City of Ashland, Kentucky

Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2024

CITY OF ASHLAND, KENTUCKY
FOR THE FISCAL YEAR July 1, 2023 to June 30, 2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT

PREPARED BY: DEPARTMENT OF FINANCE
DIRECTOR'S DIVISION
Tony D. Grubb, CGFM, Chief Financial Officer
Michelle Veach, Assistant Chief Financial Officer
Robin Rohauer, Senior Financial Analyst

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- Organizational Chart
- Listing of Elected and Appointed Officials

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www.ashlandky.gov

Mayor
Matt Perkins

Commissioners
Josh Blanton
Amanda Clark
Marty Gute
Cheryl Spriggs

Mayor & Commissioner's Office
606-385-3300

City Manager
Michael S. Graese

City Manager's Office
606-385-3303

City Building Main
606-385-3400

Ashland BusSystem
606-385-3287

Assisted Housing
606-385-3327

Community & Economic Development
606-385-3317

Engineering & Utilities
606-385-3332

Finance
606-385-3346

Human Resources
606-385-3312

Legal/City Clerk
606-385-3287

Parks and Recreation
606-385-3295

Public Services
606-385-3332

May 7, 2024

The Mayor, City Commission, City Manager and
Citizens of the City of Ashland, Kentucky

To the Mayor, City Commission, City Manager and Citizens of the City of Ashland, Kentucky:

The Department of Finance is pleased to present the Annual Comprehensive Financial Report of the City of Ashland, Kentucky for the fiscal year ended June 30, 2024. This report was prepared in accordance with Generally Accepted Accounting Principles (GAAP) and the reporting standards of the Governmental Accounting Standards Board (GASB). The Annual Comprehensive Financial Report includes all funds of the Government. The City management is responsible for the accuracy of the data and for the completeness and fairness of the presentation. To the best of our knowledge and belief, the enclosed data presents the financial position and results of the various activities of the City.

Kelley, Galloway, Smith, Goolsby, PSC, has issued an unmodified opinion that the financial statements for the fiscal year ended June 30, 2024, are presented fairly in conformity with GAAP. The independent auditors' report is presented as the first component in the financial section of this report.

Immediately following the independent auditors' report is the section, Management's Discussion and Analysis (MD&A) that provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A is designed to complement this letter of transmittal and should be read in conjunction with it. The City of Ashland's MD&A begins on page 14.

Profile of the Government

Ashland began as the Village of Poage Settlement in the early 18th century. In 1854, the name was changed to the Town of Ashland and was incorporated as a city in 1876 with a council of five trustees. Today, Ashland has a mayor, four city commissioners and a city manager. The City Manager, Michael Graese, is the chief administrative officer for the city and reports to the Board of Commissioners. The Mayor is currently Matt Perkins and our City Commissioners are Amanda Clark, Marty Gute, Josh Blanton and Cheryl Spriggs. Department heads report to the City Manager and they include: Andrew Wheeler, Corporation Counsel; Chris Pullem, Director of Community and Economic Development; Tony Grubb, Director of Finance; Sean Murray, Acting Director of Public Services; Todd Kelley, Chief of Police; Stephen Alley, Fire Chief; Mark Hall, Director of Utilities; Michelle Dickens, Director of Human Resources; Mike Adkins, Director of Risk Management and Sean Murray Director of Parks / Recreation.

The City of Ashland has 330 authorized full-time positions. Of these positions, our largest department is Utilities, comprising 23.5% of the employees. The Utilities department consists of five different divisions ranging from Water Production to Waste Water Collection. The next largest department is our Police department at 16% with 62 total employees.

The General Government of the City contains six divisions: Mayor and Commissioners, City Manager, Legal / City Clerk, Human Resources, Risk Management and Unclassified. These divisions provide the administration for the City. The primary function of the Legal / City Clerk Department is to provide legal assistance to all departments within the City, to represent the City in court cases as needed and maintain official records of the City. The Human Resources department maintains all personnel records on current and previous employees. The Risk Management department coordinates and manages city-wide safety, loss

control, and insurance programs to promote the maintenance of a safe, accident-free and healthy work environment. The risk manager conducts and reviews hazard assessments, analyzes injury statistics, develops safety policies and procedures and ensures we remain in compliance with OSHA rules and regulations. This department also administers the Alcohol Beverage control program and the City's asset management program. The Unclassified division in general government includes insurance, debt service payments, transfers to other funds, miscellaneous grants and appropriations.

The Department of Finance includes the divisions of Director of Finance, Utility Cashier and Mass Transit. The department is responsible for the custody, investment and disbursement of all funds, debt management, pension fund administration, administration of the occupational license fee, coordination of the annual financial audit, compilation of the budget, and providing various types of financial information to city management and elected officials. The Finance department has committed themselves to doing the job right the first time with knowledgeable, efficient and effective service. The department ensures integrity by directing, coordinating and monitoring all service functions and assures progress by developing new and improved techniques and procedures. Finance bills approximately 14,000 utility customers per month and is accountable for the semi-annual billing of property tax customers. The Ashland Bus System (A.B.S.) is the public transportation system of the City and is funded by the Federal Transit Authority (F.T.A.), Kentucky Department of Transportation and the City. The bus system served 78,524 passengers this past year and received $20,570 in passenger fares. The City is also an authorized ticket agent for the Greyhound Bus Lines selling more than $19,408 in tickets and bringing in commission of $1,683.

The Department of Public Services provides a wide range of services and includes the divisions of Director of Public Services, Streets, Solid Waste, Fleet Maintenance, Animal Control, Floodwall and Parking Garage. The Street department used 14,530 tons of asphalt to pave and patch the City streets and paved 78 roads during the fiscal year. Garbage collection is required of all residents within the City and our Solid Waste division collects on a weekly basis. The recycling program was implemented in fiscal year 2009 and has a recycling center in the City. The City recycled 959 full bins of waste in fiscal year 2024.

The Department of Utility Operations, our largest department, is comprised of Director of Utilities, Water Distribution, Water Production, Wastewater Collection and Wastewater Treatment. The City owns and operates its own water distribution system. The water plant averages about 10 million gallons per day with a design capacity of 24 million gallons per day. In addition to the water produced for the Ashland distribution system, some water produced at the plant is sold to neighboring systems. Water Distribution is the largest division in Utilities in terms of the number of employees. The tasks of the division include the installation and maintenance of water and sanitary sewer mains. Water is distributed using a series of holding tanks and water pump stations. In May 2024, our Water Treatment Plant was awarded the Kentucky's Water Plant of the Year by the Kentucky Water and Wastewater Operators Association. Wastewater is collected using sewer pump stations and forced mains to get it to the treatment plant. Wastewater from outside the City is pumped through the City's collection system to the treatment plant. The treatment plant processes all wastewater pumped in through the collection system. The treated water is tested and must meet all state and federal standards before being released into the Ohio River. The plant is monitored by government agencies, which regulate its operating permit. In fiscal year 2024, we treated approximately 1.1 billion gallons of wastewater.

The Department of Engineering is an integral part of the City, is comprised of the Engineering department and Municipal Aid Road program. It maintains right-of-way records, keeps City maps current, prepares plans and drawings for projects, assigns addresses within the City, reviews building plans prior to permits being issued, and completes all the surveys for City projects. This department also conducts the development, planning and implementation of the combined sewer overflows.

The Department of Community and Economic Development is charged with the functions of land use planning, code enforcement, economic and community development. Tasks include the update and maintenance of the comprehensive plan, review of subdivision plans, site plans, zoning changes, street closings, conditional use permits, and variances. Economic Development can streamline and expedite the business development review process and guide companies through zoning processes, building code regulations, licensing requirement and other development matters. The staff serves the Planning Commission and Board of Zoning Adjustment. Planning and Code is responsible for the long-range and short-range land use planning of Ashland. This division also enforces building and property maintenance codes for properties in Ashland. The building codes govern construction practices on all buildings and structures. The property maintenance code governs the appearance and maintenance of existing structures and property. While some may see the duties as a burden or even intrusive, the City codes are for the benefit of all in the community. They promote health and

safety and help preserve property values. Code Enforcement issued 416 building and zoning permits in fiscal year 2024, bringing in $30,808 of revenue for the City. This division also administers funding received from the U.S. Department of Housing and Urban Development (HUD) in the form of Community Development Block Grant (CDBG) funds. A portion of the City's annual entitlement funding is devoted to homeowner improvements such as emergency rehabilitation, architectural barriers and acquisition for affordable housing. The code officers assist with the CDBG housing projects - mainly the homeowner rehabilitation program. It provides repairs, energy conservation measures, and other home improvements up to $25,000 per home. Ashland has two target neighborhoods: East Central and Pollard. They were designated based on the median income of the residents according to U.S. Census data. The housing voucher program, also known as Section 8, provides rental assistance to families throughout Boyd County. The goal of the program is to provide low-income families with decent, safe, and sanitary rental housing through rental assistance payments. The voucher program is funded by Housing and Urban Development's public housing funds.

The Ashland Police Department is the second largest department in the City, it strives to identify and respond to the needs of the community; take the lead in solving community problems; instill a professional attitude and enhance the overall quality of life through mutual trust, respect, and the fair enforcement of the laws while carefully safeguarding the self-respect of all. The Ashland Police Department was organized in the late 1800's with the first executive officer being a town Marshal who was elected. Today's police department has an authorized strength of 62, with 55 sworn officers. One civilian employee serves administrative support roles, three school resource officers and three parapolice handle tasks not requiring the services of a sworn officer, e.g., parking enforcement, information center, records management, and property control.

The Ashland Fire Department is a full-time professional fire department with 56 full-time employees. The department has two functions: fire suppression and fire prevention. The fire suppression division is responsible for all fire suppression, rescue services and hazardous materials response. The fire prevention division conducts semi-annual life safety inspections of all multi-family and commercial occupancies. The Fire Department was founded in 1856 as a volunteer fire department and became a full-time paid fire department in 1885. The principles the Ashland Fire Department were founded upon, and continues to strive to meet are dedication, determination, courage, excellence, teamwork, pride, leadership, commitment and honor. In fiscal year 2024, the department completed 2,272 fire and EMS runs.

The Parks and Recreation Department provides many opportunities for recreational activities for families. The park system consists of the following parks: Central Park, AK Sports Park, Southside Park, Riverfront Park, Oliverio Park, Linear Park, Dawson Park and Municipal Pool, Spring Park and Pollard Mills Park. The parks add charm and beauty to our City and offer many various activities including Winter Wonderland of Lights, Summer Motion, Easter Egg Hunt, summer concerts at the bandstand, on the Riverfront and at Broadway Square, Bluegrass Festival, Halloween Trick or Treat/Haunted Trail, Brass Band, picnics and cookouts. The activity rooms in the Round House and Log Cabin host various events from weddings to family reunions, including Santa Claus after the annual Christmas parade. The City acquired the Ashland Cemetery Company in September 2009 which was included in the Parks and Recreation Department. The cemetery was transferred to the City for $1 and has capital assets and inventory valued over $3 million dollars. Ashland Cemetery Company is a historic treasure in the community. The first burial took place prior to the Civil War and the first rustic memorial still graces the landscape that has become the Ashland Cemetery. The cemetery holds a Revolutionary War Memorial of two members of Ashland's founding fathers: General John Poage and Colonel George Poage. The Ashland Cemetery is a unique part of our community and was officially established in 1870. Since then, the cemetery has been serving the families of our city.

Internal Control

Management of the City is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the City are protected from loss, theft or misuse. It must also ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurances that these objectives are met. The concept of reasonable assurance recognizes that the costs of a control should ordinarily not exceed the benefits to be derived and the valuation of costs and benefits require estimates and judgments by management.

As a recipient of federal and state monies, the City is also responsible for ensuring that an adequate internal control system is in place and functioning properly to ensure compliance with applicable laws and regulations related to those programs. The internal control system is subject to periodic management evaluation.

As a part of the City's single audit, tests are made to determine the adequacy of the internal control system, including those controls related to federal programs, as well as to determine that the City has complied with applicable laws and regulations. The result of the City's single audit for the fiscal year ended June 30, 2024, provides no instances of material weaknesses in the internal control system.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. The City had two findings during fiscal year 2024. All these findings dealt with the administration of the Section 8 Voucher program. The findings included waiting list preference codes assigned to individuals that did not agree with information on original application and tenant documentation inaccurate, tenant accepted due to disability, yet no documentation of disability in file and tenant utility allowance worksheet used rates for wrong bedroom size.

Demographics

Ashland is located on the Ohio River and is part of the metro "triangle" comprised of Ironton, Ohio, Huntington, West Virginia and Ashland, Kentucky. This location makes Ashland a major river port and manufacturing town. Ashland is eastern Kentucky's largest urban area and a center for health care, commerce, banking and recreational activities. The City currently encompasses 17.02 square miles. We continue to expand in the areas of art, entertainment and cultural events while maintaining an aggressive nature to progress and grow. The population of Ashland is 21,009 and experienced a decline between 2000 and 2010 that is projected to continue in the future. The rate of decline has slowed significantly as opposed to the rate between 1980 and 1990. The City lost 12.53% of its population between 1980 and 1990, 6.95% between 1990 and 2000 and only 1.35% between 2000 and 2010.

Ashland distinctly experiences all four seasons, with vivid fall foliage and occasional snow in winter. Average highs are around 85°F in July, the warmest month, and average lows are around 22°F in January, the coolest month. Average annual precipitation is 44.3 inches, with the wettest month being July, averaging 4.85 inches.

Significant Events

The *Poage Landing Days'* festival promotes the commercial, cultural, and social welfare of the Ashland area. The festival was voted one of the "Top 25" downtown festivals in Kentucky by the Kentucky Main Street Program. Poage Landing Days' features popular events such as an antique car show, tractor show, motorcycle show and the Poage Landing Days' Beauty Pageant along with various other events to challenge both the athletic and the artistic.

The *Summer Motion* festival features a wide variety of family entertainment such as games, rides, a petting zoo, food court, parade, live headliner concerts and health screenings. The Ashland skies shine brightly every 4th of July with a spectacular fireworks display.

Winter Wonderland of Lights is a six-week festival held in Ashland's Central Park and throughout the downtown area**.** Stroll through central park ablaze with over sixty magical holiday displays containing over 800,000 lights. Take your children or grandchildren on the "Winter Wonderland Express" train and top off your evening with a visit to Santa in Ashland's oldest home which is in Central Park.

The annual *Repair Affair* is a one-day event of home repairs for low income, disabled, and elderly homeowners. Home repairs consist of yard work, exterior painting, porch replacements, handicap ramp construction and many other repa irs.

The Paramount Arts Center is now holding annual musical festivals on our Riverfront which was developed from over $10 million in Federal Highway Administration SAFETEA-LU funds. The purpose of this project was to create a unique waterfront that will serve as a legacy for current and future generations of residents and visitors to the City. It incorporated existing assets such as the historical Depot building, brick roadways and floodwall murals. The riverfront allows for commercial activity in a park setting with views of the river and can accommodate festivals and events, such as Summer Motion.

The Engineering & Utilities department is in the final engineering phase of the new Wastewater Treatment plant. This is the final phase of the *Combined Sewer Overflow (CSO)* initiative. We have previously finished the planning and engineering for the $14.6 million collection portion of this project which began in September of 2007. This project has improved the water quality of the Ohio River by reducing the frequency, duration and volume of CSO discharges from the Ashland combined sewer system. The Wastewater Treatment phase of this project is projected to cost $50 to $60 Million.

Local Economy

The City of Ashland is at the epicenter of an unparalleled industrial and technological region. Healthcare is our leading industry and UK's King's Daughters Medical Center is our #1 employer. King's Daughters Medical Center (KDMC) is owned by University of Kentucky, locally managed, 465-bed facility, covering a 150-mile radius that includes southern Ohio, eastern Kentucky and western West Virginia. KDMC offers comprehensive cardiac, medical, surgical, pediatric, rehabilitative, psychiatric, cancer, neurological, pain care, wound care and home care services in one convenient location. Established in 1899, KDMC currently is high performing with four adult procedures/conditions, and has more than 4,600 team members. King's Daughters Medical Center also has one of the busiest emergency departments in the state of Kentucky and is currently constructing a new state of art Emergency Department / Imaging center building with an estimated cost of $100 million. This will only continue to facilitate their growth and ability to offer quality health care to our region.

Education in Ashland is another rung in our local economy. There are eight public schools and two private schools in Ashland. All public schools within city limits are operated by the Ashland Independent School District, our 2nd largest employer employing 804 citizens. The two private schools serving the Ashland area are the Holy Family School and Rose Hill Christian School. Holy Family is affiliated with Holy Family Catholic Church and currently offers K-12 education and partners with ACTC to offer dual credit for their high school juniors and seniors Holy Family graduates are also graduating with an associate degree. Rose Hill is affiliated with the Rose Hill Baptist Church and offers K-12. Post-secondary educational opportunities include Ashland Community and Technical College, which has multiple campuses within the city. Morehead State University also has a satellite campus located in Ashland.

Wal-Mart Stores, Inc. remained our #3 employer position this year. Wal-Mart's purpose is to save people money so they can live better. Wal-Mart is the anchor store in the Melody Mountain area retailers. Melody Mountain is annexed land that was developed in 2005. Overlooking the city to the west, it is bounded by 6th Street, US 23, and a CSX spur. Chick-Fil-A was then added to the project, another restaurant, medical offices and Verizon has been included now as well. The $30 million Melody Mountain project was destined to be completed in 2005; however, Phase I opened in early 2006. It was financed partially by $3 million in bonds issued by the city. Phase II construction of the Melody Mountain project began in March 2013 and was completed in the fall of 2014. The second Phase brought the retail stores Kohl's, Great Clips, Dick's Sporting Goods and PetSmart to the City. This phase provided an additional 150,000 square feet of retail space as well as approximately 300 permanent, full-time jobs.

A focus on downtown revitalization to strengthen our local economy is coming to light. The Marriott Delta Hotel opened in calendar year 2019 after a complete renovation of the former Ashland Plaza Hotel. The newly renovated hotel offers a restaurant and 152 guest rooms. The hotel is in downtown Ashland in the TIF district. The adjacent Ashland Oil building was demolished by the City costing $2.4 million and we converted it into a new downtown parking lot. Broadway Square renovations were completed and features fountains, trees, seating, brick sidewalks and

a stage area. It is home to concerts, speeches and plays and ties into the Country Music Highway which runs through the city. Total cost for the renovation came to $1,363,941. The City did engineering on the redesigning of the 4-lane street into roundabouts and doing Streetscape renovations of the whole adjacent area, construction is expected to be completed in FY25.

Financial Policies / Planning

The budget has been balanced with projected revenues exceeding estimated expenditures by $9,836,278. This budget includes a cost-of-living adjustment (COLA) for employees of 4.6%. Kentucky Retirement System employer contributions are budgeted at $6.3 million for a city wide decrease of $570,086. The rates for both hazardous and nonhazardous employees were reduced in FY25. Fiscal Year 2025 includes capital investments for water line replacement $1.0 million and engineering for construction of new waste water treatment plant $22.2 million. These upgrades are to modernize our utility system with a focus on compliance. This ensures that services and amenities are efficient, reliable, and are targeted to maximize business opportunities throughout the community and region. Proposed Utility Fund Water and Waste Water Treatment projects total $26.0 million. Capital Purchase Improvement Fund projects total $6.8 million. These projects include City Building renovations for $485,000; Storm sewer line Beverly Blvd $150,000; 4WD Truck $98,000; Winchester Avenue Transportation Improvement and Streetscape $3,300,000; Street Intersection Safety $500,000; Various capital projects for $550,245; Dixon Street Phase 4 $450,000; Street intersection safety $500,000; Three (3) Patrol Cars $228,000; Brush/Attack truck (Fire) $350,000 and Mobile Air Trailer (Fire) $226,500.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ashland, Kentucky for its annual comprehensive financial report for the fiscal year ended June 30, 2023. The award was previously received in 1993, 2007 – 2020 and 2022. The report was not able to be completed in 2021 due to a late audit report and employee on FMLA. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Ashland for its Popular Annual Financial Report for the fiscal year ended June 30, 2022. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

The Government Finance Officers Association of the United States and Canada (GFOA) has also given a Certificate of Recognition for Budget Presentation to the City of Ashland for the 10th consecutive year. The Distinguished Budget Presentation Award is presented to those individuals who have been instrumental in their government unit and whose budgets are judged to adhere to program standards.

Acknowledgements

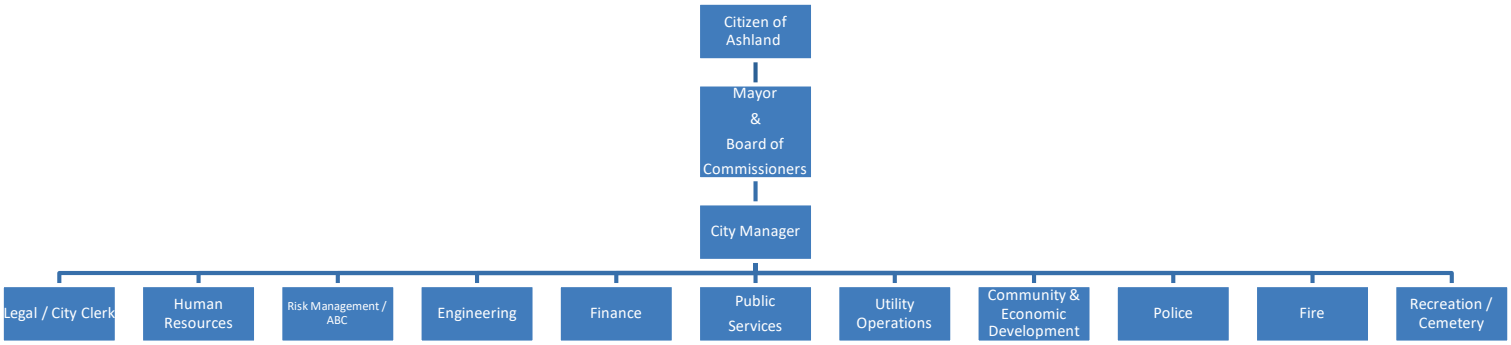
The completion and issuance of this report could not have been accomplished without the dedicated efforts of the entire staff of the Department of Finance. Special thanks must be given to Michelle Veach and Robin Rohauer for their dedication in the creation and compilation of this document.

We believe that this report clearly illustrates the strong financial posture of the City of Ashland, and we wish to take this opportunity to thank you and the citizens of Ashland for the vital role you have historically played in enabling the City to achieve and maintain this high degree of fiscal responsibility.

Sincerely,

Tony D. Grubb
Chief Financial Officer, CGFM

City of Ashland
Departmental Organizational Chart



LIST OF ELECTED AND APPOINTED OFFICIALS

MAYOR

Matt Perkins

COMMISSIONERS

Josh Blanton

Amanda Clark

Marty Gute

Cheryl Spriggs

CITY MANAGER

Michael Graese

CHIEF FINANCIAL OFFICER

Tony D. Grubb, CGFM

CORPORATION COUNSEL

Andrew Wheeler

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Chuck Charles, Mayor
City Commissioners and City Manager
City of Ashland
Ashland, Kentucky

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ashland, Kentucky (the "City") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison schedules for each major fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis information, the Schedule of Employer Contributions and Investment Returns, the Schedule of Funding Progress, the Schedule of Changes in Net Pension Liabilities, the Schedule of City's Proportionate Share of the Net Pension and OPEB Liability (Asset) and the Schedule of Pension and OPEB Contributions on pages 4 through 18 and on pages 78 through 93, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The statements and schedules contained on pages 94 through 100 and the Financial Data Schedule on pages 101 and 102 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplemental statements and schedules contained on pages 94 through 100, the Financial Data Schedule contained on pages 101 and 102, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Kelley Galloway Smith Goolsby, PSC

Ashland, Kentucky
March 31, 2025

MANAGEMENT DISCUSSION AND ANALYSIS

The management discussion and analysis (MD&A) gives readers an overview and analysis of the financial position and activities of the City of Ashland ("Government") for the fiscal year ended June 30, 2024. This information should be read in conjunction with the financial statements immediately following the analysis.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Government exceeded its liabilities and deferred inflows of resources at the end of the fiscal year by $56.3 million (net position). This amount includes $11.9 million restricted to specific projects by laws, regulations or contractual agreements. A deficit total of ($65.7) million was unrestricted due to GASB No. 68, Accounting and Financial Reporting for Pensions, which was implemented in the fiscal year ended 06/30/2015 and GASB No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions (OPEB), which was implemented in the fiscal year ended 06/30/2018.

- The Government's total net position increased by $7.6 million, primarily due to changes in the net pension and OPEB liabilities and the related deferred outflows and inflows. Net position of governmental activities increased by $6.0 million and net position of business-type activities increased by $1.6 million.

- At fiscal year end, the governmental funds reported a combined ending fund balance of $13.7 million. Approximately .65% of this total amount, $89,541, is restricted or committed for grant programs. Assigned fund balance comprises 23.7% of total fund balance; the majority of which is set aside for special revenue funds.

- On June 30, 2024, unassigned General Fund fund balance of $8.5 million is available and may be used to meet the government's ongoing obligations to citizens and creditors.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the City's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements.

REPORTING THE GOVERNMENT AS A WHOLE

This report is published under the standards for government financial reporting as prescribed by the Governmental Accounting Standards Board, Statement Number 34 (GASB 34). The reporting format consists of a series of financial statements that provide an overview of all services provided by or supported by the Government (the Government–wide Statements) and provides more detailed information about major programs of the Government ("the Fund Statements").

These statements present a financial picture of the Government as a whole using a consolidated statement of all funds and eliminating interfund transfers. The value of capital assets of governmental type operations is presented in this statement. The infrastructure assets for governmental type funds, including roads, bridges, sidewalks, etc., are reported and depreciated under these reporting standards. These reporting standards provide improved information to the reader.

Government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements include all assets and liabilities using the accrual basis of accounting, which is like the accounting used by most private-sector companies. All the revenues earned and expenses incurred in the fiscal year are taken into account regardless of when cash is received or paid.

The Statement of Net Position presents information on all the Government's assets, deferred outflows of resources, liabilities and deferred inflows of resources at the end of the fiscal year. Net position is the difference between assets and deferred outflows of resources vs. its liabilities and deferred inflows of resources. Over time, an increase or decrease in net position is one indicator of whether financial health is improving or deteriorating. Information on other factors such as changes in the revenue structure and the condition of the Government's assets is also needed to assess the overall financial position of the Government.

The Statement of Activities presents revenues and expenses and shows how the government's net position changed during the most recent fiscal year, as well as any other transactions that increase or decrease net position. Program revenues are offset by program expenses to provide better information as to program costs financed by general government revenues.

The government-wide statements divide the Government's activities into two kinds of activities:

Governmental activities - Most of the Government's basic services are reported here, including general government, economic development, police, fire, public services and engineering. Property taxes, insurance tax and occupational license fees finance most of these activities.

Business-type activities - Activities primarily paid for from charges and user fees cover the cost of services that are reported here. This includes water production, sanitary sewer services, Ashland bus system, recreation operating fund, cemetery fund and parking garage fund.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund financial statements report the Government's operations in more detail than the government-wide statements by providing information about the Government's most significant funds. Some funds are required to be established by local law or by bond covenants. However, many other funds are established to help control and manage money for a particular purpose. These types of funds are presented in the fund financial statements: governmental funds, proprietary funds and fiduciary funds.

Governmental funds - Most of the Government's basic services are reported in the governmental funds. These statements provide a short-term view of general government operations and how these services are financed as well as the balances left at year-end that are available for future spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash.

Proprietary funds - The Government charges fees for business-type services which are intended to cover the cost of providing those services. The governing body decides that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The subcategories of the funds include enterprise funds, which are business-type activities, and internal service funds, which report services provided to internal units of government. The proprietary funds are reported in the same way that all activities are reported in the government-wide statements but the fund statements provide more detail. The City considers the Utility Fund, Ashland Bus System, Recreation Operating Fund, Ashland Cemetery Fund and Parking Garage Fund to be its major proprietary funds.

Internal service funds - These funds are used to accumulate and allocate costs internally among the various functions or cost centers. The City uses an internal service fund to account for the employee health insurance, dental and life insurance benefits.

Notes to the financial statements - The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplemental Information* concerning the City's contributions to certain employees' pension plans and other post-employment benefits to its employees. Additionally, *Supplemental*

Information includes more detail on the City's General Fund, details of the City's capital assets, statement of net position and revenue and expenditures for Ashland's Housing Authority.

THE GOVERNMENT AS A TRUSTEE

The Government is trustee, or fiduciary, for two employees' pension plans: the Police and Firefighter's pension fund and the Utility employee pension fund. The fiduciary activities are reported separately. These activities are excluded from the other government-wide and fund statements because the Government cannot use these assets to finance its operations.

THE GOVERNMENT AS A WHOLE

NET POSITION

As of June 30, 2024, the Government as a whole had a net position greater than its liabilities by $56,361,254. Net position of governmental activities was $18,225,230 and increased by $6,036,395 over the prior year. Total collected for taxes were 96.6% of budget. Occupational license fee receipts excelled again this fiscal year for $1.5 million in additional revenue. Of ending Governmental Activities Net Position, $55,922,879 is invested in capital assets net of related debt; $89,541 is restricted for grant programs; and unrestricted net position is ($37,787,190). Although the City's investment in its capital assets is reported net of related debt, it should still be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

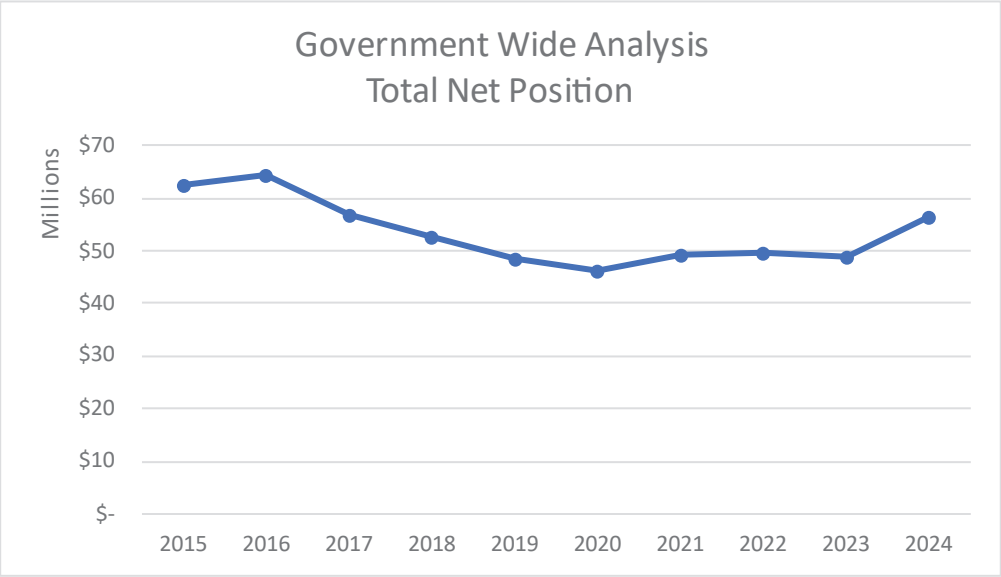
The net position of the Government's business-type activities is $38,136,024 and increased by $1.6 million over the prior year. Residential meter sales non city exceeded projections by $141,287. Sewer charges city exceeded projections by $571,961. An increase in Boyd County Sewer charges brought in $56,772 of excess funds. A net increase of $3,865,362 in construction-in-progress was a result of the water line replacement project and WWTP upgrades. Of the business-type net position, $54,336,550 is net investment in capital assets and ($27,976,585) is unrestricted. The largest portion of the City's combined net position reflects its investment in capital assets (land, buildings, machinery and equipment) less outstanding related debt used to acquire those assets. The City uses these capital assets to provide services to citizens, and as a result, these assets are not available for future spending. The City's capital asset investment is reported net of related debt, but the resources to pay this debt must be provided from other sources, since the capital assets cannot be used to liquidate the liabilities.

An additional portion of the City's business-type net position, $11,776,059, represents resources that are subject to limitations on their use through legislation adopted by the City or through external restrictions. The largest restricted portion, $9,663,613, is for sewer improvements.

ANALYSIS OF THE CITY'S NET POSITION

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	$ 35,067,900	$ 35,698,843	$ 13,103,106	$ 17,706,798	$ 48,171,006	$ 53,405,641
Capital assets	69,293,976	62,942,742	67,575,846	64,601,787	136,869,822	127,544,529
Total assets	104,361,876	98,641,585	80,678,952	82,308,585	185,040,828	180,950,170
Deferred outflows of resource	11,736,310	11,742,840	4,532,714	3,181,539	16,269,024	14,924,379
Liabilities	22,520,504	19,376,116	8,065,025	9,365,678	30,585,529	28,741,794
Long-term liabilities	59,650,440	75,428,985	32,947,709	38,053,808	92,598,149	113,482,793
Total Liabilities	82,170,944	94,805,101	41,012,734	47,419,486	123,183,678	142,224,587
Deferred inflows of resources	15,702,012	3,390,489	6,062,908	1,527,776	21,764,920	4,918,265
Net position						
Net investment in capital assets	55,922,879	51,137,131	54,336,550	52,811,496	110,259,429	103,948,627
Restricted	89,541	72,065	11,776,059	12,793,350	11,865,600	12,865,415
Unrestricted	(37,787,190)	(39,020,361)	(27,976,585)	(29,061,984)	(65,763,775)	(68,082,345)
Total Net Position	$ 18,225,230	$ 12,188,835	$ 38,136,024	$ 36,542,862	$ 56,361,254	$ 48,731,697

The exhibit below charts the City's total net position for the past ten years (prior years have not been restated for implementation of GASB 68 and 75).



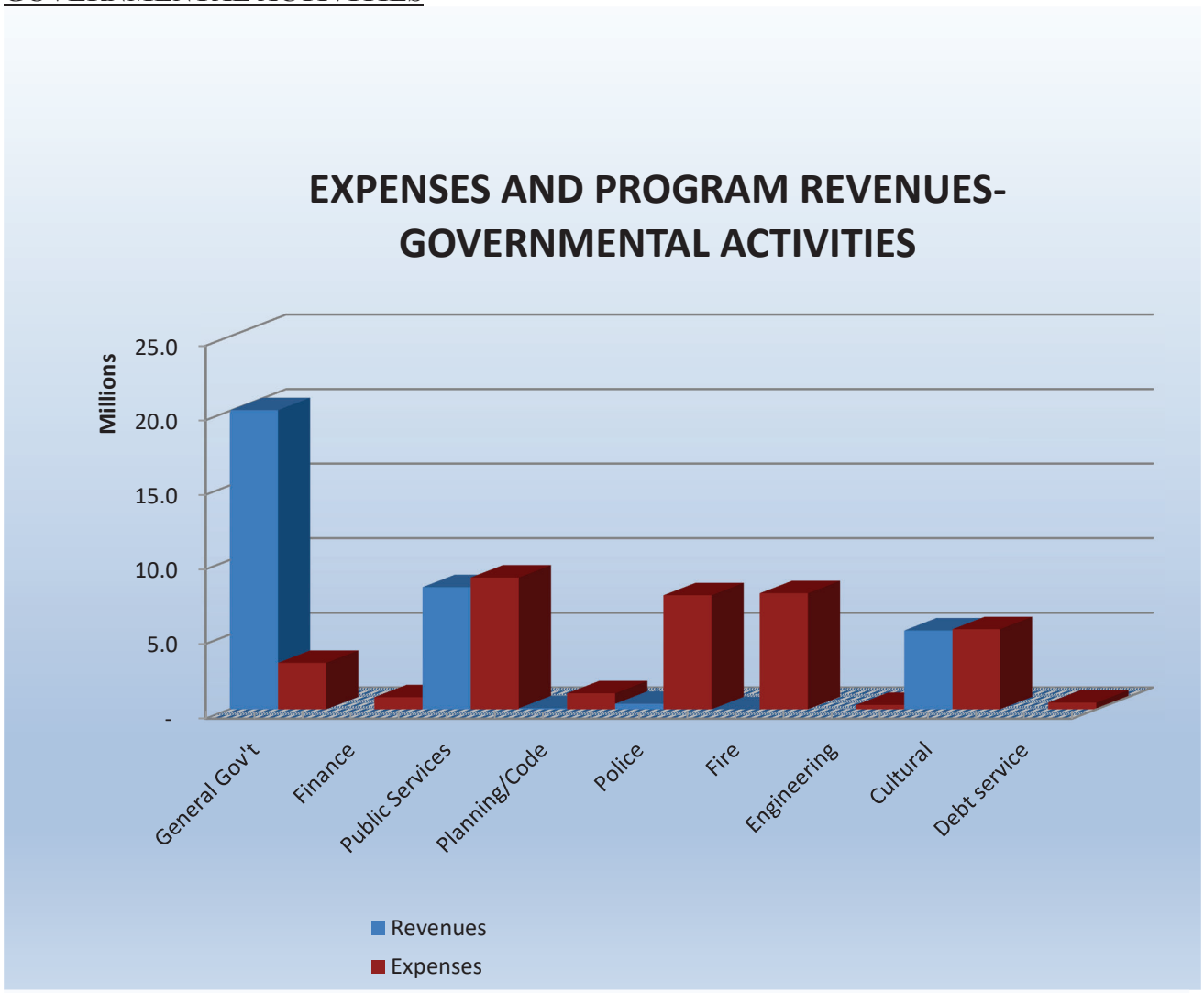
The City's net position decreased significantly in FY 2015 due to the implementation of GASB 68. The City's participation in County Employee Retirement System (CERS) led to the inclusion of an initial noncurrent liability. Net position took another hit in FY 2018 due to the implementation of GASB 75. The City's participation in the Kentucky Retirement Systems Insurance Fund generated a noncurrent liability for other post-employment benefits. Annual adjustments to these liabilities continued to drive net position down in FY 2020.

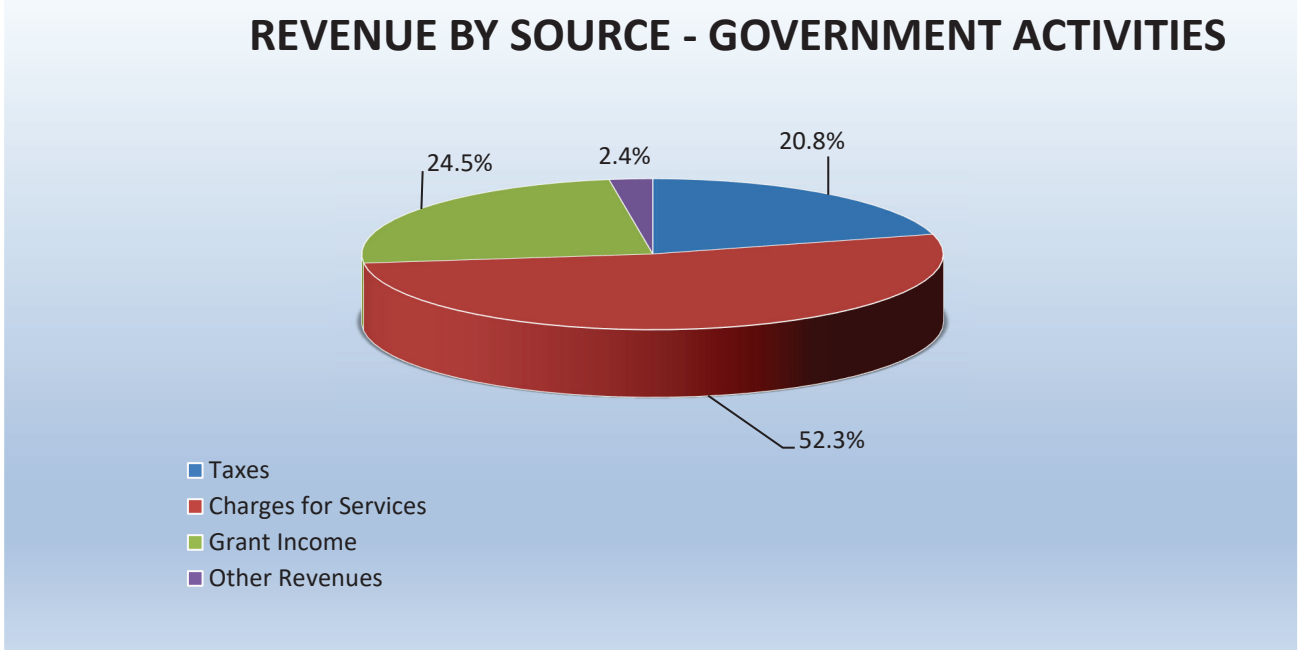
ANALYSIS OF THE CITY'S OPERATIONS

Revenues	Governmental Activities 2024	Governmental Activities 2023	Business-type Activities 2024	Business-type Activities 2023	Total Primary Government 2024	Total Primary Government 2023
Taxes	$ 9,185,098	$ 9,162,048	$ -	$ -	$ 9,185,098	$ 9,162,048
Charges for Services	23,111,040	22,269,098	20,291,961	18,373,919	43,403,001	40,643,017
Operating Grants / Contr.	5,797,193	5,102,266	638,752	1,149,331	6,435,945	6,251,597
Capital Grants / Contr.	5,042,209	163,036	1,564,638	194,682	6,606,847	357,718
Other Income	1,063,541	1,059,183	1,068,213	1,096,381	2,131,754	2,155,564
Total Revenue	44,199,081	37,755,631	23,563,564	20,814,313	67,762,645	58,569,944

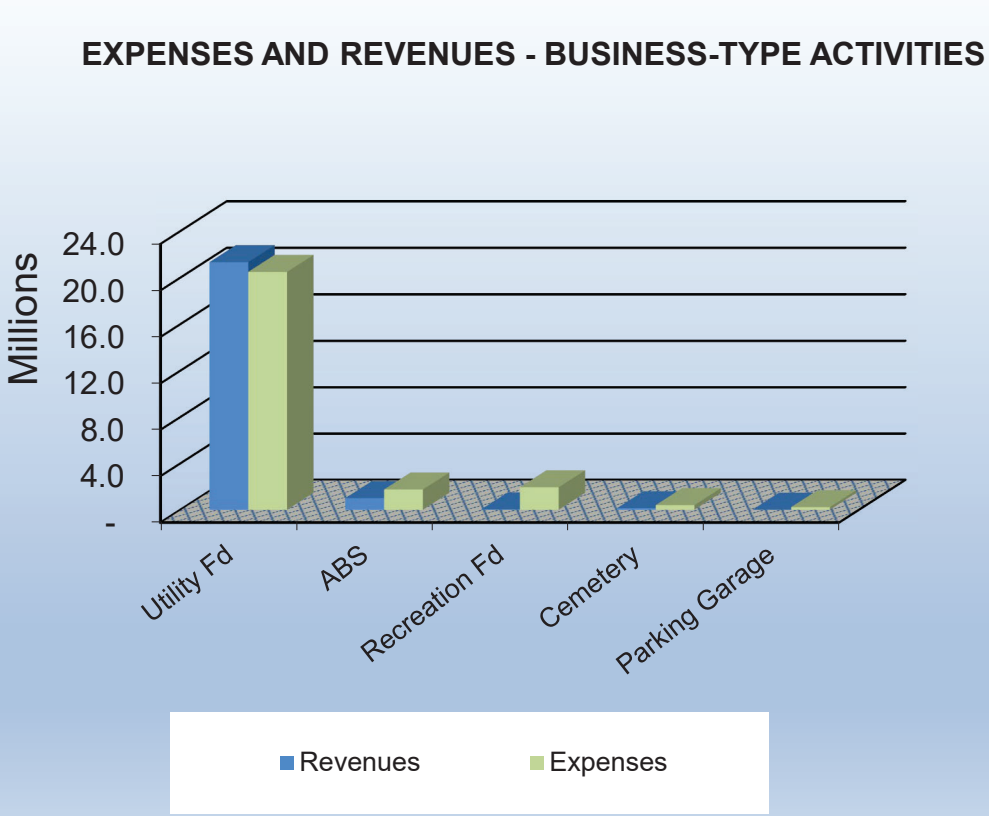
Expenses	Governmental Activities 2024	Governmental Activities 2023	Business-type Activities 2024	Business-type Activities 2023	Total Primary Government 2024	Total Primary Government 2023
General Government	3,108,422	3,119,758	-	-	3,108,422	3,119,758
Finance	809,457	705,736	-	-	809,457	705,736
Public Services	8,826,562	9,038,808	-	-	8,826,562	9,038,808
Planning / Code	1,071,224	2,236,287	-	-	1,071,224	2,236,287
Police	7,637,687	7,561,641	-	-	7,637,687	7,561,641
Fire	7,772,100	7,924,629	-	-	7,772,100	7,924,629
Engineering	293,769	275,043	-	-	293,769	275,043
Community / Cultural	5,364,775	4,597,921	-	-	5,364,775	4,597,921
Debt Service	443,902	506,957	-	-	443,902	506,957
Utility Fund	-	-	20,490,921	19,541,431	20,490,921	19,541,431
Ashland Bus System	-	-	1,747,851	1,572,825	1,747,851	1,572,825
Recreation Operating Fund	-	-	1,940,633	1,827,127	1,940,633	1,827,127
Cemetery	-	-	398,152	349,466	398,152	349,466
Parking Garage	-	-	227,633	189,864	227,633	189,864
Total Expense	35,327,898	35,966,780	24,805,190	23,480,713	60,133,088	59,447,493
Changes before transfers	8,871,183	1,788,851	(1,241,626)	(2,666,400)	7,629,557	(877,549)
Transfers	(2,834,788)	(1,099,160)	2,834,788	1,099,160	-	-
Change in Net Position	6,036,395	689,691	1,593,162	(1,567,240)	7,629,557	(877,549)
Net Position Beg of Year	12,188,835	11,499,144	36,542,862	38,110,102	48,731,697	49,609,246
Net Position End of Year	$ 18,225,230	$ 12,188,835	$ 38,136,024	$ 36,542,862	$ 56,361,254	$ 48,731,697

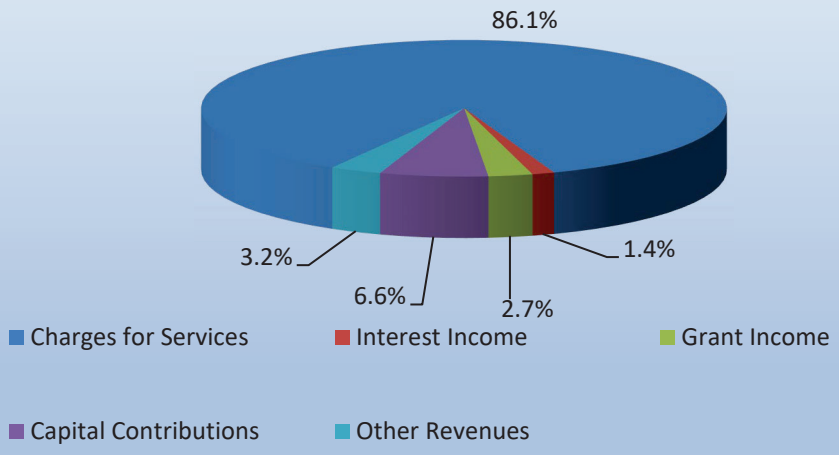
GOVERNMENTAL ACTIVITIES





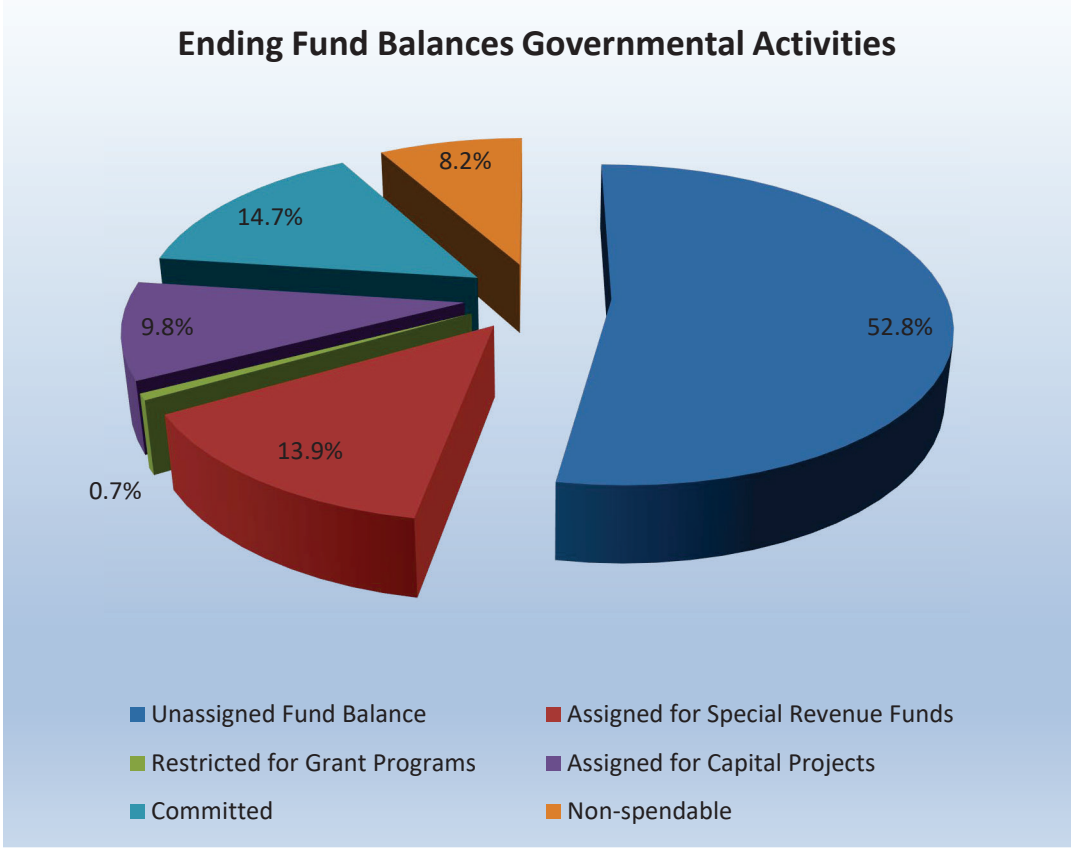
BUSINESS-TYPE ACTIVITIES





FINANCIAL ANALYSIS OF THE CITY'S FUNDS

A. The focus of the City's governmental funds is to provide information on near-term inflows or outflows and balances of spendable resources which are useful in determining the City's financing requirements. Unassigned fund balance serves as a useful measure of the City's net resources available for spending at the end of the fiscal year. At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of $13,736,111. Of this total, $7,250,819, or 52.8%, is unassigned fund balance. The remainder of fund balance is assigned / non-spendable / restricted to indicate it is not available for new spending because it has previously been restricted. Fiscal Year 2024 reports assigned for special revenue funds at $1,911,481, restricted for grant programs at $89,541, non-spendable at $1,120,660, assigned for capital projects at $1,341,401 and committed $2,022,209. The governmental funds assigned for capital projects is for the continuation of our Streetscape Improvements and various downtown and park improvements. Unassigned fund balance increased this year due to Occupational Tax revenue increases. Non-spendable fund balance is a combination of our prepaid property and equipment insurance, general liability insurance, workers compensation insurance and the balances of the inventory accounts at the close of the fiscal year.



MAJOR GOVERNMENTAL FUNDS

For the year ending June 30, 2024, the major governmental funds reported as follows:

The General Fund had revenues of $31,673,362, expenditures of $30,699,904 and net other financing uses of ($2,356,663). The total fund balance is $11,665,459. Fund balance decreased primarily due to transfer out to other funds.

The Tax Increment Finance Fund had revenues of $195,845 and expenditures of $300,554. The total fund balance is ($1,271,771). The TIF fund expenditures are the debt service payment. It should be noted that the deficit is a result of revenues not meeting the needs for the debt service payment. A conservative fiscal approach should be applied to the TIF district for future fiscal years.

The State Tax Increment Fund had revenues of $495,008 and expenditures of $0. The total fund balance is $495,008.

The Brownfield Grant Fund had revenues of $67,294 and expenditures of $67,294. The total fund balance is $0.

The Municipal Aid Road Fund had revenues of $525,449 and expenditures of $457,863. The total fund balance is $138,940. The focus on paving allowed the City to utilize this fund to its full potential by improving the roads and infrastructure for our citizens.

The Floodwall Operating Fund had revenues of $284,489 and expenditures of $309,293. The total fund balance is $251,180.

The Community Development Fund had revenues of $698,624 and expenditures of $698,624. The total fund balance is $65,437.

The Housing Assistance Fund had revenues of $4,222,511 and expenditures of $4,205,035. The total fund balance is $24,104.

The ARPA Fund had revenues of $1,361,202 and expenditures of $385,455 and net other financing uses of ($478,125). The total fund balance is $615,175.

The Opioid Settlement Fund had revenues of $451,669 and expenditures of $427,052. The total fund balance is $411,178.

The Capital Purchase Improvement Fund had revenues of $4,223,628 and expenditures of $7,691,706. The total fund balance is $1,341,401. Fund balance decreased primarily due to completion of projects.

PROPRIETARY FUNDS

The City's proprietary funds, or business-type activities, had a total net position of $38,136,024 for the five funds. Total increase in net position was $1,593,162.

The Utility Fund, which accounts for water and wastewater services for the City of Ashland and surrounding communities, had a positive net position change of $2,355,252.

The Ashland Bus System accounts for the City's transportation system which is partially subsidized by the Federal Government (Federal Transit Administration). The City acquired the Ashland Cemetery in September 2009. New perimeter fencing was installed this year.

Recreation Operating Fund is the City's park system, swimming pool, concession activities and other recreational activities. Inclusive playground was added to Oliverio Park, security cameras were installed at the Riverfront and various parks had restroom upgrades this year.

New security cameras were installed at the Parking Garage this year.

BUDGETARY HIGHLIGHTS

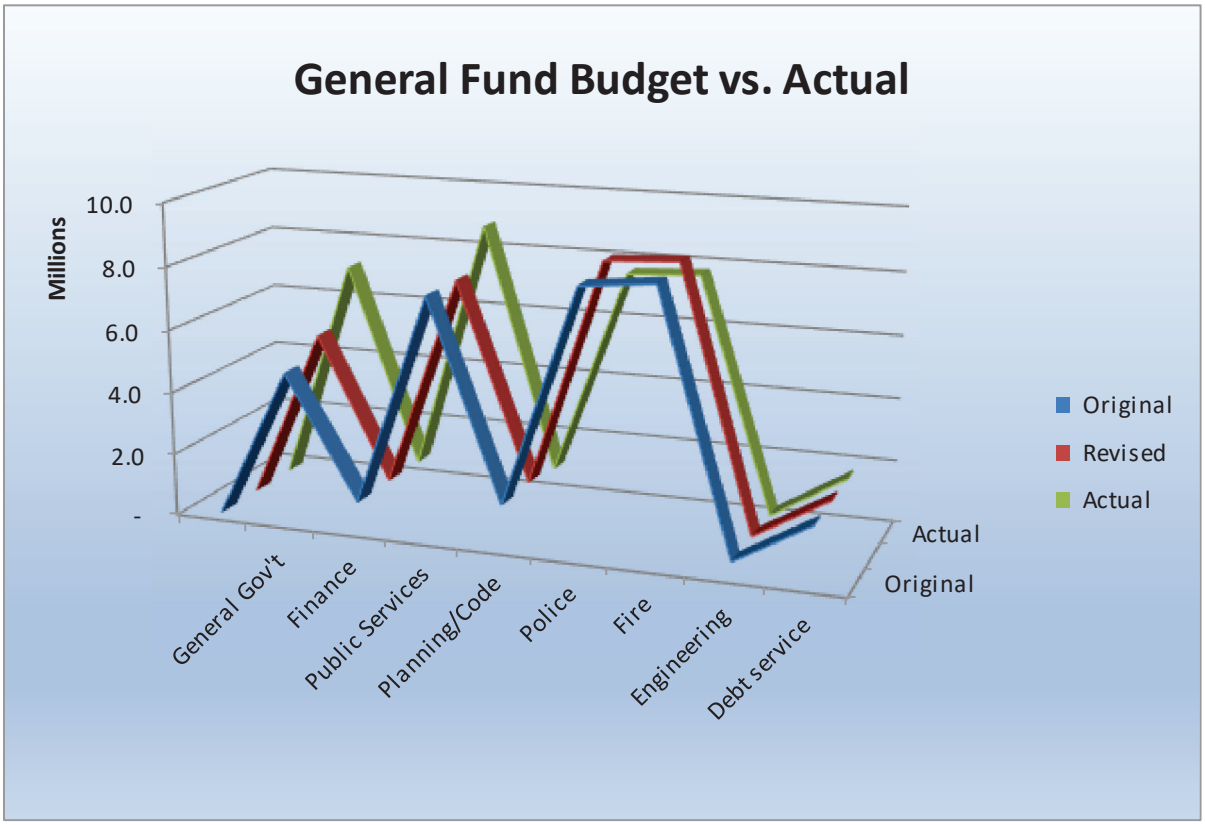
The budget was amended during the year to reflect the following:

- ⇒ $290,948 increase in Police expenditures for tools / equipment ($52,574), general supplies ($29,866) and rental / maintenance agreement ($208,508).
- ⇒ $183,027 increase in Fire expenditures for protective equipment ($14,682), tools / equipment ($60,433), general supplies ($40,823), training ($5,690), equipment repair ($39,815), payroll ($16,734) and building repair ($4,850).
- ⇒ $3,250 increase in Engineering expenditures for dues / publications ($2,500) and office supplies ($750).
- ⇒ $104,115 increase in CDBG expenditures for projects.
- ⇒ $27,052 increase in Opioid expenditures for opioid litigation funds.
- ⇒ $9,906 increase in City Manager expenditures for payroll.
- ⇒ $173,472 increase in Utility Unclassified expenditures for payroll ($9,906) office equipment ($163,566).
- ⇒ $88,684 increase in Utility Cashier expenditures for payroll.
- ⇒ $51,000 increase in Brownfield Grant expenditures for professional services.

⇒ $133,570 increase in Ashland Bus System expenditures for operating equipment.
⇒ $117,776 increase in Recreation Central Park expenditures for capital improvements.
⇒ $323,589 increase in Dawson Pool Park expenditures for capital improvements.
⇒ $13,300 increase in Recreation Other Parks general supplies.
⇒ $34,515 increase in Cemetery expenditures for operating equipment ($17,875) and capital improvements ($16,640).
⇒ $597,086 increase in the transfer to Capital Purchase Improvement Fund: $9,599 CDBG for office equipment, $148,226 for Police ($5,595) for building improvements, ($142,631) automotive equipment, $439,261 for Fire for building improvements.

Significant budget versus actual variances include the following:

⇒ The General Fund is the primary operating governmental fund of the City. General Fund actual revenues were $31,673,362 versus budgeted revenues of $31,468,460. Licenses and permits were $16,346,495 budgeted and actual revenues were $17,575,042 for a variance of $1,228,547. Finance staff's focus on collection efforts and new business in the City is to be credited for this positive variance. Grant Income were $386,995 budgeted and actual revenues were $375,258 for a variance of ($11,737).



CAPITAL ASSET AND DEBT ADMINISTRATION

The City's investment in capital assets for governmental and business-type activities as of June 30, 2024 is $136,869,822 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads and construction in progress. See Note (6) for additional discussion of the City's capital assets.

CITY OF ASHLAND - CAPITAL ASSETS

(NET OF DEPRECIATION)

Asset	Governmental Activities	Business-type Activities	Total
Land	$ 3,897,389	$449,401	$4,346,790
Buildings and improvements	14,481,276	8,956,186	23,437,462
Automotive equipment	7,955,727	2,645,109	10,600,836
Operating equipment	5,785,887	6,701,101	12,486,988
Office equipment	743,873	775,888	1,519,761
Capital improvements	4,056,721	5,797,276	9,853,997
Right-of-way	15,038,909	-	15,038,909
Infrastructure	58,559,699	-	58,559,699
Utility plant	-	108,228,879	108,228,879
Construction (CIP)	6,291,532	12,118,135	18,409,667
	116,811,013	145,671,975	262,482,988
Less depreciation	(47,517,037)	(78,096,129)	(125,613,166)
Total	$69,293,976	$67,575,846	$136,869,822

Major construction projects through June 30, 2024 include:

Project	Approved Contract	Paid / Accrued to Date	Outstanding Commitment
Water Pump Station Emergency Generators Inst	$ 652,910	$ 478,125	$ 174,785
Winchester Ave. Streetscape & Improvements	7,784,770	5,780,121	2,004,648
Florida St., Baugess Dr., Johnson Fork Booster	94,000	70,453	23,547
FY2024 Concrete/Asphalt Repair work	686,875	623,536	63,339
FY2024 Street Paving	1,511,550	1,382,753	128,797
Install/Remov of FRP Composite/Epoxy system	250,583	218,785	31,798
Existing 42" ductile iron raw water pipes at WTP	106,998	31,496	75,502
17th St. Entrance Upgrade	49,000	20,850	28,150
Engineering for 17th St. Entrance upgrade	18,150	16,020	2,130
Chestnut Dr. Sewer Repl.	105,680	94,090	11,590
Debord Hill Tank rehab	421,800	290,701	131,099
Pollard Mills Improv Proj	115,930	112,086	3,844
Roberts Dr. Static Screen	207,384	89,175	118,209
Dawes St. Rehab	331,550	79,572	251,978
13th St. Tank Rehab	1,067,066	326,274	740,791
Sidewalk Repl - Phase II	53,100	44,970	8,130
Emergency Generator Installation	416,107	401,107	15,000
12 engine driven power generators	922,640	142,866	779,774
WTP Geodesic Dome Tank cover	258,314	83,762	174,552
Dawson Pool Liner	105,000	1,361	103,639
Winchester Ave CI/CA	160,000	104,000	56,000
Winchester Ave CI/CA	160,000	122,741	37,260
Winchester Ave CI/CA	286,182	126,508	159,675
Roofing/Gutter Ashland Central Fire Station	121,841	115,749	6,092
Ashland City Entrance Signs	396,570	217,506	179,064
Chestnut Dr Sewer and Water Repl Proj	655,260	603,082	52,178
Sidewalk Repl Downtown Area	541,168	410,590	130,578
Pool filtration system	173,300	44,950	128,350
26th St. Pump Station	3,992,040	2,044,653	1,947,387
WWTP Expansion	1,726,938	1,373,089	353,848
US 23 Water Main			
	$ 23,372,705	$ 15,450,970	$ 7,921,735

DEBT

At the end of fiscal year 2024, the City had governmental activities debt of $16,854,453 compared to $18,437,551 at June 30, 2023, which represents a decrease of ($1,583,098). Business-type activities had debt of $15,884,660 compared to $17,811,854 at June 30, 2023, which represents a decrease of ($1,927,194). See Note (9) for additional discussion of the City's long term debt. The following chart summarizes governmental and business-type activities debt.

Governmental Activities Debt	Amount
General obligation bond series 2015	$1,230,000
General obligation bond series 2017	3,415,000
General obligation bond series 2021	8,745,000
Lease - Melody Mtn Phase II	971,667
Premium on Bonds	1,358,278
Compensated absences obligation	1,134,508
Total	$ 16,854,453

Business-Type Activities Debt	Amount
Water & Sewer Revenue Bonds 2015	$ 1,795,000
Water & Sewer Revenue Bonds 2020	9,760,000
Lease - Radio Meters	552,917
Kentucky Infrastructure Authority loans	3,741,681
Premium on Bonds	46,531
Discount on Bonds	(11,469)
Total	$ 15,884,660

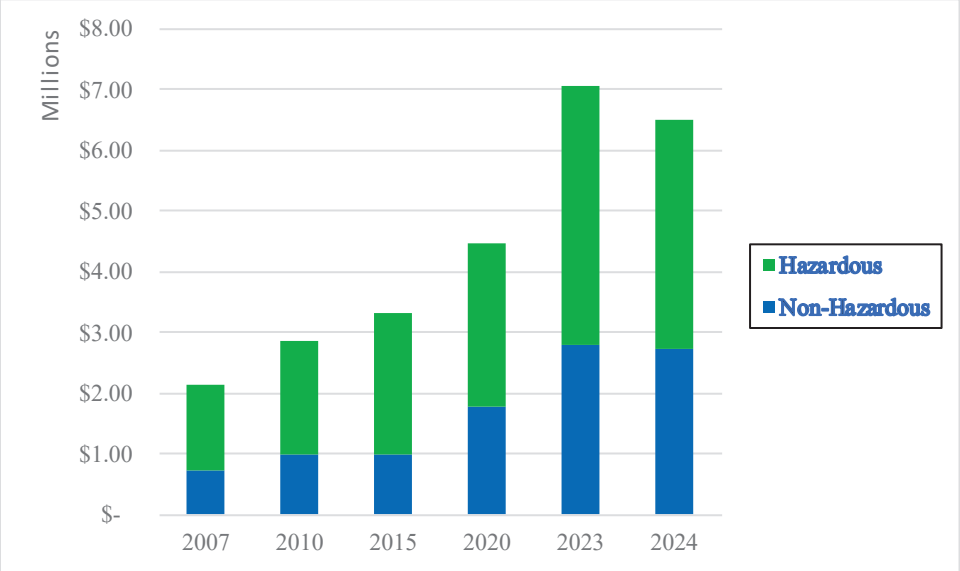
DESCRIPTION OF MUNICIPAL DEBT

- ⇒ General Obligation Refunding Bonds 2015 - $1,230,000.
- ⇒ General Obligation Bonds 2017 Ashland Plaza Redevelopment Project - $3,415,000.
- ⇒ General Obligation Bonds 2013 Melody Mountain Phase II - $971,667.
- ⇒ General Obligation Bonds 2021 for various capital projects - $8,745,000.
- ⇒ Premium on bonds - $1,358,278.
- ⇒ Employee compensated absences payable after 60 days at $1,134,508.
- ⇒ K.I.A. Loans used to upgrade the utility system and correct CSO - $3,741,681.
- ⇒ KLC lease payable for the purchase of radio read meters - $552,917.
- ⇒ Water & Sewer Revenue Bonds 2015 – water system improvements - $1,795,000.
- ⇒ Water & Sewer Revenue Bonds 2020 – water & wastewater improvements - $9,760,000.
- ⇒ Discount and premium on bonds – ($11,469) and $46,531 respectively.

OTHER POTENTIALLY SIGNIFICANT MATTERS

Over the years, the City's contribution to the Kentucky Retirement System (CERS) has seen a substantial rise in costs that has significantly impacted the City's operating budget. The table and graph below show the actual cost of the City's contributions to CERS for both Non-Hazardous and Hazardous employees for selected fiscal years, 2007, 2010, 2015, 2020, 2023 and 2024.

CERS Employer Contributions						
	Non-Hazardous			Hazardous		
FY	Rate	Amount	% Change	Rate	Amount	% Change
2007	13.19%	$ 726,183		28.21%	$ 1,416,348	
2010	16.16%	$ 1,007,386	38.72%	32.97%	$ 1,842,136	30.06%
2015	17.67%	$ 997,574	-0.97%	34.31%	$ 2,331,987	26.59%
2020	24.06%	$ 1,789,316	79.37%	39.58%	$ 2,685,813	15.17%
2023	26.79%	$ 2,802,779	56.64%	49.59%	$ 4,253,793	58.38%
2024	23.34%	$ 2,717,638	-3.04%	43.69%	$ 3,764,547	-11.50%



ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Unemployment rate for the City of Ashland as of June 2024 is 6.8%. This rate is higher than the State of Kentucky rate at 5.0% and the national rate of 4.1%.

The following summarizes the 2025 fiscal year budgeted expenses.

⇒ General Fund - $32,637,056
⇒ Tax Increment Finance Fund - $299,450
⇒ State Tax Increment Finance Fund - $396,176
⇒ Brownfield Grant - $137,000
⇒ Municipal Aid Program - $520,925
⇒ Community Development Block Grant Fund - $1,191,905
⇒ ARPA Fund - $12,415,000
⇒ Conference Center Grant - $1,000,000
⇒ Opioid Settlement - $454,430
⇒ Section 8 Voucher - $4,543,250
⇒ Floodwall Operating Fund - $327,480
⇒ Utility Fund - $46,033,155
⇒ Ashland Bus System - $1,759,198

- ⇒ Recreation Operating Fund - $1,730,652
- ⇒ Ashland Cemetery Fund - $427,975
- ⇒ Parking Garage - $200,177
- ⇒ Conference Center - $12,500,000
- ⇒ Capital Purchase Improvement Fund - $6,340,695

Fiscal year 2025 contains several significant budget items. The Utility Fund will continue with the replacement of the aging water lines and engineering for new Sewer Treatment plant. Infrastructure improvements including significant paving, sidewalk replacement, Park Improvements and Winchester Avenue round abouts and Streetscape in our downtown area.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of financial data for the City of Ashland. Requests for additional information should be addressed to:

Tony D. Grubb, CGFM
Chief Financial Officer
City of Ashland
P.O. Box 1839
Ashland, KY 41105-1839
Email: Tdgrubb@ashlandky.gov

CITY OF ASHLAND
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,596,964	$ 483,801	$ 2,080,765
Accounts receivable	-	3,927,312	3,927,312
Allowance for uncollectible accounts	-	(670,539)	(670,539)
Taxes receivable	3,137,156	-	3,137,156
Allowance for uncollectible taxes	(537,582)	-	(537,582)
Grants receivable	1,382,698	1,708,819	3,091,517
Internal balances, net	10,104,937	(10,104,937)	-
Due from fiduciary fund	1,602,136	-	1,602,136
Other receivables	739,857	-	739,857
Allowance for uncollectible accounts	(76,311)	-	(76,311)
Prepaid expenses	853,736	105,028	958,764
Inventories	266,924	2,926,716	3,193,640
Restricted assets -			
Cash and cash equivalents	-	7,828,402	7,828,402
Certificates of deposit	15,612,109	6,643,021	22,255,130
Note receivable	150,000	-	150,000
Nondepreciable capital assets	25,793,769	12,567,536	38,361,305
Depreciable capital assets	91,017,244	133,104,439	224,121,683
Accumulated depreciation	(47,517,037)	(78,096,129)	(125,613,166)
Net OPEB assets	235,276	255,483	490,759
Total assets	104,361,876	80,678,952	185,040,828
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount from refunding bonds	326,639	-	326,639
Deferred outflows - OPEB related	2,677,776	1,178,380	3,856,156
Deferred outflows - pension related	8,731,895	3,354,334	12,086,229
Total deferred outflows of resources	11,736,310	4,532,714	16,269,024

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

CITY OF ASHLAND
STATEMENT OF NET POSITION (CONCLUDED)
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Cash overdrafts	$ 2,449,949	$ -	$ 2,449,949
Accounts payable	2,930,114	1,399,975	4,330,089
Due to Board of Education	71,148	-	71,148
Payable to fiduciary fund	54,557	3,644,563	3,699,120
Unearned revenue	12,980,179	-	12,980,179
Other accrued expenses and liabilities	2,284,290	382,262	2,666,552
Deposits	-	713,172	713,172
Matured revenue bonds and notes	-	50,000	50,000
Accrued compensated absences, current	223,183	435,734	658,917
Current portion of long-term debt	1,527,084	1,439,319	2,966,403
Net OPEB liabilities, due in more than one year	1,622,838	-	1,622,838
Net pension liabilities, due in more than one year	42,700,233	18,502,368	61,202,601
Accrued compensated absences, non-current	1,134,508	-	1,134,508
Financing lease obligations, non-current	889,583	425,834	1,315,417
Revenue and Improvement bonds, net of discounts	-	10,870,062	10,870,062
Kentucky Infrastructure Authority loans, non-current	-	3,149,445	3,149,445
General obligation bonds, non-current, plus premiums	13,303,278	-	13,303,278
Total liabilities	82,170,944	41,012,734	123,183,678
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - OPEB related	11,855,498	4,599,983	16,455,481
Deferred inflows - pension related	3,846,514	1,462,925	5,309,439
Total deferred inflows of resources	15,702,012	6,062,908	21,764,920
NET POSITION			
Net investment in capital assets	55,922,879	54,336,550	110,259,429
Restricted			
Debt service	-	1,886,225	1,886,225
Grant programs	89,541	-	89,541
Sewer improvements	-	9,663,613	9,663,613
Other	-	226,221	226,221
Unrestricted	(37,787,190)	(27,976,585)	(65,763,775)
Total net position	$ 18,225,230	$ 38,136,024	$ 56,361,254

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

CITY OF ASHLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities							
General government	$ 3,108,422	$ 20,047,292	$ 5,690	$ -	$ 16,944,560	$ -	$ 16,944,560
Finance	809,457	-	-	-	(809,457)	-	(809,457)
Public services	8,826,562	2,612,389	525,325	5,042,209	(646,639)	-	(646,639)
Planning and code enforcement	1,071,224	-	67,294	-	(1,003,930)	-	(1,003,930)
Police	7,637,687	-	369,568	-	(7,268,119)	-	(7,268,119)
Fire	7,772,100	-	-	-	(7,772,100)	-	(7,772,100)
Engineering	293,769	-	-	-	(293,769)	-	(293,769)
Community and cultural	5,364,775	451,359	4,829,316	-	(84,100)	-	(84,100)
Debt service - interest	443,902	-	-	-	(443,902)	-	(443,902)
Total governmental activities	35,327,898	23,111,040	5,797,193	5,042,209	(1,377,456)	-	(1,377,456)
Business-Type Activities							
Utilities	20,490,921	20,103,547	-	1,228,000	-	840,626	840,626
Recreation	1,940,633	21,384	3,000	-	-	(1,916,249)	(1,916,249)
Cemetery	398,152	133,454	-	-	-	(264,698)	(264,698)
Parking Garage	227,633	4,082	-	-	-	(223,551)	(223,551)
Bus	1,747,851	29,494	635,752	336,638	-	(745,967)	(745,967)
Total business-type activities	24,805,190	20,291,961	638,752	1,564,638	-	(2,309,839)	(2,309,839)
Total primary government	$ 60,133,088	$ 43,403,001	$ 6,435,945	$ 6,606,847	$ (1,377,456)	$ (2,309,839)	$ (3,687,295)
		General Revenues:					
		Property and other local taxes					
		General property taxes			$ 3,568,369	$ -	$ 3,568,369
		Vehicle property taxes			518,771	-	518,771
		Insurance premium taxes			4,866,968	-	4,866,968
		Bank franchise and other taxes			230,990	-	230,990
		Interest income			634,573	322,662	957,235
		Other revenues			428,968	745,551	1,174,519
		Total general revenues			10,248,639	1,068,213	11,316,852
		Transfers			(2,834,788)	2,834,788	-
		Total general revenues and transfers			7,413,851	3,903,001	11,316,852
		Change in net position			6,036,395	1,593,162	7,629,557
		Net position, June 30, 2023			12,188,835	36,542,862	48,731,697
		Net position, June 30, 2024			$ 18,225,230	$ 38,136,024	$ 56,361,254

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

CITY OF ASHLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

		Special Revenue Funds											
	General	Tax Increment Finance	State Tax Increment Finance	Brownfield Grant	Municipal Aid Road	Community Development	ARPA	Conference Center Grant	Opioid Settlement	Housing Assistance	Floodwall Operating	Capital Projects	Total Governmental Funds
Assets													
Cash	$ 23,070	$ -	$ 201,386	$ 60,898	$ 153,234	$ 35,823	$ 176,212	$ -	$ 361,435	$ 422,402	$ 25,271	$ -	$ 1,459,731
Taxes receivable	2,619,252	-	293,622	-	-	-	-	-	-	-	224,282	-	3,137,156
Allowance for uncollectible taxes	(495,343)	-	-	-	-	-	-	-	-	-	(42,239)	-	(537,582)
Grants receivable	-	-	-	6,396	49,431	315,161	-	-	-	-	-	1,011,710	1,382,698
Due from other funds	14,031,087	-	-	-	-	-	-	-	-	-	64,183	1,912,736	16,008,006
Other receivables	562,332	-	-	-	-	-	51,471	-	49,743	76,311	-	-	739,857
Allowance for uncollectible accounts	-	-	-	-	-	-	-	-	-	(76,311)	-	-	(76,311)
Investments - certificates of deposit	2,022,209	-	-	-	-	-	13,589,900	-	-	-	-	-	15,612,109
Prepaid items	853,736	-	-	-	-	-	-	-	-	-	-	-	853,736
Inventories - supplies	266,924	-	-	-	-	-	-	-	-	-	-	-	266,924
Total assets	$ 19,883,267	$ -	$ 495,008	$ 67,294	$ 202,665	$ 350,984	$ 13,817,583	$ -	$ 411,178	$ 422,402	$ 271,497	$ 2,924,446	$ 38,846,324
Liabilities and Fund Balances													
Liabilities:													
Cash overdraft	$ 2,449,949	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,449,949
Accounts payable	1,102,428	-	-	-	-	35,811	867	-	-	5,373	17,949	1,583,045	2,745,473
Due to other funds	3,186,562	1,271,771	-	67,294	63,725	245,633	545,264	-	-	63,203	-	-	5,443,452
Unearned revenue	-	-	-	-	-	-	12,656,277	-	-	323,902	-	-	12,980,179
Due to Board of Education	71,148	-	-	-	-	-	-	-	-	-	-	-	71,148
Accrued compensated absences	217,925	-	-	-	-	3,078	-	-	-	1,433	747	-	223,183
Accrued wages and related	1,189,796	-	-	-	-	1,025	-	-	-	4,387	1,621	-	1,196,829
Total liabilities	8,217,808	1,271,771	-	67,294	63,725	285,547	13,202,408	-	-	398,298	20,317	1,583,045	25,110,213
Fund Balances:													
Non-spendable	1,120,660	-	-	-	-	-	-	-	-	-	-	-	1,120,660
Restricted for grant programs	-	-	-	-	-	65,437	-	-	-	24,104	-	-	89,541
Committed	2,022,209	-	-	-	-	-	-	-	-	-	-	-	2,022,209
Assigned for capital projects	-	-	-	-	-	-	-	-	-	-	-	1,341,401	1,341,401
Assigned for special revenue funds	-	-	495,008	-	138,940	-	615,175	-	411,178	-	251,180	-	1,911,481
Unassigned	8,522,590	(1,271,771)	-	-	-	-	-	-	-	-	-	-	7,250,819
Total fund balances	11,665,459	(1,271,771)	495,008	-	138,940	65,437	615,175	-	411,178	24,104	251,180	1,341,401	13,736,111
Total liabilities and fund balances	$ 19,883,267	$ -	$ 495,008	$ 67,294	$ 202,665	$ 350,984	$ 13,817,583	$ -	$ 411,178	$ 422,402	$ 271,497	$ 2,924,446	$ 38,846,324

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

CITY OF ASHLAND
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total fund balance - total governmental funds		$ 13,736,111
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets of $116,811,013 net of accumulated depreciation of $47,517,037 used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		69,293,976
Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the governmental funds:		
Note receivable	150,000	
Net OPEB assets	235,276	
Deferred amount from refunding bonds	326,639	711,915
Deferred outflows and inflows of resources related to pensions and OPEB plans are applicable to future periods and, therefore, are not reported in the governmental funds.		(4,292,341)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds:		
Net OPEB liabilities	(1,622,838)	
Net pension liabilities	(42,700,233)	
Bonds payable	(14,748,278)	
Accrued interest payable	(46,907)	
Accrued compensated absences	(1,134,508)	
Financing lease obligations	(971,667)	(60,662,516)
Net position, end of year - governmental activities		$ 18,787,145

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

CITY OF ASHLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

		Special Revenue Funds											
	General	Tax Increment Finance	State Tax Increment Finance	Brownfield Grant	Municipal Aid Road	Community Development	ARPA	Conference Center Grant	Opioid Settlement	Housing Assistance	Floodwall Operating	Capital Projects	Total Governmental Funds
Revenues													
Property and other local taxes	$ 8,375,780	$ 30,554	$ 494,715	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 284,049	$ -	$ 9,185,098
Licenses and permits	17,575,042	165,291	-	-	-	-	-	-	-	-	-	-	17,740,333
Charges for services	2,612,389	-	-	-	-	-	-	-	-	-	-	-	2,612,389
Fees, fines and reimbursements	2,306,959	-	-	-	-	-	-	-	-	-	-	-	2,306,959
Grant income	375,258	-	-	67,294	525,325	698,624	818,581	-	401,470	3,729,222	-	4,223,628	10,839,402
Administration fee income	-	-	-	-	-	-	-	-	-	451,359	-	-	451,359
Interest income	90,051	-	293	-	124	-	542,621	-	456	591	437	-	634,573
Other income	337,883	-	-	-	-	-	-	-	49,743	41,339	3	-	428,968
Total revenues	31,673,362	195,845	495,008	67,294	525,449	698,624	1,361,202	-	451,669	4,222,511	284,489	4,223,628	44,199,081
Expenditures													
General government	3,117,303	179	-	-	-	-	-	-	-	-	-	2,635	3,120,117
Finance	869,199	-	-	-	-	-	-	-	-	-	-	-	869,199
Public services	6,590,550	-	-	67,294	457,863	-	-	-	-	-	309,293	-	7,425,000
Planning and code enforcement	1,141,768	-	-	-	-	-	-	-	-	-	-	-	1,141,768
Police	8,242,964	-	-	-	-	-	-	-	-	-	-	-	8,242,964
Fire	8,680,710	-	-	-	-	-	-	-	-	-	-	-	8,680,710
Engineering	308,325	-	-	-	-	-	-	-	-	-	-	-	308,325
Community and cultural	-	-	-	-	-	698,624	-	-	427,052	4,205,035	-	-	5,330,711
Capital outlay	-	-	-	-	-	-	385,455	-	-	-	-	7,689,071	8,074,526
Debt service:													
Principal retirement	1,265,000	195,000	-	-	-	-	-	-	-	-	-	-	1,460,000
Interest and other charges	484,085	105,375	-	-	-	-	-	-	-	-	-	-	589,460
Total expenditures	30,699,904	300,554	-	67,294	457,863	698,624	385,455	-	427,052	4,205,035	309,293	7,691,706	45,242,780
Excess (deficiency) of revenues over (under) expenditures	973,458	(104,709)	495,008	-	67,586	-	975,747	-	24,617	17,476	(24,804)	(3,468,078)	(1,043,699)
Other Financing Sources (Uses)													
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(2,356,663)	-	-	-	-	-	(478,125)	-	-	-	-	-	(2,834,788)
Total other financing sources (uses)	(2,356,663)	-	-	-	-	-	(478,125)	-	-	-	-	-	(2,834,788)
Net change in fund balances	(1,383,205)	(104,709)	495,008	-	67,586	-	497,622	-	24,617	17,476	(24,804)	(3,468,078)	(3,878,487)
Fund balances beginning of year	13,048,664	(1,167,062)	-	-	71,354	65,437	117,553	-	386,561	6,628	275,984	4,809,479	17,614,598
Fund balances end of year	$ 11,665,459	$ (1,271,771)	$ 495,008	$ -	$ 138,940	$ 65,437	$ 615,175	$ -	$ 411,178	$ 24,104	$ 251,180	$ 1,341,401	$ 13,736,111

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

CITY OF ASHLAND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds		$ (3,878,487)
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	9,402,831	
Depreciation expense	(3,051,597)	6,351,234
Generally, expenditures recognized in the fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred for the following:		
Long-term portion of accrued sick leave		(67,963)
Amortization of deferred savings from refunding bonds		(48,382)
Amortization of bond discounts and premiums		191,061
Accrued interest payable		2,879
Governmental funds report pension contributions as expenditures when paid. However, in the Statement of Activities, pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions, and investment experience.		
Net change in Police & Firefighters pension liability	348,041	
CERS pension and OPEB expense	1,678,012	2,026,053
Bond and financing lease payments are recognized as expenditures of current financial resources in the fund financial statements, but are reductions of liabilities in the statement of net position.		1,460,000
Change in net position of governmental activities		$ 6,036,395

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

CITY OF ASHLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Revisions	Revised Budget	Actual	Variance Positive (Negative)
Revenues					
Property and other local taxes	$ 8,666,425	$ -	$ 8,666,425	$ 8,375,780	$ (290,645)
Licenses and permits	16,346,495	-	16,346,495	17,575,042	1,228,547
Charges for services	2,572,315	-	2,572,315	2,612,389	40,074
Fees, fines and reimbursements	3,032,455	-	3,032,455	2,306,959	(725,496)
Interest income	247,025	-	247,025	90,051	(156,974)
Grant income	386,995	-	386,995	375,258	(11,737)
Other income	210,910	5,840	216,750	337,883	121,133
Total revenues	31,462,620	5,840	31,468,460	31,673,362	204,902
Expenditures					
General government	2,605,888	9,906	2,615,794	3,117,303	(501,509)
Finance	871,818	-	871,818	869,199	2,619
Public services	7,568,999	-	7,568,999	6,590,550	978,449
Planning and code enforcement	1,314,668	-	1,314,668	1,141,768	172,900
Police	8,219,354	290,948	8,510,302	8,242,964	267,338
Fire	8,463,636	183,027	8,646,663	8,680,710	(34,047)
Engineering	376,068	3,250	379,318	308,325	70,993
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	437,821	-	437,821	1,265,000	(827,179)
Interest and fiscal charges	1,336,889	-	1,336,889	484,085	852,804
Total expenditures	31,195,141	487,131	31,682,272	30,699,904	982,368
Excess (deficiency) of revenues over (under) expenditures	267,479	(481,291)	(213,812)	973,458	1,187,270
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	(2,164,859)	(635,419)	(2,800,278)	(2,356,663)	443,615
Total other financing sources (uses)	(2,164,859)	(635,419)	(2,800,278)	(2,356,663)	443,615
Net change in fund balance	(1,897,380)	(1,116,710)	(3,014,090)	(1,383,205)	1,630,885
Fund balance beginning of year	13,048,664	-	13,048,664	13,048,664	-
Fund balance end of year	$ 11,151,284	$ (1,116,710)	$ 10,034,574	$ 11,665,459	$ 1,630,885

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

CITY OF ASHLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TAX INCREMENT FINANCE FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Revisions	Revised Budget	Actual	Variance Positive (Negative)
Revenues					
Property and other local taxes	$ 19,075	$ -	$ 19,075	$ 30,554	$ 11,479
Licenses and permits	124,515	-	124,515	165,291	40,776
Charges for services	-	-	-	-	-
Fees, fines and reimbursements	-	-	-	-	-
Grant income	-	-	-	-	-
Administration fee income	-	-	-	-	-
Interest income	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	143,590	-	143,590	195,845	52,255
Expenditures					
General government	300	-	300	179	121
Finance	-	-	-	-	-
Public services	-	-	-	-	-
Planning and code enforcement	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Engineering	-	-	-	-	-
Community and cultural	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	195,000	-	195,000	195,000	-
Interest and fiscal charges	105,375	-	105,375	105,375	-
Total expenditures	300,675	-	300,675	300,554	121
Excess (deficiency) of revenues over (under) expenditures	(157,085)	-	(157,085)	(104,709)	52,376
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	(157,085)	-	(157,085)	(104,709)	52,376
Fund balance beginning of year	-	-	-	-	-
Fund balance end of year	$ (157,085)	$ -	$ (157,085)	$ (104,709)	$ 52,376

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

CITY OF ASHLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
STATE TAX INCREMENT FINANCE FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Revisions	Revised Budget	Actual	Variance Positive (Negative)
Revenues					
Property and other local taxes	$ -	$ -	$ -	$ 494,715	$ 494,715
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	-	-
Fees, fines and reimbursements	-	-	-	-	-
Grant income	-	-	-	-	-
Administration fee income	-	-	-	-	-
Interest income	-	-	-	293	293
Other income	-	-	-	-	-
Total revenues	-	-	-	495,008	495,008
Expenditures					
General government	-	-	-	-	-
Finance	-	-	-	-	-
Public services	-	-	-	-	-
Planning and code enforcement	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Engineering	-	-	-	-	-
Community and cultural	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:				-	
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	495,008	495,008
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	-	-	-	495,008	495,008
Fund balance beginning of year	-	-	-	-	-
Fund balance end of year	$ -	$ -	$ -	$ 495,008	$ 495,008

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

CITY OF ASHLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
BROWNFIELD GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Revisions	Revised Budget	Actual	Variance Positive (Negative)
Revenues					
Property and other local taxes	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	-	-
Fees, fines and reimbursements	-	-	-	-	-
Grant income	-	51,000	51,000	67,294	16,294
Administration fee income	-	-	-	-	-
Interest income	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	-	51,000	51,000	67,294	16,294
Expenditures					
General government	-	-	-	-	-
Finance	-	-	-	-	-
Public services	-	51,000	51,000	67,294	(16,294)
Planning and code enforcement	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Engineering	-	-	-	-	-
Community and cultural	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	51,000	51,000	67,294	(16,294)
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance beginning of year	-	-	-	-	-
Fund balance end of year	$ -	$ -	$ -	$ -	$ -

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

CITY OF ASHLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL AID ROAD FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Revisions	Revised Budget	Actual	Variance Positive (Negative)
Revenues					
Property and other local taxes	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	-	-
Fees, fines and reimbursements	-	-	-	-	-
Grant income	457,860	-	457,860	525,325	67,465
Administration fee income	-	-	-	-	-
Interest income	100	-	100	124	24
Other income	-	-	-	-	-
Total revenues	457,960	-	457,960	525,449	67,489
Expenditures					
General government	-	-	-	-	-
Finance	-	-	-	-	-
Public services	457,960	-	457,960	457,863	97
Planning and code enforcement	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Engineering	-	-	-	-	-
Community and cultural	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	457,960	-	457,960	457,863	97
Excess (deficiency) of revenues over (under) expenditures	-	-	-	67,586	67,586
Other Financing Sources (Uses)					
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	-	-	-	67,586	67,586
Fund balance beginning of year	71,354	-	71,354	71,354	-
Fund balance end of year	$ 71,354	$ -	$ 71,354	$ 138,940	$ 67,586

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

CITY OF ASHLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Revisions	Revised Budget	Actual	Variance Positive (Negative)
Revenues					
Property and other local taxes	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	-	-
Fees, fines and reimbursements	-	-	-	-	-
Grant income	1,638,429	-	1,638,429	698,624	(939,805)
Administration fee income	-	-	-	-	-
Interest income	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	1,638,429	-	1,638,429	698,624	(939,805)
Expenditures					
General government	-	-	-	-	-
Finance	-	-	-	-	-
Public services	-	-	-	-	-
Planning and code enforcement	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Engineering	-	-	-	-	-
Community and cultural	1,638,429	104,115	1,742,544	698,624	1,043,920
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	1,638,429	104,115	1,742,544	698,624	1,043,920
Excess (deficiency) of revenues over (under) expenditures	-	(104,115)	(104,115)	-	104,115
Other Financing Sources (Uses)					
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	-	(104,115)	(104,115)	-	104,115
Fund balance beginning of year	65,437	-	65,437	65,437	-
Fund balance end of year	$ 65,437	$ (104,115)	$ (38,678)	$ 65,437	$ 104,115

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

CITY OF ASHLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ARPA FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Revisions	Revised Budget	Actual	Variance Positive (Negative)
Revenues					
Property and other local taxes	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	-	-
Fees, fines and reimbursements	-	-	-	-	-
Grant income	-	-	-	818,581	818,581
Administration fee income	-	-	-	-	-
Interest income	375,000	-	375,000	542,621	167,621
Other income	-	-	-	-	-
Total revenues	375,000	-	375,000	1,361,202	986,202
Expenditures					
General government	2,000	-	2,000	-	2,000
Finance	-	-	-	-	-
Public services	-	-	-	-	-
Planning and code enforcement	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Engineering	-	-	-	-	-
Community and cultural	-	-	-	-	-
Capital outlay	13,070,000	-	13,070,000	385,455	12,684,545
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	13,072,000	-	13,072,000	385,455	12,686,545
Excess (deficiency) of revenues over (under) expenditures	(12,697,000)	-	(12,697,000)	975,747	13,672,747
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(478,125)	(478,125)
Total other financing sources (uses)	-	-	-	(478,125)	(478,125)
Net change in fund balance	(12,697,000)	-	(12,697,000)	497,622	13,194,622
Fund balance beginning of year	117,553	-	117,553	117,553	-
Fund balance end of year	$ (12,579,447)	$ -	$ (12,579,447)	$ 615,175	$ 13,194,622

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

CITY OF ASHLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CONFERENCE CENTER GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Revisions	Revised Budget	Actual	Variance Positive (Negative)
Revenues					
Property and other local taxes	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	-	-
Fees, fines and reimbursements	-	-	-	-	-
Grant income	1,000,000	-	1,000,000	-	(1,000,000)
Administration fee income	-	-	-	-	-
Interest income	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	1,000,000	-	1,000,000	-	(1,000,000)
Expenditures					
General government	-	-	-	-	-
Finance	-	-	-	-	-
Public services	-	-	-	-	-
Planning and code enforcement	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Engineering	-	-	-	-	-
Community and cultural	-	-	-	-	-
Capital outlay	1,000,000	-	1,000,000	-	1,000,000
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	1,000,000	-	1,000,000	-	1,000,000
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance beginning of year	-	-	-	-	-
Fund balance end of year	$ -	$ -	$ -	$ -	$ -

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

CITY OF ASHLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
OPIOID SETTLEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Revisions	Revised Budget	Actual	Variance Positive (Negative)
Revenues					
Property and other local taxes	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	-	-
Fees, fines and reimbursements	-	-	-	-	-
Grant income	-	-	-	401,470	401,470
Administration fee income	-	-	-	-	-
Interest income	-	-	-	456	456
Other income	-	-	-	49,743	49,743
Total revenues	-	-	-	451,669	451,669
Expenditures					
General government	-	-	-	-	-
Finance	-	-	-	-	-
Public services	-	-	-	-	-
Planning and code enforcement	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Engineering	-	-	-	-	-
Community and cultural	-	427,052	427,052	427,052	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	427,052	427,052	427,052	-
Excess (deficiency) of revenues over (under) expenditures	-	(427,052)	(427,052)	24,617	451,669
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	-	(427,052)	(427,052)	24,617	451,669
Fund balance beginning of year	386,561	-	386,561	386,561	-
Fund balance end of year	$ 386,561	$ (427,052)	$ (40,491)	$ 411,178	$ 451,669

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

CITY OF ASHLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
HOUSING ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Revisions	Revised Budget	Actual	Variance Positive (Negative)
Revenues					
Property and other local taxes	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	-	-
Fees, fines and reimbursements	-	-	-	-	-
Grant income	3,434,364	-	3,434,364	3,729,222	294,858
Administration fee income	369,396	-	369,396	451,359	81,963
Interest income	200	-	200	591	391
Other income	-	-	-	41,339	41,339
Total revenues	3,803,960	-	3,803,960	4,222,511	418,551
Expenditures					
General government	-	-	-	-	-
Finance	-	-	-	-	-
Public services	-	-	-	-	-
Planning and code enforcement	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Engineering	-	-	-	-	-
Community and cultural	3,931,012	-	3,931,012	4,205,035	(274,023)
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	3,931,012	-	3,931,012	4,205,035	(274,023)
Excess (deficiency) of revenues over (under) expenditures	(127,052)	-	(127,052)	17,476	144,528
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	(127,052)	-	(127,052)	17,476	144,528
Fund balance beginning of year	6,628	-	6,628	6,628	-
Fund balance end of year	$ (120,424)	$ -	$ (120,424)	$ 24,104	$ 144,528

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

CITY OF ASHLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FLOODWALL OPERATING FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Revisions	Revised Budget	Actual	Variance Positive (Negative)
Revenues					
Property and other local taxes	$ 295,390	$ -	$ 295,390	$ 284,049	$ (11,341)
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	-	-
Fees, fines and reimbursements	-	-	-	-	-
Grant income	-	-	-	-	-
Administration fee income	-	-	-	-	-
Interest income	220	-	220	437	217
Other income	-	-	-	3	3
Total revenues	295,610	-	295,610	284,489	(11,121)
Expenditures					
General government	-	-	-	-	-
Finance	-	-	-	-	-
Public services	332,606	-	332,606	309,293	23,313
Planning and code enforcement	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Engineering	-	-	-	-	-
Community and cultural	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	332,606	-	332,606	309,293	23,313
Excess (deficiency) of revenues over (under) expenditures	(36,996)	-	(36,996)	(24,804)	12,192
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	(36,996)	-	(36,996)	(24,804)	12,192
Fund balance beginning of year	275,984	-	275,984	275,984	-
Fund balance end of year	$ 238,988	$ -	$ 238,988	$ 251,180	$ 12,192

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

CITY OF ASHLAND
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities						Governmental Activity -
	Utility Fund	Ashland Bus Fund	Recreation Fund	Cemetery Fund	Parking Garage Fund	Total	Internal Service Fund
ASSETS							
Unrestricted Assets:							
Cash and cash equivalents	$ 389,244	$ 59,210	$ 6,781	$ 12,834	$ 15,732	$ 483,801	$ 137,233
Accounts receivable	3,924,611	-	11	2,690	-	3,927,312	-
Allowance for doubtful accounts	(670,539)	-	-	-	-	(670,539)	-
Due from other funds	-	-	-	67,124	-	67,124	1,087,961
Grants receivable - capital	688,000	385,067	-	-	-	1,073,067	-
Grants receivable - operating	-	635,752	-	-	-	635,752	-
Prepaid expenses	105,028	-	-	-	-	105,028	-
Inventories -							
Repair parts and supplies	1,552,003	48,560	2,748	-	-	1,603,311	-
Lots and vaults	-	-	-	1,323,405	-	1,323,405	-
Total unrestricted assets	5,988,347	1,128,589	9,540	1,406,053	15,732	8,548,261	1,225,194
Restricted Assets:							
Cash and cash equivalents	7,792,181	-	-	36,221	-	7,828,402	-
Investments -							
Certificates of deposit	6,453,021	-	190,000	-	-	6,643,021	-
Total restricted assets	14,245,202	-	190,000	36,221	-	14,471,423	-
Total current assets	20,233,549	1,128,589	199,540	1,442,274	15,732	23,019,684	1,225,194
Capital Assets:							
Land and easements	372,725	-	58,223	18,453	-	449,401	-
Utility plant	108,228,879	-	-	-	-	108,228,879	-
Buildings and improvements	2,912,935	1,604,339	307,070	2,331,842	1,800,000	8,956,186	-
Operating equipment	7,509,704	1,448,542	5,935,350	197,436	52,454	15,143,486	-
Office and computer equipment	737,718	38,170	-	-	-	775,888	-
Construction in progress	11,701,202	-	416,933	-	-	12,118,135	-
	131,463,163	3,091,051	6,717,576	2,547,731	1,852,454	145,671,975	-
Less: Accumulated depreciation	(73,789,831)	(2,110,106)	(1,357,137)	(734,696)	(104,359)	(78,096,129)	-
Total capital assets - net	57,673,332	980,945	5,360,439	1,813,035	1,748,095	67,575,846	-
Net OPEB assets	39,834	23,563	140,866	7,785	43,435	255,483	-
Total noncurrent assets	57,713,166	1,004,508	5,501,305	1,820,820	1,791,530	67,831,329	-
Total assets	77,946,715	2,133,097	5,700,845	3,263,094	1,807,262	90,851,013	1,225,194
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows - OPEB related	890,995	131,437	117,692	25,059	13,197	1,178,380	-
Deferred outflows - pension related	2,536,276	374,143	335,017	71,331	37,567	3,354,334	-
Total deferred outflows of resources	3,427,271	505,580	452,709	96,390	50,764	4,532,714	-

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

CITY OF ASHLAND
STATEMENT OF NET POSITION (CONCLUDED)
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities						Governmental Activity -
	Utility Fund	Ashland Bus Fund	Recreation Fund	Cemetery Fund	Parking Garage Fund	Total	Internal Service Fund
LIABILITIES							
Current liabilities (payable from current assets):							
Accounts payable	$ 956,768	$ 46,570	$ 390,875	$ 3,560	$ 2,202	$ 1,399,975	$ 184,641
Due to other funds	8,878,665	1,672,726	2,893,430	-	371,803	13,816,624	-
Accrued compensated absences	346,215	39,913	38,860	9,267	1,479	435,734	-
Other accrued liabilities	304,159	19,227	17,356	40,090	1,430	382,262	1,040,553
Total current liabilities (payable from current assets)	10,485,807	1,778,436	3,340,521	52,917	376,914	16,034,595	1,225,194
Current liabilities (payable from restricted assets):							
Matured revenue bonds and notes	50,000	-	-	-	-	50,000	-
Customer deposits	713,172	-	-	-	-	713,172	-
Current portion of financing lease obligations	127,083	-	-	-	-	127,083	-
Current portion of Revenue and Improvement bonds	720,000	-	-	-	-	720,000	-
Current portion of Kentucky Infrastructure Authority loans	592,236	-	-	-	-	592,236	-
Total current liabilities (payable from restricted assets)	2,202,491	-	-	-	-	2,202,491	-
Total current liabilities	12,688,298	1,778,436	3,340,521	52,917	376,914	18,237,086	1,225,194
Long-term liabilities:							
Financing lease obligations	425,834	-	-	-	-	425,834	-
Revenue and Improvement bonds, net of discount and premium	10,870,062	-	-	-	-	10,870,062	-
Kentucky Infrastructure Authority loans	3,149,445	-	-	-	-	3,149,445	-
Net pension liabilities	15,643,107	1,489,235	1,118,284	238,006	13,736	18,502,368	-
Total long-term liabilities	30,088,448	1,489,235	1,118,284	238,006	13,736	32,947,709	-
Total liabilities	42,776,746	3,267,671	4,458,805	290,923	390,650	51,184,795	1,225,194
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows - OPEB related	3,478,136	513,082	459,427	97,820	51,518	4,599,983	-
Deferred inflows - pension related	1,106,145	163,175	146,111	31,110	16,384	1,462,925	-
Total deferred inflows of resources	4,584,281	676,257	605,538	128,930	67,902	6,062,908	-
NET POSITION							
Net investment in capital assets	44,434,036	980,945	5,360,439	1,813,035	1,748,095	54,336,550	-
Restricted for debt service	1,886,225	-	-	-	-	1,886,225	-
Restricted for sewer improvements	9,663,613	-	-	-	-	9,663,613	-
Other	-	-	190,000	36,221	-	226,221	-
Unrestricted	(21,970,915)	(2,286,196)	(4,461,228)	1,090,375	(348,621)	(27,976,585)	-
Total net position	$ 34,012,959	$ (1,305,251)	$ 1,089,211	$ 2,939,631	$ 1,399,474	$ 38,136,024	$ -

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

CITY OF ASHLAND
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities						Governmental Activity -
	Utility Fund	Ashland Bus Fund	Recreation Fund	Cemetery Fund	Parking Garage Fund	Total	Internal Service Fund
OPERATING REVENUES							
Residential and commercial meter sales	$ 5,054,213	$ -	$ -	$ -	$ -	$ 5,054,213	$ -
Sewer service	9,354,231	-	-	-	-	9,354,231	-
Industrial meter sales	3,993,253	-	-	-	-	3,993,253	-
Other municipalities	1,431,306	-	-	-	-	1,431,306	-
Industrial pretreatment	163,509	-	-	-	-	163,509	-
Water and sewer taps	107,035	-	-	-	-	107,035	-
Concession sales	-	-	5,213	-	-	5,213	-
Lot and vault sales	-	-	-	58,383	-	58,383	-
Opening and closing fees	-	-	-	75,071	-	75,071	-
Passenger fares	-	29,494	-	-	-	29,494	-
Admission and parking fees	-	-	16,171	-	4,082	20,253	-
Premium charges	-	-	-	-	-	-	6,020,450
Miscellaneous	716,242	2,859	23,311	5,233	11	747,656	-
Total operating revenues	20,819,789	32,353	44,695	138,687	4,093	21,039,617	6,020,450
OPERATING EXPENSES							
Administration - Director	205,463	-	-	-	-	205,463	-
Administration - Cashier	1,196,941	-	-	-	-	1,196,941	-
Water - Production	3,251,264	-	-	-	-	3,251,264	-
Water - Distribution	4,672,969	-	-	-	-	4,672,969	-
Sewer - Pretreatment	2,406,958	-	-	-	-	2,406,958	-
Sewer - Collection	2,166,725	-	-	-	-	2,166,725	-
Depreciation	2,900,988	163,062	231,436	57,217	52,930	3,405,633	-
Insurance	230,280	27,733	28,453	6,665	6,488	299,619	-
Other operating expenses	3,058,656	535,946	611,647	118,673	55,586	4,380,508	35,673
Salaries	-	808,656	790,294	193,263	81,619	1,873,832	-
Utilities	-	33,695	105,963	13,973	19,455	173,086	-
Operating supplies	-	178,759	172,840	8,361	11,555	371,515	-
Premiums and claims	-	-	-	-	-	-	5,987,269
Total operating expenses	20,090,244	1,747,851	1,940,633	398,152	227,633	24,404,513	6,022,942
OPERATING INCOME (LOSS)	729,545	(1,715,498)	(1,895,938)	(259,465)	(223,540)	(3,364,896)	(2,492)
NON-OPERATING REVENUES (EXPENSES)							
Gain (loss) on disposal of assets	-	-	-	(2,105)	-	(2,105)	-
Interest income	320,259	393	1,523	457	30	322,662	2,492
Grant income	-	635,752	3,000	-	-	638,752	-
Interest on revenue bonds and notes	(400,677)	-	-	-	-	(400,677)	-
Total non-operating revenues (expenses)	(80,418)	636,145	4,523	(1,648)	30	558,632	2,492
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	649,127	(1,079,353)	(1,891,415)	(261,113)	(223,510)	(2,806,264)	-
TRANSFERS							
From the General Fund	-	697,314	1,621,944	-	-	2,319,258	-
Total transfers in	-	697,314	1,621,944	-	-	2,319,258	-
CAPITAL CONTRIBUTIONS							
From the General Fund	478,125	37,405	-	-	-	515,530	-
Federal/state grants	1,228,000	336,638	-	-	-	1,564,638	-
Total capital contributions	1,706,125	374,043	-	-	-	2,080,168	-
INCREASE (DECREASE) IN NET POSITION	2,355,252	(7,996)	(269,471)	(261,113)	(223,510)	1,593,162	-
NET POSITION, JUNE 30, 2023	31,657,707	(1,297,255)	1,358,682	3,200,744	1,622,984	36,542,862	-
NET POSITION, JUNE 30, 2024	$ 34,012,959	$ (1,305,251)	$ 1,089,211	$ 2,939,631	$ 1,399,474	$ 38,136,024	$ -

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

CITY OF ASHLAND
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities						Governmental Activity -
	Utility Fund	Ashland Bus Fund	Recreation Fund	Cemetery Fund	Parking Garage Fund	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from customers	$ 19,559,684	$ 29,524	$ 21,384	$ 171,551	$ 4,082	$ 19,786,225	$ -
Cash payments to suppliers for goods and services	(10,656,176)	(856,254)	231,192	(92,128)	120,919	(11,252,447)	(35,673)
Cash payments to employees	(7,081,399)	(889,183)	(846,708)	(228,277)	(92,047)	(9,137,614)	-
Other operating revenues	716,242	2,859	23,311	5,233	11	747,656	-
Payments for internal services	(1,336,807)	(165,750)	(193,375)	(84,500)	-	(1,780,432)	-
Cash received for internal services	-	-	-	-	-	-	3,276,721
Payments for premiums and claims	-	-	-	-	-	-	(5,927,563)
Net cash provided by (used for) operating activities	1,201,544	(1,878,804)	(764,196)	(228,121)	32,965	(1,636,612)	(2,686,515)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Grant income	-	1,149,331	3,000	-	-	1,152,331	-
Transfers from other funds	-	697,314	1,621,944	-	-	2,319,258	-
Net cash provided by (used for) noncapital financing activities	-	1,846,645	1,624,944	-	-	3,471,589	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition and construction of capital assets	(5,062,007)	(187,403)	(967,940)	(134,515)	(29,932)	(6,381,797)	-
Proceeds from sale of assets	-	-	-	-	-	-	-
Principal paid on bonds, notes, and lease obligations	(1,917,029)	-	-	-	-	(1,917,029)	-
Interest paid on bonds, notes, and lease obligations	(400,677)	-	-	-	-	(400,677)	-
Capital contributions	478,125	37,405	-	-	-	515,530	-
Capital grants received	540,000	139,270	-	-	-	679,270	-
Net cash provided by (used for) capital and related financing activities	(6,361,588)	(10,728)	(967,940)	(134,515)	(29,932)	(7,504,703)	-
CASH FLOWS FROM INVESTING ACTIVITIES							
Withdrawal of investment securities	(153,860)	-	-	-	-	(153,860)	-
Investment income	320,259	393	1,512	457	30	322,651	2,492
Net cash provided by (used for) investing activities	166,399	393	1,512	457	30	168,791	2,492
Net increase (decrease) in cash and cash equivalents	(4,993,645)	(42,494)	(105,680)	(362,179)	3,063	(5,500,935)	(2,684,023)
Cash and cash equivalents, June 30, 2023	13,175,070	101,704	112,461	411,234	12,669	13,813,138	2,821,256
Cash and cash equivalents, June 30, 2024	$ 8,181,425	$ 59,210	$ 6,781	$ 49,055	$ 15,732	$ 8,312,203	$ 137,233
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES							
Operating income (loss)	$ 729,545	$ (1,715,498)	$ (1,895,938)	$ (259,465)	$ (223,540)	$ (3,364,896)	$ (2,492)
Adjustments:							
Depreciation	2,900,988	163,062	231,436	57,217	52,930	3,405,633	-
Amortization	(10,165)	-	-	-	-	(10,165)	-
Net OPEB adjustment	(430,497)	(63,377)	(57,421)	(11,827)	(6,294)	(569,416)	-
Net pension adjustment	(112,063)	(27,618)	1,880	(15,386)	(5,538)	(158,725)	-
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	(646,839)	30	-	38,097	-	(608,712)	-
(Increase) decrease in inventories	(228,397)	(2,873)	10,266	(21,125)	-	(242,129)	-
(Increase) decrease in prepaid expenses	(13,406)	-	-	-	-	(13,406)	-
(Increase) decrease in due from other funds	-	-	-	23,078	-	23,078	(1,087,961)
Increase (decrease) in accounts payable	(1,022,699)	(9,053)	(284,867)	(30,909)	(21,375)	(1,368,903)	97,182
Increase (decrease) in due to other funds	(36,200)	(233,945)	1,231,321	-	235,378	1,196,554	(1,655,768)
Increase (decrease) in compensated absences	29,708	9,597	2,396	(3,319)	1,479	39,861	-
Increase (decrease) in other accrued liabilities	(61,407)	871	(3,269)	(4,482)	(75)	(68,362)	(37,476)
Increase (decrease) in customer deposits	102,976	-	-	-	-	102,976	-
Net cash provided by (used for) operating activities	$ 1,201,544	$ (1,878,804)	$ (764,196)	$ (228,121)	$ 32,965	$ (1,636,612)	$ (2,686,515)

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

CITY OF ASHLAND
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	Pension Trust Funds
ASSETS	
Cash and cash equivalents	$ -
Accrued interest receivable	717
Due from other funds	3,699,120
Investments	
Certificates of deposit	1,426,347
Total assets	5,126,184
LIABILITIES	
Due to other funds	1,602,136
Total liabilities	1,602,136
NET POSITION - RESTRICTED FOR PENSION BENEFITS	$ 3,524,048

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

CITY OF ASHLAND
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Pension Trust Funds
ADDITIONS:	
CONTRIBUTIONS	
Employer	$ 471,485
Total contributions	471,485
INVESTMENT INCOME	
Interest income	62,441
Total investment income	62,441
Total additions	533,926
DEDUCTIONS:	
Benefits	946,689
Administrative expenses	7,277
Total deductions	953,966
NET DECREASE	(420,040)
NET POSITION - RESTRICTED FOR PENSION BENEFITS:	
Beginning of year	3,944,088
End of year	$ 3,524,048

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

CITY OF ASHLAND
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(1) REPORTING ENTITY

The City of Ashland (the "City") is a political subdivision of the Commonwealth of Kentucky. It is governed and operated under the City Manager/Commission form of government and provides such services as public safety, transportation, recreation, streets, water, sewer, and refuse removal. The City evaluates separately administered organizations in order to determine if they are controlled by, or dependent upon, the City. GASB Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the City for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and:
   a. The ability of the government to impose its will on that organization and/or
   b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
2. Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature and significance of the relationship.

Based on the previous criteria, the City has determined that as of June 30, 2024 there are no organizations meeting the criteria.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The basic financial statements of the City include both government-wide statements and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The City considers all governmental and proprietary funds to be major funds, due to their belief that all of these funds present financial information which is important to the financial statement users. Thus, individual governmental funds and individual proprietary funds are reported as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary funds and fiduciary fund financial statements.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The City reports the following major Governmental Funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

- Tax Increment Finance Fund - The Tax Increment Finance Fund is used to account for the revenue and expenditures related to the Tax Increment Financing District.
- State Tax Increment Finance Fund - The State Tax Increment Finance Fund is used to account for the Kentucky revenue and expenditures related to the Tax Increment Financing District.
- Brownfield Grant Fund - The Brownfield Grant Fund is used to account for the restricted use of the U.S. Environment Protection Agency Brownfield Grant.
- Municipal Aid Road Fund - The Municipal Aid Road Fund is used to account for state grants restricted for road improvements.
- Community Development Fund - The Community Development Fund is used to account for entitlements to the City under the provisions of Title 1 of the Housing and Development Act of 1974. Resources may only be used for activities which are directed toward developing urban communities and economic opportunities for individuals of low and moderate income.
- ARPA Fund - The ARPA Fund is used to account for the revenue and expenditures related to grants received under the American Rescue Plan Act.
- Conference Center Grant Fund - The Conference Center Grant Fund is used to account for state grants restricted for the construction of a convention center.
- Opioid Settlement Fund - The Opioid Settlement Fund is used to account for the revenue and expenditures related to funds received from the Kentucky Opioid Abatement Advisory Commission. Resources are used for expenditures related to opioid use disorder or any co-occurring substance use disorder or mental health issue, as defined in KRS 15.291.
- Housing Assistance Fund - The Housing Assistance Fund is used to account for grant revenue provided to the City by the U.S. Department of Housing and Urban Development Section 8 rent subsidy program. Resources are used for the payment of rent subsidies to landlords on behalf of qualified tenants.
- Floodwall Operating Fund - The Floodwall Operating Fund is used to account for taxes levied on real estate located within the floodwall. Resources may only be used for the repair and maintenance of the City's floodwall.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used in acquiring, constructing and maintaining major capital facilities and assets.

The City reports the following major Proprietary Funds:

- Utility Fund - The Utility Fund is used to account for water and wastewater (sewer) services for the City and surrounding communities.
- Ashland Bus Fund - This fund is used to account for the City's mass transportation system which is partially subsidized by the Federal government (Department of Transportation).
- Recreation Fund - The Recreation Fund is used to account for the City's swimming pool operations and other vending (concession) activities.
- Cemetery Fund - The Cemetery Fund is used to account for the operation and maintenance of the Ashland Cemetery.
- Parking Garage Fund - The Parking Garage Fund is used to account for the operation and maintenance of the city parking garage.

Additionally, the City reports the following fund types:

Internal Service Fund - This fund is used to account for the financing of health insurance premiums and claims payments for all eligible City employees and retirees on a premium cost only reimbursement basis.

Fiduciary Funds - These funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The Police and Firefighters Pension Fund and the Utility Pension Fund are the City's two Fiduciary Funds.

Pension trust funds recognize employer and participant contributions in the period in which contributions are due and the City has made a formal commitment to provide the contributions. Retirement benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City Utility Fund and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's Enterprise Funds are charges to customers for sales and services. The City also recognizes as operating revenue tap fees intended to recover the costs of connecting new customers to the utility system. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Revenues - Exchange and Non-exchange Transactions - Revenues resulting from exchange transactions, in which each party receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenues from property taxes are 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. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenues from non-exchange transactions must also be available before they can be recognized.

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

C. Budget and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to May 1, the City Manager obtains estimates from the department heads in order to prepare the proposed budget.

2. Prior to June 30, the City Manager submits to the City Commission a proposed budget for the fiscal year commencing the following July 1. The proposed budget includes proposed operating and capital expenditures and the means of financing them.

3. Public hearings are conducted at commission meetings in order to review the proposed budget and to obtain comments from taxpayers and other interested parties.

4. Prior to the first day beginning the fiscal year, the budget is legally adopted through the passage of an ordinance for the General Fund, all Special Revenue Funds, Capital Projects Funds and all Enterprise Funds, and a separate budgetary report is prepared for utilization by the City, and for informational purposes for the general public.

5. The City Manager is authorized to transfer budgeted amounts within departments of any fund; however, any revisions that alter the total expenditures of any department or fund must be approved by the City Commission. Therefore, the level of control on budgetary items is maintained at the department level.

6. Budgets for the General, Special Revenue, and Capital Projects Funds are adopted on the modified accrual basis. Budgets for all Enterprise Funds are adopted on the accrual basis. Both methods are consistent with Generally Accepted Accounting Principles (GAAP). Budgeted amounts are as originally adopted, or as amended periodically by the City Commission. Departmental revisions were not material in relation to the original appropriations which were amended. All appropriations lapse at the end of the fiscal year, even if encumbered.

D. Deposits and Investments

Investments, other than Pension Trust Fund investments, are stated at amortized cost which approximates fair value. Kentucky Revised Statute 66.480 permits the City to invest in U.S. Treasury obligations, U.S. Agency obligations, certain Federal instruments, repurchase agreements, commercial banks' certificates of deposit, savings and loan deposits, certain mutual funds, Commonwealth of Kentucky investment pool and the Kentucky League of Cities investment pool.

At June 30, 2024, the City's investments consist of certificate of deposits and money market funds, which are valued at cost.

E. Inventories

Inventories are valued at cost (first-in, first-out method). Inventory in the General and Enterprise-Utility Fund consists of expendable supplies held for consumption. Enterprise-Recreation Fund inventories consist of merchandise held for sale and consumable supplies. Enterprise-Cemetery Fund inventories consist of plots and mausoleum vaults. Costs are recorded as expenditures at the time individual inventory items are purchased.

F. Capital Assets and Depreciation

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the

fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value as of the date received. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an assets life are not.

All reported capital assets are depreciated with the exception of land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives for both general capital assets and proprietary fund assets:

Description	Estimated Lives
Utility plants in service	5-50 years
Buildings and improvements	5-20 years
Operating equipment	3-10 years
Automotive equipment	3-7 years
Office furniture and equipment	3-20 years
Bus system equipment	5-10 years
Recreation equipment	5-25 years
Infrastructure	20-30 years

The City is required by GASB 34 to retroactively report all major general infrastructure assets for fiscal years beginning after June 15, 2006. The City elected to adopt the requirements of GASB 34 concerning infrastructure assets in the 2006 fiscal year. General infrastructure assets acquired prior to March 10, 2006 are reported at historical estimated cost or deflated replacement cost. Infrastructure assets acquired after March 10, 2006 are reported at cost.

G. Encumbrances

Encumbrance accounting is used by the City whereby purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances outstanding at year-end are reported as reservations of fund balances in the General, Special Revenue, Enterprise and Capital Projects Funds, since the encumbrances do not constitute expenditures or liabilities, even though the City intends to honor those commitments. At June 30, 2024, there were no significant encumbrances.

H. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers.

I. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

J. Compensated Absences

The City's accrued liabilities for future compensated absences are recorded to the extent the future leaves (1) relate to rights attributable to employee services already rendered, (2) relate to rights that vest or accumulate,

(3) where payment is probable, and (4) where amounts can be reasonably estimated. Amounts that normally would be paid with expendable available financial resources are recorded in the Governmental Fund Financial Statements. Amounts paid or payable within 60 days are deemed to be payable from expendable available financial resources. Liabilities for compensated absences are recorded in full in the Government-wide and Proprietary Fund financial statements.

K. Fund Balances

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

- Nonspendable fund balance-amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance-amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by the City Commissioners through an ordinance, using its decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the City Commissioners take the action to remove or change the constraint;
- Assigned fund balance-amounts the City intends to use for a specific purpose (such as encumbrances); intent can be expressed by the City Commissioners or by an official or body to which the City delegates the authority;
- Unassigned fund balance-amounts that are available for any purpose; unassigned amounts are reported only in the General Fund.

Fund balance assigned for special revenue funds can only be expended on items that meet the specific purpose of the fund. When restricted, committed, assigned, and unassigned resources are available for use, it is the City's policy to use restricted, committed, and assigned resources first, then unassigned resources as they are needed.

At June 30, 2024, the City has $2,022,209 of fund balance for the General Fund committed by the City Commissioners for capital improvements.

L. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of governments.

M. Self-Insurance

The City is self-insured for health and accident claims for employees and eligible retirees as more fully described in Note (14).

N. Cash and Cash Equivalents

For purposes of the statements of cash flows, the Proprietary and Internal Service Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

O. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the recorded amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenditures during the reporting period. Material estimates that are particularly susceptible to significant changes relate to the determination of the allowance for uncollectible accounts and the useful lives used to depreciate capital assets, and actuarial assumptions used in determining pension and OPEB costs. Actual results could differ from estimated amounts.

P. Debt Issuance Costs

Debt issuance costs are expensed in the period they are incurred.

Q. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

R. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

S. Pension

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 pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

T. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the OPEB plan's fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

U. Recent Accounting Pronouncements

In May 2022, the GASB issued Statement No. 99, *Omnibus 2022* ("GASB 99"), to provide guidance addressing various accounting and financial reporting issues identified during the implementation and

application of certain GASB pronouncements or during the due process on other pronouncements. GASB 99 addresses, among other matters:

- Accounting and financial reporting for exchange or exchange-like financial guarantees;
- Clarification of certain provisions of Statement No.:
    - 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments,
    - 87, Leases,
    - 94, Public-Private and Public-Public Partnership and Availability Payment Arrangements,
    - 96, Subscription-Based Information Technology Arrangements (SBITA);
- Replacing the original deadline for use of the London Interbank Offered Rate (LIBOR) as a benchmark interest rate for hedges of interest rate risk of taxable debt with a deadline for when LIBOR ceases to be determined by the ICE Benchmark Administration using the methodology in place as of December 31, 2021;
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP);
- Disclosures related to non-monetary transactions; and
- Pledges of future revenues when resources are not received by the pledging government.

Requirements that relate to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures for non-monetary transactions, pledges of future revenues by pledging governments, clarifications of certain provisions in Statement No. 34, and terminology updates are effective upon issuance. Requirements related to leases, public-public and public-private partnerships (PPPs), and SBITAs are effective for fiscal years beginning after June 15, 2022, and for all reporting periods thereafter. Requirements related to other requirements related to derivative instruments are effective for fiscal years beginning after June 15, 2023, and for all reporting periods thereafter. Adoption of the provisions of this statement did not have a material effect on the City's financial statements.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections (an amendment of GASB Statement No. 62)* ("GASB 100"), which has as its primary objective to provide more straightforward guidance that is easier to understand and is more reliable, relevant, consistent, and comparable across governments for making decisions and assessing accountability. Improving the clarity of accounting and financial reporting requirements for accounting changes and error corrections will mean greater consistency in the application of these requirements in general.

GASB 100 prescribes accounting and financial reporting for each category of accounting change and error corrections, requiring that:

- Changes in accounting principle and error corrections be reported retroactively by restating prior periods;
- Changes in accounting estimate be reported prospectively by recognizing the change in the current period; and
- Changes to and within the financial reporting entity be reported by adjusting beginning balances of the current period.
- Governments disclose the effects of each accounting change and error correction on beginning balances in a tabular format.

The requirements of GASB 100 are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and for all reporting periods thereafter. Adoption of the provisions of this statement did not have a material effect on the City's financial statements.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences* ("GASB 101"), which supersedes the guidance in Statement No. 16, *Accounting for Compensated Absences*, issued in 1992. GASB 101 aligns recognition and measurement guidance for all types of compensated absences under a unified model. It also requires that a liability for specific types of compensated absences not be recognized until the leave is used. Additionally, it establishes guidance for measuring a liability for leave that has not been used,

generally using an employee's pay rate as of the date of the financial statements. For example, a liability for leave that has not been used would be recognized if the leave:

- Is attributable to services already rendered;
- Accumulates; and
- Is more likely than not to be used for time off or otherwise paid or settled. Some exceptions to this general rule include parental leave, military leave and jury duty leave for which a liability would not be recognized until the leave commences.

Additionally, GASB 101 (1) provides an alternative to the existing requirement to disclose the gross annual increases and decreases in long-term liability for compensated absences, allowing governments to disclose only the net annual change in the liability as long as it is identified as such; and (2) removes the disclosure of the government funds used to liquidate the liability for compensated absences. The requirements of GASB 101 are effective for fiscal years beginning after December 15, 2023. Management is currently evaluating the impact of this Statement on its financial statements.

In January 2024, the GASB issued Statement No. 102, *Certain Risk Disclosures* ("GASB 102"), which aims to enhance the transparency of financial reporting by requiring disclosures about risks that state and local governments face due to certain concentrations or constraints. A concentration is defined as a lack of diversity in significant inflows or outflows of resources, while a constraint is a limitation imposed by an external party or by the government's highest level of decision-making authority. Governments must disclose information about these risks if they are vulnerable to a substantial impact from them. The disclosures should include the nature of the concentration or constraint, any associated events that could cause a substantial impact, and actions taken to mitigate the risk. The requirements of GASB 102 are effective for fiscal years beginning after June 15, 2024. Management is currently evaluating the impact of this Statement on its financial statements.

In May 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements* ("GASB 103") with the objective to enhance the effectiveness of the financial reporting model for decision-making and assessing government accountability. The improvements target the following established accounting and financial reporting requirements:

- Management's discussion and analysis;
- Unusual or infrequent items (previously known as extraordinary and special items);
- Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
- Major component unit information; and
- Budgetary comparison information.

The effective date for GASB 103 is for fiscal years beginning after June 15, 2025. Management is currently evaluating the impact of this Statement on its financial statements.

(3) DEPOSITS AND INVESTMENTS

Deposits: Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City requires deposits to be 100% secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance (FDIC). The City does not have a formal policy regarding custodial credit risk.

At June 30, 2024, the carrying amounts of the City's deposits held in banks were $31,140,695 and the bank balances were $33,497,100. The total of the bank balances were insured or collateralized with securities held by the City's agents in the City's name, or by letters of credit.

Investments: At June 30, 2024, the City had the following investments and maturities:

Fund	Investment	Current Value	Maturity	Interest
General Fund	CD	$ 2,022,209	08/16/24	4.50%
ARPA Fund	CD	7,350,202	12/31/24	4.95%
ARPA Fund	CD	6,239,698	02/23/25	4.50%
Utility Fund	CD	2,698,129	09/09/24	4.49%
Utility Fund	CD	1,916,008	07/11/24	1.19%
Utility Fund	CD	1,124,163	10/27/24	1.19%
Utility Fund	CD	714,721	11/07/24	1.19%
Recreation Fund	CD	190,000	06/30/24	1.05%
Fiduciary Funds	CD	269,379	08/02/24	1.05%
Fiduciary Funds	CD	891,776	07/07/24	4.25%
Fiduciary Funds	CD	265,192	02/02/25	1.30%

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

Credit Risk: The City may invest their monies in interest-bearing bonds of any county, urban-county government or city in the State of Kentucky, or in any securities in which trustees are permitted to invest trust funds under the laws of the State of Kentucky, including participation in a local government pension investment fund created pursuant to KRS 95.895. The money market mutual fund invests only in U.S. Treasury Obligations, which include securities issued or guaranteed by the U.S. Treasury where the payment of principal and interest is backed by the full faith and credit of the U.S. government.

(4) PROPERTY TAX REVENUES

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the City. Real property, tangible and public utility property taxes are levied prior to June 30 of each year based upon the assessed value as of January 1. Assessed values are established by State Law at 100% of fair value. Per KRS 91.487, the lien date for assessed taxes is January 1 of each fiscal year and are due and payable by June 30 of each year. Public utility taxes are due and payable within thirty days from the date the bills are mailed. The City imposes penalties of 10% and interest of 0.5% per month on taxes not paid within thirty days of mailing tax bills.

Real property and tangible property taxes are recognized as revenue on the modified accrual basis. Public utility taxes were not accrued at June 30, since assessed amounts are not available until the subsequent fiscal year.

Motor vehicle property taxes are assessed as of January 1 of each year and are collected by the County Clerk and remitted to the City. These taxes are not accrued, as amounts are payable upon the birth dates of the owners of the vehicles.

The 2024 assessed value for real property and tangible property was approximately $872,000,000 and $56,000,000 respectively. The tax rate adopted was $.2397 per $100 valuation with an additional $.1056 per $100 valuation for property within the floodwall.

(5) GRANTS RECEIVABLE

Grants receivable from other governmental units as of June 30, 2024, are as follows:

Special Revenue Funds:	
Municipal Aid Road Fund	$ 49,431
Brownfield Grant Fund	6,396
Community Development Fund, program allocation	315,161
	370,988
Capital Projects Fund:	
Streetscape Project	1,011,710
Enterprise Funds:	
Utility Fund - KIA Grant	688,000
Ashland Bus System – FTA Operating	635,752
Ashland Bus System – FTA Capital	352,634
Ashland Bus System – KDOT	32,433
	1,708,819
	$ 3,091,517

(6) CAPITAL ASSETS

A summary of changes in the City's capital assets is as follows:

Governmental Activities	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024
Capital Assets, Not Depreciated:				
Land	$ 18,936,298	$ -	$ -	$ 18,936,298
Construction in progress	1,693,048	4,852,365	(253,881)	6,291,532
Capital Assets, Depreciated:				
Buildings	10,080,861	-	-	10,080,861
Building improvements	3,550,221	850,194	-	4,400,415
Automotive equipment	7,638,189	350,430	(32,892)	7,955,727
Office furniture and equipment	723,322	20,551	-	743,873
Operating equipment	5,156,543	953,440	(324,096)	5,785,887
Capital improvements	3,630,178	426,543	-	4,056,721
Infrastructure	69,753,591	2,203,189	(13,397,081)	58,559,699
Totals	121,162,251	9,656,712	(14,007,950)	116,811,013
Less: accumulated depreciation				
Buildings	3,501,896	187,081	-	3,688,977
Building improvements	2,461,688	115,757	-	2,577,445
Automotive equipment	4,883,027	577,325	(32,892)	5,427,460
Office furniture and equipment	534,889	40,269	-	575,158
Operating equipment	3,450,119	321,728	(324,096)	3,447,751
Capital improvements	749,684	150,663	-	900,347
Infrastructure	42,638,206	1,658,774	(13,397,081)	30,899,899
Total accumulated depreciation	58,219,509	3,051,597	(13,754,069)	47,517,037
Governmental Activities Capital Assets - Net	$ 62,942,742	$ 6,605,115	$ (253,881)	$ 69,293,976

Business-type Activities	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024
Capital Assets, Not Depreciated:				
Land	$ 449,401	$ -	$ -	$ 449,401
Construction in progress	8,252,773	3,865,362	-	12,118,135
Capital Assets, Depreciated:				
Buildings	7,374,659	-	-	7,374,659
Building improvements	1,167,071	414,456	-	1,581,527
Utility and sewage plants	107,352,473	876,406	-	108,228,879
Automotive equipment	2,639,177	183,720	(177,788)	2,645,109
Office furniture and equipment	606,870	169,018	-	775,888
Operating equipment	6,053,726	289,480	(31,395)	6,311,811
Recreation equipment	389,290	-	-	389,290
Capital improvement	5,213,923	583,353	-	5,797,276
Totals	139,499,363	6,381,795	(209,183)	145,671,975
Less: accumulated depreciation				
Buildings	1,911,496	175,872	-	2,087,368
Building improvements	694,290	74,145	-	768,435
Utility and sewage plants	65,227,978	2,389,727	-	67,617,705
Automotive equipment	2,021,597	176,122	(177,788)	2,019,931
Office furniture and equipment	441,940	56,669	-	498,609
Operating equipment	3,681,079	299,755	(29,290)	3,951,544
Recreation equipment	270,096	14,948	-	285,044
Capital improvements	649,098	218,395	-	867,493
Total accumulated depreciation	74,897,574	3,405,633	(207,078)	78,096,129
Business-type Activities Capital Assets - Net	$ 64,601,789	$ 2,976,162	$ (2,105)	$ 67,575,846

Depreciation expense was allocated to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 520,307
Finance	6,410
Public services	1,697,888
Planning and code enforcement	640
Police	493,925
Fire	278,873
Engineering	3,363
Community and cultural	50,191
	$ 3,051,597
Business-type activities:	
Utilities	$ 2,900,988
Bus	163,062
Recreation	231,436
Cemetery	57,217
Parking garage	52,930
	$ 3,405,633

(7) RETIREMENT PLANS

Net pension liabilities of the City as of June 30, 2024 are as follows:

Governmental activities:	
Policemen and Firefighters Pension Fund	$ 876,858
County Employees Retirement System	
Nonhazardous	9,826,183
Hazardous	31,997,192
	$ 42,700,233
Business-type activities:	
Utility Employees Pension Fund	$ 5,519,981
County Employees Retirement System	
Nonhazardous	12,982,387
	$ 18,502,368

Single Employer Plans

Plan Descriptions, Contribution Information and Funding Policies

The City of Ashland contributes to two single-employer, public employee retirement plans. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans, as follows:

Utility Pension Fund (UPF)

The City of Ashland Utilities Employee's Pension Plan provides retirement benefits to City utility department employees in classified positions under civil service. The plan is closed to new participants and at June 30, 2024, there were no active employees participating in UPF. Unless otherwise indicated, UPF information in this Note is provided as of the latest actuarial valuation date, June 30, 2023, with an update to roll forward information to June 30, 2024.

Policemen and Firefighters Pension Fund (PFPF)

The City of Ashland Policemen and Firefighters Pension Plan provides retirement benefits to retirees and beneficiaries of policemen and firefighters hired prior to August 1, 1988.

The plan was frozen effective August 1, 1988. Policemen and firefighters hired after that date are required to participate in CERS. The plan is closed to new participants and at June 30, 2024, there were no active employees participating in PFPF. Unless otherwise indicated, PFPF information in this Note is provided as of the latest actuarial valuation date, June 30, 2024.

Financial Statements

A separate audited financial statement is not available for the UPF and PFPF. The following is the statement of net position and the statement of changes in net position for the UPF and PFPF:

	PENSION TRUST FUNDS		
STATEMENT OF NET POSITION	Utility Pension Fund	Policemen & Firefighters Pension Fund	Total
ASSETS			
Cash and cash equivalents	$ -	$ -	$ -
Accrued interest receivable	285	432	717
Due from other funds	3,644,563	54,557	3,699,120
Investments, at fair value -			
Certificates of deposit	265,192	1,161,155	1,426,347
Total assets	3,910,040	1,216,144	5,126,184
LIABILITIES			
Due to other funds	1,602,136	-	1,602,136
Total liabilities	1,602,136	-	1,602,136
NET POSITION - RESTRICTED FOR PENSION BENEFITS	$ 2,307,904	$ 1,216,144	$ 3,524,048
STATEMENT OF CHANGES IN NET POSITION			
ADDITIONS			
Contributions -			
Employer	$ 471,485	$ -	$ 471,485
Plan members	-	-	-
Total contributions	471,485	-	471,485
Investment income -			
Interest income	3,936	58,505	62,441
Total investment income	3,936	58,505	62,441
Total additions	475,421	58,505	533,926
DEDUCTIONS			
Benefits	693,687	253,002	946,689
Administrative expenses	5,322	1,955	7,277
Total deductions	699,009	254,957	953,966
NET INCREASE (DECREASE)	(223,588)	(196,452)	(420,040)
NET POSITION - RESTRICTED FOR PENSION BENEFITS			
Beginning of year	2,531,492	1,412,596	3,944,088
End of year	$ 2,307,904	$ 1,216,144	$ 3,524,048

Pension Expense

For the year ended June 30, 2024, the City recognized pension expense of $511,992 and ($348,041) for the Utility Pension Fund and Policemen and Firefighters Pension Fund, respectively. At June 30, 2024, the effect of all changes in assumptions and differences between expected and actual experience were recognized in pension expense due to there being no active employees participating.

Actuarial Methods and Assumptions

Actuarial valuations are performed bi-annually. For additional information relating to basis of accounting and reported investment values, see Notes (1) and (2). These plans are defined benefit plans. The following is a summary of funding policies, contribution methods, and benefit provisions:

	Utility Pension Fund	Policemen and Firefighters Pension Fund	
Governing Authority	City Ordinance and KRS	City Ordinance and KRS	
Determination of contribution requirements	Actuarially	Actuarially	
Contribution rates as a percentage of covered payroll:			
Employer	N/A	N/A	
Plan Members	N/A	N/A	
Funding of administrative costs	Investment Earnings	Investment Earnings	
Period required to vest	20	10	
Post retirement benefit increases	As approved by City Commission	As approved by City Commission	
Eligibility for distribution	Age 50, with 20 years	N/A	
Provisions for:			
Disability benefits	Yes	Yes	
Death benefits	Yes	Yes	
Membership of the plans are as follows:			
Retirees and beneficiaries currently receiving benefits	19	8	Totals 27
Active plan participants:			
Vested	-	-	-
Non-Vested	-	-	-
	19	8	27

Actuarial assumptions and other information used to determine the actuarially determined contributions (ADC) are as follows:

	Utility Pension Fund	Policemen And Firefighters Pension Fund
Valuation date	06-30-23	06-30-24
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level % of payroll Closed	Level % of payroll Closed
Amortization	20 years	10 years
Actuarial asset valuation method	Fair market value, quoted market prices	Fair market value, quoted market prices
Actuarial assumptions		
Investments		
Rate of return	2.50%	3.00%
Allocation	Allowed by KRS	Allowed by KRS
Projected salary increases	None	None
Post retirement benefit increases	0.00 %	0.00 %
Cost of living adjustments	3.00 %	3.00 %
Discount rate	2.50 %	3.00 %
Mortality	RP-2000 Mortality Table	RP-2000 Mortality Table
Changes of assumptions since prior valuation	Discount rate increased from 2.25% to 2.50%	Discount rate increased from 2.50% to 3.00%

Net Pension Liability

The following represents the components of the net pension liability:

Actuarial Valuation Date	Fiduciary Net Position (a)	Total Pension Liability (TPL) Entry Age (b)	Net Pension Liability (NPL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	NPL as a Percentage of Covered Payroll ((b-a)/c)
UTILITY EMPLOYEES PENSION FUND						
06/30/23	$ 2,531,492	$ 8,010,966	$ 5,479,474	31.6%	**N/A	**N/A
06/30/24	2,307,904	7,827,885	5,519,981	29.5%	**N/A	**N/A
POLICEMEN AND FIREFIGHTERS PENSION FUND						
06/30/23	$ 1,412,596	$ 2,637,495	$ 1,224,899	53.6%	**N/A	**N/A
06/30/24	1,216,144	2,093,002	876,858	58.1%	**N/A	**N/A

**No active employees or covered payroll.

Changes in Net Pension Liability

The following represents the changes in the net pension liabilities for the year ended June 30, 2024:

UTILITY EMPLOYEES PENSION FUND	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance, June 30, 2023	$ 8,010,966	$ 2,531,492	$ 5,479,474
Changes for the year:			
Interest on total pension liability	190,880	-	190,880
Difference in expected and actual experience	115,324	-	115,324
Effect of changes in assumptions	-	-	-
Effect of changes in benefit terms	204,402	-	204,402
Benefit payments	(693,687)	-	(693,687)
Employer contributions	-	471,485	(471,485)
Investment income, net of expenses	-	3,936	(3,936)
Benefit payments	-	(693,687)	693,687
Administrative expenses	-	(5,322)	5,322
Net changes	(183,081)	(223,588)	40,507
Balance, June 30, 2024	$ 7,827,885	$ 2,307,904	$ 5,519,981

POLICEMEN AND FIREFIGHTERS PENSION FUND	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance, June 30, 2023	$ 2,637,495	$ 1,412,596	$ 1,224,899
Changes for the year:			
Interest on total pension liability	62,511	-	62,511
Difference in expected and actual experience	(332,856)	-	(332,856)
Effect of changes in assumptions	(77,180)	-	(77,180)
Effect of changes in benefit terms	56,034	-	56,034
Benefit payments	(253,002)	-	(253,002)
Employer contributions	-	-	-
Investment income, net of expenses	-	58,505	(58,505)
Benefit payments	-	(253,002)	253,002
Administrative expenses	-	(1,955)	1,955
Net changes	(544,493)	(196,452)	(348,041)
Balance, June 30, 2024	$ 2,093,002	$ 1,216,144	$ 876,858

Deferred Outflows of Resources and Deferred Inflows

There are no deferred outflows of resources and deferred inflows related to the Utility Pension Fund and Policemen and Firefighters Pension Fund at June 30, 2024 due to all participants of the Plans being retired.

Discount Rate

The following represents the effect on the net pension liability using a discount rate that is one percentage point higher and a discount rate that is one percentage point lower:

	1% Decrease (1.50%)	Current discount rate (2.50%)	1% Increase (3.50%)
Utility Pension Fund	$ 6,232,344	$ 5,519,981	$ 4,906,554

	1% Decrease (2.00%)	Current discount rate (3.00%)	1% Increase (4.00%)
Policemen and Firefighters Pension Fund	$ 1,053,822	$ 876,858	$ 723,763

Reserves

There are no assets legally reserved for purposes other than the payment of plan member benefits for either plan. Each plan held certificates of deposit at local financial institutions whose market value exceeds five percent of net position available for benefits. There are no long-term contracts for contributions.

Payables

The following represents amounts due to the Utility Pension Fund and the Policemen and Firefighters Pension Fund as of June 30, 2024:

Governmental activities:		
Policemen and Firefighters Pension Fund	$	54,557
Business-type activities:		
Utility Employees Pension Fund	$	3,644,563

Cost - Sharing, Multiple Employer Plan - County Employees Retirement System

Plan description

Substantially all full-time employees of the City participate in the County Employees Retirement System ("CERS"). This system consists of two plans - *Nonhazardous* and *Hazardous*. Each plan is a cost-sharing multiple-employer defined benefit pension plan that covers all regular full-time members employed in nonhazardous or hazardous positions of each participating county, city, and school board, and any additional eligible local agencies electing to participate in CERS. The plans provide for retirement, disability, and death benefits to plan members.

CERS issues a publicly available financial report included in the Kentucky Retirement Systems Annual Report that includes financial statements and the required supplementary information for CERS. That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky, 40601, or by calling (502) 564-4646 or at https://kyret.ky.gov.

Benefits provided

Benefits under the plans will vary based on final compensation, years of service, and other factors as fully described in the plan documents.

Contributions

Funding for CERS is provided by members, who contribute 5.00% nonhazardous and 8.00% hazardous (6.00% and 9.00% for employees hired after September 1, 2008, respectively) of their salary through payroll deductions and by employers of members who contribute 23.34% for nonhazardous (23.34%-pension, 0.00%-insurance) and 43.69% for hazardous (41.11% pension, 2.58% insurance) of the member's salary. During the year ending June 30, 2024, the City contributed $2,717,638 and $3,764,547 to the CERS Nonhazardous and Hazardous Pension Fund, respectively. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

Pension Liabilities, Expense, and Deferred Outflows/Inflows of Resources Related to CERS

At June 30, 2024, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2023 was determined using standard roll-forward techniques. The City's proportion of the net pension liability was based on contributions to CERS during the fiscal year ended June 30, 2023. At June 30, 2023, the City's proportion for nonhazardous and hazardous was 0.35547% and 1.18686%, respectively.

For the year ended June 30, 2024, the City recognized pension expense of approximately $2,385,000 and $3,341,000 for nonhazardous and hazardous, respectively. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Nonhazardous		
Differences between expected and actual experience	$ 1,180,756	$ 61,977
Changes of assumptions	-	2,090,421
Net difference between projected and actual earnings on investments	-	311,121
Changes in proportion and differences between District contributions and proportionate share of contributions	1,809,904	26,039
District contributions subsequent to the measurement date	2,717,638	-
	$ 5,708,298	$ 2,489,558
Hazardous		
Differences between expected and actual experience	$ 1,462,781	$ -
Changes of assumptions	-	2,498,889
Net difference between projected and actual earnings on investments	-	320,992
Changes in proportion and differences between District contributions and proportionate share of contributions	1,150,603	-
District contributions subsequent to the measurement date	3,764,547	-
	$ 6,377,931	$ 2,819,881

At June 30, 2024, the City reported deferred outflows of resources for City contributions subsequent to the measurement date of $2,717,638 and $3,764,547 for nonhazardous and hazardous, respectively. These contributions will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five-year period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are amortized over the average service life of all members. These will be recognized in pension expense as follows:

Year	Nonhazardous	Hazardous
2025	$ 243,099	$ 168,535
2026	(30,367)	(439,673)
2027	509,180	379,461
2028	(220,810)	(314,820)
Thereafter	-	-
	$ 501,102	$ (206,497)

Actuarial Methods and Assumptions

The total pension liability for CERS was determined by applying procedures to the actuarial valuation as of June 30, 2022. The financial reporting actuarial valuation as of June 30, 2023, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of pay
Payroll Growth	2.00%
Inflation	2.50%
Salary Increase	3.30% to 10.30%, varies by service, for nonhazardous 3.55% to 19.05%, varies by service, for hazardous
Investment Rate of Return	6.50%, net of pension plan investment expense, including inflation

The CERS Board of Trustees adopted new actuarial assumptions on May 9, 2023 and include a change in the investment return assumption from 6.25% to 6.50%. The KRS Board of Trustees adopted new actuarial assumptions on June 5, 2023. These assumptions are documented in the report titled "2022 Actuarial Experience Study for the Period Ending June 30, 2022." The Total Pension Liability as of June 30, 2023, is determined using these updated assumptions.

House Bill 506 passed during the 2023 legislative session and reinstated the Partial Lump Sum Option form of payment for members who retire on and after January 1, 2024, with the lump-sum options expanded to include 48 or 60 times the member's monthly retirement allowance. Since this optional form of payment results in a reduced, actuarial equivalent, monthly retirement allowance for members who elect a partial lump-sum option, this provision does not have a fiscal impact to the total pension liability.

House Bill 506 also adjusted the minimum required separation period before a retiree may become reemployed and continue to receive their retirement allowance to one month under all circumstances. This is a minimal change for members in the hazardous plans, as the minimum separation period was already one month for members who became reemployed on a full-time basis in a hazardous position. The requirement was previously three months only for members who became reemployed on a part-time basis or in any nonhazardous position. The actuary believes this provision of House Bill 506 will have an insignificant impact on the retirement pattern of hazardous members and therefore have reflected no fiscal impact to the total pension liability of the hazardous plan.

Similarly, this is a relatively small change for future retirees in the nonhazardous plans. But as the minimum separation period was previously three months in almost every circumstance, the actuary assumed that there would be a one percent (1%) increase in the rate of retirement for each of the first two years a nonhazardous member becomes retirement eligible under the age of 65 in order to reflect a shift in the retirement pattern. The total pension liability as of June 30, 2023, for the nonhazardous plans is determined using these updated benefits provisions.

The mortality table used for active members was a Pub-2010 General Mortality table, for the Nonhazardous System, and the Pub-2010 Public Safety Mortality table for the Hazardous System, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.

The long-term expected rate of return was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

The target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by CERS's investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity		
Public Equity	50.00%	5.90%
Private Equity	10.00%	11.73%
Fixed Income		
Core Fixed Income	10.00%	2.45%
Specialty Credit	10.00%	3.65%
Cash	0.00%	1.39%
Inflation Protected		
Real Estate	7.00%	4.99%
Real Return	13.00%	5.15%
Total	100.00%	5.75%

Discount rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment return of 6.50%. The long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of 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 6.50%, 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 (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current discount rate (6.50%)	1% Increase (7.50%)
City's proportionate share of the net pension liability			
Nonhazardous	$ 28,797,198	$ 22,808,570	$ 17,831,795
Hazardous	40,404,092	31,997,192	25,130,662

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CERS financial report which is publicly available at https://kyret.ky.gov.

Payables to the pension plan

At June 30, 2024, there was a total payable to CERS of $638,673 for nonhazardous and hazardous, which includes pension and OPEB contributions.

(8) OTHER POSTEMPLOYMENT BENEFIT ("OPEB") PLANS

Net OPEB liabilities (assets) of the City as of June 30, 2024 are as follows:

Governmental activities:		
County Employees Retirement System		
Nonhazardous	$	(235,276)
Hazardous		1,622,838
	$	1,387,562
Business-type activities:		
Utility Employees Pension Fund		
County Employees Retirement System		
Nonhazardous	$	(255,483)

Cost - Sharing, Multiple Employer Plan - County Employees Retirement System Insurance Fund

Plan Description

The County Employees Retirement System ("CERS") Insurance Fund was established to provide post-employment healthcare benefits to eligible members and dependents. This system consists of two plans – *Nonhazardous* and *Hazardous*. Each Insurance Fund is a cost-sharing, multiple employer defined benefit plan administered by the Kentucky Retirement Systems' (KRS) board of trustees.

CERS issues a publicly available financial report included in the Kentucky Retirement Systems Annual Report that includes financial statements and the required supplementary information for CERS. That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky, 40601, or by calling (502) 564-4646 or at https://kyret.ky.gov.

Benefits Provided

CERS health insurance benefits are subject to various participation dates to determine eligibility and health insurance contribution rates. For employees who initiated participation in the CERS system prior to July 1, 2003, KRS pays a percentage of the monthly contribution rate for insurance coverage based on the retired member's years of service and type of service. Non-hazardous members receive a contribution subsidy for only the member's health insurance premium. Hazardous members receive a contribution subsidy for both the member and dependent coverage.

Percentage of contribution ranges from 0% for less than 4 years of service to 100% for 20 years or more of service. For members who initiated participation in the CERS system after July 1, 2003 until August 31, 2008, members must have 120 months of service in a state-administered retirement system to qualify for participation in the KRS health plans. Members who began participating with KRS on or after September 1, 2008, must have 180 months of service upon retirement to participate in the KRS health plans. Non-hazardous retirees receive $10 toward the monthly premium for each full year of service.

Hazardous retirees receive $15 toward the monthly premium and the hazardous retiree's spouse may also receive this contribution upon the retiree's death. The monthly insurance benefit has been increased annually by a Cost of Living Adjustment (COLA) since July 2004.

Contributions

CERS allocates a portion of the employer contributions to the health insurance benefit plans. For the year ending June 30, 2024, CERS allocated 0.00% of the 23.34% nonhazardous and 2.58% of the 43.69% hazardous actuarially required contribution rate paid by employers for funding the healthcare benefit. In addition, 1.00% of the contributions by employees hired after September 1, 2008 are allocated to the health insurance plan.

During the year ending June 30, 2024, the City contributed $0 and $236,459 to the CERS Nonhazardous and Hazardous Insurance Fund, respectively. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

Implicit Subsidy

The fully-insured premiums KRS pays for the Kentucky Employees' Health Plan are blended rates based on the combined experience of active and retired members. Because the average cost of providing health care benefits to retirees under age 65 is higher than the average cost of providing health care benefits to active employees, there is an implicit employer subsidy for the non-Medicare eligible retirees. This implicit subsidy is included in the calculation of the total OPEB liability.

OPEB Liabilities (Assets), Expense, and Deferred Outflows/Inflows of Resources Related to CERS Insurance Fund

At June 30, 2024, the City reported a liability for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability (asset) was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2023 was determined using standard roll-forward techniques. City's proportion of the net OPEB liability (asset) was based on contributions to CERS during the fiscal year ended June 30, 2023. At June 30, 2023, the City's proportion for nonhazardous and hazardous was 0.35545% and 1.18609%, respectively.

For the year ended June 30, 2024, the City recognized OPEB expense of approximately ($811,000) and ($507,000) for nonhazardous and hazardous, respectively, including an implicit subsidy of $159,980 and ($10,158), respectively. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Outflows of Resources	Inflows of Resources
Nonhazardous		
Differences between expected and actual experience	$ 342,134	$ 6,968,294
Changes of assumptions	965,780	673,052
Net difference between projected and actual earnings on investments	-	113,896
Changes in proportion and differences between District contributions and proportionate share of contributions	697,414	72,861
District contributions subsequent to the measurement date	-	-
	$ 2,005,328	$ 7,828,103

Hazardous		
Differences between expected and actual experience	$ 146,782	$ 6,690,477
Changes of assumptions	1,108,081	1,691,732
Net difference between projected and actual earnings on investments	-	223,496
Changes in proportion and differences between District contributions and proportionate share of contributions	359,506	-
District contributions subsequent to the measurement date	236,459	21,673 -
	$ 1,850,828	$ 8,627,378

At June 30, 2024, the City reported deferred outflows of resources related to OPEB for City contributions subsequent to the measurement date of $0 and $236,459 for nonhazardous and hazardous, respectively. These contributions will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2025.

Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five year period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are amortized over the average service life of all members. These will be recognized in OPEB expense as follows:

Year	Nonhazardous	Hazardous
2025	$ (1,436,893)	$ (1,366,130)
2026	(1,809,187)	(1,572,626)
2027	(1,375,567)	(1,187,328)
2028	(1,201,128)	(1,773,507)
Thereafter	-	(1,113,418)
	$ (5,822,775)	$ (7,013,009)

Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Experience Study	July 1, 2013 - June 30, 2018
Actuarial Cost Method	Entry Age Normal
Payroll Growth Rate	2.00%
Inflation	2.50%
Salary Increase	3.30% to 10.30%, varies by service, for nonhazardous 3.55% to 19.05%, varies by service, for hazardous
Investment Rate of Return	6.50%
Healthcare Trend Rates	
Pre-65	Initial trend starting at 6.80% at January 1, 2025 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Post-65	Initial trend starting at 8.50% at January 1, 2025 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.

Mortality	
Pre-retirement	PUB-2010 General Mortality table, for the Non-Hazardous Systems, and the PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.
Post-retirement (non-disabled)	System-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from MP-2020 mortality improvement scale using a base year of 2023.
Post-retirement (disabled)	PUB-2010 Disabled Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year 2010

The CERS Board of Trustees adopted new actuarial assumptions on May 9, 2023. The KRS Board of Trustees adopted new actuarial assumptions on June 5, 2023. These assumptions are documented in the report titled "2022 Actuarial Experiences Study for the Period Ending June 30, 2022". Additionally, the single discount rates used to calculate the total OPEB liability (asset) within each plan changed since the prior year. Additional information regarding the single discount rates is provided below. The Total OPEB Liability (Asset) as of June 30, 2023, is determined using these updated assumptions.

House Bill 506 passed during the 2023 legislative session reinstated the Partial Lump Sum Option form of payment for members who retire on and after January 1, 2024 and adjusted the minimum required separation period before a retiree may become reemployed and continue to receive their retirement allowance to one month for all circumstances.

This is a minimal change for members in the hazardous plans, as the minimum separation period was already one month for members who became reemployed on a full-time basis in a hazardous position. The requirement was previously three months only for members who became reemployed on a part-time basis in any nonhazardous position. The actuary believes this provision of House Bill 506 will have an insignificant impact on the retirement pattern of hazardous members and therefore have reflected no fiscal impact to the total OPEB liability (asset) of the hazardous plan.

Similarly, this is a relatively small change for future retirees in the nonhazardous plan. But as the minimum separation period was previously three months in almost every circumstance, the actuary assumed that there would be a one percent (1%) increase in the rate of retirement for each of the first two years a nonhazardous member becomes retirement eligible under the age of 65, in order to reflect a shift in the retirement pattern. The total OPEB liability (asset) as of June 30, 2023, for the nonhazardous plan is determined using these updated benefit provisions.

The target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by CERS's investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity		
Public Equity	50.00%	5.90%
Private Equity	10.00%	11.73%
Fixed Income		
Core Fixed Income	10.00%	2.45%
Specialty Credit	10.00%	3.65%
Cash	0.00%	1.39%
Inflation Protected		

Real Estate	7.00%	4.99%
Real Return	13.00%	5.15%
Total	100.00%	5.75%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.93% and 5.97% for nonhazardous and hazardous, respectively. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.50%, and a municipal bond rate of 3.86%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2023. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, each plan's fiduciary net position and future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the plan. However, the cost associated with the implicit employer subsidy was not included in the calculation of the plan's actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the plans trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

The following table presents the City's proportionate share of the collective net OPEB liability (asset) of the Nonhazardous CERS Insurance Fund, calculated using the discount rate of 5.93%, as well as what the City's proportionate share of the collective net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.93%) or 1-percentage-point higher (6.93%) than the current rate:

	1% Decrease (4.93%)	Current discount rate (5.93%)	1% Increase (6.93%)
City's proportionate share of the net OPEB liability (asset)			
Nonhazardous	$ 920,968	$ (490,759)	$ (1,672,908)

The following table presents the City's proportionate share of the collective net OPEB liability (asset) of the Hazardous CERS Insurance Fund, calculated using the discount rate of 5.97%, as well as what the City's proportionate share of the collective net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.97%) or 1-percentage-point higher (6.97%) than the current rate:

	1% Decrease (4.97%)	Current discount rate (5.97%)	1% Increase (6.97%)
City's proportionate share of the net OPEB liability (asset)			
Hazardous	$ 4,104,184	$ 1,622,838	$ (444,784)

Sensitivity of net OPEB liability (asset) to changes in the healthcare cost trend rates

The following presents the City's proportionate share of the collective net OPEB liability (asset), as well as what the City's proportionate share of the collective net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current trend rate	1% Increase
City's proportionate share of the net OPEB liability (asset)			
Nonhazardous	$ (1,572,970)	$ (490,759)	$ 838,634
Hazardous	18,490	1,622,838	3,560,419

OPEB plan fiduciary net position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERS financial report which is publicly available at https://kyret.ky.gov.

Payables to the OPEB plan

At June 30, 2024, there was a total payable to CERS of $638,673 for nonhazardous and hazardous, which includes pension and OPEB contributions.

(9) LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term debt of the City for the year ended June 30, 2024:

Governmental Activities	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
General Obligation Bond Series 2015	$ 1,390,000	$ -	$ 160,000	$ 1,230,000	$ 165,000
General Obligation Bond Series 2017	3,610,000	-	195,000	3,415,000	200,000
General Obligation Bond Series 2021	9,770,000	-	1,025,000	8,745,000	1,080,000
Financing lease – Melody Mtn. Phase II	1,051,667	-	80,000	971,667	82,084
Premium on bonds	1,549,339	-	191,061	1,358,278	-
Compensated absences obligation	1,066,545	67,963	-	1,134,508	-
Total Governmental Activities	$ 18,437,551	$ 67,963	$ 1,651,061	$ 16,854,453	$ 1,527,084

Business-type Activities	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Revenue & Improvement Bond Series 2013	$ 510,000	$ -	$ 510,000	$ -	$ -
Water & Sewer Revenue Bond Series 2015	2,025,000	-	230,000	1,795,000	235,000
Water & Sewer Revenue Bond Series 2020	10,235,000	-	475,000	9,760,000	485,000
Financing lease – Radio Meters	675,000	-	122,083	552,917	127,083
KIA Loan	505,403	-	249,874	255,529	255,529
KIA Loan	3,816,224	-	330,072	3,486,152	336,707
Premium on bonds	62,069	-	15,538	46,531	-
Discount on bonds	(16,842)	-	(5,373)	(11,469)	-
Total Business-type Activities	$ 17,811,854	$ -	$ 1,927,194	$ 15,884,660	$ 1,439,319

At June 30, 2024, the City was required to have $1,496,225 for the Revenue and Improvement Bonds, in sinking fund reserve accounts. Additionally, under the KIA loan agreements, the City was required to have $390,000 set aside for the costs of extensions, improvements, renewals and replacements to the sewer system. As of June 30, 2024, the City had reserve funds of $1,886,225.

Governmental Activities

General Obligation Refunding Bond Series 2015

On March 17, 2015, the City issued $2,520,000 in refunding bonds with an average rate of 3.0% to advance refund $2,460,000 of the series 2005 bonds with an average rate of 4.0%. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $103,137. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the year 2030 using the straight-line method. Additionally, the City reduced its total debt service payments over the following 25 years by $269,000 and obtained an economic gain (difference between the present values of the debt service payments of the old and new bonds) of $224,000.

The 2015 Series bonds were sold at a premium of $89,008, which is being amortized over the life of the bonds.

The annual requirements to amortize the indebtedness at June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 165,000	$ 34,425	$ 199,425
2026	165,000	29,475	194,475
2027	170,000	24,450	194,450
2028	175,000	19,275	194,275
2029	180,000	13,950	193,950
2030-2031	375,000	11,325	386,325
	$ 1,230,000	$ 132,900	$ 1,362,900

General Obligation Bond Series 2017

On October 25, 2017, the City issued $4,490,000 in general obligation bonds with an average rate of 3.0% to fund the Ashland Plaza Redevelopment Project, which is a tax increment finance project. See Note (13) for additional information regarding the tax increment finance district.

The 2017 Series bonds were sold at a premium of $79,002, which is being amortized over the life of the bonds.

The annual requirements to amortize the indebtedness at June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 200,000	$ 99,450	$ 299,450
2026	205,000	93,375	298,375
2027	210,000	87,150	297,150
2028	220,000	80,700	300,700
2029	225,000	74,025	299,025
2030-2034	1,230,000	263,250	1,493,250
2035-2038	1,125,000	68,775	1,193,775
	$ 3,415,000	$ 766,725	$ 4,181,725

General Obligation Bond Series 2021

On June 22, 2021, the City issued $11,170,000 in general obligation bonds with an average rate of 5.0% to terminate the lease agreement with the Kentucky League of Cities Funding Trust for the police station constructed in 2008 and to finance various capital improvements. The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $415,059. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the year 2031 using the straight-line method

The 2021 Series bonds were sold at a premium of $1,815,487, which is being amortized over the life of the bonds.

The annual requirements to amortize the indebtedness at June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 1,080,000	$ 381,450	$ 1,461,450
2026	1,130,000	327,450	1,457,450
2027	1,190,000	270,950	1,460,950
2028	1,245,000	211,450	1,456,450
2029	1,310,000	149,200	1,459,200
2030-2033	2,790,000	126,150	2,916,150
	$ 8,745,000	$ 1,466,650	$ 10,211,650

Financing Lease - Melody Mountain Phase II

On May 2, 2014, the City entered into an agreement with the Kentucky Bond Corporation to finance the development of the Melody Mountain Project Phase II. Proceeds of the variable rate (2.0% to 3.5%) lease agreement totaled $1,710,000.

Future minimum annual lease payments under this agreement are as follows:

Year Ending June 30,	Principal	Interest & Fees	Total
2025	$ 82,084	$ 35,110	$ 117,194
2026	85,000	32,443	117,443
2027	87,083	29,680	116,763
2028	92,083	26,803	118,886
2029	95,000	23,646	118,646
2030-2034	504,165	63,352	567,517
2035	26,252	1,247	27,499
	$ 971,667	$ 212,281	$ 1,183,948

Compensated Absences Obligation

Compensated absences of Governmental Fund Types payable within 60 days from the balance sheet date are deemed to be payable from expendable available financial resources. Compensated absences earned by employees which are payable after 60 days are reflected as general long-term obligations of the City.

The estimated liabilities for accrued compensated absences as of June 30, 2024, are as follows:

	Accrued Long-Term Obligation	Current Obligation	Total Compensated Absences
General Fund	$ 1,107,784	$ 217,925	$ 1,325,709
Community Development Fund	15,646	3,078	18,724
Housing Assistance Fund	7,282	1,433	8,715
Floodwall Fund	3,796	747	4,543
Utility Fund	-	346,215	346,215
Ashland Bus System	-	39,913	39,913
Recreation Fund	-	38,860	38,860
Cemetery Fund	-	9,267	9,267
Parking Garage Fund	-	1,479	1,479
	$ 1,134,508	$ 658,917	$ 1,793,425

Refer to Note (2) for additional information regarding compensated absences.

Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying loan agreements. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2024, there was one series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of approximately $222 million.

Business-Type Activities

Revenue Refunding and Improvement Bonds Series 2013

On April 1, 2013, the City issued $4,890,000 in refunding bonds with an average rate of 5.3% to advance refund $4,410,000 of the series 1999 bonds with an average rate of 6.8%. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $269,378. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the year 2024 using the straight-line method. Additionally, the City reduced its total debt service payments over the following 12 years by $416,000 and obtained an economic gain (difference between the present values of the debt service payments of the old and new bonds) of $354,000.

The 2013 Series bonds were repaid during the year ending June 30, 2024.

Water & Sewer Revenue Bonds Series 2015

On March 11, 2015, the City issued $3,620,000 in revenue bonds with interest rates ranging from 3.0% to 3.25%, to finance improvements for the waterworks, water distribution, wastewater treatment and collection facilities. The annual requirements to amortize the indebtedness at June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 235,000	$ 55,225	$ 290,225
2026	240,000	48,175	288,175
2027	250,000	40,975	290,975
2028	255,000	33,475	288,475
2029	265,000	25,825	290,825
2030	550,000	26,975	576,975
	$ 1,795,000	$ 230,650	$ 2,025,650

Water & Sewer Revenue Bonds Series 2020

On July 7, 2020, the City issued $11,500,000 in revenue bonds with interest rates ranging from 2.0% to 2.5%, to finance improvements for the waterworks, water distribution, wastewater treatment and collection facilities.

The 2020 Series bonds were sold at a discount of $24,060, which is being amortized over the life of the bonds.

The annual requirements to amortize the indebtedness at June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 485,000	$ 211,313	$ 696,313
2026	495,000	201,613	696,613
2027	505,000	191,713	696,713
2028	515,000	181,613	696,613
2029	525,000	171,313	696,313
2033-2034	2,790,000	694,765	3,484,765
2035-2039	3,095,000	389,051	3,484,051
2040-2041	1,350,000	50,750	1,400,750
	$ 9,760,000	$ 2,092,131	$ 11,852,131

Financing Lease - Radio Meters

On July 30, 2013, the City entered into an agreement with the Kentucky Bond Corporation to finance the acquisition and installation of radio read meters. Proceeds of the variable rate (4.125% to 4.625%) lease agreement totaled $1,710,000. Future minimum annual lease payments under this agreement are as follows:

Year Ending June 30,	Principal	Interest & Fees	Total
2025	$ 127,083	$ 24,030	$ 151,113
2026	134,167	18,629	152,796
2027	142,083	12,927	155,010
2028	111,667	6,889	118,556
2029	37,917	1,921	39,838
	$ 552,917	$ 64,396	$ 617,313

Kentucky Infrastructure Authority Loan

On November 1, 2004, the City entered into an Assistance Agreement with the Kentucky Infrastructure Authority ("KIA") for a water system renovation project. In accordance with the Agreement, the City received the proceeds from the loan as eligible expenses were incurred. On January 12, 2019, the KIA allowed the City to refinance the agreement to reduce the interest rate from 3.0% to 2.25%. A loan serving fee of 0.025% of the annual outstanding loan balance shall be payable to KIA as a part of each interest payment. The annual requirements to amortize the indebtedness at June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Fees	Total
2025	$ 255,529	$ 4,320	$ 384	$ 260,233

Kentucky Infrastructure Authority Loan

On May 1, 2010, the City entered into an Assistance Agreement with the Kentucky Infrastructure Authority ("KIA") to finance capacity upgrades at the Roberts Drive Pump Station and the Sixth Street Pump Station as part of the CSO abatement projects in the Long-Term Control Plan (See Note 12). The loan bears interest at a rate of 2.0% with a maturity date of December 1, 2033. A loan serving fee of 0.001% of the annual outstanding loan balance shall be payable to KIA as a part of each interest payment. In accordance with the Agreement, the City received the proceeds from the loan as eligible expenses were incurred. The annual requirements to amortize the loan as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Fees	Total
2025	$ 336,707	$ 68,048	$ 6,805	$ 411,560
2026	343,474	61,280	6,128	410,882
2027	350,378	54,376	5,438	410,192
2028	357,421	47,334	4,733	409,488
2029	364,605	40,150	4,015	408,770
2030-2034	1,733,567	87,828	8,783	1,830,178
	$ 3,486,152	$ 359,016	$ 35,902	$ 3,881,070

(10) INTERFUND TRANSACTIONS

Interfund Receivable and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Interfund receivables and payables between funds are eliminated in the Statement of Net Position. The composition of interfund balances as of June 30, 2024 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Ashland Bus System	$ 1,672,726
General Fund	Utility Fund	5,234,102
General Fund	Recreation Fund	2,893,430
General Fund	Parking Garage	371,803
General Fund	ARPA	545,264
General Fund	Brownfield Grant Fund	67,294
General Fund	Municipal Aid Road Fund	63,725
General Fund	Tax Increment Fund	1,271,771
General Fund	Housing Assistance	63,203
General Fund	Community Development Fund	245,633
General Fund	Utility Pension Fund	1,602,136
Internal Service Fund	General Fund	1,087,961
Capital Project	General Fund	1,912,736
Floodwall Operating Fund	General Fund	64,183
Cemetery Fund	General Fund	67,124
Police & Firefighters Pension Fund	General Fund	54,557
Utility Pension Fund	Utility Fund	3,644,563
Total		$ 20,862,211

Interfund Transfers

The following transfers were made during the year:

Type	From Fund	To Fund	Purpose	Amount
Operating	General	Ashland Bus System	Matching	$ 734,719
Operating	General	Recreation	Operations & Capital	1,621,944
Operating	ARPA	Utility	Capital Purchases	478,125

(11) LEGAL CONTINGENCIES

The City is a defendant in various legal actions arising from normal business operations. The City's legal counsel believes these actions are without merit, adequately covered by insurance, or that the ultimate liability, if any, will not materially affect the City's financial position or results of operations.

The City receives significant financial assistance from the federal government in the form of grants and entitlements, which are generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by federal agencies. Any disallowance as a result of these audits could become a liability of the City.

(12) COMMITMENTS AND CONTINGENCIES

Ashland Bus System

The City is committed to provide financial assistance to the Ashland Bus System (ABS). During the year ended June 30, 2024, the City paid $734,719 to the ABS under this agreement. Remaining operating costs are to be funded through grants from the U.S. Department of Transportation (DOT). The City has estimated that there is no amount due from the DOT for the current year's operating grant. City management does not expect its cost of operating the ABS to decrease in the near future.

Combined Sewer Overflow Improvements

In 2007, the City entered into an agreement with the Kentucky Energy and Environment Cabinet to comply with federal Clean Water Act standards that are applicable to the City’s sewer system. The City’s system is considered a combined sewer system due to the sewers collecting rainwater, runoff, domestic sewage and industrial wastewater. During heavy rains or melting snow, the system can create Combined Sewer Overflow (CSO), when waste and storm water overflow from the sewer system into local bodies of water and the Ohio River. Under the agreement, the City is required to create a Long Term Control Plan to reduce the number of overflows and complete improvements to the sewer system. The improvements are expected to cost approximately $60 million.

On February 18, 2010, the Board of Commissioners approved an additional surcharge for sewer customers of the City to pay for the improvements. Beginning April 1, 2010, sewer customers are charged a $2.50 fee per 1,000 gallons of water used. The charge increased to $3.50 per 1,000 gallons during 2015 and will end in 2035. All monies collected for this surcharge are placed in a separate account and only used for CSO improvements as outlined in the City's Long Term Control Plan. At June 30, 2024, the City has $9,663,613 restricted for the sewer improvements.

Construction Projects

The City is obligated on commitments for various contracts in progress at June 30, 2024. A summary of these commitments is as follows:

Total Approved Contracts	$ 23,372,705
Less: Paid or Accrued to Date	(15,450,970)
Outstanding Commitments	$ 7,921,735

(13) TAX ABATEMENTS

GASB Statement No. 77, *Tax Abatement Disclosures*, defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

During the year ended June 30, 2018, the City created a tax increment financing ("TIF") district ("Ashland Plaza Redevelopment Project") under the authority granted by Kentucky Revised Statutes (KRS) Chapter 65 and 154.30. The taxes levied on all taxable property within the TIF district on the increase in assessed value of the taxable property is allocated to pay for the cost of improvements in the district, including reimbursing the City's initial investment. The tax increments are allocated until all costs of the TIF district project has been repaid; however, it cannot exceed 20 years. The project developer bears the risk that the increments collected over the life of the TIF district will be less than sufficient to cover all eligible project expenses and the City bears no responsibility to make up any shortfall. The City has one active TIF district in which taxes are passed directly to developers or utilized for debt service payments associated with the district. Because the general property taxes on tax increment districts are allocated to the district, these taxes are not available to the City during the life of the tax increment district. For the year ended June 30, 2024, additional general property taxes of $30,554 and occupational license fees of $165,291 were collected and not available to the City.

(14) 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 has established an employee's health insurance fund (an internal service fund) to account for and finance its uninsured risk of loss. Under this program, the employees' health insurance fund provides coverage up to a maximum of $100,000 per covered full-time employee and his or her dependents and eligible retirees. The City purchases commercial insurance for the health and accident claims in excess of coverage provided by the fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All full-time employees are eligible to participate in the City's Health Benefit Plan. The claims liability of $184,641 reported in the Internal Service Fund at June 30, 2024, is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated.

Changes in the funds claims liability amount in fiscal years 2023 and 2024 were:

Year Ending	Beginning of Fiscal Year Liability	Current Year Claims	Claim Payments	Balance At Fiscal Year End
06/30/23	$ 74,066	$ 3,977,966	$ 3,964,573	$ 87,459
06/30/24	87,459	4,637,637	4,540,455	184,641

The City established a Health Reimbursement Arrangement (HRA) on behalf of employees enrolled in the Health Benefit Plan. Employees are eligible to participate in the HRA on the thirty-first day of employment. Participants enrolled in the Health Benefit Plan with single coverage are credited with $900 per year into their HRA account, while participants enrolled in the Health Benefit Plan with family coverage are credited with

$1,800 per year. Participants in the HRA can use their account balances to reimburse the Health Benefit Plan deductibles and co-insurance expenses. Effective January 1, 2021, only members of the City's fire department are eligible to participate in the HRA. However, employees previously eligible to participate may continue to utilize any unused account balance. Amounts charged to Internal Service Fund operating expenses under the provisions of the HRA for the year ended June 30, 2024 totaled $62,889.

(15) NOTE RECEIVABLE

On September 23, 2008, the City entered into an agreement with Harbor Hill, LLLP to loan $150,000 from its Community Development Block Grant Funds for the rehabilitation of a building to increase the number of affordable rental housing units available for the benefit of low and very low income persons. The note bears no interest and is due and payable on September 30, 2038.

(16) FUND DEFICIT

As of June 30, 2024, the Ashland Bus Fund had a negative net position of $1,305,251. This deficit resulted from the fund's proportionate share of the net pension and OPEB liabilities recorded in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

As of June 30, 2024, the Tax Increment Financing Fund had a negative fund balance of $1,271,771. This deficit resulted from incremental tax revenue received by the fund during the year being less than the debt service of the related bond. Sufficient revenue is expected to be received in future years to recover these excess costs.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ASHLAND
DEFINED BENEFIT PENSION TRUSTS
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND INVESTMENT RETURNS
JUNE 30, 2024

	UTILITY EMPLOYEES PENSION FUND							POLICEMEN AND FIREFIGHTERS PENSION FUND						
					Percentage of Covered Payroll							Percentage of Covered Payroll		
	Amount Contributed	ADC	Contribution Deficiency (Excess)	Covered Payroll	ARC	Amount Contributed	Annual* M-W Rate of Return, net	Amount Contributed	ADC	Contribution Deficiency (Excess)	Covered Payroll	Payroll ARC	Amount Contributed	Annual* M-W Rate of Return, net
2015	$ 728,300	$ 383,103	$ (345,197)	**N/A	**N/A	**N/A	0.61%	$ 411,220	$ 564,043	$ 152,823	**N/A	**N/A	**N/A	0.50%
2016	782,736	603,145	(179,591)	**N/A	**N/A	**N/A	0.81%	419,610	564,043	144,433	**N/A	**N/A	**N/A	0.53%
2017	737,240	603,145	(134,095)	**N/A	**N/A	**N/A	0.80%	419,610	521,302	101,692	**N/A	**N/A	**N/A	0.67%
2018	1,010,604	484,950	(525,654)	**N/A	**N/A	**N/A	1.02%	949,776	521,302	(428,474)	**N/A	**N/A	**N/A	0.96%
2019	845,798	484,950	(360,848)	**N/A	**N/A	**N/A	1.76%	521,302	323,671	(197,631)	**N/A	**N/A	**N/A	1.62%
2020	604,364	410,659	(193,705)	**N/A	**N/A	**N/A	1.31%	323,671	323,671	-	**N/A	**N/A	**N/A	2.23%
2021	716,227	410,659	(305,568)	**N/A	**N/A	**N/A	0.34%	602,874	230,236	(372,638)	**N/A	**N/A	**N/A	0.49%
2022	511,778	380,896	(130,882)	**N/A	**N/A	**N/A	0.10%	230,236	230,236	-	**N/A	**N/A	**N/A	0.16%
2023	509,705	380,896	(128,809)	**N/A	**N/A	**N/A	0.31%	172,903	160,652	(12,251)	**N/A	**N/A	**N/A	0.69%
2024	471,485	311,033	(160,452)	**N/A	**N/A	**N/A	0.74%	-	160,652	160,652	**N/A	**N/A	**N/A	3.51%

* The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Information is only shown for years available.

** No active employees or covered payroll.

CITY OF ASHLAND
DEFINED BENEFIT PENSION TRUSTS
SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2024

Actuarial Valuation Date		Fiduciary Net Position (a)	Total Pension Liability (TPL) Entry Age (b)	Net Pension Liability (NPL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	NPL as a Percentage of Covered Payroll ((b-a)/c)
UTILITY EMPLOYEES PENSION FUND							
06/30/15	*	$ 2,340,422	$ 10,865,198	$ 8,524,776	21.5%	**N/A	**N/A
06/30/16		2,360,136	10,408,243	8,048,107	22.7%	**N/A	**N/A
06/30/17	*	2,373,099	9,804,378	7,431,279	24.2%	**N/A	**N/A
06/30/18		2,737,130	9,139,815	6,402,685	29.9%	**N/A	**N/A
06/30/19	*	2,955,799	9,248,646	6,292,847	32.0%	**N/A	**N/A
06/30/20		2,917,710	8,747,108	5,829,398	33.4%	**N/A	**N/A
06/30/21	*	2,944,978	9,162,270	6,217,292	32.1%	**N/A	**N/A
06/30/22		2,738,825	8,899,419	6,160,594	30.8%	**N/A	**N/A
06/30/23	*	2,531,492	8,010,966	5,479,474	31.6%	**N/A	**N/A
06/30/24		2,307,904	7,827,885	5,519,981	29.5%	**N/A	**N/A
POLICEMEN AND FIREFIGHTERS PENSION FUND							
06/30/15		$ 579,210	$ 5,016,407	$ 4,437,197	11.5%	**N/A	**N/A
06/30/16	*	522,527	4,919,883	4,397,356	10.6%	**N/A	**N/A
06/30/17		468,574	4,140,203	3,671,629	11.3%	**N/A	**N/A
06/30/18	*	1,029,005	3,872,818	2,843,813	26.6%	**N/A	**N/A
06/30/19		1,221,257	3,557,450	2,336,193	34.3%	**N/A	**N/A
06/30/20	*	1,253,053	3,318,470	2,065,417	37.8%	**N/A	**N/A
06/30/21		1,569,552	2,779,158	1,209,606	56.5%	**N/A	**N/A
06/30/22	*	1,507,303	2,948,487	1,441,184	51.1%	**N/A	**N/A
06/30/23		1,412,596	2,637,495	1,224,899	53.6%	**N/A	**N/A
06/30/24	*	1,216,144	2,093,002	876,858	58.1%	**N/A	**N/A

*Biannual actuarial valuation performed.

**No active employees or covered payroll.

CITY OF ASHLAND
DEFINED BENEFIT PENSION TRUSTS
SCHEDULE OF CHANGES IN NET PENSION LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2024

	UTILITY EMPLOYEES PENSION FUND									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY										
Service cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest on total pension liability	190,880	191,488	197,456	251,158	266,520	263,270	283,228	400,459	417,961	482,003
Effect of changes in benefit terms	204,402	235,706	-	-	(262,413)	457,843	(274,194)	(265,792)	(312,246)	-
Difference in expected and actual experience	115,324	(463,572)	253,125	220,253	167,553	4,302	(2,629)	(950,704)	205,645	66,792
Effect of changes in assumptions	-	(134,192)	-	636,404	-	55,714	-	944,652	-	3,246,184
Benefit payments	(693,687)	(717,883)	(713,432)	(692,653)	(673,198)	(672,298)	(670,968)	(732,480)	(768,315)	(753,040)
Net change in total pension liability	(183,081)	(888,453)	(262,851)	415,162	(501,538)	108,831	(664,563)	(603,865)	(456,955)	3,041,939
Total pension liability, beginning of year	8,010,966	8,899,419	9,162,270	8,747,108	9,248,646	9,139,815	9,804,378	10,408,243	10,865,198	7,823,259
Total pension liability, end of year (a)	7,827,885	8,010,966	8,899,419	9,162,270	8,747,108	9,248,646	9,139,815	9,804,378	10,408,243	10,865,198
FIDUCIARY NET POSITION										
Employer contributions	471,485	509,705	511,778	716,227	604,364	845,798	1,010,604	737,240	782,736	728,300
Member contributions	-	-	-	-	-	-	-	-	-	-
Investment income, net of investment expenses	3,936	2,489	831	5,971	35,937	47,448	29,588	10,513	10,395	4,570
Benefit payments and refund of contributions	(693,687)	(717,727)	(713,432)	(692,653)	(673,198)	(672,298)	(670,968)	(732,480)	(768,315)	(753,040)
Administrative expenses	(5,322)	(1,800)	(5,330)	(2,277)	(5,192)	(2,279)	(5,193)	(2,310)	(5,102)	(2,212)
Net change in plan fiduciary net position	(223,588)	(207,333)	(206,153)	27,268	(38,089)	218,669	364,031	12,963	19,714	(22,382)
Fiduciary net position, beginning of year	2,531,492	2,738,825	2,944,978	2,917,710	2,955,799	2,737,130	2,373,099	2,360,136	2,340,422	2,362,804
Fiduciary net position, end of year (b)	2,307,904	2,531,492	2,738,825	2,944,978	2,917,710	2,955,799	2,737,130	2,373,099	2,360,136	2,340,422
Net pension liability, ending = (a)-(b)	$ 5,519,981	$ 5,479,474	$ 6,160,594	$ 6,217,292	$ 5,829,398	$ 6,292,847	$ 6,402,685	$ 7,431,279	$ 8,048,107	$ 8,524,776

CITY OF ASHLAND
DEFINED BENEFIT PENSION TRUSTS
SCHEDULE OF CHANGES IN NET PENSION LIABILITIES (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2024

	POLICEMEN AND FIREFIGHTERS PENSION FUND									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY										
Service cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest on total pension liability	62,511	69,865	65,516	79,063	101,634	110,730	157,057	186,525	237,867	249,990
Effect of changes in benefit terms	56,034	73,343	-	-	(94,919)	224,367	(106,452)	(124,206)	(136,189)	-
Difference in expected and actual experience	(332,856)	(170,068)	384,354	(330,454)	(86,978)	(314,821)	(247,741)	(368,001)	(100,203)	24,498
Effect of changes in assumptions	(77,180)	-	12,099	-	154,488	-	324,422	-	380,261	966,202
Benefit payments	(253,002)	(284,132)	(292,640)	(287,921)	(313,205)	(335,644)	(394,671)	(473,998)	(478,260)	(562,644)
Net change in total pension liability	(544,493)	(310,992)	169,329	(539,312)	(238,980)	(315,368)	(267,385)	(779,680)	(96,524)	678,046
Total pension liability, beginning of year	2,637,495	2,948,487	2,779,158	3,318,470	3,557,450	3,872,818	4,140,203	4,919,883	5,016,407	4,338,361
Total pension liability, end of year (a)	2,093,002	2,637,495	2,948,487	2,779,158	3,318,470	3,557,450	3,872,818	4,140,203	4,919,883	5,016,407
FIDUCIARY NET POSITION										
Employer contributions	-	172,903	230,236	602,874	323,671	521,302	949,776	419,610	419,610	411,220
Member contributions	-	-	-	-	-	-	-	-	-	-
Investment income, net of investment expenses	58,505	14,896	2,120	6,364	23,230	12,563	7,327	5,107	3,994	3,787
Benefit payments and refund of contributions	(253,002)	(277,756)	(292,640)	(287,921)	(313,205)	(335,644)	(394,671)	(473,998)	(478,260)	(562,644)
Administrative expenses	(1,955)	(4,750)	(1,965)	(4,818)	(1,900)	(5,969)	(2,001)	(4,672)	(2,027)	(4,554)
Net change in plan fiduciary net position	(196,452)	(94,707)	(62,249)	316,499	31,796	192,252	560,431	(53,953)	(56,683)	(152,191)
Fiduciary net position, beginning of year	1,412,596	1,507,303	1,569,552	1,253,053	1,221,257	1,029,005	468,574	522,527	579,210	731,401
Fiduciary net position, end of year (b)	1,216,144	1,412,596	1,507,303	1,569,552	1,253,053	1,221,257	1,029,005	468,574	522,527	579,210
Net pension liability, ending = (a)-(b)	$ 876,858	$ 1,224,899	$ 1,441,184	$ 1,209,606	$ 2,065,417	$ 2,336,193	$ 2,843,813	$ 3,671,629	$ 4,397,356	$ 4,437,197

CITY OF ASHLAND
COUNTY EMPLOYEES RETIREMENT SYSTEM
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION AND OPEB LIABILITY (ASSET)
FOR THE YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)		2023 (2022)		2022 (2021)		2021 (2020)		2020 (2019)	
	Nonhaz.	**Hazardous**	**Nonhaz.**	**Hazardous**	**Nonhaz.**	**Hazardous**	**Nonhaz.**	**Hazardous**	**Nonhaz.**	**Hazardous**
PENSION										
City's proportion of the net pension liability	0.35547%	1.18686%	0.31562%	1.47733%	0.31782%	1.14696%	0.30887%	1.12199%	0.30736%	1.10540%
City's proportionate share of the net pension liability	$ 22,808,570	$ 31,997,192	$ 22,815,996	$ 35,022,582	$ 20,263,327	$ 30,533,875	$ 23,690,073	$ 33,828,166	$ 21,616,977	$ 30,534,523
City's covered payroll	$ 9,860,316	$ 8,577,926	$ 8,118,460	$ 7,613,901	$ 7,478,171	$ 7,017,066	$ 7,436,891	$ 6,785,778	$ 7,115,364	$ 6,506,066
City's proportionate share of the net pension liability as a percentage of its covered payroll	231.317%	373.018%	281.038%	459.982%	270.966%	435.137%	318.548%	498.516%	303.807%	469.324%
Plan fiduciary net position as a percentage of the total pension liability	57.48%	52.96%	52.42%	47.11%	57.33%	52.26%	47.81%	44.11%	50.45%	46.63%
INSURANCE FUND										
City's proportion of the net OPEB liability/asset	0.35545%	1.18609%	0.31559%	1.47157%	0.31774%	1.14696%	0.30879%	1.12182%	0.30746%	1.10545%
City's proportionate share of the net OPEB liability (asset)	$ (490,759)	$ 1,622,838	$ 6,228,231	$ 9,771,320	$ 6,083,012	$ 9,273,820	$ 7,456,315	$ 10,366,782	$ 5,171,305	$ 8,178,810
City's covered payroll	$ 9,860,316	$ 8,577,926	$ 8,118,460	$ 7,613,901	$ 7,478,171	$ 7,017,066	$ 7,436,891	$ 6,785,778	$ 7,115,364	$ 6,506,066
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-4.977%	18.919%	76.717%	128.335%	81.344%	132.161%	100.261%	152.772%	72.678%	125.711%
Plan fiduciary net position as a percentage of the total OPEB liability	104.23%	92.27%	60.95%	64.13%	62.91%	66.81%	51.67%	58.84%	60.44%	64.44%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF ASHLAND
COUNTY EMPLOYEES RETIREMENT SYSTEM
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION AND OPEB LIABILITY (ASSET) (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2024

	Reporting Fiscal Year (Measurement Date)									
	2019 (2018)		2018 (2017)		2017 (2016)		2016 (2015)		2015 (2014)	
	Nonhaz.	**Hazardous**	**Nonhaz.**	**Hazardous**	**Nonhaz.**	**Hazardous**	**Nonhaz.**	**Hazardous**	**Nonhaz.**	**Hazardous**
PENSION										
City's proportion of the net pension liability	0.31496%	1.11871%	0.31601%	1.12239%	0.32717%	1.19593%	0.32806%	1.19771%	0.32000%	1.15000%
City's proportionate share of the net pension liability	$ 19,181,719	$ 27,055,399	$ 18,496,978	$ 25,110,923	$ 16,108,362	$ 20,521,406	$ 14,104,958	$ 18,386,060	$ 10,328,000	$ 13,818,000
City's covered payroll	$ 7,019,185	$ 6,513,275	$ 7,086,423	$ 6,630,921	$ 7,781,684	$ 6,198,395	$ 7,627,360	$ 6,041,405	$ 7,271,891	$ 5,782,361
City's proportionate share of the net pension liability as a percentage of its covered payroll	273.276%	415.389%	261.020%	378.694%	207.004%	331.076%	184.926%	304.334%	142.026%	238.968%
Plan fiduciary net position as a percentage of the total pension liability	53.54%	49.26%	53.30%	49.80%	55.50%	53.95%	59.97%	57.52%	66.80%	63.46%
INSURANCE FUND										
City's proportion of the net OPEB liability/asset	0.31499%	1.11901%	0.31601%	1.12239%						
City's proportionate share of the net OPEB liability (asset)	$ 5,592,603	$ 7,978,052	$ 6,352,862	$ 9,278,454						
City's covered payroll	$ 7,019,185	$ 6,513,275	$ 7,086,423	$ 6,630,921						
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	79.676%	122.489%	89.648%	139.927%						
Plan fiduciary net position as a percentage of the total OPEB liability	57.62%	64.24%	52.40%	59.00%						

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF ASHLAND
COUNTY EMPLOYEES RETIREMENT SYSTEM
SCHEDULE OF PENSION AND OPEB CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2024

	2024		2023		2022		2021		2020	
	Nonhaz.	**Hazardous**	**Nonhaz.**	**Hazardous**	**Nonhaz.**	**Hazardous**	**Nonhaz.**	**Hazardous**	**Nonhaz.**	**Hazardous**
PENSION										
Contractually required contribution	$ 2,717,638	$ 3,764,547	$ 2,307,314	$ 3,672,210	$ 1,718,678	$ 2,578,067	$ 1,443,287	$ 2,109,330	$ 1,435,320	$ 2,039,805
Contributions in relation to the contractually required contribution	2,717,638	3,764,547	2,307,314	3,672,210	1,718,678	2,578,067	1,443,287	2,109,330	1,435,320	2,039,805
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
City's covered payroll	$ 11,643,693	$ 9,157,254	$ 9,860,316	$ 8,577,926	$ 8,118,460	$ 7,613,901	$ 7,478,171	$ 7,017,066	$ 7,436,891	$ 6,785,778
City's contributions as a percentage of its covered payroll	23.34%	41.11%	23.40%	42.81%	21.17%	33.86%	19.30%	30.06%	19.30%	30.06%
INSURANCE FUND										
Contractually required contribution	$ -	$ 236,459	$ 334,265	$ 581,583	$ 469,246	$ 797,175	$ 355,962	$ 668,026	$ 353,996	$ 646,008
Contributions in relation to the contractually required contribution	-	236,459	334,265	581,583	469,246	797,175	355,962	668,026	353,996	646,008
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
City's covered payroll	$ 11,643,693	$ 9,157,254	$ 9,860,316	$ 8,577,926	$ 8,118,460	$ 7,613,901	$ 7,478,171	$ 7,017,066	$ 7,436,891	$ 6,785,778
City's contributions as a percentage of its covered payroll	0.00%	2.58%	3.39%	6.78%	5.78%	10.47%	4.76%	9.52%	4.76%	9.52%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF ASHLAND
COUNTY EMPLOYEES RETIREMENT SYSTEM
SCHEDULE OF PENSION AND OPEB CONTRIBUTIONS (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2024

	2019		2018		2017		2016		2015		2014	
	Nonhaz.	**Hazardous**	**Nonhaz.**	**Hazardous**	**Nonhaz.**	**Hazardous**	**Nonhaz.**	**Hazardous**	**Nonhaz.**	**Hazardous**	**Nonhaz.**	**Hazardous**
PENSION												
Contractually required contribution	$ 1,154,112	$ 1,617,408	$ 1,016,378	$ 1,445,947	$ 988,556	$ 1,439,573	$ 966,485	$ 1,255,795	$ 972,488	$ 1,252,383	$ 999,158	$ 1,258,820
Contributions in relation to the contractually required contribution	1,154,112	1,617,408	1,016,378	1,445,947	988,556	1,439,573	966,485	1,255,795	972,488	1,252,383	999,158	1,258,820
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-	-	-
City's covered payroll	$ 7,115,364	$ 6,506,066	$ 7,019,185	$ 6,513,275	$ 7,086,423	$ 6,630,921	$ 7,781,684	$ 6,198,395	$ 7,627,360	$ 6,041,405	$ 7,271,891	$ 5,782,361
City's contributions as a percentage of its covered payroll	16.22%	24.86%	14.48%	22.20%	13.95%	21.71%	12.42%	20.26%	12.75%	20.73%	13.74%	21.77%
INSURANCE FUND												
Contractually required contribution	$ 374,311	$ 681,680	$ 329,818	$ 609,123	$ 334,812	$ 619,902						
Contributions in relation to the contractually required contribution	374,311	681,680	329,818	609,123	334,812	619,902						
Contribution deficiency (excess)	-	-	-	-	-	-						
City's covered payroll	$ 7,115,364	$ 6,506,066	$ 7,019,185	$ 6,513,275	$ 7,086,423	$ 6,630,921						
City's contributions as a percentage of its covered payroll	5.26%	10.47%	4.70%	9.35%	4.73%	9.35%						

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF ASHLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLANS

FOR THE YEAR ENDED JUNE 30, 2024

(1) CHANGES OF ASSUMPTIONS

UTILITY EMPLOYEES PENSION FUND

In the 2023 valuation, the expected investment rate of return was increased from 2.25% to 2.50%, which was the estimated yield for a 20 year tax-exempt general obligation municipal bond with an average rating of AA/Aa or higher.

In the 2021 valuation, the expected investment rate of return was reduced from 3.0% to 2.25%, which was the estimated yield for a 20 year tax-exempt general obligation municipal bond with an average rating of AA/Aa or higher.

In the 2019 valuation, a mortality assumption for disabled lives was no longer considered necessary since there are no retirees remaining who retired due to disability.

In the 2017 valuation, the expected investment rate of return was reduced from 4.0% to 3.0%, which was the estimated yield for a 20 year tax-exempt general obligation municipal bond with an average rating of AA/Aa or higher.

In the 2015 valuation, the expected investment rate of return was reduced from 5.0% to 4.0%, which was the estimated yield for a 20 year tax-exempt general obligation municipal bond with an average rating of AA/Aa or higher. Additionally, an estimated ad-hoc cost of living adjustment of 3% was included in the calculation of the total pension liability due to the adjustments being considered "substantively automatic" under the guidelines of GASB No. 67.

POLICEMEN AND FIREFIGHTERS PENSION FUND

In the 2024 valuation, the expected investment rate of return was increased from 2.5% to 3.0%, which was the estimated yield for a 20 year tax-exempt general obligation municipal bond with an average rating of AA/Aa or higher.

In the 2020 valuation, the expected investment rate of return was reduced from 3.0% to 2.5%, which was the estimated yield for a 20 year tax-exempt general obligation municipal bond with an average rating of AA/Aa or higher.

In the 2018 valuation, the expected investment rate of return was reduced from 4.0% to 3.0%, which was the estimated yield for a 20 year tax-exempt general obligation municipal bond with an average rating of AA/Aa or higher.

In the 2016 valuation, the expected investment rate of return was reduced from 5.0% to 4.0%, which was the estimated yield for a 20 year tax-exempt general obligation municipal bond with an average rating of AA/Aa or higher.

In the 2014 valuation update, an estimated ad-hoc cost of living adjustment of 3% was included in the calculation of the total pension liability due to the adjustments being considered "substantively automatic" under the guidelines of GASB No. 67.

CERS

The following changes were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2015:

- The assumed investment rate of return was decreased from 7.75% to 7.50%.
- The assumed rate of inflation was reduced from 3.50% to 3.25%.
- The assumed rate of wage inflation was reduced from 1.00% to 0.75%.
- Payroll growth assumption was reduced from 4.50% to 4.00%.

- The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).
- For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement.

- The assumed rates of Retirement, Withdrawal and Disability were updated to more accurately reflect experience.

The following changes were made by the Board of Trustees and reflected in the valuation performed as of June 30, 2017:

- Decreased the price inflation assumption to 2.30%
- Decreased the assumed rate of return to 6.25%
- Decreased the payroll growth assumption to 2.00%.

The following changes were made by the Board of Trustees and reflected in the valuation performed as of June 30, 2019:

- The assumed salary increase was changed from 4.00% (average) to 3.05%-10.30% for nonhazardous and 3.55% - 19.05% for hazardous (varies by service).
- The mortality table used for pre-retirement is PUB-2010 General Mortality table, for the Non-Hazardous Systems, and PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.
- The mortality table used for post-retirement (non-disabled) is a system specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.
- The mortality table used for post-retirement (disabled) is PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2010.

The following changes were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2020:

- Senate Bill 249 passed during the 2020 legislative session and changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over separate 20-year amortization bases. This change does not impact the calculation of the Total Pension Liability and only impacts the calculation of the contribution rates that would be payable starting July 1, 2019.

For the valuation performed as of June 30, 2023, demographic and economic assumptions were updated based on the 2022 experience study and the single discount rates used to calculate the total pension liability was changed to 6.50%. A 1% increase in the rate of retirement for each of the first two years a nonhazardous member becomes retirement eligible under the age of 65 is assumed to reflect the shift in retirement pattern due to House Bill 506. Additionally, in conjunction with the review of the healthcare per capita claims cost, the assumed increase in the future healthcare costs, or trend assumption, is reviewed on an annual basis. The trend assumption for the non-Medicare Plans was increased during the select period as a result of this review.

(2) METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

UTILITY EMPLOYEES PENSION FUND

The actuarially determined contribution amounts in the schedule of employer contributions are calculated biennially. The following actuarial methods and assumptions were used to determine contribution amounts reported in the most recent year of that schedule:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	20 years
Asset Valuation Method	Fair market value, quoted prices
Cost of Living Adjustments	3.0%
Salary Increase	None
Investment Rate of Return	2.50%, net of pension plan investment expense, including inflation

POLICEMEN AND FIREFIGHTERS PENSION FUND

The actuarially determined contribution amounts in the schedule of employer contributions are calculated biennially. The following actuarial methods and assumptions were used to determine contribution amounts reported in the most recent year of that schedule:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	10 years
Asset Valuation Method	Fair market value, quoted prices
Cost of Living Adjustments	3.0%
Salary Increase	None
Investment Rate of Return	3.00%, net of pension plan investment expense, including inflation

CERS

The following actuarial methods and assumptions were used to determine contribution rates reported in the most recent year of that schedule:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll
Remaining Amortization Period	30 years, closed
Payroll Growth	2.00%

Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary Increase	3.30% to 10.30%, varies by service for nonhazardous 3.55% to 19.05%, varies by service for hazardous
Investment Rate of Return	6.25%, net of pension plan investment expense, including inflation
Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019
Phase-in provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018

(3) CHANGES OF BENEFIT TERMS

UTILITY EMPLOYEES PENSION FUND

The most recent valuation was prepared with the assumption of a "substantively automatic" 3% cost of living adjustment. However, the Commissioners elected not to provide a cost of living adjustment for fiscal year 2017, a 2% cost of living adjustment for fiscal year 2019, a 7% cost of living adjustment for fiscal year 2023, and a 6.2% cost of living adjustment for fiscal year 2024.

POLICEMEN AND FIREFIGHTERS PENSION FUND

The most recent valuation was prepared with the assumption of a "substantively automatic" 3% cost of living adjustment. However, the Commissioners elected not to provide a cost of living adjustment for fiscal year 2017, a 2% cost of living adjustment for fiscal year 2019, a 7% cost of living adjustment for fiscal year 2023, and a 6.2% cost of living adjustment for fiscal year 2024.

CERS

During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. Benefits paid to the spouses of deceased members have been increased from 25% of the member's final rate of pay to 75% of the member's average pay. If the member does not have a surviving spouse, benefits paid to surviving dependent children have been increased from 10% of the member's final pay rate to 50% of average pay for one child, 65% of average pay for two children, or 75% of average pay for three children. The Total Pension Liability as of June 30, 2019 is determined using these updated benefit provisions.

Senate Bill 169 passed during the 2021 legislative session and increased the disability benefits for certain qualifying members who become "totally and permanently disabled" in the line of duty or as a result of a duty-related disability. The total pension liability as of June 30, 2021, is determined using these updated benefit provisions.

Senate Bill 209 passed during the 2022 legislative session increased the insurance dollar contribution for members hired on or after July 1, 2003 by $5 for each year of service a member attains over certain thresholds, depending on a member's retirement eligibility requirement. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicare retirees. Additionally, it is only payable when the member's applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023.

House Bill 506 passed during the 2023 legislative session reinstated the Partial Lump Sum Options (PLSO) form of payment for members retiring on or after January 1, 2024. The bill introduced an expansion of the lump-sum payment options, allowing for payouts equal to 48 or 60 times the member's Basic, or Survivorship 100% monthly retirement allowance. The lifetime monthly retirement allowance is adjusted actuarially to account for the selected lump sum payment option. House Bill 506 additionally modified the minimum separation period required for a retiree to reemploy with a participating employer of the Systems administered by the KPPA while still receiving their retirement allowance. This adjustment standardized the separation period to one month for all scenarios within each plan for retirement dates effective January 1, 2024 and after.

CITY OF ASHLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLANS

FOR THE YEAR ENDED JUNE 30, 2024

(1) CHANGES OF ASSUMPTIONS

CERS INSURANCE FUND

The following changes were made by the Board of Trustees and reflected in the valuation performed as of June 30, 2017:

- Decreased the price inflation assumption to 2.30%.
- Decreased the assumed rate of return to 6.25%.
- Decreased the payroll growth assumption to 2.00%.

The following changes were made by the Board of Trustees and reflected in the valuation performed as of June 30, 2019:

- The assumed salary increase was changed from 4.00% (average) to 3.30%-10.30% for nonhazardous and 3.55% - 19.05% for hazardous (varies by service.)
- The mortality table used for pre-retirement is PUB-2010 General Mortality table, for the Non-Hazardous Systems, and PUB-2010 Public Safety Mortality table for the Hazardous Systems, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.
- The mortality table used for post-retirement (non-disabled) is a system specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.
- The mortality table used for post-retirement (disabled) is PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2010.

For the June 30, 2020 measurement date, the assumed increase in future health care costs, or trend assumption, is reviewed on an annual basis and was updated to better reflect more current expectations relating to anticipated future increases in the medical costs. The assumed impact of the Cadillac Tax (previously a 0.9% load on employer paid non-Medicare premiums for those who became participants prior to July 1, 2003) was removed to reflect its repeal since the prior valuation.

The following change was made by the Board of Trustees and reflected in the valuation performed as of June 30, 2022:

- The single discount rates used to calculate the total OPEB liability increased from 5.34% to 5.70%.

For the valuation performed as of June 30, 2023, demographic and economic assumptions were updated based on the 2022 experience study and the single discount rates used to calculate the total OPEB liability was changed to 5.93%. A 1% increase in the rate of retirement for each of the first two years a nonhazardous member becomes retirement eligible under the age of 65 is assumed to reflect the shift in retirement pattern due to House Bill 506. Additionally, in conjunction with the review of the healthcare per capita claims cost, the assumed increase in the future healthcare costs, or trend assumption, is reviewed on an annual basis. The trend assumption for the non-Medicare Plans was increased during the select period as a result of this review.

(2) METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

CERS INSURANCE FUND

The following actuarial methods and assumptions, for actuarially determined contributions effective for fiscal year ending June 30, 2023:

Experience Study	July 1, 2008 – June 30, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining Amortization Period	30 Years, Closed
Payroll Growth Rate	2.00%
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary Increase	3.30% to 10.30%, varies by service for nonhazardous 3.55% to 19.05%, varies by service for hazardous
Investment Rate of Return	6.25%
Healthcare Trend Rates	
Pre-65	Initial trend starting at 6.30% at January 1, 2023, gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years. The 2022 premiums were known at the time of the valuation and were incorporated into the liability measurement.
Post-65	Initial trend starting at 6.30% at January 1, 2023 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years. The 2021 premiums were known at the time of the valuation and were incorporated into the liability measurement. Additionally, Humana provided "Not to Exceed" 2022 Medicare premiums, which were incorporated and resulted in an assumed 2.90% increase in Medicare premiums at January 1, 2022.
Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.

(3) CHANGES OF BENEFIT TERMS

CERS INSURANCE FUND

During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. The system shall now pay 100% of the insurance premium for spouses and children of all active members who die in the line of duty. The total OPEB liability as of June 30, 2019, is determined using these updated benefit provisions.

Senate Bill 169 passed during the 2021 legislative session increased and the disability benefits for certain qualifying members who become "totally and permanently disabled" in the line of duty or as a result of a duty-related disability. The total OPEB liability as of June 30, 2021, is determined using these updated benefit provisions.

Senate Bill 209 passed during the 2022 legislative session increased the insurance dollar contribution for members hired on or after July 1, 2003 by $5 for each year of service a member attains over certain thresholds, depending on a member's retirement eligibility requirement. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicare retirees. Additionally, it is only payable when the member's applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023.

House Bill 506 passed during the 2023 legislative session reinstated the Partial Lump Sum Options (PLSO) form of payment for members retiring on or after January 1, 2024. The bill introduced an expansion of the lump-sum payment options, allowing for payouts equal to 48 or 60 times the member's Basic, or Survivorship 100% monthly retirement allowance. The lifetime monthly retirement allowance is adjusted actuarially to account for the selected lump sum payment option. House Bill 506 additionally modified the minimum separation period required for a retiree to reemploy with a participating employer of the Systems administered by the KPPA while still receiving their retirement allowance. This adjustment standardized the separation period to one month for all scenarios within each plan for retirement dates effective January 1, 2024 and after.

SUPPLEMENTAL INFORMATION

CITY OF ASHLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Revisions	Revised Budget	Actual	Variance Positive (Negative)
Revenues					
Property and other local taxes	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	-	-
Fees, fines and reimbursements	-	-	-	-	-
Grant income	7,004,909	-	7,004,909	4,223,628	(2,781,281)
Administration fee income	-	-	-	-	-
Interest income	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	7,004,909	-	7,004,909	4,223,628	(2,781,281)
Expenditures					
General government	1,000	-	1,000	2,635	(1,635)
Finance	-	-	-	-	-
Public services	-	-	-	-	-
Planning and code enforcement	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Engineering	-	-	-	-	-
Community and cultural	-	-	-	-	-
Other	-	-	-	-	
Capital outlay	11,172,925	590,860	11,763,785	7,689,071	4,074,714
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	11,173,925	590,860	11,764,785	7,691,706	4,073,079
Excess (deficiency) of revenues over (under) expenditures	(4,169,016)	(590,860)	(4,759,876)	(3,468,078)	1,291,798
Other Financing Sources (Uses)					
Transfers in	-	351,216	351,216	-	(351,216)
Total other financing sources (uses)	-	351,216	351,216	-	(351,216)
Net change in fund balance	(4,169,016)	(239,644)	(4,408,660)	(3,468,078)	940,582
Fund balance beginning of year	4,809,479	-	4,809,479	4,809,479	-
Fund balance end of year	$ 640,463	$ (239,644)	$ 400,819	$ 1,341,401	$ 940,582

CITY OF ASHLAND

GENERAL FUND

BALANCE SHEET

JUNE 30, 2024

ASSETS

Cash	$	23,070
Taxes receivable		2,619,252
Allowance for uncollectible taxes		(495,343)
Due from other funds		14,031,087
Other receivables		562,332
Investments - certificates of deposit		2,022,209
Prepaid items		853,736
Inventories - supplies		266,924
Total assets	$	19,883,267

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable	$	2,449,949
Accounts payable		1,102,428
Due to other funds		3,186,562
Due to Board of Education		71,148
Accrued compensated absences		217,925
Accrued expenses		1,189,796
Total liabilities		8,217,808
Fund Balance:		
Non-spendable		1,120,660
Committed		2,022,209
Unassigned		8,522,590
Total fund balance		11,665,459
Total liabilities and fund balance	$	19,883,267

CITY OF ASHLAND

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance
REVENUES:			
Taxes -			
General property taxes	$ 2,935,440	$ 2,438,338	$ (497,102)
Penalties and interest	34,575	17,909	(16,666)
Delinquent taxes	159,720	302,804	143,084
Vehicle property taxes	476,340	518,771	42,431
Bank franchise taxes	200,450	187,432	(13,018)
Other franchise taxes	150,150	43,558	(106,592)
Insurance premium taxes	4,709,750	4,866,968	157,218
Total taxes	8,666,425	8,375,780	(290,645)
Licenses and permits -			
Occupational license fees	13,115,275	14,566,753	1,451,478
Business privilege licenses	2,541,125	2,327,662	(213,463)
Alcoholic beverage licenses	637,720	647,797	10,077
Construction permit fees	50,000	30,808	(19,192)
Other licenses and permits	2,375	2,022	(353)
Total licenses and permits	16,346,495	17,575,042	1,228,547
Charge for services -			
Garbage collection fee	2,459,565	2,536,263	76,698
Greyhound ticket sales	22,750	586	(22,164)
Rental revenue	90,000	75,540	(14,460)
Total charges for services	2,572,315	2,612,389	40,074
Fees, fines and reimbursements -			
Parking meter fees and fines	530,400	20,870	(509,530)
Taxes collection fees	173,805	177,967	4,162
State rebate - District Court	23,825	24,585	760
Street lighting franchise	1,397,165	1,096,085	(301,080)
Telecommunication franchise	284,810	289,402	4,592
Other	622,450	698,050	75,600
Total fees, fines and reimbursements	3,032,455	2,306,959	(725,496)
Other revenues -			
Police grants and revenue	386,995	369,568	(17,427)
Miscellaneous grants	-	5,690	5,690
Coal severance - LGEA	15,000	17,585	2,585
Interest earned	247,025	90,051	(156,974)
Other	201,750	320,298	118,548
Total other revenues	850,770	803,192	(47,578)
Total revenues	31,468,460	31,673,362	204,902

CITY OF ASHLAND

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance
EXPENDITURES:			
General Government -			
Mayor and Commissioners	89,627	78,835	10,792
City Manager	214,113	217,013	(2,900)
City Clerk/Legal	263,962	270,185	(6,223)
Human Resources	230,832	270,710	(39,878)
Risk Management	258,008	278,326	(20,318)
Unclassified	1,559,252	2,002,234	(442,982)
	2,615,794	3,117,303	(501,509)
Department of Finance -			
Director of Finance	871,818	869,199	2,619
Data Processing	-	-	-
	871,818	869,199	2,619
Department of Public Services -			
Director of Public Services	190,031	201,920	(11,889)
Street maintenance	4,977,612	3,890,179	1,087,433
Sanitation services	1,831,905	1,881,998	(50,093)
Central garage	471,523	517,091	(45,568)
Animal control	97,928	99,362	(1,434)
	7,568,999	6,590,550	978,449
Department of Planning and Economic Development -			
Planning and Code Enforcement	1,080,530	889,164	191,366
Economic Development	234,138	252,604	(18,466)
	1,314,668	1,141,768	172,900
Department of Police -			
Technical services	2,778,544	3,354,015	(575,471)
Field operations	5,731,758	4,888,949	842,809
	8,510,302	8,242,964	267,338

CITY OF ASHLAND

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONCLUDED)

FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance
Department of Fire	8,646,663	8,680,710	(34,047)
Department of Engineering	379,318	308,325	70,993
Debt Service	1,774,710	1,749,085	25,625
Total expenditures	31,682,272	30,699,904	982,368
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(213,812)	973,458	1,187,270
OTHER FINANCING SOURCES (USES):			
Transfer to Capital Projects Fund	(272,475)	-	272,475
Transfer to Recreation Fund	(1,958,174)	(1,621,944)	336,230
Transfer to Ashland Bus Fund	(569,629)	(734,719)	(165,090)
Transfer to Ashland Cemetery Fund	-	-	-
Total other financing sources (uses)	(2,800,278)	(2,356,663)	443,615
NET CHANGE IN FUND BALANCE	(3,014,090)	(1,383,205)	1,630,885
FUND BALANCE, June 30, 2023	13,048,664	13,048,664	-
FUND BALANCE, June 30, 2024	$ 10,034,574	$ 11,665,459	$ 1,630,885

CITY OF ASHLAND

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY

JUNE 30, 2024

	Land & Buildings	Building Improvements	Automotive Equipment	Operating Equipment	Office Furniture & Equipment	Capital Improvements	Infrastructure	CIP	Total
Dept of General Gov't	$ 3,789,271	$ 2,029,031	$ 61,332	$ 86,741	$ 321,498	$ 218,155	$ 11,955,116	$ -	$ 18,461,144
Dept of Finance	-	-	28,384	56,243	47,120	-	-	-	131,747
Dept of Public Services	16,000,185	747,366	648,543	4,223,073	81,440	3,514,741	45,223,943	5,299,536	75,738,827
Dept of Planning & Community Development	-	-	93,220	6,799	25,339	-	-	-	125,358
Department of Police	4,949,556	273,034	3,147,480	692,594	129,187	249,367	-	-	9,441,218
Department of Fire	3,869,126	1,197,161	3,832,248	556,550	33,830	-	-	991,996	10,480,911
Department of Engineering	-	-	89,856	11,595	67,190	74,458	-	-	243,099
Floodwall Operations	15,121	23,453	54,664	152,292	-	-	-	-	245,530
Community Development	243,867	117,420	-	-	18,623	-	1,324,681	-	1,704,591
Housing Assistance Programs	150,033	12,950	-	-	19,646	-	-	-	182,629
Tax Increment Financing	-	-	-	-	-	-	55,959	-	55,959
	$ 29,017,159	$ 4,400,415	$ 7,955,727	$ 5,785,887	$ 743,873	$ 4,056,721	$ 58,559,699	$ 6,291,532	$ 116,811,013

CITY OF ASHLAND

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS BY SOURCE

JUNE 30, 2024

Land & Buildings	$ 29,017,159
Building Improvements	4,400,415
Automotive Equipment	7,955,727
Operating Equipment	5,785,887
Office Furniture & Equipment	743,873
Capital Improvements	4,056,721
Infrastructure	58,559,699
Construction in progress	6,291,532
Total	$ 116,811,013
Investment in capital assets by source:	
General Fund	66,894,621
Special Revenue Funds	10,709,612
Capital Projects Fund	39,206,780
Total	$ 116,811,013

CITY OF ASHLAND
ASHLAND PLANNING AND CDA (KY142)
ENTITY WIDE BALANCE SHEET SUMMARY
JUNE 30, 2024

		14.871 Housing Choice Vouchers	Total
111	Cash - Unrestricted	$ 98,500	$ 98,500
113	Cash - Other Restricted	323,902	323,902
100	Total Cash	422,402	422,402
124	Accounts Receivable - Other Government	-	-
128	Fraud Recovery	76,311	76,311
128.1	Allowance for Doubtful Accounts - Fraud	(76,311)	(76,311)
120	Total Receivables, Net of Allowances for Doubtful Accounts	-	-
150	Total Current Assets	422,402	422,402
162	Buildings	162,983	162,983
164	Furniture, Equipment & Machinery - Administration	19,646	19,646
166	Accumulated Depreciation	(119,482)	(119,482)
160	Total Capital Assets, Net of Accumulated Depreciation	63,147	63,147
180	Total Non-Current Assets	63,147	63,147
200	Deferred Outflow of Resources	-	-
290	Total Assets and Deferred Outflow of Resources	$ 485,549	$ 485,549
312	Accounts Payable <= 90 Days	$ 5,374	$ 5,374
321	Accrued Wage/Payroll Taxes Payable	4,387	4,387
322	Accrued Compensated Absences - Current Portion	1,433	1,433
333	Accounts Payable - Other Government	63,203	63,203
342	Unearned Revenue	323,902	323,902
310	Total Current Liabilities	398,299	398,299
354	Accrued Compensated Absences - Non-Current	7,282	7,282
350	Total Non-Current Liabilities	7,282	7,282
300	Total Liabilities	405,581	405,581
400	Deferred Inflow of Resources	-	-
508.4	Net Investment in Capital Assets	63,147	63,147
511.4	Restricted Net Position	-	-
512.4	Unrestricted Net Position	16,821	16,821
513	Total Equity - Net Assets / Position	79,968	79,968
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	$ 485,549	$ 485,549

CITY OF ASHLAND
ASHLAND PLANNING AND CDA (KY142)
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE YEAR ENDED JUNE 30, 2024

		14.871 Housing Choice Vouchers	Total
70600	HUD PHA Operating Grants	$ 4,180,581	$ 4,180,581
71500	Other Revenue - Unrestricted	41,339	41,339
72000	Investment Income - Restricted	591	591
70000	Total Revenue	4,222,511	4,222,511
91100	Administrative Salaries	245,070	245,070
91200	Auditing Fees	11,802	11,802
91400	Advertising	21,350	21,350
91500	Employee Benefit Contributions - Administrative	50,857	50,857
91800	Travel	7,975	7,975
91900	Other	12,255	12,255
91000	Total Operating - Administrative	349,309	349,309
93800	Other Utilities Expense	3,374	3,374
93000	Total Utilities	3,374	3,374
94200	Ordinary Maintenance and Operations - Materials and Other	38,066	38,066
94000	Total Maintenance	38,066	38,066
96110	Property Insurance	155	155
96120	Liability Insurance	4,831	4,831
96130	Workmen's Compensation	482	482
96140	All Other Insurance	60,867	60,867
96100	Total Insurance Premiums	66,335	66,335
96200	Other General Expenses	18,139	18,139
96210	Compensated Absences	654	654
96000	Total Other General Expenses	18,793	18,793
96900	Total Operating Expenses	475,877	475,877
97000	Excess of Operating Revenue Over Operating Expenses	3,746,634	3,746,634
97300	Housing Assistance Payments	3,729,813	3,729,813
97400	Depreciation Expense	3,001	3,001
90000	Total Expenses	4,208,691	4,208,691
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$ 13,820	$ 13,820
11020	Required Annual Debt Principal Payments	-	-
11030	Beginning Equity	$ 66,148	$ 66,148
11170	Administrative Fee Equity	$ 79,968	$ 79,968
11180	Housing Assistance Payments Equity	$ -	$ -
11190	Unit Months Available	7,572	7,572
11210	Number of Unit Months Leased	6,378	6,378

CITY OF ASHLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures	
U.S. Department of HUD					
Direct Programs:					
CDBG Entitlement	14.218	-	$ 88,723	$ 698,624	
Housing Choice Voucher Program	14.871	-	-	4,205,035	*
Total U.S. Department of HUD				4,903,659	
U.S. Department of Transportation					
Direct Programs:					
Federal Transit Cluster					
FTA - Operating Assistance Grant	20.507	-	-	635,752	
FTA - Capital Assistance Grant	20.507	-	-	299,233	
				934,985	
Passed through Kentucky Transportation Cabinet:					
Highway Planning and Construction	20.205	09-00239.00	-	53,090	
Highway Planning and Construction	20.205	09-00244.00	-	181,077	
Highway Planning and Construction	20.205	09.00307.00	-	3,639,515	
				3,873,682	*
Dept. of State Police Highway Safety Program	20.600	AL-2023-00-00-03	-	971	
Dept. of State Police Highway Safety Program	20.600	AL-2022-00-00-03	-	773	
				1,744	
Total U.S. Department of Transportation				4,810,411	
U.S. Department of Treasury					
Direct Programs:					
Coronavirus Local Fiscal Recovery Funds	21.027	-	-	818,581	*
Passed through Kentucky Infrastructure Authority					
Coronavirus Local Fiscal Recovery Funds	21.027	21CWW015	-	540,000	*
Coronavirus Local Fiscal Recovery Funds	21.027	22CWW104	-	688,000	*
				1,228,000	
Total U.S. Department of Treasury				2,046,581	
U.S. Department of Homeland Security					
Direct Programs:					
Assistance to Firefighters Grant	97.044	-	-	349,945	
Passed through Kentucky Department of Homeland Security:					
Homeland Security Grant	97.067	SC 094 2300000403	-	33,060	
Total U.S. Department of Homeland Security				383,005	
U.S. Environmental Protection Agency					
Direct Programs:					
Brownfields Multipurpose Grant	66.818	-	-	67,294	
Total U.S. Environmental Protection Agency				67,294	

CITY OF ASHLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
U.S. Department of Justice				
Passed through Kentucky Department of Local Government:				
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-21	-	3,292
Total U.S. Department of Justice				3,292
Executive Office of the President				
Passed through Laurel County Fiscal Court				
High Intensity Drug Trafficking Areas Program	95.001	G20AP0001A	-	52,372
Total Executive Office of the President				52,372
Total expenditures of Federal awards			$ 88,723	$ 12,266,614

* Denotes major program.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Ashland under the programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City of Ashland, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATE

The City of Ashland has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

STATISTICAL SECTION

➢ Financial Trends

- The information presented in this section is intended to assist users in understanding and assessing how a government's financial position has changed over time.

➢ Revenue Capacity

- This section is intended to assist users in understanding and assessing the factors affecting a government's ability to generate its own-source revenue.

➢ Debt Capacity

- The information presented in this section is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.

➢ Economic and Demographic Information

- This section is intended (1) to assist users in understanding the socioeconomic environment within which a government operates and (2) to provide information that facilitates comparisons of financial statement information over time and among governments.

➢ Operating Information

- This section is intended to provide contextual information about a government's operations and resources to assist readers in using financial statement information to understand and assess a government's economic condition.

CITY OF ASHLAND
Net Position by Component
(Unaudited)

Last Ten Fiscal Years (accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017*	2016	2015*
Governmental activities										
Net Investment in Capital Assets	55,922,879	51,137,131	50,928,478	51,251,608	51,659,502	48,057,346	47,056,359	51,767,907	50,917,007	51,170,584
Restricted	89,541	72,065	151,314	716,497	1,725,320	1,794,311	1,272,291	1,328,056	425,337	204,332
Unrestricted	(37,787,190)	(39,020,361)	(39,580,648)	(38,498,759)	(43,119,495)	(33,573,966)	(27,256,018)	(26,274,899)	(18,421,408)	(17,638,277)
Total governmental activities net positior	18,225,230	12,188,835	11,499,144	13,469,346	10,265,327	16,277,691	21,072,632	26,821,064	32,920,936	33,736,639
Business-type activities										
Net Investment in Capital Assets	54,336,550	52,811,496	48,611,649	46,040,038	43,974,450	39,952,083	38,815,146	36,594,780	32,498,757	31,115,457
Restricted	11,776,059	12,793,350	10,986,669	9,451,520	8,874,293	7,636,469	6,586,421	7,738,541	7,937,674	7,388,882
Unrestricted	(27,976,585)	(29,061,984)	(21,488,216)	(19,790,647)	(17,028,739)	(15,428,391)	(13,927,397)	(14,313,048)	(9,065,437)	(9,757,271)
Total business-type activities net positior	38,136,024	36,542,862	38,110,102	35,700,911	35,820,004	32,160,161	31,474,170	30,020,273	31,370,994	28,747,068
Primary government										
Net Investment in Capital Assets	110,259,429	103,948,627	99,540,127	97,291,646	95,633,952	88,009,429	85,871,505	88,362,687	83,415,764	82,286,041
Restricted	11,865,600	12,865,415	11,137,983	10,168,017	10,599,613	9,430,780	7,858,712	9,066,597	8,363,011	7,593,214
Unrestricted	(65,763,775)	(68,082,345)	(61,068,864)	(58,289,406)	(60,148,234)	(49,002,357)	(41,183,415)	(40,587,947)	(27,486,845)	(27,395,548)
Total primary government net position	56,361,254	48,731,697	49,609,246	49,170,257	46,085,331	48,437,852	52,546,802	56,841,337	64,291,930	62,483,707

*Restated for prior period adjustments.

(1) Implementation of GASB Statement No. 68 restated balance of unrestricted net position previously recorded as of June 30, 2014.
(2) Error correction on the implementation of GASB Statement No. 68 as amended by GASB Statement No. 71 as of June 30, 2015.
(3) Duplication error in the Cemetery Fund's inventory balances.
(4) Implementation of GASB Statement No. 75 restated balance of net position previously recorded as of June 30, 2017.

CITY OF ASHLAND
Change in Net Position
(Unaudited)

Last Ten Fiscal Years (accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017*	2016	2015*
Expenses										
Governmental activities:										
General government	3,108,422	3,119,758	2,986,867	1,809,404	2,791,896	2,638,860	2,222,981	2,608,336	3,097,166	2,839,164
Finance	809,457	705,736	668,506	660,112	803,819	688,925	760,728	680,224	652,648	584,936
Public services	8,826,562	9,038,808	8,120,635	6,388,485	6,541,436	7,007,676	6,456,885	6,026,093	5,890,739	5,957,303
Planning and code enforcement	1,071,224	2,236,287	2,400,442	613,747	905,463	838,185	912,064	816,974	675,281	580,683
Police	7,637,687	7,561,641	7,378,377	7,629,854	7,946,663	7,142,676	6,759,240	5,744,758	6,074,675	4,939,354
Fire	7,772,100	7,924,629	8,575,123	8,360,031	9,447,894	8,518,282	8,103,647	6,811,004	7,104,407	5,777,552
Engineering	293,769	275,043	249,062	158,704	256,770	216,630	146,723	211,252	212,573	227,162
Community and cultural	5,364,775	4,597,921	4,004,395	4,378,766	4,098,731	4,576,745	6,828,989	3,495,752	3,321,283	3,127,002
Debt service - interest	443,902	506,957	538,063	600,061	355,228	373,683	346,466	269,266	284,471	303,489
Total governmental activities expenses	35,327,898	35,966,780	34,921,470	30,599,164	33,147,900	32,001,662	32,537,723	26,663,659	27,313,243	24,336,645
Business-type activities:										
Utilities	20,490,921	19,541,431	18,513,495	18,318,747	16,151,545	16,719,013	15,775,239	15,345,611	14,920,959	15,183,490
Recreation	1,940,633	1,827,127	1,543,230	925,347	1,076,103	1,099,626	1,046,238	985,140	1,093,886	1,049,693
Bus	1,747,851	1,572,825	1,276,903	1,557,996	1,435,441	1,274,145	1,355,883	1,201,653	1,196,534	1,042,285
Cemetery	398,152	349,466	283,878	237,491	279,629	269,615	309,053	313,839	274,980	289,624
Parking Garage	227,633	189,864	-	-	-	-	-	-	-	-
Total business-type activities expenses	24,805,190	23,480,713	21,617,506	21,039,581	18,942,718	19,362,399	18,486,413	17,846,243	17,486,359	17,565,092
Total primary government expenses	60,133,088	59,447,493	56,538,976	51,638,745	52,090,618	51,364,061	51,024,136	44,509,902	44,799,602	41,901,737
Program Revenues										
Governmental activities:										
Charges for services:										
General government	20,047,292	19,356,700	18,420,514	15,914,551	14,505,416	13,886,513	14,286,479	13,663,487	13,771,619	13,836,062
Public services	2,612,389	2,520,617	2,422,934	2,347,651	2,278,644	2,235,508	2,214,055	2,206,121	2,227,692	2,184,730
Community and cultural	451,359	391,781	437,384	373,184	280,779	261,727	260,827	273,087	264,106	243,104
Operating grants and contributions:										
General government	5,690	35,271	150,187	895,842	2,013,308	117,963	10,950	27,999	38,538	14,596
Public services	525,325	457,108	442,643	428,101	424,445	442,627	438,437	838,563	683,098	513,194
Planning and code enforcement	67,294	-	-	-	-	-	-	-	-	-
Police	369,568	147,020	125,122	84,652	129,162	129,162	67,031	65,147	30,894	16,767
Fire	-	-	-	409,091	-	-	-	22,700	-	-
Engineering	-	-	-	-	-	-	-	-	8,539	-
Community and cultural	4,829,316	4,462,867	3,426,742	4,070,726	3,649,951	3,017,528	3,102,847	3,205,884	3,001,322	2,875,966
Capital grants and contributions:										
General government	-	-	-	-	20,000	621,500	-	-	-	
Public Services	5,042,209	163,036	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	191,018
Capital outlay	-	-	-	-	-	-	-	-	-	-
Total governmental program revenues	33,950,442	27,534,400	25,425,526	24,523,798	23,301,705	20,712,528	20,380,626	20,302,988	20,025,808	19,875,437
Business-type activities:										
Charges for services:										
Utilities	20,103,547	18,170,214	18,496,661	17,511,511	17,303,919	16,690,257	16,789,603	16,848,289	16,725,888	16,795,819
Recreation	21,384	35,580	36,535	18,040	20,681	44,212	54,268	57,692	55,835	58,447
Bus	29,494	25,540	23,258	32,373	41,231	53,927	56,260	57,221	56,356	55,199
Cemetery	133,454	129,750	109,905	110,780	122,831	93,500	95,595	129,940	122,174	151,907
Parking Garage	4,082	12,835	-	-	-	-	-	-	-	-
Operating grants and contributions:										
Utilities	-	-	-	-	7,815	-	-	-	-	-
Recreation	3,000	-	-	-	-	-	-	1,000	41,607	30,164
Bus	635,752	1,149,331	779,942	1,038,491	316,036	319,526	277,595	260,406	336,732	320,873
Capital grants and contributions:										
Utilities	1,228,000	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	1,974,521	-	-	-	-	-
Parking Garage	-	-	1,800,000	-	-	-	-	-	-	-
Bus	336,638	194,682	218,792	150,135	513,548	322,381	211,869	275,650	422,164	228,737
Cemetery	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	22,495,351	19,717,932	21,465,093	18,861,330	20,300,582	17,523,803	17,485,190	17,630,198	17,760,756	17,641,146
Total primary government program revenues	56,445,793	47,252,332	46,890,619	43,385,128	43,602,287	38,236,331	37,865,816	37,933,186	37,786,564	37,516,583
Net (Expense) Revenue										
Governmental activities	(1,377,456)	(8,432,380)	(9,495,944)	(6,075,366)	(9,846,195)	(11,289,134)	(12,157,097)	(6,360,671)	(7,287,435)	(4,461,208)
Business-type activities	(2,309,839)	(3,762,781)	(152,413)	(2,178,251)	1,357,864	(1,838,596)	(1,001,223)	(216,045)	274,397	76,054
Total primary government net expense	(3,687,295)	(12,195,161)	(9,648,357)	(8,253,617)	(8,488,331)	(13,127,730)	(13,158,320)	(6,576,716)	(7,013,038)	(4,385,154)

CITY OF ASHLAND
Change in Net Position
(Unaudited)

Last Ten Fiscal Years (accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017*	2016	2015*
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property and other local taxes	9,185,098	9,162,048	8,135,700	10,678,005	5,267,843	8,042,133	7,837,931	8,248,971	7,720,589	7,386,199
Interest income	634,573	130,839	36,672	6,420	7,531	12,406	3,874	2,494	2,081	3,703
Other revenues	428,968	928,344	1,026,770	255,599	206,717	183,793	134,013	423,061	236,159	217,885
Transfers	(2,834,788)	(1,099,160)	(1,673,400)	(1,660,639)	(1,648,260)	(1,744,139)	(1,567,153)	(1,538,299)	(1,487,097)	(1,482,443)
Total governmental activities general revenues and other changes in net position	7,413,851	9,122,071	7,525,742	9,279,385	3,833,831	6,494,193	6,408,665	7,136,227	6,471,732	6,125,344
Business-type activities:										
Interest income	322,662	117,149	19,875	55,133	101,737	66,910	41,748	39,030	24,270	32,465
Other revenues	745,551	979,232	868,329	343,386	551,982	713,538	846,219	786,863	838,162	897,185
Transfers	2,834,788	1,099,160	1,673,400	1,660,639	1,648,260	1,744,139	1,567,153	1,538,299	1,487,097	1,482,443
Total business-type activities general revenues and other changes in net position	3,903,001	2,195,541	2,561,604	2,059,158	2,301,979	2,524,587	2,455,120	2,364,192	2,349,529	2,412,093
Total primary government general revenues and other changes in net position	11,316,852	11,317,612	10,087,346	11,338,543	6,135,810	9,018,780	8,863,785	9,500,419	8,821,261	8,537,437
Changes in Net Position										
Governmental activities	6,036,395	689,691	(1,970,202)	3,204,019	(6,012,364)	(4,794,941)	(5,748,432)	775,556	(815,703)	1,664,136
Business-type activities	1,593,162	(1,567,240)	2,409,191	(119,093)	3,659,843	685,991	1,453,897	2,148,147	2,623,926	2,488,147
Total primary government, change in net positior	7,629,557	(877,549)	438,989	3,084,926	(2,352,521)	(4,108,950)	(4,294,535)	2,923,703	1,808,223	4,152,283

*Restated for prior period adjustments.

CITY OF ASHLAND
Fund Balances, Governmental Funds
(Unaudited)

Last Ten Fiscal Years (accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Non-spendable	1,120,660	1,053,707	920,430	817,551	802,018	813,938	829,137	887,542	120,016	122,935
Restricted for grant programs	-	-	-	588,292	1,713,587	4,219	2,576	226,131	15,981	22,121
Assigned for capital projects	-	-	-	-	-	-	-	-	-	-
Committed	2,022,209	7,190,374	11,294,519	9,034,671	-	-	-	-	-	350,000
Unassigned	8,522,590	4,804,583	2,547,465	10,021,880	994,476	5,194,227	5,876,507	4,726,995	5,421,637	4,231,243
Total general fund	11,665,459	13,048,664	14,762,414	20,462,394	3,510,081	6,012,384	6,708,220	5,840,668	5,557,634	4,726,299
All other governmental funds										
Restricted for grant programs	89,541	72,065	151,314	128,205	11,733	65,092	65,663	86,692	48,284	71,718
Assigned for capital projects	1,341,401	4,809,479	6,945,040	1,099,693	850,000	1,725,000	1,204,052	1,015,233	361,072	110,493
Assigned for special revenue func	1,911,481	851,452	44,801	65,928	65,437	227,828	1,739,859	277,763	531,029	181,532
Unassigned	(1,271,771)	(1,167,062)	(912,295)	(717,357)	(730,942)	(292,482)				-
	2,070,652	4,565,934	6,228,860	576,469	196,228	1,725,438	3,009,574	1,379,688	940,385	363,743

CITY OF ASHLAND

Changes in Fund Balances, Governmental Funds
(Unaudited)

Last Ten Fiscal Years (accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015*
Revenues										
Property and other local taxes	9,185,098	9,162,048	8,135,700	10,678,005	5,267,843	8,042,133	7,837,931	8,248,971	7,720,589	7,386,199
Licenses and permits	17,740,333	16,955,340	16,170,035	13,959,698	12,641,232	11,966,482	12,345,544	11,745,526	12,062,385	12,043,205
Charges for services	2,612,389	2,520,617	2,422,934	2,347,651	2,278,644	2,235,508	2,214,055	2,206,121	2,227,692	2,184,730
Fees, fines and reimbursements	2,306,959	2,401,360	2,250,479	1,954,853	1,864,184	1,920,031	1,940,935	1,917,961	1,709,234	1,792,857
Grant income	10,839,402	5,265,302	4,144,694	5,888,412	6,216,866	3,707,280	3,619,265	4,160,293	3,762,391	3,611,541
Administration fee income	451,359	391,781	437,384	373,184	280,779	261,727	260,827	273,087	264,106	243,104
Interest income	634,573	130,839	36,672	6,420	7,531	12,406	3,874	2,494	2,081	3,703
Other income	428,968	928,344	1,026,770	255,599	226,717	805,293	134,013	423,061	236,159	217,885
Total revenues	44,199,081	37,755,631	34,624,668	35,463,822	28,783,796	28,950,860	28,356,444	28,977,514	27,984,637	27,483,224
Expenditures										
General government	3,120,117	2,820,421	2,572,192	2,285,706	2,501,417	3,220,349	2,499,025	2,755,970	2,574,763	2,515,556
Finance	869,199	689,810	648,326	538,597	668,606	641,635	648,561	621,850	605,840	603,051
Public services	7,425,000	7,601,041	6,690,329	4,703,611	5,787,504	5,657,319	5,329,474	5,886,661	5,024,264	5,419,820
Planning and code enf.	1,141,768	2,251,375	2,400,036	499,228	785,556	749,686	780,052	746,064	623,160	597,784
Police	8,242,964	7,439,150	6,595,362	5,246,363	5,569,454	5,261,663	5,104,937	5,126,462	5,222,557	5,235,588
Fire	8,680,710	8,786,810	7,707,353	6,161,341	6,554,339	6,219,113	5,950,500	6,078,866	6,152,534	6,266,069
Engineering	308,325	268,785	247,213	130,054	214,411	195,441	143,576	146,719	147,025	180,383
Community and cultural	5,330,711	4,560,699	3,944,469	4,329,422	4,157,927	4,605,003	6,717,258	3,451,142	3,289,018	3,123,147
Capital outlay	8,074,526	3,570,582	647,234	910,687	4,004,696	1,711,533	1,005,434	1,275,238	728,055	538,827
Debt service:										
Principal retirement	1,460,000	1,392,083	855,000	3,639,336	562,356	545,804	366,522	358,320	437,821	514,853
Interest charges	589,460	652,391	691,343	1,011,771	360,783	379,147	315,516	269,586	284,526	268,878
Total expenditures	45,242,780	40,033,147	32,998,857	29,456,116	31,167,049	29,186,693	28,860,855	26,716,878	25,089,563	25,263,956
Excess (deficiency) of revenues over expenditures	(1,043,699)	(2,277,516)	1,625,811	6,007,706	(2,383,253)	(235,833)	(504,411)	2,260,636	2,895,074	2,219,268
Other financing sources (uses)										
Transfers in	-	1,271,985	6,493,410	1,163,789	3,111,199	1,611,918	1,312,326	1,930,115	973,928	262,286
Transfers out	(2,834,788)	(2,371,145)	(8,166,810)	(2,824,428)	(4,759,459)	(3,356,057)	(2,879,479)	(3,468,414)	(2,461,025)	(1,744,729)
Issuance of Debt	-	-	-	11,170,000	-	-	4,569,002	-	-	2,609,008
Premium received on debt	-	-	-	1,815,487						
Pmt to refund bond escrow agent	-	-	-	-	-	-	-	-	-	(2,563,137)
Total other financing sources (uses)	(2,834,788)	(1,099,160)	(1,673,400)	11,324,848	(1,648,260)	(1,744,139)	3,001,849	(1,538,299)	(1,487,097)	(1,436,572)
Net change in fund balances	(3,878,487)	(3,376,676)	(47,589)	17,332,554	(4,031,513)	(1,979,972)	2,497,438	722,337	1,407,977	782,696
Debt Service as a percentage of noncapital expenditures	5.18%	5.95%	4.88%	17.14%	3.62%	3.54%	2.54%	2.64%	3.09%	3.30%

*Restated for prior period adjustments.

CITY OF ASHLAND
Assessed, Actual and Taxable Property Value
(Unaudited)

Last Ten Fiscal Years

	Assessed Value					Percentage Taxable	
Fiscal Year	Real Estate	Personal Property	Total	Estimated Actual Value	Total Direct Tax Rate	Real Estate	Personal Property
2015	848,811,892	111,317,166	960,129,058	848,811,892	0.2876	88.41%	11.59%
2016	874,574,783	111,238,153	985,812,936	874,574,783	0.2898	88.72%	11.28%
2017	889,786,675	108,783,431	998,570,106	889,786,675	0.2853	89.11%	10.89%
2018	894,843,783	103,481,315	998,325,098	894,843,783	0.2834	89.63%	10.37%
2019	905,744,984	106,505,938	1,012,250,922	905,744,984	0.2714	89.48%	10.52%
2020	931,133,087	107,337,327	1,038,470,414	931,133,087	0.2671	89.66%	10.34%
2021	986,940,334	96,257,681	1,083,198,015	986,940,334	0.2576	91.11%	8.89%
2022	1,003,410,558	92,706,507	1,096,117,065	1,003,410,558	0.2544	91.54%	8.46%
2023	1,115,075,426	99,894,200	1,214,969,626	1,115,075,426	0.2490	91.78%	8.22%
2024	1,143,076,804	82,669,603	1,225,746,407	1,143,076,804	0.2397	93.26%	6.74%

* Data supplied to City of Ashland by Boyd County Property Valuation Administration.

CITY OF ASHLAND
Property Tax Levies and Collections
(Unaudited)

Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	2,761,331	2,683,202	97.17%	56,053	2,739,255	99.20%
2016	2,856,886	2,769,909	96.96%	61,266	2,831,175	99.10%
2017	2,848,925	2,683,086	94.18%	140,335	2,823,421	99.10%
2018	2,829,255	2,684,013	94.87%	117,231	2,801,244	99.01%
2019	2,818,411	2,568,070	91.12%	217,433	2,785,503	98.83%
2020	2,809,458	2,727,353	97.08%	46,026	2,773,379	98.72%
2021	2,790,317	2,655,891	95.18%	97,679	2,753,570	98.68%
2022	2,805,879	2,570,845	91.62%	183,744	2,754,589	98.17%
2023	2,889,772	2,620,662	90.69%	206,864	2,827,526	97.85%
2024	2,764,122	2,564,223	92.77%	-	2,564,223	92.77%

* Data supplied by City of Ashland Finance Department.
* Due to COVID-19 property taxes were not billed in fiscal year 2020.

CITY OF ASHLAND
Principal Property Tax Payers
(Unaudited)

	2023			
Taxpayer	Assessment	Rank	Taxes Paid	Percentage of Total Taxes Paid
ATC Glimcher LLC	29,227,349	1	72,652	2.60%
Melody Mountain Associates LTD	14,525,000	2	36,167	1.30%
Providence Hill Apartments LLC	13,314,000	3	33,152	1.19%
WB Hospitality	13,066,100	4	32,534	1.17%
GCG Ashland LLC & RLG Ashland LLC	12,694,700	5	31,177	1.12%
BDB Midtown LLC	11,300,000	6	28,137	1.01%
ARG MMASHKY001 LLC	8,485,870	7	21,129	0.76%
Wal-Mart	8,397,274	8	20,909	0.75%
ASCI Acquisition Co LLC	5,086,603	9	12,665	0.45%
OTD2 LLC	4,400,266	10	11,205	0.40%
	120,497,162		299,727	10.75%

	2014			
Taxpayer	Assessment	Rank	Taxes Paid	Percentage of Total Taxes Paid
ATC Glimcher LLC	28,425,000	1	82,177	3.07%
Melody Mountain Associates LTD	14,525,000	2	41,992	1.57%
Fred Burns	13,468,000	3	38,936	1.45%
Progress Metal Reclamation	12,916,700	4	37,342	1.39%
BDB Midtown	11,300,000	5	32,668	1.22%
GCG Ashland LLC	11,232,900	6	32,474	1.21%
JC Penney Corporation	10,243,102	7	29,613	1.10%
AK Steel Cor[oration	9,806,700	8	28,351	1.06%
Wal-Mart Stores East LP	5,965,500	9	21,178	0.79%
Ashland Specialty	4,421,357	10	12,782	0.48%
	122,304,259		357,513	13.34%

* Data supplied by City of Ashland Finance Department.

CITY OF ASHLAND
Principal Occupational License Fee Tax Payers
(Unaudited)

	2023			
Taxpayer	Taxable Wages	Rank	Taxes Paid	Percentage of Total Taxable Wages
Kings Daughters' Medical Center	215,239,615	1	4,304,792	29.55%
King's Daughter's Medical Specialties	96,316,440	2	1,926,329	13.22%
Ashland Inc. Board of Education	23,947,463	3	478,950	3.29%
City of Ashland	20,638,042	4	412,100	2.83%
Pathways, Inc.	12,140,600	5	242,815	1.67%
Wal-Mart Stores East, LP #1426	11,884,347	6	237,699	1.63%
Commonwealth of Kentycky	9,983,750	7	199,675	1.37%
Trustaff Travewl Nurses, LLC	7,375,900	8	147,518	1.01%
Kentucky Community & Technical College	6,775,972	9	135,519	0.93%
Cintas Corporation No. 2	6,159,615	10	127,491	0.88%
	410,461,744		8,212,888	56.38%

	2014			
Taxpayer	Taxable Wages	Rank	Taxes Paid	Percentage of Total Taxable Wages
Kings Daughters' Medical Center	129,792,701	1	2,595,858	27.83%
Kings Daughters' Medical Specialties	43,589,355	2	871,787	9.35%
Ashland Inc. Board of Education	17,813,570	3	356,341	3.82%
City of Ashland	13,626,708	4	272,576	2.92%
Wal-Mart Stores East, LP	9,478,360	5	189,568	2.03%
Kentucky Community & Tech. College	8,022,257	6	160,445	1.72%
AK Steel	7,082,200	7	141,644	1.52%
Commonwealth of Kentucky	6,639,755	8	132,795	1.42%
Pathways, Inc.	6,339,586	9	126,792	1.36%
Cintas Corportation, No. 2	4,429,305	10	88,586	0.95%
	246,813,797		4,936,392	52.92%

* Data supplied by City of Ashland Finance Department.
** Total taxes paid in 2023 was $14,566,753
*** Total taxes paid in 2014 was $9,328,812

CITY OF ASHLAND
Principal Water and Sewer Customers
(Unaudited)

	2023 Water Revenue	
Customer	Average Monthly Amount	Average Monthly Usage
Cannonsburg Water	105,591	29,918,250
Kings' Daughters Medical Center	73,709	20,569,750
City of Ashland	104,168	19,833,230
Air Products	28,182	4,655,250
Federal Correction Institution	30,447	4,646,333
Marathon Refinery	27,596	4,581,000
River Metals Recycling	17,805	4,570,545
Flatwoods Water Dist	13,038	3,607,500
Cintas	9,421	2,625,199
Hardin Street Marine	9,497	1,561,000
	419,454	96,568,057

	Sewer Revenue	
Customer	Average Monthly Amount	Average Monthly Usage
Sanitation District # 4	176,468	33,625,182
Kings Daughters' Medical Center	39,252	6,348,580
River Metals Recycling	32,195	5,263,000
Cintas	8,690	1,431,000
River Cities Disposal	54,194	1,391,000
Mammoth Holdings	6,665	877,000
City of Ashland Water Plant	5,294	869,000
Providence Hill	3,879	634,000
Hardin Street Marine	4,827	532,000
WB Hospitality	2,693	440,000
	334,157	51,410,762

* Data obtained from City of Ashland Utility Billing records.

CITY OF ASHLAND
Interest Earned - All Funds
(Unaudited)

Last Ten Fiscal Years

	Governmental Funds			Proprietary Funds		Fiduciary Funds	
Fiscal Year	General Fund	Special Revenue Funds	Capital Project Funds	Enterprise Funds	Internal Service Fund	Pension Trust Funds	Total All Funds
2015	3,412	291	-	32,465	152	8,357	44,677
2016	1,886	195	-	24,270	332	14,389	41,072
2017	2,235	259	-	39,030	202	15,620	57,346
2018	3,549	325	-	41,748	757	36,915	83,294
2019	10,338	2,068	-	66,910	3,552	60,011	142,879
2020	6,696	834	-	101,737	1,255	59,167	169,689
2021	5,614	806	-	55,133	1,244	12,335	75,132
2022	22,023	14,650	-	19,875	1,516	2,952	61,016
2023	26,119	104,720	-	117,151	4,924	17,386	270,300
2024	90,051	544,522	-	322,662	2,492	62,441	1,022,168

CITY OF ASHLAND
Governmental and Business Activities Debt Percentage
(Unaudited)

Fiscal Year	Governmental Debt	Business Debt	Total	Percentage of Governmental Debt to Total Debt	Percentage of Business Debt to Total Debt	Legal Debt Margin	Personal Income (Thousands)	Percentage of Personal Income
2014	8,773,763	16,222,823	24,996,586	35.10%	64.90%	94,931,124	1,712,065	1.46%
2015	8,403,746	18,879,606	27,283,352	30.80%	69.20%	96,012,906	1,763,152	1.55%
2016	7,960,362	17,593,327	25,553,689	31.15%	68.85%	98,581,294	1,733,061	1.47%
2017	7,596,478	15,493,100	23,089,578	32.90%	67.10%	99,857,011	1,775,298	1.30%
2018	11,790,761	14,258,082	26,048,843	45.26%	54.74%	99,832,510	1,849,258	1.41%
2019	11,235,444	12,996,054	24,231,498	46.37%	53.63%	101,225,092	1,881,763	1.29%
2020	10,663,574	11,700,880	22,364,454	47.68%	52.32%	108,224,134	2,060,759	1.09%
2021	20,000,212	21,502,755	41,502,967	48.19%	51.81%	108,319,802	2,206,929	1.88%
2022	18,954,150	19,674,237	38,628,387	49.07%	50.93%	107,265,756	2,210,415	1.75%
2023	17,371,006	17,811,854	35,182,860	49.37%	50.63%	113,980,005	2,505,691	1.40%
2024	15,719,945	15,884,660	31,604,605	49.74%	50.26%	112,196,761	*	*

* Information not available
** Property taxes are not restricted revenues.

CITY OF ASHLAND
Governmental Activities Debt Percentage
(Unaudited)

Fiscal Year	General Obligation Bonds	Capital Leases	Total	Population	General Bonded Debt to Estimated Actual Property Value	General Bonded Debt per Capita	Total Debt per Capita	Legal Debt Margin	Personal Income (Thousands)	Percentage of Personal Income
2014	2,570,000	6,203,763	8,773,763	21,238	0.31%	121	413	94,931,124	1,712,065	0.51%
2015	2,520,000	5,883,746	8,403,746	21,046	0.30%	120	399	96,012,906	1,763,152	0.48%
2016	2,395,000	5,565,362	7,960,362	20,871	0.27%	115	381	98,581,294	1,733,061	0.46%
2017	2,265,000	5,331,478	7,596,478	20,576	0.25%	110	369	99,857,011	1,775,298	0.43%
2018	6,625,000	5,165,761	11,790,761	20,382	0.74%	325	578	99,832,510	1,849,258	0.64%
2019	6,325,000	4,910,444	11,235,444	20,188	0.71%	313	557	101,225,092	1,881,763	0.60%
2020	6,015,000	4,648,574	10,663,574	21,060	0.68%	286	506	108,224,134	2,060,759	0.52%
2021	16,865,000	3,135,212	20,000,212	20,382	1.90%	827	981	108,319,802	2,206,929	0.91%
2022	16,085,000	2,869,150	18,954,150	21,695	1.81%	741	874	107,265,756	2,210,415	0.86%
2023	14,770,000	2,601,006	17,371,006	21,342	1.66%	692	814	113,980,005	2,505,691	0.69%
2024	13,390,000	2,329,945	15,719,945	21,009	1.50%	637	748	112,196,761	*	*

* Information not available
** Property taxes are not restricted revenues.
*** The City of Ashland does not have any overlapping debt.
**** Property value data supplied to City of Ashland by Boyd County Property Valuation Administration.

CITY OF ASHLAND

Business Activities Debt Percentage

(Unaudited)

Fiscal Year	Utility Bonds	Capital Lease	KIA Loans	Total	Population	Total Debt per Capita	Legal Debt Margin	Personal Income (Thousands)	Percentage of Personal Income
2014	4,463,299	1,625,099	10,134,425	16,222,823	21,238	764	94,931,124	1,712,065	0.95%
2015	7,805,403	1,525,417	9,548,786	18,879,606	21,046	897	96,012,906	1,763,152	1.07%
2016	7,215,611	1,430,417	8,947,299	17,593,327	20,871	843	98,581,294	1,733,061	1.02%
2017	6,605,820	1,333,333	7,553,947	15,493,100	20,576	753	99,857,011	1,775,298	0.87%
2018	5,981,028	1,231,249	7,045,805	14,258,082	20,382	700	99,832,510	1,849,258	0.77%
2019	5,346,236	1,126,250	6,523,568	12,996,054	20,188	644	101,225,092	1,881,763	0.69%
2020	4,691,444	1,019,167	5,990,269	11,700,880	21,060	556	108,224,134	2,060,759	0.57%
2021	15,149,999	907,083	5,445,673	21,502,755	20,382	1,055	108,319,802	2,206,929	0.97%
2022	13,992,612	792,083	4,889,542	19,674,237	21,695	907	107,265,756	2,210,415	0.89%
2023	12,815,227	675,000	4,321,627	17,811,854	21,342	835	113,980,005	2,505,691	0.71%
2024	11,590,062	552,917	3,741,681	15,884,660	21,009	756	112,196,761	*	*

* Information not available

CITY OF ASHLAND

Demographic and Economic Statistics
(Unaudited)

Fiscal Year	Population	Personal Income (Thousands)	Per Capita Personal Income	Unemployment Rate
2014	21,238	1,712,065	35,063	7.3
2015	21,046	1,763,152	36,340	6.8
2016	20,871	1,733,061	35,974	6.8
2017	20,576	1,775,298	37,088	6.6
2018	20,382	1,849,258	39,009	6.2
2019	20,188	1,881,763	38,910	5.9
2020	21,060	2,060,759	42,757	5.9
2021	20,382	2,206,929	46,202	6.5
2022	21,695	2,210,415	45,945	3.8
2023	21,342	2,505,691	55,360	6.5
2024	21,009	*	*	6.6

* Personal income data from the U.S. Department of Commerce, Bureau of Economic Analysis is only available for Boyd County.

* Unemployment rate is from Bureau of Labor Statistics data Ashland Cities and Towns Statistical Local Area.

* Information not available.

CITY OF ASHLAND
Principal Employers
(Unaudited)

	2023		
Employer	Rank	Number of Employees	Percentage of Total City Employment
King's Daughters' Medical Center	1	4,605	19.46%
Ashland Independent Board of Education	2	804	3.40%
Wal-Mart Stores East, LP #1426	3	627	2.65%
Texas Roadhouse of Ashland, LLC	4	455	1.92%
City of Ashland	5	424	1.79%
Woodland Oaks Operations, LLC	6	325	1.37%
Pathways, Inc.	7	303	1.28%
King's Daughter Medical Specialties	8	291	1.23%
Commonwealth of Kentucky	9	283	1.20%
Kentucky Community & Technical College	10	246	1.04%
		8,363	35.34%

	2014		
Employer	Rank	Number of Employees	Percentage of Total City Employment
Kings Daughters' Medical Center	1	3,237	14.34%
Wal-Mart Stores East, LP #1426	2	690	3.06%
Ashland Inc. Board of Education	3	554	2.45%
Kentucky Community & Technical College	4	424	1.88%
Texas Roadhouse of Ashland, LLC	5	373	1.65%
City of Ashland	6	356	1.58%
JCPenney Co., Inc. 2527-0	7	327	1.45%
Mint Julep Restaurant Operations	8	275	1.22%
Pathways, Inc	9	254	1.13%
Commonwealth of Kentucky	10	243	1.08%
		6,733	29.83%

*Data received from City of Ashland Occupational License Fee Division.
**Total number of City employees in 2023 was 23,667. Total number of City employees in 2014 was 22,568.

CITY OF ASHLAND
Full-Time Employees by Function
(Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Full-Time Employees										
General government	28	31	26	25	25	24	24	23	24	24
Finance	36	30	28	28	27	27	28	29	23	23
Public services	57	57	57	56	55	55	56	56	65	65
Community and Economic Development	13	13	13	13	12	12	11	12	8	8
Police	66	66	54	54	53	53	53	53	52	52
Fire	53	53	53	53	53	53	53	53	53	53
Engineering	7	7	4	5	5	5	-	-	-	-
Engineering & Utilities*	71	71	70	70	70	70	74	74	71	71
Total full-time employees	331	328	305	304	300	299	299	300	296	296

*The department of Engineering & Utilties was combined in Fiscal Year 2008 and separated out again in Fiscal Year 2019.
*Economic Development (part of General Government) combined with Planning and Code in Fiscal Year 2017 to form Community and Economic Development.
*Ashland Assisted Housing moved from the Finance division to Community and Economic Development in Fiscal Year 2017.
**Data received from City of Ashland Payroll staff.

CITY OF ASHLAND
Operating Indicators by Function / Program
(Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Citizen's information										
City commision meetings	33	35	33	35	36	30	22	33	22	25
Neighborhood Watch	-	-	-	-	7	8	11	18	11	12
General government										
Job applicants	956	932	742	832	462	563	637	559	409	420
Positions filled	60	27	66	95	84	110	84	43	40	26
Liability claims investigated	192	126	124	114	144	138	94	91	95	44
CPR classes held	4	-	3	-	-	1	2	-	1	-
Finance										
Utility bills processed	168,609	168,288	166,996	161,476	166,769	166,733	167,428	170,897	167,172	168,205
Vendors paid	886	916	806	767	766	833	885	844	800	662
Tax bills mailed	22,377	22,368	20,367	20,060	-	19,754	19,650	19,971	18,433	19,892
Active business licenses	2,538	2,514	2,503	2,544	2,498	2,456	2,438	2,574	2,514	2,535
Public Services										
Parking meter repairs	-	-	-	-	-	-	-	91	121	170
Stop / traffic signs changed	137	1,361	1,008	802	802	493	260	296	131	245
Debris hauled to landfill (tons)	8,238	9,459	9,483	9,750	10,302	11,236	10,043	10,080	10,041	8,935
Road / curb paint (gallons)	785	1,562	490	220	1,083	156	332	689	330	902
Catch basins	16	22	33	38	52	26	30	26	30	21
Community and Economic Development										
Building / zonings permits issued	416	414	392	359	374	332	342	290	285	289
Code fees / fines	2,161	2,009	1,898	3,983	3,502	3,378	2,926	2,232	3,684	3,269
Police										
Total Arrests	1,552	1,358	1,296	1,297	1,161	1,804	2,078	1,675	1,859	1,974
Warrants served	651	627	611	629	490	565	690	598	523	649
Citations issued	4,336	2,793	2,805	2,709	2,834	6,277	4,983	4,049	4,924	4,234
Calls for service	23,622	23,191	24,475	22,546	23,231	26,014	31,898	29,543	26,605	25,230
Fire										
Fires extinguished	231	208	120	122	82	152	268	240	322	299
Fire alarms investigated	462	400	312	465	585	224	190	111	217	141
Smoke detectors installed	192	197	273	129	64	332	139	468	118	159
Training hours	17,138	13,916	17,371	11,132	10,632	10,557	11,042	10,023	3,059	12,949
Calls for service	2,272	2,076	2,093	2,147	2,035	1,989	2,190	1,500	1,827	1,820
Engineering & Utilities										
75 / 25 Sidewalk contracts	-	-	-	-	8	-	10	6	26	15
Minor / major subdivision reviews	13	11	12	9	10	10	6	11	11	11
Pipe installed (feet)	4,885	9,162	10,360	7,898	9,166	8,385	7,898	8,350	3,885	8,100
Bus										
Paratransit service calls	10,919	9,152	7,282	7,066	11,532	12,004	14,417	11,656	10,947	10,787
Recreation										
Commission approved events	62	66	50	41	17	24	38	37	31	32
Weddings at Central Park	20	18	21	34	30	29	32	30	40	35
Ballgames / practices	1,249	1,000	2,500	800	2,650	3,050	3,050	3,050	3,050	3,050
Dawson pool visitors	-	6,139	7,336	-	7,207	9,989	10,373	10,590	10,684	10,684
Cemetery										
Burials	22	100	65	82	95	79	93	97	94	90
Graves / Crypts / Niches sold	11	32	15	21	26	28	43	30	16	57

* Data received from City of Ashland departments.

CITY OF ASHLAND
Capital Assets Statistics by Function / Program
(Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Services										
Streets (miles)	200	200	200	200	200	200	200	200	200	200
Sidewalks (miles)	325	325	325	325	325	325	325	325	325	325
Floodwall (miles)	3	3	3	3	3	3	3	3	3	3
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	56	56	54	61	46	45	44	36	30	30
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Fire trucks	8	8	8	8	8	7	7	7	7	7
Administration vehicles	5	5	4	3	3	4	4	6	7	7
Rescue boat	2	2	2	1	1	1	1	1	1	1
Engineering & Utilities										
Lift stations	14	14	14	14	14	14	14	14	14	14
Booster stations	20	20	20	20	20	20	20	20	20	20
Water plant	1	1	1	1	1	1	1	1	1	1
Sewer plant	1	1	1	1	1	1	1	1	1	1
Bus										
Transportation center	1	1	1	1	1	1	1	1	1	1
Bus shelters	17	17	15	15	13	13	13	13	13	13
Buses / trolley	12	11	11	11	13	11	11	10	12	10
Recreation										
Parks	10	10	10	10	10	10	10	10	10	10
Pool	1	1	1	1	1	1	1	1	1	1
Sidewalk around park (miles)	1	1	1	1	1	1	1	1	1	1
Cemetery										
Acreage	31	31	31	31	31	31	31	31	31	31
Mausoleums	3	3	3	3	3	3	3	3	3	3

* * Data received from City of Ashland departments.