type Activities

The City has entered into multiple notes from direct borrowing agreements with the Georgia Environmental Finance Authority to finance improvements to the City's water and sewerage system. Note payments and performance obligations are secured by revenues on taxes, fees and charges collected by the City. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Individual notes from direct borrowings outstanding at the end of the current year are listed below with their related interest rate and maturity.

<u>Agreement</u>	<u>Rate</u>	<u>Maturity</u>	<u>Balance</u>
GEFA 2002L29WJ	4.21%	2024	\$ 145,773
GEFA CW12006	1.82%	2035	1,191,592
Total notes from direct borrowings			1,337,365
Less current portion of notes from direct borrowings			(128,838)
Long-term portion of notes from direct borrowings			<u>\$ 1,208,527</u>

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 128,838	\$ 26,169	\$ 155,007
2023	132,451	22,557	155,008
2024	122,148	18,874	141,022
2025	82,419	16,662	99,081
2026	83,931	15,149	99,080
2027-2031	443,335	52,068	495,403
2032-2035	344,243	11,582	355,825
Totals	<u>\$ 1,337,365</u>	<u>\$ 163,061</u>	<u>\$ 1,500,426</u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

8. Long-Term Liabilities (continued)

Revenue Bonds

Business-Type Activities

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

- \$3,642,000 – Downtown Development Authority of Jasper Revenue Bonds (\$3,342,000, outstanding) – Series 2020 bonds due in monthly principal and interest payments of \$25,000 - \$28,000, interest at 1.4%, through June 1, 2032. The bonds were issued for the purpose of prepaying five previously issued GEFA notes from direct borrowings and to fund the 2020 Facilities Project Fund of which proceeds will be used to finance the costs to expand the City’s Water Treatment Plant. The bonds are secured by a pledge of an installment sale agreement between the Authority and the City. Upon the occurrence of an event of default, the bondholders may declare the principal balance and any accrued interest thereon to be immediately due and payable. Upon any declaration of acceleration, the bondholder shall immediately declare all payments due under the intergovernmental installment sale agreement to be immediately due and payable. In the event that the City has insufficient funds to pay the installment sale agreement, the City shall levy an ad valorem tax on all available taxable property located in the boundaries of the City in an amount sufficient to fulfill the City’s obligations under the installment sale agreement.

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

Year Ending December 31,	Principal	Interest	Total
2022	\$ 300,000	\$ 36,246	\$ 336,246
2023	302,000	32,825	334,825
2024	312,000	29,320	341,320
2025	312,000	25,764	337,764
2026	312,000	22,207	334,207
2027-2031	1,639,000	55,913	1,694,913
2032-2035	165,000	400	165,400
Totals	<u>\$ 3,342,000</u>	<u>\$ 202,675</u>	<u>\$ 3,544,675</u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

8. Long-Term Liabilities (continued)

Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Notes from direct borrowings	\$ 271,533	\$ 0	\$ (43,265)	\$ 228,268	\$ 45,456
Capital lease obligations	665,276	0	(105,883)	559,393	78,923
Compensated absences	148,167	94,426	(88,900)	153,693	72,236
	<u>\$ 1,084,976</u>	<u>\$ 94,426</u>	<u>\$ (238,048)</u>	<u>\$ 941,354</u>	<u>\$ 196,615</u>
Business-type activities					
Notes from direct borrowings	\$ 1,462,706	\$ 0	\$ (125,341)	\$ 1,337,365	\$ 128,838
Revenue bonds	3,617,000	0	(275,000)	3,342,000	300,000
Capital lease obligations	284,630	0	(124,195)	160,435	91,031
Compensated absences	94,267	39,891	(41,000)	93,158	41,224
	<u>\$ 5,458,603</u>	<u>\$ 39,891</u>	<u>\$ (565,536)</u>	<u>\$ 4,932,958</u>	<u>\$ 561,093</u>

For governmental funds, compensated absences are liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Water and Sewerage Fund and the Sanitation Fund. The total interest incurred and charged to expense for the current year was \$38,702 and \$74,070 for the governmental activities and business-type activities, respectively.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

9. Net Investment in Capital Assets

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Cost of capital assets	\$ 10,365,890	\$ 32,326,955
Accumulated depreciation	<u>(3,195,231)</u>	<u>(12,798,034)</u>
Book value	7,170,659	19,528,921
Unspent debt proceeds	0	348,279
Bonds payable	0	(3,342,000)
Notes payable	(228,268)	(1,337,365)
Capital lease obligation	<u>(559,393)</u>	<u>(160,435)</u>
Net investment in capital assets	<u>\$ 6,382,998</u>	<u>\$ 15,037,400</u>

10. Pension Plans

Defined Benefit Pension Plan

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

10. Pension Plans (continued)

Defined Benefit Pension Plan, continued

At July 1, 2021, the date of the most recent actuarial valuation, participants consisted of the following:

Active participants	71
Vested terminated participants	27
Retired participants and beneficiaries	<u>35</u>
Total number of participants	<u><u>133</u></u>

Benefits Provided. As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by City Council, the plan provides pension benefits and death and disability benefits for plan members and beneficiaries. Eligibility for participation is available immediately beginning with the date of employment for all full-time employees working more than 20 hours per week. Elected officials are not covered by the Plan. Employee benefits vest 50% after five years of service and continue vesting an additional 10% each year thereafter. Benefits fully vest after ten years of service. A City employee who retires at age 65 with five years of service is entitled to full benefits of 1.25% - 2.00% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he/she has a minimum of 10 years total credited service. Retirement between the ages of 55 and 65 will result in a reduced monthly benefit. To receive full benefits, an employee must be employed until age 65. The benefit is calculated on the last five years' highest averaged earnings. Effective January 1, 2020, a participant is eligible for retirement benefits at a 1.50% flat formula at the age of 55 with 5 years of service or when participant's age and years of service sum to 80 or greater.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

10. Pension Plans (continued)

Defined Benefit Pension Plan, continued

Contributions. The plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted an actuarial funding policy for the plan which meets the state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the plan, as adopted by the City Council, is to contribute an amount equal to or greater than the recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by the plan members during the year, with an additional amount to finance any unfunded accrued liability. The City's contributions to the plan for the current year totaled \$220,754, or 7.98% of covered payroll. Employees do not contribute to the plan.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current year, the City reported a net pension liability of \$1,613,295. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. For the current year, the City recognized pension expense of \$254,448.

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

10. Pension Plans (continued)

Defined Benefit Pension Plan, continued

The components of the net pension liability are as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at March 31, 2020	\$ 6,277,157	\$ 3,582,388	\$ 2,694,769
Changes for the year:			
Service cost	124,477	0	124,477
Interest	463,282	0	463,282
Differences between expected and actual experience	155,588	0	155,588
Contributions—employer	0	220,754	(220,754)
Net investment income	0	1,616,301	(1,616,301)
Benefit payments, including refunds of employee contributions	(239,697)	(239,697)	0
Administrative expense	0	(12,234)	12,234
Net changes	503,650	1,585,124	(1,081,474)
Balances at March 31, 2021	\$ 6,780,807	\$ 5,167,512	\$ 1,613,295
Plan fiduciary net position as a percentage of the total pension liability			76.21%
Covered payroll			\$ 3,192,704
Employer's net pension liability as a percentage of covered payroll			50.53%

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

10. Pension Plans (continued)

Defined Benefit Pension Plan, continued

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
City contributions subsequent to the measurement date	\$ 265,321	\$ 0
Changes in participant fund allocation	41,818	(41,818)
Differences between expected and actual experience	377,288	(54,152)
Changes of assumptions	17,502	(4,236)
Net difference between projected and actual earnings on pension plan investments	<u>0</u>	<u>(719,077)</u>
Totals	<u><u>\$ 701,929</u></u>	<u><u>\$ (819,283)</u></u>

The \$265,321 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ (71,523)
2023	15,547
2024	(100,699)
2025	<u>(226,000)</u>
Totals	<u><u>\$ (382,675)</u></u>

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

10. Pension Plans (continued)

Defined Benefit Pension Plan, continued

Actuarial Assumptions. The total pension liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The mortality and economic actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 through June 30, 2019.

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

10. Pension Plans (continued)

Defined Benefit Pension Plan, continued

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.40%
International equity	20%	7.05%
Real estate	10%	4.50%
Global fixed income	5%	1.25%
Domestic fixed income	20%	1.15%
Total	<u>100%</u>	

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

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

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease	6.375%	\$ 2,535,687
Current discount rate	7.375%	\$ 1,613,295
1% increase	8.375%	\$ 849,752

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

10. Pension Plans (continued)

Defined Benefit Pension Plan, continued

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

Other Plans

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

11. Deferred Compensation Plan

The City of Jasper offers its employees a deferred compensation plan (the City of Jasper Savings and Retirement Plan) created in accordance with Internal Revenue Code Section 457. The Mayor and Council established this defined contribution plan and Valic administers the plan. Full-time City employees are eligible after completing 12 months of employment and participation is optional. Employees' actual contributions are calculated and made based on a weekly payroll basis, and employees' contributions are 100% vested immediately. During the current year, the City's match was capped at 5%. Employees' contributions are vested immediately. The deferred compensation benefits are not available to employees until termination of employment, retirement, death (payable to a beneficiary) or unforeseeable emergency. During the current year, employee contributions were \$36,940.

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

12. Hotel/Motel Lodging Tax

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

Lodging tax receipts	\$ 115,039
Disbursements for tourism	\$ 114,334 99.4% of tax receipts

13. Joint Ventures

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

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

CITY OF JASPER, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

14. Risk Management

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

15. Contingencies

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

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JASPER, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN FISCAL YEARS
December 31, 2021
(Unaudited)

	Fiscal Year End		
	2021	2020	2019
Total pension liability			
Service cost	\$ 124,477	\$ 97,074	\$ 76,252
Interest	463,282	339,475	316,332
Differences between expected and actual experience	155,588	87,530	77,892
Changes of assumptions	0	(6,354)	0
Change of benefit terms	0	1,417,725	0
Benefit payments, including refunds of employee contributions	<u>(239,697)</u>	<u>(175,110)</u>	<u>(190,332)</u>
Net change in total pension liability	503,650	1,760,340	280,144
Total pension liability - beginning	<u>6,277,157</u>	<u>4,516,817</u>	<u>4,236,673</u>
Total pension liability - ending (a)	<u><u>\$ 6,780,807</u></u>	<u><u>\$ 6,277,157</u></u>	<u><u>\$ 4,516,817</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 220,754	\$ 130,284	\$ 137,285
Net investment income	1,616,301	(270,448)	136,896
Benefit payments, including refunds of employee contributions	(239,697)	(175,110)	(190,332)
Administrative expense	<u>(12,234)</u>	<u>(13,905)</u>	<u>(13,030)</u>
Net change in plan fiduciary net position	1,585,124	(329,179)	70,819
Plan fiduciary net position - beginning	<u>3,582,388</u>	<u>3,911,567</u>	<u>3,840,748</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 5,167,512</u></u>	<u><u>\$ 3,582,388</u></u>	<u><u>\$ 3,911,567</u></u>
Net pension liability (asset) - ending : (a) - (b)	<u><u>\$ 1,613,295</u></u>	<u><u>\$ 2,694,769</u></u>	<u><u>\$ 605,250</u></u>
Plan's fiduciary net position as a percentage of the total pension liability	76.21%	57.07%	86.60%
Covered payroll	\$ 3,192,704	\$ 3,499,237	\$ 3,510,420
Net pension liability as a percentage of covered payroll	50.53%	77.01%	17.24%

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

Fiscal Year End

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

See accompanying notes to the required supplementary information.

CITY OF JASPER, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
December 31, 2021
(Unaudited)

	Fiscal Year End		
	2021	2020	2019
Actuarially determined contribution	\$ 220,754	\$ 158,776	\$ 137,295
Contributions in relation to the actuarially determined contribution	<u>(220,754)</u>	<u>(158,776)</u>	<u>(138,020)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (725)</u>
Covered payroll	\$ 2,765,656	\$ 3,216,286	\$ 3,626,192
Contributions as a percentage of covered payroll	7.98%	4.94%	3.81%

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

Fiscal Year End

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

See accompanying notes to the required supplementary information.

CITY OF JASPER, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2021

1. Valuation Date

The actuarially determined contribution rate was determined as of July 1, 2021, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the year ending December 31, 2022.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Projected unit credit

Amortization method = Closed level dollar for remaining unfunded liability

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

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

Net investment rate of return = 7.375%

Projected salary increases = 2.25% plus service based merit increases

Cost of living adjustments = 0.00%

Retirement age for inactive vested participants = 65

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

CITY OF JASPER, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2021

3. Changes in Benefits

The following changes to benefits amounts reported for fiscal years ending in 2020 and later reflect that effective January 1, 2020:

Participants became eligible for Alternative Normal Retirement under the Rule of 80 with minimum age of 55 years old.

The benefit formula was updated to use a flat 1.50% multiplier with a comparison to the prior formula for those employed on or before the effective date.

Vested participants can receive up to three years of prior military service credit for benefit computation purposes.

In-service distributions are prohibited except for participants receiving in-service distributions as of the effective date.

4. Changes of Assumptions

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

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

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

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

CITY OF JASPER, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2021

4. Changes of Assumptions (continued)

Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.

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

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

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

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

CITY OF JASPER, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2021

4. Changes of Assumptions (continued)

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

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

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

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

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

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

This page intentionally left blank.

COMBINING STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS

CITY OF JASPER, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2021

	Special Revenue			Capital Projects	Total Nonmajor Governmental Funds
	Technology Surcharge	Confiscated Assets	Hotel/Motel Tax	2014 SPLOST	
ASSETS					
Cash and cash equivalents	\$ 148,714	\$ 6,833	\$ 168,543	\$ 785,279	\$ 1,109,369
Taxes receivable	0	0	7,833	0	7,833
Total assets	\$ 148,714	\$ 6,833	\$ 176,376	\$ 785,279	\$ 1,117,202
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 1,729	\$ 0	\$ 30,377	\$ 0	\$ 32,106
Unearned revenue	0	1,402	0	0	1,402
Due to other funds	0	0	15,508	0	15,508
	<u>1,729</u>	<u>1,402</u>	<u>45,885</u>	<u>0</u>	<u>49,016</u>
Fund balances					
Restricted for:					
Judicial and law enforcement	129,671	0	0	0	129,671
Law enforcement	17,314	5,431	0	0	22,745
Capital outlay	0	0	0	785,279	785,279
Assigned for tourism	0	0	130,491	0	130,491
Total fund balances	146,985	5,431	130,491	785,279	1,068,186
Total liabilities and fund balances	\$ 148,714	\$ 5,431	\$ 176,376	\$ 785,279	\$ 1,117,202

CITY OF JASPER, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2021

	<u>Special Revenue</u>			<u>Capital Projects</u>	Total Nonmajor Governmental Funds
	<u>Technology Surcharge</u>	<u>Confiscated Assets</u>	<u>Hotel/Motel Tax</u>	<u>2014 SPLOST</u>	
REVENUES					
Taxes	\$ 0	\$ 0	\$ 115,039	\$ 0	\$ 115,039
Fines and forfeitures	41,107	0	0	0	41,107
Interest	134	0	38	1,895	2,067
Total revenues	<u>41,241</u>	<u>0</u>	<u>115,077</u>	<u>1,895</u>	<u>158,213</u>
EXPENDITURES					
Current					
Judicial	17,284	0	0	0	17,284
Public safety	5,908	0	0	0	5,908
Housing and development	0	0	114,334	0	114,334
Capital outlay	0	0	0	76,828	76,828
Total expenditures	<u>23,192</u>	<u>0</u>	<u>114,334</u>	<u>76,828</u>	<u>214,354</u>
Net change in fund balance	18,049	0	743	(74,933)	(56,141)
Fund balances, January 1	128,936	5,431	129,748	860,212	1,124,327
Fund balances, December 31	<u>\$ 146,985</u>	<u>\$ 5,431</u>	<u>\$ 130,491</u>	<u>\$ 785,279</u>	<u>\$ 1,068,186</u>

CITY OF JASPER, GEORGIA
TECHNOLOGY SURCHARGE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 49,996	\$ 41,107	\$ (8,889)
Interest	100	134	34
Total revenues	<u>50,096</u>	<u>41,241</u>	<u>(8,855)</u>
EXPENDITURES			
Current			
Judicial	17,800	17,284	516
Public safety	9,170	5,908	3,262
Total expenditures	<u>26,970</u>	<u>23,192</u>	<u>3,778</u>
Net change in fund balance	23,126	18,049	(5,077)
Fund balances, January 1	<u>(23,126)</u>	<u>128,936</u>	<u>152,062</u>
Fund balances, December 31	<u>\$ 0</u>	<u>\$ 146,985</u>	<u>\$ 146,985</u>

CITY OF JASPER, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 3,400	\$ 0	\$ (3,400)
EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	3,400	0	(3,400)
Fund balances, January 1	<u>(3,400)</u>	<u>5,431</u>	<u>8,831</u>
Fund balances, December 31	<u>\$ 0</u>	<u>\$ 5,431</u>	<u>\$ 5,431</u>

CITY OF JASPER, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 117,500	\$ 115,039	\$ (2,461)
Interest	40	38	(2)
Total revenues	<u>117,540</u>	<u>115,077</u>	<u>(2,463)</u>
EXPENDITURES			
Current			
Housing and development	<u>114,400</u>	<u>114,334</u>	<u>66</u>
Excess (deficiency) of revenues over (under) expenditures	3,140	743	(2,397)
Other financing sources (uses)			
Transfers out	<u>(30,600)</u>	<u>0</u>	<u>(30,600)</u>
Net change in fund balance	(27,460)	743	28,203
Fund balances, January 1	<u>27,460</u>	<u>129,748</u>	<u>102,288</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 130,491</u></u>	<u><u>\$ 130,491</u></u>

SUPPLEMENTARY INFORMATION

This page intentionally left blank.

CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS
December 31, 2021

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
GOVERNMENTAL ACTIVITIES				
2019 Fire Truck	09/15/2022	52,944	21,720	31,224
09/15/2018 - \$568,923.59	09/15/2023	53,008	20,376	32,632
Annual Debt Service - 4.51%	09/15/2024	53,008	18,905	34,103
Mature - 09/15/2033	09/15/2025	53,008	17,367	35,641
100-80000	09/15/2026	53,008	15,760	37,248
	09/15/2027	53,008	14,080	38,928
	09/15/2028	53,008	12,325	40,683
	09/15/2029	53,008	10,490	42,518
	09/15/2030	53,008	8,573	44,435
	09/15/2031	53,008	6,569	46,438
	09/15/2032	53,008	4,475	48,532
	09/15/2033	52,427	1,704	50,723
		\$ 635,450	\$ 152,344	\$ 483,107
Police Precinct	01/21/2022	3,770	452	3,318
09/21/2009 - \$477,500	02/21/2022	3,748	439	3,309
Monthly Debt Service - 4.755%	03/21/2022	3,748	425	3,322
Mature - 09/21/2024	04/21/2022	3,748	412	3,335
100-80000	05/21/2022	3,748	399	3,349
	06/21/2022	3,748	386	3,362
	07/21/2022	3,748	372	3,375
	08/21/2022	3,748	359	3,389
	09/21/2022	3,748	346	3,402
	10/21/2022	3,748	332	3,415
	11/21/2022	3,748	319	3,429
	12/21/2022	3,748	305	3,443
	01/21/2023	3,748	291	3,456
	02/21/2023	3,748	278	3,470
	03/21/2023	3,748	264	3,484
	04/21/2023	3,748	250	3,497
	05/21/2023	3,748	236	3,511
	06/21/2023	3,748	222	3,525
	07/21/2023	3,748	208	3,539
	08/21/2023	3,748	194	3,553
	09/21/2023	3,748	180	3,567
	10/21/2023	3,748	166	3,581
	11/21/2023	3,748	152	3,596
	12/21/2023	3,748	138	3,610
	01/21/2024	3,748	123	3,624
	02/21/2024	3,748	109	3,639
	03/21/2024	3,748	95	3,653
	04/21/2024	3,748	80	3,667
	05/21/2024	3,748	66	3,682
	06/21/2024	3,748	51	3,697
	07/21/2024	3,748	36	3,711
	08/21/2024	3,748	22	3,726
	09/21/2024	4,425	7	4,418
		\$ 124,372	\$ 7,717	\$ 116,655

CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS
December 31, 2021

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
East Spring Street House	01/05/2022	883	485	398
12/22/2016 - \$132,000	02/05/2022	883	483	400
Monthly Debt Service - 5.07%	03/05/2022	883	435	449
Mature - 12/22/2026	04/05/2022	883	479	404
100-80000	05/05/2022	883	462	421
	06/05/2022	883	476	407
	07/05/2022	883	459	425
	08/05/2022	883	472	411
	09/05/2022	883	470	413
	10/05/2022	883	453	430
	11/05/2022	883	467	417
	12/05/2022	883	450	433
	01/05/2023	883	463	420
	02/05/2023	883	461	422
	03/05/2023	883	415	468
	04/05/2023	883	457	426
	05/05/2023	883	441	443
	06/05/2023	883	453	430
	07/05/2023	883	437	446
	08/05/2023	883	450	434
	09/05/2023	883	448	436
	10/05/2023	883	431	452
	11/05/2023	883	444	439
	12/05/2023	883	428	456
	01/05/2024	883	440	443
	02/05/2024	883	438	445
	03/05/2024	883	408	475
	04/05/2024	883	434	449
	05/05/2024	883	418	465
	06/05/2024	883	430	453
	07/05/2024	883	414	469
	08/05/2024	883	426	457
	09/05/2024	883	424	459
	10/05/2024	883	408	475
	11/05/2024	883	420	463
	12/05/2024	883	404	479
	01/05/2025	883	416	467
	02/05/2025	883	414	470
	03/05/2025	883	372	511
	04/05/2025	883	409	474
	05/05/2025	883	394	489
	06/05/2025	883	405	478
	07/05/2025	883	390	493
	08/05/2025	883	401	482
	09/05/2025	883	399	484
	10/05/2025	883	384	499
	11/05/2025	883	395	489
	12/05/2025	883	380	503
	01/05/2026	883	390	493
	02/05/2026	883	388	495
	03/05/2026	883	349	535
	04/05/2026	883	384	500
	05/05/2026	883	369	514

CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS
December 31, 2021

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	06/05/2026	883	379	504
	07/05/2026	883	365	518
	08/05/2026	883	375	509
	09/05/2026	883	373	511
	10/05/2026	883	358	525
	11/05/2026	883	368	515
	12/05/2026	883	354	529
	12/22/2026	84,012	199	83,812
		<u>\$ 137,008</u>	<u>\$ 25,394</u>	<u>\$ 111,613</u>
2019 Ford F-150 - Police Department	01/20/2022	1,162	13	1,149
03/21/2019 - \$39,052	02/20/2022	1,162	9	1,153
Monthly Debt Service - 4.51%	03/20/2022	1,162	4	1,158
Mature - 03/22/2022				
100-80000		<u>\$ 3,486</u>	<u>\$ 26</u>	<u>\$ 3,460</u>
Vehicle / Equipment Lease	01/04/2022	1,463	124	1,339
09/04/2019 - \$80,925	02/04/2022	1,463	121	1,342
Monthly Debt Service - 3.23%	03/04/2022	1,463	117	1,346
Mature - 09/04/2024	04/04/2022	1,463	113	1,349
Assets for Multiple Funds- GF Portion Shown	05/04/2022	1,463	110	1,353
	06/04/2022	1,463	106	1,356
	07/04/2022	1,463	102	1,360
	08/04/2022	1,463	99	1,364
	09/04/2022	1,463	95	1,367
	10/04/2022	1,463	91	1,371
	11/04/2022	1,463	88	1,375
	12/04/2022	1,463	84	1,379
	01/04/2023	1,463	80	1,382
	02/04/2023	1,463	77	1,386
	03/04/2023	1,463	73	1,390
	04/04/2023	1,463	69	1,393
	05/04/2023	1,463	65	1,397
	06/04/2023	1,463	62	1,401
	07/04/2023	1,463	58	1,405
	08/04/2023	1,463	54	1,409
	09/04/2023	1,463	50	1,412
	10/04/2023	1,463	46	1,416
	11/04/2023	1,463	43	1,420
	12/04/2023	1,463	39	1,424
	01/04/2024	1,463	35	1,428
	02/04/2024	1,463	31	1,431
	03/04/2024	1,463	27	1,435
	04/04/2024	1,463	23	1,439
	05/04/2024	1,463	20	1,443
	06/04/2024	1,463	16	1,447
	07/04/2024	1,463	12	1,451
	08/04/2024	1,686	8	1,678
		<u>\$ 47,025</u>	<u>\$ 2,137</u>	<u>\$ 44,888</u>

CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS
December 31, 2021

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
Vehicle / Equipment Lease	01/24/2022	4,031	68	3,963
07/24/2017 - \$225,155	02/24/2022	4,031	59	3,973
Monthly Debt Service - 2.93%	03/24/2022	4,031	49	3,982
Mature - 07/24/2022	04/24/2022	4,031	39	3,992
100-80000	05/24/2022	4,031	29	4,002
Assets for Multiple Funds- Gov't Portion allocated here	06/24/2022	4,031	20	4,012
	07/24/2022	4,024	10	4,014
		<u>\$ 28,211</u>	<u>\$ 274</u>	<u>\$ 27,938</u>
TOTAL GOVERNMENTAL ACTIVITIES				<u>\$ 787,661</u>
ENTERPRISE FUNDS				
Water Sewer Fund				
Vehicle / Equipment Lease	01/04/2022	1,046	85	961
09/04/2019 - \$55,676	02/04/2022	1,006	83	923
Monthly Debt Service - 3.23%	03/04/2022	1,006	80	926
Mature - 09/04/2024	04/04/2022	1,006	78	928
Assets for Multiple Funds- WS Portion Shown	05/04/2022	1,006	75	931
	06/04/2022	1,006	73	933
	07/04/2022	1,006	70	936
	08/04/2022	1,006	68	938
	09/04/2022	1,006	65	941
	10/04/2022	1,006	63	943
	11/04/2022	1,006	60	946
	12/04/2022	1,006	58	948
	01/04/2023	1,006	55	951
	02/04/2023	1,006	53	953
	03/04/2023	1,006	50	956
	04/04/2023	1,006	48	958
	05/04/2023	1,006	45	961
	06/04/2023	1,006	42	964
	07/04/2023	1,006	40	966
	08/04/2023	1,006	37	969
	09/04/2023	1,006	35	971
	10/04/2023	1,006	32	974
	11/04/2023	1,006	29	977
	12/04/2023	1,006	27	979
	01/04/2024	1,006	24	982
	02/04/2024	1,006	21	985
	03/04/2024	1,006	19	987
	04/04/2024	1,006	16	990
	05/04/2024	1,006	13	993
	06/04/2024	1,006	11	995
	07/04/2024	1,006	8	998
	08/04/2024	1,006	5	1,001
	09/04/2024	141	3	138
		<u>\$ 32,374</u>	<u>\$ 1,472</u>	<u>\$ 30,902</u>

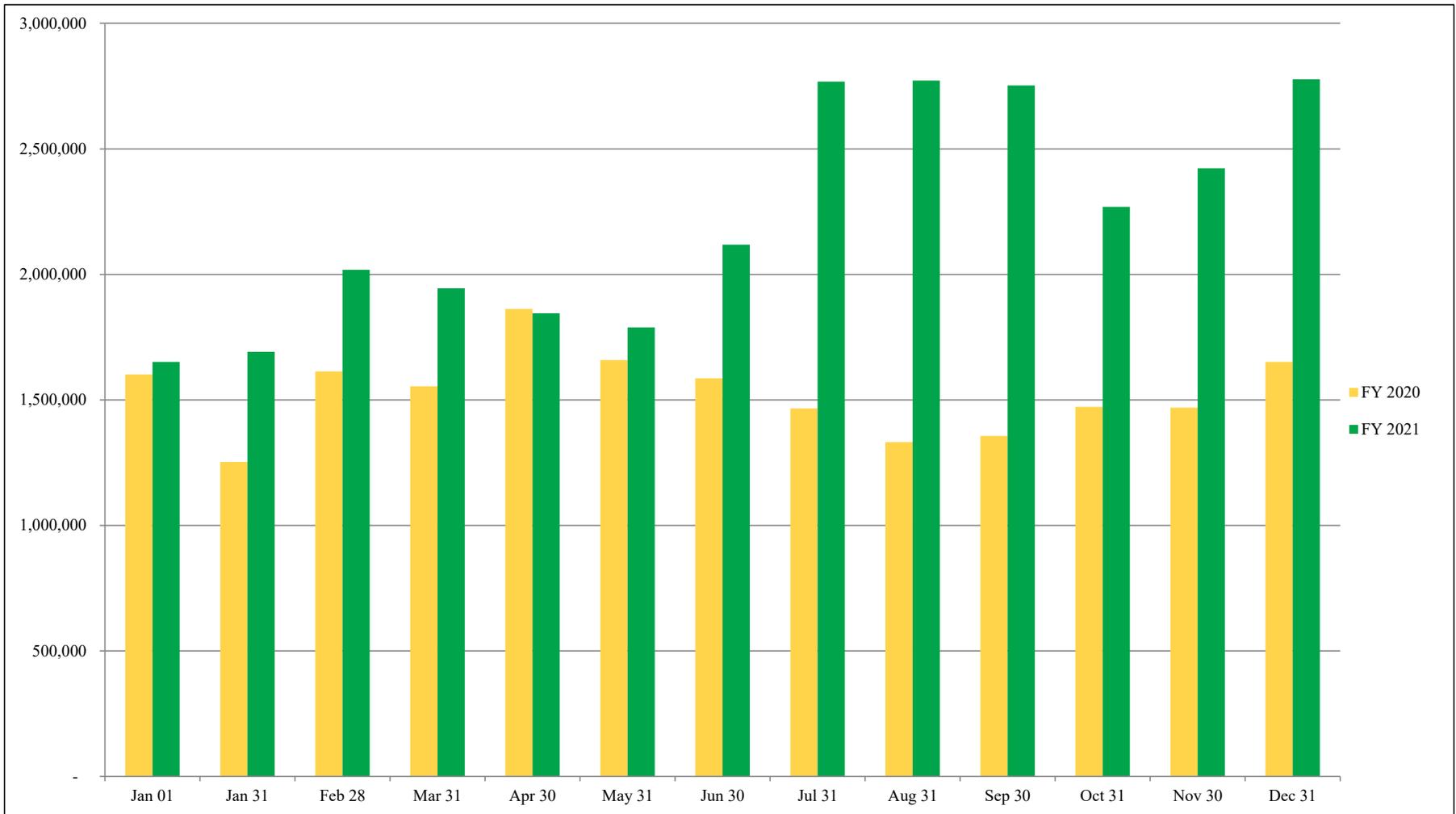
CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS
December 31, 2021

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
Vehicle / Equipment Lease	01/24/2022	7,401	125	7,276
07/24/2017 - \$301,754	02/24/2022	7,401	108	7,293
Monthly Debt Service - 2.93%	03/24/2022	7,401	90	7,311
Mature - 07/24/2022	04/24/2022	7,401	72	7,329
Assets for Multiple Funds- WS Portion Shown	05/24/2022	7,401	54	7,347
	06/24/2022	7,401	36	7,365
	07/24/2022	7,401	29	7,372
		<u>\$ 51,806</u>	<u>\$ 513</u>	<u>\$ 51,293</u>
GEFA-2002	FY2022	55,927	5,131	50,795
\$4,661/monthly - APR-4.21 %	FY2023	55,927	2,951	52,976
Debt Service shown is Total of Payments for FY	FY2024	41,942	726	42,001
Mature -10/01/2024		<u>\$ 153,795</u>	<u>\$ 8,809</u>	<u>\$ 145,773</u>
GEFA CW	FY2022	99,081	21,038	78,042
\$1,658,605 - 01/01/2015	FY2023	99,081	19,606	79,475
\$8,257/monthly - APR - 1.82%	FY2024	99,081	18,147	80,933
Debt Service shown is Total of Payments for FY	FY2025	99,081	16,662	82,419
Mature -01/01/2035	FY2026	99,081	15,149	83,931
	FY2027	99,081	13,609	85,472
	FY2028	99,081	12,040	87,040
	FY2029	99,081	10,443	88,638
	FY2030	99,081	8,816	90,264
	FY2031	99,081	7,160	91,921
	FY2032	99,081	5,473	93,608
	FY2033	99,081	3,755	95,326
	FY2034	99,081	2,005	97,075
	FY2035	57,797	349	57,448
		<u>\$ 1,345,844</u>	<u>\$ 154,252</u>	<u>\$ 1,191,592</u>
City of Jasper Facilities Project-Series 2020	FY2022	336,531	36,531	300,000
\$3,642,000 9/2/2020	FY2023	334,111	32,111	302,000
\$1,626/monthly - APR - 2.82%	FY2024	341,617	29,617	312,000
Debt Service shown is Total of Payments for FY	FY2025	338,060	26,060	312,000
Mature -07/01/2034	FY2026	334,504	22,504	312,000
Combined/Refinanced 9/2/2020 - 2020 Bond	FY2027	339,913	17,913	322,000
	FY2028	339,225	15,225	324,000
	FY2029	335,531	11,531	324,000
	FY2030	339,811	6,811	333,000
	FY2031	339,990	3,990	336,000
	FY2032	168,559	3,559	165,000
		<u>\$ 3,547,852</u>	<u>\$ 205,852</u>	<u>\$ 3,342,000</u>
Total Water Sewer Fund Fund				<u>\$ 4,761,560</u>

CITY OF JASPER, GEORGIA
SCHEDULE OF INDEBTEDNESS
December 31, 2021

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
Sanitation Fund				
Vehicle / Equipment Lease	01/04/2022	2,626	217	2,409
09/04/2019 - \$141,039	02/04/2022	2,549	210	2,339
Monthly Debt Service - 3.23%	03/04/2022	2,549	204	2,345
Mature - 09/04/2024	04/04/2022	2,549	198	2,351
Assets for Multiple Funds- Sanitation Portion Shown	05/04/2022	2,549	191	2,358
	06/04/2022	2,549	185	2,364
	07/04/2022	2,549	179	2,370
	08/04/2022	2,549	172	2,377
	09/04/2022	2,549	166	2,383
	10/04/2022	2,549	159	2,390
	11/04/2022	2,549	153	2,396
	12/04/2022	2,549	147	2,402
	01/04/2023	2,549	140	2,409
	02/04/2023	2,549	134	2,415
	03/04/2023	2,549	127	2,422
	04/04/2023	2,549	121	2,428
	05/04/2023	2,549	114	2,435
	06/04/2023	2,549	108	2,441
	07/04/2023	2,549	101	2,448
	08/04/2023	2,549	94	2,455
	09/04/2023	2,549	88	2,461
	10/04/2023	2,549	81	2,468
	11/04/2023	2,549	74	2,475
	12/04/2023	2,549	68	2,481
01/04/2024	2,549	61	2,488	
02/04/2024	2,549	54	2,495	
03/04/2024	2,549	48	2,501	
04/04/2024	2,549	41	2,508	
05/04/2024	2,549	34	2,515	
06/04/2024	2,549	27	2,522	
07/04/2024	2,549	21	2,528	
08/04/2024	2,549	14	2,535	
09/04/2024		333	7	326
Total Solid Waste Sanitation Fund		\$ 81,978	\$ 3,738	\$ 78,240
Sanitation Fund				<u>\$ 78,240</u>
TOTAL ENTERPRISE FUNDS				<u>\$ 4,839,800</u>
TOTAL PRIMARY GOVERNMENT				<u>\$ 5,627,461</u>

CITY OF JASPER, GEORGIA
SCHEDULE OF GENERAL FUND UNASSIGNED FUND BALANCE BY MONTH
Fiscal Years 2020 and 2021



This page intentionally left blank.

OTHER REPORTING SECTION

This page intentionally left blank.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jasper, Georgia, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Jasper, Georgia’s basic financial statements and have issued our report thereon dated May 5, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Rushton, LLC

Certified Public Accountants
Gainesville, Georgia
May 5, 2022

STATE REPORTING SECTION

CITY OF JASPER, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2021

<u>Project</u>	<u>Estimated Cost *</u>		<u>Expenditures</u>		
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
2014 Referendum					
Roads, Streets, and Bridges	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>	<u>\$ 4,904,542</u>	<u>\$ 76,828</u>	<u>\$ 4,981,370</u>
2020 Referendum					
Roads, Streets, and Bridges; Water and Sewer Facilities; Public Safety; Parks and Recreation	<u>\$ 5,002,400</u>	<u>\$ 5,002,400</u>	<u>\$ 178,311</u>	<u>\$ 395,274</u>	<u>\$ 573,585</u>

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