CITY OF JASPER, FLORIDA

FINANCIAL STATEMENTS

For the Year Ended September 30, 2025

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CITY OF JASPER, FLORIDA

CITY OFFICIALS

September 30, 2025

OFFICIALS	ELECTED TERM EXPIRATION
Mayor	
William S. Mitchell V	March 2026
City Council	
Carlton G. Selph, Vice Mayor	March 2026
Vanessa Smith, Council Member	March 2028
Jay Daigle III, Chairperson	March 2028
Jhelecia Hawkins, Council Member	March 2028

City Manager
Mark Meyers

Chief Financial Officer
Vacant

City Clerk
Mariana Herdandez

City Attorney
Rhett Bullard

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CITY OF JASPER, FLORIDA

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CITY OF JASPER, FLORIDA

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September 30, 2025

KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

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107 2nd Ave S.E. **Fax 386-792-1925**
Jasper, FL 32052 **kmdcpa@windstream.net**

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Jasper, Florida

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Jasper, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Jasper, Florida's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Jasper, Florida, 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

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am required to be independent of the City of Jasper, Florida, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Jasper, Florida'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Jasper, Florida's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9, budgetary comparison information on pages 48–49, pension trend information on pages 50-51, and OPEB trend information on page 52 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. I 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 I obtained during our audit of the basic financial statements. I 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the City's Affidavit of Compliance and response to the Management Letter Findings but does not include the basic financial statements and my auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the basic financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued our report dated August 7, 2026, on my consideration of the City of Jasper, Florida'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 of Jasper, Florida'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 of Jasper, Florida's internal control over financial reporting and compliance.

Kenneth M. Daniels
Certified Public Accountant
August 7, 2026

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MANAGEMENT'S DISCUSSION & ANALYSIS

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CITY OF JASPER, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended September 30, 2025

Our discussion and analysis of the City of Jasper, Florida's financial performance provides an overview of City's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the City's financial statements, which begin in page 10.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer–term view of the City's finances.

Fund financial statements start on page 12. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Proprietary fund financial statements offer short and long-term financial information about the activities the government operates like businesses, such as the water/sewer, gas, and solid waste departments.

Fund financial statements also report the City's operations in more detail than the government–wide statements by providing information about the City's most significant funds. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 6. The Statement of Net Position and the Statement of Activities on pages 10-11 report information about the City as a whole and its activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements also report the City's net position and changes in them. The City's net position, the difference between assets and liabilities, is one way to measure the City's financial health, or position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. Additional other nonfinancial factors such as changes in the area's economic conditions and the condition of the City's capital assets should be considered in assessing the City's overall health.

In the Statement of Net Position and the Statement of Activities, the City's activities are divided into two categories: 1.) governmental activities: the City's basic services are included here, financial and administrative, police, fire, transportation, and recreation and 2.) business-type: the City charges fees to customers to help it cover the cost of certain utility services it provides. The City's water and sewer, natural gas, and sanitation services are included in the business-type activities.

Reporting the City's Funds

Our analysis of the City's funds (four major) begins on page 6. The fund financial statements begin on page 13 and provide detailed information about the City's most significant governmental funds – not the City as a whole. A description of the City's Funds follows:

Governmental funds – Most of the City's basic services are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year – end that are available for spending. These funds are reported using the modified accounting method, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short–term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship or differences between governmental activities reported in the Statement of Net Position and the Statement of Activities and governmental funds is described in the reconciliations accompanying the fund financial statements.

Proprietary funds – Services for which the City charges customers a fee is generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. The City's Enterprise funds are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

The City as a Whole

As indicated below, the City's total net position changed little between years – decrease of $140,000. In general, the $305,000 decrease in the governmental total net position was offset by an increase of $165,000 in the business-type activities.

The analysis below focuses on the net position (Table 1) and the changes in net position (Table 2) for both the City's governmental and business type activities. Detailed comments follow the tables and explain the significant changes between the current and prior year.

Table 1
NET POSITION
(In Thousands)

	Governmental Activities		Business type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 1,451	$ 1,274	$ 5,171	$ 5,457	$ 6,622	$ 6,731
Capital assets	4,492	4,545	7,323	7,432	11,815	11,977
Total assets	5,943	5,819	12,494	12,889	18,437	18,708
Deferred outflows of resources	336	383	134	164	470	547
Total assets and deferred outflows of resources	$ 6,279	$ 6,202	$ 12,628	$ 13,053	$ 18,907	$ 19,255

(Table 1 continued)

Other liabilities	$ 672	$ 81	$ 375	$ 853	$ 1,047	$ 934
Long term liabilities	1,412	1,675	380	543	1,792	2,218
Total liabilities	2,084	1,756	755	1,396	2,839	3,152
Deferred inflows of resources	476	422	138	87	614	509
Net position						
Invested in Cap Assets	4,492	4,545	7,323	7,433	11,815	11,978
Restricted	-	-	19	19	19	19
Unrestricted	(773)	(521)	4,393	4,118	3,620	3,597
Total net position	3,719	4,024	11,735	11,570	15,454	15,594
Total liabilities, deferred inflows of resources, and net position	$ 6,279	$ 6,202	$ 12,628	$ 13,053	$ 18,907	$ 19,255

Explanation of Significant Changes Table 1

Governmental activities
The increase in current and other assets of $177,000 and other liabilities of $591,000, was due a FEMA grant received in the amount of $562,530. The City did not choose to rebuild the City warehouse destroyed by Hurricane Helene but to repurpose the Central Hamilton Elementary building using those funds. No expenditures have been incurred; the grant funds have been recorded as unearned revenue.

Business-type activities
Current and other assets decreased $286,000 largely due to the spending (earning) of the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF Grant). The City expended approximately $466,330, in the 2024-25 fiscal year. At September 30, 2025, all funds were expended. Other liabilities decreased $478,000 due the earning of the CSLFRF Grant funds.

Table 2
CHANGES IN NET POSITION
(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
Statement of Activities	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
Program revenues						
General government	$ 275	$ 268	$ -	$ -	$ 275	$ 268
Public safety	156	25	-	-	156	25
Physical environment	8	9	-	-	8	9
Transportation	47	30	-	-	47	30
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture/recreation	6	13	-	-	6	13
Water/sewer utility	-	-	1,422	2,357	1,422	2,357
Natural gas utility	-	-	629	510	629	510
Sanitation	-	-	720	484	720	484
General revenues					-	-
Taxes					-	-
Property taxes	666	647	-	-	666	647
Local option fuel tax	401	368	-	-	401	368
Discretionary sales	247	241	-	-	247	241
Commx services	77	76	-	-	77	76
Franchise fees	142	132	-	-	142	132
Utility service tax	108	101	-	-	108	101
Interest	56	47	75	63	131	110
Gain on asset disposal	-	-	-	-	-	-
Miscellaneous	40	43	9	3	49	46
Total revenues	2,229	2,000	2,855	3,417	5,084	5,417

(Table 2 continued)						
Program expenses						
General government	954	809	-	-	954	809
Public safety	1,059	1,050	-	-	1,059	1,050
Physical environment	8	5	-	-	8	5
Transportation	497	426	-	-	497	426
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture/recreation	27	18	-	-	27	18
Interest on long term debt	-	-	-	-	-	-
Water/sewer utility	-	-	1,761	2,097	1,761	2,097
Natural gas utility	-	-	534	523	534	523
Sanitation	-	-	384	463	384	463
Total expenses	2,545	2,308	2,679	3,083	5,224	5,391
Excess (deficiency) before transfers	(316)	(308)	176	334	(140)	26
Extraordinary items and transfers						
Special items	-	(5)	-	-	-	(5)
Transfers	11	44	(11)	(44)	-	-
Total transfers and special item	11	39	(11)	(44)	-	(5)
Change in net position	(305)	(269)	165	290	(140)	21
Beginning net position	4,024	4,293	11,570	11,280	15,594	15,573
Ending net position	$ 3,719	$ 4,024	$ 11,735	$ 11,570	$ 15,454	$ 15,594

Explanation of Significant Changes Table 2

Government Activities

Governmental revenues increased/decreased as follows:
General government program revenues: Public safety program revenues increased $131,000. The City received an Eward Byrne Grant in the amount of $119,000.

Governmental expenses increased/decreased as follows:
General government expenses increased $145,000 due to insurance of $167,244 being charged to the general government function. In the past, the cost has been allocated among the various departments. Transportation expenses increased due to the hiring of additional employees (three).

Business-type activities
Business-type revenues (utility billings) decreased $580,000 mostly due to decreased billings/collections to/from the Hamilton Correctional Institution in the amount of $344,000.

Expenses increased $596,000 due to repairs and other purchases related to the water and sewer system via the CSLFRF Grant in the amount of $397,330 and water tower maintenance.

The City's Funds

At year-end, the City's governmental funds had a total fund balance of approximately $764,000. The decrease of $417,000 is primarily due to employee additions as indicated above and capital outlay of $153,000 (lift and mowers).

TABLE 3
CHANGES IN GOVERNMENTAL AND MAJOR FUNDS' TOTAL AND UNRESERVED FUND BALANCES AND NET POSITION
(in Thousands)

	Unreserved Fund Balance			
Major Funds	2025	2024	$ Change	Percent Change
General	$ 764	$ 1,181	$ (417)	-35.3%

Enterprise Fund
Change in Net Position:
Invested in Capital Assets

2025	2024	$ Change	Percent Change
$ 7,323	$ 7,433	$ (110)	-1.5%

Restricted

2025	2024	$ Change	Percent Change
$ 19	$ 19	$ -	0.0%

Unrestricted

2025	2024	$ Change	Percent Change
$ 4,393	$ 4,118	$ 275	6.7%

The enterprise funds' net position increased by approximately $165,000. The improved net position can be attributed to the CSLFRF Grant funding of improvements and repairs to the water and sewer system.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City did not amend its 2025 budget. Actual expenditures were greater than budgeted by approximately $513,000.

CAPITAL ASSET AND DEBT ADMINISTRATION

At September 30, 2025, the City had approximately $23.3 million invested in capital assets, including police and fire equipment, buildings, park facilities, roads, and water/sewer lines. (See Table 4 below.) The increase in capital assets is largely due to vehicle and equipment (mowers and lift) purchases and water line extensions.

Table 4
CAPITAL ASSETS (in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	$ 280	$ 280	$ 667	$ 667	$ 947	$ 947
Construction in progress	-	-	155	61	155	61
Buildings	2,830	2,830	9	9	2,839	2,839
Infrastructure/improvements	2,138	2,138	13,865	13,526	16,003	15,664
Equipment and furniture	488	335	1,227	1,169	1,715	1,504
Vehicles	1,047	1,047	635	635	1,682	1,682
Leased assets	-	-	5	5	5	5
Total capital assets, gross	$ 6,783	$ 6,630	$ 16,563	$ 16,072	$ 23,346	$ 22,702

Debt

At year-end, the City had $2.2 million in outstanding liabilities. This was a decrease of approximately $11,000. The City's leave liability was the primary reason (resignation of the City Clerk) for the reduction.

Table 5
OUTSTANDING DEBT AT YEAR-END
(in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Compensated absences	$ 39	$ 56	$ 48	$ 43	$ 87	$ 99
Lease liability	-	-	-	1	-	1
OPEB liability	75	141	59	100	242	241
Pension liability	1,297	1,477	268	397	1,875	1,874
Totals	$ 1,411	$ 1,674	$ 375	$ 541	$ 2,204	$ 2,215

CURRENTLY KNOWN FACTS

The City's budget for the fiscal year 2025-26 totals $5.7 million. It includes transfers from the utility funds to the general fund in the amount of $404,144.

CONTACTING THE CITY 'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens, customers, and creditors, with a general overview of the City's finances and to show the City's accountability for the funds that it receives.

If you have questions about this report or need additional financial information, contact the City at 208 W Hatley Street, Jasper, FL 32052.

Mark Meyers
City Manager

BASIC

FINANCIAL

STATEMENTS

CITY OF JASPER, FLORIDA

STATEMENT OF NET POSITION

September 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	$ 1,398,365	$ 4,659,479	$ 6,057,844
Accounts receivable, net	-	147,464	147,464
Franchise fees receivable	14,996	-	14,996
Utility service tax receivable	7,603	-	7,603
Due from other governments	29,886	154,550	184,436
Restricted assets	-	209,119	209,119
Capital assets			
Land and construction in progress	280,142	821,589	1,101,731
Other capital assets, net of depreciation/amortization	4,212,061	6,501,644	10,713,705
Total capital assets	4,492,203	7,323,233	11,815,436
Total assets	5,943,053	12,493,845	18,436,898
Deferred outflows of resources			
Pensions	271,114	87,314	358,428
OPEB	64,806	47,132	111,938
Total deferred outflows of resources	335,920	134,446	470,366
Total assets and deferred outflows of resources	$ 6,278,973	$12,628,291	$18,907,264
Liabilities			
Accounts payable	$ 62,033	$ 170,536	$ 232,569
Retirement/insurance payable	42,438	-	42,438
Taxes payable	-	212	212
Deposits	4,985	204,315	209,300
Unearned revenue	562,530	-	562,530
Long-term liabilities			
Due within one year			
Compensated absences	8,784	47,926	56,710
OPEB	7,171	5,216	12,387
Due in more than one year			
Compensated absences	30,559	-	30,559
Pension	1,297,324	267,938	1,565,262
OPEB	67,763	59,056	126,819
Total liabilities	2,083,587	755,199	2,838,786
Deferred inflows of resources			
Business license fees	5,956	-	5,956
Pensions	352,010	52,074	404,084
OPEB	118,425	86,128	204,553
Total deferred inflows of resources	476,391	138,202	614,593
Net position			
Net investment in capital assets	4,492,203	7,323,233	11,815,436
Restricted			
Capital facilities	-	19,019	19,019
Unrestricted (deficit)	(773,208)	4,392,638	3,619,430
Total net position	3,718,995	11,734,890	15,453,885
Total liabilities, deferred inflows of resources, and net position	$ 6,278,973	$12,628,291	$18,907,264

CITY OF JASPER, FLORIDA

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government services	$ 954,060	$ 20,415	$ 254,319	$ -	$ (679,326)		$ (679,326)
Public safety	1,059,393	20,914	135,358	-	(903,121)		(903,121)
Physical environment	8,623	7,727	-	-	(896)		(896)
Transportation	496,792	47,403	-	-	(449,389)		(449,389)
Economic environment	150	-	-	-	(150)		(150)
Culture/recreation	27,106	5,950	-	-	(21,156)		(21,156)
Total governmental activities	2,546,124	102,409	389,677	-	(2,054,038)		(2,054,038)
Business type activities							
Water/sewer utility	1,760,655	863,134	466,330	93,250		(337,941)	(337,941)
Natural gas utility	534,542	628,657	-	-		94,115	94,115
Sanitation	384,291	720,232	-	-		335,941	335,941
Total business-type activities	2,679,488	2,212,023	466,330	93,250		92,115	92,115
Totals	$ 5,225,612	$ 2,314,432	$ 856,007	$ 93,250			
General revenues							
Property taxes					666,481	-	666,481
Local option fuel tax					400,722	-	400,722
Discretionary sales surtax					246,939	-	246,939
Communications service tax					77,152	-	77,152
Franchise fees					142,525	-	142,525
Utility service tax					107,803	-	107,803
Interest					56,018	74,629	130,647
Miscellaneous					40,113	9,386	49,499
Transfers					10,991	(10,991)	-
Total general revenues and transfers					1,748,744	73,024	1,821,768
Change in net position					(305,294)	165,139	(140,155)
Net position - beginning					4,024,289	11,569,751	15,594,040
Net position - ending					$ 3,718,995	$ 11,734,890	$ 15,453,885

See notes to financial statements.

CITY OF JASPER, FLORIDA
BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2025

		General Fund
Assets		
Cash	$	1,398,365
Franchise fees receivable		14,996
Utility service tax receivable		7,603
Due from other governments		29,886
Total assets	$	1,450,850
Liabilities, deferred inflows of resources and fund balances		
Liabilities		
Accounts payable	$	62,033
Compensated absences		8,784
Retirement and withholding payable		42,438
Deposits		4,985
Unearned revenue		562,530
Total liabilities		680,770
Deferred inflows of resources		
Business license fees		5,956
Fund balances		
Unassigned		764,124
Total liabilities, deferred inflows of resources and fund balances	$	1,450,850

See notes to financial statements.

CITY OF JASPER, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

September 30, 2025

Total fund balances for governmental funds	$ 764,124
Total net assets reported for governmental activities in the Statement of Net Assets is different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. Those assets consist of the following:	
Land	280,142
Buildings	2,829,864
Infrastructure	2,138,466
Vehicles	1,046,775
Equipment	487,819
Accumulated depreciation	(2,290,863)
Total capital assets	4,492,203
The deferred outflows of resources and deferred inflows of resources related to OPEB benefits and pensions are applicable to future periods and, therefore, are not reported in the governmental funds.	
Deferred outflows related to pensions	271,114
Deferred outflows related to OPEB benefits	64,806
Deferred inflows related to pensions	(352,010)
Deferred inflows related to OPEB benefits	(118,425)
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. The City's pension liability is not accrued in governmental funds, but rather is recognized as an expenditure when due. Compensated absences are recorded when paid. All liabilities - both current and long term - are reported in the Statement of Net Assets. Long-term liability balances and other adjustments are as follows:	
Compensated absences	(30,559)
OPEB liability	(74,934)
Net pension liability	(1,297,324)
Total long-term liabilities and other adjustments	(1,402,817)
Total net position of governmental activities	$ 3,718,995

CITY OF JASPER, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended September 30, 2025

	General Fund
Revenues	
Taxes	$ 1,515,528
Licenses and permits	142,525
Intergovernmental	389,677
Charges for services	52,781
Fines and forfeits	19,520
Interest	56,018
Miscellaneous	53,790
Total revenues	2,229,839
Expenditures	
Current	
General government services	913,281
Public safety	1,081,738
Physical environment	8,623
Transportation	489,576
Economic environment	149
Culture/recreation	10,669
Capital outlay	153,421
Total expenditures	2,657,457
Excess (deficiency) of revenues over expenditures	(427,618)
Other financing sources (uses)	
Interfund transfers in (out)	10,991
Net change in fund balances	(416,627)
Fund balances - beginning	1,180,751
Fund balances - ending	$ 764,124

See notes to financial statements.

CITY OF JASPER, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Net change in fund balances - total governmental funds		$ (416,627)
The change in net assets reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
	Capital outlay	153,421
	Depreciation	(206,173)
Pension costs are recorded in the statement of activities under the accrual basis of accounting; however, the expenditure is not recorded in the governmental funds until paid. The change in the contributions verses expense is:		
	FRS Pension/HIS Expense	143,397
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. Paid time off, due to its classification as a long-term liability is not recorded under the modified basis of accounting. Also, employment benefits that will likely be paid in the future are not recorded under the modified basis of accounting. However, all expenses are recorded in the Statement of Activities. The adjustments described above are as follows:		
	OPEB benefits	4,864
	Compensated balance adjustment	15,824
Change of net position of governmental activities		$ (305,294)

CITY OF JASPER, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

September 30, 2025

	Water & Sewer Utility Fund	Natural Gas Utility Fund	Sanitation Fund	Total
Assets				
Current assets				
Cash and cash equivalents	$ 1,182,988	$ 1,104,962	$ 677,708	$ 2,965,658
Cash - certificate of deposit	604,376	653,667	435,778	1,693,821
Accounts receivable	184,507	33,272	84,691	302,470
Allowance for doubtful accounts	(122,042)	(9,316)	(23,648)	(155,006)
Due from State of Florida	154,550	-	-	154,550
Total current assets	2,004,379	1,782,585	1,174,529	4,961,493
Noncurrent assets				
Restricted assets				
Cash - certificates of deposit	19,019	-	-	19,019
Cash	165,704	24,396	-	190,100
Total restricted assets	184,723	24,396	-	209,119
Capital assets				
Land	667,039	-	-	667,039
Construction in progress	154,550	-	-	154,550
Buildings, net	2,367	-	-	2,367
Infrastructure, net	5,192,016	462,375	-	5,654,391
Equipment, net	596,762	42,043	237	639,042
Vehicles, net	196,376	9,468	-	205,844
Total capital/right-to-use assets, net	6,809,110	513,886	237	7,323,233
Total noncurrent assets	6,993,833	538,282	237	7,532,352
Total assets	8,998,212	2,320,867	1,174,766	12,493,845
Deferred outflows of resources				
Pensions	87,314	-	-	87,314
OPEB	47,132	-	-	47,132
Total deferred outflows of resources	134,446	-	-	134,446
Total assets and deferred outflows of resources	$ 9,132,658	$ 2,320,867	$ 1,174,766	$ 12,628,291
Liabilities				
Current liabilities				
Accounts payable	$ 36,876	$ 38,026	$ 95,634	$ 170,536
Accrued leave	31,459	16,467	-	47,926
Taxes payable	-	212	-	212
Customer deposits	179,050	25,265	-	204,315
OPEB liability, current portion	5,216	-	-	5,216
Total current liabilities	252,601	79,970	95,634	428,205
Noncurrent liabilities				
Pension	267,938	-	-	267,938
OPEB	59,056	-	-	59,056
Total noncurrent liabilities	326,994	-	-	326,994
Total liabilities	579,595	79,970	95,634	755,199
Deferred inflows of resources				
Pensions	52,074	-	-	52,074
OPEB	86,128	-	-	86,128
Total deferred inflows of resources	138,202	-	-	138,202
Net position				
Net investment in capital assets	6,809,110	513,886	237	7,323,233
Restricted for capital facilities - expendable	19,019	-	-	19,019
Unrestricted	1,586,732	1,727,011	1,078,895	4,392,638
Total net position	8,414,861	2,240,897	1,079,132	11,734,890
Total liabilities, deferred inflows of resources, and net position	$ 9,132,658	$ 2,320,867	$ 1,174,766	$ 12,628,291

See notes to financial statements.

CITY OF JASPER, FLORIDA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

For the Year Ended September 30, 2025

	Water & Sewer Utility Fund	Natural Gas Utility Fund	Sanitation Fund	Totals
Operating revenues				
Charges for services	$ 863,134	$ 628,657	$ 720,232	$ 2,212,023
Operating expenses				
Water-sewer combination services				
Personnel services	351,137	-	-	351,137
Operating expenses	1,409,512	-	-	1,409,512
Gas utility services				
Personnel services	-	146,709	-	146,709
Operating expenses	-	387,833	-	387,833
Garbage/solid waste services				
Operating expenses	-	-	384,291	384,291
Total operating expenses	1,760,649	534,542	384,291	2,679,482
Operating income (loss)	(897,515)	94,115	335,941	(467,459)
Nonoperating revenues (expenses)				
Interest earnings	30,670	28,324	15,635	74,629
Federal grants	466,330	-	-	466,330
Miscellaneous	9,386	-	-	9,386
Interest expense	(6)	-	-	(6)
Total nonoperating revenues (expense)	506,380	28,324	15,635	550,339
Income before contributions and transfers	(391,135)	122,439	351,576	82,880
Capital contributions	93,250	-	-	93,250
Interfund transfers in (out)	(10,991)	-	-	(10,991)
Change in net position	(308,876)	122,439	351,576	165,139
Total net position - beginning	8,723,737	2,118,458	727,556	11,569,751
Total net position - ending	$ 8,414,861	$ 2,240,897	$ 1,079,132	$ 11,734,890

See notes to financial statements.

CITY OF JASPER, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended September 30, 2025

	Water & Sewer Utility Fund	Natural Gas Utility Fund	Sanitation Fund	Total
Cash flows from operating activities				
Cash received from customers and users	$ 842,683	$ 605,604	$ 695,556	$ 2,143,843
Cash payments for employees and benefits	(489,041)	(152,069)	-	(641,110)
Cash payments for goods and services	(877,219)	(353,150)	(345,383)	(1,575,752)
Net cash provided by (used for) operating activities	(523,577)	100,385	350,173	(73,019)
Cash flows from noncapital financing activities				
Interfund transfer out	(10,991)	-	-	(10,991)
Cash flows from capital and related financing activities				
Interest and principal	(731)	-	-	(731)
Purchases of capital assets	(432,481)	-	-	(432,481)
Miscellaneous receipts	9,510	-	-	9,510
Net cash provided by (used for) capital and related financing activities	(423,702)	-	-	(423,702)
Cash flows from investing activities				
Interest revenue	30,670	28,324	15,635	74,629
(Purchase) sale of certificates of deposit	(24,919)	(23,453)	(15,636)	(64,008)
Net cash provided by (used for) investing activities	5,751	4,871	(1)	10,621
Net increase (decrease) in cash	(952,519)	105,256	350,172	(486,100)
Cash and cash equivalents - beginning	2,301,211	1,024,102	327,536	3,652,849
Cash and cash equivalents - ending	$ 1,348,692	$ 1,129,358	$ 677,708	$ 3,155,758
Reconciliation of operating loss to net cash provided by operating activities				
Operating income (loss)	$ (897,515)	$ 94,115	$ 335,941	$ (467,459)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation/amortization	563,514	34,683	2,031	600,228

(Continued)

CITY OF JASPER, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended September 30, 2025

Reconciliation (continued)	Water & Sewer Utility Fund	Natural Gas Utility Fund	Sanitation Fund	Total
Changes in assets and liabilities				
Decrease (increase) in				
Accounts receivable, net	$ (5,081)	$ (23,538)	$ (24,676)	$ (53,295)
Deferred outflows	(29,409)	-	-	(29,409)
Increase (decrease) in				
Accounts payable	(31,221)	(1,903)	36,877	3,753
Deposits	(15,370)	485	-	(14,885)
Compensated absences	7,949	(3,227)	-	4,722
Taxes payable	-	(230)	-	(230)
OPEB liability	(36,259)	-	-	(36,259)
Pension liability	(130,981)	-	-	(130,981)
Deferred inflows	50,796	-	-	50,796
Total adjustments	373,938	6,270	14,232	394,440
Net cash provided by (used for) operating activities	$ (523,577)	$ 100,385	$ 350,173	$ (73,019)
Noncash transactions	$ -	$ -	$ -	$ -

Reconciliation of cash reported on statement of net position to cash reported on the statement of cash flows:

Per the statement of net position	Water & Sewer Utility Fund	Natural Gas Utility Fund	Sanitation Fund	Total
Cash and cash equivalents	$ 1,182,988	$ 1,104,962	$ 677,708	$ 2,965,658
Cash - certificate of deposit	604,376	653,667	435,778	1,693,821
Restricted assets				
Cash - certificate of deposit	19,019	-	-	19,019
Cash	165,704	24,396	-	190,100
Total cash	1,972,087	1,783,025	1,113,486	4,868,598
Less certificates of deposit				
Cash - certificate of deposit	(604,376)	(653,667)	(435,778)	(1,693,821)
Impact fees	(19,019)	-	-	(19,019)
Cash reported on the statement of cash flows	$ 1,348,692	$ 1,129,358	$ 677,708	$ 3,155,758

NOTE 1. – Summary of Significant Accounting Policies

The City of Jasper is a political subdivision of the State of Florida, originally chartered in 1907, under the Laws of the State of Florida, Number 5811 and, accordingly, is subject to restrictions imposed by the Florida Constitution and Statutes as well by its own ordinances. An elected Council governs the City.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies used by the City are discussed below.

A. Reporting Entity

These financial statements present only the City of Jasper, Florida (the primary government). As defined by GASBS No. 14, component units are legally separate entities that are to be included in the City's reporting entity because of the significance of the operating or financial relationships with the City. The reporting entity consists of those functions and activities administered directly by the City Council and would include the following component units: The Jasper Planning and Zoning Board and the Jasper Planning and Zoning Board of Appeals.

As of and for the year ended September 30, 2025, the Jasper Planning and Zoning Board and the Jasper Planning and Zoning Board of Appeals had no assets, liabilities or financial activity, therefore, no amounts are included in the City's financial statements.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government (the City). These statements include the financial activities of the overall government, except for fiduciary funds and component units that are fiduciary in nature, if applicable. Eliminations have been made to minimize the double counting of internal activities by the elimination of interfund activity.

These statements distinguish between the *governmental* and *business-type activities* of the City.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. The City's governmental activities include all services except the City's utilities, which are considered business-type activities. Business-type activities are financed largely by fees charged to external parties.

In the government-wide statement of net assets, both the government and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts: net investment in capital assets; restricted net position; and unrestricted net position.

The statement of activities presents a comparison, reporting the gross and net costs, between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. There are no indirect expense allocations and, therefore, none have been reversed for the statement of activities.

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds and focus on the determination of financial position and changes in financial position rather than upon net income. Separate statements for each fund category-*governmental and proprietary* are presented.

The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds, if any, are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The focus of the proprietary fund measurement is upon determination of operating income, changes in net position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Proprietary fund operating revenues consist only of those resulting directly from the provision of the service provided. Nonoperating revenues represent all other receipts.

The City reports the following major governmental fund:

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

The City reports the following major enterprise funds:

Water and Sewer Utility Fund - this fund accounts for the operation, maintenance, and development of the City's water and sewer services.

Natural Gas Utility Fund - this fund accounts for the operation, maintenance, and development of the City's natural gas services.

Sanitation Utility Fund - this fund accounts for the operation, maintenance, and development of the City's sanitation services.

Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus or accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end.

Property taxes, sales taxes, franchise taxes, licenses, intergovernmental revenues, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions via leases are reported as other financing sources.

C. Assets, Liabilities Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Deposits

The City pools its operating accounts. The City's General, Water/Sewer, Gas, and Sanitation Funds all are part of the pool. Interest earnings on the operating account are budgeted in and credited into the City's General Fund. All other deposit accounts are unique to the intended purpose (customer deposits, petty cash, debt reserve), and the interest earnings are attributed to the fund which holds the related deposits.

Cash and Cash Equivalents

For purposes of the Enterprise Funds' Statement of Cash Flows, the City has defined cash and cash equivalents to include cash on hand, demand deposits, and certain certificates of deposit with original maturities of three months or less.

Inventories

Actual inventories in the governmental funds and enterprise funds on hand at year-end would not be material to the financial statements. No amounts have been recorded.

Capital Assets

Capital assets purchased are reported at 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. Costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over their estimated useful lives. Estimated useful lives and the asset category's capitalization threshold are as follows:

	Useful Life	Capitalization Threshold
Buildings	20-75 years	$5,000
Infrastructure/improvements	10-50 years	10,000
Equipment	5-10 years	5,000
Vehicles	5-10 years	5,000
Property under capital lease	5-10 years	5,000

Pensions

In the government-wide statement of net position, liabilities are recognized for the City's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan, and additions to/deductions from the FRS's and the HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The City's retirement plans and related amounts are described in a subsequent note.

Other post-employment benefits (OPEB)

Florida Statutes 112.0801 requires that "any state agency, county, municipality, special district, community college, or district school board that provides life, health, accident, hospitalization, or annuity insurance, or all of any kinds of such insurance, for its officers and employees and their dependents upon a group insurance plan or self-insurance plan shall allow all former personnel who retired before October 1, 1987, as well as those who retire on or after such date, and their eligible dependents, the option of continuing to participate in the group insurance plan or self-insurance plan. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. For retired employees and their eligible dependents, the cost of continued participation may be paid by the employer or by the retired employees."

As a result of the above, the City incurs an implicit cost in the provision of its health care to employees. This cost is recognized as an OPEB liability/expense.

The City's OPEB amounts are reported in a subsequent note.

Long-term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due.

Changes in long-term liabilities for the current year are reported in a subsequent note.

Compensated Absences

Compensated absences are absences for which employees will be paid, such as paid time off. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the City and its employees are accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the City and its employees are accounted for in the period in which such services are rendered or such events take place.

The calculation for the accrued paid time off is based upon the hourly balances and the employee's rate of pay at year-end based on individual employee records plus related payroll taxes. The current portion of the compensated balances liability as indicated at Note 8 is based on the prior year's usage of leave.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two item(s) that qualifies for reporting in this category. The deferred outflows of resources related to pensions and OPEB are discussed in a subsequent note.

In addition to liabilities, the governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has three types of this item: unearned revenues and relating to Pensions/OPEB amounts. Unearned revenues consist of business license fees and grant proceeds. Unearned revenues are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflows of resources related to pensions and OPEB are discussed in subsequent notes.

Net Position Flow Assumption

The City periodically funds outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. To calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. Consequently, it is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

The City may fund outlays for a particular purpose from both restricted and unrestricted resources (unassigned fund balance). To compute the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. 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 costs as a reimbursement. All other interfund transactions are treated as transfers.

Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements. At the government-wide statement of activities, transfers between governmental and business type activities are netted.

Governmental Funds - Fund Balances

GASB has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54) to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the City's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the users of those resources.

The City does not have a policy regarding the commitment or assignment of fund balances. As a result, the City does not report any committed fund balance. In accordance with GASB 54, the City reports the amount of fund balance needed to eliminate expected expenditures over expected revenues in the subsequent year budget as assigned fund balance of the general fund, if applicable.

When restricted, assigned, and unassigned funds are available for use, the City's procedures are to use the restricted funds first, followed by the assigned funds, and then the unassigned funds.

Property Tax Calendar

Article VII of the Florida Constitution provides that Cities are authorized to impose ad valorem taxes on real and tangible personal property. The City's property taxes, levied by November 1, on assessed valuations as of January 1, are due and payable November 1. Taxes not paid by the following April 1, are considered delinquent and subject to collection through the issuance of tax warrants (personal property taxes) and the sale of tax certificates (real property taxes). All taxes imposed pursuant to the constitution and the laws of the State of Florida constitute a first lien as of January 1, superior to all other liens, continuing in force until discharged by payment or until barred by the provisions of Chapter 95, *Florida Statutes*. Elected officials of Hamilton County, Florida, perform the property assessment and tax collection functions.

Restricted Assets

The Water and Sewer Utility Fund's deposits placed by utility customers require that cash be restricted. All impact fee collections are restricted for future capital facility expansion. The advance received on the Coronavirus State and Local Fiscal Recovery Funds is restricted as to the use of the funds. The restricted amounts at year-end are as follows:

	Amount	
Customer deposits	$	190,100
Capital facilities		19,019
Total	$	209,119

In accordance with *Florida Statutes* 163.31801, the City has restricted the amounts collected under the Statute, as well as the related net position, for future infrastructure improvements.

The government-wide statement of net position reports restricted net position of $19,019, none of which is restricted by enabling legislation.

NOTE 2. Deposits

Pursuant to Section 218.415(17), *Florida Statutes,* the City is authorized to invest surplus public funds in:

(a) The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Inter-local Cooperation Act of 1969, as provided in s. 163.01.

(b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

(c) Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in s. 280.02.

(d) Direct obligations of the U.S. Treasury.

At September 30, 2025, the City's deposits held in Qualified Public Depositories totaled $6,343,187. Of this balance, $500,000 was covered by federal depository insurance. The remainder of $5,843,187 is insured through the Bureau of Collateral Management, Division of Treasury, Department of Financial Services under *Florida Statutes* Chapter 280.

GASBS No. 9 provides that generally only investments with an original maturity of less than three months or less are cash equivalents. Therefore, on the Proprietary Funds' Statement of Cash Flows, the certificates of deposit with maturities of twelve months are deemed investments. However, per GASBS No. 3, for disclosure purposes, the amounts are considered deposits (cash) and are included in the amounts above.

The City had no investments other than Certificates of Deposit (CDs) at September 30, 2025.

The City's CDs at September 30, 2025, were as follows:

Qualified Public Depository		Balance/Fair Value	Rate	Term
First Federal Bank of Florida	$	277,543	2.32%	12 months
First Federal Bank of Florida		2,178,888	1.44%	12 months
First Federal Bank of Florida		19,019	2.44%	12 months
First Federal Bank of Florida		3,442	1.01%	6 months
Total certificates of deposit	$	2,478,892		

NOTE 3. Receivables

At September 30, 2025, the City was owed $302,470, largely for billed services provided. The amounts and established allowances for uncollectible accounts are indicated below:

	Water and Sewer	Gas	Sanitation	Totals
Billed amounts	$ 184,507	$ 33,272	$ 84,691	$ 302,470
Allowance for doubtful accounts	(122,042)	(9,316)	(23,648)	(155,006)
Totals	$ 62,465	$ 23,956	$ 61,043	$ 147,464

NOTE 4. Due from Other Governments

Due from other governmental units consists of the following amounts at September 30, 2025:

Description	Amount
State of Florida - Intergovernmental revenues	$ 183,714
Hamilton County	722
Total	$ 184,436

NOTE 5. Capital Assets

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

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Land	$ 280,142	$ -	$ -	$ 280,142
Construction in progress	-	-	-	-
Total capital assets not being depreciated	280,142	-	-	280,142
Capital assets being depreciated				
Buildings	2,829,865	-	-	2,829,865
Infrastructure/improvements	2,138,466	-	-	2,138,466
Equipment and furniture	334,398	153,421	-	487,819
Vehicles	1,046,776	-	-	1,046,776
Property under capital leases	-	-	-	-
Total capital assets being depreciated	6,349,505	153,421	-	6,502,926
Less accumulated depreciation for				
Buildings	$ (299,678)	$ (71,772)	$ -	$ (371,450)
Infrastructure/improvements	(798,637)	(59,178)	-	(857,815)
Equipment and furniture	(222,324)	(29,179)	-	(251,503)
Vehicles	(764,053)	(46,044)	-	(810,097)
Total accumulated depreciation	(2,084,692)	(206,173)	-	(2,290,865)
Total capital assets being depreciated, net	4,264,813	(52,752)	-	4,212,061
Governmental activities capital assets, net	$ 4,544,955	$ (52,752)	$ -	$ 4,492,203

(Note 5 continued)	Beginning			Ending
Business-type activities	Balance	Additions	Deletions	Balance
Water and Sewer				
Capital assets not being depreciated				
Land	$ 667,039	$ -	$ -	$ 667,039
Construction in progress	61,300	93,250	-	154,550
Total capital assets not being depreciated	728,339	93,250	-	821,589
Capital assets being depreciated				
Buildings	9,054	-	-	9,054
Infrastructure/improvements	12,534,939	339,231	-	12,874,170
Equipment and furniture	1,067,869	58,693	-	1,126,562
Vehicles	576,732	-	-	576,732
Right-to-Use leased equipment	5,531	-	-	5,531
Total capital assets being depreciated	14,194,125	397,924	-	14,592,049
Less accumulated depreciation for				
Buildings	$ (6,094)	$ (593)	$ -	$ (6,687)
Infrastructure/improvements	(7,222,975)	(459,180)	-	(7,682,155)
Equipment and furniture	(452,215)	(77,584)	-	(529,799)
Vehicles	(355,006)	(25,350)	-	(380,356)
Right-to-Use leased equipment	(4,725)	(806)	-	(5,531)
Total accumulated depreciation	(8,041,015)	(563,513)	-	(8,604,528)
Total capital assets being depreciated, net	6,153,110	(165,589)	-	5,987,521
Water and Sewer capital assets, net	$ 6,881,449	$ (72,339)	$ -	$ 6,809,110
Gas Utility				
Capital assets being depreciated				
Infrastructure/improvements	$ 990,568	$ -	$ -	$ 990,568
Equipment and furniture	83,364	-	-	83,364
Vehicles	58,357	-	-	58,357
Total capital assets being depreciated	1,132,289	-	-	1,132,289
Less accumulated depreciation for				
Infrastructure/improvements	(500,160)	(28,035)	-	(528,195)
Equipment and furniture	(38,343)	(2,976)	-	(41,319)
Vehicles	(45,217)	(3,672)	-	(48,889)
Total accumulated depreciation	(583,720)	(34,683)	-	(618,403)
Gas utility capital assets, net	$ 548,569	$ (34,683)	$ -	$ 513,886
Sanitation				
Capital assets being depreciated				
Equipment and furniture	$ 17,534	$ -	$ -	$ 17,534
Vehicles	-	-	-	-
Total capital assets being depreciated	17,534	-	-	17,534
Less accumulated depreciation for				
Equipment and furniture	(15,266)	(2,031)	-	(17,297)
Vehicles	-	-	-	-
Total accumulated depreciation	(15,266)	(2,031)	-	(17,297)
Sanitation capital assets, net	$ 2,268	$ (2,031)	$ -	$ 237

Depreciation expense was charged to the various functions as follows:

Governmental activities		
General government	$	96,724
Public safety		60,265
Transportation		32,747
Culture/recreation		16,437
Total governmental activities depreciation expense	$	206,173
Business type activities		
Water/sewer	$	563,513
Gas		34,683
Sanitation		2,031
Total business-type activities depreciation expense	$	600,227

NOTE 6. Interfund Balances and Activity

Interfund transfers at September 30, 2025, were as follows:

Interfund activity

Major funds	Transfer out	Transfer in
General	$ -	$ 10,991
Water and Sewer	10,991	-
Total major funds	$ 10,991	$ 10,991

The above transfer reimburses the General Fund for Utility Fund expenses.

NOTE 7. Leases

The City leases a copier from Xerox. The lease expired in September 2025. In accordance with GASB Statement No. 87, the City recorded the right-to-use assets and lease liabilities based on the present value of expected payments over the lease term of the respective leases.

The expected payments are discounted using the City's incremental borrowing rate of 2.75 percent, which is the weighted average discount rate for the lease.

See Note 5. Capital Assets, for information on right-to-use assets and associated accumulated amortization/depreciation.

NOTE 8. Long-term Obligations

Changes in long-term obligations for the year ended September 30, 2025, are as follows:

Governmental Activities	10/1/2024	Adds	Deletes	9/30/2025	Amounts Due Within One Year
Compensated absences	$ 56,134	$ 57,163	$ 73,954	$ 39,343	$ 8,784

Business-type Activities	10/1/2024	Adds	Deletes	9/30/2025	Amounts Due Within One Year
Compensated absences	$ 43,204	$ 35,769	$ 31,047	$ 47,926	$ 47,926
Right-to-use lease payable	725	-	725	-	-
Totals	$ 43,929	$ 35,769	$ 31,772	$ 47,926	$ 47,926

NOTE 9. Fund Balance Reporting

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54) provides a more structured classification of fund balance and improves the usefulness of fund balance reporting. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on their uses. It provides for two major types of fund balances for governmental funds, which are nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and the principal of permanent or endowment funds.

A hierarchy of spendable fund balances is as follows:
Restricted – Fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.

Committed – Fund balances that contain self-imposed constraints of the government from the City Council, its highest level of decision-making authority via action during a public meeting.

Assigned – Fund balances that contain self-imposed constraints of the City Council to be used for a particular purpose. This category includes any remaining positive amounts, for governmental funds other than the General Fund, not classified as nonspendable, restricted, or committed. No policy has been established to authorize any individual or political body the right to assign resources.

Unassigned – Fund balance of the general fund that is not constrained for any particular purpose.

The City has classified its fund balances with the following hierarchy:

Spendable
The City has classified the spendable fund balance as unassigned. At September 30, 2025, the unassigned general fund balance was $764,124 or 28.75 percent of the General Fund's total expenditures.

NOTE 10. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance via World Risk Management. Under this insurance pool, the City pays annual premiums to the pool for its insurance coverage. The agreement for formation of the pool provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specific amounts. In addition, the City carries commercial insurance for dishonesty bonding.

Claims resulting from the above risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The pooling agreements of World Risk Management allows for the pool to make additional assessments to make the pools self-sustaining. It is not possible to estimate the amount of such additional assessments, which might have to be paid by the City.

NOTE 11. Florida Retirement System (FRS) - Defined Benefit Pension Plan

General Information

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the City are eligible to enroll as members of the State-administered FRS (membership is compulsory for employees filling a regularly established position).

Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature.

The FRS is a cost-sharing multiple-employer public-employee retirement system with two primary plans and approximately 1,000 participating employers. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

The City's pension expense, FRS ($206,173); HIS ($41,512); totaled ($247,685) for the fiscal year ended September 30, 2025. The expense amounts were recognized as follows: ($143,397) governmental and ($104,288) business type.

FRS Pension Plan:

Plan Description: The FRS Pension Plan (Plan) is qualified retirement plan under section 401(a) Internal Revenue Code, created to provide a defined benefit pension plan for participating public employees, a Deferred Retirement Option Program (DROP) was added in 1998 for eligible employees. The general classes of membership are as follows:

Regular Class – Members of the FRS who do not qualify for membership in the other classes.
Elected County Officers Class – Members who hold specified elective offices in local government.
Senior Management Service Class (SMSC) – Members in senior management level positions.
Special Risk Class – Members who are employed as law enforcement officers and select other public safety positions meet the criteria to qualify for this class
Special Risk Administrative Support Class – Former Special Risk Class members who are transferred or reassigned to nonspecial risk law enforcement, firefighting, emergency medical care, or correctional administrative support positions within an FRS special risk-employing agency.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service except for members classified as special risk that are eligible for normal retirement benefits at age 55 or at any age after 25 years of service.

All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service except for members classified as special risk that are eligible for normal retirement benefits at age 60 or at any age after 30 years of service.

Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided: Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Elected County Officers	3.33
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970, through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, *Florida Statutes*, if the member was initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions: The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2024-25 fiscal year were as follows:

Class	Percent of Gross Salary Employee	Employer (1)	Total Contribution Rate
FRS, Regular	3.00%	13.63%	16.63%
FRS, Elected County Officers	3.00%	58.68%	61.68%
FRS, Senior Management Service	3.00%	34.52%	37.52%
FRS, Special Risk Regular	3.00%	32.79%	35.79%
FRS, Special Risk Administrative	3.00%	39.82%	42.82%
DROP - Applicable to member from all of the above classes	N/A	21.13%	21.13%

Notes

1. Rates include the normal cost and unfunded actuarial liability contributions but do not include the 1.66 percent contribution for the Retiree Health Insurance Subsidy and the fee of 0.06 percent for administration of the FRS Investment Plan and retirement and financial planning for members of both plans.

The City's contributions to the Plan totaled $151,286 (including employee contributions - $171,453) for the fiscal year ended September 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2025, the City reported a liability of $1,157,255 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025.

The City's proportionate share of the net pension liability was based on the City's 2024-25 fiscal year contributions relative to the 2024-25 fiscal year contributions of all participating members. At June 30, 2025, the City's proportionate share was .003728854 percent, which was a decrease of .0000009731 percent from its proportionate share of .003719123 percent measured as of June 30, 2024.

For the fiscal year ended September 30, 2025, the City recognized pension expense of ($206,173).

In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	$ 123,608	$ -
Changes in assumptions	134,387	-
Net difference between projected and actual earnings on FRS pension plan investments	-	(193,215)
Changes in proportion and differences between City's FRS contributions and proportionate share of contributions	32,425	- (71,369)
Total	$ 290,420	$ (264,584)

The deferred outflows of resources related to pensions, totaling $47,191, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending September 30	Amount
2026	$ 664
2027	664
2028	664
2029	664
2030	464
Thereafter	-

Actuarial Assumptions: The total pension liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.50 percent, average, including inflation
Investment rate of return	6.70 percent

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021. This is a change from the previous valuation in which the mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions that determined the total pension liability as of June 30, 2025, were based on the results of an actuarial experience study July 1, 2018 – June 30, 2023.

The long-term expected rate of return on pension plan investments was not based on historical returns but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.20%	3.20%	1.10%
Fixed income	29.00%	5.50%	5.40%	4.00%
Global equity	45.00%	8.50%	6.90%	18.30%
Real estate	12.00%	8.40%	7.10%	16.80%
Private equity	11.00%	12.40%	8.80%	28.40%
Strategic investments	2.00%	6.50%	6.10%	8.70%
Assumed inflation - mean			2.40%	1.50%

1. As outlined in the FRS Pension Plan's investment policy available from Funds We Manage on the SBA's website at www.sbafla.com.

Discount Rate: The discount rate used to measure the total pension liability was 6.70 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2025 valuation was unchanged from the previous valuation.

Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate: The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.70 percent, 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 (5.70 percent) or 1 percentage-point higher (7.70 percent) than the current rate:

	1% Decrease 5.70%	Current Discount 6.70%	1% Increase 7.70%
City's proportionate share of the net pension liability	$ 2,271,095	$ 1,157,255	$ 219,878

Pension Plan Fiduciary Net Position: Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan: At September 30, 2025, the City reported a payable of $24,173 (FRS $10,701, HIS $1,928, INV $11,544) for the outstanding amount of contributions (City and employees) to the Plan required for the fiscal year ended September 30, 2025.

HIS Pension Plan

Plan Description: The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS program. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided: For the fiscal year ended June 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $45 and a maximum HIS payment of $225 per month, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions: The HIS Plan is funded by required contributions from FRS participating employers as set by Florida Legislature. Employer contributions are a percentage of gross compensation for specified employees. For the fiscal year ended June 30, 2024, the contribution rate was 2 percent of payroll pursuant to section 112.363, *Florida Statues*. The City contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The City’s contributions to the HIS Plan totaled $28,500 for the fiscal year ended September 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2025, the City reported a net pension liability of $408,007 for its proportionate share of the HIS Plan’s net pension liability. The current portion of the net pension liability is the City’s proportionate share of benefit payments expected to be paid within 1 year, net of the City’s proportionate share of the HIS Plan’s fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024.

The District’s proportionate share of the net pension liability was based on the District’s 2024-25 fiscal year contributions relative to the June 30, 2025, fiscal year contributions of all participating members.

At June 30, 2025, the City’s proportionate share was .003183214 percent, which was an increase of .000266014 percent from its proportionate share .002917200 percent measured as of June 30, 2024.

For the fiscal year ended September 30, 2025, the City recognized pension expense of ($41,512).

The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	$ 2,435	$ (647)
Changes in assumptions	3,611	(98,686)
Net difference between projected and actual earnings on FRS pension plan investments	-	(340)
Changes in proportion and differences between City's FRS contributions and proportionate share of contributions	61,962	- (39,827)
Total	$ 68,008	$ (139,500)

The deferred outflows of resources, totaling $6,261, was related to pensions resulting from City contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending September 30		Amount
2026	$	7,522
2027		7,522
2028		7,522
2029		7,522
2030		6,018
Thereafter		-

Actuarial Assumptions The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected to the measurement date.

Inflation	2.40 percent
Salary increases	3.50 percent
Municipal bond rate/discount rate	5.20 percent

Salary increases did not change from the previous valuation of 3.50 percent.

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021. This is a change from the previous valuation in which the mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate The discount rate used to measure the total pension liability was 5.20 percent In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 3.93 percent to 5.20 percent.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 5.20 percent, 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 (4.20 percent) or 1 percentage-point higher (6.20 percent) than the current rate:

	1% Decrease 4.20%	Current Discount 5.20%	1% Increase 6.20%
City's proportionate share of the net pension liability	$ 461,048	$ 408,007	$ 363,126

Pension Plan Fiduciary Net Position Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan at September 30, 2025, the City reported a payable of $1,928 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended September 30, 2025.

FRS – Defined Contribution Pension Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan.

Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature.

The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of Investment Plan members.

Allocations to the investment member's accounts during the 2024-25 fiscal year were as follows:

	Contributions		
Class	Employee	Employer	Total
FRS, Regular	3.00%	8.30%	11.30%
FRS, Elected County/Local Officers	3.00%	13.34%	16.34%
FRS, Special Risk	3.00%	16.00%	19.00%
FRS, Senior Management Service	3.00%	9.67%	12.67%

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS

Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds.

Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The City's Investment Plan pension expense totaled $145,224, for the fiscal year ended September 30, 2025.

Payables to the Investment Plan: At September 30, 2025, the City reported a $11,544 payable for contributions required for the fiscal year ended September 30, 2025.

Note 12. Postemployment Benefits Other Than Pensions (OPEB)

General Information

Plan description
The City of Jasper, Florida, sponsors and administers the single-employer OPEB unfunded plan. The plan covers sixteen active employees with no inactive employees and beneficiaries currently receiving benefits and no inactive employees entitled to and not yet receiving benefits. The City's retirees' contribution requirement is an amount determined periodically by the City equal to one hundred percent of the applicable health insurance premium charged by the insurance carrier. There are no minimum required employer contributions. No assets are accumulated in a trust that meets the criteria in GASB No. 75, paragraph 4, to pay for related benefits.

Benefits provided
Benefits are provided to regular, full-time employees of the City. Benefits provided are post-retirement medical benefits. The plan provides for post-retirement medical coverage to eligible employees under the same fully-insured plan that covers active employees. No explicit subsidy is provided to retirees. *Florida Statutes* 112.0801 requires the City to offer retirees health insurance on the same basis as employees provided that the retiree pays the full premium for the relevant coverage. There were no changes in benefit terms from the prior measurement date.

Total OPEB Liability

The City's total OPEB liability of $139,206, was measured as of September 30, 2025, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs: The total OPEB liability in the September 30, 2025, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Information Used to Determine the Net OPEB Liability

Employer's reporting date	September 30, 2025
Measurement date	September 30, 2025
Actuarial valuation date	October 1, 2004

Actuarial assumptions

Discount rate: 4.50% per annum; this rate was used to discount all future benefit payments and is based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.
Salary increases: 3.00% per annum
Cost of living increases: Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates.
Healthcare cost trend rates: Increases in healthcare costs are assumed to be 8.00% for the 2024/25 fiscal year graded down by 0.50% per year to 5.00% for the 20230/31 and later fiscal years.
Age related morbidity: Insurance premiums are assumed to increase with each year of age in accordance with the rates set forth in the Society of Actuaries report "Health Care Costs— From Birth to Death" prepared by Dale H. Yamamoto (June, 2013). Rates set forth in Chart 2 (Group Costs by Age for 2009/10) were used to develop the morbidity rates prior to age 65 and the rates set forth in Table 4 (Development of Plan Specific Medicare Age Curve) were used to develop the morbidity rates after age 65.
Implied health subsidy: Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy has been assumed for the 2024/25 fiscal year based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates; the implied subsidy is assumed to disappear at age 65.
Mortality basis: Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2020
Retirement: For general employees, retirement is assumed to occur at age 62; for firefighters and police officers, retirement is assumed to occur at age 55.
Other decrements: Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 1 for general employees and Class 4 for firefighters and police officers).
Coverage election: 50% of eligible employees are assumed to elect medical coverage upon retirement or disability, with one-third of electing retirees also covering their spouse.

Spouses and dependents: Husbands are assumed to be three years older than wives; retirees are not assumed to have any dependent children.
COBRA: Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.
Changes: Since the prior measurement date, the discount rate was increased from 4.06% per annum to 4.50% per annum and the healthcare cost trend rates were increased from 6.50% for the 2024/25 fiscal year graded down to 5% for each of the 2027/28 and later fiscal years to 8.00% for the 2024/25 fiscal year graded down to 5.00% for each of the 2030/31 and later fiscal years.

Net OPEB liability at September 30, 2025:

Total OPEB liability *	$	139,206
Less fiduciary net position		-
Net OPEB liability **	$	139,206
* rolled forward from October 1, 2024		
** recognized as follows:		
Governmental activities	$	74,934
Water/sewer Fund		64,272
Net OPEB liability	$	139,206

OPEB expense for Year Ending September 30, 2025:

Service cost	$	29,306
Other recognized changes in net pension		
Expected interest growth		6,208
Investment gain/loss		-
Demographic gain/loss		(16,444)
Employee contributions		-
Benefit payments & refunds		(9,815)
Administrative expenses		-
Changes in benefit terms		-
Assumption changes		3,132
OPEB expense *	$	12,387
* expense recognized as follows:		
Statement of Activities - governmental	$	(4,865)
Water/sewer Fund		17,252
Total OPEB expense recognized	$	12,387

Deferred Inflows of Resources and Deferred Inflows of Resources Related to OPEB

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Balance as of September 30, 2024 *	$	127,899	$	105,461
Change due to:				
Amortization payments		(16,888)		(30,200)
Investment gain/loss		-		-
Demographic gain/loss		-		129,292
Assumption changes		927		-
Total change		(15,961)		99,092
Balance as of September 30, 2025 *	$	111,938	$	204,553
* recognized as follows:				
Governmental activities	$	64,806	$	118,425
Water/sewer Fund		47,132		86,128
Deferred outflows/inflows of resources	$	111,938	$	204,553

Balance Equation

Net OPEB liability as of September 30, 2024	$	241,872
Plus OPEB expense for the year ending September 30, 2025		12,387
Minus employer contribution for the year ending September 30, 2025		-
Plus change in balance of deferred outflows of resources		(15,961)
Minus change in balance of deferred inflows of resources		(99,092)
Net OPEB liability as of September 30, 2025	$	139,206

Amortization schedule for deferred outflows and and inflows of resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of September 30, 2025	$ 111,938	$ 204,553
Amount recognized in the 2025/26 OPEB expense:		
Investment gain/loss	-	-
Demographic gain/loss	6,799	23,243
Assumption changes	10,089	6,957
Total	16,888	30,200
Balance as of September 30, 2026	95,050	174,353
Amount recognized in the 2026/27 OPEB expense:		
Investment gain/loss	-	-
Demographic gain/loss	6,799	23,218
Assumption changes	10,089	6,563
Total	16,888	29,781
Balance as of September 30, 2027	78,162	144,572
Amount recognized in the 2027/28 OPEB expense:		
Investment gain/loss	-	-
Demographic gain/loss	6,799	21,622
Assumption changes	6,847	2,597
Total	13,646	24,219
Balance as of September 30, 2028	64,516	120,353
Amount recognized in the 2028/29 OPEB expense:		
Investment gain/loss	-	-
Demographic gain/loss	6,799	19,784
Assumption changes	2,371	2,597
Total	9,170	22,381
Balance as of September 30, 2029	55,346	97,972
Amount recognized in the 2029/30 OPEB expense:		
Investment gain/loss	-	-
Demographic gain/loss	6,135	19,784
Assumption changes	2,216	2,597
Total	8,351	22,381
Balance as of September 30, 2030	$ 46,995	$ 75,591

Changes in the net OPEB liability	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance as of September 30, 2024	$ 241,872	$ -	$ 241,872
Change due to:			
Service cost	29,306	-	29,306
Expected interest growth	6,208	-	6,208
Unexpected investment income	-	-	-
Demographic experience	(129,292)	-	(129,292)
Employer contributions	-	-	-
Employee contributions	-	-	-
Benefit payments & refunds	(9,815)	-	(9,815)
Administrative expenses	-	-	-
Changes in benefit terms	-	-	-
Assumption changes	927	-	927
Balance as of September 30, 2024	$ 139,206	$ -	$ 139,206

Comparison of net OPEB liability using alternative discount rates

	Discount Rate minus 1.00%	4.06% Discount Rate	Discount Rate plus 1.00%
Total OPEB liability	$ 159,383	$ 139,206	$ 121,826
Less fiduciary net position	-	-	-
Net OPEB liability	$ 159,383	$ 139,206	$ 121,826

Comparison of net OPEB liability using Alternative Healthcare Cost Trend Rates

	Trend rates minus 1.00%	7.00% graded down to 5.00%	Trend rates plus 1.00%
Total OPEB liability	$ 114,242	$ 139,206	$ 171,039
Less fiduciary net position	-	-	-
Net OPEB liability	$ 114,242	$ 139,206	$ 171,039

Note 13. Economic Dependency

The City receives a significant portion of its utility revenues from the Florida Department of Corrections – approximately forty-nine percent. If this customer ceased operations, the financial condition of City could be adversely affected.

Note 14. Commitments

Refuse Collection

On December 1, 2015, the City “amended in its entirety and replaced” its contract with Waste Pro of Florida, Inc., for the collection of residential, commercial, and front-end load collection of household refuse and yard waste.

The solid waste agreement is for the period December 1, 2015, to December 1, 2020. The agreement automatically is extended for successive five (5) year terms unless either party give the other party three hundred and sixty (360) days’ notice in writing prior to the then current expiration date of its intention not to renew the Contract.

Per the agreement, residential rates are fixed for the period and commercial rates increase five (5) percent annually

Yard Waste

On June 19, 2023, the City contracted with Pops Sanitation for the removal of yard waste. The agreement calls for the pickup and removal of all yard waste and delivery of the waste to the City's permitted green site.

The contract is for a two-year period beginning on June 19, 2023, and ending on June 19, 2025.

The annual fee is $35,000 to be paid in monthly installments. The contract can be cancelled at any time with a thirty-day written notice.

Regulatory Compliance Agreement

The City has an agreement with City Services, Inc., for "proper and necessary regulatory compliance services."

The agreement is for a three-year period ending in May 2024. It automatically renews for successive three-year terms unless prior written notice is provided.

The fee for the services is as follows: 1.) Monthly maintenance charge of $650 2.) $60 per hour for on-site programs and procedures 3.) Mileage of .85 per actual mile traveled 4.) Per diem expense of $165 per night of overnight stay.

Construction related commitment:

Vendor	Project	Contract amount	Paid	Balance
CPH	D0273	$ 200,000	$ 56,000	$ 144,000
CPH	WW240320	153,000	58,475	94,525
CPH	23DB-N20	111,800	37,300	74,500

NOTE 15. Current/Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) effective dates of upcoming pronouncements are as follows:

Statement No. 103, *Financial Reporting Model Improvements* (April 2024, effective for fiscal years beginning after June 15, 2025, and reporting periods thereafter. Earlier application is encouraged.) Paragraph 10: FY 2025-26

Statement No. 104, *Disclosure of Certain Capital Assets* (September 2024, effective for fiscal years beginning after June 15, 2025, and reporting periods thereafter. Earlier application is encouraged.) Paragraphs 4, 8, and 10: FY 2025-26

The City is evaluating the effects that these statements will have on its financial statements for the year ending September 30, 2026, and beyond.

Note 16. Subsequent Events

The City's Management has evaluated subsequent events through the date of the audit report – August 7, 2026, the date which the financial statements were available for issuance.

REQUIRED

SUPPLEMENTARY

INFORMATION

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CITY OF JASPER, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund balance - beginning	$ -	$ -	$ 1,180,751	$ 1,180,751
Estimated receipts				
Taxes	1,153,500	1,153,500	1,515,528	362,028
Licenses and permits	100,000	100,000	142,525	42,525
Intergovernmental revenue	816,177	816,177	389,676	(426,501)
Charges for services	25,000	25,000	52,781	27,781
Fines and forfeits	9,622	9,622	19,520	9,898
Miscellaneous	40,000	40,000	109,809	69,809
Other sources	-	-	10,991	10,991
Total estimated receipts and balances	2,144,299	2,144,299	3,421,581	1,277,282
Appropriations				
General government	691,412	691,412	1,027,181	(335,769)
Public safety	846,474	846,474	1,088,188	(241,714)
Physical environment	9,900	9,900	8,622	1,278
Transportation	554,363	554,363	522,647	31,716
Economic environment	1,000	1,000	150	850
Culture/recreation	41,150	41,150	10,669	30,481
Total appropriations	2,144,299	2,144,299	2,657,457	(513,158)
Fund balance - ending	$ -	$ -	$ 764,124	$ 764,124

See notes to budgetary comparison schedule.

CITY OF JASPER, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULE

For the Year Ending September 30, 2025

NOTE 1. BUDGET

An annual budget, as required by state statutes and Article V of the Charter of the City of Jasper, Florida, is adopted on a basis consistent with GAAP for all governmental funds. All annual appropriations lapse at fiscal year-end. The budget process is as follows:

On or before September 1, all department heads submit requests for appropriations to the City Manager who compiles the requests and submits a comprehensive budget request to the City Council. The City Council conducts public hearings on the proposed budget after September 1, but prior to September 30. On or before September 30, the budget is adopted by the City Council.

The appropriated budget is prepared by fund, function and department. Transfers of appropriations between departments require the approval of the City Manager. The legal level of budgetary control is the fund level. Any budget amendments affecting expenditures at the fund level must be approved by the City Council.

The City made no supplementary budget amendment for the fiscal year ending September 30, 2025.

NOTE 2. BUDGET OVEREXPENDITURE

Contrary to Florida Statutes 166.241(2), the City over expended its General Fund's budget in the amount of $513,158.

NOTE 3. EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

	General Fund
Sources/inflows of resources	
Financial statement major funds	
Actual amount (budgetary basis) of the estimated receipts and balances from the budgetary comparison schedules	$ 3,421,581
Adjustments	
Budgetary fund balance is an amount available for appropriation but is not considered a revenue for GAAP reporting	(1,180,751)
Transfers are amounts available for appropriation but are not considered a revenue for GAAP reporting	(10,991)
Total revenues reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 2,229,839
Uses/outflows of resources	
Actual amounts (budgetary basis) "Total appropriations" from the budgetary comparison schedules	$ 2,657,457
Adjustments	-
Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balance	$ 2,657,457

CITY OF JASPER, FLORIDA

SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

LAST 10 FISCAL YEARS

Florida Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City of Jasper, Florida's proportion of the net pension liability (asset)	0.003729%	0.003719%	0.003701%	0.003487%	0.004105%	0.004759%	0.005342%	0.006523%	0.005772%	0.005276%
City of Jasper, Florida's proportionate share of the net pension liability (asset)	$ 1,157,255	$ 1,438,732	$ 1,474,761	$ 1,297,426	$ 310,108	$ 2,062,575	$ 1,839,566	$ 1,964,847	$ 1,707,765	$ 1,457,315
City of Jasper, Florida's covered-employee payroll	1,425,012	1,288,007	1,159,491	1,015,191	1,069,316	1,176,810	1,272,154	1,468,047	1,377,037	1,277,609
City of Jasper, Florida's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	81.21%	111.70%	127.19%	127.80%	29.00%	175.27%	144.60%	133.84%	124.02%	114.07%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

Health Insurance Subsidy Program

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City of Jasper, Florida's proportion of the net pension liability (asset)	0.003183%	0.002917%	0.002699%	0.002773%	0.003046%	0.003522%	0.004000%	0.005086%	0.004108%	0.004040%
City of Jasper, Florida's proportionate share of the net pension liability (asset)	$ 408,007	$ 437,609	$ 427,127	$ 293,735	$ 373,654	$ 429,971	$ 447,570	$ 538,324	$ 439,218	$ 470,815
City of Jasper, Florida's covered-employee payroll	1,425,012	1,288,007	1,159,491	1,015,191	1,069,316	1,176,810	1,272,154	1,468,047	1,377,037	1,277,609
City of Jasper, Florida's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	28.63%	33.98%	36.84%	28.93%	34.94%	36.54%	35.18%	36.67%	31.90%	36.85%
Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

Note to Schedules

Note 1. Measurement Date

The information in these schedules was determined as of June 30th for a September 30th reporting date.

CITY OF JASPER, FLORIDA
SCHEDULES OF EMPLOYER CONTRIBUTIONS
LAST 10 FISCAL YEARS

Florida Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 171,453	$ 179,796	$ 195,130	$ 137,735	$ 142,670	$ 147,735	$ 158,089	$ 194,253	$ 177,516	$ 149,742
Contributions in relation to the contractually required contribution	171,453	179,796	195,130	137,735	142,670	147,735	158,089	194,253	177,516	149,742
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City of Jasper, Florida's covered-employee payroll	$ 1,425,012	$ 1,288,007	$ 1,159,491	$ 1,015,191	$ 1,069,316	$ 1,176,810	$ 1,272,154	$ 1,468,047	$ 1,377,037	$ 1,277,609
Contributions as a percentage of covered-employee payroll	12.03%	13.96%	16.83%	13.57%	13.34%	12.55%	12.43%	13.23%	12.89%	11.72%

Health Insurance Subsidy Program

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 28,500	$ 25,760	$ 20,217	$ 16,852	$ 17,751	$ 19,535	$ 21,118	$ 24,370	$ 22,859	$ 21,208
Contributions in relation to the contractually required contribution	28,500	25,760	20,217	16,852	17,751	19,535	21,118	24,370	22,859	21,208
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
City of Jasper, Florida's covered-employee payroll	$ 1,425,012	$ 1,288,007	$ 1,159,491	$ 1,015,191	$ 1,069,316	$ 1,176,810	$ 1,272,154	$ 1,468,047	$ 1,377,037	$ 1,277,609
Contributions as a percentage of covered-employee payroll	2.00%	2.00%	1.74%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

Note to Schedules

Note 1. Measurement Date

The information in these schedules was determined as of June 30th for a September 30th reporting date.

CITY OF JASPER, FLORIDA
SCHEDULES OF OPEB LIABILITY AND COVERED PAYROLL
LAST TEN FISCAL YEARS *

Measurement Date	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability	Funded Percentage	Covered Payroll	Net OPEB Liability as a % of Covered Payroll
9/30/2025	$ 139,206	$ -	$ 139,206	0.00%	$830,643	16.76%
9/30/2024	241,872	-	241,872	0.00%	752,105	32.16%
9/30/2023	91,641	-	91,641	0.00%	623,488	14.70%
9/30/2022	129,071	-	129,071	0.00%	562,664	22.94%
9/30/2021	174,296	-	174,296	0.00%	625,375	27.87%
9/30/2020	137,157	-	137,157	0.00%	589,592	23.26%
9/30/2019	94,124	-	94,124	0.00%	766,651	12.28%
9/30/2018	128,302	-	128,302	0.00%	856,156	14.99%
9/30/2017	124,053		124,053	0.00%	856,156	14.49%

* Information is presented for those years available

CITY OF JASPER, FLORIDA
SCHEDULES CHANGES IN THE OPEB LIABILITY BY SOURCE
LAST TEN FISCAL YEARS *

Fiscal Year Ending	Service Cost	Expected Interest Growth	Unexpected Investment Income	Demographic Experience	Employer Contribution	Employee Contribution	Benefit Payments & Refunds	Administrative Expenses	Changes in Benefit Terms	Assumption Changes
9/30/2025	$ 29,306	$ 6,208	$ -	$ (129,292)	$ -	$ -	$ (9,815)	$ -	$ -	$ 927
9/30/2024	53,440	5,889	-	65,590	-	-	(55)	-	-	25,367
9/30/2023	12,093	6,768	-	(48,366)	-	-	(6,733)	-	-	(1,192)
9/30/2022	15,542	8,881	-	(38,875)	-	-	(7,378)	-	-	(23,395)
9/30/2021	17,285	3,627	-	21,526	-	-	(10,424)	-	-	5,125
9/30/2020	10,454	2,147	-	(27,222)	-	-	(8,556)	-	-	66,220
9/30/2019	8,935	4,797	-	(2,549)	-	-	(6,515)	-	-	(38,846)
9/30/2018	9,113	4,675	-	-	-	-	(9,536)	-	-	-

* Information is presented for those years available

Note 1. Amortization Period
The amortization period for demographic experience and assumption changes was 8.91 years for the 2018-19 fiscal year, 8.58 years for the 2019-20 fiscal year, 9.70 years for the 2020-21 fiscal year, 9.52 years for the 2021-22 fiscal year, 8.53 years for the 2022-23 fiscal year, 14.32 years for the 2023-24 fiscal year, and 12.89 years for the 2024/25 fiscal year.

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COMPLIANCE

SECTION

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KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

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107 2nd Ave S.E. **Fax 386-792-1925**
Jasper, FL 32052 **kmdcpa@windstream.net**

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

To the Honorable Mayor and City Council Members
City of Jasper, Florida

I 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 Standard* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of City of Jasper, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Jasper, Florida's basic financial statements, and have issued my report thereon dated August 7, 2026

Report on Internal Control Over Financial Reporting

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

My 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as Findings 2023-003 and 2024-002 that I consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Jasper, Florida's financial statements are free from material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Jasper, Florida's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Jasper, Florida's response to the findings identified in my audit and described previously. The City of Jasper, Florida's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

Kenneth M. Daniels
Certified Public Accountant
August 7, 2026

CITY OF JASPER, FLORIDA
SCHEDULE OF FINDINGS

September 30, 2025

2023-003 Meter Accuracy - Natural Gas/Water (third year – previously reported in the Management Letter)

Criteria: Monthly, the cubic feet a natural gas purchased should be compared to the amount sold and the gallons of water pumped per reports filed with the Florida Department of Environmental Protection compared to the gallons of water billed.

Condition: Comparing the cubic feet of natural gas purchased to that billed and gallons of water pumped verses gallons billed revealed significant variances as follows:

Natural Gas				
Year ending	Cubic feet (millions)			Percent
September 30,	Purchased	Billed	Variance	Variance
2025	53,404	21,639	31,765	59.48%
2024	52,946	40,248	12,698	23.98%
2023	44,336	33,907	10,429	23.52%

With few exceptions, the variances were minimal in prior years. Over an eleven-year period, gas purchases on average were greater than those billed by approximately 7 percent.

Over an eleven-year period, water pumped was greater than water billed on average by 22.67 percent.

Water				
Year ending	Gallons (millions)			Percent
September 30,	Purchased	Billed	Variance	Variance
2025	259,724	163,001	96,723	37.24%
2024	237,251	170,926	66,325	27.96%
2023	203,654	170,202	33,452	16.43%

Cause: In a prior year, the City installed a master meter at the natural gas distribution center to compare the master meter reading to the monthly purchased and billed amounts. The comparison ceased without resolution of the variance. In addition, the City did not compare water pumped to water billed over the past three years.

Effect: Potential errors in the amount of cubic feet of natural gas purchased and billed and water pumped and billed.

Context: The analysis has taken place over numerous years and began to degrade approximately three years ago.

Recommendation: Compare monthly purchases and billings (cubic feet) of natural gas. Perform accuracy checks to ensure that meters are reading correctly. Likewise, compare water pumped to gallons billed. Explain any significant changes in the difference in the amounts. Perform checks to ensure that meters are reading correctly.

2024-002 Utility Accounts Receivable (second year – previously reported in the Management Letter)

Criteria: Utility account billings should be reviewed monthly for accuracy, cut-offs should be performed timely to minimize loss, and accounts receivable analyzed for possible write-off and/or remittance to a collection agency for further attempts to collect (compliance with write-off policy).

Condition:

1. Erroneous natural gas billings

Account	Month	Gas	Gross	Total
004-0147.00	May-25	$ 1,510,246	$ 151,020	$ 1,661,267
004-0147.00	Sep-25	1,510,246	1,410,190	2,920,437

2. Erroneous garbage billings

Account	Month	Garbage	Late Fees	Total
0005-0032.00	Sep-25	$ 531	$ 500	$ 1,031
0005-0033.00	Sep-25	891	150	1,041
0005-0044.00	Sep-25	708	625	1,333
005-0054.00	Sep-25	517	450	967

3. Significant variance in monthly billings to Hamilton Correctional Institution (HCI)

	Billing		
HCI Account	High	Low	Variance
0002-0058-02	$ 28,046	$ 7,197	$ 20,849
0002-0058-04	108,634	11,512	97,122

4. Significant amount of inactive accounts at September 30, 2025

# of accounts	Range of $ Amounts	Total
101	< $250	$ 10,119
30	>$250<$500	10,504
30	>$500<$1000	21,360
13	>$1000<$2000	15,678
2	>$2000<$3000	4,432
1	>$3000	3,017
	Total inactive	$ 65,109

Cause: Failure to review, monitor, and act on the City's monthly billings and resulting receivables.

Effect: Incorrect billings, unexplained significant variances in monthly billings, failure to comply with the City's write-off policy.

Context: The audit of receivables and monthly billings for the two-year period revealed erroneous billings and delinquent accounts. Incorrect billings creates a lack of confidence with utility consumers. Failure to monitor delinquent accounts results in greater utility revenue losses to the City.

Recommendations:
1.) review monthly billings for accuracy and consistency
2.) perform timely cut-offs
3.) Review receivables for further collection efforts
4.) Follow the City's Write-Off Policy in which accounts are deemed uncollectible if: 1. Bankrupt 2. Deceased 3. After billing exhausted and place with collection agency for two years and returned as uncollectible 3. Deposit applied 4. Account moved to inactive (99) 5. Inactive accounts that show consumption billing department will stop after two (2) billings and public works to ensure that usage has ceased 6. Department supervisor or designee recommendation.

The City's responses to the above findings follows on page 58.

COUNCIL MEMBERS

WILLIAM S. MITCHELL, V, *Mayor*

CARLTON G. SELPH, *Vice Mayor*

JAY DAIGLE, III, *Chairperson*

JHELECIA HAWKINS, *Council Member*

VANESSA SMITH, *Council Member*

City of Jasper

Mark Meyers
City Manager

Steve Harris
Chief Financial Officer

August 7, 2026

Kenneth Daniels, CPA
107 2nd Avenue SE
Jasper, FL 32052

RE: 2025 Response to the Schedule of Findings

Dear Mr. Daniels:

Please find below the City's responses to the referenced findings as indicated in the Audit's Schedule of Findings on pages 55-57:

2023-003 Meter Accuracy - Natural Gas/Water

The City's finance department will monitor the monthly purchase and billings of natural gas and report any significant fluctuations to the City Manager. In addition, water pumped will be compared to the water billed (gallons). Any significant variances will be investigated including but not limited to determining the accuracy of select meters and evaluating the usage of unbilled water (hydrant flushing).

2024-002 Utility Accounts Receivable

To address the finding, the City will review monthly billings for consistency and accuracy, perform timely cut-offs, review receivables for further collection efforts, and write-off receivables in accordance with the City's Write-Off Policy.

Sincerely,

Mark Meyers
City Manager
City of Jasper, Florida

KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

107 2nd Ave S.E.
Jasper, FL 32052

Phone 386-792-1906
Fax 386-792-1925
kmdcpa@windstream.net

INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor and City Council
City of Jasper, Florida

I have examined the City of Jasper, Florida's compliance with *Florida Statues* 218.415 during the period October 1, 2024, to September 30, 2025. Management of the City of Jasper, Florida, is responsible for the City of Jasper's compliance with those requirements. My responsibility is to express an opinion on the City of Jasper, Florida's compliance based on my examination.

My examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that I plan and perform the examination to obtain reasonable assurance about whether the City of Jasper, Florida, assertion about compliance the specified requirements above are fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about the City of Jasper, Florida, assertion. The nature, timing, and extent of the procedures selected depend on my judgment, including an assessment of the risks of material misstatement of the City of Jasper, Florida's assertion, whether due to fraud or error. I believe that the evidence I obtained is sufficient and appropriate to provide a reasonable basis for my opinion.

I am required to be independent of the City of Jasper, Florida, and to meet my other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

My examination does not provide a legal determination on the City of Jasper, Florida's compliance with the specified requirements.

In my opinion, the City of Jasper, Florida's, assertion that it complied with the aforementioned requirements for the period October 1, 2024, to September 30, 2025, is fairly stated, in all material respects.

Kenneth M. Daniels
Certified Public Accountant
August 7, 2026

KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

Phone 386-792-1906
107 2nd Ave S.E. Fax 386-792-1925
Jasper, FL 32052 kmdcpa@windstream.net

MANAGEMENT LETTER

To the Honorable Mayor and City Council Members
Jasper, Florida

Report on the Financial Statements

I have audited the financial statements of the City of Jasper, Florida, as of and for the fiscal year ended September 30, 2025, and have issued my report thereon dated August 7, 2026.

Auditor's Responsibility

I conducted my 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 and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 *Rules of the Auditor General*. Disclosures in that report, which is dated August 7, 2026, should be considered in conjunction with this management letter.

Prior audit findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that I determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted below under the heading Prior Year Findings and Recommendations and in the Schedule of Findings.

Prior Year Findings and Recommendations

2023-002 Utility Customer Deposits (third year)

Criteria or specific requirement:
The number of utility billings should be reconciled to the number of utility deposits held to ensure accuracy of the billing/deposit accounts.

Condition:
Historically, the City has reconciled the number of monthly utility account billings to the number of deposits held considering "99" (inactive) and irrigation accounts.

At September 30, 2023, the number of water deposits held were 1,290. The number of utility deposits held were 1,137 for a variance of 153.

At September 30, 2024, the number of billed accounts totaled 1,405 and the number of deposits held totaled 1,299 for a variance of 106.

At September 30, 2025, the number of billed accounts totaled 1,314 and the number of deposits held totaled 1,219 for a variance of 95.

Cause:
Failure to reconcile, on a monthly basis, the number of accounts billed verses the number of utility deposit accounts held.

Effect:
Potential error in the number of accounts billed or deposits held.

Context:
In prior years, the variance was eliminated via analysis of the billed accounts. The finding was noted during the audit of the City's deposits held.

Recommendation:
On a monthly basis, agree the number of billed utility accounts to the number of deposits held.

2023-004 Fixed Asset Inventory (third year)

Criteria or specific requirement:
Florida Administrative Code 69I-73.006(1) requires that "each governmental unit shall ensure a complete physical inventory of all property is taken annually and whenever there is a change of custodian or change of custodian's delegate."

Condition:
No inventory of capital assets was taken during the year ending September 30, 2023, 2024, or 2025.

Cause:
Extenuating circumstances resulting from Hurricane Idalia/Helene delayed the annual inventory of fixed assets in 2022-23 and 2023-24. No inventory was taken in 2024-25.

Effect:
Misstatement of capital asset balances, missing capital assets, potential errors in financial statements.

Context:
Failure to take fixed asset inventory pre or post year-end.

Recommendation:
In accordance with the Florida Administrative Code, the fixed asset inventory should be taken annually at year end and submitted to the City Manager for review and approval. The results of the inventory should be relayed to the City Council for their acceptance.

2024-001 Reconciliation of Cash (second year)

Criteria or specific requirement:
Transactions per the City's books should be reconciled to the related bank statements by fund. Due to the possibility to overstate, understate, and/or misclassify transactions, the performance of the reconciliation on a fund basis is particularly important.

Condition:
For the year ending September 30, 2025, cash was not reconciled on a fund basis but in total with interfund transactions recording the receipts and transfers.

Cause:
The City's finance director reconciled cash in total but not on a fund basis.

Effect:
Reconciling cash in total 1) increases the risk of misclassified transactions 2) results in potentially misstated cash balances on a fund basis.

Context:
The reconciliation of cash in total occurred during the 2024-25 fiscal year.

Recommendation:
Pooled cash should be reconciled reporting all transactions in the applicable fund.

2024-004 Coronavirus State and Local Fiscal Relief Funds (CSLFRF) Purchases (second year)

Criteria or specific requirement:

Recipients of the CSLFRF grant are required to comply with 2 CFR 200.404(e) regarding reasonable costs, and as such, are required to not deviate from their established practices and policies regarding the incurrence of costs.

Condition:
Per review of the City's CSLFRF purchases, I again noted purchases (twelve) totaling $144,614 which did not conform to the City's purchasing policy. Six purchases required three written quotes, and six purchases required three vendor quotes.

Cause:
Lack of documentation regarding the purchases indicated above.

Effect:
Failure to comply with the City's purchasing policy.

Context:
All CSLFRF purchases were scheduled and sorted based on the purchase amount to determine compliance with the City's purchasing policy.

Recommendation:
Follow the City's purchasing policy and document vendor quotes or written quote requirements. Retain the documentation for post year end audit review.

2024-006 Journal Entry Review (second year)

Criteria or specific requirement:
Journal entries should be properly reviewed and authorized to ensure accuracy, completeness, and validity. The review of journal entries is a key control to prevent and detect errors or unauthorized adjustments.

Condition:
From the test of twenty-five entries, none indicated review and approval by an appropriate member of management.

Cause:
The City does not have a formal policy requiring the review and approval of journal entries.

Effect:
Failure to review and approve journal entries increases the risk of error and/or fraud.

Context:
Finding began in the 2023-24 fiscal year and continued into 2024-25. It was derived from a sample taken from the population of all journal entries.

Recommendation:

All journal entries should be reviewed and approved by an individual independent of the preparer. The review should be documented via signature and retained with supporting documentation.

Current Year findings

2025-001 Payment of Invoices

Criteria or specific requirement:
Florida Statutes 218.74 requires that a local government make payment for goods or services (other than construction) within 45 days.

Condition:
During my review of accounts payable, I noted that vendor invoices were not processed for payment in a timely manner. Seven invoices dated November 29, 2024, through August 16, 2025, totaling $29,446, were processed for payment post year exceeding the allowed period of time.

Cause:
The delays in processing invoices for payment were attributable to inadequate monitoring of outstanding invoices.

Effect or potential effect:
Untimely payment of invoices may result in late payment penalties, strained vendor relationships, interruption of services, lack of compliance with *Florida Statutes*, and inaccurate financial reporting due to expenditures not being recorded in the appropriate period.

Context:
The late payments were noted during the audit of accounts payable and during the search for unrecorded payables.

Recommendation:
I recommend management strengthen accounts payable procedures by establishing timelines based on the above reference statute for invoice approval and payment processing, implementing controls over outstanding invoices, and periodically reviewing unpaid invoices to ensure obligations are remitted timely.

Official Title and Legal Authority
Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1. The City of Jasper Florida's financial statements included no component units.

Financial Condition and Management
Section 10.554(1)(i)5. a. and 10.556(7), *Rules of the Auditor General*, require that I apply appropriate procedures and report the result of my determination as to whether or not the City of

Jasper, Florida, has met one or more of the conditions described in Section 218.503(1), *Florida Statutes*, and to identify the specific condition(s) met. In connection with my audit, I determined that the City of Jasper, Florida, did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*.

Pursuant to Sections 10.554(1)(i)5. b. and 10.556(8), *Rules of the Auditor General*, I applied financial condition assessment procedures. It is management's responsibility to monitor the City of Jasper's financial condition, and my financial assessment was based in part on representations made by management and the review of financial information provided by the same. The financial condition assessment was performed as of September 30, 2025.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that I communicate any recommendations to improve financial management. See the above findings.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the City of Jasper, Florida, affirms that a PACE program authorized pursuant to Section 163.081 or Section 163.082, *Florida Statutes*, did not operate within the City of Jasper, Florida's geographical boundaries during the fiscal year ending September 30, 2025.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires me to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with my audit, see the above findings.

Purpose of this Letter

The management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Council Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Kenneth M. Daniels
Certified Public Accountant
August 7, 2026

CITY'S AFFIDAVIT OF COMPLIANCE

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CITY OF JASPER, FLORIDA
AFFIDAVIT OF COMPLIANCE
FLORIDA STATUTES 163.31801

For the Year Ending September 30, 2025

BEFORE ME, the undersigned authority, personally appeared Mark Meyers, who being duly sworn, deposes and says on oath that:

1. I am the City Manager of the City of Jasper, Florida, which is a local governmental entity of the State of Florida;

2. The City of Jasper, Florida, adopted Ordinance No. **2005-02-03** implementing an impact fee; and

3. The City of Jasper, Florida, has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, *Florida Statutes*.

FURTHER AFFIANT SAYETH NAUGHT.

____

Mark Meyers, City Manager

STATE OF FLORIDA
COUNTY OF Hamilton

SWORN TO AND SUBSCRIBED before me this 7th day of August, 2026.

NOTARY PUBLIC

Personally known __X__ or produced identification ______

Type of identification produced: N

My Commission Expires:

PATRICIA HERRING
Notary Public
State of Florida
Comm# HH580069
Expires 8/8/2028

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CITY'S
RESPONSE TO
AUDIT FINDINGS

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COUNCIL MEMBERS

WILLIAM S. MITCHELL, V, *Mayor*

CARLTON G. SELPH, *Vice Mayor*

JAY DAIGLE, III, *Chairperson*

JHELECIA HAWKINS, *Council Member*

VANESSA SMITH, *Council Member*

City of Jasper

Mark Meyers
City Manager

Steve Harris
Chief Financial Officer

August 7, 2026

Kenneth Daniels, CPA
107 2nd Avenue SE
Jasper, FL 32052

RE: 2025 Management Letter Findings

Dear Mr. Daniels:

Please find below the City's responses to the referenced findings as indicated in the Audit's Management Letter, pages 60-66:

2023-002 Utility Customer Deposits
The number of utility customer deposits will be reconciled monthly to the number of billed accounts considering all inactive, irrigation, and other reconciling accounts. The reconciliation will be approved by the City Manager.

2023-004 Fixed Asset Inventory
In accordance with the Florida Administrative Code, a physical inventory of the City fixed assets will be taken annually. Once completed, it will be approved by the City Manager and submitted to the Council at the next available meeting.

2024-001 Reconciliation of cash
The City's has hired an outside CPA firm to keep its books. Cash will be reconciled monthly, It will be reviewed and approved by the City Manager.

2024-004 Coronavirus State and Local Fiscal Relief Funds (CSLFRF) Purchases
The City will follow its purchasing policy for all future purchases ensuring that documentation, when required, is retained for post-year-end audit purposes.

2024-006 Journal Entry Review
An appropriate member of management (Finance Director or City Manager) will review and approve future journal entries. Approval will be notated and retained for post year-end audit review.

2025-001 Late Payment of Invoices
All invoices will be date stamped and processed timely for payment in accordance with *Florida Statutes*.

The City remains committed to providing the highest quality financial records to its residents.

Sincerely,

Mark Meyers
City Manager
City of Jasper, Florida