

CITY OF JASPER
Jasper, Alabama

Financial Statements and
Supplemental Information

September 30, 2025

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

CITY OF JASPER, ALABAMA

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Jasper, Alabama

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, and the budgetary comparison for the General Fund of the City of Jasper, Alabama (the "City") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

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

Kellum, Wilson & Associates, P.C.

September 21, 2026

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

As management of the City of Jasper, Alabama (the "City"), we present this narrative overview and analysis designed to assist readers of the City's financial statements for the fiscal year ended September 30, 2025. Our discussion and analysis focuses on significant financial issues, provides an overview of the City's financial activity, identifies changes in the City's financial position, identifies any material deviations from the financial plan (the approved budget), and identifies individual fund issues or concerns.

Financial Highlights

- The assets of the City's Governmental Activities exceed its liabilities at the close of the fiscal year ended September 30, 2025, by \$58,132,349 (net position). The portion of net position that may be used to meet the City's ongoing obligations to citizens and creditors (unrestricted net position) is \$15,166,696.
- The City's total net position increased by \$6,864,179 in fiscal 2025.
- The City's total net capital assets increased by \$2,074,547 in fiscal 2025. This increase was mainly attributable to current year additions exceeding depreciation.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$57,088,792, a increase of \$208,131 from the prior year. Of this amount, \$24,711,719 is restricted.
- At the end of the current fiscal year, the unassigned fund balance of the General Fund (the City's primary operating fund) was \$30,260,917. An increase of \$2,145,285.
- The City's net long-term debt decreased by \$5,870,261.

Overview of the Financial Statements

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

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Fund Financial Statements – Continued

Governmental Funds – The City of Jasper maintains five individual *major governmental funds*. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, One-Cent Sales Tax Fund, 2017 Bond Improvement Fund, West Jasper CDBG Fund, and the 2022 GOW fund. Data from other governmental funds are combined into a single *nonmajor governmental funds* aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support City programs.

Notes to the Financial Statements

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

Other Information

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

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

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

**Condensed Statements of Net Position
September 30, 2025 and 2024**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current and Other Assets	\$ 58,917,033	\$ 58,594,913	\$ (1,201,352)	\$ (95,433)	\$ 57,715,681	\$ 58,499,480
Capital Assets (Net)	<u>88,451,674</u>	<u>87,458,535</u>	<u>2,486,864</u>	<u>1,405,456</u>	<u>90,938,538</u>	<u>88,863,991</u>
Total Assets	<u>147,368,707</u>	<u>146,053,448</u>	<u>1,285,512</u>	<u>1,310,023</u>	<u>148,654,219</u>	<u>147,363,471</u>
Deferred Outflows of Resources	<u>5,413,157</u>	<u>5,540,018</u>	<u>354,857</u>	<u>306,734</u>	<u>5,768,014</u>	<u>5,846,752</u>
Other Liabilities	7,993,374	8,383,473	502,619	384,678	8,495,993	8,768,151
Long-Term Liabilities	<u>84,429,229</u>	<u>90,891,185</u>	<u>1,342,179</u>	<u>1,418,825</u>	<u>85,771,408</u>	<u>92,310,010</u>
Total Liabilities	<u>92,422,603</u>	<u>99,274,658</u>	<u>1,844,798</u>	<u>1,803,503</u>	<u>94,267,401</u>	<u>101,078,161</u>
Deferred Inflows Of Resources	2,226,912	1,049,976	196,334	75,788	2,423,246	1,125,764
Net Position:						
Net Invested in						
Capital Assets	18,253,935	11,432,367	2,378,653	1,255,412	20,632,588	12,687,779
Restricted	24,711,719	26,542,346	-	-	24,711,719	26,542,346
Unrestricted (Deficit)	<u>15,166,695</u>	<u>13,294,119</u>	<u>(2,779,416)</u>	<u>(1,517,946)</u>	<u>12,387,279</u>	<u>11,776,173</u>
Total Net Position	<u>\$ 58,132,349</u>	<u>\$ 51,268,832</u>	<u>\$ (400,763)</u>	<u>\$ (262,534)</u>	<u>\$ 57,731,586</u>	<u>\$ 51,006,298</u>

The City's total assets were \$148,654,219 as of September 30, 2025. Capital assets, including infrastructure, account for \$90,938,538.

The remaining City assets of \$57,715,681 are accounted for in cash and cash equivalents, \$2,866,075 in accounts receivable, \$24,300 in liens and another receivable, and the remainder spread among miscellaneous assets.

At September 30, 2025, the City had outstanding liabilities of \$94,267,401, of which \$85,771,401 was long-term. Long-term liabilities include warrants and notes payable, compensated absences, accrued landfill closure and post closure care costs, pension liabilities, and the OPEB obligation. Of the total amount outstanding, approximately \$5,781,057 is due within one year, with the remainder due at various dates before 2044.

Included in other liabilities in the above table are \$1,974,899 in accounts payable (most of which will be paid from the general fund and bond funds). The remainder is accrued interest and deposits.

A large portion of the City's net position reflects its investment in capital assets, less any outstanding related debt used to acquire those assets. The City's capital assets are used to provide services to citizens. Consequently, investments in capital assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

**Condensed Statement of Activities
For the Years Ended September 30, 2025, and 2024**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 5,818,826	\$ 5,253,000	\$ 2,692,811	\$ 2,645,030	\$ 8,511,637	\$ 7,898,030
Grants/Contributions	199,162	1,026,492	-	-	199,162	1,026,492
General Revenues:						
Property Taxes	4,175,343	3,941,617	-	-	4,175,343	3,941,617
Sales Taxes	25,045,379	23,810,695	-	-	25,045,379	23,810,695
Other Taxes	4,261,481	4,122,136	-	-	4,261,481	4,122,136
Other General Revenues	<u>1,879,976</u>	<u>2,077,881</u>	<u>11,723</u>	<u>6,155</u>	<u>1,891,699</u>	<u>2,084,036</u>
Total Revenues	<u>41,380,167</u>	<u>40,231,821</u>	<u>2,704,534</u>	<u>2,651,185</u>	<u>44,084,701</u>	<u>42,883,006</u>
Expenses						
Governmental Activities:						
General Government	1,842,920	1,937,066	-	-	1,842,920	1,937,066
Public Safety	9,451,427	9,072,868	-	-	9,451,427	9,072,868
Public Works	5,910,800	5,258,953	-	-	5,910,800	5,258,953
Recreation and Cultural	4,062,137	3,644,692	-	-	4,062,137	3,644,692
Nondepartmental	11,436,663	9,973,643	-	-	11,436,663	9,973,643
Interest on Long-Term Debt	1,812,069	2,088,494	-	-	1,812,069	2,088,494
Business-Type Activities:						
Cemeteries	-	-	17,393	8,278	17,393	8,278
Garbage Collection	<u>-</u>	<u>-</u>	<u>2,825,370</u>	<u>2,392,975</u>	<u>2,825,370</u>	<u>2,392,975</u>
Total Expenses	<u>34,516,016</u>	<u>31,975,716</u>	<u>2,842,763</u>	<u>2,401,253</u>	<u>37,358,779</u>	<u>34,376,969</u>
Net Increase (Decrease)	<u>6,864,151</u>	<u>8,256,105</u>	<u>(138,229)</u>	<u>249,932</u>	<u>6,725,922</u>	<u>8,506,037</u>
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	\$ <u>6,864,151</u>	\$ <u>8,256,105</u>	\$ <u>(138,229)</u>	\$ <u>249,932</u>	\$ <u>6,725,922</u>	\$ <u>8,506,037</u>

Total revenue for the City was \$44,084,701 for the year ended September 30, 2025. Governmental activities provided \$41,380,167 or 93.8%, while \$2,705,434 of business-type activities revenue was provided by charges for services and interest income. The governmental activities received \$25,045,379 or 60.5% of total revenue, from sales taxes and \$4,448,170, or 10.7% of total revenue, from business licenses and permits.

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Fund Financial Analysis

Governmental Funds

The General Fund is the chief operating fund of the City. The total general fund balance increased by \$2,218,192 in 2025 to \$30,685,170. At the end of the current fiscal year, the unassigned fund balance was \$30,260,917. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. This is very useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Unassigned fund balance represents approximately 118.2% of total general fund expenditures, while total fund balance represents 114.5% of the total general fund expenditures.

Enterprise Funds

The City operates the New Prospect Cemetery and the North Oakhill Cemetery. Lots are sold for \$250 each at New Prospect and \$600 each at North Oakhill. The City normally charges New Prospect \$1,000 for each mowing. The cemeteries will generally operate with a small profit each year, largely as a result of interest income from a certificate of deposit owned by North Oakhill Cemetery. This year, New Prospect Cemetery recorded no income or loss from operations and North Oakhill Cemetery recorded income from operations of \$21,067.

The City also operates a garbage collection service for the citizens of the City. Current year loss from operations was \$(168,409).

Budgetary Highlights

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

- No significant budget changes were made during the year.

Capital Assets

**Capital Assets
As of September 30, 2025 and 2024
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Land	\$ 2,347,570	\$ 2,347,570	\$ 122,500	\$ 122,500	\$ 2,470,070	\$ 2,470,070
Construction in Progress	182,572	7,711,822	-	-	182,572	7,711,822
Buildings	52,956,168	46,204,171	245,115	89,204	53,201,283	46,293,375
Equipment	4,356,603	4,207,662	2,119,248	1,193,749	6,475,851	5,401,411
Infrastructure	<u>28,608,761</u>	<u>26,987,310</u>	<u>-</u>	<u>-</u>	<u>28,608,761</u>	<u>26,987,310</u>
Total	\$ <u>88,451,674</u>	\$ <u>87,458,535</u>	\$ <u>2,486,863</u>	\$ <u>1,405,453</u>	\$ <u>90,938,537</u>	\$ <u>88,863,988</u>

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Capital Assets – Continued

This investment in capital assets includes land, buildings, improvements other than buildings, system improvements (drainage and streets), machinery and equipment, park facilities, roads, highways, and bridges.

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

- Construction of roads.
- City Hall
- Development of sidewalks.

Debt Administration

As of year-end, the City had \$70,305,951 in debt (bonds, notes, etc.) outstanding compared to \$76,176,212 at the end of last year, a \$5,870,261 decrease.

Outstanding Debt at Year-End

	<u>2025</u>	<u>2024</u>
Governmental:		
Note Payable	\$ 895,164	\$ 1,015,547
Note Payable	364,253	420,434
2014 Bond Issue	4,710,000	5,950,000
2015 Bond Issue	1,970,000	2,560,000
Deferred Amounts	2,223,323	2,820,187
2017 Bond Issue	7,615,000	8,250,000
2020 Bond Issue	36,885,000	37,275,000
2022 Bond Issue	15,535,000	17,735,000
Business-Type:		
Bank Loans	108,211	150,044
2019 Bond Issue	<u>-</u>	<u>-</u>
Total Debt	\$ <u>70,305,951</u>	\$ <u>76,176,212</u>

The City did not have any new debt in 2025.

**CITY OF JASPER, ALABAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Economic Factors

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

Financial Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, contact the City Clerk on the second floor of City Hall, 121 17th Street West, Jasper, Alabama 35501.

CITY OF JASPER, ALABAMA

Statement of Net Position

September 30, 2025

	Primary Government			Component Unit
	Governmental	Business-	Total	Industrial
	Activities	Type Activities		Development
				Board of the City
				of Jasper,
				Alabama
ASSETS				
Cash and Investments	\$ 53,047,501	\$ 1,313,623	\$ 54,361,124	\$ 2,471,807
Accrued Interest Receivable	144,984	74	145,058	-
Receivables, Net	2,571,435	149,582	2,721,017	39,084
Liens Receivable	24,300	-	24,300	-
Internal Balances	2,693,327	(2,675,530)	17,797	-
Inventories and Prepaids	435,486	10,899	446,385	4,390
Capital Assets, Net				-
Nondepreciable	2,530,142	122,500	2,652,642	-
Depreciable	85,921,532	2,364,364	88,285,896	5,716,041
TOTAL ASSETS	147,368,707	1,285,512	148,654,219	8,231,322
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge on Refunding	1,792,921	-	1,792,921	-
Deferred Outflows				
Employer OPEB Contribution	138,616	-	138,616	-
Contributions to Pension Plan	3,481,620	354,857	3,836,477	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	5,413,157	354,857	5,768,014	-
LIABILITIES				
Accounts Payable	1,828,241	146,658	1,974,899	7,294
Deposit	-	313,307	313,307	-
Accrued Interest Payable	426,730	-	426,730	-
NONCURRENT LIABILITIES				
Due Within One Year	5,738,403	42,654	5,781,057	1,785
Due in More Than One Year	71,899,223	65,557	71,964,780	-
Net Pension Obligation	12,530,006	1,276,622	13,806,628	-
TOTAL LIABILITIES	92,422,603	1,844,798	94,267,401	9,079
DEFERRED INFLOWS OF RESOURCES				
Related to OPEB Liability	169,695	-	169,695	-
Related to Pension Deferrals	2,057,217	196,334	2,253,551	-
TOTAL DEFERRED INFLOWS OF RESOURCES	2,226,912	196,334	2,423,246	-
NET POSITION				
Invested in Capital Assets	18,253,934	2,378,653	20,632,587	5,714,256
Restricted for:				
Capital Projects	18,521,491	-	18,521,491	1,221,250
Other Purposes	6,190,228	-	6,190,228	-
Unrestricted	15,166,696	(2,779,416)	12,387,280	1,286,737
TOTAL NET POSITION	\$ 58,132,349	\$ (400,763)	\$ 57,731,586	\$ 8,222,243

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

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Primary Government				Industrial Development Board of the City of Jasper, Alabama			
	Expenses	Charges for Services	Program Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
FUNCTIONS								
PRIMARY GOVERNMENT								
Governmental Activities								
General Government	\$ (1,842,920)	\$ 5,207,802	\$ -	\$ -	\$ 3,364,882	\$ -	\$ 3,364,882	\$ -
Public Safety	(9,451,427)	382,915	-	-	(9,068,512)	-	(9,068,512)	-
Public Works	(5,910,800)	97,080	-	199,162	(5,614,558)	-	(5,614,558)	-
Recreation and Cultural Services	(4,062,137)	131,029	-	-	(3,931,108)	-	(3,931,108)	-
Nondepartmental	(11,436,663)	-	-	-	(11,436,663)	-	(11,436,663)	-
Interest on Long-Term Debt	(1,812,069)	-	-	-	(1,812,069)	-	(1,812,069)	-
Total Governmental Activities	<u>(34,516,016)</u>	<u>5,818,826</u>	<u>-</u>	<u>199,162</u>	<u>(28,498,028)</u>	<u>-</u>	<u>(28,498,028)</u>	<u>-</u>
Business-Type Activities								
Cemeteries	(17,393)	38,400	-	-	-	21,007	21,007	-
Garbage Collection	(2,825,370)	2,654,411	-	-	-	(170,959)	(170,959)	-
Total Business-Type Activities	<u>(2,842,763)</u>	<u>2,692,811</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(149,952)</u>	<u>(149,952)</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	\$ (37,358,779)	\$ 8,511,637	\$ -	\$ 199,162	(28,498,028)	(149,952)	(28,647,980)	-
COMPONENT UNITS								
Industrial Development Board	\$ (242,259)	\$ -	\$ -	\$ 1,753,026				1,510,767
TOTAL COMPONENT UNITS	\$ (242,259)	\$ -	\$ -	\$ 1,753,026				
GENERAL REVENUES								
Sales and Use Taxes					25,045,379	-	25,045,379	-
Property Tax					4,175,343	-	4,175,343	-
Licenses and Permits					-	-	-	567,278
Other Taxes					4,261,481	-	4,261,481	-
Investment Earnings					1,289,725	11,723	1,301,448	43,730
Other General Revenues					590,251	-	590,251	902
Total General Revenues					35,362,179	11,723	35,373,902	611,910
Transfers					-	-	-	-
Changes in Net Position					6,864,151	(138,229)	6,725,922	2,122,677
NET POSITION – BEGINNING OF YEAR					51,268,198	(262,534)	51,005,664	6,099,566
NET POSITION – END OF YEAR					\$ 58,132,349	\$ (400,763)	\$ 57,731,586	\$ 8,222,243

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

CITY OF JASPER, ALABAMA

Balance Sheet
Governmental Funds
September 30, 2025

	General Fund	One-Cent Sales Tax	2017 Bond Improvement Fund	West Jasper CDBG	2022 GOW	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Investments	\$ 27,300,073	\$ 1,131,436	\$ 3,799,793	\$ -	\$ 12,253,216	\$ 8,562,983	\$ 53,047,501
Receivable, Net	2,224,233	-	-	-	-	347,202	2,571,435
Accrued Interest Receivable	100,733	-	26,925	-	-	17,326	144,984
Liens Receivable	24,300	-	-	-	-	-	24,300
Due from Other Funds	2,356,134	-	-	-	-	941,188	3,297,322
Inventories and Prepaids	424,253	-	-	-	-	11,233	435,486
TOTAL ASSETS	\$ 32,429,726	\$ 1,131,436	\$ 3,826,718	\$ -	\$ 12,253,216	\$ 9,879,932	\$ 59,521,028
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 1,140,561	\$ -	\$ 467,729	\$ -	\$ -	\$ 219,951	\$ 1,828,241
Due to Other Funds	603,995	-	-	-	-	-	603,995
TOTAL LIABILITIES	1,744,556	-	467,729	-	-	219,951	2,432,236
FUND BALANCES							
Unreserved							
Nonspendable Fund Balance	424,253	-	-	-	-	11,233	435,486
Restricted Fund Balance	-	1,131,436	3,358,989	-	12,253,216	7,968,078	24,711,719
Committed Fund Balance	-	-	-	-	-	-	-
Assigned Fund Balance	-	-	-	-	-	1,680,670	1,680,670
Unassigned Fund Balance	30,260,917	-	-	-	-	-	30,260,917
TOTAL FUND BALANCES	30,685,170	1,131,436	3,358,989	-	12,253,216	9,659,981	57,088,792
TOTAL LIABILITIES AND FUND BALANCES	\$ 32,429,726	\$ 1,131,436	\$ 3,826,718	\$ -	\$ 12,253,216	\$ 9,879,932	\$ 59,521,028

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

CITY OF JASPER, ALABAMA

Balance Sheet – Continued

Governmental Funds

September 30, 2025

Fund Balances – Total Governmental Funds		\$	57,088,792
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.			
Governmental Capital Assets	\$	152,074,744	
Less Accumulated Depreciation		<u>(63,623,070)</u>	
			88,451,674
Deferred outflows of resources related to			
Pensions			3,481,620
OPEB			138,616
Refunding			1,792,921
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.			
Governmental Bonds Payable and Loans Payable		(70,197,740)	
Current Year Accrued Interest		(426,730)	
Accrued Landfill Closure and Post Closure Costs		(426,672)	
Net Pension Obligation		(12,530,006)	
Compensated Absences		(1,393,675)	
OPEB Obligation		<u>(5,619,539)</u>	
			(90,594,362)
Deferred inflows of resources related to			
Pensions		(2,057,217)	
OPEB		<u>(169,695)</u>	
			<u>(2,226,912)</u>
Net Position of Governmental Activities		\$	<u><u>58,132,349</u></u>

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

CITY OF JASPER, ALABAMA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2025

	General Fund	One-Cent Sales Tax	2017 Bond Improvement Fund	West Jasper CDBG	2022 GOW	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 32,154,579	\$ -	\$ -	\$ -	\$ -	\$ 1,327,624	\$ 33,482,203
Interest	546,326	12,895	107,932	3	574,488	48,081	1,289,725
Licenses and Permits	4,448,170	-	-	-	-	-	4,448,170
Fines and Forfeitures	228,254	-	-	-	-	154,661	382,915
Intergovernmental	85,448	-	-	-	-	136,492	221,940
Charges and Fees	759,632	-	-	-	-	-	759,632
Rental Income	116,415	-	-	-	-	-	116,415
Grant Proceeds and Donations	-	-	-	18,434	-	180,728	199,162
Miscellaneous	15,182	-	-	-	-	464,823	480,005
TOTAL REVENUES	38,354,006	12,895	107,932	18,437	574,488	2,312,409	41,380,167
EXPENDITURES							
Current							
General Government	1,532,090	-	330	-	-	134,274	1,666,694
Public Safety	8,707,976	-	-	-	-	6,780	8,714,756
Public Works	3,912,264	217,722	-	-	-	-	4,129,986
Recreation and Cultural Services	3,246,564	-	-	-	-	190,000	3,436,564
Nondepartmental	4,664,415	-	-	-	-	-	4,664,415
Intergovernmental	4,741,550	-	-	-	-	-	4,741,550
Debt Service Principal	-	1,630,000	-	-	-	3,601,564	5,231,564
Interest and Other Charges	-	1,260,290	-	-	-	1,192,259	2,452,549
Capital Outlays	-	71,195	3,576,893	29,804	-	2,456,066	6,133,958
TOTAL EXPENDITURES	26,804,859	3,179,207	3,577,223	29,804	-	7,580,943	41,172,036
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	11,549,147	(3,166,312)	(3,469,291)	(11,367)	574,488	(5,268,534)	208,131
OTHER FINANCING SOURCES (USES)							
Transfers In	135,000	4,417,797	3,000,000	5,931	-	7,606,845	15,165,573
Transfers Out	(9,465,955)	(1,746,167)	-	-	(3,000,000)	(953,451)	(15,165,573)
TOTAL OTHER FINANCING SOURCES (USES)	(9,330,955)	2,671,630	3,000,000	5,931	(3,000,000)	6,653,394	-
NET CHANGE IN FUND BALANCES	2,218,192	(494,682)	(469,291)	(5,436)	(2,425,512)	1,384,860	208,131
FUND BALANCES – BEGINNING OF YEAR	28,466,978	1,626,118	3,828,280	5,436	14,678,728	8,275,121	56,880,661
FUND BALANCES – END OF YEAR	\$ 30,685,170	\$ 1,131,436	\$ 3,358,989	\$ -	\$ 12,253,216	\$ 9,659,981	\$ 57,088,792

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

CITY OF JASPER, ALABAMA

Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances to the Statement of Activities
September 30, 2025

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

\$ 208,131

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

Governmental funds report capital outlays as expenditures. However, in
the Statement of Activities, the cost of those assets is depreciated over
their estimated useful lives.

Capital Outlays Capitalized	\$ 6,133,958	
Depreciation	(5,140,819)	
Loss on Disposal	-	
Amortization of Bond Discount/Premium	596,894	
Advanced and Current Refundings	<u>(146,968)</u>	
		1,443,065
Contributions to pension plan in current fiscal year are not included on the Statement of Activities		1,222,059
Contributions to pension plan in prior fiscal year are included on the Statement of Activities		(1,029,598)

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

Compensated Absences	182,576	
Change in OPEB Obligations	158,922	
Accrued Interest	43,616	
Pension Expense	(569,517)	
Accrued Closure and Post Closure Costs	<u>(26,667)</u>	
		(211,070)

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

Bond and Loan Proceeds	-	
Principal Payments	<u>5,231,564</u>	
		<u>5,231,564</u>

**CHANGE IN NET POSITION
OF GOVERNMENTAL ACTIVITIES**

\$ 6,864,151

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

CITY OF JASPER, ALABAMA

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

General Fund

For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 31,714,500	\$ 32,344,500	\$ 32,154,579	\$ (189,921)
Interest	487,700	487,700	546,326	58,626
Licenses and Permits	4,189,700	4,189,700	4,448,170	258,470
Fines and Forfeitures	237,600	287,600	228,254	(59,346)
Intergovernmental	70,000	70,000	85,448	15,448
Charges and Fees	166,500	181,500	759,632	578,132
Rental Income	115,000	115,000	116,415	1,415
Miscellaneous	19,000	24,000	15,182	(8,818)
TOTAL REVENUES	37,000,000	37,700,000	38,354,006	654,006
EXPENDITURES				
General Government	2,035,082	2,067,674	1,532,090	535,584
Public Safety	8,613,475	8,892,518	8,707,976	184,542
Public Works	3,818,894	3,927,171	3,912,264	14,907
Recreation and Cultural Services	3,141,495	3,174,442	3,246,564	(72,122)
Nondepartmental	3,946,150	4,746,645	4,664,415	82,230
Intergovernmental	4,741,550	4,741,550	4,741,550	-
Capital Outlays	-	-	-	-
TOTAL EXPENDITURES	26,296,646	27,550,000	26,804,859	745,141
Excess of Revenues Over Expenditures	10,703,354	10,150,000	11,549,147	1,399,147
OTHER FINANCING SOURCES (USES)				
Transfers In	135,000	135,000	135,000	-
Transfers Out	(9,385,000)	(9,385,000)	(9,465,955)	(80,955)
TOTAL OTHER FINANCING SOURCES (USES)	(9,250,000)	(9,250,000)	(9,330,955)	(80,955)
NET CHANGE IN FUND BALANCE	1,453,354	900,000	2,218,192	1,318,192
FUND BALANCE – BEGINNING OF YEAR	27,570,227	27,076,127	28,466,978	1,390,851
FUND BALANCE – END OF YEAR	\$ 29,023,581	\$ 27,976,127	\$ 30,685,170	\$ 2,709,043

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

CITY OF JASPER, ALABAMA

Statement of Net Position – Proprietary Funds

September 30, 2025

	Proprietary Funds			Total
	New Prospect Cemetery	North Oakhill Cemetery	Garbage Collection	Business-Type Activities
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 225,671	\$ 293,192	\$ 794,760	\$ 1,313,623
Accounts Receivable, Net	-	-	149,582	149,582
Accrued Interest Receivable	74	-	-	74
Due from Other Funds	-	-	-	-
Inventory and Prepaids	-	-	10,899	10,899
TOTAL CURRENT ASSETS	225,745	293,192	955,241	1,474,178
Noncurrent Assets				
Capital Assets				
Land	122,500	-	-	122,500
Equipment and Improvements	30,648	177,427	6,097,728	6,305,803
	153,148	177,427	6,097,728	6,428,303
Less: Accumulated Depreciation	(30,647)	(114,797)	(3,795,995)	(3,941,439)
TOTAL NONCURRENT ASSETS	122,501	62,630	2,301,733	2,486,864
TOTAL ASSETS	348,246	355,822	3,256,974	3,961,042
DEFERRED OUTFLOWS OF RESOURCES				
Contributions to Pension Plan	-	-	354,857	354,857
LIABILITIES				
Current Liabilities				
Accounts Payable	-	-	146,658	146,658
Deposit	-	-	313,307	313,307
Due to Other Funds	-	-	2,675,530	2,675,530
	-	-	3,135,495	3,135,495
Noncurrent Liabilities				
Due Within One Year				
Bonds and Note Payable	-	-	42,654	42,654
Due in More Than One Year				
Net Pension Obligation	-	-	1,276,622	1,276,622
Bonds and Note Payable	-	-	65,557	65,557
TOTAL LIABILITIES	-	-	4,520,328	4,520,328
DEFERRED INFLOWS OF RESOURCES				
Pension Deferrals	-	-	196,334	196,334
NET POSITION				
Invested in Capital Assets	122,501	62,630	2,193,522	2,378,653
Unrestricted	225,745	293,192	(3,298,353)	(2,779,416)
TOTAL NET POSITION	\$ 348,246	\$ 355,822	\$ (1,104,831)	\$ (400,763)

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

CITY OF JASPER, ALABAMA

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

Proprietary Funds

For the Year Ended September 30, 2025

	Proprietary Funds			Total Business-Type Activities
	New Prospect Cemetery	North Oakhill Cemetery	Garbage Collection	
OPERATING REVENUES				
Sales of Lots	\$ -	\$ 38,400	\$ -	\$ 38,400
Collection Fees	-	-	2,649,491	2,649,491
Miscellaneous	-	-	4,920	4,920
TOTAL OPERATING REVENUES	-	38,400	2,654,411	2,692,811
OPERATING EXPENSES				
Personnel	-	-	1,440,347	1,440,347
Vehicle Expenses	-	-	187,128	187,128
Repairs and Maintenance	-	11,665	334,146	345,811
Depreciation	-	5,728	409,713	415,441
Other	-	-	326,950	326,950
Supplies	-	-	94,796	94,796
Utilities	-	-	29,740	29,740
TOTAL OPERATING EXPENSES	-	17,393	2,822,820	2,840,213
OPERATING INCOME (LOSS)	-	21,007	(168,409)	(147,402)
NONOPERATING REVENUES (EXPENSES)				
Interest Expense	-	-	(2,550)	(2,550)
Interest Income	11,009	252	462	11,723
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	11,009	252	(2,088)	9,173
CHANGE IN NET POSITION	11,009	21,259	(170,497)	(138,229)
NET POSITION – BEGINNING OF YEAR	337,237	334,563	(934,334)	(262,534)
NET POSITION – END OF YEAR	<u>\$ 348,246</u>	<u>\$ 355,822</u>	<u>\$ (1,104,831)</u>	<u>\$ (400,763)</u>

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

CITY OF JASPER, ALABAMA
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2025

	Proprietary Funds			Total Business-Type Activities
	New Prospect Cemetery	North Oakhill Cemetery	Garbage Collection	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts from Citizens	\$ -	\$ 38,400	\$ 2,649,491	\$ 2,687,891
Other Miscellaneous Collections	-	-	4,920	4,920
Cash Paid to Employees for Services	-	-	(1,440,347)	(1,440,347)
Cash Paid to Suppliers	-	(11,665)	(819,800)	(831,465)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	-	26,735	394,264	420,999
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash Received from Interest Earnings	11,361	252	462	12,075
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	11,361	252	462	12,075
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Increase (Decrease) in Due to Other Funds	-	-	1,434,225	1,434,225
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	-	1,434,225	1,434,225
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal Payments on Long-Term Debt	-	-	(41,833)	(41,833)
Proceeds from New Debt	-	-	-	-
Purchase of Capital Assets	-	-	(1,496,850)	(1,496,850)
Cash Paid for Interest Expense	-	-	(2,550)	(2,550)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	-	(1,541,233)	(1,541,233)
NET INCREASE (DECREASE) IN CASH	11,361	26,987	287,718	326,066
CASH AND CASH EQUIVALENTS- BEGINNING OF YEAR	214,310	266,205	507,042	987,557
CASH AND CASH EQUIVALENTS- END OF YEAR	<u>\$ 225,671</u>	<u>\$ 293,192</u>	<u>\$ 794,760</u>	<u>\$ 1,313,623</u>

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

CITY OF JASPER, ALABAMA

Statement of Cash Flows – Continued

Proprietary Funds

For the Year Ended September 30, 2025

	Proprietary Funds			Total Business-Type Activities
	New Prospect Cemetery	North Oakhill Cemetery	Garbage Collection	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ -	\$ 21,007	\$ (168,409)	\$ (147,402)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation and Amortization	-	5,728	409,713	415,441
Change in Accounts Receivable	-	-	(4,950)	(4,950)
Change in Inventory	-	-	2,359	2,359
Change in Deferred Outflows and Inflows	-	-	72,423	72,423
Change in Accounts Payable	-	-	101,799	101,799
Change in Customer Deposits	-	-	15,321	15,321
Change in Net Pension Liability	-	-	(33,992)	(33,992)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ -</u>	<u>\$ 26,735</u>	<u>\$ 394,264</u>	<u>\$ 420,999</u>

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

CITY OF JASPER, ALABAMA

Statement of Net Position

Fiduciary Funds

September 30, 2025

	Private Purpose Trust
ASSETS	
Cash and Cash Equivalents	\$ 25,540
Accounts Receivable	<u>-</u>
TOTAL ASSETS	25,540
LIABILITIES	
Accounts Payable	-
Due from Other Funds	<u>9,797</u>
TOTAL LIABILITIES	<u>9,797</u>
NET POSITION	
Held in Trusts for Individual	\$ <u><u>15,743</u></u>

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

The City's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes the ultimate authority on GAAP for state and local governmental units. The more significant accounting policies established by GAAP and used by the City are discussed below.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government-Wide and Fund Financial Statements

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

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately *from business-type activities*, which rely to a significant extent on fees and charges for support.

The government-wide statement of activities reflects both the gross and net costs per functional category (i.e., general government, public safety, etc.) by offsetting direct expenses with program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenue.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the related liability is incurred. Property taxes are recognized as revenues in the year they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

Property taxes, sales and use taxes, beer taxes, lodging taxes, rental and leasing taxes, payments in lieu of taxes, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenues are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- General Fund – The General Fund is the main operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.
- One-Cent Sales Tax Fund – The One-Cent Sales Tax Fund is a fund used to account for the collection of the additional one-cent sales tax revenue and the disbursements of these funds.
- 2022 GOW Fund – The fund is used to account for the proceeds and disbursement of the 2022 GOW bond issue.
- 2017 Bond Improvement Fund – The fund is used to account for capital improvements.

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

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

Additionally, the City reports the following fund types:

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

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

The City maintains the following fiduciary fund:

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

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

Management Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures in the financial statements. Accordingly, actual results could differ from these estimates.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

Budgetary Control

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

Assets, Liabilities, and Net Position or Equity

Cash and Investments:

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

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

Accounts Receivable:

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

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

Prepaid Items:

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

Inventories:

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Assets, Liabilities, and Net Position or Equity – Continued

Capital Assets:

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

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

Revenues:

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

Deferred Outflows/Inflows of Resources:

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

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

Expenditures:

Expenditures are recognized when the related liability is incurred.

Compensated Absences:

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Assets, Liabilities, and Net Position or Equity – Continued

Interfund Activity:

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

Government-Wide and Proprietary Fund Net Position:

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

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

Governmental Fund Balances:

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

- Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. Nonspendable amounts consist of inventories and prepaids at September 30, 2025.
- Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. Restricted amounts are for construction and debt service at September 30, 2025.
- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to ordinances passed by the City Council, the City's highest level of decision-making authority. Commitments may be modified or rescinded only through ordinances approved by the City Council. Committed amounts are for capital improvements at September 30, 2025.
- Assigned – includes amounts that the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Amounts may be assigned by the City Clerk or other City management.

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**Assets, Liabilities, and Net Position or Equity – Continued**Governmental Fund Balances – Continued:

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

As of September 30, 2025, fund balances are composed of the following:

	General Fund	One-Cent Sales Tax	2022 GOW	West Jasper CDBG	2017 Bond Improvement	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Inventories	\$ 24,784	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,784
Prepaid Items	399,469	-	-	-	-	11,233	410,702
Restricted:							
Construction	-	-	12,253,216	-	3,358,989	2,909,286	18,521,491
Debt Service	-	1,131,436	-	-	-	3,703,800	4,834,736
Miscellaneous	-	-	-	-	-	1,355,492	1,355,492
Committed:							
Construction	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Assigned:							
Construction	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	1,680,670	1,680,670
Unassigned:	<u>30,260,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,260,917</u>
	<u>\$ 30,685,170</u>	<u>\$ 1,131,436</u>	<u>\$ 12,253,216</u>	<u>\$ -</u>	<u>\$ 3,358,989</u>	<u>\$ 9,659,971</u>	<u>\$ 57,088,792</u>

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

Subsequent Events:

In preparing the financial statements, management evaluated subsequent events through September 21, 2026, the date the financial statements were available to be issued.

NOTE 2. CASH AND CASH EQUIVALENTS

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

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2025

NOTE 2. CASH AND CASH EQUIVALENTS – CONTINUED

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

Investments – Included in cash and investments are investments totaling \$17,402,419. These investments are in U.S. Treasury with maturities of less than one year. Carrying about is at cost.

NOTE 3. RECEIVABLES

Receivables as of September 30, 2025, for the City's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Garbage Collection</u>	<u>Other Funds</u>	<u>Total</u>
Taxes and Intergovernmental Accounts	\$ 2,019,942 <u>204,291</u>	\$ - <u>149,582</u>	\$ 347,202 <u>-</u>	\$ 2,367,144 <u>358,873</u>
Gross Receivables	2,224,233	149,582	347,202	2,721,017
Less Allowance for Uncollectible Accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Receivables	\$ <u>2,224,233</u>	\$ <u>149,582</u>	\$ <u>347,202</u>	\$ <u>2,721,017</u>

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2025

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025, was as follows:

	Balance 10/01/24	Additions/ Completions	Retirements/ Transfers	Balance 09/30/25
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 2,347,570	\$ -	\$ -	\$ 2,347,570
Construction in Progress	<u>7,711,822</u>	<u>3,639,233</u>	<u>11,168,483</u>	<u>182,572</u>
Total Capital Assets Not Being Depreciated	10,059,392	3,639,233	11,168,483	2,530,142
Capital Assets Being Depreciated:				
Buildings and Improvements	69,417,542	9,058,243	-	78,475,785
Equipment	19,750,000	1,168,614	64,573	20,854,041
Infrastructure	<u>46,778,427</u>	<u>3,436,349</u>	<u>-</u>	<u>50,214,776</u>
Total Capital Assets Being Depreciated	135,945,969	13,663,206	64,573	149,544,602
Less Accumulated Depreciation for:				
Buildings and Improvements	23,213,371	2,306,246	-	25,519,617
Equipment	15,542,338	1,019,673	64,573	16,497,438
Infrastructure	<u>19,791,117</u>	<u>1,814,898</u>	<u>-</u>	<u>21,606,015</u>
Total Accumulated Depreciation	<u>58,546,826</u>	<u>5,140,817</u>	<u>64,573</u>	<u>63,623,070</u>
Total Capital Assets Being Depreciated, Net	<u>77,399,143</u>	<u>8,522,389</u>	<u>48,842</u>	<u>85,921,532</u>
Governmental Activities Capital Assets, Net	\$ <u>87,458,535</u>	\$ <u>12,161,622</u>	\$ <u>11,168,483</u>	\$ <u>88,451,674</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land and Land Rights	\$ <u>122,500</u>	\$ -	\$ -	\$ <u>122,500</u>
Total Capital Assets Not Being Depreciated	<u>122,500</u>	<u>-</u>	<u>-</u>	<u>122,500</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	462,390	179,267	-	641,657
Equipment	<u>4,346,563</u>	<u>1,317,583</u>	<u>-</u>	<u>5,664,146</u>
Total Capital Assets Being Depreciated	4,808,953	1,496,850	-	6,305,803
Less Accumulated Depreciation for:				
Buildings and Improvements	373,186	23,356	-	396,542
Equipment	<u>3,152,814</u>	<u>392,084</u>	<u>-</u>	<u>3,544,898</u>
Total Accumulated Depreciation	<u>3,526,000</u>	<u>415,440</u>	<u>-</u>	<u>3,941,440</u>
Total Capital Assets Being Depreciated, Net	<u>1,282,953</u>	<u>1,081,410</u>	<u>-</u>	<u>2,364,363</u>
Business-Type Activities Capital Assets, Net	\$ <u>1,405,453</u>	\$ <u>1,084,410</u>	\$ <u>-</u>	\$ <u>2,486,863</u>

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2025

NOTE 4. CAPITAL ASSETS – CONTINUED

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

	<u>9/30/2025</u>	<u>9/30/2024</u>
Governmental Activities:		
General Government	\$ 84,976	\$ 43,161
Nondepartmental	2,030,698	2,049,030
Public Safety	645,423	596,313
Public Works	1,754,147	1,721,195
Recreation and Cultural Services	<u>625,573</u>	<u>557,536</u>
Total Depreciation Expense – Governmental Activities	\$ <u>5,140,817</u>	\$ <u>4,967,235</u>
Business-Type Activities:		
Garbage Services	\$ 409,712	\$ 275,164
Cemeteries	<u>5,728</u>	<u>5,728</u>
Total Depreciation Expense – Business-Type Activities	\$ <u>415,440</u>	\$ <u>280,892</u>

Discretely Presented Component Units**INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF JASPER, ALABAMA**

	<u>Balance 01/01/24</u>	<u>Additions/ Completions</u>	<u>Retirements/ Transfers</u>	<u>Balance 12/31/25</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Land and Land Improvements	\$ 4,412,735	\$ 1,303,306	\$ -	\$ 5,716,041
Buildings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets Being Depreciated	<u>4,412,735</u>	<u>1,303,306</u>	<u>-</u>	<u>5,716,041</u>
Less Accumulated Depreciation:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-Type Activities Capital Assets, Net	\$ <u>4,412,735</u>	\$ <u>1,303,306</u>	\$ <u>-</u>	\$ <u>5,716,041</u>

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2025

NOTE 5. INTERFUND BALANCES AND TRANSFERS

Interfund balances at September 30, 2025, consisted of the following:

Due from:	Due to:			Total
	General Fund	State Cap Improv	2012 Warrant	
Garbage Fund	\$ 2,346,337	\$ 329,193	\$ -	\$ 2,675,530
General Fund	-	-	603,995	603,995
Hazard Duty	9,797	-	-	9,797
Community Projects	-	8,000	-	8,000
Total	\$ <u>2,356,134</u>	\$ <u>337,193</u>	\$ <u>603,995</u>	\$ <u>3,297,322</u>

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

Interfund transfers for the year ended September 30, 2025, consisted of the following:

	Transfer in:									Total
	General Fund	One-Cent Sales Tax	ST Cap Improv	2017 Bond Improv	2017 Comm Pro JT Fund	West Jasper CDBG	TAP Sidewalk	2012 Warrant	78 Lane Access	
Transfer Out:										
General Fund	\$ -	\$ 4,400,000	\$ 500,000	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 3,565,955	\$ -	\$ 9,465,955
One-Cent Sales Tax	-	-	87,875	-	-	5,931	310,000	1,075,925	266,436	1,746,167
Corrections fund	135,000	-	-	-	-	-	-	-	-	135,000
2022 GOW	-	-	-	3,000,000	-	-	-	-	-	3,000,000
Alcohol	-	-	80,654	-	-	-	-	720,000	-	800,654
ATRIP	-	17,797	-	-	-	-	-	-	-	17,797
All Others	-	-	-	-	-	-	-	-	-	-
Total	\$ <u>135,000</u>	\$ <u>4,417,797</u>	\$ <u>668,529</u>	\$ <u>3,000,000</u>	\$ <u>1,000,000</u>	\$ <u>5,931</u>	\$ <u>310,000</u>	\$ <u>5,361,880</u>	\$ <u>266,436</u>	\$ <u>15,165,573</u>

Transfers are primarily used to move funds.

NOTE 6. LITIGATION

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

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

NOTE 7. RISK MANAGEMENT

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

NOTE 8. NONCURRENT LIABILITIES

General Obligation Warrants

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

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

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

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

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

In February 2002, the City issued \$21,885,000 of General Obligation Warrants. Bonds mature November 1, 2022 through 2031 and carry interest rates from 3.00% to 5.00%. The proceeds are used for construction.

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2025

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

At September 30, 2025, warrants payable consisted of the following individual issues:

	<u>Governmental</u>	<u>Business-Type</u>
2015 General Obligation Warrants dated August 2015, due semi-annual installments May 1 and November 1 each year through 2032, bearing interest ranging from 2.00% to 4.00%.	\$ 1,970,000	\$ -
2014 General Obligation Warrants dated April 29, 2014, due in semi-annual installments through March 1, 2044, bearing interest ranging from 2.00% to 5.00%.	4,710,000	-
2017 General Obligation Warrants, dated May 2017, due in semi-annual installments May 1 through November 1 each year through 2034, bearing interest ranging from 2.00% to 4.00%.	7,615,000	-
2020 General Obligation Warrant, dated March 2020, due in semi-annual installments March 1 and September 1 each year through 2024 bearing interest ranging from 1.82% to 3.20%.	36,885,000	-
2022 General Obligation Warrant, date February 4, 2022, due in semi-annual installments November 1 and May 1 each year through 2031 bearing interest ranging from 3.00% to 5.00%.	<u>15,535,000</u>	<u>-</u>
Total Warrants Payable	<u>\$ 66,715,000</u>	<u>\$ -</u>

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2025

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

In April 2016, the City purchased a building (Jasper Civic Center), secured by building, installments of \$11,233 are paid monthly beginning October 2017, interest is fixed at 1.50%. The balance will be paid in full with the September 2032 payment. Loan balance at September 30, 2024, is \$895,164.

In February 2021, the City borrowed \$574,000 for the purchase of a fire truck. Monthly installments are payable through 2031 at 2.2% interest. The balance at September 30, 2025, was \$364,253.

Notes Payable – Business-Type

At September 30, 2025, notes payable consisted of the following:

Pinnacle Bank installment note, dated February 2021, due in monthly installments through January 2024, secured by garbage truck, interest fixed at 3.55%.	\$ <u>108,211</u>
Total Notes Payable	\$ <u>108,211</u>

Current Year Transactions

Transactions for the year ended September 30, 2025, are summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds/Notes Payable:					
General Obligation					
Warrants	\$ 71,770,000	\$ -	\$ 5,055,000	\$ 66,715,000	\$ 4,740,000
Notes Payable	1,435,981	-	176,564	1,259,417	179,806
Deferred Amounts	<u>2,820,187</u>	<u>-</u>	<u>596,864</u>	<u>2,223,323</u>	<u>539,862</u>
Total Governmental					
Warrants and					
Notes Payable	76,026,168	-	5,828,428	70,197,740	5,459,668
Other Liabilities:					
Accrued Landfill and					
Post Closure Costs	400,005	26,667	-	426,672	-
Compensated Absences	1,576,251	-	182,576	1,393,675	278,735
OPEB Obligation	<u>6,234,500</u>	<u>(10,543)</u>	<u>604,418</u>	<u>5,619,539</u>	<u>-</u>
Total Governmental					
Activities	\$ <u>84,236,924</u>	\$ <u>16,124</u>	\$ <u>6,615,422</u>	\$ <u>77,637,626</u>	\$ <u>5,738,403</u>

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2025

NOTE 8. NONCURRENT LIABILITIES – CONTINUED

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities:					
Bonds/Notes Payable:					
General Obligation					
Long-Term Notes	<u>150,044</u>	<u>-</u>	<u>41,833</u>	<u>108,211</u>	<u>42,654</u>
Total Business-Type					
Warrants and					
Notes Payable	<u>\$ 150,044</u>	<u>\$ -</u>	<u>\$ 41,833</u>	<u>\$ 108,211</u>	<u>\$ 42,654</u>

NOTE 8. NONCURRENT LIABILITIES – CONTINUED

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

	Total	2026	2027	2028	2029	2030	2031 - 2035	2036 - 2040	2041 - 2044	
GOVERNMENTAL ACTIVITIES										
GOW Series 2015										
Principal	\$ 1,970,000	\$ 150,000	\$ 150,000	\$ 310,000	\$ 325,000	\$ 335,000	\$ 700,000	\$ -	\$ -	\$ -
Interest	341,675	73,375	68,500	63,625	52,775	41,400	42,000	-	-	-
Total	<u>2,311,675</u>	<u>223,375</u>	<u>218,500</u>	<u>373,625</u>	<u>377,775</u>	<u>376,400</u>	<u>742,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
GOW Series 2022										
Principal	\$ 15,535,000	\$ 2,285,000	\$ 2,390,000	\$ 2,515,000	\$ 2,645,000	\$ 2,780,000	\$ 2,920,000	\$ -	\$ -	\$ -
Interest	2,430,700	708,200	602,750	480,125	351,125	215,500	73,000	-	-	-
Total	<u>17,965,700</u>	<u>2,993,200</u>	<u>2,992,750</u>	<u>2,995,125</u>	<u>2,996,125</u>	<u>2,995,500</u>	<u>2,993,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
GOW Series 2014										
Principal	\$ 4,710,000	\$ -	\$ -	\$ 1,415,000	\$ -	\$ 1,535,000	\$ 1,760,000	\$ -	\$ -	\$ -
Interest	851,733	165,713	165,713	142,719	119,725	92,863	165,000	-	-	-
Total	<u>5,561,733</u>	<u>165,713</u>	<u>165,713</u>	<u>1,557,719</u>	<u>119,725</u>	<u>1,627,863</u>	<u>1,925,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
GOW Series 2017										
Principal	\$ 7,615,000	\$ 635,000	\$ 700,000	\$ 720,000	\$ 745,000	\$ 775,000	\$ 4,040,000	\$ -	\$ -	\$ -
Interest	1,414,375	266,025	240,625	212,625	183,825	154,025	357,250	-	-	-
Total	<u>9,029,375</u>	<u>901,025</u>	<u>940,625</u>	<u>932,625</u>	<u>928,825</u>	<u>929,025</u>	<u>4,397,250</u>	<u>-</u>	<u>-</u>	<u>-</u>
GOW Series 2020										
Principal	\$ 36,885,000	\$ 1,670,000	\$ 1,705,000	\$ 340,000	\$ 1,805,000	\$ 320,000	\$ 8,390,000	\$ 11,800,000	\$ 10,855,000	\$ -
Interest	12,494,266	1,054,620	1,017,904	994,728	968,621	942,510	4,146,096	2,661,227	708,560	-
Total	<u>49,379,266</u>	<u>2,724,620</u>	<u>2,722,904</u>	<u>1,334,728</u>	<u>2,773,621</u>	<u>1,262,510</u>	<u>12,536,096</u>	<u>14,461,227</u>	<u>11,563,560</u>	<u>-</u>
Fire Truck										
Principal	\$ 364,253	\$ 57,423	\$ 58,699	\$ 59,999	\$ 61,340	\$ 62,700	\$ 64,092	\$ -	\$ -	\$ -
Interest	24,889	7,434	6,158	4,858	3,518	2,157	764	-	-	-
Total	<u>389,142</u>	<u>64,857</u>	<u>64,857</u>	<u>64,857</u>	<u>64,858</u>	<u>64,857</u>	<u>64,856</u>	<u>-</u>	<u>-</u>	<u>-</u>
Note Payable - JCC										
Principal	\$ 895,164	\$ 122,202	\$ 124,047	\$ 125,921	\$ 127,823	\$ 129,753	\$ 265,418	\$ -	\$ -	\$ -
Interest	48,378	12,590	10,744	8,870	6,969	5,038	4,167	-	-	-
Total	<u>943,542</u>	<u>134,792</u>	<u>134,791</u>	<u>134,791</u>	<u>134,792</u>	<u>134,791</u>	<u>269,585</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities										
Principal	\$ 67,974,417	\$ 4,919,625	\$ 5,127,746	\$ 5,485,920	\$ 5,709,163	\$ 5,937,453	\$ 18,139,510	\$ 11,800,000	\$ 10,855,000	\$ -
Interest	17,606,016	2,287,957	2,112,394	1,907,550	1,686,558	1,453,493	4,788,277	2,661,227	708,560	-
Total	<u>85,580,433</u>	<u>7,207,582</u>	<u>7,240,140</u>	<u>7,393,470</u>	<u>7,395,721</u>	<u>7,390,946</u>	<u>22,927,787</u>	<u>14,461,227</u>	<u>11,563,560</u>	<u>-</u>
BUSINESS-TYPE ACTIVITIES										
GOW Series 2019										
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Note Payable Garbage Truck										
Principal	\$ 108,211	\$ 42,654	\$ 43,493	\$ 22,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	2,745	1,729	890	126	-	-	-	-	-	-
Total	<u>110,956</u>	<u>44,383</u>	<u>44,383</u>	<u>22,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities										
Principal	\$ 108,211	\$ 42,654	\$ 43,493	\$ 22,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	2,745	1,729	890	126	-	-	-	-	-	-
Total	<u>110,956</u>	<u>44,383</u>	<u>44,383</u>	<u>22,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2025

NOTE 8. NONCURRENT LIABILITIES – CONTINUED**Advance Refunding of Long-Term Debt**

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

Industrial Development Board of the City of Jasper, Alabama

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-Type Activities:					
Bonds/Notes Payable:					
Revenue Bond	\$ <u>2,985</u>	\$ <u>-</u>	\$ <u>1,200</u>	\$ <u>1,785</u>	\$ <u>1,785</u>
Total Business-Type Warrants and Notes Payable	\$ <u>2,985</u>	\$ <u>-</u>	\$ <u>1,200</u>	\$ <u>1,785</u>	\$ <u>1,785</u>

Aggregate maturities required on notes payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
12/31/25	\$ <u>1,785</u>	\$ <u>116</u>	\$ <u>1,901</u>
Total	\$ <u>1,875</u>	\$ <u>116</u>	\$ <u>1,901</u>

NOTE 8. NONCURRENT LIABILITIES – CONTINUED

Landfill Closure and Post Closure Care Cost

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

The \$400,005 reported as landfill closure and post closure care liability at September 30, 2024, represents the cumulative amount reported to date, based on the expected capacity of 10 years. The City will recognize the remaining estimated cost of closure and post closure care of \$42,357 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and post closure care in 2024. The City expects to close the landfill in 2029. Actual cost may be higher due to inflation, changes in technology, or changes in regulation.

NOTE 9. PENSION PLAN

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

NOTE 9. PENSION PLAN – CONTINUED

General Information about the Pension Plan

Plan Description. The ERS, an agent multiple-employer public employee retirement plan, was established as of October 1, 1945, pursuant to the *Code of Alabama 1975, Title 36, Chapter 27* (Act 515 of the Legislature of 1945). The purpose of the ERS is to provide retirement allowances and other specified benefits for state employees, State Police, and, on an elective basis, to all cities, counties, towns, and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control which consists of 15 trustees. Act 390 of the Legislature of 2021 created two additional representatives to the ERS Board of Control effective October 1, 2021. The Plan is administered by the Retirement Systems of Alabama (RSA). The *Code of Alabama 1975, Title 36, Chapter 27* grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

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

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

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

NOTE 9 PENSION PLAN – CONTINUED*General Information about the Pension Plan (Continued)*

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 ERS members are eligible for retirement after age 62 (56 for State Police) with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a formula method. Under the formula method, Tier 2 members of the ERS (except State Police) are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service up to 80% of their average final compensation. State Police are allowed 2.375% for each year of State Police service in computing the formula method.

Act 351 of the Legislature of 2022 provides that any Tier 2 member who withdraw from service after the completion of at least 30 years of service is entitled to an annual retirement benefit.

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

Act 132 of the Legislature of 2019 allowed employers who participate in the ERS pursuant to *Code of Alabama 1975, Section 36-27-6* to provide Tier 1 retirement benefits to their Tier 2 members. Tier 2 members of employers adopting Act 2019-132 will contribute 7.5% of earnable compensation for regular employees and 8.5% for firefighters and law enforcement officers. A total of 628 employers adopted Act 2019-132 as of September 30, 2024.

Act 2019-132 was amended by Act 348 of the Legislature of 2022. Act 2022-348 amended Act 2019-132 by removing the date limitation for any local participating employer to submit its resolution electing to provide its Tier 2 members with the same retirement benefits provided to its Tier 1 members. Act 2022-348 also amended Act 2019-132 by removing the date limitation for a local participating employer to petition the ERS Board of Control for a reconsideration if the ERS Board of Control denied its election to provide its Tier 2 members with the same retirement benefits provided to its Tier 1 members.

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

The ERS serves approximately 890 local participating employers and one state employer. The ERS membership includes approximately 117,309 participants. As of September 30, 2024, membership consisted of:

Retirees and beneficiaries currently receiving benefits	32,477
Terminated employees entitled to but not yet receiving benefits	2,425
Terminated employees not entitled to a benefit	22,097
Active Members	60,279
Post-DROP participants who are still in active service	<u>31</u>
Total	<u>117,309</u>

NOTE 9 PENSION PLAN – CONTINUED*General Information about the Pension Plan (Continued)*

As of September 30, 2024, the City's membership consisted of:

	<u>City</u>
Retirees and beneficiaries currently receiving benefits	141
Vested Inactive Members	5
Nonvested Inactive Members	58
Active Members	184
Post-DROP participants still in active service	<u>-</u>
Total	<u>388</u>

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

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

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

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year with additional amounts to finance any unfunded accrued liability, the preretirement death benefit, and administrative expenses of the Plan. For the year ended September 30, 2025, the City's active employee contribution rate was 5.00% of covered employee payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 12.45% of pensionable payroll.

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2025

NOTE 9 PENSION PLAN – CONTINUED*Contributions (Continued)*

City's contractually required contribution rate for the year ended September 30, 2025, was 16.95% of pensionable pay for Tier 1 employees, and 15.17% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation as of September 30, 2022, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the City were \$1,395,803 for the year ended September 30, 2025.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2023, rolled forward to September 30, 2024, using standard roll-forward techniques as shown in the following table:

		<u>Expected</u>	<u>Actual</u>
Total Pension Liability			
As of September 30, 2023	(a)	\$ 36,401,009	\$ 38,715,259
Discount Rate	(b)	7.45%	7.45%
Entry Age Normal Cost for			
October 1, 2023– September 30, 2024	(c)	\$ 863,647	\$ 863,647
Transfers Among Employers	(d)	\$ -	\$ (375,220)
Actual Benefit Payments and Refunds for			
October 1, 2023 – September 30, 2024	(e)	\$ <u>(2,620,147)</u>	\$ <u>(2,620,147)</u>
Total Pension Liability			
As of September 30, 2024			
[(a) x (1+(b))] + (c) + (d) + [(e) x (1+0.5x(b))]	(f)	\$ <u>37,258,784</u>	\$ <u>39,370,225</u>
Difference Between Expected and Actual	(g)		\$ 2,111,411
Less Liability Transferred for Immediate			
Recognition	(h)		\$ <u>(375,220)</u>
Experience (Gain)/Loss = (g) – (h)	(i)		\$ 2,486,661

Actuarial Assumptions. The total pension liability as of September 30, 2024 was determined based on the annual actuarial funding valuation report prepared as of September 30, 2023. The key actuarial assumptions are summarized below:

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

*Net of pension plan investment expense

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

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2025

NOTE 9. PENSION PLAN – CONTINUED*Net Pension Liability (Continued)*

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

The actuarial assumptions used in the September 30, 2022 valuation were based on the results of an actuarial experience study for the period October 1, 2015 – September 30, 2020.

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

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

*Includes assumed rate of inflation of 2.00%.

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2025

NOTE 9. PENSION PLAN – CONTINUED*Net Pension Liability (Continued)*

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

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 9/30/2024	\$ <u>36,401,009</u>	\$ <u>22,236,625</u>	\$ <u>14,164,384</u>
Changes for the year:			
Service Cost	863,647	-	863,347
Interest	2,614,275	-	2,614,275
Change in Benefit Terms	-	-	-
Changes in Assumptions	-	-	-
Differences Between Expected and Actual Experience	2,486,661	-	2,486,661
Contributions – Employer	-	1,121,604	(1,121,604)
Contributions – Employee	-	635,609	(635,609)
Net Investment Income	-	4,565,126	(4,565,126)
Benefit Payments, Including Refunds of Employee Contributions	(2,620,147)	(2,620,147)	-
Administrative Expenses	-	-	-
Transfers Among Employers	<u>(375,220)</u>	<u>(375,220)</u>	<u>-</u>
Net Changes	<u>2,969,216</u>	<u>3,326,972</u>	<u>(357,756)</u>
Balances at 9/30/2025	\$ <u>39,370,225</u>	\$ <u>25,563,597</u>	\$ <u>13,806,628</u>

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

	1% Decrease (6.45%)	Current Rate (7.45%)	1% Increase (8.45%)
City's Net Pension Liability	\$ 18,308,010	\$ 13,806,628	\$ 10,019,474

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2025

NOTE 9. PENSION PLAN – CONTINUED

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2024. The auditor's report on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at <http://www.rsa-al.gov/index.php/employers/financial-reports/gasb-68-reports/>.

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

For the year ended September 30, 2025, the City recognized pension expense of [see general ledger amount]. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,165,255	\$ 591,682
Changes of Assumptions	313,848	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,661,870
Employer Contributions Subsequent to the Measurement Date	<u>1,357,373</u>	<u>-</u>
Total	<u>\$ 3,836,476</u>	<u>\$ 2,253,552</u>

Employer contributions subsequent to the measurement date of \$1,357,373 reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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

Year Ended September 30:	
2026	\$ 1,470,990
2027	600,922
2028	(312,510)
2029	(176,478)
2030	-
Thereafter	<u>-</u>
Total	<u>\$ 1,582,924</u>

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

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

Funding Policies: The City is subsidizing premiums paid for retirees at 85% of the premium amount. The retiree is responsible for the remaining 15%. As of September 30, 2024, there were 58 former employees and family members that were receiving benefits. The City finances the plan on a pay-as-you-go basis. For the year ended September 30, 2024, the City recognized \$776,489 of expenditures.

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

Net OPEB Liability (NOL)

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

Annual OPEB Cost and Net OPEB Obligation

Beginning Net OPEB Obligation – 10/1/2024	\$ 6,234,500
Service Cost	\$ 27,865
Interest	241,982
Difference Between Expected and Actual Experience	(135,367)
Change in Assumptions	<u>(145,023)</u>
OPEB Cost	\$ (10,543)
Contributions	<u>(604,418)</u>
Change in Net OPEB Obligation	\$ <u>(614,961)</u>
Ending Net OPEB Obligation – 9/30/2025	\$ <u>5,619,539</u>

Total OPEB Expense

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

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2025

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

<u>Total OPEB Expense</u>	<u>FY2024</u>
Service Cost at October 1, 2024	\$ 27,865
Interest Cost (Including Interest on Service Cost)	241,982
Changes of Benefit Terms	-
Current Recognized Deferred Outflows/(Inflows)	-
Difference Between Expected and Actual Experience	266,923
Changes in Assumptions and Other Inputs	(90,939)
(Other Changes, if Significant)	-
Difference of Projected Investment Earnings	-
Total OPEB Expense as of September 30, 2025	\$ <u>445,831</u>

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

<u>Schedule of Deferred Inflows/Outflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 49,590	\$ (81,003)
Changes in Assumption/Inputs	89,026	(88,692)
Net Difference Between Projected and Actual Investments	-	-
Total	\$ <u>138,616</u>	\$ <u>(169,695)</u>

Sensitivity Analysis of the Trend and Discount Rate

GASB 75 requires that a sensitivity analysis of the trend and discount rate used in the valuation. The sensitivity is plus or minus 1% from the base rates used in the valuation. The values shown are as of September 30, 2025.

<u>Trend</u>	<u>Total OPEB Liability</u>	<u>% Difference</u>
1% Decrease (3.50%)	\$ 5,307,897	-5.5%
Current Trend 4.50%	5,691,539	
1% Increase (5.50%)	5,961,322	6.1%
<u>Discount Rate</u>	<u>Total OPEB Liability</u>	<u>% Difference</u>
+1% Discount Sensitivity (5.50%)	\$ 5,309,833	-5.5%
Current Discount Rate 4.50%	5,619,539	
-1% Discount Sensitivity (3.50)%	5,957,259	6.0%

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2025

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

<u>Fiscal Year</u>	<u>Net Inflows (Outflows)</u>
2026	\$ 27,978
2027	(59,057)
2028	-
2029	-
2030	-
Total	\$ <u>(31,079)</u>

Required Supplementary Information

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

<u>Measurement Date</u>	<u>Fiduciary Net Position (a)</u>	<u>Total OPEB Liability Entry Age Normal Percentage of Salary (b)</u>	<u>Net OPEB Liability (b) – (a)</u>	<u>Funded Ratio (a) / (b)</u>	<u>Covered Payroll (c)</u>	<u>Net OPEB Liability as a Percentage of Covered Payroll (b) – (a)/(c)</u>
September 30, 2018	\$ -	\$ 4,744,971	\$ 4,744,971	0.00%	\$ 2,641,704	179.62%
September 30, 2019	-	5,597,726	5,597,726	0.00%	2,614,248	214.12%
September 30, 2020	-	5,690,170	5,690,170	0.00%	2,590,682	219.64%
September 30, 2021	-	6,127,690	6,127,690	0.00%	1,943,781	315.25%
September 30, 2022	-	5,937,466	5,937,466	0.00%	1,594,528	372.37%
September 30, 2023	-	6,114,520	6,114,520	0.00%	1,809,736	337.87%
September 30, 2024	-	6,234,500	6,234,500	0.00%	1,617,832	385.36%
September 30, 2025	-	5,619,539	5,619,539	0.00%	1,238,025	453.91%

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

Actuarial Method	Individual Entry Age Normal Cost Method – Level Percentage of Projected Salary.
Service Cost	Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.
Total OPEB Liability	The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.
Discount Rate	4.06% (2.00% real rate of return plus 2.50% inflation)

NOTE 9. PENSION PLAN – CONTINUED

Other Post-Employment Benefits – Continued

Average Per Capita Claim Cost

CY2026 LGHIP annual premium of \$16,536 used for non-Medicare individual coverage to age 65. This is a pooled rate for pre-65 retirees.

Health Care Cost Trend 4.50% level

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

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

Disability None assumed

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

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

Salary Scale 3.50%

Data Assumptions

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

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

Valuation Methodology and Terminology

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

Valuation Date September 30, 2025

Measurement Date September 30, 2025

CITY OF JASPER, ALABAMA

Notes to Financial Statements

September 30, 2025

NOTE 10. TAX ABATEMENTS

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

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

Cannon	\$ 166,815
PLG Investments	205,500
Wendy's	30,000
Five Below	27,970
Applebee's	45,130
Dunham's	57,022
Alabama Donuts	10,687
Rural King	162,418
Overland Development	63,791

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JASPER, ALABAMA
Schedule of Changes in Net Pension Liability
Fiscal Year Ending September 30, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY										
Service Cost	\$ 863,647	\$ 708,442	\$ 726,054	\$ 578,440	\$ 622,487	\$ 594,189	\$ 583,569	\$ 597,982	\$ 536,676	\$ 535,900
Interest	2,614,275	2,570,515	2,550,250	2,580,040	2,360,388	2,236,058	2,330,947	2,309,506	2,221,373	2,153,823
Changes in Benefit Terms	-	-	18,557	538,858	-	-	-	-	-	-
Differences Between Expected and Actual Experience	2,486,661	(45,906)	(164,161)	(1,904,133)	2,163,108	917,046	(1,844,988)	(125,994)	291,131	142,648
Changes of Assumptions	-	-	-	1,210,564	-	-	150,948	-	1,103,905	-
Benefit Payments, Including Refunds of Employee Contributions	(2,620,147)	(2,505,388)	(2,486,416)	(2,307,880)	(2,176,324)	(2,125,247)	(2,351,890)	(2,272,544)	(1,957,898)	(2,018,103)
Transfers Among Employers	(375,220)	(82,905)	(362,780)	117,804	(51,351)	18,157	(18,924)	(192,612)	(4,956)	-
NET CHANGE IN TOTAL PENSION LIABILITY	2,969,216	644,758	281,504	813,893	2,918,308	1,640,203	(1,150,338)	316,338	2,190,231	814,268
TOTAL PENSION LIABILITY – BEGINNING	36,401,009	35,756,251	35,474,747	34,660,854	31,742,546	30,102,343	31,252,681	30,936,343	28,746,112	27,931,844
TOTAL PENSION LIABILITY – ENDING (a)	<u>\$ 39,370,225</u>	<u>\$ 36,401,009</u>	<u>\$ 35,756,251</u>	<u>\$ 35,474,747</u>	<u>\$ 34,660,854</u>	<u>\$ 31,742,546</u>	<u>\$ 30,102,343</u>	<u>\$ 31,252,681</u>	<u>\$ 30,936,343</u>	<u>\$ 28,746,112</u>
PLAN FIDUCIARY NET POSITION										
Contributions – Employer	\$ 1,121,604	\$ 1,039,527	\$ 1,052,655	\$ 807,536	\$ 773,373	\$ 920,211	\$ 836,981	\$ 830,036	\$ 865,143	\$ 788,365
Contributions – Member	635,609	543,111	464,096	425,573	420,088	421,507	396,113	390,170	378,513	398,028
Net Investment Income	4,565,126	2,612,914	(3,122,860)	4,645,146	1,184,507	541,480	1,866,853	2,424,875	1,841,210	221,011
Benefit Payments, Including Refunds of Employee Contributions	(2,620,147)	(2,505,388)	(2,486,416)	(2,307,880)	(2,176,324)	(2,125,247)	(2,351,890)	(2,272,544)	(1,957,898)	(2,018,103)
Transfers Among Employers	(375,220)	(82,905)	(362,780)	117,804	(51,351)	18,157	(18,924)	(192,612)	(4,956)	9,318
NET CHANGE IN PLAN FIDUCIARY NET POSITION	3,326,972	1,607,259	(4,455,305)	3,688,379	150,293	(223,892)	729,133	1,179,925	1,122,012	(601,381)
PLAN NET POSITION – BEGINNING	22,236,625	20,629,366	25,084,671	21,396,292	21,245,999	21,469,891	20,740,758	19,560,833	18,438,821	19,040,202
PLAN NET POSITION – ENDING (b)	<u>\$ 25,563,597</u>	<u>\$ 22,236,625</u>	<u>\$ 20,629,366</u>	<u>\$ 25,084,671</u>	<u>\$ 21,396,292</u>	<u>\$ 21,245,999</u>	<u>\$ 21,469,891</u>	<u>\$ 20,740,758</u>	<u>\$ 19,560,833</u>	<u>\$ 18,438,821</u>
NET PENSION LIABILITY (ASSET) – ENDING (a) - (b)	\$ 13,806,628	\$ 14,164,384	\$ 15,126,885	\$ 10,390,076	\$ 13,264,562	\$ 10,496,547	\$ 8,632,452	\$ 10,511,923	\$ 11,375,510	\$ 10,307,291
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.93%	61.09%	57.69%	70.71%	61.73%	66.93%	71.32%	66.36%	63.23%	64.14%
Covered-Employee Payroll*	\$ 9,184,830	\$ 8,788,196	\$ 7,594,181	\$ 8,052,150	\$ 7,756,426	\$ 7,976,978	\$ 7,976,978	\$ 7,505,349	\$ 7,403,269	\$ 6,774,687
Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	150.32%	161.18%	199.19%	129.03%	171.01%	131.59%	108.22%	140.06%	153.66%	152.14%

*Employer's covered-payroll during the measurement period is the total payroll paid to covered employees (not just pensionable payroll). For FY2023 the measurement period is October 1, 2021– September 30, 2022.

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

CITY OF JASPER, ALABAMA
Schedule of Employer Contributions
September 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contributions*	\$ 1,395,803	\$ 1,143,554	\$ 1,051,692	\$ 1,051,692	\$ 881,834	\$ 766,542	\$ 848,817	\$ 848,817	\$ 841,724	\$ 863,662
Contributions in Relation to the Actuarially Determined Contributions*	1,395,803	1,143,554	1,051,692	1,051,692	881,834	766,542	848,817	848,817	841,724	863,662
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll**	\$ 10,069,431	\$ 9,184,830	\$ 8,788,196	\$ 7,594,181	\$ 8,052,150	\$ 7,756,426	\$ 7,976,978	\$ 7,976,978	\$ 7,505,349	\$ 7,403,269
Contributions as a Percentage of Covered-Employee Payroll	13.86%	12.45%	11.97%	13.85%	10.95%	9.88%	10.64%	10.64%	11.21%	11.67%

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

**Employer's covered payroll for FY2025 is the total covered payroll for the 12 month period of the underlying financial statement.

NOTES TO SCHEDULE

Actuarially determined contribution rates are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported. Contributions for fiscal year 2025 were based on the September 30, 2022, actuarial valuation.

Methods and Assumptions used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percent Closed
Remaining Amortization Period	25.1 Years
Asset Valuation Method	Five Year Smoothed Market
Inflation	2.50%
Salary Increases	3.25 – 6.00%, Including Inflation
Investment Rate of Return	7.45%, Net of Pension Plan Investment Expense Including Inflation

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

CITY OF JASPER, ALABAMA
Schedule of Changes in Net OPEB Liability
Fiscal Year Ending September 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
TOTAL PENSION LIABILITY								
Service Cost	\$ 27,865	\$ 25,207	\$ 31,143	\$ 74,945	\$ 87,078	\$ 81,197	\$ 60,633	\$ 58,267
Interest	241,982	284,697	271,500	133,898	126,237	147,191	185,025	191,882
Changes in Benefit Terms	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(135,367)	96,684	470,844	1,166,992	559,042	(217,839)	389,442	-
Changes of Assumptions	(145,023)	300,996	(42,850)	(1,062,803)	(1,409)	372,746	593,049	-
Benefit Payments, Including Refunds of Employee Contributions	(604,418)	(587,604)	(553,583)	(503,256)	(333,428)	(290,851)	(375,394)	(346,150)
Transfers Among Employers	-	-	-	-	-	-	-	-
NET CHANGE IN TOTAL PENSION LIABILITY	(614,961)	119,980	177,054	(190,224)	437,520	92,444	852,755	(96,001)
TOTAL PENSION LIABILITY – BEGINNING	6,234,500	6,114,520	5,937,466	6,127,690	5,690,170	5,597,726	4,744,971	4,840,972
TOTAL PENSION LIABILITY – ENDING (a)	<u>\$ 5,619,539</u>	<u>\$ 6,234,500</u>	<u>\$ 6,114,520</u>	<u>\$ 5,937,466</u>	<u>\$ 6,127,690</u>	<u>\$ 5,690,170</u>	<u>\$ 5,597,726</u>	<u>\$ 4,744,971</u>

PLAN FIDUCIARY NET POSITION

NET PENSION LIABILITY (ASSET) – ENDING (a) - (b)	\$ 5,619,539	\$ 6,234,500	\$ 6,114,520	\$ 5,937,466	\$ 6,127,690	\$ 5,690,170	\$ 5,597,726	\$ 4,744,971
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll*	\$ 1,238,025	\$ 1,617,832	\$ 1,809,736	\$ 1,594,528	\$ 1,943,781	\$ 2,590,682	\$ 2,614,248	\$ 2,641,704
Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	453.91%	385.36%	337.87%	372.37%	315.25%	219.64%	214.12%	179.62%

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

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

OTHER SUPPLEMENTARY INFORMATION

CITY OF JASPER, ALABAMA
Combining Balance Sheet
All Nonmajor Governmental Funds
September 30, 2025

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Total Nonmajor Other Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 3,224,339	\$ 2,552,318	\$ 2,786,326	\$ 8,562,983
Receivables, Net	-	39,850	307,352	347,202
Accrued Interest Receivables	2,588	9,111	5,627	17,326
Prepays	-	-	11,233	11,233
Due from Other Funds	-	337,193	603,995	941,188
TOTAL ASSETS	<u>\$ 3,226,927</u>	<u>\$ 2,938,472</u>	<u>\$ 3,708,906</u>	<u>\$ 9,879,932</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 190,765	\$ 29,186	\$ -	\$ 219,951
Due to Other Funds	-	-	-	-
TOTAL LIABILITIES	190,765	29,186	-	219,951
FUND BALANCES				
Nonspendable	-	-	11,233	11,233
Restricted Fund Balance	1,355,492	2,909,286	3,703,300	7,968,078
Committed Fund Balance	-	-	-	-
Assigned Fund Balance	1,680,670	-	-	1,680,670
TOTAL FUND BALANCES	<u>3,036,162</u>	<u>2,909,286</u>	<u>3,714,533</u>	<u>9,659,981</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,226,927</u>	<u>\$ 2,938,472</u>	<u>\$ 3,714,533</u>	<u>\$ 9,879,932</u>

See Independent Auditors' Report.

CITY OF JASPER, ALABAMA

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

All Nonmajor Governmental Funds

September 30, 2025

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Total Nonmajor Other Governmental Funds
REVENUES				
Taxes	\$ 1,327,624	\$ -	\$ -	\$ 1,327,624
Interest	6,410	20,189	21,482	48,081
Fines and Forfeitures	154,661	-	-	154,661
Intergovernmental	-	136,492	-	136,492
Grant Proceeds and Donations	-	180,728	-	180,728
Miscellaneous	464,808	15	-	464,823
TOTAL REVENUES	<u>1,953,503</u>	<u>337,424</u>	<u>21,482</u>	<u>2,312,409</u>
EXPENDITURES				
General Government	142,330	(19,581)	11,525	134,274
Public Safety	6,780	-	-	6,780
Public Works	-	-	-	-
Recreation and Cultural Services	190,000	-	-	190,000
Intergovernmental	-	-	-	-
Debt Service: Principal	-	-	3,601,564	3,601,564
Interest and Other Charges	-	-	1,192,259	1,192,259
Capital Outlays	786,119	1,669,947	-	2,456,066
TOTAL EXPENDITURES	<u>1,125,229</u>	<u>1,650,366</u>	<u>4,805,348</u>	<u>7,580,943</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	828,274	(1,312,942)	(4,783,866)	(5,268,534)
OTHER FINANCING SOURCES (USES)				
Proceeds of Long-Term Debt	-	-	-	-
Bond Issue Cost	-	-	-	-
Deposit with Escrow Agent	-	-	-	-
Transfers In	-	2,244,965	5,361,880	7,606,845
Transfers Out	(935,654)	(17,797)	-	(953,451)
TOTAL OTHER FINANCING SOURCES (USES)	(935,654)	2,227,168	5,361,880	6,653,394
NET CHANGE IN FUND BALANCES	(107,380)	914,226	578,014	1,384,860
FUND BALANCES – BEGINNING	<u>3,143,542</u>	<u>1,995,060</u>	<u>3,136,519</u>	<u>8,275,121</u>
FUND BALANCES – ENDING	<u>\$ 3,036,162</u>	<u>\$ 2,909,286</u>	<u>\$ 3,714,533</u>	<u>\$ 9,659,981</u>

See Independent Auditors' Report.

CITY OF JASPER, ALABAMA
Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2025

	Corrections	Alcohol Fund	State Street	Gasoline Tax	Ten Cent Gas Tax	Court Ordered Fund	Court Administered Fund	Foothills Festival
ASSETS								
Cash and Cash Equivalents	\$ 42,951	\$ 1,204,750	\$ 204,554	\$ 296,858	\$ 607,987	\$ 15,074	\$ 256,044	\$ -
Receivables, Net	-	-	-	-	-	-	-	-
Accrued Interest Receivable	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 42,951	\$ 1,204,750	\$ 204,554	\$ 296,858	\$ 607,987	\$ 15,074	\$ 256,044	\$ -
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ -	\$ 100,000	\$ -	\$ -	\$ 82,726	\$ 2,762	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	100,000	-	-	82,726	2,762	-	-
FUND BALANCES								
Restricted	42,951	-	204,554	296,858	525,261	12,312	256,044	-
Assigned	-	1,104,750	-	-	-	-	-	-
TOTAL FUND BALANCES	42,951	1,104,750	204,554	296,858	525,261	12,312	256,044	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 42,951	\$ 1,204,750	\$ 204,554	\$ 296,858	\$ 607,987	\$ 15,074	\$ 256,044	\$ -

See Independent Auditors' Report.

CITY OF JASPER, ALABAMA
Combining Balance Sheet – Continued
Nonmajor Special Revenue Funds
September 30, 2025

	PD Equipment Grant Fund	Special Projects Fund	Opioid Fund	Animal Shelter	Total Nonmajor Special Revenue Funds
ASSETS					
Cash and Cash Equivalents	\$ 10,795	\$ 6,717	\$ 440,845	\$ 137,764	\$ 3,224,339
Receivables, Net	-	-	-	-	-
Accrued Interest Receivable	-	-	-	2,588	2,588
Due from Other Funds	-	-	-	-	-
TOTAL ASSETS	<u>\$ 10,795</u>	<u>\$ 6,717</u>	<u>\$ 440,845</u>	<u>\$ 140,352</u>	<u>\$ 3,226,927</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 5,277	\$ -	\$ 190,765
Due to Other Funds	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>5,277</u>	<u>-</u>	<u>190,765</u>
FUND BALANCES					
Restricted	10,795	6,717	-	-	1,355,492
Assigned	-	-	435,568	140,352	1,680,670
TOTAL FUND BALANCES	<u>10,795</u>	<u>6,717</u>	<u>435,568</u>	<u>140,352</u>	<u>3,036,162</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,795</u>	<u>\$ 6,717</u>	<u>\$ 440,845</u>	<u>\$ 140,352</u>	<u>\$ 3,226,927</u>

CITY OF JASPER, ALABAMA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
September 30, 2025

	Corrections	Alcohol Fund	State Street	Gasoline Tax	Ten Cent Gas Tax	Court Ordered Fund	Court Administered Fund
REVENUES							
Taxes	\$ -	\$ 1,046,437	\$ 79,118	\$ 72,544	\$ 129,525	\$ -	\$ -
Interest	5	437	93	104	99	7	45
Fines and Forfeitures	130,992	-	-	-	-	-	23,669
Licenses and Permits	-	-	-	-	-	-	-
Grant Proceeds and Donations	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	7,468	-
TOTAL REVENUES	130,997	1,046,874	79,211	72,648	129,624	7,475	23,714
EXPENDITURES							
General Government	2	(553)	(12,671)	-	-	-	-
Public Safety	-	-	-	-	-	6,780	-
Public Works	-	-	-	-	-	-	-
Recreation and Cultural Services	-	190,000	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Capital Outlays	-	-	140,043	-	86,779	-	6,452
TOTAL EXPENDITURES	2	189,447	127,372	-	86,779	6,780	6,452
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	130,995	857,427	(48,161)	72,648	42,845	695	17,262
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	(135,000)	(800,654)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(135,000)	(800,654)	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(4,005)	56,773	(48,161)	72,648	42,845	695	17,262
FUND BALANCES – BEGINNING	46,956	1,047,977	252,715	224,210	482,416	11,617	238,782
FUND BALANCES – ENDING	\$ 42,951	\$ 1,104,750	\$ 204,554	\$ 296,858	\$ 525,261	\$ 12,312	\$ 256,044

See Independent Auditors' Report.

CITY OF JASPER, ALABAMA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
September 30, 2025

	Foothills Festival	PD Equipment Grant Fund	Special Projects Fund	Opioid Fund	Animal Shelter	Total Nonmajor Special Revenue Funds
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,327,624
Interest	-	-	5	65	5,550	6,410
Fines and Forfeitures	-	-	-	-	-	154,661
Licenses and Permits	-	-	-	-	-	-
Grant Proceeds and Donations	-	-	-	-	-	-
Miscellaneous	-	-	2,000	455,340	-	464,808
TOTAL REVENUES	-	-	2,005	455,405	5,550	1,953,503
EXPENDITURES						
General Government	2	-	-	155,550	-	142,330
Public Safety	-	-	-	-	-	6,780
Public Works	-	-	-	-	-	-
Recreation and Cultural Services	-	-	-	-	-	190,000
Intergovernmental	-	-	-	-	-	-
Capital Outlays	-	-	-	552,845	-	786,119
TOTAL EXPENDITURES	2	-	-	708,395	-	1,125,229
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2)	-	2,005	(252,990)	5,550	828,274
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	(935,654)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	(935,654)
NET CHANGE IN FUND BALANCE	(2)	-	2,005	(252,990)	5,550	(107,380)
FUND BALANCES – BEGINNING	2	10,795	4,712	688,558	134,802	3,143,542
FUND BALANCES – ENDING	\$ -	\$ 10,795	\$ 6,717	\$ 435,568	\$ 140,352	\$ 3,036,162

See Independent Auditors' Report.

	Atrip	State Capital Improvements	2017 Community Project Fund	US 78 Atrip II	78 Access Lane	Tap Sidewalk	TAP VI	Total Nonmajor Capital Projects Funds
ASSETS								
Cash and Cash Equivalents	\$ 477,043	\$ 122,089	\$ 1,460,347	\$ -	\$ 165,900	\$ 310,000	\$ 16,939	\$ 2,552,318
Receivables, Net	-	23,600	-	-	-	-	16,250	39,850
Accrued Interest Receivable	9,111	-	-	-	-	-	-	9,111
Prepaid Insurance	-	-	-	-	-	-	-	-
Due from Other Funds	-	337,193	-	-	-	-	-	337,193
TOTAL ASSETS	\$ 486,154	\$ 482,882	\$ 1,460,347	\$ -	\$ 165,900	\$ 310,000	\$ 33,189	\$ 2,938,472
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ -	\$ 19,800	\$ 8,000	\$ -	\$ -	\$ -	\$ 1,386	\$ 29,186
Due to Other Funds	-	-	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	19,800	8,000	-	-	-	1,386	29,186
FUND BALANCES								
Restricted	486,154	463,082	1,452,347	-	165,900	310,000	31,803	2,909,286
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	486,154	463,082	1,452,347	-	165,900	310,000	31,803	2,909,286
TOTAL LIABILITIES AND FUND BALANCES	\$ 486,154	\$ 482,882	\$ 1,460,347	\$ -	\$ 165,900	\$ 310,000	\$ 33,189	\$ 2,938,472

CITY OF JASPER, ALABAMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Project Funds
September 30, 2025

	Atrip	State Capital Improvements	2017 Community Project Fund	US 78 Atrip II	78 Access Lane	Tap Sidewalk	TAP VI	Total Nonmajor Capital Projects Funds
REVENUES								
Interest	\$ 19,539	\$ 135	\$ 499	\$ -	\$ -	\$ -	\$ 16	\$ 20,189
Intergovernmental	-	136,492	-	-	-	-	-	136,492
Grant Proceeds and Donations	-	31,114	-	-	-	-	149,614	180,728
Miscellaneous	-	-	-	1	14	-	-	15
TOTAL REVENUES	19,539	167,741	499	1	14	-	149,630	337,424
EXPENDITURES								
General Government	-	(16,081)	(3,500)	-	-	-	-	(19,581)
Public Works	-	-	-	-	-	-	-	-
Recreation and Cultural Services	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Capital Outlays	-	729,144	647,716	-	100,550	-	192,537	1,669,947
TOTAL EXPENDITURES	-	713,063	644,216	-	100,550	-	192,537	1,650,366
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	19,539	(545,322)	(643,717)	1	(100,536)	-	(42,907)	(1,312,942)
OTHER FINANCING SOURCES (USES)								
Proceeds of Long-Term Debt	-	-	-	-	-	-	-	-
Transfers In	-	668,529	1,000,000	-	266,436	310,000	-	2,244,965
Transfers Out	-	-	-	(17,797)	-	-	-	(17,797)
TOTAL OTHER FINANCING SOURCES (USES)	-	668,529	1,000,000	(17,797)	266,436	310,000	-	2,227,168
NET CHANGE IN FUND BALANCE	19,539	123,207	356,283	(17,796)	165,900	310,000	(42,907)	914,226
FUND BALANCES – BEGINNING	466,615	339,875	1,096,064	17,796	-	-	74,710	1,995,060
FUND BALANCES – ENDING	\$ 486,154	\$ 463,082	\$ 1,452,347	\$ -	\$ 165,900	\$ 310,000	\$ 31,803	\$ 2,909,286

See Independent Auditors' Report.

CITY OF JASPER, ALABAMA

Combining Balance Sheet

Nonmajor Debt Service Fund

September 30, 2025

	2012 Bond Issue	Total Nonmajor Debt Service Fund
ASSETS		
Cash and Cash Equivalents	\$ 2,786,326	\$ 2,786,326
Accounts Receivable	307,352	307,352
Accrued Interest Receivable	5,627	5,627
Due from Other Funds	603,995	603,995
Prepays	11,233	11,233
TOTAL ASSETS	\$ 3,714,533	\$ 3,714,533
LIABILITIES AND FUND BALANCES		
Due to Other Funds	\$ -	\$ -
Accounts Payable	-	-
LIABILITIES	-	-
FUND BALANCES		
Nonspendable	11,233	11,233
Restricted	3,703,300	3,703,300
Committed	-	-
TOTAL FUND BALANCES	3,714,533	3,714,533
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,714,533	\$ 3,714,533

See Independent Auditors' Report.

CITY OF JASPER, ALABAMA

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

Nonmajor Debt Service Fund

September 30, 2025

	2012 Bond Issue	Total Nonmajor Debt Service Fund
REVENUES		
Interest	\$ 21,482	\$ 21,482
TOTAL REVENUES	21,482	21,482
EXPENDITURES		
General Government	11,525	11,525
Public Works	-	-
Debt Service: Principal	3,601,564	3,601,564
Interest and Other Charges	1,192,259	1,192,259
TOTAL EXPENDITURES	4,805,348	4,805,348
DEFICIENCY OF REVENUES OVER EXPENDITURES	(4,783,866)	(4,783,866)
OTHER FINANCING SOURCES		
Proceeds of Long-Term Debt	-	-
Bond Issue Cost	-	-
Deposit with Escrow Agent	-	-
Transfer In	5,361,880	5,361,880
Transfer Out	-	-
TOTAL OTHER FINANCING SOURCES	5,361,880	5,361,880
NET CHANGE IN FUND BALANCES	578,014	578,014
FUND BALANCE – BEGINNING	3,136,519	3,136,519
FUND BALANCE – ENDING	\$ 3,714,533	\$ 3,714,533

See Independent Auditors' Report.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members of the City Council
Jasper, Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jasper, Alabama (the "City"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 21, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Kellum, Wilson & Associates, P.C." The signature is written in a cursive, flowing style.

Kellum, Wilson and Associates, P.C.

September 21, 2026