

# City of Ashland

## Popular Annual Financial Report

### Fiscal Year Ending June 30, 2015



## Message from the Director of Finance

Dear City Residents,

We are pleased to present the City of Ashland's third *Popular Annual Financial Report* (PAFR) for the 2015 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 Comprehensive Annual Financial Report (CAFR). We are proud to report that the city has been awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association.

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



## About the City of Ashland

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 21,335 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.

Ashland is the epicenter of an unparalleled industrial and technological region. Health care is our leading industry with King's Daughters Medical Center as our largest employer. The city is also a major manufacturing town with AK Steel producing various steel products for automobiles, appliances, construction, and manufacturing. Located along the Ohio River, this manufacturer covers almost 700 acres and includes both dock and rail facilities.

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.

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### Popular Annual Financial Report

The PAFR is intended to brief the residents of the City of Ashland on the current financial standing of their city government.

The information in this report was derived from the 2015 CAFR, which conforms to Generally Accepted Accounting Principles, and includes audited financial statements. 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 CAFR, visit the city's website at [www.ashlandky.gov](http://www.ashlandky.gov), or contact the Finance Department at (606) 327-2009.

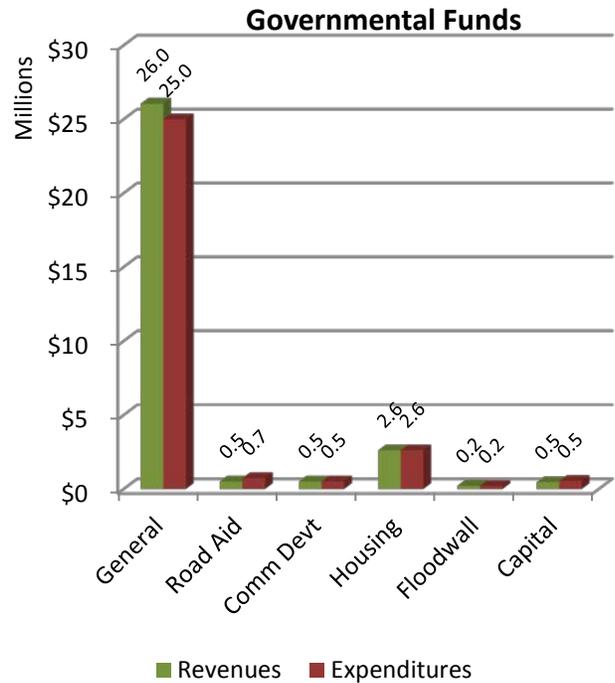
# Governmental Funds / General Fund

The city's governmental funds include a general fund, four 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 Municipal Aid Road Fund, the Community Development 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.

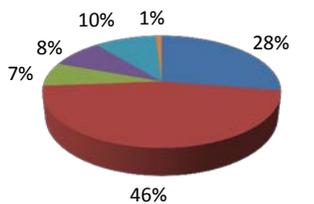
Governmental revenues totaled \$30.3 million, while expenditures totaled \$29.5 million. Of these totals, the General Fund accounts for 85.8% of revenues at \$26 million and 84.7% of expenditures at \$25 million.

As of June 30, 2015, the General Fund's balance was \$4,726,299, which is an increase of \$1,062,933, or 29%, over the previous year. Fund balance is comprised of the following four categories:

- Nonspendable** - funds that cannot be spent due to their form (e.g. inventories) = \$122,935;
- Restricted** - funds that are mandated for a specific purpose by external parties = \$22,121;
- Committed** - funds that are mandated for a specific purpose by the government itself = \$350,000;
- Unassigned** - excess funds that are not classified in other categories / spendable resources = \$4,231,243.



## General Fund Revenues



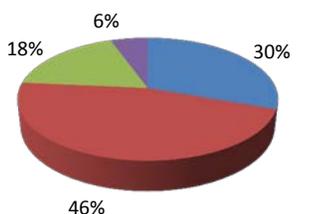
Taxes	
Property Tax	3,421,137
Insurance Premium Tax	3,660,143
Bank Franchise Tax	88,142
<b>Total Taxes</b>	<b>\$7,169,422</b>

Licenses and Permits	
Occupational License Fee	9,712,811
Business License / Net Profit	1,648,703
Other Licenses and Permits	681,690
<b>Total Licenses and Permits</b>	<b>\$12,043,204</b>

Fees / Fines / Reimbursements	
Franchise Fees	1,493,434
Other Fees / Fines / Reimbs	299,423
<b>Total Fees / Fines / Reimbs</b>	<b>\$1,792,857</b>

Charges for Services	
Garbage Collection	2,113,711
Other Services	71,019
<b>Total Charges for Services</b>	<b>\$2,184,730</b>

## General Fund Expenditures



General Government	
Salaries and Benefits	1,154,586
Services and Supplies	823,454
Debt Service Payments	3,346,868
Prop / Equip / Gen Liab Ins	225,581
Grants and Projects	12,003
Contributions and Dues	299,723
Transfers to Other Funds	1,744,729
<b>Total General Government</b>	<b>\$7,606,944</b>

Public Safety	
Salaries and Benefits	10,600,648
Services and Supplies	901,009
<b>Total Public Safety</b>	<b>\$11,501,657</b>

Public Works	
Salaries and Benefits	3,070,550
Services and Supplies	1,426,323
<b>Total Public Works</b>	<b>\$4,496,873</b>

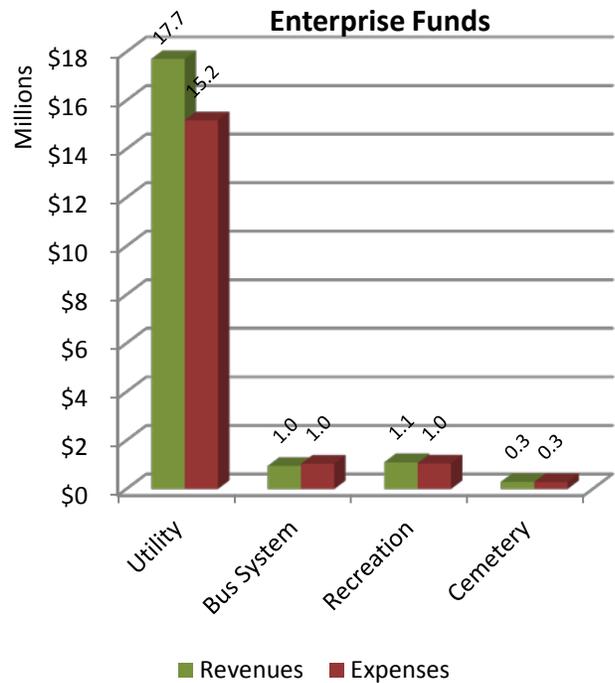
# Enterprise Funds / Utility Fund

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, and the Cemetery Fund. The **Utility Fund** is the largest enterprise fund and accounts for water and wastewater services provided to the city and its surrounding communities.

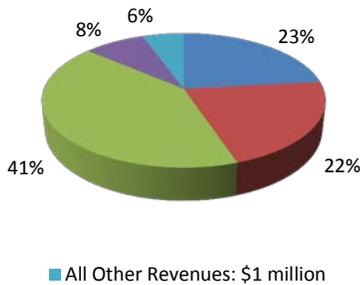
Enterprise fund revenues totaled \$20.1 million, while expenses totaled \$17.5 million. Of these totals, the Utility Fund accounts for 88.1% of total revenues at \$17.7 million and 86.9% of expenses at \$15.2 million.

As of June 30, 2015, the Utility Fund's net position was \$27,659,002, which is an increase of \$2,526,926, or 10.1%, over the previous year. Net position is comprised of the following four categories:

- Net investment in capital assets** = \$27,462,561;
- Restricted for debt service** = \$1,124,163;
- Restricted for sewer improvements** = \$6,039,483;
- Unrestricted** = (\$6,967,205).



## Utility Fund Revenues



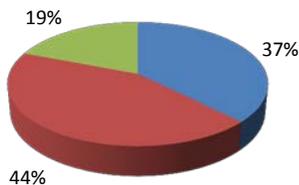
Residential and Commercial Meter Sales	
City	2,003,041
Noncity	2,136,453
<b>Total Meter Sales</b>	<b>\$4,139,494</b>

Industrial Meter Sales	
City	1,382,255
Noncity	2,413,387
<b>Total Meter Sales</b>	<b>\$3,795,642</b>

Sewer Service	
City	2,720,012
Noncity	2,856,461
CSO Surcharge	1,759,341
<b>Total Sewer Service</b>	<b>\$7,335,814</b>

Sales to Other Cities	
Russell / Big Sandy	86,293
Cannonsburg	1,167,248
Flatwoods	200,924
<b>Total Sales to Other Cities</b>	<b>\$1,454,465</b>

## Utility Fund Expenses



Administration	
Salaries and Benefits	2,395,131
Services and Supplies	492,549
Debt Service Payments	310,455
CSO Debt Service	134,720
Prop / Equip / Gen Liab Ins	135,964
Bad Debts	107,924
Depreciation / Amortization	2,092,499
<b>Total Administration</b>	<b>\$5,669,242</b>

Water	
Salaries and Benefits	2,633,851
Services and Supplies	3,973,201
<b>Total Water</b>	<b>\$6,607,052</b>

Wastewater	
Salaries and Benefits	1,555,200
Services and Supplies	1,351,996
<b>Total Wastewater</b>	<b>\$2,907,196</b>

# Facts and Statistics

## Top 10 Employers

- |  |                         |
|--|-------------------------|
| 1. King's Daughters Medical Center     | 6. City of Ashland      |
| 2. Ashland Independent School District | 7. JC Penney            |
| 3. Wal-Mart                            | 8. Mint Julep           |
| 4. KY Community and Technical College  | 9. Pathways, Inc.       |
| 5. Texas Roadhouse                     | 10. Woodland Oaks, Inc. |

## PUBLIC WORKS

8,935 Tons of Debris  
Hauled to Landfill

418 Tons of Waste Recycled

9,800 Tons of Asphalt for Paving

18,000 Square Feet of  
Concrete for Sidewalks

111,500 Bus Passengers

## PARKS & RECREATION

Weddings at Central Park: 35

Ballgames / Practices: 3,050

Dawson Pool Visitors: 10,684



2015 Population: 21,335  
City Employees: 296 FT

## PUBLIC SAFETY

Police Service Calls: 25,230

Citations Issued: 4,234

Crimes Reported: 1,974

Cases Closed: 649

Fire Service Calls: 1,820

Fires Extinguished: 299

Smoke Detectors Installed: 159



## PLANNING & CODE ENFORCEMENT

289 Building / Zoning Permits

3,269 Code Fines Issued



## ENGINEERING & UTILITIES

8,100 Feet of Pipe Installed

3.7 Billion Gallons  
of Water Produced

1.8 Billion Gallons of  
Wastewater Treated

