

City of Ashland, Kentucky



***Annual Comprehensive
Financial Report
Fiscal Year Ended
June 30, 2022***

CITY OF ASHLAND, KENTUCKY
FOR THE FISCAL YEAR July 1, 2021 to June 30, 2022

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**



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

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- Letter of Transmittal
- Organizational Chart
- Listing of Elected and Appointed Officials





1700 Greenup Ave
 PO BOX 1839
 Ashland, KY 41101
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 5, 2023

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

To the Mayor, City Commission and City Manager:

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, 2022. 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 and Company, PSC, has issued an unmodified opinion that the financial statements for the fiscal year ended June 30, 2022, 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 13.

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: Jim Moore, Corporation Counsel; Chris Pullem, Director of Community and Economic Development; Tony Grubb, Director of Finance; Jack Hunter, Director of Public Services; Todd Kelley, Chief of Police; Greg Ray, Fire Chief; Mark Hall, Director of Utilities and Sean Murray, Director of Human Resources / Parks / Recreation.

The City of Ashland has 326 authorized full-time positions. Of these positions, our largest department is Utilities, comprising 22% of the employees. The Utilities department consists of five different divisions ranging from Water Production to Sewer Collection. The next largest department is our Police department at 19% with 62 total employees.

The General Government of the City contains five 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 / Risk Management department maintains all personnel records on current and previous employees. The Risk Manager 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. 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 59,777 passengers this past year and received \$ 23,258 in passenger fares. The City is also an authorized ticket agent for the Greyhound Bus Lines selling more than \$ 28,486 in tickets and bringing in commission of \$ 2,207.

The Department of Public Services is the second largest department in the City. This department provides a wide range of services and includes the divisions of Director of Public Services, Streets, Solid Waste, Fleet Maintenance, Animal Control and Floodwall. The Street department used 13,845 tons of asphalt to pave and patch the City streets and paved 60 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 685 full bins of waste in fiscal year 2022.

The Department of Utility Operations, our largest department, is comprised of Director of Utilities, Municipal Aid Road program, Water Distribution, Water Production, Industrial Pretreatment, Wastewater Collection and Wastewater Treatment. The City owns and operates its own water distribution system. The water plant averages over 9 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. 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 2022, we treated approximately 1.8 billion gallons of wastewater.

The Department of Engineering is an integral part of the City who 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 plats, 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 392 building and zoning permits in fiscal year 2022, bringing in \$ 90,814 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 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 54, with 50 sworn officers. One civilian employee serves administrative support roles 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 53 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 2022, the department completed 2,093 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, 2022, 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 eight findings during fiscal year 2022. All these findings dealt with the administration of the Section 8 Voucher program. The findings included inaccurate reporting on VMS reporting which left \$100K worth of expenses off the report, not updating tenant information in the PIC program, not keeping leases, HAP contract, income verification in the files, Quality control inspections not being performed correctly, waiting list preferences not matching data on their applications, cash disbursements which included overpayments and not seeking approval for payment and not giving adequate notice to tenants for rent increases.

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 21,625 according to the 2020 census 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 88°F in July, the warmest month, and average lows are around 19°F in January, the coolest month. Average annual precipitation is 42.8 inches, with the wettest month being July, averaging 4.7 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 our fifty-two-acre park ablaze with 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 repairs.

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 the King's Daughters Medical Center is our # 1 employer. King's Daughters Medical Center (KDMC) is a locally controlled, not-for-profit, 612-bed regional referral center, 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 ranks fourth in the state of Kentucky in terms of overall admissions, and, with more than 4,200 team members, is the largest employer between Charleston, West Virginia and Lexington, Kentucky. 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 building. KDMC has partnered with UK Healthcare and will soon become an official part of the UK Healthcare umbrella. 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 764 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 this year costing \$2.4M 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 is also doing engineering on the redesigning of the 4-lane street into roundabouts and doing Streetscape renovations of the whole adjacent area.

Financial Policies / Planning

The budget has been balanced with estimated expenditures exceeding projected revenues by \$14,595,807, which will be offset with reserves from the General and Utility Funds. This budget includes a cost-of-living adjustment (COLA) for employees of 7.0% and staffing levels have increased by 12 positions. Kentucky Retirement System employer contributions are budgeted at \$6.8 million for a city-wide increase of approximately \$1.1 million. The 12% annual increase for both hazardous and nonhazardous employees was paused for Fiscal Year 2021 to alleviate budget stress due to COVID constraints; however, it has been reinstated for Fiscal Year 2022 and will continue to increase 12% yearly until Fiscal Year 2028. Fiscal Year 2023 includes capital investments for water and sewer line replacement—\$2.6 million and \$1.9 million, respectively—and upgrades to both the water and sewer plants 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 Sewer projects total \$4.5 million. Capital Purchase Improvement Fund projects total \$7.5 million. These projects include City Building renovations for \$345,000; ABC vehicle \$35,000; Risk Management software \$20,000; Safe Routes to School improvements on Dawes Street for \$245,000; Oakview Road culvert replacement for \$200,000; Various capital projects for \$2.5 million; an aerial ladder truck for the Fire Department for \$1.2 million; Roadway and streetscape \$650,000; Improvements to Street Department building \$500,000; Pollard Mills Phase II \$550,000; Two (2) Dump Trucks \$169,000; Two (2) Garbage Trucks \$400,000; Animal Control Van \$32,000; Police Vehicles (5) \$362,485; License Plate Reader \$100,000; Fire Department building repairs \$250,000; and Fire Department Vehicle \$30,000.

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 comprehensive annual financial report for the fiscal year ended June 30, 2019. That was the 13th consecutive year that the government has achieved this prestigious award. The award was previously received in 1993, 2007 - 2018. 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, 2019. 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 7th 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.

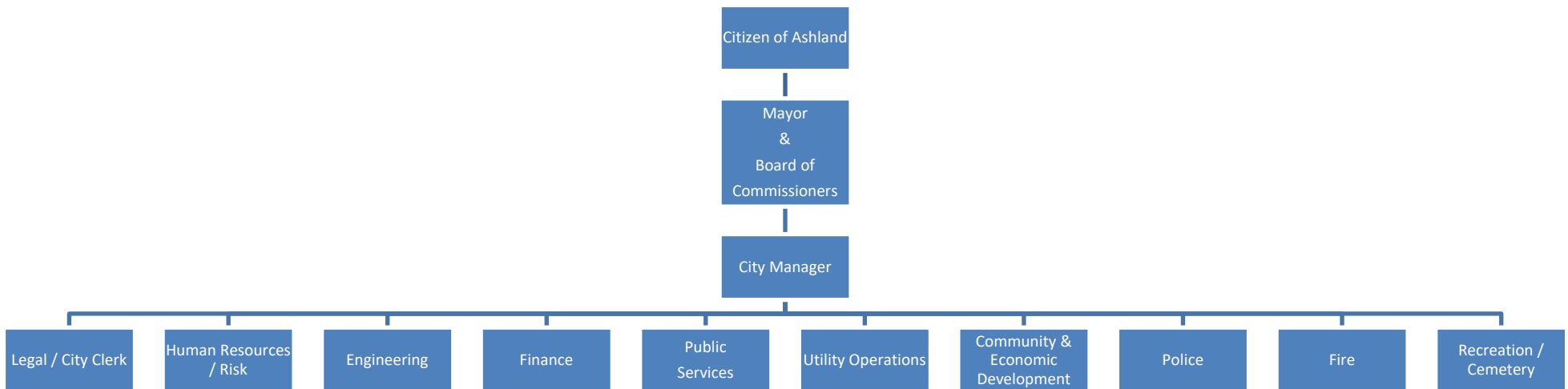
Sincerely,

A handwritten signature in black ink that reads "Tony D. Grubb". The signature is written in a cursive style with a large, stylized "G" at the end.

Tony D. Grubb
Finance Director, 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

FINANCE DIRECTOR

Tony D. Grubb, CGFM

CORPORATION COUNSEL

James H. Moore, III

FINANCIAL SECTION

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- Management's Discussion and Analysis
- Basic Financial Statements
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INDEPENDENT AUDITOR'S REPORT

Matt Perkins, 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, 2022, 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, 2022, 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 and the Schedule of Pension and OPEB Contributions on pages 14 through 30 and on pages 87 through 100, 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 101 through 108 and the Financial Data Schedule on pages 109 and 110 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 101 through 108, the Financial Data Schedule contained on pages 109 and 110 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2023, 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.



Ashland, Kentucky
May 5, 2023

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, 2022. 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 \$49.6 million (net position). This amount includes \$11.1 million restricted to specific projects by laws, regulations or contractual agreements. A deficit total of (\$61.0) 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 \$439 thousand, primarily due to changes in the net pension and OPEB liabilities and the related deferred outflows and inflows. Net position of governmental activities decreased by (\$1.9) million and net position of business-type activities increased by \$2.4 million.
- At fiscal year end, the governmental funds reported a combined ending fund balance of \$21.0 million. Approximately .7% of this total amount, \$151,314, is restricted or committed for grant programs. Assigned fund balance comprises 33% of total fund balance; the majority of which is set aside for capital improvements.
- On June 30, 2022, unassigned General Fund fund balance of \$2.5 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 serve 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 considered 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 and cemetery 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 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, 2022, the Government as a whole had a net position greater than its liabilities by \$49,609,246. Net position of governmental activities was \$11,499,144 and decreased by (\$1,970,202) over the prior year due to mediocre performance in the TIFF district, the bond issue receipts in prior year with expenses in this current year and disposal of infrastructure assets. Total collected for taxes was 98.4% of budget. Occupational license fee receipts excelled again this fiscal year for \$2.8 million in more revenue than projections. Much of this growth continues to be still attributable to the closing of Bellefonte Hospital and Kings Daughters hiring a vast majority of their employees. In addition, Kings Daughters is merging with UK Healthcare which has added even expansion with Building construction and the increase of staffing. Of ending Governmental Activities Net Position, \$50,928,478 is invested in capital assets net of related debt; \$151,314 is restricted for grant programs; and unrestricted net position is (\$39,580,648). 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.

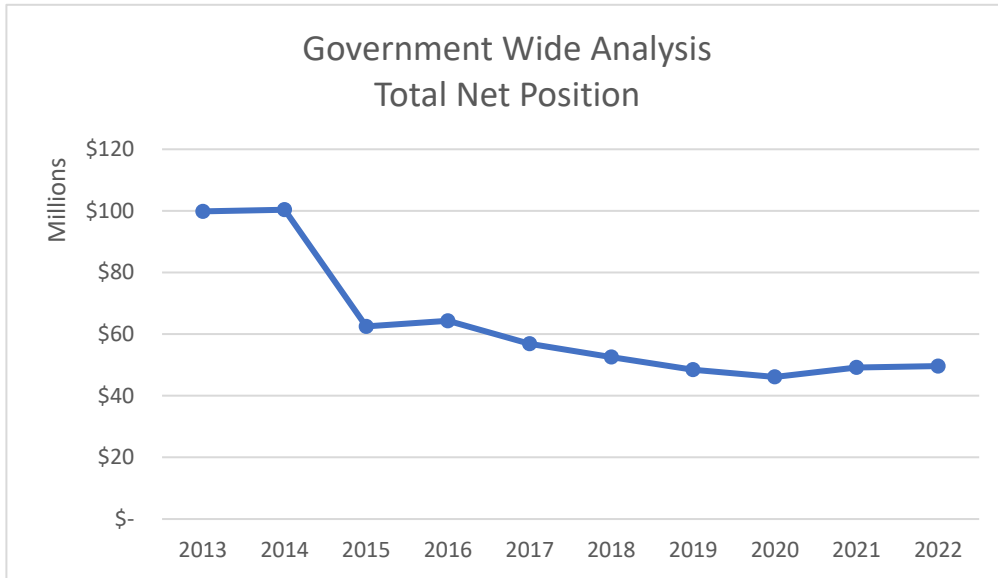
The net position of the Government's business-type activities is \$38,110,102 and increased by \$2.4 million over the prior year. Industrial Park meter sales exceeded projections by \$216,004. Commercial and Industrial meter sales non city exceeded projections by \$442,805. An increase in the volume of hauled waste and its treatment brought in \$196,408 of excess funds. A net increase of \$988,453 in construction-in-progress was a result of the water line replacement project. Of the business-type net position, \$48,611,649 is net investment in capital assets and (\$21,488,216) 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, \$10,986,669, represents resources that are subject to limitations on their use through legislation adopted by the City or through external restrictions. The largest restricted portion, \$8,891,635, is for sewer improvements.

ANALYSIS OF THE CITY'S NET POSITION

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 33,164,249	\$ 31,322,841	\$ 22,232,392	\$ 23,635,520	\$ 55,396,641	\$ 54,958,361
Capital assets	60,164,707	61,745,365	62,274,819	59,415,333	122,439,526	121,160,698
Total assets	93,328,956	93,068,206	84,507,211	83,050,853	177,836,167	176,119,059
Deferred outflows of resource	11,287,022	12,159,392	3,331,381	3,994,002	14,618,403	16,153,394
Liabilities	13,467,600	11,052,118	7,393,198	6,762,211	20,860,798	17,814,329
Long-term liabilities	70,993,131	78,817,607	39,079,392	43,686,946	110,072,523	122,504,553
Total Liabilities	84,460,731	89,869,725	46,472,590	50,449,157	130,933,321	140,318,882
Deferred inflows of resources	8,656,103	1,888,527	3,255,900	894,787	11,912,003	2,783,314
Net position						
Net investment in capital assets	50,928,478	51,251,608	48,611,649	46,040,038	99,540,127	97,291,646
Restricted	151,314	716,497	10,986,669	9,451,520	11,137,983	10,168,017
Unrestricted	(39,580,648)	(38,498,759)	(21,488,216)	(19,790,647)	(61,068,864)	(58,289,406)
Total Net Position	\$ 11,499,144	\$ 13,469,346	\$ 38,110,102	\$ 35,700,911	\$ 49,609,246	\$ 49,170,257

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. FY 2022 net position is marginally up.

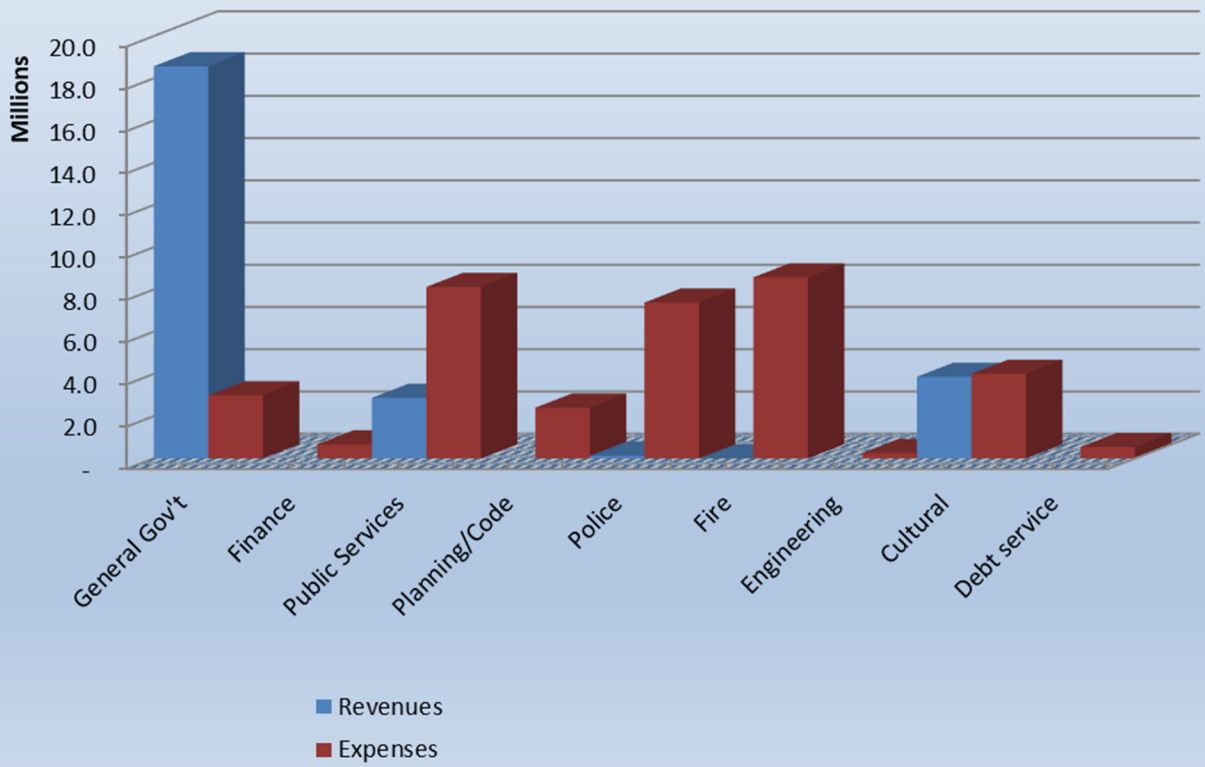
ANALYSIS OF THE CITY'S OPERATIONS

Revenues	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Taxes	\$ 8,135,700	\$ 10,678,005	\$ -	\$ -	\$ 8,135,700	\$ 10,678,005
Charges for Services	21,280,832	18,635,386	18,666,359	17,672,704	39,947,191	36,308,090
Operating Grants / Contr.	4,144,694	5,888,412	779,942	1,038,491	4,924,636	6,926,903
Capital Grants / Contr.	-	-	2,018,792	150,135	2,018,792	150,135
Other Income	1,063,442	262,019	888,204	398,519	1,951,646	660,538
Total Revenue	34,624,668	35,463,822	22,353,297	19,259,849	56,977,965	54,723,671

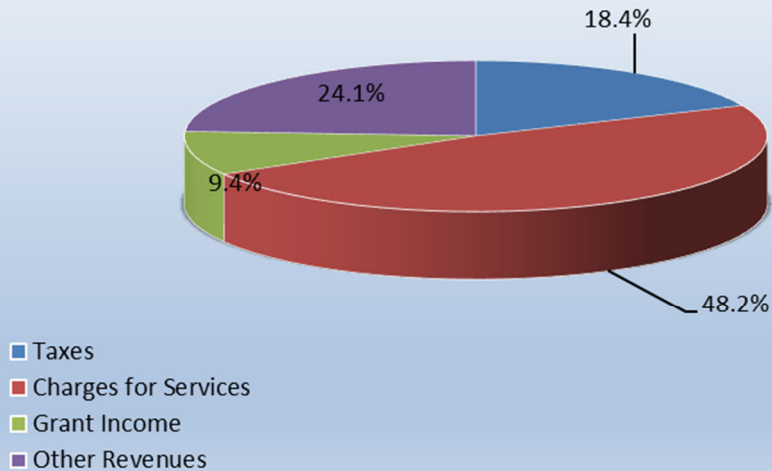
Expenses	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
General Government	2,986,867	1,809,404	-	-	2,986,867	1,809,404
Finance	668,506	660,112	-	-	668,506	660,112
Public Services	8,120,635	6,388,485	-	-	8,120,635	6,388,485
Planning / Code	2,400,442	613,747	-	-	2,400,442	613,747
Police	7,378,377	7,629,854	-	-	7,378,377	7,629,854
Fire	8,575,123	8,360,031	-	-	8,575,123	8,360,031
Engineering	249,062	158,704	-	-	249,062	158,704
Community / Cultural	4,004,395	4,378,766	-	-	4,004,395	4,378,766
Debt Service	538,063	600,061	-	-	538,063	600,061
Utility Fund	-	-	18,513,495	18,318,747	18,513,495	18,318,747
Ashland Bus System	-	-	1,543,230	1,557,996	1,543,230	1,557,996
Recreation Operating Fund	-	-	1,276,903	925,347	1,276,903	925,347
Cemetery	-	-	283,878	237,491	283,878	237,491
Parking Garage	-	-	-	-	-	-
Total Expense	34,921,470	30,599,164	21,617,506	21,039,581	56,538,976	51,638,745
Changes before transfers	(296,802)	4,864,658	735,791	(1,779,732)	438,989	3,084,926
Transfers	(1,673,400)	(1,660,639)	1,673,400	1,660,639	-	-
Change in Net Position	(1,970,202)	3,204,019	2,409,191	(119,093)	438,989	3,084,926
Net Position Beg of Year	13,469,346	10,265,327	35,700,911	35,820,004	49,170,257	46,085,331
Net Position End of Year	\$ 11,499,144	\$ 13,469,346	\$ 38,110,102	\$ 35,700,911	\$ 49,609,246	\$ 49,170,257

GOVERNMENTAL ACTIVITIES

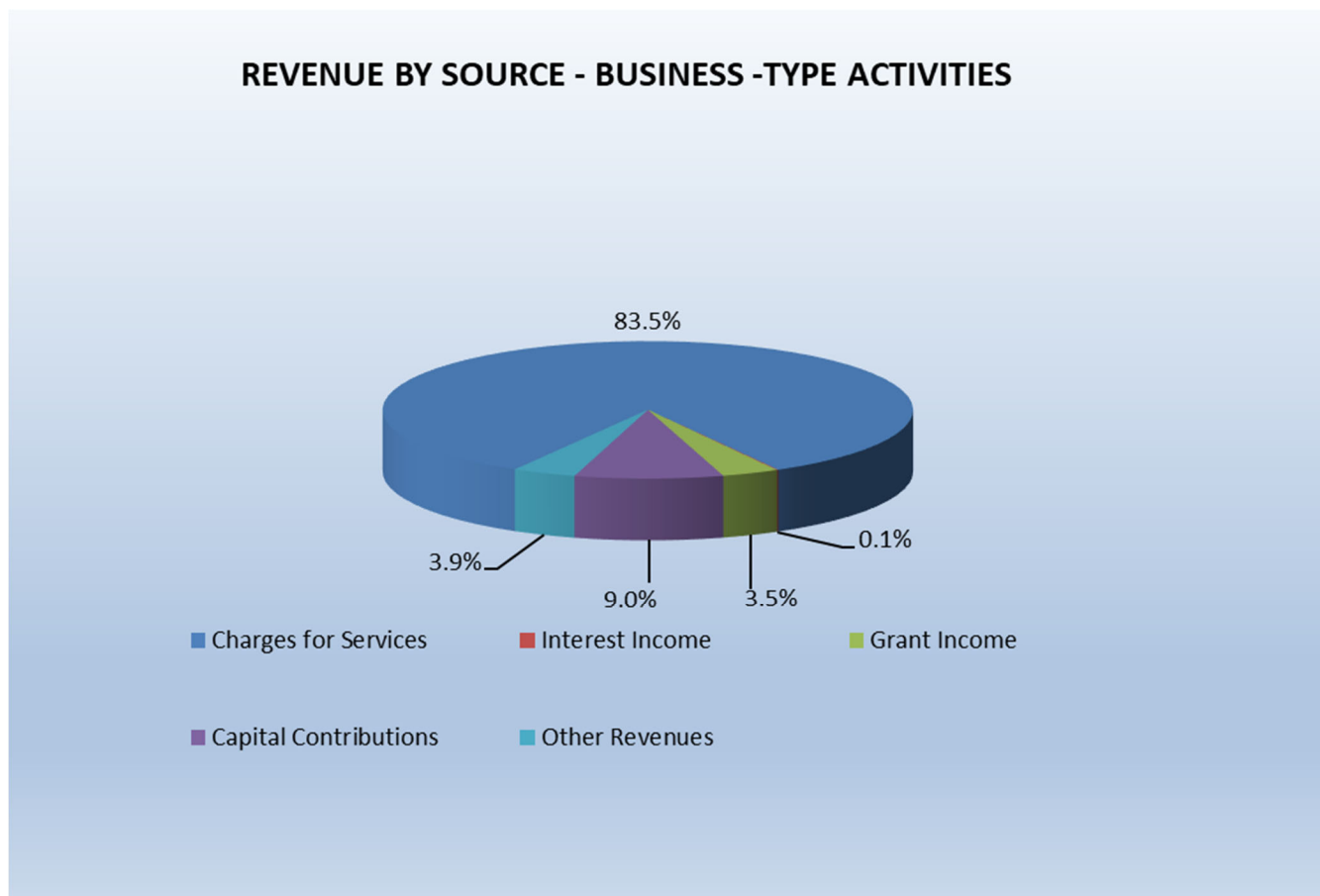
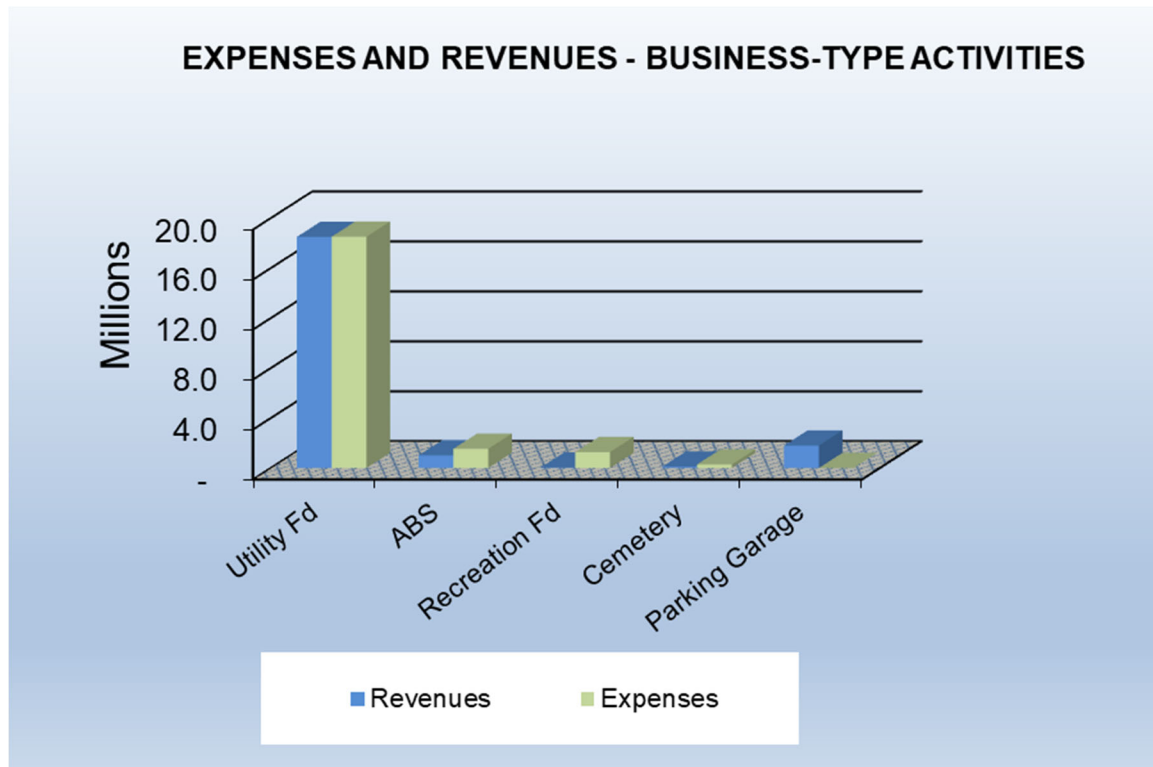
**EXPENSES AND PROGRAM REVENUES-
GOVERNMENTAL ACTIVITIES**



REVENUE BY SOURCE - GOVERNMENT ACTIVITIES

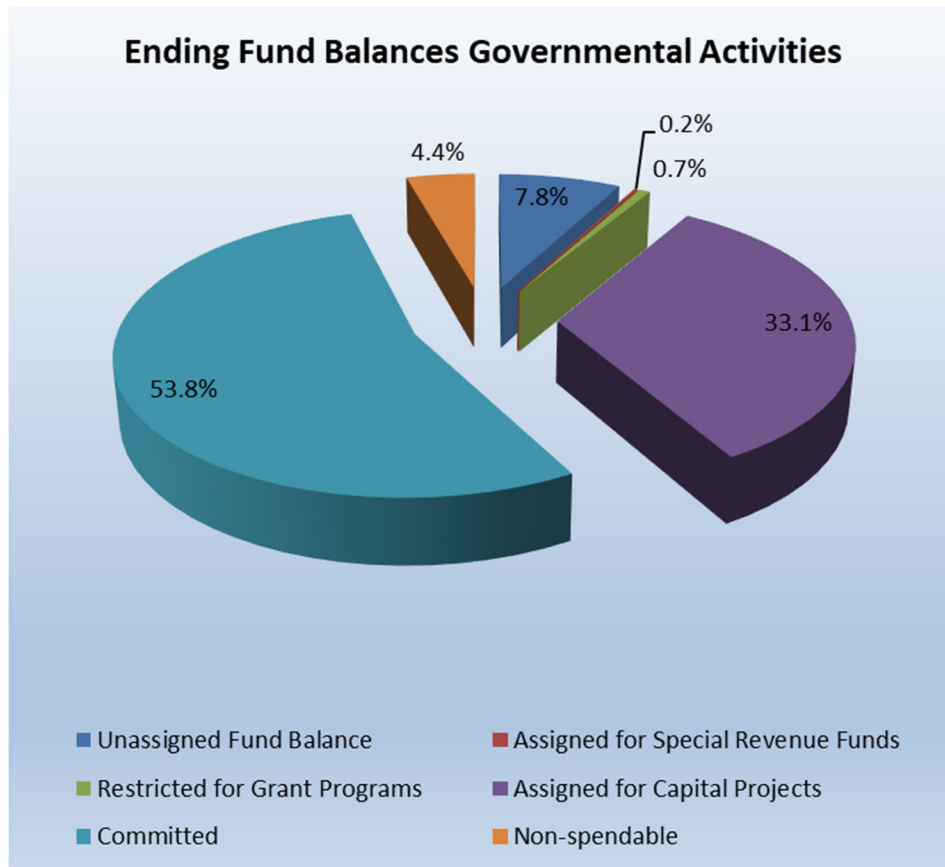


BUSINESS-TYPE ACTIVITIES



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 \$20,991,274. Of this total, \$1,635,170, or 7.8%, 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 2022 reports assigned for special revenue funds at \$44,801, restricted for grant programs at \$151,314, non-spendable at \$920,430, assigned for capital projects at \$6,945,040 and committed \$11,294,519. The governmental funds assigned for capital projects are 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 due to major health care employer hiring several employees due to nearby hospital closing and Bond issue for Capital improvements throughout the City. 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

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources, which is 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.

For the year ending June 30, 2022, the major governmental funds reported as follows:

The General Fund had revenues of \$29,878,759, expenditures of \$27,411,929 and net other financing uses of (\$8,166,810). The total fund balance is \$14,762,414. The occupational license fee revenues significantly exceeded budget projections due to expansion of major employer resulted in strong revenues. The bond issue for various capital projects has increased Fund Balance because we have not started or completed projects scheduled to be done.

The Tax Increment Finance Fund had revenues of \$111,033 and expenditures of \$296,971. The total fund balance is (\$1,080,969). 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 Municipal Aid Road Fund had revenues of \$443,100 and expenditures of \$412,748. The total fund balance is \$30,372. 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 \$275,948 and expenditures of \$284,948. The total fund balance is \$168,674.

The Community Development Fund had revenues of \$315,263 and expenditures of \$315,263. The total fund balance is \$65,437.

The Housing Assistance Fund had revenues of \$3,586,607 and expenditures of \$3,628,935. The total fund balance is \$85,877. Administrative expenses exceed the revenue earned in this fund. The fund balance is a result of the ARPA money left.

The ARPA Fund had revenues of \$13,958 and \$0 expenditures. The total fund balance is \$14,429. This fund will feature the ARPA funds for FY 2023 which is allocated for Utility Infrastructure projects. Interest income is on the first installment of funds.

The Capital Purchase Improvement Fund had revenues of \$0, other financing sources of \$6,493,410 and expenditures of \$648,063. The total fund balance is \$6,945,040.

PROPRIETARY FUNDS

The City's proprietary funds, or business-type activities, had a total net position of \$38,110,102 for the five funds. Total increase in net position was \$2,409,191.

The Utility Fund, which accounts for water and wastewater services for the City of Ashland and surrounding communities, had a positive net position change. Commercial and industrial meter sales, water tap fees, sewer service and cso charges have increased.

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.

Recreation Operating Fund is the City's park system, swimming pool, concession activities and other recreational activities. The pickleball court has a new lighting system so citizens can enjoy utilizing it until the Park closes. "Tot lot" equipment and a sensory garden were included in our playground upgrades. Riverfront statues rounded out the additions to the Recreation assets this fiscal year. The City acquired the Parking Garage in 2022.

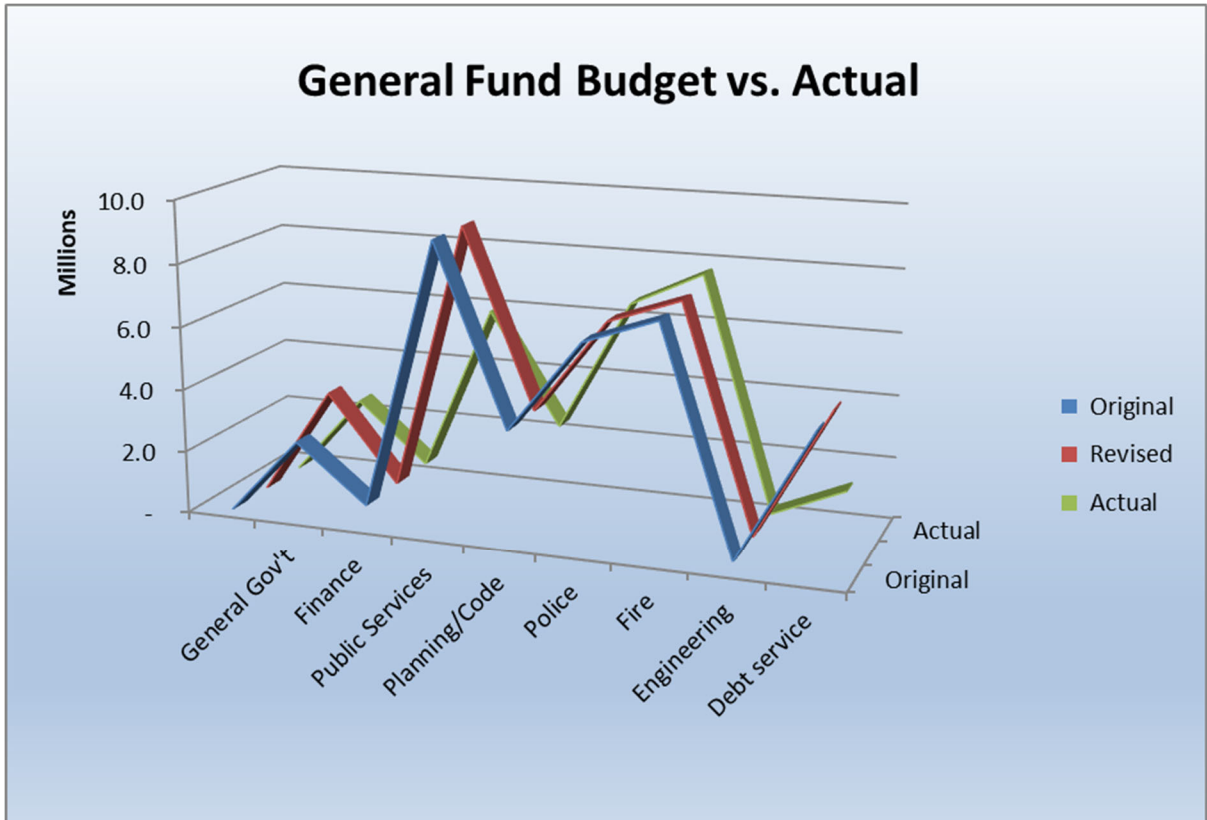
BUDGETARY HIGHLIGHTS

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

- ⇒ \$900,000 increase in transfer to P&F Retirement Fund to fully fund pension per actuarial study.
- ⇒ \$55,000 increase in Human Resources expenditures for Hiring Costs for various professional positions.
- ⇒ \$18,074 increase in miscellaneous expense for drug money and drug interdiction.
- ⇒ \$8,000 increase in Finance expenditures, overages in office supplies.
- ⇒ \$93,297 increase in Police expenditures for payroll overage due to staffing shortages (\$89,975) and repairs to damaged cruiser (\$3,322).
- ⇒ \$89,347 increase in Fire expenditures for garage door repairs & furnace A/C repairs (\$18,963), tower repairs (\$23,010), portable radios (\$27,114), safety materials (\$2,760), protective apparel (\$10,000) and small tools (\$7,500).
- ⇒ Increase in the transfer to Capital Purchase Improvement Fund: \$11,800 for General Government carpet for City building.
- ⇒ Increase in the transfer to Capital Purchase Improvement Fund: \$237,433 for Public Services (\$75,000) Pollard Mills improvement and (\$162,433) packer truck which was purchased in FY 2022 due to supply chain issues and projected inflationary increases.
- ⇒ Increase in the transfer to Capital Purchase Improvement Fund: \$117,215 for Police (\$75,494) Utility AWD cars and (\$41,721) Chevy Tahoe.
- ⇒ Increase in the transfer to Capital Purchase Improvement Fund: \$27,000 for Fire for an air compressor.
- ⇒ \$50,000 increase in Floodwall capital assets for outfalls. This improvement needed to be done for Army Corp of Engineers inspection.
- ⇒ \$15,036 increase in Utility Administration expenditures to \$15,036 for computers and copiers.
- ⇒ \$725,122 increase in Water Services capital assets: (\$416,107) generators for pump stations, (\$29,165) truck, (\$143,341) backhoe and (\$136,509) backhoe. This equipment was purchased in Fiscal Year 2022 instead of Fiscal Year 2023 due to supply chain and inflationary costs issues.
- ⇒ \$493,596 increase in Wastewater capital assets: (\$194,809) camera truck and (\$298,787) machine jet truck.

Significant budget versus actual variances includes the following:

- ⇒ The General Fund is the primary operating governmental fund of the City. General Fund actual revenues were \$29,878,759 versus budgeted revenues of \$29,736,536. Licenses and permits were \$12,098,100 budgeted and actual revenues were \$16,078,079 for a variance of \$3,979,979. Finance staff's focus on collection efforts and new business in the City is to be credited for this positive variance. Grant Income was \$5,111,235 budgeted and actual revenues were \$275,309 for a variance of (\$4,835,926). These projects were anticipated to be completed in FY 2022 but only Engineering not Construction was completed.



CAPITAL ASSET AND DEBT ADMINISTRATION

The City’s investment in capital assets for governmental and business-type activities as of June 30, 2022, is \$122,439,526 (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.

Major construction projects through June 30, 2022, include:

Project	Approved Contract	Paid / Accrued to Date	Outstanding Commitment
Skatepark	\$ 134,000	\$ 134,000	\$ -
Repair 10th St & 18th St outfall	65,000	62,800	2,200
Water Booster Station Repairs	83,500	41,400	42,100
Fence installation at Oliverio Park	105,000	105,000	-
Water & Sewer Rate Study	87,400	67,630	19,770
13th St Tank Rehab Project	142,300	29,352	112,948
Dawes St Rehab Project	207,384	-	207,384
Debord Hill Tank Project	105,680	63,408	42,272
Prep Bid Docs - 1401 Winchester	77,360	65,756	11,604
Design 2022 Water & Sewer CIP's	341,630	29,042	312,588
Concrete Sidewalk Gringing	36,600	-	36,600
Water Pump Station ER Generator	53,100	25,208	27,893
12 Engine Driven Power Generators	416,107	42,000	374,107
Aerator Blades Replacement Project	86,200	86,200	-
SCADA & Instrumentation	3,313,375	3,042,249	271,126
1401 Winchester Demolition	2,434,000	1,264,350	1,169,650
Design of 15th & 16th St Streetscape	41,000	-	41,000
Design Winchester 13th to 18th Streetscape	399,923	-	399,923
Design Winchester 7th to 12th Streetscape	249,660	-	249,660
Waterline Replacement - Phase 2	1,290,714	465,134	825,580
Wastewater Treatment Plant Expansion	640,710	640,710	-
26th St Pump Station	173,300	41,960	131,340
Floyd St Pump Station Renovation	26,500	-	26,500
Dixon St - Pollard Mills Phase 2	492,309	4,479	487,830
	<u>\$ 11,002,752</u>	<u>\$ 6,210,677</u>	<u>\$ 4,792,075</u>

**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	13,356,617	8,398,696	21,755,313
Automotive equipment	7,069,303	2,514,719	9,584,022
Operating equipment	5,166,740	5,930,695	11,097,435
Office equipment	692,150	592,853	1,285,003
Capital improvements	3,630,178	4,266,105	7,896,283
Right-of-way	15,038,909	-	15,038,909
Infrastructure	66,895,539	-	66,895,539
Utility plant	-	107,020,485	107,020,485
Construction (CIP)	127,653	4,725,305	4,852,958
	<u>115,874,478</u>	<u>133,898,259</u>	<u>249,772,737</u>
Less depreciation	<u>(55,709,771)</u>	<u>(71,623,440)</u>	<u>(127,333,211)</u>
Total	<u>\$ 60,164,707</u>	<u>\$ 62,274,819</u>	<u>\$ 122,439,526</u>

DEBT

At the end of fiscal year 2022, the City had governmental activities debt of \$19,894,556 compared to \$20,914,696 on June 30, 2021, which represents a decrease of (\$1,020,140). Business-type activities had debt of \$19,674,237 compared to \$21,502,755 on June 30, 2021, which represents a decrease of (\$1,828,518). See Note (9) for additional discussion of the City's long-term debt. The following chart summarizes governmental and business-type activities debt.

<u>Governmental Activities Debt</u>	<u>Amount</u>
General obligation bond series 2015	\$ 1,540,000
General obligation bond series 2017	3,800,000
General obligation bond series 2021	10,745,000
Capital lease - Melody Mtn Phase II	1,128,749
Premium on bonds	1,740,401
Compensated absences obligation	940,406
Total	<u>\$ 19,894,556</u>
<u>Business-Type Activities Debt</u>	<u>Amount</u>
Revenue & Improvement Bonds 2013	\$ 1,000,000
Water & Sewer Revenue Bonds 2015	2,245,000
Water & Sewer Revenue Bonds 2020	10,700,000
Capital lease - Radio Meters	792,083
Kentucky Infrastructure Authority loans	4,889,542
Discount on bonds	(22,215)
Premium on bonds	69,827
Total	<u>\$ 19,674,237</u>

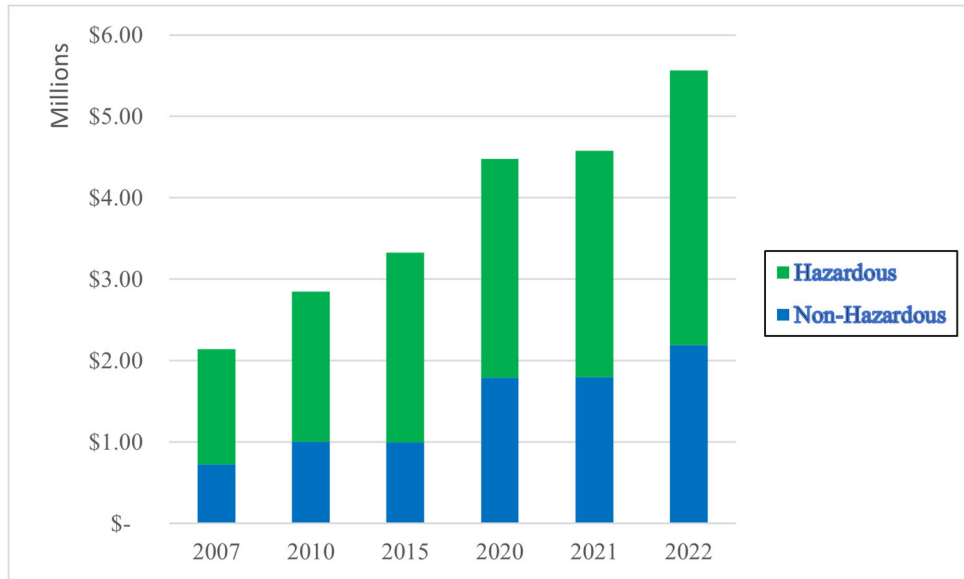
DESCRIPTION OF MUNICIPAL DEBT

- ⇒ General Obligation Refunding Bonds 2015 - \$1,540,000.
- ⇒ General Obligation Bonds 2017 Ashland Plaza Redevelopment Project - \$3,800,000.
- ⇒ General Obligation Bonds 2013 Melody Mountain Phase II - \$1,128,749.
- ⇒ Premium on bonds - \$1,740,401.
- ⇒ General Obligation Bonds 2021 for various capital projects - \$10,745,000.
- ⇒ Employee compensated absences payable after 60 days at \$940,406.
- ⇒ Utility Revenue bond issue 2013 for phase II upgrade of the water plant - \$1,000,000.
- ⇒ K.I.A. Loans used to upgrade the utility system and correct CSO - \$4,889,542.
- ⇒ KLC lease payable for the purchase of radio read meters - \$792,083.
- ⇒ Water & Sewer Revenue Bonds 2015 – water system improvements - \$2,245,000.
- ⇒ Water & Sewer Revenue Bonds 2020 – water & wastewater improvements - \$10,700,000.
- ⇒ Discount and premium on bonds - (\$22,215) and \$69,827, 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, 2021 and 2022.

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%
2021	24.06%	\$ 1,799,249	0.56%	39.58%	\$ 2,777,356	3.41%
2022	26.95%	\$ 2,187,924	21.60%	44.33%	\$ 3,375,242	21.53%



ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

Unemployment rate for the City of Ashland as of June 2022 is 4.8%. This rate is higher than the State of Kentucky rate at 3.8% and the national rate of 3.6%.

The following summarizes the 2023 fiscal year budgeted expenses.

- ⇒ General Fund - \$33,993,737
- ⇒ Tax Increment Finance Fund - \$301,450
- ⇒ Municipal Aid Program - \$443,300
- ⇒ Community Development Block Grant Fund - \$1,638,458
- ⇒ ARPA Fund - \$13,495,830
- ⇒ Conference Center Grant - \$1,000,000
- ⇒ Section 8 Voucher - \$3,412,497
- ⇒ Floodwall Operating Fund - \$294,618

- ⇒ Utility Fund - \$22,343,974
- ⇒ Ashland Bus System - \$3,321,220
- ⇒ Recreation Operating Fund - \$2,625,159
- ⇒ Ashland Cemetery Fund - \$234,479
- ⇒ Parking Garage - \$434,734
- ⇒ Capital Purchase Improvement Fund - \$7,591,985

Fiscal Year 2023 budget is very capital intensive. The City continues its focus on the updating of our parks which includes new playground equipment, sporting field improvements, building improvements and infrastructure upgrades. The Utility Fund will continue upgrade the Water Plant with SCADA improvements and field instrumentation modernization. Engineering will also progress into the design phase of our Sewer Treatment Plant upgrade. FY 2023 budget also includes our Board of Commissioners continued commitment to replace the aging water lines and sewer lines. Infrastructure improvements including significant paving, sidewalk replacement, Oakview Road culvert replacement, Dawes Street drainage, Streetscape and Winchester Avenue roundabouts 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
Director of Finance
City of Ashland
P.O. Box 1839
Ashland, KY 41105-1839
Email: Tdgrubb@ashlandky.gov

**CITY OF ASHLAND
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 16,728,557	\$ 5,185,182	\$ 21,913,739
Accounts receivable	-	3,313,303	3,313,303
Allowance for uncollectible accounts	-	(406,099)	(406,099)
Taxes receivable	2,949,659	-	2,949,659
Allowance for uncollectible taxes	(536,253)	-	(536,253)
Grants receivable	104,926	40,885	145,811
Internal balances, net	5,731,356	(5,731,356)	-
Due from fiduciary fund	718,762	-	718,762
Other receivables	466,987	-	466,987
Allowance for uncollectible accounts	(75,296)	-	(75,296)
Prepaid expenses	681,750	107,580	789,330
Inventories	238,680	2,702,099	2,940,779
Restricted assets -			
Cash and cash equivalents	-	10,583,161	10,583,161
Certificates of deposit	6,005,121	6,437,637	12,442,758
Note receivable	150,000	-	150,000
Nondepreciable capital assets	19,063,951	5,174,706	24,238,657
Depreciable capital assets	96,810,527	128,723,553	225,534,080
Accumulated depreciation	(55,709,771)	(71,623,440)	(127,333,211)
Total assets	93,328,956	84,507,211	177,836,167
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount from refunding bonds	423,402	26,938	450,340
Deferred outflows - OPEB related	4,997,664	1,767,031	6,764,695
Deferred outflows - pension related	5,865,956	1,537,412	7,403,368
Total deferred outflows of resources	11,287,022	3,331,381	14,618,403

CITY OF ASHLAND
STATEMENT OF NET POSITION (CONCLUDED)
JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	2,376,552	1,404,255	3,780,807
Due to Board of Education	93,935	-	93,935
Payable to fiduciary fund	194,328	2,663,373	2,857,701
Unearned revenue	6,877,071	-	6,877,071
Other accrued expenses and liabilities	2,348,630	621,647	2,970,277
Deposits	-	493,537	493,537
Matured revenue bonds and notes	-	50,000	50,000
Accrued compensated absences, current	184,999	300,389	485,388
Current portion of long-term debt	1,392,085	1,859,997	3,252,082
Net OPEB liabilities, due in more than one year	11,748,849	3,607,983	15,356,832
Net pension liabilities, due in more than one year	40,741,811	17,657,169	58,398,980
Accrued compensated absences, non-current	940,406	-	940,406
Financing lease obligations, non-current	1,051,664	675,000	1,726,664
Revenue and Improvement bonds, net of discounts	-	12,817,612	12,817,612
Kentucky Infrastructure Authority loans, non-current	-	4,321,628	4,321,628
General obligation bonds, non-current, plus premiums	16,510,401	-	16,510,401
	<u>84,460,731</u>	<u>46,472,590</u>	<u>130,933,321</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - OPEB related	4,057,520	1,608,939	5,666,459
Deferred inflows - pension related	4,598,583	1,646,961	6,245,544
	<u>8,656,103</u>	<u>3,255,900</u>	<u>11,912,003</u>
NET POSITION			
Net investment in capital assets	50,928,478	48,611,649	99,540,127
Restricted			
Debt service	-	1,867,225	1,867,225
Grant programs	151,314	-	151,314
Sewer improvements	-	8,891,635	8,891,635
Other	-	227,809	227,809
Unrestricted	<u>(39,580,648)</u>	<u>(21,488,216)</u>	<u>(61,068,864)</u>
	<u>\$ 11,499,144</u>	<u>\$ 38,110,102</u>	<u>\$ 49,609,246</u>

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, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	\$ 2,986,867	\$ 18,420,514	\$ 150,187	\$ -	\$ 15,583,834	\$ -	\$ 15,583,834
Finance	668,506	-	-	-	(668,506)	-	(668,506)
Public services	8,120,635	2,422,934	442,643	-	(5,255,058)	-	(5,255,058)
Planning and code enforcement	2,400,442	-	-	-	(2,400,442)	-	(2,400,442)
Police	7,378,377	-	125,122	-	(7,253,255)	-	(7,253,255)
Fire	8,575,123	-	-	-	(8,575,123)	-	(8,575,123)
Engineering	249,062	-	-	-	(249,062)	-	(249,062)
Community and cultural	4,004,395	437,384	3,426,742	-	(140,269)	-	(140,269)
Debt service - interest	538,063	-	-	-	(538,063)	-	(538,063)
Total governmental activities	<u>34,921,470</u>	<u>21,280,832</u>	<u>4,144,694</u>	<u>-</u>	<u>(9,495,944)</u>	<u>-</u>	<u>(9,495,944)</u>
Business-Type Activities							
Utilities	18,513,495	18,496,661	-	-	-	(16,834)	(16,834)
Recreation	1,276,903	36,535	-	-	-	(1,240,368)	(1,240,368)
Cemetery	283,878	109,905	-	-	-	(173,973)	(173,973)
Parking Garage	-	-	-	1,800,000	-	1,800,000	1,800,000
Bus	1,543,230	23,258	779,942	218,792	-	(521,238)	(521,238)
Total business-type activities	<u>21,617,506</u>	<u>18,666,359</u>	<u>779,942</u>	<u>2,018,792</u>	<u>-</u>	<u>(152,413)</u>	<u>(152,413)</u>
Total primary government	<u>\$ 56,538,976</u>	<u>\$ 39,947,191</u>	<u>\$ 4,924,636</u>	<u>\$ 2,018,792</u>	<u>\$ (9,495,944)</u>	<u>\$ (152,413)</u>	<u>\$ (9,648,357)</u>
General Revenues:							
Property and other local taxes							
General property taxes							
					\$ 2,946,403	\$ -	\$ 2,946,403
Vehicle property taxes							
					438,728	-	438,728
Insurance premium taxes							
					4,414,485	-	4,414,485
Bank franchise and other taxes							
					336,084	-	336,084
Interest income							
					36,672	19,875	56,547
Other revenues							
					1,026,770	868,329	1,895,099
Total general revenues							
					9,199,142	888,204	10,087,346
Transfers							
					(1,673,400)	1,673,400	-
Total general revenues and transfers							
					7,525,742	2,561,604	10,087,346
Change in net position							
					(1,970,202)	2,409,191	438,989
Net position, June 30, 2021							
					13,469,346	35,700,911	49,170,257
Net position, June 30, 2022							
					<u>\$ 11,499,144</u>	<u>\$ 38,110,102</u>	<u>\$ 49,609,246</u>

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

**CITY OF ASHLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds							Capital Projects	Total Governmental Funds
	General	Tax Increment Finance	Municipal Aid Road	Floodwall Operating	Community Development	Housing Assistance	Other Special Revenue		
Assets									
Cash	\$ 11,936,936	\$ -	\$ 38,339	\$ 188,430	\$ 11,241	\$ 329,162	\$ 744,606	\$ -	\$ 13,248,714
Taxes receivable	2,705,996	-	-	243,663	-	-	-	-	2,949,659
Allowance for uncollectible taxes	(493,123)	-	-	(43,130)	-	-	-	-	(536,253)
Grants receivable	-	-	39,781	-	65,145	-	-	-	104,926
Due from other funds	10,376,664	-	-	-	39,643	-	-	7,169,572	17,585,879
Other receivables	391,691	-	-	-	-	75,296	-	-	466,987
Allowance for uncollectible accounts	-	-	-	-	-	(75,296)	-	-	(75,296)
Investments - certificates of deposit	-	-	-	-	-	-	6,005,121	-	6,005,121
Prepaid items	681,750	-	-	-	-	-	-	-	681,750
Inventories - supplies	238,680	-	-	-	-	-	-	-	238,680
Total assets	\$ 25,838,594	\$ -	\$ 78,120	\$ 388,963	\$ 116,029	\$ 329,162	\$ 6,749,727	\$ 7,169,572	\$ 40,670,167
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ 2,019,577	\$ -	\$ -	\$ 4,378	\$ 46,399	\$ 7,600	\$ -	\$ 224,532	\$ 2,302,486
Due to other funds	7,644,397	1,080,969	47,748	211,123	-	81,157	-	-	9,065,394
Unearned revenue	-	-	-	-	-	141,773	6,735,298	-	6,877,071
Due to Board of Education	93,935	-	-	-	-	-	-	-	93,935
Accrued compensated absences	181,313	-	-	644	2,156	886	-	-	184,999
Accrued wages and related	1,136,958	-	-	4,144	2,037	11,869	-	-	1,155,008
Total liabilities	11,076,180	1,080,969	47,748	220,289	50,592	243,285	6,735,298	224,532	19,678,893
Fund Balances:									
Non-spendable	920,430	-	-	-	-	-	-	-	920,430
Restricted for grant programs	-	-	-	-	65,437	85,877	-	-	151,314
Committed	11,294,519	-	-	-	-	-	-	-	11,294,519
Assigned for capital projects	-	-	-	-	-	-	-	6,945,040	6,945,040
Assigned for special revenue funds	-	-	30,372	-	-	-	14,429	-	44,801
Unassigned	2,547,465	(1,080,969)	-	168,674	-	-	-	-	1,635,170
Total fund balances	14,762,414	(1,080,969)	30,372	168,674	65,437	85,877	14,429	6,945,040	20,991,274
Total liabilities and fund balances	\$ 25,838,594	\$ -	\$ 78,120	\$ 388,963	\$ 116,029	\$ 329,162	\$ 6,749,727	\$ 7,169,572	\$ 40,670,167

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, 2022

Total fund balance - total governmental funds		\$ 20,991,274
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets of \$115,874,478 net of accumulated depreciation of \$55,709,771 used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		60,164,707
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	
Deferred amount from refunding bonds	423,402	573,402
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.		2,207,517
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	(11,748,849)	
Net pension liabilities	(40,741,811)	
Bonds payable	(17,825,401)	
Accrued interest payable	(52,540)	
Accrued compensated absences	(940,406)	
Financing lease obligations	(1,128,749)	(72,437,756)
Net position, end of year - governmental activities		\$ 11,499,144

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, 2022**

	Special Revenue Funds							Capital Projects	Total Governmental Funds
	General	Tax Increment Finance	Municipal Aid Road	Floodwall Operating	Community Development	Housing Assistance	Other Special Revenue		
Revenues									
Property and other local taxes	\$ 7,844,631	\$ 19,077	\$ -	\$ 271,992	\$ -	\$ -	\$ -	\$ -	\$ 8,135,700
Licenses and permits	16,078,079	91,956	-	-	-	-	-	-	16,170,035
Charges for services	2,422,934	-	-	-	-	-	-	-	2,422,934
Fees, fines and reimbursements	2,250,479	-	-	-	-	-	-	-	2,250,479
Grant income	275,309	-	442,643	-	315,263	3,111,479	-	-	4,144,694
Administration fee income	-	-	-	-	-	437,384	-	-	437,384
Interest income	22,023	-	457	86	-	148	13,958	-	36,672
Other income	985,304	-	-	3,870	-	37,596	-	-	1,026,770
Total revenues	29,878,759	111,033	443,100	275,948	315,263	3,586,607	13,958	-	34,624,668
Expenditures									
General government	2,571,363	-	-	-	-	-	-	829	2,572,192
Finance	648,326	-	-	-	-	-	-	-	648,326
Public services	5,992,633	-	412,748	284,948	-	-	-	-	6,690,329
Planning and code enforcement	2,400,036	-	-	-	-	-	-	-	2,400,036
Police	6,595,362	-	-	-	-	-	-	-	6,595,362
Fire	7,707,353	-	-	-	-	-	-	-	7,707,353
Engineering	247,213	-	-	-	-	-	-	-	247,213
Community and cultural	-	271	-	-	315,263	3,628,935	-	-	3,944,469
Capital outlay	-	-	-	-	-	-	-	647,234	647,234
Debt service:									
Principal retirement	675,000	180,000	-	-	-	-	-	-	855,000
Interest and other charges	574,643	116,700	-	-	-	-	-	-	691,343
Total expenditures	27,411,929	296,971	412,748	284,948	315,263	3,628,935	-	648,063	32,998,857
Excess (deficiency) of revenues over (under) expenditures	2,466,830	(185,938)	30,352	(9,000)	-	(42,328)	13,958	(648,063)	1,625,811
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	-	-	-	6,493,410	6,493,410
Transfers out	(8,166,810)	-	-	-	-	-	-	-	(8,166,810)
Total other financing sources (uses)	(8,166,810)	-	-	-	-	-	-	6,493,410	(1,673,400)
Net change in fund balances	(5,699,980)	(185,938)	30,352	(9,000)	-	(42,328)	13,958	5,845,347	(47,589)
Fund balances beginning of year	20,462,394	(895,031)	20	177,674	65,437	128,205	471	1,099,693	21,038,863
Fund balances end of year	\$ 14,762,414	\$ (1,080,969)	\$ 30,372	\$ 168,674	\$ 65,437	\$ 85,877	\$ 14,429	\$ 6,945,040	\$ 20,991,274

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, 2022

Net change in fund balances - total governmental funds \$ (47,589)

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	1,280,909	
Depreciation expense	<u>(2,854,052)</u>	(1,573,143)

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		(25,922)
Amortization of deferred savings from refunding bonds		(48,382)
Amortization of bond discounts and premiums		191,062
Accrued interest payable		10,600

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	(231,578)	
CERS pension expense	(872,145)	
CERS OPEB expense	<u>(220,590)</u>	(1,324,313)

Bond and capital 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. 855,000

Losses on disposal of capital assets are not recognized in the fund financial statements. However, in the Statement of Activities, these losses are recognized. (7,515)

Change in net position of governmental activities \$ (1,970,202)

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, 2022

	Original Budget	Revisions	Revised Budget	Actual	Variance Positive (Negative)
Revenues					
Property and other local taxes	\$ 7,968,964	\$ -	\$ 7,968,964	\$ 7,844,631	\$ (124,333)
Licenses and permits	12,098,100	-	12,098,100	16,078,079	3,979,979
Charges for services	2,406,675	-	2,406,675	2,422,934	16,259
Fees, fines and reimbursements	1,854,160	-	1,854,160	2,250,479	396,319
Interest income	5,250	-	5,250	22,023	16,773
Grant income	5,093,735	17,500	5,111,235	275,309	(4,835,926)
Other income	168,334	123,818	292,152	985,304	693,152
Total revenues	29,595,218	141,318	29,736,536	29,878,759	142,223
Expenditures					
General government	2,460,276	973,074	3,433,350	2,571,363	861,987
Finance	656,081	8,000	664,081	648,326	15,755
Public services	9,183,561	-	9,183,561	5,992,633	3,190,928
Planning and code enforcement	3,538,064	-	3,538,064	2,400,036	1,138,028
Police	6,461,544	93,297	6,554,841	6,595,362	(40,521)
Fire	7,291,284	89,347	7,380,631	7,707,353	(326,722)
Engineering	247,219	-	247,219	247,213	6
Debt service:					
Principal retirement	437,821	-	437,821	675,000	(237,179)
Interest and fiscal charges	4,046,248	-	4,046,248	574,643	3,471,605
Total expenditures	34,322,098	1,163,718	35,485,816	27,411,929	8,073,887
Excess (deficiency) of revenues over (under) expenditures	(4,726,880)	(1,022,400)	(5,749,280)	2,466,830	8,216,110
Other Financing Sources (Uses)					
Proceeds from the issuance of debt	12,750,000	(12,750,000)	-	-	-
Transfers out	(7,684,560)	(903,574)	(8,588,134)	(8,166,810)	421,324
Total other financing sources (uses)	5,065,440	(13,653,574)	(8,588,134)	(8,166,810)	421,324
Net change in fund balance	338,560	(14,675,974)	(14,337,414)	(5,699,980)	8,637,434
Fund balance beginning of year	20,462,394	-	20,462,394	20,462,394	-
Fund balance end of year	<u>\$ 20,800,954</u>	<u>\$ (14,675,974)</u>	<u>\$ 6,124,980</u>	<u>\$ 14,762,414</u>	<u>\$ 8,637,434</u>

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, 2022

	Original Budget	Revisions	Revised Budget	Actual	Variance Positive (Negative)
Revenues					
Property and other local taxes	\$ 48,486	\$ -	\$ 48,486	\$ 19,077	\$ (29,409)
Licenses and permits	35,289	-	35,289	91,956	56,667
Charges for services	-	-	-	-	-
Fees, fines and reimbursements	-	-	-	-	-
Grant income	-	-	-	-	-
Administration fee income	-	-	-	-	-
Interest income	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	83,775	-	83,775	111,033	27,258
Expenditures					
General government	-	-	-	-	-
Finance	-	-	-	-	-
Public services	-	-	-	-	-
Planning and code enforcement	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Engineering	-	-	-	-	-
Community and cultural	400	-	400	271	129
Other	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	180,000	-	180,000	180,000	-
Interest and fiscal charges	116,700	-	116,700	116,700	-
Total expenditures	297,100	-	297,100	296,971	129
Excess (deficiency) of revenues over (under) expenditures	(213,325)	-	(213,325)	(185,938)	27,387
Other Financing Sources (Uses)					
Proceeds from the issuance of debt	-	-	-	-	-
Transfers in	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	(213,325)	-	(213,325)	(185,938)	27,387
Fund balance beginning of year	(895,031)	-	(895,031)	(895,031)	-
Fund balance end of year	<u>\$ (1,108,356)</u>	<u>\$ -</u>	<u>\$ (1,108,356)</u>	<u>\$ (1,080,969)</u>	<u>\$ 27,387</u>

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, 2022

	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	412,700	-	412,700	442,643	29,943
Administration fee income	-	-	-	-	-
Interest income	20	-	20	457	437
Other income	-	-	-	-	-
Total revenues	412,720	-	412,720	443,100	30,380
Expenditures					
General government	-	-	-	-	-
Finance	-	-	-	-	-
Public services	412,720	-	412,720	412,748	(28)
Planning and code enforcement	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Engineering	-	-	-	-	-
Community and cultural	-	-	-	-	-
Other	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	412,720	-	412,720	412,748	(28)
Excess (deficiency) of revenues over (under) expenditures	-	-	-	30,352	30,352
Other Financing Sources (Uses)					
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	-	-	-	30,352	30,352
Fund balance beginning of year	20	-	20	20	-
Fund balance end of year	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 30,372</u>	<u>\$ 30,352</u>

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, 2022

	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	1,334,208	-	1,334,208	315,263	(1,018,945)
Administration fee income	-	-	-	-	-
Interest income	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	1,334,208	-	1,334,208	315,263	(1,018,945)
Expenditures					
General government	-	-	-	-	-
Finance	-	-	-	-	-
Public services	-	-	-	-	-
Planning and code enforcement	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Engineering	-	-	-	-	-
Community and cultural	1,334,208	-	1,334,208	315,263	1,018,945
Other	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	1,334,208	-	1,334,208	315,263	1,018,945
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Other Financing Sources (Uses)					
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance beginning of year	65,437	-	65,437	65,437	-
Fund balance end of year	<u>\$ 65,437</u>	<u>\$ -</u>	<u>\$ 65,437</u>	<u>\$ 65,437</u>	<u>\$ -</u>

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, 2022

	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	3,248,543	-	3,248,543	3,111,479	(137,064)
Administration fee income	349,254	-	349,254	437,384	88,130
Interest income	250	-	250	148	(102)
Other income	-	-	-	37,596	37,596
Total revenues	3,598,047	-	3,598,047	3,586,607	(11,440)
Expenditures					
General government	-	-	-	-	-
Finance	-	-	-	-	-
Public services	-	-	-	-	-
Planning and code enforcement	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Engineering	-	-	-	-	-
Community and cultural	3,598,047	-	3,598,047	3,628,935	(30,888)
Other	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	3,598,047	-	3,598,047	3,628,935	(30,888)
Excess (deficiency) of revenues over (under) expenditures	-	-	-	(42,328)	(42,328)
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	-	-	-	(42,328)	(42,328)
Fund balance beginning of year	128,205	-	128,205	128,205	-
Fund balance end of year	\$ 128,205	\$ -	\$ 128,205	\$ 85,877	\$ (42,328)

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, 2022

	Original Budget	Revisions	Revised Budget	Actual	Variance Positive (Negative)
Revenues					
Property and other local taxes	\$ 182,520	\$ -	\$ 182,520	\$ 271,992	\$ 89,472
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	-	-
Fees, fines and reimbursements	-	-	-	-	-
Grant income	-	-	-	-	-
Administration fee income	-	-	-	-	-
Interest income	50	-	50	86	36
Other income	-	-	-	3,870	3,870
Total revenues	182,570	-	182,570	275,948	93,378
Expenditures					
General government	-	-	-	-	-
Finance	-	-	-	-	-
Public services	253,197	50,000	303,197	284,948	18,249
Planning and code enforcement	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Engineering	-	-	-	-	-
Community and cultural	-	-	-	-	-
Other	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	253,197	50,000	303,197	284,948	18,249
Excess (deficiency) of revenues over (under) expenditures	<u>(70,627)</u>	<u>(50,000)</u>	<u>(120,627)</u>	<u>(9,000)</u>	<u>111,627</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	(70,627)	(50,000)	(120,627)	(9,000)	111,627
Fund balance beginning of year	<u>177,674</u>	<u>-</u>	<u>177,674</u>	<u>177,674</u>	<u>-</u>
Fund balance end of year	<u>\$ 107,047</u>	<u>\$ (50,000)</u>	<u>\$ 57,047</u>	<u>\$ 168,674</u>	<u>\$ 111,627</u>

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
OTHER SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2022

	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	-	-	-	-	-
Administration fee income	-	-	-	-	-
Interest income	-	-	-	13,958	13,958
Other income	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	-	-	13,958	13,958
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures					
General government	-	-	-	-	-
Finance	-	-	-	-	-
Public services	-	-	-	-	-
Planning and code enforcement	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Engineering	-	-	-	-	-
Community and cultural	-	-	-	-	-
Other	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	13,958	13,958
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	-	-	13,958	13,958
Fund balance beginning of year	471	-	471	471	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance end of year	\$ 471	\$ -	\$ 471	\$ 14,429	\$ 13,958
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**CITY OF ASHLAND
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022**

	Business-Type Activities					Total	Governmental Activity -
	Utility Fund	Ashland Bus Fund	Recreation Fund	Cemetery Fund	Parking Garage Fund		Internal Service Fund
ASSETS							
Unrestricted Assets:							
Cash and cash equivalents	\$ 3,796,610	\$ 1,164,792	\$ 46,151	\$ 177,629	\$ -	\$ 5,185,182	\$ 3,479,843
Accounts receivable	3,312,503	-	-	800	-	3,313,303	-
Allowance for doubtful accounts	(406,099)	-	-	-	-	(406,099)	-
Due from other funds	-	-	-	240,854	-	240,854	-
Grants receivable - capital	-	40,885	-	-	-	40,885	-
Grants receivable - operating	-	-	-	-	-	-	-
Prepaid expenses	107,580	-	-	-	-	107,580	-
Inventories -							
Repair parts and supplies	1,295,459	45,198	9,812	-	-	1,350,469	-
Lots and vaults	-	-	-	1,351,630	-	1,351,630	-
Total unrestricted assets	8,106,053	1,250,875	55,963	1,770,913	-	11,183,804	3,479,843
Restricted Assets:							
Cash and cash equivalents	10,545,352	-	-	37,809	-	10,583,161	-
Investments -							
Certificates of deposit	6,247,637	-	190,000	-	-	6,437,637	-
Total restricted assets	16,792,989	-	190,000	37,809	-	17,020,798	-
Total current assets	24,899,042	1,250,875	245,963	1,808,722	-	28,204,602	3,479,843
Capital Assets:							
Land and easements	372,725	-	58,223	18,453	-	449,401	-
Utility plant	107,020,485	-	-	-	-	107,020,485	-
Buildings and improvements	2,600,210	1,551,862	126,853	2,319,771	1,800,000	8,398,696	-
Operating equipment	6,641,771	1,322,778	4,680,821	66,150	-	12,711,520	-
Office and computer equipment	554,682	38,170	-	-	-	592,852	-
Construction in progress	4,725,305	-	-	-	-	4,725,305	-
	121,915,178	2,912,810	4,865,897	2,404,374	1,800,000	133,898,259	-
Less: Accumulated depreciation	(68,177,495)	(1,819,156)	(971,030)	(655,759)	-	(71,623,440)	-
Total capital assets - net	53,737,683	1,093,654	3,894,867	1,748,615	1,800,000	62,274,819	-
Total noncurrent assets	53,737,683	1,093,654	3,894,867	1,748,615	1,800,000	62,274,819	-
Total assets	78,636,725	2,344,529	4,140,830	3,557,337	1,800,000	90,479,421	3,479,843
DEFERRED OUTFLOWS OF RESOURCES							
Deferred amount from refunding bonds	26,938	-	-	-	-	26,938	-
Deferred outflows - OPEB related	1,402,071	193,412	148,796	22,752	-	1,767,031	-
Deferred outflows - pension related	1,219,877	168,279	129,461	19,795	-	1,537,412	-
Total deferred outflows of resources	2,648,886	361,691	278,257	42,547	-	3,331,381	-

CITY OF ASHLAND
STATEMENT OF NET POSITION (CONCLUDED)
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities					Total	Governmental Activity - Internal Service
	Utility Fund	Ashland Bus Fund	Recreation Fund	Cemetery Fund	Parking Garage Fund		Fund
LIABILITIES							
Current liabilities (payable from current assets):							
Accounts payable	\$ 1,160,249	\$ 74,624	\$ 162,585	\$ 6,797	\$ -	\$ 1,404,255	\$ 74,066
Due to other funds	6,488,547	1,615,141	531,895	-	-	8,635,583	2,264,695
Accrued compensated absences	250,791	25,894	14,602	9,102	-	300,389	-
Other accrued liabilities	469,518	60,669	41,716	49,744	-	621,647	1,141,082
Total current liabilities (payable from current assets)	<u>8,369,105</u>	<u>1,776,328</u>	<u>750,798</u>	<u>65,643</u>	<u>-</u>	<u>10,961,874</u>	<u>3,479,843</u>
Current liabilities (payable from restricted assets):							
Matured revenue bonds and notes	50,000	-	-	-	-	50,000	-
Customer deposits	493,537	-	-	-	-	493,537	-
Current portion of financing lease obligations	117,083	-	-	-	-	117,083	-
Current portion of Revenue and Improvement bonds	1,175,000	-	-	-	-	1,175,000	-
Current portion of Kentucky Infrastructure Authority loans	567,914	-	-	-	-	567,914	-
Total current liabilities (payable from restricted assets)	<u>2,403,534</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,403,534</u>	<u>-</u>
Total current liabilities	<u>10,772,639</u>	<u>1,776,328</u>	<u>750,798</u>	<u>65,643</u>	<u>-</u>	<u>13,365,408</u>	<u>3,479,843</u>
Long-term liabilities:							
Financing lease obligations	675,000	-	-	-	-	675,000	-
Revenue and Improvement bonds, net of discount and premium	12,817,612	-	-	-	-	12,817,612	-
Kentucky Infrastructure Authority loans	4,321,628	-	-	-	-	4,321,628	-
Net OPEB liabilities	2,881,503	407,638	243,913	74,929	-	3,607,983	-
Net pension liabilities	15,161,961	1,328,247	950,758	216,203	-	17,657,169	-
Total long-term liabilities	<u>35,857,704</u>	<u>1,735,885</u>	<u>1,194,671</u>	<u>291,132</u>	<u>-</u>	<u>39,079,392</u>	<u>-</u>
Total liabilities	<u>46,630,343</u>	<u>3,512,213</u>	<u>1,945,469</u>	<u>356,775</u>	<u>-</u>	<u>52,444,800</u>	<u>3,479,843</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows - OPEB related	1,276,631	176,108	135,484	20,716	-	1,608,939	-
Deferred inflows - pension related	1,306,800	180,270	138,685	21,206	-	1,646,961	-
Total deferred inflows of resources	<u>2,583,431</u>	<u>356,378</u>	<u>274,169</u>	<u>41,922</u>	<u>-</u>	<u>3,255,900</u>	<u>-</u>
NET POSITION							
Net investment in capital assets	40,074,513	1,093,654	3,894,867	1,748,615	1,800,000	48,611,649	-
Restricted for debt service	1,867,225	-	-	-	-	1,867,225	-
Restricted for sewer improvements	8,891,635	-	-	-	-	8,891,635	-
Other	-	-	190,000	37,809	-	227,809	-
Unrestricted	<u>(18,761,536)</u>	<u>(2,256,025)</u>	<u>(1,885,418)</u>	<u>1,414,763</u>	<u>-</u>	<u>(21,488,216)</u>	<u>-</u>
Total net position	<u>\$ 32,071,837</u>	<u>\$ (1,162,371)</u>	<u>\$ 2,199,449</u>	<u>\$ 3,201,187</u>	<u>\$ 1,800,000</u>	<u>\$ 38,110,102</u>	<u>\$ -</u>

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, 2022

	Business-Type Activities					Total	Governmental
	Utility Fund	Ashland Bus Fund	Recreation Fund	Cemetery Fund	Parking Garage Fund		Activity - Internal Service Fund
OPERATING REVENUES							
Residential and commercial meter sales	\$ 4,340,729	\$ -	\$ -	\$ -	\$ -	\$ 4,340,729	\$ -
Sewer service	8,275,276	-	-	-	-	8,275,276	-
Industrial meter sales	4,519,276	-	-	-	-	4,519,276	-
Other municipalities	1,163,587	-	-	-	-	1,163,587	-
Industrial pretreatment	103,174	-	-	-	-	103,174	-
Water and sewer taps	94,619	-	-	-	-	94,619	-
Concession sales	-	-	10,525	-	-	10,525	-
Lot and vault sales	-	-	-	36,400	-	36,400	-
Opening and closing fees	-	-	-	73,505	-	73,505	-
Passenger fares	-	23,258	-	-	-	23,258	-
Admission fees	-	-	26,010	-	-	26,010	-
Premium charges	-	-	-	-	-	-	5,135,848
Miscellaneous	848,558	-	7,313	12,737	-	868,608	851
Total operating revenues	<u>19,345,219</u>	<u>23,258</u>	<u>43,848</u>	<u>122,642</u>	<u>-</u>	<u>19,534,967</u>	<u>5,136,699</u>
OPERATING EXPENSES							
Administration - Director	190,181	-	-	-	-	190,181	-
Administration - Cashier	1,088,415	-	-	-	-	1,088,415	-
Water - Production	2,607,967	-	-	-	-	2,607,967	-
Water - Distribution	4,628,259	-	-	-	-	4,628,259	-
Sewer - Pretreatment	2,071,326	-	-	-	-	2,071,326	-
Sewer - Collection	1,933,864	-	-	-	-	1,933,864	-
Depreciation	2,855,047	168,218	81,696	51,011	-	3,155,972	-
Insurance	203,938	29,602	22,486	4,274	-	260,300	-
Other operating expenses	2,419,900	556,567	429,589	85,304	-	3,491,360	27,179
Salaries	-	608,801	503,701	76,983	-	1,189,485	-
Utilities	-	34,387	117,088	13,931	-	165,406	-
Operating supplies	-	145,655	122,343	52,375	-	320,373	-
Premiums and claims	-	-	-	-	-	-	5,111,036
Total operating expenses	<u>17,998,897</u>	<u>1,543,230</u>	<u>1,276,903</u>	<u>283,878</u>	<u>-</u>	<u>21,102,908</u>	<u>5,138,215</u>
OPERATING INCOME (LOSS)	<u>1,346,322</u>	<u>(1,519,972)</u>	<u>(1,233,055)</u>	<u>(161,236)</u>	<u>-</u>	<u>(1,567,941)</u>	<u>(1,516)</u>
NON-OPERATING REVENUES (EXPENSES)							
Gain (loss) on disposal of assets	-	1,861	(2,140)	-	-	(279)	-
Interest income	19,216	267	152	240	-	19,875	1,516
Grant income	-	779,942	-	-	-	779,942	-
Interest on revenue bonds and notes	(514,598)	-	-	-	-	(514,598)	-
Total non-operating revenues (expenses)	<u>(495,382)</u>	<u>782,070</u>	<u>(1,988)</u>	<u>240</u>	<u>-</u>	<u>284,940</u>	<u>1,516</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>850,940</u>	<u>(737,902)</u>	<u>(1,235,043)</u>	<u>(160,996)</u>	<u>-</u>	<u>(1,283,001)</u>	<u>-</u>
TRANSFERS							
From General Fund	-	110,348	1,444,754	118,298	-	1,673,400	-
Total transfers in	<u>-</u>	<u>110,348</u>	<u>1,444,754</u>	<u>118,298</u>	<u>-</u>	<u>1,673,400</u>	<u>-</u>
CAPITAL CONTRIBUTIONS							
Local contributions	-	-	-	-	1,800,000	1,800,000	-
Federal/state grants	-	218,792	-	-	-	218,792	-
Total capital contributions	<u>-</u>	<u>218,792</u>	<u>-</u>	<u>-</u>	<u>1,800,000</u>	<u>2,018,792</u>	<u>-</u>
INCREASE (DECREASE) IN NET POSITION	<u>850,940</u>	<u>(408,762)</u>	<u>209,711</u>	<u>(42,698)</u>	<u>1,800,000</u>	<u>2,409,191</u>	<u>-</u>
NET POSITION, JUNE 30, 2021	<u>31,220,897</u>	<u>(753,609)</u>	<u>1,989,738</u>	<u>3,243,885</u>	<u>-</u>	<u>35,700,911</u>	<u>-</u>
NET POSITION, JUNE 30, 2022	<u>\$ 32,071,837</u>	<u>\$ (1,162,371)</u>	<u>\$ 2,199,449</u>	<u>\$ 3,201,187</u>	<u>\$ 1,800,000</u>	<u>\$ 38,110,102</u>	<u>\$ -</u>

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, 2022**

	Business-Type Activities					Total	Governmental Activity - Internal Service Fund
	Utility Fund	Ashland Bus Fund	Recreation Fund	Cemetery Fund	Parking Garage Fund		
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from customers	\$ 18,447,708	\$ 23,258	\$ 36,535	\$ 110,355	\$ -	\$ 18,617,856	\$ -
Cash payments to suppliers for goods and services	(7,577,978)	381,767	244,670	(2,177)	-	(6,953,718)	(27,179)
Cash payments to employees	(4,858,063)	(535,006)	(500,140)	(63,349)	-	(5,956,558)	-
Other operating revenues	848,558	-	7,313	12,737	-	868,608	851
Payments for internal services	(1,192,066)	(148,243)	(149,928)	(55,591)	-	(1,545,828)	-
Cash received for internal services	-	-	-	-	-	-	6,147,229
Payments for premiums and claims	-	-	-	-	-	-	(5,202,434)
Net cash provided by (used for) operating activities	<u>5,668,159</u>	<u>(278,224)</u>	<u>(361,550)</u>	<u>1,975</u>	<u>-</u>	<u>5,030,360</u>	<u>918,467</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Grant income	-	1,039,020	-	-	-	1,039,020	-
Transfers from other funds	-	110,348	1,444,754	118,298	-	1,673,400	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>1,149,368</u>	<u>1,444,754</u>	<u>118,298</u>	<u>-</u>	<u>2,712,420</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from issuance of debt	-	-	-	-	-	-	-
Acquisition and construction of capital assets	(3,098,329)	(51,064)	(1,071,274)	-	-	(4,220,667)	-
Proceeds from sale of assets	-	3,115	1,815	-	-	4,930	-
Principal paid on bonds, notes, and lease obligations	(1,826,131)	-	-	-	-	(1,826,131)	-
Interest paid on bonds, notes, and lease obligations	(514,598)	-	-	-	-	(514,598)	-
Capital grants received	-	219,613	-	-	-	219,613	-
Net cash provided by (used for) capital and related financing activities	<u>(5,439,058)</u>	<u>171,664</u>	<u>(1,069,459)</u>	<u>-</u>	<u>-</u>	<u>(6,336,853)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Withdrawal of investment securities	(8,604)	-	-	-	-	(8,604)	-
Investment income	19,216	267	721	240	-	20,444	1,516
Net cash provided by (used for) investing activities	<u>10,612</u>	<u>267</u>	<u>721</u>	<u>240</u>	<u>-</u>	<u>11,840</u>	<u>1,516</u>
Net increase (decrease) in cash and cash equivalents	239,713	1,043,075	14,466	120,513	-	1,417,767	919,983
Cash and cash equivalents, June 30, 2021	<u>14,102,249</u>	<u>121,717</u>	<u>31,685</u>	<u>94,925</u>	<u>-</u>	<u>14,350,576</u>	<u>2,559,860</u>
Cash and cash equivalents, June 30, 2022	<u>\$ 14,341,962</u>	<u>\$ 1,164,792</u>	<u>\$ 46,151</u>	<u>\$ 215,438</u>	<u>\$ -</u>	<u>\$ 15,768,343</u>	<u>\$ 3,479,843</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES							
Operating income (loss)	\$ 1,346,322	\$ (1,519,972)	\$ (1,233,055)	\$ (161,236)	\$ -	\$ (1,567,941)	\$ (1,516)
Adjustments:							
Depreciation	2,855,047	168,218	81,696	51,011	-	3,155,972	-
Amortization	24,551	-	-	-	-	24,551	-
Net OPEB adjustment	77,811	23,144	(11,282)	1,991	-	91,664	-
Net pension adjustment	125,313	49,788	(19,545)	4,405	-	159,961	-
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	(178,487)	-	-	450	-	(178,037)	-
(Increase) decrease in inventories	(321,648)	24,917	(1,186)	35,800	-	(262,117)	-
(Increase) decrease in prepaid expenses	(4,913)	-	-	-	-	(4,913)	-
(Increase) decrease in due from other funds	-	-	149,577	57,894	-	207,471	-
Increase (decrease) in accounts payable	(428,791)	33,388	105,962	4,422	-	(285,019)	(38,449)
Increase (decrease) in due to other funds	1,845,080	941,430	531,895	-	-	3,318,405	1,011,381
Increase (decrease) in compensated absences	27,044	2,587	(616)	1,238	-	30,253	-
Increase (decrease) in other accrued liabilities	171,296	(1,724)	35,004	6,000	-	210,576	(52,949)
Increase (decrease) in customer deposits	129,534	-	-	-	-	129,534	-
Net cash provided by (used for) operating activities	<u>\$ 5,668,159</u>	<u>\$ (278,224)</u>	<u>\$ (361,550)</u>	<u>\$ 1,975</u>	<u>\$ -</u>	<u>\$ 5,030,360</u>	<u>\$ 918,467</u>

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

**CITY OF ASHLAND
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022**

	Pension Trust Funds
ASSETS	
Cash and cash equivalents	\$ -
Accrued interest receivable	216
Due from other funds	2,857,701
Investments	
Certificates of deposit	2,106,973
Total assets	4,964,890
LIABILITIES	
Due to other funds	718,762
Total liabilities	718,762
NET POSITION - RESTRICTED FOR PENSION BENEFITS	\$ 4,246,128

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, 2022**

	<u>Pension Trust Funds</u>
ADDITIONS:	
CONTRIBUTIONS	
Employer	<u>\$ 742,014</u>
Total contributions	<u>742,014</u>
INVESTMENT INCOME	
Interest income	<u>2,951</u>
Total investment income	<u>2,951</u>
Total additions	<u>744,965</u>
DEDUCTIONS:	
Benefits	1,006,072
Administrative expenses	<u>7,295</u>
Total deductions	<u>1,013,367</u>
NET DECREASE	(268,402)
NET POSITION - RESTRICTED FOR PENSION BENEFITS:	
Beginning of year	<u>4,514,530</u>
End of year	<u><u>\$ 4,246,128</u></u>

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

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CITY OF ASHLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

(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, 2022 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 Ashland Plaza Redevelopment Project.
- Municipal Aid Road Fund - The Municipal Aid Road Fund is used to account for state grants restricted for road improvements.
- 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.
- 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.
- 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.
- Other Special Revenue Fund - The Other Special Revenue Fund is used to account for the revenue and expenditures related to grants received under the American Rescue Plan Act.

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, 2022, 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:

<u>Description</u>	<u>Estimated Lives</u>
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, 2022, 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, 2022, the City has \$9,294,519 of fund balance for the General Fund committed by the City Commissioners for capital improvements and \$2,000,000 committed for economic development.

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 Notes 8 and 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, 2022, 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 June 2017, the GASB issued Statement No. 87, *Leases* ("GASB 87"), which establishes standards of accounting and financial reporting for leases by lessees and lessors. GASB 87 (1) increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of

resources based on the payment provisions of the contract; and (2) establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Additionally, under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Adoption of the provisions of this statement did not have a material effect on the City's financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* ("GASB 89"), which seeks to (1) enhance the relevance and comparability of information concerning capital assets and the cost of borrowing for a reporting period, and (2) simplify accounting for interest cost incurred during the period of construction. In particular, GASB 89 establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus, and, thus, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Adoption of the provisions of this statement did not have a material effect on the City's financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020* ("GASB 92"). GASB 92 establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. Provisions related to insurance-related activities of public entity risk pools and derivative instruments were effective upon issuance. Adoption of the provisions of this statement did not have a material effect on the City's financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* ("GASB 96"). GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. The Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. GASB 96 will be effective for the City beginning with its year ending June 30, 2023. Management is currently evaluating the impact of this Statement on its financial statements.

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 required upon issuance of this statement did not have a material effect on the City's financial statements. Management is currently evaluating the impact of the remaining provisions of this Statement on its 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.
- Requires that 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. Management is currently evaluating the impact of this Statement on its 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.

(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, 2022, the carrying amounts of the City's deposits held in banks were \$47,046,631 and the bank balances were \$46,922,100. 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, 2022, the City had the following investments and maturities:

Investment Type -	Investment Maturities (in years)				
	Balance	Less than 1	1 - 5	6 - 10	More than 10
Other Special Revenue Fund					
Certificates of Deposit	\$ 6,005,121	\$ 6,005,121	\$ -	\$ -	\$ -
Utility Fund					
Certificates of Deposit	6,247,637	6,247,637	-	-	-
Recreation Fund					
Certificates of Deposit	190,000	190,000	-	-	-
Fiduciary Funds					
Certificates of Deposit	2,106,973	2,106,973	-	-	-

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 2022 assessed value for real property and tangible property was approximately \$1,008,000,000 and \$105,000,000 respectively. The tax rate adopted was \$.2544 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, 2022, are as follows:

Special Revenue Funds -	
Municipal Aid Road Fund	\$ 39,781
Community Development Fund, program allocation	<u>65,145</u>
	<u>104,926</u>
Enterprise Funds –	
Ashland Bus System – FTA COVID	<u>40,885</u>
	<u>\$ 145,811</u>

(6) CAPITAL ASSETS

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

<i><u>Governmental Activities</u></i>	Balance June 30, 2021	Additions	Deductions	Balance June 30, 2022
Capital Assets, Not Depreciated:				
Land	\$ 18,936,298	\$ -	\$ -	\$ 18,936,298
Construction in progress	70,853	127,653	(70,853)	127,653
Capital Assets, Depreciated:				
Buildings	10,020,861	-	-	10,020,861
Building improvements	3,209,771	125,985	-	3,335,756
Automotive equipment	6,942,312	141,921	(14,930)	7,069,303
Office furniture and equipment	669,694	22,456	-	692,150
Operating equipment	5,108,974	176,249	(118,483)	5,166,740
Capital improvements	2,967,980	662,198	-	3,630,178
Infrastructure	66,800,239	95,300	-	66,895,539
Totals	<u>114,726,982</u>	<u>1,351,762</u>	<u>(204,266)</u>	<u>115,874,478</u>
Less: accumulated depreciation				
Buildings	3,128,441	186,475	-	3,314,916
Building improvements	2,272,343	92,190	-	2,364,533
Automotive equipment	3,905,308	522,146	(14,930)	4,412,524
Office furniture and equipment	460,256	38,094	-	498,350
Operating equipment	3,384,099	220,210	(110,968)	3,493,341
Capital improvements	485,332	115,132	-	600,464
Infrastructure	39,345,838	1,679,805	-	41,025,643
Total accumulated depreciation	<u>52,981,617</u>	<u>2,854,052</u>	<u>(125,898)</u>	<u>55,709,771</u>
Governmental Activities				
Capital Assets - Net	<u>\$ 61,745,365</u>	<u>\$ (1,502,290)</u>	<u>\$ (78,368)</u>	<u>\$ 60,164,707</u>

<u>Business-type Activities</u>	Balance <u>June 30, 2021</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2022</u>
Capital Assets, Not Depreciated:				
Land	\$ 449,401	\$ -	\$ -	\$ 449,401
Construction in progress	3,793,652	1,651,445	(719,792)	4,725,305
Capital Assets, Depreciated:				
Buildings	5,574,659	1,800,000	-	7,374,659
Building improvements	986,006	38,031	-	1,024,037
Utility and sewage plants	105,835,687	1,184,798	-	107,020,485
Automotive equipment	2,673,838	29,166	(188,285)	2,514,719
Office furniture and equipment	592,853	-	-	592,853
Operating equipment	4,577,583	1,001,960	-	5,579,543
Recreation equipment	330,111	29,236	(8,195)	351,152
Capital improvement	3,262,098	1,004,007	-	4,266,105
Totals	<u>128,075,888</u>	<u>6,738,643</u>	<u>(916,272)</u>	<u>133,898,259</u>
Less: accumulated depreciation				
Buildings	1,611,182	124,443	-	1,735,625
Building improvements	610,724	40,371	-	651,095
Utility and sewage plants	60,428,975	2,387,406	-	62,816,381
Automotive equipment	1,824,581	232,608	(187,031)	1,870,158
Office furniture and equipment	299,891	71,139	-	371,030
Operating equipment	3,193,453	219,262	-	3,412,715
Recreation equipment	254,426	8,775	(6,056)	257,145
Capital improvements	437,323	71,968	-	509,291
Total accumulated depreciation	<u>68,660,555</u>	<u>3,155,972</u>	<u>(193,087)</u>	<u>71,623,440</u>
Business-type Activities				
Capital Assets - Net	<u>\$ 59,415,333</u>	<u>\$ 3,582,671</u>	<u>\$ (723,185)</u>	<u>\$ 62,274,819</u>

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

Governmental activities:	
General government	\$ 493,229
Finance	6,824
Public services	1,585,087
Planning and code enforcement	1,070
Police	430,679
Fire	279,220
Engineering	7,214
Community and cultural	50,729
	<u>\$ 2,854,052</u>
Business-type activities:	
Utilities	\$ 2,855,047
Bus	168,218
Recreation	81,696
Cemetery	51,011
	<u>\$ 3,155,972</u>

(7) RETIREMENT PLANS

Net pension liabilities of the City as of June 30, 2022 are as follows:

Governmental activities:	
Policemen and Firefighters Pension Fund	\$ 1,441,184
County Employees Retirement System	
Nonhazardous	8,766,752
Hazardous	<u>30,533,875</u>
	<u>\$ 40,741,811</u>
Business-type activities:	
Utility Employees Pension Fund	\$ 6,160,594
County Employees Retirement System	
Nonhazardous	<u>11,496,575</u>
	<u>\$ 17,657,169</u>

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, 2022, 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, 2021, with an update to roll forward information to June 30, 2022.

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, 2022, there were no active employees participating in PFPF. Unless otherwise indicated, PFPF information this Note is provided as of the latest actuarial valuation date, June 30, 2022.

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:

STATEMENT OF NET POSITION	PENSION TRUST FUNDS		
	Utility Pension Fund	Policemen & Firefighters Pension Fund	Total
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Accrued interest receivable	65	151	216
Due from other funds	2,663,373	194,328	2,857,701
Investments, at fair value -			
Certificates of deposit	794,149	1,312,824	2,106,973
Total assets	<u>3,457,587</u>	<u>1,507,303</u>	<u>4,964,890</u>
LIABILITIES			
Due to other funds	718,762	-	718,762
Total liabilities	<u>718,762</u>	<u>-</u>	<u>718,762</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS	<u>\$ 2,738,825</u>	<u>\$ 1,507,303</u>	<u>\$ 4,246,128</u>
STATEMENT OF CHANGES IN NET POSITION			
ADDITIONS			
Contributions -			
Employer	\$ 511,778	\$ 230,236	\$ 742,014
Plan members	-	-	-
Total contributions	<u>511,778</u>	<u>230,236</u>	<u>742,014</u>
Investment income -			
Interest income	831	2,120	2,951
Total investment income	<u>831</u>	<u>2,120</u>	<u>2,951</u>
Total additions	<u>512,609</u>	<u>232,356</u>	<u>744,965</u>
DEDUCTIONS			
Benefits	713,432	292,640	1,006,072
Administrative expenses	5,330	1,965	7,295
Total deductions	<u>718,762</u>	<u>294,605</u>	<u>1,013,367</u>
NET INCREASE (DECREASE)	(206,153)	(62,249)	(268,402)
NET POSITION - RESTRICTED FOR PENSION BENEFITS			
Beginning of year	2,944,978	1,569,552	4,514,530
End of year	<u>\$ 2,738,825</u>	<u>\$ 1,507,303</u>	<u>\$ 4,246,128</u>

Pension Expense

For the year ended June 30, 2022, the City recognized pension expense of \$455,080 and \$461,814 for the Utility Pension Fund and Policemen and Firefighters Pension Fund, respectively. At June 30, 2022, 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:

	<u>Utility Pension Fund</u>	<u>Policemen and Firefighters Pension Fund</u>
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	22	12
Active plan participants:		<u>Totals</u>
Vested	-	-
Non-Vested	-	-
	<u>22</u>	<u>12</u>
		<u>34</u>

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

	<u>Utility Pension Fund</u>	<u>Policemen And Firefighters Pension Fund</u>
Valuation date	06-30-21	06-30-22
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	2.25%	2.50%

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	2.25 %	2.50 %
Mortality	RP-2000 Mortality Table	RP-2000 Mortality Table
Changes of assumptions since prior valuation	Discount rate reduced from 3.00% to 2.25%	Mortality rate projections

Net Pension Liability

The following represents the components of the net pension liability:

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)
<u>Utility Pension Fund</u>						
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
<u>Policemen and Firefighters Pension Fund</u>						
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

**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, 2022:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance, June 30, 2021	\$ 9,162,270	\$ 2,944,978	\$ 6,217,292
Changes for the year:			
Interest on total pension liability	197,456	-	197,456
Difference in expected and actual experience	253,125	-	253,125
Effect of changes in assumptions	-	-	-
Effect of changes in benefit terms	-	-	-
Benefit payments	(713,432)	-	(713,432)
Employer contributions	-	511,778	(511,778)
Investment income, net of expenses	-	831	(831)
Benefit payments	-	(713,432)	713,432
Administrative expenses	-	(5,330)	5,330
Net changes	(262,851)	(206,153)	(56,698)
Balance, June 30, 2022	\$ 8,899,419	\$ 2,738,825	\$ 6,160,594

Policemen and Firefighters Pension Fund

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance, June 30, 2021	\$ 2,779,158	\$ 1,569,552	\$ 1,209,606
Changes for the year:			
Interest on total pension liability	65,516	-	65,516
Difference in expected and actual experience	384,354	-	384,354
Effect of changes in assumptions	12,099	-	12,099
Effect of changes in benefit terms	-	-	-
Benefit payments	(292,640)	-	(292,640)
Employer contributions	-	230,236	(230,236)
Investment income, net of expenses	-	2,120	(2,120)
Benefit payments	-	(292,640)	292,640
Administrative expenses	-	(1,965)	1,965
Net changes	<u>169,329</u>	<u>(62,249)</u>	<u>231,578</u>
Balance, June 30, 2022	<u>\$ 2,948,487</u>	<u>\$ 1,507,303</u>	<u>\$ 1,441,184</u>

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, 2022 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 (1.25%)	Current discount rate (2.25%)	1% Increase (3.25%)
Utility Pension Fund	\$ 6,990,288	\$ 6,160,594	\$ 5,445,370
	1% Decrease (1.50%)	Current discount rate (2.50%)	1% Increase (3.50%)
Policemen and Firefighters Pension Fund	\$ 1,695,914	\$ 1,441,184	\$ 1,221,401

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, 2022:

Governmental activities:	
Policemen and Firefighters Pension Fund	\$ 194,328
Business-type activities:	
Utility Pension Fund	\$ 2,663,373

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 26.95% nonhazardous (21.17% - pension, 5.78% - insurance) and 44.33% hazardous (33.86% - pension, 10.47% - insurance) of the member's salary. During the year ending June 30, 2022, the City contributed \$1,718,678 and \$2,578,067 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, 2022, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021 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, 2021. At June 30, 2021, the City's proportion for nonhazardous and hazardous was 0.31782% and 1.14696%, respectively.

For the year ended June 30, 2022, the City recognized pension expense of approximately \$1,987,000 and \$3,399,000 for nonhazardous and hazardous, respectively. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Nonhazardous</u>		
Differences between expected and actual experience	\$ 232,686	\$ 196,670
Changes of assumptions	271,958	-
Net difference between projected and actual earnings on investments	-	2,700,762
Changes in proportion and differences between City contributions and proportionate share of contributions	521,604	43,084

City contributions subsequent to the measurement date	1,718,678	-
	<u>\$ 2,744,926</u>	<u>\$ 2,940,516</u>

Hazardous

Differences between expected and actual experience	\$ 842,023	\$ -
Changes of assumptions	381,361	-
Net difference between projected and actual earnings on investments	-	3,277,876
Changes in proportion and differences between City contributions and proportionate share of contributions	856,991	27,152
City contributions subsequent to the measurement date	2,578,067	-
	<u>\$ 4,658,442</u>	<u>\$ 3,305,028</u>

At June 30, 2022, the City reported deferred outflows of resources for City contributions subsequent to the measurement date of \$1,718,678 and \$2,578,067 for nonhazardous and hazardous, respectively. These contributions will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

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:

<u>Year</u>	<u>Nonhazardous</u>	<u>Hazardous</u>
2023	\$ (63,182)	\$ 148,481
2024	(413,699)	(118,204)
2025	(591,648)	(331,066)
2026	(845,739)	(923,864)
	<u>\$ (1,914,2678)</u>	<u>\$ (1,224,653)</u>

Actuarial Methods and Assumptions

The total pension liability for CERS was determined by applying procedures to the actuarial valuation as of June 30, 2020. The financial reporting actuarial valuation as of June 30, 2021, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Experience Study	July 1, 2013 - June 30, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of pay
Remaining Amortization Period	30 years, closed
Asset Valuation Method	20% of the difference between the market value of assets and the expected market value of assets is recognized
Payroll Growth	2.00%
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

There have been no actuarial assumptions or method changes since June 30, 2020. Senate Bill 169 passed during the 2021 legislative session 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.

The mortality table used for active members is PUB-2010 General Mortality Table projected with ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. For non-disable retired members, 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 is utilized. For disabled members, the mortality table used is the PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 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 rate of return for each major asset class are summarized in the below tables.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Growth	68.50%	
US Equity	21.75%	5.70%
Non-US Equity	21.75%	6.35%
Private Equity	10.00%	9.70%
Specialty Credit/High Yield	15.00%	2.80%
Liquidity	11.50%	
Core Bonds	10.00%	0.00%
Cash	1.50%	(0.60)%
Diversifying Strategies	20.00%	
Real Estate	5.00%	5.40%
Real Return	15.00%	4.55%
Expected Real Return	100.00%	5.00%
Long Term Inflation Assumption		2.30%
Expected Nominal Return		7.30%

Discount rate

The discount rate used to measure the total pension liability was 6.25%. 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 6.25%. 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 6.25%, 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 (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	1% Decrease (5.25%)	Current discount rate (6.25%)	1% Increase (7.25%)
City's proportionate share of the net pension liability			
Nonhazardous	\$ 25,988,678	\$ 20,263,327	\$ 15,525,733
Hazardous	38,919,661	30,533,875	23,699,494

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, 2022, there was a total payable to CERS of \$530,910 for nonhazardous and hazardous, which includes pension and OPEB contributions.

(8) OTHER POSTEMPLOYMENT BENEFIT (“OPEB”) PLANS

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, 2022, CERS allocated 5.78% of the 26.95% nonhazardous and 10.47% of the 44.33% 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, 2022, the City contributed \$469,246 and \$797,175 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, Expense, and Deferred Outflows/Inflows of Resources Related to CERS Insurance Fund

At June 30, 2022, the City reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021 was determined using standard roll-forward techniques. City's proportion of the net OPEB liability was based on contributions to CERS during the fiscal year ended June 30, 2021. At June 30, 2021, the City's proportion for nonhazardous and hazardous was 0.31774% and 1.14696%, respectively.

For the year ended June 30, 2022, the City recognized OPEB expense of approximately \$773,000 and \$1,072,000 for nonhazardous and hazardous, respectively, including an implicit subsidy of \$200,156 and \$66,045, respectively. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Nonhazardous</u>		
Differences between expected and actual experience	\$ 956,555	\$ 1,816,186
Changes of assumptions	1,612,722	5,656
Net difference between projected and actual earnings on investments		951,603
Changes in proportion and differences between City contributions and proportionate share of contributions	116,367	99,185
City contributions subsequent to the measurement date	469,246	-
	<u>\$ 3,154,890</u>	<u>\$ 2,872,630</u>
<u>Hazardous</u>		
Differences between expected and actual experience	\$ 289,792	\$ 997,712
Changes of assumptions	2,325,663	3,465
Net difference between projected and actual earnings on investments		1,745,543

Changes in proportion and differences between City contributions and proportionate share of contributions	197,175	47,109
City contributions subsequent to the measurement date	<u>797,175</u>	<u>-</u>
	<u>\$ 3,609,805</u>	<u>\$ 2,793,829</u>

At June 30, 2022, the City reported deferred outflows of resources related to OPEB for City contributions subsequent to the measurement date of \$469,246 and \$797,175 for nonhazardous and hazardous, respectively. These contributions will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023.

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:

<u>Year</u>	<u>Nonhazardous</u>	<u>Hazardous</u>
2023	\$ 150,042	\$ (162,981)
2024	5,480	66,402
2025	(5,774)	47,595
2026	(336,734)	(152,127)
2027	-	219,912
Thereafter	-	-
	<u>\$ (186,986)</u>	<u>\$ 18,801</u>

Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Experience Study	July 1, 2013 - June 30, 2018
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
Investment Rate of Return	6.25%
Healthcare Trend Rates	
Pre-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
Post-65	Initial trend starting at 6.30% in 2023, then 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-2014 mortality improvement scale using a base year of 2010
Post-retirement (non- disabled)	System-specific mortality table based on mortality

Post-retirement (disabled) experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019
 PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010

The single discount rates used to calculate the total OPEB liability within each plan changed since the prior year. The assumed increase in future health care costs, or trend assumption, was reviewed during the June 30, 2020, valuation process and was updated to better reflect the plan’s anticipated long-term healthcare costs. There were no other material assumption changes.

Senate Bill 169 passed during the 2021 legislative session 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 OPEB liability as of June 30, 2021, is determined using these updated benefit provisions.

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 rate of return for each major asset class are summarized in the below tables.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Growth	68.50%	
US Equity	21.75%	5.70%
Non-US Equity	21.75%	6.35%
Private Equity	10.00%	9.70%
Specialty Credit/High Yield	15.00%	2.80%
Liquidity	11.50%	
Core Bonds	10.00%	0.00%
Cash	1.50%	(0.60)%
Diversifying Strategies	20.00%	
Real Estate	5.00%	5.40%
Real Return	15.00%	4.55%
Expected Real Return	100.00%	5.00%
Long Term Inflation Assumption		2.30%
Expected Nominal Return		7.30%

Discount Rate

Single discount rates of 5.20% for the Nonhazardous CERS Insurance Fund and 5.05% for the Hazardous CERS Insurance Fund were used to measure the total OPEB liability as of June 30, 2021. The single discount rates are based on the expected rate of return on OPEB plan investments of 6.25% and a municipal bond rate of 1.92%, as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of June 30, 2021. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, each fund’s fiduciary net position and future contributions were projected separately and were sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance fund

investments was applied to all periods of the projected benefit payments paid from the plan. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the fund's actuarially determined contributions. 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 of the Nonhazardous CERS Insurance Fund, calculated using the discount rate of 5.20%, as well as what the City's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current rate:

	<u>1% Decrease (4.20%)</u>	<u>Current discount rate (5.20%)</u>	<u>1% Increase (6.20%)</u>
City's proportionate share of the net OPEB liability Nonhazardous	\$ 8,351,929	\$ 6,083,012	\$ 4,220,989

The following table presents the City's proportionate share of the collective net OPEB liability of the Hazardous CERS Insurance Fund, calculated using the discount rate of 5.05%, as well as what the City's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.05%) or 1-percentage-point higher (6.05%) than the current rate:

	<u>1% Decrease (4.05%)</u>	<u>Current discount rate (5.05%)</u>	<u>1% Increase (6.05%)</u>
City's proportionate share of the net OPEB liability Hazardous	\$ 9,273,820	\$ 9,273,820	\$ 5,922,294

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

The following presents the City's proportionate share of the collective net OPEB liability, as well as what the City's proportionate share of the collective net OPEB liability 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:

	<u>1% Decrease</u>	<u>Current trend rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability Nonhazardous	\$ 4,379,045	\$ 6,083,012	\$ 8,139,725
Hazardous	6,076,712	9,273,820	13,189,515

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, 2022, there was a total payable to CERS of \$530,910 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, 2022:

<u>Governmental Activities</u>	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
General Obligation Bond Series 2015	\$ 1,715,000	\$ -	\$ 175,000	\$ 1,540,000	\$ 150,000
General Obligation Bond Series 2017	3,980,000	-	180,000	3,800,000	190,000
General Obligation Bond Series 2021	11,170,000	-	425,000	10,745,000	975,000
Financing lease – Melody Mtn. Phase II	1,203,749	-	75,000	1,128,749	77,085
Premium on bonds	1,931,463	-	191,062	1,740,401	-
Compensated absences obligation	914,484	33,257	7,335	940,406	-
Total Governmental Activities	\$ 20,914,696	\$ 33,257	\$ 1,053,397	\$ 19,894,556	\$ 1,392,085
<u>Business-type Activities</u>	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Revenue & Improvement Bond Series 2013	\$ 1,480,000	\$ -	\$ 480,000	\$ 1,000,000	\$ 490,000
Water & Sewer Revenue Bond Series 2015	2,460,000	-	215,000	2,245,000	220,000
Water & Sewer Revenue Bond Series 2020	11,160,000	-	460,000	10,700,000	465,000
Financing lease - Radio Meters	907,083	-	115,000	792,083	117,083
KIA Loan	988,687	-	238,939	749,748	244,345
KIA Loan	4,456,986	-	317,192	4,139,794	323,569
Premium on bonds	77,586	-	7,759	69,827	-
Discount on bonds	(27,587)	-	(5,372)	(22,215)	-
Total Business-type Activities	\$ 21,502,755	\$ -	\$ 1,828,518	\$ 19,674,237	\$ 1,859,997

At June 30, 2022, 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 \$371,000 set aside for the costs of extensions, improvements, renewals and replacements to the sewer system. As of June 30, 2022, the City had reserve funds of \$1,867,225.

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, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 150,000	\$ 43,950	\$ 193,950
2024	160,000	39,300	199,300
2025	165,000	34,425	199,425
2026	165,000	29,475	194,475
2027	170,000	24,450	194,450
2028-2031	730,000	44,550	774,550
	<u>\$ 1,540,000</u>	<u>\$ 216,150</u>	<u>\$ 1,756,150</u>

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, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 190,000	\$ 111,150	\$ 301,150
2024	195,000	105,375	300,375
2025	200,000	99,450	299,450
2026	205,000	93,375	298,375
2027	210,000	87,150	297,150
2028-2032	1,160,000	334,950	1,494,950
2033-2037	1,345,000	147,375	1,492,375
2038	295,000	4,425	299,425
	<u>\$ 3,800,000</u>	<u>\$ 983,250</u>	<u>\$ 4,783,250</u>

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, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 975,000	\$ 481,450	\$ 1,456,450
2024	1,025,000	432,700	1,457,700
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
2028-2031	5,345,000	486,800	5,831,800
	<u>\$ 10,745,000</u>	<u>\$ 2,380,800</u>	<u>\$ 13,125,800</u>

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:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest & Fees</u>	<u>Total</u>
2023	\$ 77,085	\$ 40,216	\$ 117,301
2024	80,000	37,710	117,710
2025	82,084	35,110	117,194
2026	85,000	32,443	117,443
2027	87,083	29,680	116,763
2028-2032	493,332	100,292	593,624
2033-2035	224,165	14,756	238,921
	<u>\$ 1,128,749</u>	<u>\$ 290,207</u>	<u>\$ 1,418,956</u>

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, 2022, are as follows:

	<u>Accrued Long-Term Obligation</u>	<u>Current Obligation</u>	<u>Total Compensated Absences</u>
General Fund	\$ 921,673	\$ 181,313	\$ 1,102,986
Community Development Fund	10,958	2,156	13,114
Housing Assistance Fund	4,500	886	5,386
Floodwall Fund	3,275	644	3,919
Ashland Bus System	-	25,894	25,894
Recreation Fund	-	14,602	14,602
Cemetery Fund	-	9,102	9,102
Utility Fund	-	250,791	250,791
	<u>\$ 940,406</u>	<u>\$ 485,388</u>	<u>\$ 1,425,794</u>

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, 2022, there was one series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$186 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 25 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 sold at a discount of \$29,668, which is being amortized over the life of the bonds.

The annual requirements to amortize the indebtedness at June 30, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 490,000	\$ 22,255	\$ 512,255
2024	510,000	11,475	521,475
	<u>\$ 1,000,000</u>	<u>\$ 33,730</u>	<u>\$ 1,033,730</u>

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, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 220,000	\$ 68,725	\$ 288,725
2024	230,000	62,125	292,125
2025	235,000	55,225	290,225
2026	240,000	48,175	288,175
2027	250,000	40,975	290,975
2028-2030	1,070,000	86,275	1,156,275
	<u>\$ 2,245,000</u>	<u>\$ 361,500</u>	<u>\$ 2,606,500</u>

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, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 465,000	\$ 230,113	\$ 695,113
2024	475,000	220,813	695,813
2025	485,000	211,313	696,313
2026	495,000	201,613	696,613
2027	505,000	191,713	696,713
2028-2032	2,680,000	803,065	3,483,065
2033-2037	2,965,000	519,502	3,484,502
2038-2041	2,630,000	164,925	2,794,925
	<u>\$ 10,700,000</u>	<u>\$ 2,543,057</u>	<u>\$ 13,243,057</u>

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:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest & Fees</u>	<u>Total</u>
2023	\$ 117,083	\$ 33,692	\$ 150,775
2024	122,083	29,219	151,302
2025	127,083	24,030	151,113
2026	134,167	18,629	152,796
2027	142,083	12,927	155,010
2028-2029	149,584	8,810	158,394
	<u>\$ 792,083</u>	<u>\$ 127,307</u>	<u>\$ 919,390</u>

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, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Fees</u>	<u>Total</u>
2023	\$ 244,345	\$ 15,503	\$ 1,378	\$ 261,226
2024	249,874	9,974	886	260,734
2025	255,529	4,320	384	260,233
	<u>\$ 749,748</u>	<u>\$ 29,797</u>	<u>\$ 2,648</u>	<u>\$ 782,193</u>

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, 2022 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Fees</u>	<u>Total</u>
2023	\$ 323,569	\$ 81,186	\$ 8,119	\$ 412,874
2024	330,072	74,682	7,468	412,222
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
2028-2032	1,860,406	163,369	16,337	2,040,112
2033-2034	595,188	11,943	1,194	608,325
	<u>\$ 4,139,794</u>	<u>\$ 514,884</u>	<u>\$ 51,489</u>	<u>\$ 4,706,167</u>

(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, 2022 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Ashland Bus System	\$ 1,615,141
General Fund	Internal Service Fund	2,264,695
General Fund	Utility Fund	3,825,175
General Fund	Municipal Aid Road Fund	47,748
General Fund	Floodwall Operating Fund	211,123
General Fund	Recreation Fund	531,895
General Fund	Tax Increment Fund	1,080,969
General Fund	Housing Assistance	81,157
General Fund	Utility Pension Fund	718,762
Capital Project	General Fund	7,169,572
Community Development Fund	General Fund	39,643
Cemetery Fund	General Fund	240,854
Police & Firefighters Pension Fund	General Fund	194,328
Utility Pension Fund	Utility Fund	2,663,373
Total		<u>\$ 20,684,435</u>

Interfund Transfers

The following transfers were made during the year:

<u>Type</u>	<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Operating	General	Ashland Bus System	Matching	\$ 110,348
Operating	General	Recreation	Operations	1,444,754
Operating	General	Capital Projects	Capital Purchases	6,493,410
Operating	General	Cemetery	Operations	118,298

(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, 2022, the City paid \$110,348 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, 2022, the City has \$8,891,635 restricted for the sewer improvements.

Construction Projects

The City is obligated on commitments for various contracts in progress at June 30, 2022. A summary of these commitments is as follows:

Total Approved Contracts	\$ 11,002,752
Paid or Accrued to Date	<u>6,210,677</u>
Outstanding Commitments	<u>\$ 4,792,075</u>

(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, 2022, additional general property taxes of \$19,077 and occupational license fees of \$91,956 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 \$74,066 reported in the Internal Service Fund at June 30, 2022, 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 2021 and 2022 were:

	Beginning of Fiscal Year Liability	Current Year Claims	Claim Payments	Balance At Fiscal Year End
2021	\$ 405,876	\$ 2,863,348	\$ 3,156,709	\$ 112,515
2022	112,515	4,034,806	4,073,255	74,066

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, 2022 totaled \$74,700.

(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, 2022, the Ashland Bus Fund had a negative net position of \$1,162,371. 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, 2022, the Tax Increment Financing Fund had a negative fund balance of \$1,080,969. 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, 2022**

UTILITY EMPLOYEES
PENSION FUND

POLICEMEN AND
FIREFIGHTERS
PENSION FUND

	UTILITY EMPLOYEES PENSION FUND							POLICEMEN AND FIREFIGHTERS PENSION FUND						
	Amount Contributed	ADC	Contribution Deficiency (Excess)	Covered Payroll	Percentage of Covered Payroll		Annual* M-W Rate of Return, net	Amount Contributed	ADC	Contribution Deficiency (Excess)	Covered Payroll	Percentage of Covered Payroll		Annual* M-W Rate of Return, net
				ARC	Amount Contributed							ARC	Amount Contributed	
2013	\$ 567,529	\$ 567,529	\$ -	**N/A	**N/A	**N/A	*N/A	\$ 367,165	\$ 342,502	\$ (24,663)	**N/A	**N/A	**N/A	*N/A
2014	650,912	383,103	(267,809)	**N/A	**N/A	**N/A	0.17%	316,277	425,142	108,865	**N/A	**N/A	**N/A	0.18%
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%

* 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, 2022**

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						
06/30/13	* \$ 2,449,372	\$ 7,462,369	\$ 5,012,997	32.8%	**N/A	**N/A
06/30/14	2,362,804	7,823,259	5,460,455	30.2%	**N/A	**N/A
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
POLICEMEN AND FIREFIGHTERS PENSION FUND						
06/30/13	\$ 999,893	\$ 4,299,041	\$ 3,299,148	23.3%	**N/A	**N/A
06/30/14	* 731,401	4,338,361	3,606,960	16.9%	**N/A	**N/A
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

*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, 2022**

	UTILITY EMPLOYEES PENSION FUND								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY									
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	197,456	251,158	266,520	263,270	283,228	400,459	417,961	482,003	353,293
Effect of changes in benefit terms	-	-	(262,413)	457,843	(274,194)	(265,792)	(312,246)	-	848,025
Difference in expected and actual experience	253,125	220,253	167,553	4,302	(2,629)	(950,704)	205,645	66,792	(108,429)
Effect of changes in assumptions	-	636,404	-	55,714	-	944,652	-	3,246,184	-
Benefit payments	(713,432)	(692,653)	(673,198)	(672,298)	(670,968)	(732,480)	(768,315)	(753,040)	(731,999)
Net change in total pension liability	(262,851)	415,162	(501,538)	108,831	(664,563)	(603,865)	(456,955)	3,041,939	360,890
Total pension liability, beginning of year	9,162,270	8,747,108	9,248,646	9,139,815	9,804,378	10,408,243	10,865,198	7,823,259	7,462,369
Total pension liability, end of year (a)	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
FIDUCIARY NET POSITION									
Employer contributions	511,778	716,227	604,364	845,798	1,010,604	737,240	782,736	728,300	650,912
Member contributions	-	-	-	-	-	-	-	-	-
Investment income, net of investment expenses	831	5,971	35,937	47,448	29,588	10,513	10,395	4,570	879
Benefit payments and refund of contributions	(713,432)	(692,653)	(673,198)	(672,298)	(670,968)	(732,480)	(768,315)	(753,040)	(731,999)
Administrative expenses	(5,330)	(2,277)	(5,192)	(2,279)	(5,193)	(2,310)	(5,102)	(2,212)	(6,360)
Net change in plan fiduciary net position	(206,153)	27,268	(38,089)	218,669	364,031	12,963	19,714	(22,382)	(86,568)
Fiduciary net position, beginning of year	2,944,978	2,917,710	2,955,799	2,737,130	2,373,099	2,360,136	2,340,422	2,362,804	2,449,372
Fiduciary net position, end of year (b)	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
Net pension liability, ending = (a)-(b)	\$ 6,160,594	\$ 6,217,292	\$ 5,829,398	\$ 6,292,847	\$ 6,402,685	\$ 7,431,279	\$ 8,048,107	\$ 8,524,776	\$ 5,460,455

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
DEFINED BENEFIT PENSION TRUSTS
SCHEDULE OF CHANGES IN NET PENSION LIABILITIES (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2022**

	POLICEMEN AND FIREFIGHTERS PENSION FUND								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY									
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	65,516	79,063	101,634	110,730	157,057	186,525	237,867	249,990	199,178
Effect of changes in benefit terms	-	-	(94,919)	224,367	(106,452)	(124,206)	(136,189)	-	436,571
Difference in expected and actual experience	384,354	(330,454)	(86,978)	(314,821)	(247,741)	(368,001)	(100,203)	24,498	(28,280)
Effect of changes in assumptions	12,099	-	154,488	-	324,422	-	380,261	966,202	14,282
Benefit payments	(292,640)	(287,921)	(313,205)	(335,644)	(394,671)	(473,998)	(478,260)	(562,644)	(582,431)
Net change in total pension liability	169,329	(539,312)	(238,980)	(315,368)	(267,385)	(779,680)	(96,524)	678,046	39,320
Total pension liability, beginning of year	<u>2,779,158</u>	<u>3,318,470</u>	<u>3,557,450</u>	<u>3,872,818</u>	<u>4,140,203</u>	<u>4,919,883</u>	<u>5,016,407</u>	<u>4,338,361</u>	<u>4,299,041</u>
Total pension liability, end of year (a)	<u>2,948,487</u>	<u>2,779,158</u>	<u>3,318,470</u>	<u>3,557,450</u>	<u>3,872,818</u>	<u>4,140,203</u>	<u>4,919,883</u>	<u>5,016,407</u>	<u>4,338,361</u>
FIDUCIARY NET POSITION									
Employer contributions	230,236	602,874	323,671	521,302	949,776	419,610	419,610	411,220	316,277
Member contributions	-	-	-	-	-	-	-	-	-
Investment income, net of investment expenses	2,120	6,364	23,230	12,563	7,327	5,107	3,994	3,787	857
Benefit payments and refund of contributions	(292,640)	(287,921)	(313,205)	(335,644)	(394,671)	(473,998)	(478,260)	(562,644)	(582,431)
Administrative expenses	(1,965)	(4,818)	(1,900)	(5,969)	(2,001)	(4,672)	(2,027)	(4,554)	(3,195)
Net change in plan fiduciary net position	(62,249)	316,499	31,796	192,252	560,431	(53,953)	(56,683)	(152,191)	(268,492)
Fiduciary net position, beginning of year	<u>1,569,552</u>	<u>1,253,053</u>	<u>1,221,257</u>	<u>1,029,005</u>	<u>468,574</u>	<u>522,527</u>	<u>579,210</u>	<u>731,401</u>	<u>999,893</u>
Fiduciary net position, end of year (b)	<u>1,507,303</u>	<u>1,569,552</u>	<u>1,253,053</u>	<u>1,221,257</u>	<u>1,029,005</u>	<u>468,574</u>	<u>522,527</u>	<u>579,210</u>	<u>731,401</u>
Net pension liability, ending = (a)-(b)	<u>\$ 1,441,184</u>	<u>\$ 1,209,606</u>	<u>\$ 2,065,417</u>	<u>\$ 2,336,193</u>	<u>\$ 2,843,813</u>	<u>\$ 3,671,629</u>	<u>\$ 4,397,356</u>	<u>\$ 4,437,197</u>	<u>\$ 3,606,960</u>

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
FOR THE YEAR ENDED JUNE 30, 2022**

	Reporting Fiscal Year (Measurement Date)					
	2022 (2021)		2021 (2020)		2020 (2019)	
	Nonhaz.	Hazardous	Nonhaz.	Hazardous	Nonhaz.	Hazardous
PENSION						
City's proportion of the net pension liability	0.31782%	1.14696%	0.30887%	1.12199%	0.30736%	1.10540%
City's proportionate share of the net pension liability	\$ 20,263,327	\$ 30,533,875	\$ 23,690,073	\$ 33,828,166	\$ 21,616,977	\$ 30,534,523
City's covered payroll	\$ 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	270.966%	435.137%	318.548%	498.516%	303.807%	469.324%
Plan fiduciary net position as a percentage of the total pension liability	57.33%	52.26%	47.81%	44.11%	50.45%	46.63%
INSURANCE FUND						
City's proportion of the net OPEB liability	0.31774%	1.14696%	0.30879%	1.12182%	0.30746%	1.10545%
City's proportionate share of the net OPEB liability	\$ 6,083,012	\$ 9,273,820	\$ 7,456,315	\$ 10,366,782	\$ 5,171,305	\$ 8,178,810
City's covered payroll	\$ 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 as a percentage of its covered payroll	81.344%	132.161%	100.261%	152.772%	72.678%	125.711%
Plan fiduciary net position as a percentage of the total OPEB liability	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 (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2022**

	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	\$ 8,118,460	\$ 7,613,901	\$ 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	236.273%	355.342%	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	0.31499%	1.11901%	0.31601%	1.12239%						
City's proportionate share of the net OPEB liability	\$ 5,592,603	\$ 7,978,052	\$ 6,352,862	\$ 9,278,454						
City's covered payroll	\$ 8,118,460	\$ 7,613,901	\$ 7,086,423	\$ 6,630,921						
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	68.887%	104.783%	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, 2022**

	2022		2021		2020		2019	
	<u>Nonhaz.</u>	<u>Hazardous</u>	<u>Nonhaz.</u>	<u>Hazardous</u>	<u>Nonhaz.</u>	<u>Hazardous</u>	<u>Nonhaz.</u>	<u>Hazardous</u>
PENSION								
Contractually required contribution	\$1,718,678	\$2,578,067	\$1,443,287	\$2,109,330	\$1,435,320	\$2,039,805	\$1,154,112	\$1,617,408
Contributions in relation to the contractually required contribution	<u>1,718,678</u>	<u>2,578,067</u>	<u>1,443,287</u>	<u>2,109,330</u>	<u>1,435,320</u>	<u>2,039,805</u>	<u>1,154,112</u>	<u>1,617,408</u>
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
City's covered payroll	\$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 contributions as a percentage of its covered payroll	21.17%	33.86%	19.30%	30.06%	19.30%	30.06%	16.22%	24.86%
INSURANCE FUND								
Contractually required contribution	\$ 469,246	\$ 797,175	\$ 355,962	\$ 668,026	\$ 353,996	\$ 646,008	\$ 374,311	\$ 681,680
Contributions in relation to the contractually required contribution	<u>469,246</u>	<u>797,175</u>	<u>355,962</u>	<u>668,026</u>	<u>353,996</u>	<u>646,008</u>	<u>374,311</u>	<u>681,680</u>
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
City's covered payroll	\$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 contributions as a percentage of its covered payroll	5.78%	10.47%	4.76%	9.52%	4.76%	9.52%	5.26%	10.47%

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, 2022**

	2018		2017		2016		2015		2014	
	<u>Nonhaz.</u>	<u>Hazardous</u>	<u>Nonhaz.</u>	<u>Hazardous</u>	<u>Nonhaz.</u>	<u>Hazardous</u>	<u>Nonhaz.</u>	<u>Hazardous</u>	<u>Nonhaz.</u>	<u>Hazardous</u>
PENSION										
Contractually required contribution	\$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	<u>1,016,378</u>	<u>1,445,947</u>	<u>988,556</u>	<u>1,439,573</u>	<u>966,485</u>	<u>1,255,795</u>	<u>972,488</u>	<u>1,252,383</u>	<u>999,158</u>	<u>1,258,820</u>
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
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 contributions as a percentage of its covered payroll	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	\$ 329,818	\$ 609,123	\$ 334,812	\$ 619,902						
Contributions in relation to the contractually required contribution	<u>329,818</u>	<u>609,123</u>	<u>334,812</u>	<u>619,902</u>						
Contribution deficiency (excess)	-	-	-	-						
City's covered payroll	\$7,019,185	\$6,513,275	\$7,086,423	\$6,630,921						
City's contributions as a percentage of its covered payroll	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, 2022

(1) CHANGES OF ASSUMPTIONS

UTILITY EMPLOYEES PENSION FUND

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 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.

CITY OF ASHLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLANS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

- 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.

(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	2.5%, net of pension plan investment expense, including inflation

CITY OF ASHLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLANS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

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	2.25%, net of pension plan investment expense, including inflation

CERS

The actuarially determined contribution rates are determined on a biennial basis beginning with the fiscal year ended 2018, determined as of July 1, 2017. The amortization period of the unfunded liability has been reset as of July 1, 2013 to a closed 30-year period. The following actuarial methods and assumptions were used to determine contribution rates for the year ending June 30, 2019:

Experience Study	July 1, 2013 – June 30, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll
Remaining Amortization Period	25 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 - Nonhazardous	3.30% to 11.55%, varies by service
Salary Increase - Hazardous	3.05% to 18.55%, varies by service
Investment Rate of Return	6.25%, net of pension plan investment expense, including inflation
Mortality	RP-2000 Combined Mortality Table, projected to 2013 with Scale BB (set back 1 year for females)

(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 and 2% cost of living adjustment for fiscal year 2019.

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 and 2% cost of living adjustment for fiscal year 2019.

CITY OF ASHLAND
NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION - PENSION PLANS (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2022

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.

CITY OF ASHLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLANS

FOR THE YEAR ENDED JUNE 30, 2022

(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, 2021 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.

(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, 2021:

Experience Study	July 1, 2008 – June 30, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay
Remaining Amortization Period	25 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 - Nonhazardous	3.30% to 11.55%, varies by service
Salary Increase - Hazardous	3.05% to 18.55%, varies by service

CITY OF ASHLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLANS (CONCLUDED)

FOR THE YEAR ENDED JUNE 30, 2022

Investment Rate of Return	6.25%
Healthcare Trend Rates	
Pre-65	Initial trend starting at 7.00% at January 1, 2021 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years.
Post-65	Initial trend starting at 5.00% at and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years.
Mortality	RP-2000 Combined Mortality Table, projected to 2013 with Scale BB (set back 1 year for females)
Phase-in Provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018 for CERS non-hazardous and hazardous.

(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.

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, 2022

	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	-	-	-	-	-
Administration fee income	-	-	-	-	-
Interest income	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	-	-	-	-	-
Expenditures					
General government	3,410	-	3,410	829	2,581
Finance	-	-	-	-	-
Public services	-	-	-	-	-
Planning and code enforcement	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Engineering	-	-	-	-	-
Community and cultural	-	-	-	-	-
Other	-	-	-	-	-
Capital outlay	6,517,000	538,014	7,055,014	647,234	6,407,780
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	6,520,410	538,014	7,058,424	648,063	6,410,361
Excess (deficiency) of revenues over (under) expenditures	(6,520,410)	(538,014)	(7,058,424)	(648,063)	6,410,361
Other Financing Sources (Uses)					
Transfers in	1,029,742	391,793	1,421,535	6,493,410	5,071,875
Total other financing sources (uses)	1,029,742	391,793	1,421,535	6,493,410	5,071,875
Net change in fund balance	(5,490,668)	(146,221)	(5,636,889)	5,845,347	11,482,236
Fund balance beginning of year	1,099,693	-	1,099,693	1,099,693	-
Fund balance end of year	<u>\$ (4,390,975)</u>	<u>\$ (146,221)</u>	<u>\$ (4,537,196)</u>	<u>\$ 6,945,040</u>	<u>\$ 11,482,236</u>

CITY OF ASHLAND

GENERAL FUND

BALANCE SHEET

JUNE 30, 2022

ASSETS

Cash	\$ 11,936,936
Taxes receivable	2,705,996
Allowance for uncollectible taxes	(493,123)
Due from other funds	10,376,664
Other receivables	391,691
Prepaid items	681,750
Inventories - supplies	238,680
	<hr/>
Total assets	\$ 25,838,594
	<hr/> <hr/>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 2,019,577
Due to other funds	7,644,397
Due to Board of Education	93,935
Accrued compensated absences	181,313
Accrued expenses	1,136,958
	<hr/>
Total liabilities	11,076,180
	<hr/>

Fund Balance:

Non-spendable	920,430
Committed	11,294,519
Unassigned	2,547,465
	<hr/>
Total fund balance	14,762,414
	<hr/>

Total liabilities and fund balance	\$ 25,838,594
	<hr/> <hr/>

CITY OF ASHLAND

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Taxes -			
General property taxes	\$ 2,919,892	\$ 2,467,630	\$ (452,262)
Penalties and interest	30,500	34,575	4,075
Delinquent taxes	150,000	153,129	3,129
Vehicle property taxes	386,500	438,728	52,228
Bank franchise taxes	194,622	200,451	5,829
Other franchise taxes	146,450	135,633	(10,817)
Insurance premium taxes	4,141,000	4,414,485	273,485
Total taxes	<u>7,968,964</u>	<u>7,844,631</u>	<u>(124,333)</u>
Licenses and permits -			
Occupational license fees	10,044,600	12,797,323	2,752,723
Business privilege licenses	1,425,000	2,541,127	1,116,127
Alcoholic beverage licenses	592,250	635,480	43,230
Construction permit fees	35,000	102,168	67,168
Other licenses and permits	1,250	1,981	731
Total licenses and permits	<u>12,098,100</u>	<u>16,078,079</u>	<u>3,979,979</u>
Charge for services -			
Garbage collection fee	2,325,000	2,353,738	28,738
Greyhound ticket sales	2,425	2,207	(218)
Rental revenue	79,250	66,989	(12,261)
Total charges for services	<u>2,406,675</u>	<u>2,422,934</u>	<u>16,259</u>
Fees, fines and reimbursements -			
Parking meter fees and fines	3,700	4,445	745
Taxes collection fees	162,000	164,858	2,858
State rebate - District Court	15,085	23,824	8,739
Street lighting franchise	971,500	1,195,173	223,673
Telecommunication franchise	282,225	284,407	2,182
Other	419,650	577,772	158,122
Total fees, fines and reimbursements	<u>1,854,160</u>	<u>2,250,479</u>	<u>396,319</u>
Other revenues -			
Police grants and revenue	51,335	125,122	73,787
Miscellaneous grants	5,059,900	150,187	(4,909,713)
Interest earned	5,250	22,023	16,773
Other	292,152	985,304	693,152
Total other revenues	<u>5,408,637</u>	<u>1,282,636</u>	<u>(4,126,001)</u>
Total revenues	<u>29,736,536</u>	<u>29,878,759</u>	<u>142,223</u>

CITY OF ASHLAND

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
General Government -			
Mayor and Commissioners	98,622	94,271	4,351
City Manager	195,417	204,977	(9,560)
City Clerk/Legal	251,680	260,164	(8,484)
Human Resources	271,545	290,591	(19,046)
Unclassified	2,616,086	1,721,360	894,726
	<u>3,433,350</u>	<u>2,571,363</u>	<u>861,987</u>
Department of Finance -			
Director of Finance	664,081	648,326	15,755
Data Processing	-	-	-
	<u>664,081</u>	<u>648,326</u>	<u>15,755</u>
Department of Public Services -			
Director of Public Services	21,786	18,532	3,254
Street maintenance	6,926,869	3,813,646	3,113,223
Sanitation services	1,728,397	1,677,802	50,595
Central garage	418,124	392,370	25,754
Animal control	88,385	90,283	(1,898)
	<u>9,183,561</u>	<u>5,992,633</u>	<u>3,190,928</u>
Department of Planning and Economic Development -			
Planning and Code Enforcement	3,320,481	2,262,845	1,057,636
Economic Development	217,583	137,191	80,392
	<u>3,538,064</u>	<u>2,400,036</u>	<u>1,138,028</u>
Department of Police -			
Technical services	2,080,379	2,340,350	(259,971)
Field operations	4,474,462	4,255,012	219,450
	<u>6,554,841</u>	<u>6,595,362</u>	<u>(40,521)</u>

CITY OF ASHLAND

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Department of Fire	7,380,631	7,707,353	(326,722)
Department of Engineering	247,219	247,213	6
Debt Service	4,484,069	1,249,643	3,234,426
Total expenditures	<u>35,485,816</u>	<u>27,411,929</u>	<u>8,073,887</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,749,280)</u>	<u>2,466,830</u>	<u>8,216,110</u>
OTHER FINANCING SOURCES (USES):			
Transfer to Capital Projects Fund	(7,058,424)	(6,493,410)	565,014
Transfer to Recreation Fund	(1,444,754)	(1,444,754)	-
Transfer to Ashland Bus Fund	-	(110,348)	(110,348)
Transfer to Ashland Cemetery Fund	(84,956)	(118,298)	(33,342)
Total other financing sources (uses)	<u>(8,588,134)</u>	<u>(8,166,810)</u>	<u>421,324</u>
NET CHANGE IN FUND BALANCE	(14,337,414)	(5,699,980)	8,637,434
FUND BALANCE, June 30, 2021	<u>20,462,394</u>	<u>20,462,394</u>	<u>-</u>
FUND BALANCE, June 30, 2022	<u>\$ 6,124,980</u>	<u>\$ 14,762,414</u>	<u>\$ 8,637,434</u>

CITY OF ASHLAND

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

JUNE 30, 2022

	Land & Buildings	Building Improvements	Automotive Equipment	Operating Equipment	Office Furniture & Equipment	Capital Improvements	Infrastructure	CIP	Total
Dept of General Gov't	\$ 3,789,271	\$ 1,934,933	\$ 61,332	\$ 86,741	\$ 279,374	\$ 218,155	\$ 11,955,116	\$ -	\$ 18,324,922
Dept of Finance	-	-	28,384	56,243	47,120	-	-	-	131,747
Dept of Public Services	15,940,185	747,366	495,807	3,716,588	81,440	3,318,215	53,559,783	127,653	77,987,037
Dept of Planning & Community Development	-	-	93,220	6,799	15,740	-	-	-	115,759
Department of Police	4,949,556	246,711	2,507,776	620,182	129,187	19,350	-	-	8,472,762
Department of Fire	3,869,126	260,328	3,721,347	529,550	33,830	-	-	-	8,414,181
Department of Engineering	-	-	89,856	11,595	67,190	74,458	-	-	243,099
Floodwall Operations	15,121	16,048	71,581	139,042	-	-	-	-	241,792
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
	<u>\$ 28,957,159</u>	<u>\$ 3,335,756</u>	<u>\$ 7,069,303</u>	<u>\$ 5,166,740</u>	<u>\$ 692,150</u>	<u>\$ 3,630,178</u>	<u>\$ 66,895,539</u>	<u>\$ 127,653</u>	<u>\$ 115,874,478</u>

CITY OF ASHLAND

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

JUNE 30, 2022

Land and buildings	\$	28,957,159
Building improvements		3,335,756
Automotive equipment		7,069,303
Operating equipment		5,166,740
Office furniture and equipment		692,150
Capital improvements		3,630,178
Infrastructure		66,895,539
Construction in progress		127,653
		<hr/>
Total	\$	<u>115,874,478</u>
Investment in capital assets by source		
General Fund	\$	76,970,445
Special Revenue Fund		9,814,763
Capital Projects Fund		29,089,270
		<hr/>
Total	\$	<u>115,874,478</u>

CITY OF ASHLAND
ASHLAND PLANNING AND CDA (KY142)
ENTITY WIDE BALANCE SHEET SUMMARY
JUNE 30, 2022

	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Total
111 Cash - Unrestricted	\$ 187,389	\$ -	\$ 187,389
113 Cash - Other Restricted	141,773	-	141,773
100 Total Cash	<u>329,162</u>	<u>-</u>	<u>329,162</u>
124 Accounts Receivable - Other Government	-	-	-
128 Fraud Recovery	75,296	-	75,296
128.1 Allowance for Doubtful Accounts - Fraud	<u>(75,296)</u>	<u>-</u>	<u>(75,296)</u>
120 Total Receivables, Net of Allowances for Doubtful Accounts	<u>-</u>	<u>-</u>	<u>-</u>
150 Total Current Assets	<u>329,162</u>	<u>-</u>	<u>329,162</u>
162 Buildings	162,983	-	162,983
164 Furniture, Equipment & Machinery - Administration	19,646	-	19,646
166 Accumulated Depreciation	<u>(113,480)</u>	<u>-</u>	<u>(113,480)</u>
160 Total Capital Assets, Net of Accumulated Depreciation	<u>69,149</u>	<u>-</u>	<u>69,149</u>
180 Total Non-Current Assets	<u>69,149</u>	<u>-</u>	<u>69,149</u>
200 Deferred Outflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>
290 Total Assets and Deferred Outflow of Resources	<u>\$ 398,311</u>	<u>\$ -</u>	<u>\$ 398,311</u>
312 Accounts Payable <= 90 Days	\$ 7,600	\$ -	\$ 7,600
321 Accrued Wage/Payroll Taxes Payable	11,869	-	11,869
322 Accrued Compensated Absences - Current Portion	886	-	886
333 Accounts Payable - Other Government	81,157	-	81,157
342 Unearned Revenue	141,773	-	141,773
310 Total Current Liabilities	<u>243,285</u>	<u>-</u>	<u>243,285</u>
354 Accrued Compensated Absences - Non-Current	<u>4,500</u>	<u>-</u>	<u>4,500</u>
350 Total Non-Current Liabilities	<u>4,500</u>	<u>-</u>	<u>4,500</u>
300 Total Liabilities	<u>247,785</u>	<u>-</u>	<u>247,785</u>
400 Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>
508.4 Net Investment in Capital Assets	69,149	-	69,149
511.4 Restricted Net Position	-	-	-
512.4 Unrestricted Net Position	81,377	-	81,377
513 Total Equity - Net Assets / Position	<u>150,526</u>	<u>-</u>	<u>150,526</u>
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	<u>\$ 398,311</u>	<u>\$ -</u>	<u>\$ 398,311</u>

CITY OF ASHLAND
ASHLAND PLANNING AND CDA (KY142)
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE YEAR ENDED JUNE 30, 2022

	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Total
70600 HUD PHA Operating Grants	\$ 3,456,005	\$ 92,858	\$ 3,548,863
71500 Other Revenue - Unrestricted	37,596	-	37,596
72000 Investment Income - Restricted	148	-	148
70000 Total Revenue	<u>3,493,749</u>	<u>92,858</u>	<u>3,586,607</u>
91100 Administrative Salaries	164,558	-	164,558
91200 Auditing Fees	7,778	-	7,778
91400 Advertising	3,765	-	3,765
91500 Employee Benefit Contributions - Administrative	36,732	-	36,732
91800 Travel	14,882	-	14,882
91900 Other	17,718	92,858	110,576
91000 Total Operating - Administrative	<u>245,433</u>	<u>92,858</u>	<u>338,291</u>
93800 Other Utilities Expense	5,167	-	5,167
93000 Total Utilities	<u>5,167</u>	<u>-</u>	<u>5,167</u>
94200 Ordinary Maintenance and Operations - Materials and Other	27,351	-	27,351
94000 Total Maintenance	<u>27,351</u>	<u>-</u>	<u>27,351</u>
96110 Property Insurance	123	-	123
96120 Liability Insurance	4,303	-	4,303
96130 Workmen's Compensation	232	-	232
96140 All Other Insurance	48,333	-	48,333
96100 Total Insurance Premiums	<u>52,991</u>	<u>-</u>	<u>52,991</u>
96200 Other General Expenses	40,139	-	40,139
96210 Compensated Absences	(7,335)	-	(7,335)
96000 Total Other General Expenses	<u>32,804</u>	<u>-</u>	<u>32,804</u>
96900 Total Operating Expenses	<u>363,746</u>	<u>92,858</u>	<u>456,604</u>
97000 Excess of Operating Revenue Over Operating Expenses	3,130,003	-	3,130,003
97300 Housing Assistance Payments	3,164,996	-	3,164,996
97400 Depreciation Expense	3,000	-	3,000
90000 Total Expenses	<u>3,531,742</u>	<u>92,858</u>	<u>3,624,600</u>
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ (37,993)	\$ -	\$ (37,993)
11020 Required Annual Debt Principal Payments	-	-	-
11030 Beginning Equity	\$ 188,519	\$ -	\$ 188,519
11170 Administrative Fee Equity	\$ 150,526	\$ -	\$ 150,526
11180 Housing Assistance Payments Equity	\$ -	\$ -	\$ -
11190 Unit Months Available	7,572		7,572
11210 Number of Unit Months Leased	5,817		5,817

CITY OF ASHLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
<u>U.S. Department of HUD</u>				
Direct Programs:				
CDBG Entitlement	14.218	-	\$ 148,095	\$ 315,263
Housing Choice Voucher Program	14.871	-	-	3,536,077
HCV CARES Act Funding	14.HCC	-	-	92,858
				<u>3,628,935</u> *
Total U.S. Department of HUD				<u>3,944,198</u>
<u>U.S. Department of Transportation</u>				
Direct Programs:				
Federal Transit Cluster				
FTA - Operating Assistance Grant - COVID-19	20.507	-	-	779,942
FTA - Capital Assistance Grant	20.507	-	-	194,482
				<u>974,424</u> *
Passed through Kentucky Transportation Cabinet:				
National Priority Safety Programs	20.616	M5HVE-2021-01	-	520
Total U.S. Department of Transportation				<u>974,944</u>
<u>U.S. Department of Homeland Security</u>				
Passed through Kentucky Department of Homeland Security:				
Public Assistance Program	97.036	DR-4592	-	81,223
Public Assistance Program	97.036	DR-4595	-	59,522
				<u>140,745</u>
Total U.S. Department of Homeland Security				<u>140,745</u>
<u>Executive Office of the President</u>				
Passed through Laurel County Fiscal Court				
High Intensity Drug Trafficking Areas Program	95.001	G20AP0001A	-	48,379
Total Executive Office of the President				<u>48,379</u>
Total expenditures of Federal awards			<u>\$ 148,095</u>	<u>\$ 5,108,266</u>

* Denotes major program.

CITY OF ASHLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONCLUDED)
FOR THE YEAR ENDED JUNE 30, 2022

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, 2022. 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)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017*</u>	<u>2016</u>	<u>2015*</u>	<u>2014*</u>	<u>2013</u>
Governmental activities										
Net Investment in Capital Assets	50,928,478	51,251,608	51,659,502	48,057,346	47,056,359	51,767,907	50,917,007	51,170,584	51,833,182	54,881,112
Restricted	151,314	716,497	1,725,320	1,794,311	1,272,291	1,328,056	425,337	204,332	499,125	300,240
Unrestricted	<u>(39,580,648)</u>	<u>(38,498,759)</u>	<u>(43,119,495)</u>	<u>(33,573,966)</u>	<u>(27,256,018)</u>	<u>(26,274,899)</u>	<u>(18,421,408)</u>	<u>(17,638,277)</u>	<u>4,931,810</u>	<u>3,415,661</u>
Total governmental activities net position	<u>11,499,144</u>	<u>13,469,346</u>	<u>10,265,327</u>	<u>16,277,691</u>	<u>21,072,632</u>	<u>26,821,064</u>	<u>32,920,936</u>	<u>33,736,639</u>	<u>57,264,117</u>	<u>58,597,013</u>
Business-type activities										
Net Investment in Capital Assets	48,611,649	46,040,038	43,974,450	39,952,083	38,815,146	36,594,780	32,498,757	31,115,457	34,536,655	35,003,440
Restricted	10,986,669	9,451,520	8,874,293	7,636,469	6,586,421	7,738,541	7,937,674	7,388,882	5,156,782	4,964,195
Unrestricted	<u>(21,488,216)</u>	<u>(19,790,647)</u>	<u>(17,028,739)</u>	<u>(15,428,391)</u>	<u>(13,927,397)</u>	<u>(14,313,048)</u>	<u>(9,065,437)</u>	<u>(9,757,271)</u>	<u>3,415,592</u>	<u>1,271,712</u>
Total business-type activities net position	<u>38,110,102</u>	<u>35,700,911</u>	<u>35,820,004</u>	<u>32,160,161</u>	<u>31,474,170</u>	<u>30,020,273</u>	<u>31,370,994</u>	<u>28,747,068</u>	<u>43,109,029</u>	<u>41,239,347</u>
Primary government										
Net Investment in Capital Assets	99,540,127	97,291,646	95,633,952	88,009,429	85,871,505	88,362,687	83,415,764	82,286,041	86,369,837	89,884,552
Restricted	11,137,983	10,168,017	10,599,613	9,430,780	7,858,712	9,066,597	8,363,011	7,593,214	5,655,907	5,264,435
Unrestricted	<u>(61,068,864)</u>	<u>(58,289,406)</u>	<u>(60,148,234)</u>	<u>(49,002,357)</u>	<u>(41,183,415)</u>	<u>(40,587,947)</u>	<u>(27,486,845)</u>	<u>(27,395,548)</u>	<u>8,347,402</u>	<u>4,687,373</u>
Total primary government net position	<u>49,609,246</u>	<u>49,170,257</u>	<u>46,085,331</u>	<u>48,437,852</u>	<u>52,546,802</u>	<u>56,841,337</u>	<u>64,291,930</u>	<u>62,483,707</u>	<u>100,373,146</u>	<u>99,836,360</u>

*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)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017*</u>	<u>2016</u>	<u>2015*</u>	<u>2014</u>	<u>2013</u>
Expenses										
Governmental activities:										
General government	2,986,867	1,809,404	2,791,896	2,638,860	2,222,981	2,608,336	3,097,166	2,839,164	4,413,420	2,644,407
Finance	668,506	660,112	803,819	688,925	760,728	680,224	652,648	584,936	572,332	587,010
Public services	8,120,635	6,388,485	6,541,436	7,007,676	6,456,885	6,026,093	5,890,739	5,957,303	6,159,143	6,188,734
Planning and code enforcement	2,400,442	613,747	905,463	838,185	912,064	816,974	675,281	580,683	611,647	605,205
Police	7,378,377	7,629,854	7,946,663	7,142,676	6,759,240	5,744,758	6,074,675	4,939,354	5,174,548	5,528,981
Fire	8,575,123	8,360,031	9,447,894	8,518,282	8,103,647	6,811,004	7,104,407	5,777,552	5,959,857	5,822,585
Engineering	249,062	158,704	256,770	216,630	146,723	211,252	212,573	227,162	125,481	244,377
Community and cultural	4,004,395	4,378,766	4,098,731	4,576,745	6,828,989	3,495,752	3,321,283	3,127,002	3,594,394	2,943,475
Debt service - interest	538,063	600,061	355,228	373,683	346,466	269,266	284,471	303,489	273,717	285,947
Total governmental activities expenses	<u>34,921,470</u>	<u>30,599,164</u>	<u>33,147,900</u>	<u>32,001,662</u>	<u>32,537,723</u>	<u>26,663,659</u>	<u>27,313,243</u>	<u>24,336,645</u>	<u>26,884,539</u>	<u>24,850,721</u>
Business-type activities:										
Utilities	18,513,495	18,318,747	16,151,545	16,719,013	15,775,239	15,345,611	14,920,959	15,183,490	14,358,868	14,618,138
Recreation	1,543,230	925,347	1,076,103	1,099,626	1,046,238	985,140	1,093,886	1,049,693	1,092,294	1,078,408
Bus	1,276,903	1,557,996	1,435,441	1,274,145	1,355,883	1,201,653	1,196,534	1,042,285	1,118,102	1,483,318
Cemetery	283,878	237,491	279,629	269,615	309,053	313,839	274,980	289,624	266,840	312,684
Total business-type activities expenses	<u>21,617,506</u>	<u>21,039,581</u>	<u>18,942,718</u>	<u>19,362,399</u>	<u>18,486,413</u>	<u>17,846,243</u>	<u>17,486,359</u>	<u>17,565,092</u>	<u>16,836,104</u>	<u>17,492,548</u>
Total primary government expenses	<u><u>56,538,976</u></u>	<u><u>51,638,745</u></u>	<u><u>52,090,618</u></u>	<u><u>51,364,061</u></u>	<u><u>51,024,136</u></u>	<u><u>44,509,902</u></u>	<u><u>44,799,602</u></u>	<u><u>41,901,737</u></u>	<u><u>43,720,643</u></u>	<u><u>42,343,269</u></u>

*Restated for prior period adjustments.

CITY OF ASHLAND
Change in Net Position
(Unaudited)

Last Ten Fiscal Years (accrual basis of accounting)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017*</u>	<u>2016</u>	<u>2015*</u>	<u>2014</u>	<u>2013</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	18,420,514	15,914,551	14,505,416	13,886,513	14,286,479	13,663,487	13,771,619	13,836,062	13,212,804	11,398,530
Public services	2,422,934	2,347,651	2,278,644	2,235,508	2,214,055	2,206,121	2,227,692	2,184,730	2,070,567	1,954,179
Community and cultural	437,384	373,184	280,779	261,727	260,827	273,087	264,106	243,104	219,647	233,945
Operating grants and contributions:										
General government	150,187	895,842	2,013,308	117,963	10,950	27,999	38,538	14,596	40,774	49,088
Public services	442,643	428,101	424,445	442,627	438,437	838,563	683,098	513,194	517,386	554,022
Police	125,122	84,652	129,162	129,162	67,031	65,147	30,894	16,767	34,331	110,181
Fire	-	409,091	-	-	-	22,700	-	-	-	-
Engineering	-	-	-	-	-	-	8,539	-	-	-
Community and cultural	3,426,742	4,070,726	3,649,951	3,017,528	3,102,847	3,205,884	3,001,322	2,875,966	3,179,905	2,637,160
Capital grants and contributions:										
General government	-	-	20,000	621,500	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	191,018	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Total governmental program revenues	<u>25,425,526</u>	<u>24,523,798</u>	<u>23,301,705</u>	<u>20,712,528</u>	<u>20,380,626</u>	<u>20,302,988</u>	<u>20,025,808</u>	<u>19,875,437</u>	<u>19,275,414</u>	<u>16,937,105</u>
Business-type activities:										
Charges for services:										
Utilities	18,496,661	17,511,511	17,303,919	16,690,257	16,789,603	16,848,289	16,725,888	16,795,819	15,647,750	14,976,626
Recreation	36,535	18,040	20,681	44,212	54,268	57,692	55,835	58,447	57,341	71,160
Bus	23,258	32,373	41,231	53,927	56,260	57,221	56,356	55,199	61,760	78,595
Cemetery	109,905	110,780	122,831	93,500	95,595	129,940	122,174	151,907	98,344	130,850
Operating grants and contributions:										
Utilities	-	-	7,815	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	1,000	41,607	30,164	-	-
Bus	779,942	1,038,491	316,036	319,526	277,595	260,406	336,732	320,873	300,148	526,336
Capital grants and contributions:										
Utilities	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	1,974,521	-	-	-	-	-	-	-
Parking Garage	1,800,000	-	-	-	-	-	-	-	-	-
Bus	218,792	150,135	513,548	322,381	211,869	275,650	422,164	228,737	216,430	220,040
Cemetery	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>21,465,093</u>	<u>18,861,330</u>	<u>20,300,582</u>	<u>17,523,803</u>	<u>17,485,190</u>	<u>17,630,198</u>	<u>17,760,756</u>	<u>17,641,146</u>	<u>16,381,773</u>	<u>16,003,607</u>
Total primary government program revenues	<u>46,890,619</u>	<u>43,385,128</u>	<u>43,602,287</u>	<u>38,236,331</u>	<u>37,865,816</u>	<u>37,933,186</u>	<u>37,786,564</u>	<u>37,516,583</u>	<u>35,657,187</u>	<u>32,940,712</u>

CITY OF ASHLAND
Change in Net Position
(Unaudited)

Last Ten Fiscal Years (accrual basis of accounting)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017*</u>	<u>2016</u>	<u>2015*</u>	<u>2014</u>	<u>2013</u>
Net (Expense) Revenue										
Governmental activities	(9,495,944)	(6,075,366)	(9,846,195)	(11,289,134)	(12,157,097)	(6,360,671)	(7,287,435)	(4,461,208)	(7,609,125)	(7,913,616)
Business-type activities	(152,413)	(2,178,251)	1,357,864	(1,838,596)	(1,001,223)	(216,045)	274,397	76,054	(454,331)	(1,488,941)
Total primary government net expense	<u>(9,648,357)</u>	<u>(8,253,617)</u>	<u>(8,488,331)</u>	<u>(13,127,730)</u>	<u>(13,158,320)</u>	<u>(6,576,716)</u>	<u>(7,013,038)</u>	<u>(4,385,154)</u>	<u>(8,063,456)</u>	<u>(9,402,557)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property and other local taxes	8,135,700	10,678,005	5,267,843	8,042,133	7,837,931	8,248,971	7,720,589	7,386,199	7,615,613	8,479,163
Interest income	36,672	6,420	7,531	12,406	3,874	2,494	2,081	3,703	3,197	3,066
Other revenues	1,026,770	255,599	206,717	183,793	134,013	423,061	236,159	217,885	247,952	167,210
Transfers	(1,673,400)	(1,660,639)	(1,648,260)	(1,744,139)	(1,567,153)	(1,538,299)	(1,487,097)	(1,482,443)	(1,590,533)	(1,523,900)
Total governmental activities general revenues and other changes in net position	<u>7,525,742</u>	<u>9,279,385</u>	<u>3,833,831</u>	<u>6,494,193</u>	<u>6,408,665</u>	<u>7,136,227</u>	<u>6,471,732</u>	<u>6,125,344</u>	<u>6,276,229</u>	<u>7,125,539</u>
Business-type activities:										
Interest income	19,875	55,133	101,737	66,910	41,748	39,030	24,270	32,465	32,735	30,260
Other revenues	868,329	343,386	551,982	713,538	846,219	786,863	838,162	897,185	700,745	683,951
Transfers	1,673,400	1,660,639	1,648,260	1,744,139	1,567,153	1,538,299	1,487,097	1,482,443	1,590,533	1,523,900
Total business-type activities general revenues and other changes in net position	<u>2,561,604</u>	<u>2,059,158</u>	<u>2,301,979</u>	<u>2,524,587</u>	<u>2,455,120</u>	<u>2,364,192</u>	<u>2,349,529</u>	<u>2,412,093</u>	<u>2,324,013</u>	<u>2,238,111</u>
Total primary government general revenues and other changes in net position	<u>10,087,346</u>	<u>11,338,543</u>	<u>6,135,810</u>	<u>9,018,780</u>	<u>8,863,785</u>	<u>9,500,419</u>	<u>8,821,261</u>	<u>8,537,437</u>	<u>8,600,242</u>	<u>9,363,650</u>
Changes in Net Position										
Governmental activities	(1,970,202)	3,204,019	(6,012,364)	(4,794,941)	(5,748,432)	775,556	(815,703)	1,664,136	(1,332,896)	(788,077)
Business-type activities	2,409,191	(119,093)	3,659,843	685,991	1,453,897	2,148,147	2,623,926	2,488,147	1,869,682	749,170
Total primary government, change in net position	<u>438,989</u>	<u>3,084,926</u>	<u>(2,352,521)</u>	<u>(4,108,950)</u>	<u>(4,294,535)</u>	<u>2,923,703</u>	<u>1,808,223</u>	<u>4,152,283</u>	<u>536,786</u>	<u>(38,907)</u>

CITY OF ASHLAND
Fund Balances, Governmental Funds
(Unaudited)

Last Ten Fiscal Years (accrual basis of accounting)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund										
Non-spendable	920,430	817,551	802,018	813,938	829,137	887,542	120,016	122,935	124,369	217,894
Restricted for grant programs	-	588,292	1,713,587	4,219	2,576	226,131	15,981	22,121	227,636	41,545
Assigned for capital projects	-	-	-	-	-	-	-	-	-	-
Committed	11,294,519	9,034,671	-	-	-	-	-	350,000	600,000	-
Unassigned	2,547,465	10,021,880	994,476	5,194,227	5,876,507	4,726,995	5,421,637	4,231,243	2,711,361	1,348,970
Total general fund	<u>14,762,414</u>	<u>20,462,394</u>	<u>3,510,081</u>	<u>6,012,384</u>	<u>6,708,220</u>	<u>5,840,668</u>	<u>5,557,634</u>	<u>4,726,299</u>	<u>3,663,366</u>	<u>1,608,409</u>
All other governmental funds										
Restricted for grant programs	151,314	128,205	11,733	65,092	65,663	86,692	48,284	71,718	75,264	258,695
Assigned for capital projects	6,945,040	1,099,693	850,000	1,725,000	1,204,052	1,015,233	361,072	110,493	196,225	16,968
Assigned for special revenue funds	44,801	65,928	65,437	227,828	1,739,859	277,763	531,029	181,532	372,491	326,558
Unassigned	(912,295)	(717,357)	(730,942)	(292,482)	-	-	-	-	-	-
	<u>6,228,860</u>	<u>576,469</u>	<u>196,228</u>	<u>1,725,438</u>	<u>3,009,574</u>	<u>1,379,688</u>	<u>940,385</u>	<u>363,743</u>	<u>643,980</u>	<u>602,221</u>

CITY OF ASHLAND
Changes in Fund Balances, Governmental Funds
(Unaudited)

Last Ten Fiscal Years (accrual basis of accounting)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015*</u>	<u>2014</u>	<u>2013</u>
Revenues										
Property and other local taxes	8,135,700	10,678,005	5,267,843	8,042,133	7,837,931	8,248,971	7,720,589	7,386,199	7,615,613	8,479,163
Licenses and permits	16,170,035	13,959,698	12,641,232	11,966,482	12,345,544	11,745,526	12,062,385	12,043,205	11,421,296	9,696,723
Charges for services	2,422,934	2,347,651	2,278,644	2,235,508	2,214,055	2,206,121	2,227,692	2,184,730	2,070,567	1,954,179
Fees, fines and reimbursements	2,250,479	1,954,853	1,864,184	1,920,031	1,940,935	1,917,961	1,709,234	1,792,857	1,791,508	1,701,807
Grant income	4,144,694	5,888,412	6,216,866	3,707,280	3,619,265	4,160,293	3,762,391	3,611,541	3,772,396	3,350,451
Administration fee income	437,384	373,184	280,779	261,727	260,827	273,087	264,106	243,104	219,647	233,945
Interest income	36,672	6,420	7,531	12,406	3,874	2,494	2,081	3,703	3,197	3,066
Other income	1,026,770	255,599	226,717	805,293	134,013	423,061	236,159	217,885	247,952	167,210
Total revenues	<u>34,624,668</u>	<u>35,463,822</u>	<u>28,783,796</u>	<u>28,950,860</u>	<u>28,356,444</u>	<u>28,977,514</u>	<u>27,984,637</u>	<u>27,483,224</u>	<u>27,142,176</u>	<u>25,586,544</u>
Expenditures										
General government	2,572,192	2,285,706	2,501,417	3,220,349	2,499,025	2,755,970	2,574,763	2,515,556	3,539,216	2,237,904
Finance	648,326	538,597	668,606	641,635	648,561	621,850	605,840	603,051	574,984	588,758
Public services	6,690,329	4,703,611	5,787,504	5,657,319	5,329,474	5,886,661	5,024,264	5,419,820	4,984,933	4,793,825
Planning and code enf.	2,400,036	499,228	785,556	749,686	780,052	746,064	623,160	597,784	606,052	598,623
Police	6,595,362	5,246,363	5,569,454	5,261,663	5,104,937	5,126,462	5,222,557	5,235,588	4,995,959	5,350,620
Fire	7,707,353	6,161,341	6,554,339	6,219,113	5,950,500	6,078,866	6,152,534	6,266,069	5,842,158	5,683,338
Engineering	247,213	130,054	214,411	195,441	143,576	146,719	147,025	180,383	132,685	201,685
Community and cultural	3,944,469	4,329,422	4,157,927	4,605,003	6,717,258	3,451,142	3,289,018	3,123,147	3,583,223	2,931,352
Capital outlay	647,234	910,687	4,004,696	1,711,533	1,005,434	1,275,238	728,055	538,827	202,835	241,884
Debt service:										
Principal retirement	855,000	3,639,336	562,356	545,804	366,522	358,320	437,821	514,853	429,165	558,963
Interest charges	691,343	1,011,771	360,783	379,147	315,516	269,586	284,526	268,878	273,717	285,947
Total expenditures	<u>32,998,857</u>	<u>29,456,116</u>	<u>31,167,049</u>	<u>29,186,693</u>	<u>28,860,855</u>	<u>26,716,878</u>	<u>25,089,563</u>	<u>25,263,956</u>	<u>25,164,927</u>	<u>23,472,899</u>
Excess (deficiency) of revenues over expenditures	1,625,811	6,007,706	(2,383,253)	(235,833)	(504,411)	2,260,636	2,895,074	2,219,268	1,977,249	2,113,645
Other financing sources (uses)										
Transfers in	6,493,410	1,163,789	3,111,199	1,611,918	1,312,326	1,930,115	973,928	262,286	428,269	315,323
Transfers out	(8,166,810)	(2,824,428)	(4,759,459)	(3,356,057)	(2,879,479)	(3,468,414)	(2,461,025)	(1,744,729)	(2,018,802)	(1,839,223)
Issuance of Debt	-	11,170,000	-	-	4,569,002	-	-	2,609,008	1,710,000	-
Premium received on debt	-	1,815,487	-	-	-	-	-	-	-	-

CITY OF ASHLAND
Changes in Fund Balances, Governmental Funds
(Unaudited)

Last Ten Fiscal Years (accrual basis of accounting)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015*</u>	<u>2014</u>	<u>2013</u>
Pmt to refund bond escrow agent	-	-	-	-	-	-	-	(2,563,137)	-	-
Total other financing sources (uses)	(1,673,400)	11,324,848	(1,648,260)	(1,744,139)	3,001,849	(1,538,299)	(1,487,097)	(1,436,572)	119,467	(1,523,900)
Net change in fund balances	<u>(47,589)</u>	<u>17,332,554</u>	<u>(4,031,513)</u>	<u>(1,979,972)</u>	<u>2,497,438</u>	<u>722,337</u>	<u>1,407,977</u>	<u>782,696</u>	<u>2,096,716</u>	<u>589,745</u>
Debt Service as a percentage of noncapital expenditures	5.04%	17.14%	3.62%	3.54%	2.54%	2.64%	3.09%	3.30%	2.89%	3.71%

* Restated for prior period adjustments.

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

Last Ten Fiscal Years

Fiscal Year	Assessed Value			Estimated Actual Value	Total Direct Tax Rate	Percentage Taxable	
	Real Estate	Personal Property	Total			Real Estate	Personal Property
2013	826,561,756	102,946,806	929,508,562	826,561,756	0.3550	88.92%	11.08%
2014	838,362,243	110,948,997	949,311,240	838,362,243	0.2891	88.31%	11.69%
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%

*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
2013	3,306,870	3,085,671	93.31%	197,852	3,283,523	99.29%
2014	2,744,463	2,674,930	97.47%	49,136	2,724,066	99.26%
2015	2,761,331	2,683,202	97.17%	55,447	2,738,649	99.18%
2016	2,856,886	2,769,909	96.96%	59,722	2,829,631	99.05%
2017	2,848,925	2,683,086	94.18%	129,725	2,812,811	98.73%
2018	2,829,255	2,684,013	94.87%	102,655	2,786,668	98.49%
2019	2,818,411	2,568,070	91.12%	200,915	2,768,985	98.25%
2020	2,809,458	2,727,353	97.08%	22,000	2,749,353	97.86%
2021	2,790,317	2,655,891	95.18%	64,570	2,720,461	97.50%
2022	2,805,879	2,570,845	91.62%	-	2,570,845	91.62%

*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)

2021				
Taxpayer	Assessment	Rank	Taxes Paid	Percentage of Total Taxes Paid
ATC Glimcher LLC	29,025,000	1	74,768	2.65%
Melody Mountain Associates LTD	14,525,000	2	37,416	1.33%
Fred Burns	13,468,000	3	34,694	1.23%
GCG Ashland LLC	12,694,700	4	32,375	1.15%
BDB Midtown	11,300,000	5	28,818	1.02%
WB Hospitality	10,788,000	6	27,790	0.99%
Vereit MT Ashland	10,551,000	7	26,908	0.95%
Wal-Mart	8,758,500	8	22,336	0.79%
ASCI Acquisition Co LLC	5,304,380	9	13,527	0.48%
CH Ashland KY Landlord LLC	4,400,266	10	11,222	0.40%
	<u>120,814,846</u>		<u>309,854</u>	<u>10.99%</u>

2012				
Taxpayer	Assessment	Rank	Taxes Paid	Percentage of Total Taxes Paid
Glimcher Ashland Venture LLC	25,475,000	1	90,513	2.85%
Melody Mountain Associates LTD	14,500,000	2	51,519	1.62%
Fred Burns	13,629,000	3	49,223	1.55%
AK Steel Corporation	12,041,550	4	42,784	1.35%
JC Penney	10,673,363	5	37,922	1.19%
Gateway Van Buren	9,600,000	6	34,109	1.07%
Wal-Mart Stores East LP	8,201,388	7	29,140	0.92%
Progress Metal Reclamation	6,434,109	8	22,860	0.72%
Belk	4,399,000	9	15,630	0.49%
BC Holding	4,188,337	10	14,881	0.47%
	<u>109,141,747</u>		<u>388,581</u>	<u>12.23%</u>

* Data supplied by City of Ashland Finance Department.

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

2021				
Taxpayer	Taxable Wages	Rank	Taxes Paid	Percentage of Total Taxable Wages
Kings Daughters' Medical Center	173,526,937	1	3,470,539	33.07%
King's Daughter's Medical Specialities	68,909,953	2	1,378,199	13.13%
Ashland Inc. Board of Education	22,685,173	3	453,708	4.32%
City of Ashland	16,315,376	4	326,309	3.11%
Wal-Mart Stores East, LP #1426	11,600,047	5	232,002	2.21%
Pathways, Inc.	7,695,202	6	153,906	1.47%
Trustaff Travel Nurses, LLC	7,573,177	7	151,464	1.44%
Cintas Corporation No. 2	6,813,324	8	136,018	1.30%
Kentucky Community & Technical College	5,963,283	9	119,266	1.14%
Ashland Radiology Associates, PSC	5,270,041	10	105,401	1.00%
	<u>326,352,513</u>		<u>6,526,812</u>	<u>62.19%</u>

2012				
Taxpayer	Taxable Wages	Rank	Taxes Paid	Percentage of Total Taxable Wages
Kings Daughters' Medical Center	171,010,877	1	2,565,151	31.65%
Kentucky Heart & Vascular Physicians	20,449,812	2	306,747	3.78%
King's Daughter's Medical Specialities	19,874,244	3	298,114	3.68%
Ashland Inc. Board of Education	18,462,653	4	276,942	3.42%
City of Ashland	13,663,094	5	204,848	2.53%
AK Steel Corporation (KIRA Credit \$167,641)	12,452,319	6	186,785	2.30%
Wal-Mart Associates, Inc.	9,637,015	7	144,555	1.78%
Kentucky Community & Tech. College	8,167,343	8	122,510	1.51%
Commonwealth of Kentucky	6,713,913	9	100,710	1.24%
Pathways, Inc.	6,680,333	10	100,206	1.24%
	<u>287,111,603</u>		<u>4,306,568</u>	<u>53.13%</u>

*Data supplied by City of Ashland Finance Department.

** Total taxes paid in 2021 was \$11,654,158

*** Total taxes paid in 2012 was \$7,749,657

CITY OF ASHLAND
Principal Water and Sewer Customers
(Unaudited)

2022		
Water Revenue		
Customer	Average Monthly Amount	Average Monthly Usage
Cannonsburg Water	\$ 78,254	26,617,000
City of Ashland	57,400	19,872,000
Ashland Oil Refinery	44,774	7,546,000
Kings' Daughters Medical Center	67,711	7,070,000
Federal Correction Institution	34,270	6,023,000
Air Products	26,880	4,473,000
Flatwoods Water Dist	13,323	4,044,000
Cintas	19,400	2,039,000
COA Catlettsburg Sewer	9,166	1,606,000
Hardin Street Marine	8,464	1,393,000
	\$ 359,642	80,683,000

Sewer Revenue		
Customer	Average Monthly Amount	Average Monthly Usage
Sanitation District # 4	\$ 172,434	34,502,000
Kings Daughters' Medical Center	25,811	4,712,000
River Metals Recycling	22,716	4,090,000
River Cities Disposal	64,078	1,780,000
Cintas	6,447	1,165,000
City of Ashland Water Plant	4,554	821,000
Mid American Fuels	4,428	711,000
Hardin Street Marine	4,543	548,000
Providence Hill	2,916	525,000
WB Hospitality	2,130	384,000
	\$ 310,057	49,238,000

* Data obtained from City of Ashland Utility Billing records.

CITY OF ASHLAND
Interest Earned - All Funds
(Unaudited)

Last Ten Fiscal Years

Fiscal Year	Governmental Funds			Proprietary Funds		Fiduciary Funds	Total All Funds
	General Fund	Special Revenue Funds	Capital Project Funds	Enterprise Funds	Internal Service Fund	Pension Trust Funds	
2013	2,464	602	-	30,260	167	13,954	47,447
2014	2,900	297	-	32,735	141	11,098	47,171
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

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

<u>Fiscal Year</u>	<u>Governmental Debt</u>	<u>Business Debt</u>	<u>Total</u>	<u>Percentage of Governmental Debt to Total Debt</u>	<u>Percentage of Business Debt to Total Debt</u>	<u>Legal Debt Margin</u>	<u>Personal Income (Thousands)</u>	<u>Percentage of Personal Income</u>
2012	8,051,891	15,942,953	23,994,844	33.56%	66.44%	92,270,717	1,662,148	1.44%
2013	7,492,928	15,172,793	22,665,721	33.06%	66.94%	92,950,856	1,658,899	1.37%
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	1,882,954	1.29%
2020	10,663,574	11,700,880	22,364,454	47.68%	52.32%	108,224,134	2,042,843	1.09%
2021	20,000,212	21,502,755	41,502,967	48.19%	51.81%	108,319,802	*	*
2022	18,954,150	19,674,237	38,628,387	49.07%	50.93%	117,600,000	*	*

* Information not available.

** Property taxes are not restricted revenues.

CITY OF ASHLAND
Governmental Activities Debt Percentage
(Unaudited)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Capital Leases</u>	<u>Total</u>	<u>Population</u>	<u>General Bonded Debt to Estimated Actual Property Value</u>	<u>General Bonded Debt per Capita</u>	<u>Total Debt per Capita</u>	<u>Legal Debt Margin</u>	<u>Personal Income (Thousands)</u>	<u>Percentage of Personal Income</u>
2012	2,775,000	5,276,891	8,051,891	21,499	0.34%	129	375	92,270,717	1,662,148	0.48%
2013	2,675,000	4,817,928	7,492,928	21,310	0.32%	126	352	92,950,856	1,658,899	0.45%
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	1,882,954	0.60%
2020	6,015,000	4,648,574	10,663,574	21,060	0.68%	286	506	108,224,134	2,042,843	0.52%
2021	16,865,000	3,135,212	20,000,212	20,382	1.90%	827	981	108,319,802	*	*
2022	16,085,000	2,869,150	18,954,150	21,695	1.81%	741	874	117,600,000	*	*

* 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)

<u>Fiscal Year</u>	<u>Utility Bonds</u>	<u>Capital Lease</u>	<u>KIA Loans</u>	<u>Total</u>	<u>Population</u>	<u>Total Debt per Capita</u>	<u>Legal Debt Margin</u>	<u>Personal Income (Thousands)</u>	<u>Percentage of Personal Income</u>
2012	5,065,000	17,780	10,860,173	15,942,953	21,499	742	92,270,717	1,662,148	0.96%
2013	4,590,954	11,756	10,570,083	15,172,793	21,310	712	92,950,856	1,658,899	0.91%
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	1,882,954	0.69%
2020	4,691,444	1,019,167	5,990,269	11,700,880	21,060	556	108,224,134	2,042,843	0.57%
2021	15,149,999	907,083	5,445,673	21,502,755	20,382	1,055	108,319,802	*	*
2022	13,992,612	792,083	4,889,542	19,674,237	21,695	907	117,600,000	*	*

* Information not available.

CITY OF ASHLAND
Demographic and Economic Statistics
(Unaudited)

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (Thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2013	21,310	1,658,899	33,921	8.7
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	1,882,954	40,201	5.9
2020	21,060	2,042,843	43,917	5.9
2021	20,382	2,205,219	46,039	6.5
2022	21,695	*	*	3.8

* 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)**

2021			
Employer	Rank	Number of Employees	Percentage of Total City Employment
King's Daughters' Medical Center	1	4,257	18.37%
Ashland Independent Board of Education	2	764	3.30%
Wal-Mart Stores East, LP #1426	3	676	2.92%
Texas Roadhouse of Ashland, LLC	4	559	2.41%
City of Ashland	5	375	1.62%
Woodland Oaks Operations, LLC	6	303	1.31%
Pathways, Inc.	7	254	1.10%
King's Daughter Medical Specialties	8	246	1.06%
Kentucky Community & Technical College	9	236	1.02%
Kroger Partnership	10	196	0.85%
		<u>7,866</u>	<u>33.94%</u>

2012			
Employer	Rank	Number of Employees	Percentage of Total City Employment
Kings Daughters' Medical Center	1	3,681	18.81%
Ashland Inc. Board of Education	2	714	3.65%
Wal-Mart Stores East, LP #1426	3	666	3.40%
Kentucky Community & Technical College	4	430	2.20%
Graycor Industrial Contracting, Inc.	5	411	2.10%
City of Ashland	6	374	1.91%
Texas Roadhouse of Ashland, LLC	7	358	1.83%
JCPenney Co., Inc. 2527-0	8	334	1.71%
Pathways, Inc.	9	310	1.58%
King's Daughter Medical Specialties	10	234	1.20%
		<u>7,512</u>	<u>38.39%</u>

* Data received from City of Ashland Occupational License Fee Division.

** Total number of City employees in 2021 was 23,174. Total number of City employees in 2012 was 19,570.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Full-Time Employees										
General government	26	25	25	24	24	23	24	24	24	24
Finance	28	28	27	27	28	29	23	23	23	32
Public services	57	56	55	55	56	56	65	65	63	57
Community and Economic Development	13	13	12	12	11	12	8	8	8	8
Police	54	54	53	53	53	53	52	52	52	52
Fire	53	53	53	53	53	53	53	53	53	54
Engineering	4	5	5	5	-	-	-	-	-	-
Engineering & Utilities*	<u>70</u>	<u>70</u>	<u>70</u>	<u>70</u>	<u>74</u>	<u>74</u>	<u>71</u>	<u>71</u>	<u>71</u>	<u>71</u>
Total full-time employees	<u><u>305</u></u>	<u><u>304</u></u>	<u><u>300</u></u>	<u><u>299</u></u>	<u><u>299</u></u>	<u><u>300</u></u>	<u><u>296</u></u>	<u><u>296</u></u>	<u><u>294</u></u>	<u><u>298</u></u>

*The department of Engineering & Utilities 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)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Citizen's information										
City commission meetings	33	35	36	30	22	33	22	25	29	22
Neighborhood Watch	-	-	7	8	11	18	11	12	12	11
General government										
Job applicants	742	832	462	563	637	559	409	420	506	434
Positions filled	66	95	84	110	84	43	40	26	19	17
Liability claims investigated	124	114	144	138	94	91	95	44	89	111
CPR classes held	3	-	-	1	2	-	1	-	-	4
Finance										
Utility bills processed	166,996	161,476	166,769	166,733	167,428	170,897	167,172	168,205	169,056	169,552
Vendors paid	806	767	766	833	885	844	800	662	670	706
Tax bills mailed	20,367	20,060	-	19,754	19,650	19,971	18,433	19,892	20,985	20,741
Active business licenses	2,503	2,544	2,498	2,456	2,438	2,574	2,514	2,535	2,754	2,537
Public Services										
Parking meter repairs	-	-	-	-	-	91	121	170	162	227
Stop / traffic signs changed	1,008	802	802	493	260	296	131	245	347	459
Debris hauled to landfill (tons)	9,483	9,750	10,302	11,236	10,043	10,080	10,041	8,935	10,433	1,014
Road / curb paint (gallons)	490	220	1,083	156	332	689	330	902	1,290	1,300
Catch basins	33	38	52	26	30	26	30	21	33	31
Community and Economic Development										
Building / zonings permits issued	392	359	374	332	342	290	285	289	323	283
Code fees / fines	1,898	3,983	3,502	3,378	2,926	2,232	3,684	3,269	2,821	2,211
Police										
Total Arrests	1,296	1,297	1,161	1,804	2,078	1,675	1,859	1,974	1,681	1,902
Warrants served	611	629	490	565	690	598	523	649	592	667
Citations issued	2,805	2,709	2,834	6,277	4,983	4,049	4,924	4,234	5,606	5,550
Calls for service	24,475	22,546	23,231	26,014	31,898	29,543	26,605	25,230	26,919	27,030
Fire										
Fires extinguished	120	122	82	152	268	240	322	299	204	261
Fire alarms investigated	312	465	585	224	190	111	217	141	162	189
Smoke detectors installed	273	129	64	332	139	468	118	159	139	106
Training hours	17,371	11,132	10,632	10,557	11,042	10,023	3,059	12,949	11,616	5,000
Calls for service	2,093	2,147	2,035	1,989	2,190	1,500	1,827	1,820	1,816	2,184

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Engineering & Utilities										
75 / 25 Sidewalk contracts	-	-	8	-	10	6	26	15	13	10
Minor / major subdivision reviews	12	9	10	10	6	11	11	11	10	17
Pipe installed (feet)	10,360	7,898	9,166	8,385	7,898	8,350	3,885	8,100	9,563	3,942
Bus										
Paratransit service calls	7,282	7,066	11,532	12,004	14,417	11,656	10,947	10,787	14,781	16,785
Recreation										
Commission approved events	50	41	17	24	38	37	31	32	50	43
Weddings at Central Park	21	34	30	29	32	30	40	35	51	45
Ballgames / practices	2,500	800	2,650	3,050	3,050	3,050	3,050	3,050	3,100	3,050
Dawson pool visitors	7,336	-	7,207	9,989	10,373	10,590	10,684	10,684	8,577	11,000
Cemetery										
Burials	65	82	95	79	93	97	94	90	73	100
Graves / Crypts / Niches sold	15	21	26	28	43	30	16	57	33	45

*Data received from City of Ashland departments.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
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	54	61	46	45	44	36	30	30	30	35
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Fire trucks	8	8	8	7	7	7	7	7	7	9
Administration vehicles	4	3	3	4	4	6	7	7	7	6
Rescue boat	2	1	1	1	1	1	1	1	1	1
Engineering & Utilities										
Lift stations	14	14	14	14	14	14	14	14	13	12
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	15	15	13	13	13	13	13	13	13	13
Buses / trolley	11	11	13	11	11	10	12	10	10	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

CITY OF ASHLAND
Capital Assets Statistics by Function / Program
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	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
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.