

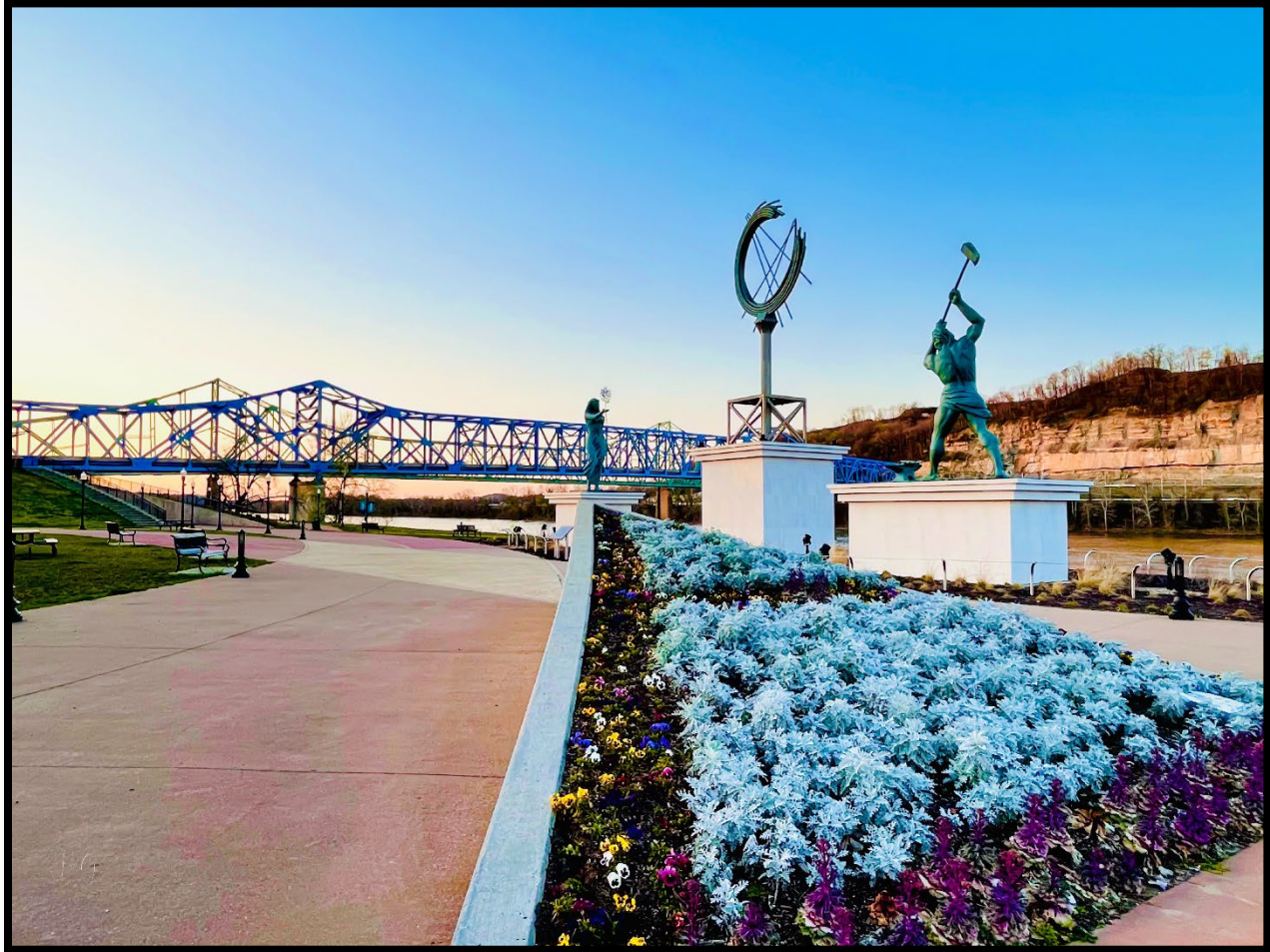


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Popular Annual Financial Report



For the Fiscal Year Ending June 30, 2022

Mayor
Matt Perkins

City Manager
Michael Graese

Corporation Counsel
Jim Moore

CED Director
Chris Pullem

Chief of Police
Todd Kelley

Commissioners:
Josh Blanton
Amanda Clark
Marty Gute
Cheryl Spriggs

Finance Director
Tony Grubb

Asst. Finance Director
Michelle Veach

City Clerk
Susan Maddix

HR / Parks Director
Sean Murray

Public Service Director
Jack Hunter

Utility Director
Mark Hall

Fire Chief
Greg Ray

City Engineer
Steve Cole

Message from the Director of Finance

Dear City Residents,

We are pleased to present the City of Ashland's eighth *Popular Annual Financial Report* (PAFR) for the 2022 fiscal year.

This report is intended to present a condensed overview of the city's financial position, financial practices, and the details outlining how revenues were generated and spent. Financial information in this report is derived from the independently audited financial statements that are part of the City of Ashland's Annual Comprehensive Financial Report. We are proud to report that the city has, once again, been awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA).

The Department of Finance has created this report to increase our government's transparency to our citizens. As you review this Popular Annual Financial Report, please feel free to share any questions, concerns, or recommendations you may have with us.

Respectfully,



Tony D. Grubb, CGFM
Director of Finance



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What is the Popular Annual Financial Report?

The PAFR is specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance. Its goal is to supplement—not replace—the 2022 ACFR.

Similarly to the 2022 ACFR, information in the PAFR conforms to Generally Accepted Accounting Principles (GAAP). However, this report only presents information for governmental funds and enterprise funds. Internal service funds and fiduciary funds are not included. For more detailed information and copies of the PAFR and ACFR, visit the city's website at www.ashlandky.gov, or contact the Finance Department at (606) 385-3345.

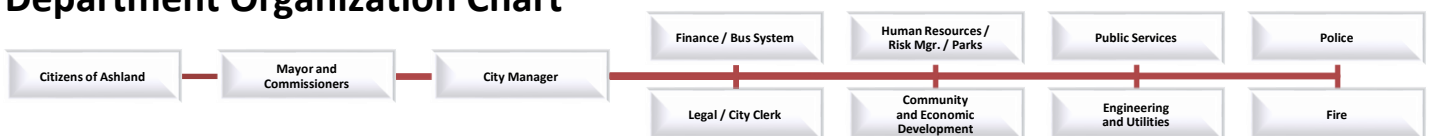
About the City of Ashland, Kentucky



Ashland is part of the "metro triangle" that includes Ironton, Ohio and Huntington, West Virginia. The city currently encompasses 17.02 square miles with a population of approximately 21,695 citizens. Ashland is eastern Kentucky's largest urban area as well as a center for health care, commerce, banking, and recreational activities. We continue to expand in the areas of art, entertainment, and cultural events while maintaining an aggressive nature for progression and growth.

The city operates under the city manager form of government, who is appointed by the Board of Commissioners. The Board is voted into office by non-partisan elections and consists of a mayor, who is elected for a term of four years, and four commissioners, who serve two years each. It is responsible for passing ordinances, adopting the budget, appointing committees, and employee appointment and termination.

Department Organization Chart



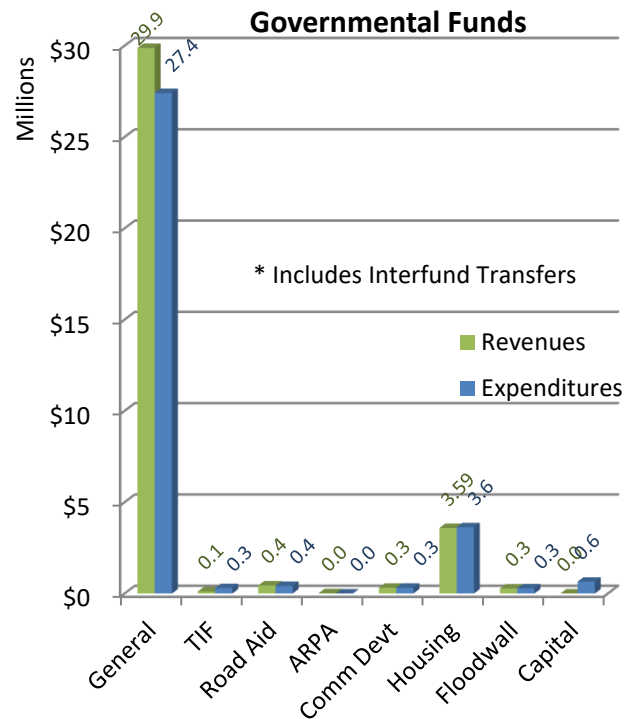
Governmental Funds / General Fund

The city's governmental funds include a general fund, seven special revenue funds, and a capital projects fund. The **General Fund** is the primary governmental fund and is used to account for all financial resources that are not required to be accounted for in another fund. **Special revenue funds**, which include the Tax Increment Finance Fund, the Municipal Aid Road Fund, the Community Development Fund, the ARPA Fund, the Housing Assistance Fund, and the Floodwall Operating Fund, are used to account for the proceeds of specific revenue sources, such as taxes or grants, and are legally restricted to expenditures for specified purposes. A **capital projects fund** is used to account for the acquisition, construction, and maintenance of capital facilities and assets.

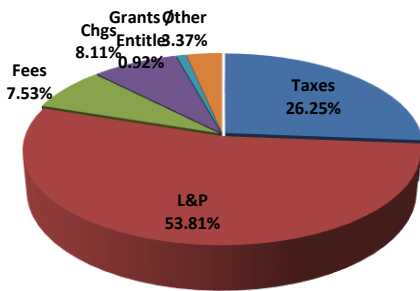
Governmental revenues totaled \$34.6 million, while expenditures totaled \$33.0 million (including other financing sources and uses). Of these totals, the General Fund accounts for 86.3% of revenues at \$29.9 million and 83.1% of expenditures at \$27.4 million.

As of June 30, 2022, the General Fund's balance was \$14,762,414, which is a decrease of \$5,699,980. Fund balance is comprised of the following four categories:

- Nonspendable**—funds that cannot be spent due to their form (e.g. inventories) = \$920,430;
- Restricted**—funds that are mandated for a specific purpose by external parties = \$0;
- Committed**—funds that are mandated for a specific purpose by the government itself = \$11,294,519;
- Unassigned**—excess funds that are not classified in other categories; spendable resources = \$2,547,465.



General Fund Revenues



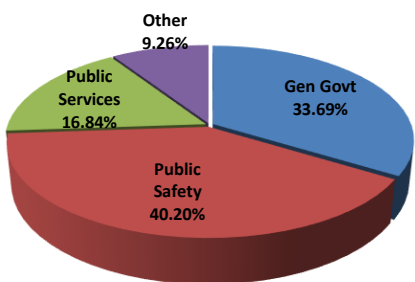
Taxes	
Property Tax	3,229,696
Insurance Premium Tax	4,414,484
Bank Franchise Tax	200,451
Total Taxes	\$7,844,631

Licenses and Permits	
Occupational License Fee	12,797,323
Business License / Net Profit	2,541,127
Other Licenses and Permits	739,629
Total Licenses and Permits	\$16,078,079

Fees / Fines / Reimbursements	
Franchise Fees	1,479,580
Other Fees / Fines / Reimbs	770,899
Total Fees / Fines / Reimbs	\$2,250,479

Charges for Services	
Garbage Collection	2,353,738
Other Services	69,196
Total Charges for Services	\$2,422,934

General Fund Expenditures



General Government	
Salaries and Benefits	819,051
Services and Supplies	1,288,567
Debt Service Payments	1,249,643
Prop / Equip / Gen Liab Ins	236,510
Grants and Projects	
Contributions and Dues	227,235
Transfers to Other Funds	8,166,810
Total General Government	\$11,987,816

Public Safety	
Salaries and Benefits	13,235,455
Services and Supplies	1,067,257
Total Public Safety	\$14,302,712

Public Services	
Salaries and Benefits	3,245,537
Services and Supplies	2,747,096
Total Public Services	\$5,992,633

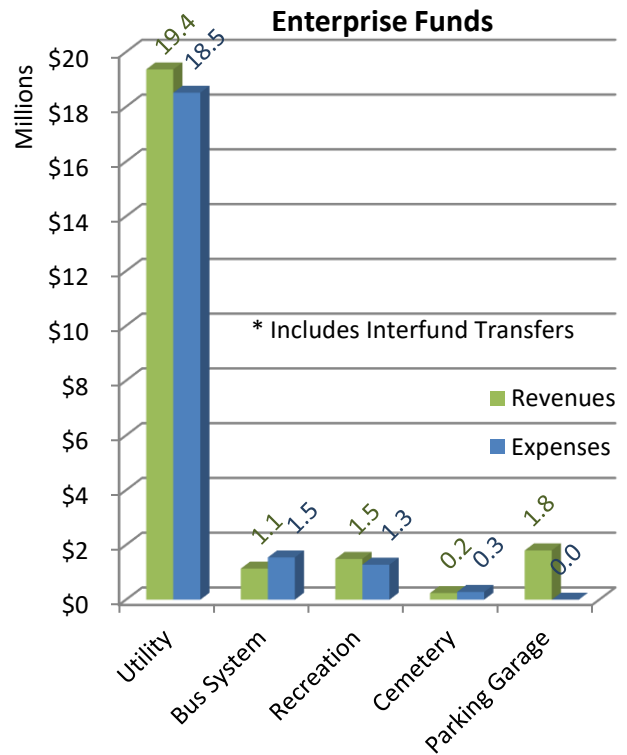
Enterprise Funds / Utility Fund

An **enterprise fund** is used to account for business-like activities in which fees are charged to cover the costs of providing service. The city's enterprise funds include the Utility Fund, the Bus System Fund, the Recreation Operating Fund, the Cemetery Fund and the Parking Garage Fund. The **Utility Fund** is the largest enterprise fund and accounts for water and wastewater services provided to the city and its surrounding communities.

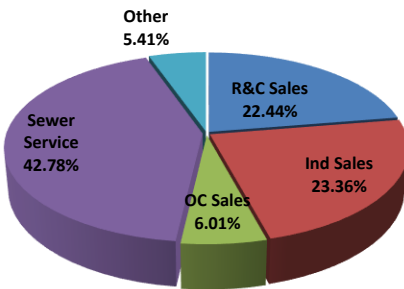
Enterprise fund revenues totaled \$24.0 million, while expenses totaled \$21.6 million (including other financing sources and uses). Of these totals, the Utility Fund accounts for 80.6% of total revenues at \$19.4 million and 85.6% of expenses at \$18.5 million.

As of June 30, 2022, the Utility Fund's net position was \$32,071,837, which is an increase of \$850,940. Net position is comprised of the following four categories:

- Net investment in capital assets = \$40,074,513;
- Restricted for debt service = \$1,867,225;
- Restricted for sewer improvements = \$8,891,635;
- Unrestricted = (\$18,761,536).



Utility Fund Revenues



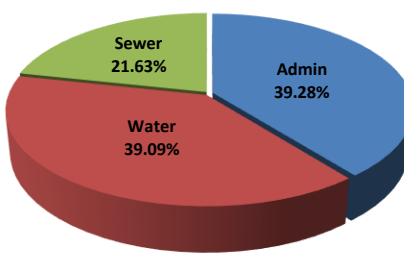
Residential and Commercial Meter Sales	
City	2,145,889
Noncity	2,194,840
Total Meter Sales	\$4,340,729

Industrial Meter Sales	
City	1,743,459
Noncity	2,775,817
Total Meter Sales	\$4,519,276

Sales to Other Cities	
Russell and Big Sandy	53,329
Cannonsburg	947,804
Flatwoods	162,454
Total Sales to Other Cities	\$1,163,587

Sewer Service	
City	3,245,641
Noncity	2,948,733
CSO Surcharge	2,080,902
Total Sewer Service	\$8,275,276

Utility Fund Expenses



Administration	
Salaries and Benefits	2,577,063
Services and Supplies	1,121,333
Debt Service Payments	514,698
Prop / Equip / Gen Liab Ins	203,938
Depreciation / Amortization	2,855,047
Total Administration	\$7,272,079

Water	
Salaries and Benefits	3,435,105
Services and Supplies	3,801,121
Total Water	\$7,236,226

Sewer	
Salaries and Benefits	2,062,273
Services and Supplies	1,942,917
Total Sewer	\$4,005,190

The Bus System (operated by the Finance Dept.) is partially funded by passenger fares, the Federal Transit Authority, and the Kentucky Department of Transportation. It offers both a fixed-route service and a paratransit service, which allows passengers the convenience to schedule rides in advance and to be picked up and/or dropped off at their homes.

- Bus Passengers: 59,777
- Paratransit Calls: 7,282

COMMUNITY AND ECONOMIC DEVELOPMENT

Economic Development oversees the business development review process and guides companies through zoning laws, building code regulations, and licensing requirements.

Planning is responsible for the use of land and reviews subdivision plats, site plans, zoning changes, street closings, conditional use permits, etc.

Code Enforcement issues building, sign, and electrical permits and inspects construction projects and personal properties to ensure compliance with city codes and zoning requirements.

The Community Development Block Grant, which is sponsored by the US Department of Housing and Urban Development (HUD), provides communities with resources to

address a wide range of needs, such as providing decent housing, suitable living environments, and economic opportunities for low/moderate-income families.

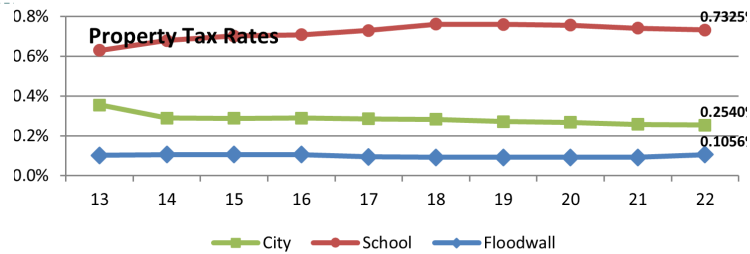
Assisted Housing, which is also funded by HUD, assists low-income families in the private rental market throughout Boyd County.

- Housing Units Paid: 6,008
- Housing Units Inspected: 1,406
- New Voucher Admissions: 178
- Building/Zoning Permits: 392
- Code Fines Issued: 1,898

2021 Population: 21,695
City Employees: 305 FT

Our actions are guided by these values as we endeavor to fulfill our mission:

- We strive to do the right thing and to do our best on behalf of our citizens through teamwork.
- We believe in providing consistent, quality customer service in a timely and efficient manner.
- We believe in respect for one another and all our citizens, our resources, and our community.
- We seek to be open and transparent in all actions to uphold the mission of Ashland.
- We strive to provide customer service to all of our citizens in a caring and compassionate manner.
- We are committed to high standards of leadership and service built upon honesty, integrity, equality, and fairness to all citizens.
- We believe in the responsible stewardship of tax dollars by allocating our resources efficiently and effectively for the best quality of life possible for the citizens of Ashland.



DEPARTMENT OF FINANCE

This department's responsibilities include maintaining the accounting system in accordance with GAAP; processing bi-weekly payroll and semi-monthly accounts payable checks; debt management; pension fund administration; coordination of the annual financial statement audit; compilation of the budget; and preparation of various financial reports for city management.

The Cashier Division focuses on billing and collection of all revenues, such as property taxes and charges for providing water, sewer, and garbage services.

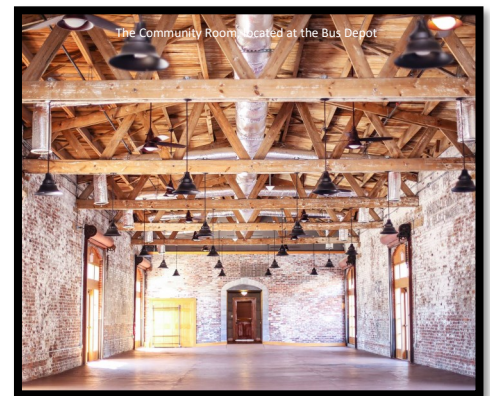
The Occupational License Fee Division registers all businesses within city limits, then collects/audits their net profit returns and local income tax withholdings.

- Vendors Paid: 782
- Vendor Checks: 3,656 / \$25,653,429
- Tax Bills Mailed: 20,367
- Utility Bills Processed: 167,263

Top 5 Property Taxpayers	Assessment	Paid
ATC Glimcher, LLC	29,025	74.8
Melody Mountain Associates, LTD	14,525	37.4
Fred Burns	13,468	34.7
GCG Ashland	12,695	32.4
BDB Midtown, LLC	11,300	28.8
Total (Rounded to Thousands)	\$81,013	\$208.1

Top 5 Water Customers	Avg. Mo. Gallons	Avg. Mo. Bill
Cannonsburg Water	26,617	78.2
City of Ashland	19,872	57.4
Ashland Oil Refinery	7,546	44.8
King's Daughters Medical Center	7,070	67.7
Federal Correctional Institution	6,023	34.3
Total (Rounded to Thousands)	67,128	\$282.4

Top 5 Local Income Taxpayers	Taxable Wages	Taxes Paid
King's Daughters Medical Center	173,527	3,471
King's Daughters Medical Specialties	68,910	1,378
Ashland Board of Education	22,685	454
City of Ashland	16,315	326
Walmart	11,600	232
Total (Rounded to Thousands)	\$293,037	\$5,861



PUBLIC SERVICES AND UTILITY OPERATIONS

Street Maintenance manages construction, repairs, improvements, sweeping, painting, snow/ice removal, and traffic control for all streets and sidewalks within city limits.

Solid Waste is responsible for garbage collection and transportation.

Central Garage provides maintenance for all vehicles of the City's fleet.

Animal Control enforces ordinances related to control, impoundment, and disposition of animals.

Floodwall maintenance maintains the city's floodwall, which stretches about 2 miles along the Ohio River from 7th to 35th Street.

Water Production and Distribution provides water for the city and its neighboring communities. The plant averages about 10 million gallons per day with a capacity for 24 million gallons.

Wastewater Treatment and Collection processes all wastewater according to state and federal standards before releasing it into the Ohio River.

13,845 tons of asphalt for paving

9,483 tons of debris hauled to landfill

685 full bins of waste recycled

3.7 billion gallons of water produced

1.8 billion gallons of wastewater treated



Our Vision: Ashland is high standards, pride, integrity, and opportunity—the place you want to be!

PUBLIC SAFETY

The Police Department's primary goals include law enforcement, criminal investigation, crime prevention, crowd control, traffic regulation, and maintaining general order throughout the City. Technical Services provides administrative support for Field Operations, which patrols the streets and responds to calls.

The Fire Department's main focuses are fire suppression and prevention. These functions include emergency rescue services, fire investigations, hazardous materials response, and conducting annual life safety inspections of all multi-family and commercial occupancies.

Police Service Calls: 24,475

Citations Issued: 2,805

Crimes Reported: 1,464

Cases Closed: 860

Fire Service Calls: 2,093

Fires Extinguished: 120

Fire Alarms Investigated: 312

Smoke Detectors Installed: 273



Our Mission is to provide citizens a safe, progressive environment and to deliver efficient, effective, and responsive services while creating the opportunity for all to achieve an enhanced quality of life.

PARKS AND RECREATION

Commission-Approved Events: 50

Weddings at Central Park: 21

Ballgames/Practices: 2,500

Dawson Pool Visitors: 7,336

Cemetery Burials: 65

Graves/Crypts/Niches Sold: 15

This department operates and maintains the city's various parks and the cemetery, which has a Revolutionary War memorial for two of Ashland's founding fathers: General John Poage and Colonel George Poage. Central Park is the primary location for many events throughout the year, such as Summer Motion and the Winter Wonderland of Lights! The Round House, the Log Cabin, and the swimming pool are also available to rent for personal events, such as meetings, weddings, receptions, birthdays, and reunions.

