

# **City of Ashland**

Financial Statements and  
Supplementary Information

December 31, 2023

# City of Ashland

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## **Independent Auditors' Report**

To the City Council of  
City of Ashland

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Ashland, Wisconsin (the City), as of and for the year ended December 31, 2023, 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, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of December 31, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Ashland Ore Dock Charitable Trust. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit are based solely on the report of the other auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' 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. The financial statements of the Ashland Ore Dock Charitable Trust were not audited in accordance with *Government Auditing Standards*.

#### ***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.

### ***Auditors' 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 auditors' 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 GAAS 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 GAAS 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 required supplementary information, as listed in the table of contents 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinions on the basic financial statements are not affected by this missing information.

***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 supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2024 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.

*Baker Tilly US, LLP*

Eau Claire, Wisconsin  
September 19, 2024

**City of Ashland**

 Statement of Net Position  
 December 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Ashland Ore Dock Charitable Trust
<b>Assets</b>				
Cash and investments	\$ 7,811,425	\$ 762,757	\$ 8,574,182	\$ 1,075,653
Taxes receivable	5,329,732	-	5,329,732	-
Special assessments receivable	44,476	-	44,476	-
Notes receivable, net	1,668,430	-	1,668,430	-
Other receivables, net	662,614	710,605	1,373,219	800
Due from other governments	636,456	506,822	1,143,278	-
Internal balances	898,943	(898,943)	-	-
Prepaid items and inventories	23,447	366,911	390,358	670
Restricted assets, cash and investments	364,455	2,807,052	3,171,507	-
Capital assets:				
Construction in progress	263,623	1,956,373	2,219,996	-
Land and right of way	4,563,071	506,830	5,069,901	-
Other capital assets, net of depreciation/amortization	75,139,551	35,766,688	110,906,239	-
<b>Total assets</b>	<b>97,406,223</b>	<b>42,485,095</b>	<b>139,891,318</b>	<b>1,077,123</b>
<b>Deferred Outflows of Resources</b>				
OPEB related amounts	529,617	361,859	891,476	-
Pension related amounts	8,828,397	1,194,496	10,022,893	-
<b>Total deferred outflows of resources</b>	<b>9,358,014</b>	<b>1,556,355</b>	<b>10,914,369</b>	<b>-</b>
<b>Liabilities</b>				
Accounts payable	436,003	188,034	624,037	99,941
Accrued liabilities and deposits	356,447	70,656	427,103	-
Unearned revenue	429,619	-	429,619	-
Short-term notes payable	277,550	-	277,550	-
Current portion, lease liabilities	132,511	-	132,511	-
Noncurrent liabilities:				
Noncurrent, due within one year	1,557,102	578,982	2,136,084	-
Noncurrent, due in more than one year	11,955,280	9,067,279	21,022,559	-
OPEB liability	1,387,083	947,719	2,334,802	-
Net pension liability	2,403,375	294,000	2,697,375	-
Lease liabilities	214,881	-	214,881	-
<b>Total liabilities</b>	<b>19,149,851</b>	<b>11,146,670</b>	<b>30,296,521</b>	<b>99,941</b>
<b>Deferred Inflows of Resources</b>				
Unearned revenues	5,301,626	12,635	5,314,261	-
OPEB related amounts	336,526	229,930	566,456	-
Pension related amounts	5,015,846	630,508	5,646,354	-
<b>Total deferred inflows of resources</b>	<b>10,653,998</b>	<b>873,073</b>	<b>11,527,071</b>	<b>-</b>
<b>Net Position</b>				
Net investment in capital assets	69,899,991	29,114,444	99,014,435	-
Restricted:				
Future housing and economic development loans	1,769,200	-	1,769,200	-
Future debt service	148,950	-	148,950	-
Library	365,790	-	365,790	-
Police programs	119,305	-	119,305	-
NSP breakwall	387,838	-	387,838	-
Home improvement program	8,348	-	8,348	-
Future beautification projects	1,835	-	1,835	-
Community planning and development	87,945	-	87,945	-
Future TIF projects	61,026	-	61,026	-
Waterfront development	458,647	-	458,647	-
Ore Dock	-	-	-	977,182
Debt service reserve	-	408,064	408,064	-
Debt service redemption	-	296,883	296,883	-
Equipment replacement	27,112	1,591,186	1,618,298	-
Capital improvements	538,039	-	538,039	-
Unrestricted	3,086,362	611,130	3,697,492	-
<b>Total net position</b>	<b>\$ 76,960,388</b>	<b>\$ 32,021,707</b>	<b>\$ 108,982,095</b>	<b>\$ 977,182</b>

See notes to financial statements

**City of Ashland**

Statement of Activities  
Year Ended December 31, 2023

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	Ashland Ore Dock Charitable Trust
<b>Functions/Programs</b>								
Primary government:								
Governmental activities:								
General government	\$ 2,055,499	\$ 466,390	\$ 750	\$ -	\$ (1,588,359)	\$ -	\$ (1,588,359)	\$ -
Public safety	6,812,179	1,744,069	260,155	227,892	(4,580,063)	-	(4,580,063)	-
Public works	4,422,612	644,245	794,417	7,608	(2,976,342)	-	(2,976,342)	-
Health and human services	264,171	3,601	108,884	-	(151,686)	-	(151,686)	-
Leisure activities	2,110,755	269,826	175,038	577,224	(1,088,667)	-	(1,088,667)	-
Conservation and development	600,756	-	265,809	-	(334,947)	-	(334,947)	-
Interest and fiscal charges	207,554	-	-	-	(207,554)	-	(207,554)	-
Total governmental activities	<u>16,473,526</u>	<u>3,128,131</u>	<u>1,605,053</u>	<u>812,724</u>	<u>(10,927,618)</u>	<u>-</u>	<u>(10,927,618)</u>	<u>-</u>
Business-type activities:								
Water	1,969,083	2,358,763	-	405,543	-	795,223	795,223	-
Wastewater	2,708,801	2,178,051	-	338,775	-	(191,975)	(191,975)	-
Airport	488,059	279,436	-	-	-	(208,623)	(208,623)	-
Marina	287,324	283,161	-	-	-	(4,163)	(4,163)	-
Total business-type activities	<u>5,453,267</u>	<u>5,099,411</u>	<u>-</u>	<u>744,318</u>	<u>-</u>	<u>390,462</u>	<u>390,462</u>	<u>-</u>
Total primary government	<u>\$ 21,926,793</u>	<u>\$ 8,227,542</u>	<u>\$ 1,605,053</u>	<u>\$ 1,557,042</u>	<u>(10,927,618)</u>	<u>390,462</u>	<u>(10,537,156)</u>	<u>-</u>
<b>Component Unit</b>								
Ashland Ore Dock Charitable Trust	<u>\$ 1,752,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,752,836)</u>
<b>General Revenues</b>								
Taxes:								
Property taxes, levied for general purposes					2,852,457	-	2,852,457	-
Property taxes, levied for debt service					1,656,265	-	1,656,265	-
Property taxes, levied for TIF districts					625,972	-	625,972	-
Other taxes					245,027	-	245,027	-
Intergovernmental revenues not restricted to specific programs					4,046,553	45,000	4,091,553	-
Investment income					94,837	33,166	128,003	57,908
Miscellaneous					2,830,975	22,516	2,853,491	70
Total general revenues					<u>12,352,086</u>	<u>100,682</u>	<u>12,452,768</u>	<u>57,978</u>
<b>Transfers</b>					<u>260,708</u>	<u>(260,708)</u>	<u>-</u>	<u>-</u>
Change in net position					1,685,176	230,436	1,915,612	(1,694,858)
<b>Net Position, Beginning</b>					<u>75,275,212</u>	<u>31,791,271</u>	<u>107,066,483</u>	<u>2,672,040</u>
<b>Net Position, Ending</b>					<u>\$ 76,960,388</u>	<u>\$ 32,021,707</u>	<u>\$ 108,982,095</u>	<u>\$ 977,182</u>

See notes to financial statements

**City of Ashland**

Balance Sheet -  
Governmental Funds  
December 31, 2023

	General Fund	Special Revenue Housing Rehab Revolving Loan Fund	Capital Projects Capital Improvements	Debt Service Fund	Nonmajor Governmental Funds	Total
<b>Assets</b>						
Current assets:						
Cash and investments	\$ 3,252,063	\$ 100,918	\$ 2,043,239	\$ 310,529	\$ 1,686,856	\$ 7,393,605
Restricted assets, construction account	-	-	-	-	364,455	364,455
Receivables:						
Taxes	2,932,302	-	1,883	1,665,264	722,539	5,321,988
Delinquent personal property taxes, net	7,744	-	-	-	-	7,744
Accounts, net	437,676	-	126,124	-	98,814	662,614
Notes, net	-	1,609,286	-	-	59,144	1,668,430
Special assessments	-	-	44,476	-	-	44,476
Due from other governments	59,280	-	320,516	-	256,660	636,456
Due from other funds	1,037,587	-	-	-	-	1,037,587
Advances to other funds	105,264	-	-	-	171,318	276,582
Prepaid items and inventory	23,447	-	-	-	-	23,447
	<u>7,855,363</u>	<u>1,710,204</u>	<u>2,536,238</u>	<u>1,975,793</u>	<u>3,359,786</u>	<u>17,437,384</u>
Total assets	<u>\$ 7,855,363</u>	<u>\$ 1,710,204</u>	<u>\$ 2,536,238</u>	<u>\$ 1,975,793</u>	<u>\$ 3,359,786</u>	<u>\$ 17,437,384</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 212,649	\$ -	\$ 82,178	\$ -	\$ 141,176	\$ 436,003
Accrued liabilities	224,981	-	-	-	16,377	241,358
Unearned revenue	-	-	-	-	429,619	429,619
Due to other funds	-	-	-	-	100,564	100,564
Short-term notes payable	277,550	-	-	-	-	277,550
Due to other governments	1,221	-	-	-	-	1,221
Advances from other funds	-	-	-	51,728	276,582	328,310
	<u>716,401</u>	<u>-</u>	<u>82,178</u>	<u>51,728</u>	<u>964,318</u>	<u>1,814,625</u>
Total liabilities	<u>716,401</u>	<u>-</u>	<u>82,178</u>	<u>51,728</u>	<u>964,318</u>	<u>1,814,625</u>
<b>Deferred Inflows of Resources</b>						
Unearned revenues	2,866,549	-	2,348	1,665,264	767,465	5,301,626
Unavailable revenues	148,355	1,609,286	582,311	-	285,545	2,625,497
	<u>3,014,904</u>	<u>1,609,286</u>	<u>584,659</u>	<u>1,665,264</u>	<u>1,053,010</u>	<u>7,927,123</u>
Total deferred inflows of resources	<u>3,014,904</u>	<u>1,609,286</u>	<u>584,659</u>	<u>1,665,264</u>	<u>1,053,010</u>	<u>7,927,123</u>
<b>Fund Balances</b>						
Nonspendable	60,647	-	-	-	160,902	221,549
Restricted	-	100,918	1,773,547	258,801	1,222,170	3,355,436
Committed	-	-	-	-	128,755	128,755
Assigned	198,527	-	95,854	-	207,503	501,884
Unassigned (deficit)	3,864,884	-	-	-	(376,872)	3,488,012
	<u>4,124,058</u>	<u>100,918</u>	<u>1,869,401</u>	<u>258,801</u>	<u>1,342,458</u>	<u>7,695,636</u>
Total fund balances	<u>4,124,058</u>	<u>100,918</u>	<u>1,869,401</u>	<u>258,801</u>	<u>1,342,458</u>	<u>7,695,636</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,855,363</u>	<u>\$ 1,710,204</u>	<u>\$ 2,536,238</u>	<u>\$ 1,975,793</u>	<u>\$ 3,359,786</u>	<u>\$ 17,437,384</u>

See notes to financial statements

## City of Ashland

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
December 31, 2023

<b>Total Fund Balance, Governmental Funds</b>		<b>\$ 7,695,636</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in government activities are not financial resources and, therefore, are not reported in the fund statements. Capital assets at year end consist of:		
Capital assets	\$ 114,059,105	
Accumulated depreciation/amortization	<u>(34,092,860)</u>	79,966,245
Special assessments, certain grant receivables, loan receivables and various other receivables are reported as unavailable revenues in the fund financial statements and are recognized as revenue when earned in the government-wide financial statements. See Note 3 for details.		2,625,497
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.		8,828,397
Deferred outflows of resources related to other postemployment benefits do not relate to current financial resources and are not reported in the governmental funds.		529,617
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.		(5,015,846)
Deferred inflows of resources related to other postemployment benefits do not relate to current financial resources and are not reported in the governmental funds.		(336,526)
An internal service fund is used by management to charge the costs of other postemployment benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		427,456
Long-term liabilities, including bond and notes payable, are not due in the current period and, therefore, are not reported in the fund statements. Long-term liabilities at year end consist of:		
General obligation debt	(12,069,146)	
Accrued interest on general obligation debt	(109,856)	
Landfill liability	(783,881)	
OPEB liability	(1,387,083)	
Net pension liability	(2,403,375)	
Lease liabilities	(347,392)	
Vested compensated absences	<u>(659,355)</u>	<u>(17,760,088)</u>
<b>Total Net Position, Governmental Activities</b>		<b><u>\$ 76,960,388</u></b>

See notes to financial statements

**City of Ashland**

Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Governmental Funds  
 Year Ended December 31, 2023

	General Fund	Special Revenue Housing Rehab Revolving Loan Fund	Capital Projects Capital Improvements	Debt Service Fund	Nonmajor Governmental Funds	Total
<b>Revenues</b>						
Taxes	\$ 2,893,373	\$ -	\$ 149,564	\$ 1,656,265	\$ 625,972	\$ 5,325,174
Intergovernmental	4,857,593	-	1,582,718	-	780,937	7,221,248
Licenses and permits	209,188	-	-	-	-	209,188
Fines, forfeitures and penalties	15,342	-	573,500	-	292	589,134
Public charges for services	1,908,661	-	127,062	-	3,079	2,038,802
Intergovernmental charges for services	839,104	-	-	-	-	839,104
Special assessments	-	-	7,971	-	-	7,971
Investment income (loss)	54,269	20	10,648	-	29,324	94,261
Miscellaneous	91,158	52,460	1,868,659	-	327,652	2,339,929
<b>Total revenues</b>	<b>10,868,688</b>	<b>52,480</b>	<b>4,320,122</b>	<b>1,656,265</b>	<b>1,767,256</b>	<b>18,664,811</b>
<b>Expenditures</b>						
Current:						
General government	2,037,974	-	7,921	-	7,889	2,053,784
Public safety	5,544,354	-	-	-	209,509	5,753,863
Public works	2,238,742	-	286,891	-	146,220	2,671,853
Health and human services	153,325	-	-	-	108,884	262,209
Leisure activities	665,170	-	107,685	-	551,932	1,324,787
Conservation and development	237,152	82,608	37,546	-	356,551	713,857
Capital outlay	-	-	3,730,076	-	1,410,214	5,140,290
Debt service:						
Principal retirement	-	-	-	1,200,439	-	1,200,439
Interest and fiscal charges	-	-	47,464	263,883	27,843	339,190
<b>Total expenditures</b>	<b>10,876,717</b>	<b>82,608</b>	<b>4,217,583</b>	<b>1,464,322</b>	<b>2,819,042</b>	<b>19,460,272</b>
Excess (deficiency) of revenues over expenditures	(8,029)	(30,128)	102,539	191,943	(1,051,786)	(795,461)
<b>Other Financing Sources (Uses)</b>						
Long-term debt issued	-	-	1,600,000	-	905,000	2,505,000
Premium on long-term debt	-	-	81,205	-	45,102	126,307
Proceeds from sale of capital assets	-	-	-	-	59,592	59,592
Proceeds from leases	-	-	172,185	-	119,268	291,453
Transfers in	371,359	-	348,000	84,479	829,699	1,633,537
Transfers out	(673,924)	-	(23,859)	(266,000)	(409,046)	(1,372,829)
<b>Total other financing sources (uses)</b>	<b>(302,565)</b>	<b>-</b>	<b>2,177,531</b>	<b>(181,521)</b>	<b>1,549,615</b>	<b>3,243,060</b>
Net change in fund balances	(310,594)	(30,128)	2,280,070	10,422	497,829	2,447,599
<b>Fund Balances (Deficit), Beginning</b>	<b>4,434,652</b>	<b>131,046</b>	<b>(410,669)</b>	<b>248,379</b>	<b>844,629</b>	<b>5,248,037</b>
<b>Fund Balances, Ending</b>	<b>\$ 4,124,058</b>	<b>\$ 100,918</b>	<b>\$ 1,869,401</b>	<b>\$ 258,801</b>	<b>\$ 1,342,458</b>	<b>\$ 7,695,636</b>

See notes to financial statements

## City of Ashland

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended December 31, 2023

**Net Change in Fund Balances, Total Governmental Funds** \$ 2,447,599

Amounts reported for governmental activities in the Statement of Activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. The following differ in their presentation in the two statements:

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	5,140,290
Some items reported as capital outlay were not capitalized	(1,905)
Some functional expenditures are capitalized	369,811
Depreciation/amortization is reported in the government-wide statements	(2,346,973)
Book value of capital assets disposed of in the current year	(980,788)

Special assessments are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements. (17,294)

Governmental funds report repayments of economic development and housing loans and notes receivables as revenue and issuing new loans as expenditures. However, in the statement of activities, these amounts are not reported as revenue and expenses; they are reported as changes in the receivables balances. (60,983)

Grant and accounts receivables are reported as unavailable revenues in the fund financial statements if not collected within 60 days of year end but are recognized as revenue when earned in the government-wide financial statements. (717,574)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment reduces long-term liabilities in the statement of net position.

Debt issued	(2,505,000)
Principal payments paid	1,200,439
Leases issued	(291,453)
Lease principal paid	130,474

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in the landfill liability	13,177
Change in the vested compensated absences	(76,833)
Change in accrued interest payable	5,323
Change in the OPEB liability (and OPEB related deferred inflows and outflows of resources)	22,058
Change in net pension liability (and pension related deferred inflows and outflows of resources)	(682,652)

An internal service fund is used by management to charge the costs of other postemployment benefits to individual funds. The net revenue of certain activities of internal service fund is reported with governmental activities. 37,460

**Change in Net Position of Governmental Activities** \$ 1,685,176

See notes to financial statements

**City of Ashland**

Statement of Net Position -  
 Proprietary Funds  
 Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds			Total	Dental/FLEX Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Funds		
<b>Assets</b>					
Current assets:					
Cash and investments	\$ -	\$ 392,812	\$ 369,945	\$ 762,757	\$ 417,820
Restricted assets, redemption account	225,423	110,682	41,523	377,628	-
Restricted assets, construction account	329,303	-	100,871	430,174	-
Customer accounts receivable	324,946	369,645	-	694,591	-
Other accounts receivable	-	-	16,014	16,014	-
Due from other governments	310,223	196,599	-	506,822	-
Current portion of advances to other funds	12,660	-	-	12,660	-
Inventories and prepaid items	155,613	161,424	49,874	366,911	-
Total current assets	1,358,168	1,231,162	578,227	3,167,557	417,820
Noncurrent assets:					
Restricted assets:					
Reserve account	388,063	20,001	-	408,064	-
Replacement account	-	1,591,186	-	1,591,186	-
Capital assets:					
Construction work in progress	1,473,962	471,465	10,946	1,956,373	-
Land	30,611	38,951	437,268	506,830	-
Capital assets being depreciated	26,116,694	35,370,210	8,267,392	69,754,296	-
Accumulated depreciation	(9,579,749)	(20,327,701)	(4,080,158)	(33,987,608)	-
Other assets:					
Advances to other funds	39,068	-	-	39,068	-
Total noncurrent assets	18,468,649	17,164,112	4,635,448	40,268,209	-
Total assets	19,826,817	18,395,274	5,213,675	43,435,766	417,820
<b>Deferred Outflows of Resources</b>					
OPEB related amounts	171,845	190,014	-	361,859	-
Pension related amounts	442,722	578,740	173,034	1,194,496	-
Total deferred outflows of resources	614,567	768,754	173,034	1,556,355	-
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	91,257	93,419	3,358	188,034	-
Accrued expenses	7,150	11,188	2,944	21,282	4,012
Deposits	4,000	-	-	4,000	-
Due to other funds	937,023	-	-	937,023	-
Liabilities payable from restricted assets:					
Accrued interest	28,798	10,424	6,152	45,374	-
Current portion of long-term debt	348,176	124,663	39,000	511,839	-
Current portion of accrued compensated absences	25,867	27,079	14,197	67,143	-
Total current liabilities	1,442,271	266,773	65,651	1,774,695	4,012
Noncurrent liabilities:					
Long-term debt	6,133,515	2,641,267	259,000	9,033,782	-
Accrued compensated absences	12,583	-	20,914	33,497	-
OPEB liability	450,066	497,653	-	947,719	-
Net pension liability	113,982	138,710	41,308	294,000	-
Total noncurrent liabilities	6,710,146	3,277,630	321,222	10,308,998	-
Total liabilities	8,152,417	3,544,403	386,873	12,083,693	4,012
<b>Deferred Inflows of Resources</b>					
Unearned revenues	12,635	-	-	12,635	-
OPEB related amounts	109,192	120,738	-	229,930	-
Pension related amounts	234,023	301,470	95,015	630,508	-
Total deferred inflow of resources	355,850	422,208	95,015	873,073	-
<b>Net Position</b>					
Net investment in capital assets	11,889,130	12,786,995	4,438,319	29,114,444	-
Restricted for:					
Debt service reserve	388,063	20,001	-	408,064	-
Debt service redemption	196,625	100,258	-	296,883	-
Equipment replacement	-	1,591,186	-	1,591,186	-
Unrestricted (deficit)	(540,701)	698,977	466,502	624,778	413,808
Total net position	\$ 11,933,117	\$ 15,197,417	\$ 4,904,821	32,035,355	\$ 413,808
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(13,648)	
Net position of business-type activities				\$ 32,021,707	

See notes to financial statements

**City of Ashland**

Statement of Revenues, Expenses and Changes in Net Position -  
 Proprietary Funds  
 Year Ended December 31, 2023

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Dental/FLEX Internal Service Fund</b>
	<b>Water Utility</b>	<b>Wastewater Utility</b>	<b>Nonmajor Funds</b>	<b>Total</b>	
<b>Operating Revenues</b>	\$ 2,358,763	\$ 2,178,051	\$ 562,597	\$ 5,099,411	\$ 128,377
<b>Operating Expenses</b>					
Operation and maintenance	1,271,894	1,870,926	509,427	3,652,247	120,028
Depreciation	496,221	799,189	257,500	1,552,910	-
Taxes	2,070	-	-	2,070	-
Total operating expenses	1,770,185	2,670,115	766,927	5,207,227	120,028
Operating income (loss)	588,578	(492,064)	(204,330)	(107,816)	8,349
<b>Nonoperating Revenues (Expenses)</b>					
Investment income	3,676	25,151	4,339	33,166	3,578
Interest and fiscal charges	(196,840)	(50,761)	(8,456)	(256,057)	-
Grants revenue	-	-	45,000	45,000	-
Miscellaneous revenue	7,147	4,234	11,135	22,516	35,550
Total nonoperating revenue (expenses)	(186,017)	(21,376)	52,018	(155,375)	39,128
Income (loss) before contributions and transfers	402,561	(513,440)	(152,312)	(263,191)	47,477
<b>Contributions and Transfers</b>					
Capital contributions	405,543	338,775	-	744,318	-
Transfers in	-	-	86,792	86,792	-
Transfers out	(347,500)	-	-	(347,500)	-
Total contributions and transfers	58,043	338,775	86,792	483,610	-
Change in net position	460,604	(174,665)	(65,520)	220,419	47,477
<b>Net Position, Beginning</b>	11,472,513	15,372,082	4,970,341	31,814,936	366,331
<b>Net Position, Ending</b>	\$ 11,933,117	\$ 15,197,417	\$ 4,904,821	\$ 32,035,355	\$ 413,808
<b>Change in Net Position, Enterprise Funds</b>				\$ 220,419	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				10,017	
<b>Change in Net Position of Business-Type Activities</b>				\$ 230,436	

See notes to financial statements

**City of Ashland**

 Statement of Cash Flows -  
 Proprietary Funds  
 Year Ended December 31, 2023

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Dental/FLEX Internal Service Fund</b>
	<b>Water Utility</b>	<b>Wastewater Utility</b>	<b>Nonmajor Funds</b>	<b>Total</b>	
<b>Cash Flows From Operating Activities</b>					
Cash received from customers	\$ 2,362,489	\$ 2,102,753	\$ 614,776	\$ 5,080,018	\$ 167,759
Cash received from the City	18,932	-	-	18,932	-
Cash paid to suppliers for goods and services	(999,901)	(1,671,666)	(603,878)	(3,275,445)	(118,277)
Cash paid to employees for services	(385,343)	(456,366)	(179,368)	(1,021,077)	-
Net cash flows from operating activities	<u>996,177</u>	<u>(25,279)</u>	<u>(168,470)</u>	<u>802,428</u>	<u>49,482</u>
<b>Cash Flows From Noncapital Financing Activities</b>					
Negative cash implicitly financed (paid)	589,523	(369,938)	-	219,585	-
Transfers from other funds	-	-	86,792	86,792	-
Transfers to other funds	(347,500)	-	-	(347,500)	-
Net cash flows from investing activities	<u>242,023</u>	<u>(369,938)</u>	<u>86,792</u>	<u>(41,123)</u>	<u>-</u>
<b>Cash Flows From Investing Activities</b>					
Noncash equivalents purchased	(340,685)	(552,107)	-	(892,792)	-
Noncash equivalents sold	224,195	535,473	-	759,668	-
Investment income	3,676	25,151	4,339	33,166	3,578
Net cash flows from investing activities	<u>(112,814)</u>	<u>8,517</u>	<u>4,339</u>	<u>(99,958)</u>	<u>3,578</u>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Debt proceeds	1,585,000	1,007,623	-	2,592,623	-
Debt retired	(280,813)	(95,939)	(38,000)	(414,752)	-
Interest paid	(198,411)	(46,956)	(9,240)	(254,607)	-
Special assessments received	-	79,481	-	79,481	-
Contributions in aid of construction	267,052	1,014,652	409,321	1,691,025	-
Acquisition and construction of capital assets	(2,417,338)	(1,438,161)	(44,898)	(3,900,397)	-
Net cash flows from capital and related financing activities	<u>(1,044,510)</u>	<u>520,700</u>	<u>317,183</u>	<u>(206,627)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	80,876	134,000	239,844	454,720	53,060
<b>Cash and Cash Equivalents, Beginning</b>	<u>521,228</u>	<u>1,428,574</u>	<u>272,495</u>	<u>2,222,297</u>	<u>364,760</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 602,104</u>	<u>\$ 1,562,574</u>	<u>\$ 512,339</u>	<u>\$ 2,677,017</u>	<u>\$ 417,820</u>
<b>Reconciliation of Cash and Cash Equivalents</b>					
Cash and cash equivalents per statement of net position:					
Cash and investments	\$ -	\$ 392,812	\$ 369,945	\$ 762,757	\$ 417,820
Restricted cash and investments:					
Reserve account	388,063	20,001	-	408,064	-
Redemption account	225,423	110,682	41,523	377,628	-
Construction account	329,303	-	100,871	430,174	-
Replacement account	-	1,591,186	-	1,591,186	-
Total cash and investments	<u>942,789</u>	<u>2,114,681</u>	<u>512,339</u>	<u>3,569,809</u>	<u>417,820</u>
Less noncash equivalents	<u>(340,685)</u>	<u>(552,107)</u>	<u>-</u>	<u>(892,792)</u>	<u>-</u>
Cash and cash equivalents per statement of cash flows	<u>\$ 602,104</u>	<u>\$ 1,562,574</u>	<u>\$ 512,339</u>	<u>\$ 2,677,017</u>	<u>\$ 417,820</u>

See notes to financial statements

**City of Ashland**

Statement of Cash Flows -  
 Proprietary Funds  
 Year Ended December 31, 2023

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Dental/FLEX Internal Service Fund</u>
	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Nonmajor Funds</u>	<u>Total</u>	
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities</b>					
Operating income (loss)	\$ 588,578	\$ (492,064)	\$ (204,330)	\$ (107,816)	\$ 8,349
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Nonoperating income	7,147	2,834	56,135	66,116	35,550
Noncash items included in income:					
Depreciation	496,221	799,189	257,500	1,552,910	-
Depreciation charged to other accounts	24,834	(24,834)	-	-	-
Change in assets and liabilities:					
Customer accounts receivable	21,826	(18,753)	-	3,073	-
Other accounts receivable	-	-	(3,956)	(3,956)	3,832
Inventories and prepaid items	9,275	(51,051)	(13,244)	(55,020)	-
Accounts payable	(122,236)	(237,031)	(50,216)	(409,483)	(250)
Payable to municipality	(33,523)	-	(211,399)	(244,922)	-
Other current liabilities	(1,413)	2,156	1,547	2,290	2,001
Accrued compensated absences	3,790	5,360	1,589	10,739	-
Other postemployment benefits	(14,277)	(16,080)	-	(30,357)	-
Pension related deferrals and asset	15,955	4,995	(2,096)	18,854	-
Net cash flows from operating activities	<u>\$ 996,177</u>	<u>\$ (25,279)</u>	<u>\$ (168,470)</u>	<u>\$ 802,428</u>	<u>\$ 49,482</u>
<b>Noncash Capital, Investing and Financing Activities</b>					
None					

See notes to financial statements

# City of Ashland

Statement of Fiduciary Net Position -  
Fiduciary Fund  
December 31, 2023

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
<b>Assets</b>	
Cash and investments	\$ 3,455,056
Taxes receivable	<u>4,014,287</u>
Total assets	<u>7,469,343</u>
<b>Liabilities</b>	
Due to other taxing units	<u>7,469,343</u>
Total liabilities	<u>7,469,343</u>
Total net position	<u>\$ -</u>

See notes to financial statements

## City of Ashland

Statement of Changes in Fiduciary Net Position -  
Fiduciary Fund  
Year Ended December 31, 2023

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
<b>Additions</b>	
Property taxes collected for other governments	\$ 4,886,525
<b>Deductions</b>	
Property taxes distributed to other governments	<u>4,886,525</u>
Change in fiduciary net position	-
<b>Net Position, Beginning</b>	<u>-</u>
<b>Net Position, Ending</b>	<u><u>\$ -</u></u>

See notes to financial statements

# City of Ashland

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December 31, 2023

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# City of Ashland

Notes to Financial Statements  
December 31, 2023

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## 1. Summary of Significant Accounting Policies

The accounting policies of the City of Ashland, Wisconsin (the City) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

### Reporting Entity

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component unit. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization; (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the primary government; and (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents; (2) the primary government or its component units, is entitled to or has the ability to access, a majority of the economic resources received or held by the separate organization and (3) the economic resources received or held by an individual organization that the primary government or its component units, is entitled to or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blending or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

### Discretely Presented Component Unit

The government-wide financial statements include the Ashland Ore Dock Charitable Trust as a component unit. The Ashland Ore Dock Charitable Trust is a legally separate organization. The board of the Ashland Ore Dock Charitable Trust consists of the mayor of the City of Ashland; a member of the Ashland City Council, nominated by the mayor and confirmed by the Council; the chairperson of the Ashland Harbor Commission; the director of the Ashland Park and Recreation Department; the president of the Ashland Historical Society; the president of Northland College; a representative of the Ashland business community, selected by the Ashland Area Chamber of Commerce; a representative of the Ashland banking, financial services or investment community, selected by the members of the board; and a resident of the City of Ashland, not a member of the City Council or of the Harbor Commission, selected by the members of the board. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the Ashland Ore Dock Charitable Trust and also create a potential financial benefit to or burden on the City. The Ashland Ore Dock Charitable Trust is part of the reporting entity of the City. See Note 3.

# City of Ashland

Notes to Financial Statements  
December 31, 2023

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As a component unit, the Ashland Ore Dock Charitable Trust's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2023. The Ashland Ore Dock Charitable Trust is a not-for-profit organization that follows Financial Accounting Standards Board (FASB) for accounting and financial reporting principles. Separately issued financial statements of the Ashland Ore Dock Charitable Trust may be requested at 601 Main Street West, Ashland, WI 54806.

## Government-Wide and Fund Financial Statements

### Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the City except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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. The City does not allocate indirect expenses to functions in the statement of activities. 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 included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

### Fund Financial Statements

Financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditure/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type and
- b. The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

# City of Ashland

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Notes to Financial Statements  
December 31, 2023

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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

## **General Fund**

General Fund accounts for the City's primary operating activities. It is used to account for and report all financial resources except those required to be accounted for in another fund.

## **Special Revenue Fund - Housing Rehab Revolving Loan Fund**

Special Revenue Fund - Housing Rehab Revolving Loan Fund accounts for and reports the grants and local revenues legally restricted or committed to supporting expenditures for the City's housing loan program.

## **Capital Improvements Fund**

Capital Improvement Fund is used to account for and report financial resources that are restricted or assigned to expenditures for various types of capital improvement projects.

Beginning in 2023, the City combined the Street Improvements, Leisure and Recreation Improvements, Public Transportation, Building Facilities, Waterfront Development, Park Grounds Improvements, Land Sales and Acquisition, Capital Sidewalk Improvements, Urban Forestry and Landfill Improvement Funds into a single fund for increased consistency in reporting.

## **Debt Service Fund**

Debt Service Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditures for the payment of general long-term debt principal, interest and related costs, other than TIF or enterprise debt.

The City reports the following major enterprise funds:

## **Water Utility**

Water Utility accounts for the construction, operations and maintenance of the municipal water pumping, treatment and distribution systems.

## **Wastewater Utility**

Wastewater Utility accounts for the construction, operations and maintenance of the municipal sewage collection and treatment system.

# City of Ashland

Notes to Financial Statements  
December 31, 2023

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The City reports the following nonmajor governmental and enterprise funds:

## Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Recycling	Evidence Funds
Economic Development Revolving Loan	Bretting Teen Center
Library Grants and Special Revenue	Beautification
TIF No. 6 Increment	Vaughn Library
TIF No. 9 Increment	Insured Loss Deductible
TIF No. 10 Increment	Hazardous Materials
Community Planning and Development	Home Improvement Program
NSP Breakwall	

## Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of equipment and/or major capital facilities.

TIF No. 10 Development	Capital Equipment
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## Enterprise Funds

Enterprise Funds are used to account for and report any activity for which a fee is charged to external users for goods or services and must be used for activities which meet certain debt or cost recovery criteria.

Airport	Marina
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In addition, the City reports the following fund types:

## Internal Service Funds

Internal Service Funds are used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the City or to other governmental units, on a cost-reimbursement basis. The City reports its Dental/FLEX Fund as an internal service fund.

## Custodial Funds

Custodial Funds are used to account for and report assets controlled by the City and the assets are for the benefit of individuals, private organizations and/or other governmental units.

Tax Collection Fund
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## Measurement Focus, Basis of Accounting and Financial Statement Presentation

### Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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's water and wastewater utilities 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.

### Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used 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 are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

## City of Ashland

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Notes to Financial Statements  
December 31, 2023

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary fund and fiduciary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The 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 revenues of the water and wastewater utilities are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. 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.

### All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

#### Deposits and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of City funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

# City of Ashland

## Notes to Financial Statements

December 31, 2023

The City has not adopted a formal investment policy; however, the City's budget document indicates that the City follows state statutes regarding allowable investments and abides by the following criteria: preservation of capital, maintenance of liquid position and maximum yield.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note 3 for further information.

### Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the City, taxes are collected for and remitted to the county government as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

Property tax calendar, 2023 tax roll:

Lien date and levy date	December 2023
Tax bills mailed	December 2023
Payment in full, or	January 31, 2024
First installment due	January 31, 2024
Second installment due	July 31, 2024
Personal property taxes in full	January 31, 2024
Tax sale, 2023 delinquent real estate taxes	October 2026

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. Therefore, no provision has been made for uncollectible real estate taxes.

The water and wastewater utilities have the right, by law, to place substantially all delinquent bills on the tax roll. Therefore, no provision for has been made for uncollectible utility bills.

All receivables have been adjusted for estimated uncollectible accounts. The amounts recorded as receivables in the general fund have been reduced by an allowance for uncollectible accounts of \$1,697,768.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

# City of Ashland

Notes to Financial Statements  
December 31, 2023

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In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as notes receivable has been reduced by an allowance for uncollectible accounts of \$36,824.

It is the City's policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year-end are presented as restricted fund balance in the fund financial statements.

## **Inventories and Prepaid Items**

Governmental fund inventory items, if significant, are recorded at cost based on average cost using the consumption method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at average cost based on FIFO and charged to construction or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

## **Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

## **Capital Assets**

### **Government-Wide Financial Statements**

Capital assets, which include property, plant and equipment (including right-to-use lease assets), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$25,000 for infrastructure assets and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

# City of Ashland

Notes to Financial Statements  
December 31, 2023

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Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor and overhead. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	50-75 years
Land improvements	25 years
Machinery and equipment	4-20 years
Utility system	7-100 years
Infrastructure	40-100 years

Lease assets are typically amortized over the lease term.

## Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

## Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

## Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements and are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2023 are determined on the basis of current salary rates and include salary related payments.

## Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, landfill liability and vested compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

## Leases

The City is a lessee because it leases capital assets from other entities. As a lessee, the City reports a lease liability and an intangible right-to-use capital asset (known as the lease asset) on the government-wide financial statements and proprietary fund statements. In the governmental fund financial statements, the City recognizes lease proceeds and capital outlay at initiation of the lease, and the outflow of resources for the lease liability as a debt service payment.

## Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

## Equity Classifications

### Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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.

## Fund Statements

Governmental fund balances are displayed as follows:

**Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

**Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

**Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.

**Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: 1) The City Council has adopted a policy authorizing the City Administrator or Finance Director to assign amounts for a specific purpose; and 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.

**Unassigned** - Includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide financial statements.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has a formal minimum fund balance policy. That policy is to maintain a total fund balance (excluding nonspendable and restricted fund balances) in the General Fund equal to 30% of expenditures. The balance at year-end was \$4,063,411 or 37% of expenditures.

See Note 3 for further information.

## **Basis for Existing Utility Rates**

Current water rates were authorized by Public Service Commission order 250-WR-104 and were in effect for services rendered on or after November 28, 2016.

Current wastewater rates were approved by the City Council and were in effect for services rendered on or after May 24, 2017.

## **Pension**

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset);
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions; and
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. 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.

## **Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the City OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

# City of Ashland

Notes to Financial Statements  
December 31, 2023

## 2. Stewardship, Compliance and Accountability

### Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end. As of December 31, 2023, the following individual funds held a deficit balance:

Fund	Amount	Reason
Economic Development Revolving Loan	\$ 148	Unavailable revenues related to current year expenditures
TIF No. 9 Increment	105,264	Expenditures in excess of increment
TIF No. 10 Increment	170,924	Expenditures in excess of increment
Home Improvement Program	100,536	Unavailable revenues related to current year expenditures

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995 and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. TIF No. 9 adopted a plan amendment in 2015 that designated the district as distressed under Wisconsin State Statute Section 66.1105(4e), with TIF No. 6 being the donor district for increment revenue sharing. This extended the life of TIF No. 9 by 10 years to 33 years after its creation date.

Deficits in the remaining funds are anticipated to be funded with future contributions, general tax revenues or grant reimbursements.

### Limitations on the City's Tax Levy

Wisconsin law limits the City's future tax levies. Generally, the City is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the City's equalized value due to net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The City is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

# City of Ashland

Notes to Financial Statements  
December 31, 2023

## 3. Detailed Notes on All Funds

### Deposits and Investments

The City's cash and investments at year-end were comprised of the following:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand and time deposits	\$ 15,199,570	<u>\$ 15,774,274</u>	Custodial credit risk
Cash on hand and petty cash	<u>1,175</u>		
Total cash and investments	<u>\$ 15,200,745</u>		
Reconciliation to financial statements:			
Per statement of net position:			
Unrestricted cash and investments	\$ 8,574,182		
Restricted cash and investments	3,171,507		
Per statement of fiduciary net position:			
Tax collection fund	<u>3,455,056</u>		
Total cash and investments	<u>\$ 15,200,745</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The City maintains collateral agreements with its banks. At December 31, 2023, the banks had pledged various government securities of approximately \$12,810,052 to secure the City's deposits.

### Custodial Credit Risk

#### Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

As of December 31, 2023, \$3,386,918 of the City's total bank balances were exposed to custodial credit risk as uninsured and uncollateralized deposits.

# City of Ashland

Notes to Financial Statements  
December 31, 2023

## Receivables

All of the receivables on the balance sheet are expected to be collected within one year, except as follows:

General Fund	\$	37,200
Housing Rehab Revolving Loan Fund		1,609,286
Capital Improvements Fund		40,028
Nonmajor Governmental Funds		106,580

Governmental funds report *unavailable* or *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivables	\$ 5,256,492	\$ -
Other receivables	208	69,726
Grant receivables	44,926	843,069
Grants received in advance of meeting eligibility requirements	429,619	-
Special assessments not yet due	-	44,272
Economic development and housing rehabilitation loans	-	1,668,430
	<u>                    </u>	<u>                    </u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 5,731,245</u>	<u>\$ 2,625,497</u>
Unearned revenue included in liabilities	\$ 429,619	
Unearned revenue included in deferred inflows	<u>5,301,626</u>	
Total unearned revenue for governmental funds	<u>\$ 5,731,245</u>	

# City of Ashland

Notes to Financial Statements  
December 31, 2023

## Restricted Assets

The following represent the balances of the restricted assets.

### Long-Term Debt Accounts

*Redemption* - Used to segregate resources accumulated for debt service payments over the next twelve months.

*Reserve* - Used to report resources set aside to make up potential future deficiencies in the redemption account.

*Construction* - Used to report proceeds of bond issuances that are restricted for use in construction.

### Equipment Replacement Account

The wastewater utility has established an equipment replacement account to be used for significant wastewater treatment mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Following is a list of restricted assets at December 31, 2023:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Restricted cash and investments:		
Redemption account	\$ -	\$ 377,628
Construction account	364,455	430,174
Reserve account	-	408,064
Equipment replacement account	-	1,591,186
	<hr/>	<hr/>
Total restricted assets	<b>\$ 364,455</b>	<b>\$ 2,807,052</b>

# City of Ashland

Notes to Financial Statements  
December 31, 2023

## Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated/amortized:				
Construction in progress	\$ 584,171	\$ 2,973,130	\$ (3,293,678)	\$ 263,623
Land	4,371,607	-	-	4,371,607
Right of way	191,464	-	-	191,464
Total capital assets not being depreciated/amortized	<u>5,147,242</u>	<u>2,973,130</u>	<u>(3,293,678)</u>	<u>4,826,694</u>
Capital assets being depreciated/amortized:				
Land improvements	8,107,926	2,522,944	(575,859)	10,055,011
Buildings	17,124,890	82,666	-	17,207,556
Leased assets	243,070	291,453	-	534,523
Machinery and equipment	9,250,057	1,375,995	(230,919)	10,395,133
Roads	37,715,991	1,130,394	(521,206)	38,325,179
Alleys	663,828	9,917	(1,915)	671,830
Bridges	313,693	-	-	313,693
Trails	1,999,709	15,588	-	2,015,297
Storm sewers	9,636,582	256,683	(13,244)	9,880,021
Sidewalks	5,857,854	143,104	(66,790)	5,934,168
Breakwater	13,900,000	-	-	13,900,000
Total capital assets being depreciated/amortized	<u>104,813,600</u>	<u>5,828,744</u>	<u>(1,409,933)</u>	<u>109,232,411</u>
Less accumulated depreciation/amortization:				
Land improvements	(1,951,911)	(211,392)	46,069	(2,117,234)
Buildings	(3,627,430)	(249,567)	-	(3,876,997)
Leased assets	(56,657)	(130,474)	-	(187,131)
Machinery and equipment	(5,925,181)	(485,861)	202,802	(6,208,240)
Roads	(12,485,860)	(721,916)	131,650	(13,076,126)
Alleys	(432,540)	(3,040)	1,532	(434,048)
Bridges	(128,972)	(4,505)	-	(133,477)
Trails	(471,068)	(50,382)	-	(521,450)
Storm sewers	(3,695,807)	(204,271)	13,244	(3,886,834)
Sidewalks	(2,808,856)	(146,565)	33,848	(2,921,573)
Breakwater	(590,750)	(139,000)	-	(729,750)
Total accumulated depreciation/amortization	<u>(32,175,032)</u>	<u>(2,346,973)</u>	<u>429,145</u>	<u>(34,092,860)</u>
Net capital assets being depreciated/amortized	<u>72,638,568</u>	<u>3,481,771</u>	<u>(980,788)</u>	<u>75,139,551</u>
Total governmental activities capital assets, net of accumulated depreciation/amortization	<u>\$ 77,785,810</u>	<u>\$ 6,454,901</u>	<u>\$ (4,274,466)</u>	<u>\$ 79,966,245</u>

# City of Ashland

Notes to Financial Statements

December 31, 2023

Depreciation/amortization expense was charged to functions as follows:

## Governmental Activities

General government	\$ 62,805
Public safety	450,542
Public works, which includes the depreciation of roads, storm sewers and sidewalks	1,522,745
Leisure activities	310,881
	<u>310,881</u>

Total governmental activities depreciation/amortization expense	<u>\$ 2,346,973</u>
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
<b>Water Utility</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 286,915	\$ 2,372,999	\$ (1,185,952)	\$ 1,473,962
Land and land rights	30,611	-	-	30,611
	<u>317,526</u>	<u>2,372,999</u>	<u>(1,185,952)</u>	<u>1,504,573</u>
Total capital assets not being depreciated				
Capital assets, being depreciated:				
Source of supply	88,116	-	-	88,116
Pumping	832,593	-	-	832,593
Treatment	2,648,489	15,390	-	2,663,879
Transmission and distribution	20,716,769	1,212,081	(325,838)	21,603,012
Administrative and general assets	916,594	12,500	-	929,094
	<u>25,202,561</u>	<u>1,239,971</u>	<u>(325,838)</u>	<u>26,116,694</u>
Total capital assets, being depreciated				
Total capital assets	<u>25,520,087</u>	<u>3,612,970</u>	<u>(1,511,790)</u>	<u>27,621,267</u>
Less accumulated depreciation:				
Source of supply	(57,413)	(1,498)	-	(58,911)
Pumping	(748,981)	(26,073)	-	(775,054)
Treatment	(1,772,259)	(83,520)	-	(1,855,779)
Transmission and distribution	(6,079,263)	(387,596)	325,838	(6,141,021)
Administrative and general assets	(726,616)	(22,368)	-	(748,984)
	<u>(9,384,532)</u>	<u>(521,055)</u>	<u>325,838</u>	<u>(9,579,749)</u>
Total accumulated depreciation				
Total capital assets, being depreciated, net	<u>15,818,029</u>	<u>718,916</u>	<u>-</u>	<u>16,536,945</u>
Total water utility capital assets, net	<u>\$ 16,135,555</u>	<u>\$ 3,091,915</u>	<u>\$ (1,185,952)</u>	<u>\$ 18,041,518</u>

# City of Ashland

Notes to Financial Statements  
December 31, 2023

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Wastewater Utility</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 745,200	\$ 1,039,528	\$ (1,313,263)	\$ 471,465
Land and land rights	38,951	-	-	38,951
Total capital assets, not being depreciated	<u>784,151</u>	<u>1,039,528</u>	<u>(1,313,263)</u>	<u>510,416</u>
Capital assets, being depreciated:				
Collection system	17,275,027	1,313,263	(15,753)	18,572,537
Collection system pumping	3,688,271	-	-	3,688,271
Treatment and disposal	10,222,521	-	-	10,222,521
Administrative and general assets	<u>2,886,881</u>	<u>-</u>	<u>-</u>	<u>2,886,881</u>
Total capital assets, being depreciated	<u>34,072,700</u>	<u>1,313,263</u>	<u>(15,753)</u>	<u>35,370,210</u>
Total capital assets	<u>34,856,851</u>	<u>2,352,791</u>	<u>(1,329,016)</u>	<u>35,880,626</u>
Less accumulated depreciation	<u>(19,569,099)</u>	<u>(774,355)</u>	<u>15,753</u>	<u>(20,327,701)</u>
Total capital assets, being depreciated, net	<u>14,503,601</u>	<u>538,908</u>	<u>-</u>	<u>15,042,509</u>
Total wastewater utility capital assets, net	<u>\$ 15,287,752</u>	<u>\$ 1,578,436</u>	<u>\$ (1,313,263)</u>	<u>\$ 15,552,925</u>

# City of Ashland

Notes to Financial Statements  
December 31, 2023

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Airport</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 10,096	\$ 850	\$ -	\$ 10,946
Land and land rights	45,768	-	-	45,768
	<u>55,864</u>	<u>850</u>	<u>-</u>	<u>56,714</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Land improvements	3,079,415	-	-	3,079,415
Buildings	574,074	12,925	-	586,999
Equipment	1,205,862	14,177	-	1,220,039
	<u>4,859,351</u>	<u>27,102</u>	<u>-</u>	<u>4,886,453</u>
Total capital assets, being depreciated				
Total capital assets				
	<u>4,915,215</u>	<u>27,952</u>	<u>-</u>	<u>4,943,167</u>
Less accumulated depreciation:				
Land improvements	(1,748,294)	(118,425)	-	(1,866,719)
Buildings	(258,424)	(11,530)	-	(269,954)
Equipment	(814,118)	(45,220)	-	(859,338)
	<u>(2,820,836)</u>	<u>(175,175)</u>	<u>-</u>	<u>(2,996,011)</u>
Total accumulated depreciation				
Total capital assets, being depreciated, net				
	<u>2,038,515</u>	<u>(148,073)</u>	<u>-</u>	<u>1,890,442</u>
Total airport capital assets, net				
	<u>\$ 2,094,379</u>	<u>\$ (147,223)</u>	<u>\$ -</u>	<u>\$ 1,947,156</u>

# City of Ashland

Notes to Financial Statements  
December 31, 2023

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Marina</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Land and land rights	391,500	-	-	391,500
Total capital assets, not being depreciated	<u>391,500</u>	<u>-</u>	<u>-</u>	<u>391,500</u>
Capital assets, being depreciated:				
Land improvements	1,201,239	-	-	1,201,239
Buildings	974,139	-	-	974,139
Equipment	1,205,561	-	-	1,205,561
Total capital assets, being depreciated	<u>3,380,939</u>	<u>-</u>	<u>-</u>	<u>3,380,939</u>
Total capital assets	<u>3,772,439</u>	<u>-</u>	<u>-</u>	<u>3,772,439</u>
Less accumulated depreciation:				
Land improvements	(22,935)	(24,025)	-	(46,960)
Buildings	(270,202)	(19,483)	-	(289,685)
Equipment	(708,685)	(38,817)	-	(747,502)
Total accumulated depreciation	<u>(1,001,822)</u>	<u>(82,325)</u>	<u>-</u>	<u>(1,084,147)</u>
Total capital assets, being depreciated, net	<u>2,379,117</u>	<u>(82,325)</u>	<u>-</u>	<u>2,296,792</u>
Total marina capital assets, net	<u>\$ 2,770,617</u>	<u>\$ (82,325)</u>	<u>\$ -</u>	<u>\$ 2,688,292</u>
Business-type capital assets, net	<u>\$ 36,288,303</u>	<u>\$ 4,440,803</u>	<u>\$ (2,499,215)</u>	<u>\$ 38,229,891</u>

Accumulated depreciation is not available by capital asset class for the wastewater utility.

Depreciation expense was charged to function as follows:

### Business-Type Activities

Water	\$ 496,221
Wastewater	799,189
Airport	175,175
Marina	<u>82,325</u>
Total business-type activities depreciation expense	<u>\$ 1,552,910</u>

# City of Ashland

Notes to Financial Statements  
December 31, 2023

Depreciation expense may be different from business-type activity accumulated depreciation additions because of joint metering, salvage, cost of removal, internal allocations or costs associated with the disposal of assets.

Additional disclosures of the lease assets are included in the Lease Disclosures note.

## Interfund Receivables/Payables, Advances and Transfers

### Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables, including any overdrafts on pooled cash and investment accounts.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Home Improvement Program	\$ 100,564
General Fund	Water Utility	<u>937,023</u>
Total, fund financial statements		1,037,587
Less advances		(51,728)
Add interfund receivable created with internal service fund eliminations		13,648
Less fund and government-wide eliminations		<u>(100,564)</u>
Total internal balances for government-wide statement of net position		<u>\$ 898,943</u>
Governmental activities	Business-type activities	\$ 950,671
Business-type activities	Governmental activities	<u>(51,728)</u>
Total internal balances for government-wide statement of net position		<u>\$ 898,943</u>

All amounts are due within one year.

The purpose for the interfund between the General Fund and the Water Utility is the payment in lieu of taxes. The primary purpose of most of the interfunds is a negative balance in pooled cash. Other interfund balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

### Advances

The Water Utility advance to the Debt Service Fund is to repay the Water Utility for the City's portion of debt related to construction project costs. A repayment schedule has been established for this advance.

The NSP Breakwall Fund advanced funds to the TIF No. 10 Increment Fund to fund project costs. The NSP Breakwall Fund is charging interest on the advance based on the average outstanding balance during the year at a rate based on the average annual interest income rate of the City's money market account. A repayment schedule has been established for this advance.

# City of Ashland

Notes to Financial Statements  
December 31, 2023

No repayment schedule has been established for the remaining advances. Those advances are a result of a negative balance in pooled cash in those funds. TIF No. 9 Increment Fund is expected to repay \$105,264 of the advance within one year.

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	TIF No. 9 Increment	\$ 105,264
NSP Breakwall	TIF No. 10 Increment	171,318
Water Utility	Debt Service Fund	<u>51,728</u>
Total, fund financial statements		328,310
Less fund and government-wide eliminations		<u>(276,582)</u>
Total advances for government-wide statement of net position		<u>\$ 51,728</u>

The repayment schedule for the Water Utility advance to the Debt Service Fund:

	<u>Principal</u>
Years ending December 31:	
2024	\$ 12,660
2025	12,840
2026	13,022
2027	<u>13,206</u>
Total	<u>\$ 51,728</u>

The repayment schedule for the NSP Breakwall advance to the TIF No. 10 Increment Fund:

	<u>Principal</u>
Years ending December 31:	
2024	\$ 10,547
2025	10,678
2026	10,812
2027	10,947
2028	11,084
2029-2033	57,532
2034-2038	<u>59,718</u>
Total	<u>\$ 171,318</u>

# City of Ashland

Notes to Financial Statements  
December 31, 2023

## Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Capital Improvements	General Fund	\$ 81,000
Recycling	General Fund	90,000
Beautification	General Fund	3,950
Vaughn Library	General Fund	316,000
Capital Equipment	General Fund	96,182
Airport	General Fund	86,792
General Fund	Capital Improvements	23,859
Capital Improvements	Debt Service	266,000
TIF No. 9 Increment	TIF No. 6 Increment	293,447
Debt Service	TIF No. 10 Increment	75,473
TIF No.10 Development	TIF No. 10 Increment	30,120
Capital Improvements	Community Planning and Development	1,000
Debt Service	Community Planning and Development	9,006
General Fund	Water Utility	347,500
		<hr/>
Total fund financial statements		1,720,329
		<hr/>
Less fund and government-wide eliminations		(1,459,621)
		<hr/>
Total government-wide statement of activities		\$ 260,708
		<hr/>
Governmental Activities	Business-Type Activities	\$ 347,500
Business-Type Activities	Governmental Activities	(86,792)
		<hr/>
Total transfers for government-wide statement of activities		\$ 260,708
		<hr/> <hr/>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. In addition, the transfer from the water utility to the general fund is for a payment in lieu of taxes.

# City of Ashland

Notes to Financial Statements  
December 31, 2023

## Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds and notes payable:					
General obligation bonds payable	\$ 3,109,997	\$ -	\$ (340,000)	\$ 2,769,997	\$ 345,000
General obligation notes payable	6,820,000	2,505,000	(675,000)	8,650,000	680,000
General obligation notes from direct borrowings and direct placements	<u>834,588</u>	<u>-</u>	<u>(185,439)</u>	<u>649,149</u>	<u>192,102</u>
Total bonds and notes payable	<u>10,764,585</u>	<u>2,505,000</u>	<u>(1,200,439)</u>	<u>12,069,146</u>	<u>1,217,102</u>
Other liabilities:					
Vested compensated absences	582,522	113,257	(36,424)	659,355	340,000
Landfill liability	<u>797,058</u>	<u>-</u>	<u>(13,177)</u>	<u>783,881</u>	<u>-</u>
Total other liabilities	<u>1,379,580</u>	<u>113,257</u>	<u>(49,601)</u>	<u>1,443,236</u>	<u>340,000</u>
Total governmental activities, long-term liabilities	<u>\$ 12,144,165</u>	<u>\$ 2,618,257</u>	<u>\$ (1,250,040)</u>	<u>\$ 13,512,382</u>	<u>\$ 1,557,102</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-Type Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 907,000	\$ -	\$ (104,000)	\$ 803,000	\$ 106,000
Revenue bonds	5,166,716	1,585,000	(211,456)	6,540,260	278,137
Revenue bonds from direct borrowings and direct placements	<u>1,294,034</u>	<u>1,007,623</u>	<u>(99,296)</u>	<u>2,202,361</u>	<u>127,702</u>
Total bonds and notes payable	<u>7,367,750</u>	<u>2,592,623</u>	<u>(414,752)</u>	<u>9,545,621</u>	<u>511,839</u>
Other liabilities:					
Vested compensated absences	89,901	12,716	(1,977)	100,640	67,143
Total other liabilities	<u>89,901</u>	<u>12,716</u>	<u>(1,977)</u>	<u>100,640</u>	<u>67,143</u>
Total business-type activities, long-term liabilities	<u>\$ 7,457,651</u>	<u>\$ 2,605,339</u>	<u>\$ (416,729)</u>	<u>\$ 9,646,261</u>	<u>\$ 578,982</u>

## City of Ashland

Notes to Financial Statements  
December 31, 2023

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2023, was \$31,349,840. Total general obligation debt outstanding at year-end was \$12,872,146.

### General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies accumulated by the debt service fund and by tax increments generated by the TIF districts. Business-type activities debt is payable by revenues from user fees of those funds or if the revenues are not sufficient, by future tax levies.

General obligation debt payable for the City at December 31, 2023, consists of the following:

<b>Governmental Activities General Obligation Debt</b>	<b>Date of Issue</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>Balance, December 31, 2023</b>
Note payable*	2015	2025	2.59 %	\$ 890,000	\$ 249,991
Bond payable	2015	2035	2.00-3.25	4,470,000	2,769,997
Note payable	2017	2027	2.00-2.25	2,065,000	750,000
Note payable*	2018	2028	4.00	550,000	335,948
Note payable	2020	2030	1.91	6,545,000	5,395,000
Note payable*	2022	2031	3.00	70,000	63,210
Note payable	2023	2033	4.00-5.00	2,505,000	2,505,000
Total governmental activities, general obligation debt					<u>\$ 12,069,146</u>

\* The debt noted is directly placed with a third party.

<b>Business-type Activities General Obligation Debt</b>	<b>Date of Issue</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>Balance, December 31, 2023</b>
Water Utility: Note payable	2020	2030	2.27 %	\$ 700,000	\$ 505,000
Marina: Note payable	2020	2030	2.75	410,000	298,000
Total governmental activities, general obligation debt					<u>\$ 803,000</u>

# City of Ashland

Notes to Financial Statements  
December 31, 2023

Debt service requirements to maturity are as follows:

	<b>Governmental Activities</b>			
	<b>General Obligation Debt</b>		<b>General Obligation Notes From Direct Borrowings or Direct Placements</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
Years ending December 31:				
2024	\$ 1,025,000	\$ 312,442	\$ 192,102	\$ 21,851
2025	960,000	289,529	198,828	15,930
2026	1,245,000	267,539	74,637	9,841
2027	1,035,000	225,973	77,547	6,931
2028	905,000	196,263	80,561	3,917
2029-2033	5,775,000	466,860	25,474	1,544
2034-2035	474,997	19,419	-	-
<b>Total</b>	<b>\$ 11,419,997</b>	<b>\$ 1,778,025</b>	<b>\$ 649,149</b>	<b>\$ 60,014</b>
	<b>Business-Type Activities</b>			
	<b>General Obligation Debt</b>			
	<b>Principal</b>	<b>Interest</b>		
Years ending December 31:				
2024	\$ 106,000	\$ 19,659		
2025	109,000	17,065		
2026	112,000	14,399		
2027	115,000	11,660		
2028	118,000	8,843		
2029-2030	243,000	8,965		
<b>Total</b>	<b>\$ 803,000</b>	<b>\$ 80,591</b>		

## Revenue Debt

Revenue bonds are payable only from revenues derived from the operation of the water and wastewater utilities.

The water utility has pledged future water utility revenues, net of specified operating expenses, to repay water revenue bonds issued in 2008, 2009, 2016, 2017 and 2023. Proceeds from the bonds provided financing for the water utility. The bonds are payable solely from water utility revenues and are payable through 2056. Annual principal and interest payments on the water bonds are expected to require 32.3% of net revenues. The total principal and interest remaining to be paid on the bonds is \$7,983,382. Principal and interest paid for the current year and total customer net revenues were \$334,381 and \$417,976, respectively.

The wastewater utility has pledged future wastewater utility revenues, net of specified operating expenses, to repay wastewater revenue bonds issued in 2014, 2016, 2018 and 2022. Proceeds from the bonds provided financing for the wastewater utility. The bonds are payable solely from wastewater utility revenues and are payable through 2052. Annual principal and interest payments on the wastewater bonds are expected to require 33.8% of net revenues. The total principal and interest remaining to be paid on the bonds is \$3,288,713. Principal and interest paid for the current year and total customer net revenues were \$142,895 and \$156,684, respectively.

# City of Ashland

Notes to Financial Statements  
December 31, 2023

Revenue debt payable at December 31, 2023 consists of the following:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance, December 31, 2023</u>
<b>Water Utility</b>					
Revenue bonds*	2008	2027	1.420 %	\$ 442,199	\$ 103,177
Revenue bonds*	2009	2028	1.600	345,702	101,314
Revenue bonds	2016	2056	1.875	1,883,000	1,642,200
Revenue bonds	2017	2038	1.150-4.000	3,315,000	2,545,000
Revenue bonds	2023	2043	4.000	1,585,000	1,585,000
Total water utility					<u>5,976,691</u>
<b>Wastewater Utility</b>					
Revenue bonds*	2014	2034	2.630	581,416	370,878
Revenue bonds*	2016	2036	1.960	193,550	135,819
Revenue bonds	2018	2038	2.750	960,000	768,060
Revenue bonds*	2022	2051	0.970	623,081	592,454
Revenue bonds*	2022	2052	1.353	898,719	898,719
Total wastewater utility					<u>2,765,930</u>
Total business-type activities, revenue debt					<u>\$ 8,742,621</u>

\* The debt noted is directly placed with a third party

(1) During 2022 the Wastewater utility was authorized to issue Clean Water Fund Loan revenue bonds up to the amount of \$1,716,132. The original amount reported above has been issued as of December 31, 2023. The repayment schedule includes payments for the amount issued.

Debt service requirements to maturity are as follows:

	<b>Business-Type Activities</b>			
	<b>Revenue Debt</b>		<b>Revenue Debt From Direct Borrowings and Direct Placements</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
Years ending December 31:				
2024	\$ 278,137	\$ 186,200	\$ 127,702	\$ 32,217
2025	275,038	188,766	129,855	30,138
2026	282,050	181,044	132,050	27,923
2027	293,974	172,791	134,286	25,668
2028	296,010	164,096	109,848	23,557
2029-2033	1,637,113	673,416	469,459	91,913
2034-2038	1,938,438	375,043	326,587	55,805
2039-2043	769,600	137,651	269,449	38,624
2044-2048	274,100	59,521	285,989	21,983
2049-2053	301,100	32,577	217,136	5,021
2054-2056	194,700	5,520	-	-
Total	<u>\$ 6,540,260</u>	<u>\$ 2,176,625</u>	<u>\$ 2,202,361</u>	<u>\$ 352,849</u>

## Other Debt Information

Estimated payments of accumulated employee benefits are not included in the debt service requirement schedules. The vested compensated absences attributable to governmental activities will be liquidated primarily by the general fund.

The City's outstanding 2015 General Obligation notes from direct borrowings and/or direct placements related to governmental activities with a balance totaling \$249,991, contain provisions that in the event of default, the outstanding balance shall become immediately due and payable.

The City's outstanding 2018 and 2022 State Trust Fund Loans from direct borrowings related to governmental activities with balances totaling \$399,158 contain clauses that any delinquent payments are subject to a penalty of one percent per month and shall be deducted from any state payments that are due to the City.

The City's 2008 and 2009 Safe Drinking Water Loans and 2014, 2016 and 2022 Clean Water Fund Loans from direct borrowings and/or direct placements related to business-type activities with balances totaling \$2,202,361, contain provisions that amounts due may be deducted from any state payments due to the City, that the Wisconsin Department of Administration may add a special charge to the amount of taxes apportioned to and levied upon the county in which the City is located, that the state has the right to bill the users of the City's utility system directly and that the state has the right to declare the entire principal balance immediately due and payable.

A statutory mortgage lien upon the water and wastewater utilities' systems and any additions, improvements and extensions thereto is created by Section 66.0621 of the Wisconsin Statutes as provided for in the ordinances creating the 2016 and 2018 revenue bond issues. The utilities' systems and the earnings of the systems remain subject to the lien until payment in full of the principal and interest on the bonds. As provided for the resolutions creating various other bond issues, the utilities' earnings remain subject to a lien until a payment in full of the principal and interest on the bonds.

# City of Ashland

Notes to Financial Statements  
December 31, 2023

## Short-Term Debt

The City issued two short-term promissory notes during 2023. Series 2023A was issued in the amount of \$1,365,000 as a note anticipation note for the City's 2023 general obligation note payable issued December 19, 2023. The note had an interest rate of 5.00% and matured on December 21, 2023. Series 2023B was issued in the amount of \$277,550 to be used for general operations. The note has an interest rate of 6.75% and matures on December 20, 2024.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Promissory notes, direct placement	\$ 266,000	\$ 1,642,550	\$ 1,631,000	\$ 277,550

## Lease Disclosures

### Lessee – Lease Liabilities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Lease liabilities	\$ 186,413	\$ 291,453	\$ (130,474)	\$ 347,392	\$ 132,511
Total	<u>\$ 186,413</u>	<u>\$ 291,453</u>	<u>\$ (130,474)</u>	<u>\$ 347,392</u>	<u>\$ 132,511</u>

### Governmental Activities

<u>Lease Description</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2023</u>
Enterprise – vehicles	various	various	3.63%	\$ 243,070	\$ 96,756
Enterprise – vehicles	2023	various	5.00%	291,453	<u>250,636</u>
Total governmental activities lease liabilities					<u>\$ 347,392</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 132,511	\$ 18,007	\$ 150,518
2025	81,859	11,502	93,361
2026	67,439	6,979	74,418
2027	43,844	3,266	47,110
2028	21,739	883	22,622
Total	<u>\$ 347,392</u>	<u>\$ 40,637</u>	<u>\$ 388,029</u>

# City of Ashland

Notes to Financial Statements

December 31, 2023

## Closure and Postclosure Care Cost

State and federal laws and regulations require the City to place a final cover on its concrete and demolition disposal landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 40 years after closure. The \$783,881 reported as landfill closure and postclosure care liability at December 31, 2023, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill. The landfill was closed and capped in 2003. These amounts are based on what it would cost to perform all closure and postclosure care in 2023. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

The City is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care or to maintain an Irrevocable Letter of Credit for the present value of estimated long-term care costs for the landfill. The City is in compliance with these requirements. If additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenue.

## Net Position/Fund Balances

Net position reported on the government wide statement of net position at December 31, 2023 includes the following:

### Governmental Activities

Net investment in capital assets:

Construction in progress	\$	263,623
Land and right of way		4,563,071
Other capital assets, net of accumulated depreciation/amortization		75,139,551
Less related long-term debt outstanding (excluding unspent capital related debt proceeds)		<u>(10,066,254)</u>
Total net investment in capital assets	\$	<u>69,899,991</u>

# City of Ashland

Notes to Financial Statements  
December 31, 2023

Governmental fund balances reported on the fund financial statements at December 31, 2023 include the following:

Fund Balances	General Fund	Housing Rehab Revolving Loan	Capital Improvements	Debt Service Fund	Nonmajor Funds	Total
<b>Nonspendable</b>						
Prepaid items and inventory	\$ 23,447	\$ -	\$ -	\$ -	\$ -	\$ 23,447
Delinquent taxes	7,744	-	-	-	-	7,744
Delinquent utilities included in due from other governments	29,456	-	-	-	-	29,456
NSP Breakwall	-	-	-	-	160,902	160,902
Subtotal	<u>60,647</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,902</u>	<u>221,549</u>
<b>Restricted</b>						
Housing and economic development loans	-	100,918	-	-	-	100,918
Debt service	-	-	-	258,801	-	258,801
Library	-	-	-	-	365,791	365,791
Buildings and facilities	-	-	55,833	-	-	55,833
Police programs	-	-	-	-	116,845	116,845
NSP Breakwall	-	-	-	-	387,838	387,838
Beautification	-	-	-	-	1,835	1,835
TIF No. 10 development	-	-	-	-	61,026	61,026
Waterfront development	-	-	458,648	-	-	458,648
Capital equipment	-	-	-	-	288,835	288,835
Street improvements	-	-	1,259,066	-	-	1,259,066
Subtotal	<u>-</u>	<u>100,918</u>	<u>1,773,547</u>	<u>258,801</u>	<u>1,222,170</u>	<u>3,355,436</u>
<b>Committed</b>						
Bretting Teen Center	-	-	-	-	23,684	23,684
Insured loss deductible	-	-	-	-	45,613	45,613
Community planning and development	-	-	-	-	59,458	59,458
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,755</u>	<u>128,755</u>
<b>Assigned</b>						
Fund balance applied to subsequent year's budget	198,527	-	-	-	-	198,527
Public transportation	-	-	22,000	-	-	22,000
Recycling	-	-	-	-	738	738
Park grounds improvements	-	-	56,556	-	-	56,556
Sidewalk improvements	-	-	223,015	-	-	223,015
Landfill improvement	-	-	44,083	-	-	44,083
Capital equipment	-	-	-	-	206,765	206,765
Street improvements	-	-	151,933	-	-	151,933
Building and facilities	-	-	74,298	-	-	74,298
Reduction to zero out unassigned fund balance	-	-	(476,031)	-	-	(476,031)
Subtotal	<u>198,527</u>	<u>-</u>	<u>95,854</u>	<u>-</u>	<u>207,503</u>	<u>501,884</u>
<b>Unassigned (Deficit)</b>	<u>3,864,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(376,872)</u>	<u>3,488,012</u>
Total fund balances (deficit)	<u>\$ 4,124,058</u>	<u>\$ 100,918</u>	<u>\$ 1,869,401</u>	<u>\$ 258,801</u>	<u>\$ 1,342,458</u>	<u>\$ 7,695,636</u>

# City of Ashland

Notes to Financial Statements  
December 31, 2023

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## Business-Type Activities

Net investment in capital assets:	
Construction in progress	\$ 1,956,373
Land	506,830
Other capital assets, net of accumulated depreciation	35,766,688
Less related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(9,115,447)</u>
Total net investment in capital assets	<u>\$ 29,114,444</u>

## Component Unit - Ashland Ore Dock Charitable Trust

This report contains the Ashland Ore Dock Charitable Trust, which is included as a component unit. In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

### Summary of Significant Accounting Principles

#### Organization

The Ashland Ore Dock Charitable Trust (Trust) was established on May 13, 2014 and is a not-for-profit organization governed by the law of the State of Wisconsin. The purpose of the Trust is to provide funds to the City of Ashland to preserve the legacy of the Ore Dock and to develop the Ore Dock as a vibrant municipal asset to be used by the City and its residents for generations to come.

#### Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

#### Support and Revenue

The Trust received its support primarily from a one-time donation made by Wisconsin Central, Ltd. These monies are being invested for use in future years by the Trust. Contributions are recognized when realizable and are reported as either without donor restrictions or with donor restrictions.

#### Income Taxes and Uncertain Tax Positions

For tax purposes, the Trust has been given status as an organization exempt from income tax liability under Section 501(c)(3) of the Internal Revenue Code on May 20, 2015. While the Trust is generally exempt from income taxes, it is subject to taxes on unrelated trade or business income. For the year ended December 31, 2023, the Trust did not incur taxes for unrelated trade or business income. The Trust believes that it has appropriate support for any tax positions taken and as such, does not have any uncertain tax positions that are material to the financial statements. The Trust's federal Form 990, Return of Organization Exempt from Income Tax, is subject to examination for three years after it is filed.

## Deposits and Investments

The Trust deposits cash directly into savings and share accounts and certificates of deposit held in FDIC member banks and NCUA member credit unions. The cash and certificate of deposit balances are insured through the FDIC or NCUA up to an amount of \$250,000. The Trust has an excess deposit insurance bond of \$1,000,000 as of December 31, 2023. As of December 31, 2023, the uninsured portion of this balance was \$75,652.

## Liquid Resources

The Trust's working capital and cash flows vary each year as their main focus is to reimburse the City of Ashland for approved expenses on the Ashland Ore Dock renovation project. Timing of the requests are dependent on project workflow. Because of this, a large amount is kept in liquid assets. As of December 31, 2023, the Trust had \$264,129 of cash and other net financial assets available to meet cash needs for general expenses within one year.

## Related-Party Transactions

Costs for maintenance, betterment and operation of the Ore Dock are paid by the City of Ashland, after which the City requests reimbursement for such approved costs from the Trust. Amounts owed from the Trust to the City as of December 31, 2023 totaled \$99,941.

## Subsequent Events

Management has evaluated subsequent events through July 26, 2024 the date on which the Trust financial statements were available to be issued.

## 4. Other Information

### Employees' Retirement System

#### Plan Description

The WRS is a cost-sharing multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011 expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

#### Vesting

For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

# City of Ashland

Notes to Financial Statements  
December 31, 2023

## Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before December 31, 2016) are entitled to retirement benefits based on a formula factor, their average earnings and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

## Postretirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
Years ending December 31:		
2013	(9.6) %	9.0 %
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

# City of Ashland

Notes to Financial Statements

December 31, 2023

## Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$592,919 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2023 are:

	<u>Employee</u>	<u>Employer</u>
Employee category:		
General (executives and elected officials)	6.50 %	6.50 %
Protective with Social Security	6.50	12.00
Protective without Social Security	6.50	16.40

## Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the City reported a liability of \$2,697,375 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.05091593%, which was a decrease of 0.00061460% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense of \$1,225,990.

# City of Ashland

Notes to Financial Statements  
December 31, 2023

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between projected and actual experience	\$ 4,296,082	\$ 5,644,088
Changes in actuarial assumptions	530,415	-
Net differences between projected and actual earnings on pension plan investments	4,582,217	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,731	2,266
Employer contributions subsequent to the measurement date	600,448	-
<b>Total</b>	<b>\$ 10,022,893</b>	<b>\$ 5,646,354</b>

\$600,448 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<b>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</b>
Years ended December 31:	
2024	\$ 158,214
2025	782,632
2026	803,285
2027	2,031,960

## Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 – December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1%-5.6%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*:	1.7%

\* No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.

# City of Ashland

## Notes to Financial Statements

December 31, 2023

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

### Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Allocation Targets and Expected Returns* as of December 31, 2022</b>			
<b>Core Fund Asset Class</b>	<b>Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return %**</b>
Public Equity	48	7.6	5.0
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund***	115	7.4	4.8
<b>Variable Fund Asset</b>			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

\* Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

\*\* New England Pension Consultants' Long-Term U.S. CPI (Inflation) Forecast: 2.5%

\*\*\* The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used subject to an allowable range of up to 20%.

**Single Discount Rate**

A single discount rate of 6.8% was used to measure the total pension liability, for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	<b>1% Decrease to Discount Rate (5.8%)</b>	<b>Current Discount Rate (6.8%)</b>	<b>1% Increase to Discount Rate (7.8%)</b>
City's proportionate share of the net pension liability (asset)	\$ 8,952,500	\$ 2,697,375	\$ (1,605,614)

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reportsand-statements>.

At December 31, 2023, the City reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

**Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers' compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

## City of Ashland

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Notes to Financial Statements  
December 31, 2023

The City self-insures for the dental care of its employees. The maximum benefit per person per year is \$1,200, the maximum orthodontic benefit per dependent up to age 19 per lifetime is \$1,500.

### Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental fund types if it has matured. Claims and judgments are recorded in the government-wide statements and enterprise funds as expenses when the related liabilities are incurred.

From time to time, the City is party to various other pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The City operated a state licensed sanitary landfill and demolition landfill on Woodbury Lane for approximately 20 years. Disposal operations ceased in 2002 and both landfills were closed and capped in 2003. As required by the Wis. DNR, the City maintains an Irrevocable Letter of Credit with a local bank for the present value of estimated Long Term Care Costs for the landfill. The long-term care obligation extends through year 2044. The City has letters of credit at a local bank of \$729,605, to be drawn upon for cleanup costs. No draws have been made on these letters of credit as of December 31, 2023.

On April 13, 2015, the City through its Tax Incremental Financing District (TID) No. 9 entered into a tax abatement agreement with a developer in the form of a tax incremental financing incentive payment to stimulate economic development. The abatement is authorized through the TID project plan. The developer pays property taxes as they become due and after meeting the criteria established in the development agreement, is entitled to a future incentive payment that directly correlates to the taxes paid. The incentive is calculated based on 90% of the tax increment revenue received up to \$197,380 and an achieved value of \$1.184 million. Incentive payments for the year ended December 31, 2023 were \$27,597.

### Joint Ventures

The City of Ashland and surrounding communities jointly operate the Bay Area Rural Transit system which provides bus service. Summary financial information of the system was not available. The transactions of the system are not reflected in these financial statements.

**Postemployment Benefits Other Than Pensions**

**General Information About the OPEB Plan**

**Plan Description and Benefits Provided**

The City's other postemployment benefit (OPEB) plan provides group health insurance coverage for all active employees and retirees (or other qualified terminated employees) at blended premium rates, resulting in an implicit rate subsidy for all retirees with group health coverage.

Retirees or single eligible spouses are required to contribute for their coverage 100% of the total premium, with the following exceptions: police officers hired before January 1, 1987 or firefighters hired before January 1, 1986 receive free single medical and dental coverage until they are eligible for Medicare, disabled police officers, firefighters and union City employees received free single medical and dental coverage until eligible for Medicare and utility employees hired before January 1, 1997 with 20 years of service receive free family medical starting at age 65 for life. This results in an OPEB for the retirees who do not contribute 100% of the total premium for their coverage.

The City administers its single-employer defined benefit OPEB plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The benefit terms are established through collective bargaining agreements and the City's employee handbook. Administrative costs of the plan are financed by the City.

**Employees Covered by Benefit Terms**

At December 31, 2023, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	17
Active plan members	<u>43</u>
	<u><u>60</u></u>

**Total OPEB Liability**

The City's total OPEB liability of \$2,334,802 was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2024 with no adjustments.

# City of Ashland

Notes to Financial Statements  
December 31, 2023

## Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Payroll growth	3.0% plus merit/productivity increases based on WRS actuarial valuation as of December 31, 2022
Healthcare cost trend rates	8.00% for 2024, decreasing 0.5% per year to an ultimate rate of 4.5% for 2031 and later years

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the Pub-2010 General, Public Safety, Non-Safety Disabled Retiree and Public Safety Disabled Retiree and Continuing Survivor Headcount-weighted Mortality Tables fully generational using scale MP-2021, as appropriate.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of the Wisconsin Retirement System actuarial valuation as of December 31, 2022.

## Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
Balance at December 31, 2022	<u>\$ 1,711,360</u>
Changes for the year:	
Service cost	70,769
Interest	73,119
Changes of benefit terms	-
Differences between expected and actual experience	350,484
Changes in assumptions or other inputs	302,157
Benefit payments	<u>(173,087)</u>
Net changes	<u>623,442</u>
Balance at December 31, 2023	<u>\$ 2,334,802</u>

## Change in Assumptions

The discount rate changed from 4.31% in 2022 to 4.00% in 2023. Health care cost trend rates were updated from an initial rate of 7.5% in 2022 to 8.0% in 2023.

# City of Ashland

Notes to Financial Statements  
December 31, 2023

## Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00%) or 1-percentage-point higher (5.00%) than the current discount rate:

	<b>1% Decrease (3.00%)</b>	<b>Discount Rate (4.00%)</b>	<b>1% Increase (5.00%)</b>
Total OPEB liability	\$ 2,531,066	\$ 2,334,802	\$ 2,159,091

## Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0% decreasing to 3.5%) or 1-percentage-point higher (9.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	<b>1% Decrease (7.0% Decreasing to 3.5%)</b>	<b>Healthcare Cost Trend Rates (8.0% Decreasing to 4.5%)</b>	<b>1% Increase (9.0% Decreasing to 5.5%)</b>
Total OPEB liability	\$ 2,176,206	\$ 2,334,802	\$ 2,466,664

## OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Note

For the year ended December 31, 2023, the City recognized OPEB expense of \$120,671. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 527,598	\$ (209,214)
Changes of assumptions or other inputs	363,878	(357,242)
Total	<u>\$ 891,476</u>	<u>\$ (566,456)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31:	
2024	\$ (23,217)
2025	(23,219)
2026	(2,526)
2027	96,811
2028	68,871
Thereafter	208,300

# City of Ashland

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Notes to Financial Statements  
December 31, 2023

## Related Organizations

The City's officials are responsible for appointing the board members of the Housing Authority of Ashland, but the City's accountability for this organization does not extend beyond making the appointments.

## Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*
- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*

When they become effective, application of these standards may restate portions of these financial statements.

## Subsequent Event

On February 28, 2024 and August 14, 2024, the City made additional draws of \$509,334 and \$30,146, respectively, on its 2022B Clean Water Fund Loan.

On June 25, 2024, the City approved the issuance of \$1,097,053 of Clean Water Fund Loan Program Sewerage System Revenue Bonds, series 2024. The Bonds have an interest rate of 1.353% and mature on May 1, 2054. A draw was made on this loan on July 10, 2024, in the amount of \$164,883.

On June 25, 2024, the City approved the issuance of \$847,920 of Safe Drinking Water Loan Program Water System Revenue Bonds, series 2024. The Bonds have an interest rate of 1.353% and mature on May 1, 2054. A draw was made on this loan on July 10, 2024, in the amount of \$650,793.46.

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Ashland**

Budgetary Comparison Schedule -

General Fund

Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes:				
General property tax for local purposes	\$ 2,852,073	\$ 2,852,073	\$ 2,852,457	\$ 384
Payments in lieu of taxes	40,000	40,000	1,949	(38,051)
Sales tax-city share	140	140	167	27
Mobile home taxes	24,000	24,000	23,562	(438)
Room tax	10,500	10,500	10,846	346
Interest on taxes	2,500	2,500	4,392	1,892
Total taxes	2,929,213	2,929,213	2,893,373	(35,840)
Intergovernmental:				
Shared taxes from state	3,800,419	3,800,419	3,804,850	4,431
State aid, computer aid	37,133	37,133	39,976	2,843
State aid, highways	76,688	76,688	76,688	-
State aid, local streets	660,685	660,685	660,771	86
State aid, other public safety	50,000	50,000	53,919	3,919
Protection services	19,650	19,650	20,293	643
State aid, fire insurance tax	21,000	21,000	23,769	2,769
Expenditure restraint	177,327	177,327	177,327	-
Total intergovernmental	4,842,902	4,842,902	4,857,593	14,691
Licenses and permits:				
Liquor and malt beverage licenses	35,000	35,000	30,470	(4,530)
Nonbusiness licenses	10	10	1	(9)
Cable franchise fee	76,000	76,000	74,624	(1,376)
Building permits	47,000	47,000	98,070	51,070
Zoning permits	4,000	4,000	6,023	2,023
Total licenses and permits	162,010	162,010	209,188	47,178
Fines, forfeitures and penalties:				
Court penalties and costs	16,500	16,500	15,342	(1,158)
Total fines, forfeitures and penalties	16,500	16,500	15,342	(1,158)

*See notes to required supplementary information*

## City of Ashland

Budgetary Comparison Schedule -

General Fund

Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Public charges for services:				
General government fees	\$ 10,000	\$ 10,000	\$ 13,874	\$ 3,874
Police department fees	5,000	5,000	3,955	(1,045)
Fire department fees	1,000	1,000	-	(1,000)
Ambulance fees	1,060,000	1,060,000	1,125,960	65,960
Ambulance protection fees	12,000	12,000	23,440	11,440
Other public safety fees	6,100	6,100	70	(6,030)
Public works fees	51,100	51,100	97,811	46,711
Fuel tax refund	3,500	3,500	2,844	(656)
Parking revenues	10,000	10,000	9,444	(556)
Refuse and garbage fees	389,000	389,000	397,196	8,196
Animal control	3,000	3,000	3,601	601
Park fees	150,000	150,000	138,140	(11,860)
Weed and nuisance control	5,000	5,000	-	(5,000)
Leisure programs	80,000	80,000	92,326	12,326
Total public charges for services	<u>1,785,700</u>	<u>1,785,700</u>	<u>1,908,661</u>	<u>122,961</u>
Intergovernmental charges for services:				
Liaison officer	85,000	85,000	86,458	1,458
Fire yearly fees	142,710	142,710	143,858	1,148
Ambulance yearly fees	321,179	321,179	321,179	-
Airport fees	8,000	8,000	8,000	-
Attorney reimbursement from water utility	5,000	5,000	-	(5,000)
Utility cost sharing	228,610	228,610	243,328	14,718
Charges to library	43,700	43,700	36,281	(7,419)
Total intergovernmental charges for services	<u>834,199</u>	<u>834,199</u>	<u>839,104</u>	<u>4,905</u>
Investment income:				
Interest on temporary investments	10,000	10,000	54,269	44,269
Total investment income	<u>10,000</u>	<u>10,000</u>	<u>54,269</u>	<u>44,269</u>
Miscellaneous:				
Rent/lease	30,000	30,000	28,013	(1,987)
Insurance dividends	30,000	30,000	26,843	(3,157)
Donations	1,000	1,000	-	(1,000)
Insurance workman's compensation	2,000	2,000	8,961	6,961
Other miscellaneous revenue	4,150	4,150	27,341	23,191
Total miscellaneous	<u>67,150</u>	<u>67,150</u>	<u>91,158</u>	<u>24,008</u>
Total revenues	<u>10,647,674</u>	<u>10,647,674</u>	<u>10,868,688</u>	<u>221,014</u>

See notes to required supplementary information

**City of Ashland**Budgetary Comparison Schedule -  
General Fund  
Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Expenditures</b>				
General government:				
Council	\$ 35,825	\$ 26,489	\$ 26,411	\$ 78
Police/fire commission	7,900	15,371	15,371	-
Mayor	28,595	18,595	18,575	20
Administrator	149,805	148,805	148,743	62
Clerk:				
Legislative support	108,260	107,260	107,224	36
Elections	60,010	80,202	80,202	-
Personnel, labor relations	153,610	81,610	53,512	28,098
Data processing	308,080	280,626	279,869	757
Other city hall	90,960	85,754	82,353	3,401
Financial administration, finance department	418,480	442,608	442,608	-
Assessment of property	33,050	33,050	32,327	723
Legal	70,000	85,324	85,324	-
Municipal buildings	489,074	511,618	511,618	-
Uncollectible taxes/special assessment refunds	2,500	245	245	-
Property and liability insurance	131,500	153,592	153,592	-
Total general government	<u>2,087,649</u>	<u>2,071,149</u>	<u>2,037,974</u>	<u>33,175</u>
Public safety:				
Police	2,487,600	2,487,600	2,486,718	882
Ambulance and fire	3,158,355	3,029,102	2,905,603	123,499
Hydrant rental	19,300	19,300	18,932	368
Building inspection	138,565	138,565	129,901	8,664
Weights and measures	5,600	5,600	3,200	2,400
Total public safety	<u>5,809,420</u>	<u>5,680,167</u>	<u>5,544,354</u>	<u>135,813</u>
Public works:				
Administration	176,361	195,731	161,892	33,839
Road maintenance	1,159,547	1,159,547	1,260,622	(101,075)
Street lighting	174,964	174,964	182,337	(7,373)
Sidewalk maintenance	22,139	22,139	16,643	5,496
Storm sewers	114,262	114,262	60,730	53,532
Parking facilities	3,179	3,179	8,259	(5,080)
Bay Area Transit	34,000	34,000	34,000	-
GIS and engineering	107,088	107,088	86,427	20,661
Garbage and refuse collection	356,802	351,450	351,450	-
Landfill	67,395	76,382	76,382	-
Total public works	<u>2,215,737</u>	<u>2,238,742</u>	<u>2,238,742</u>	<u>-</u>

See notes to required supplementary information

**City of Ashland**Budgetary Comparison Schedule -  
General Fund  
Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Health and human services:				
Animal and pest control	\$ 91,800	\$ 91,800	\$ 90,325	\$ 1,475
Mount Hope cemetery	63,000	63,000	63,000	-
Total health and human services	154,800	154,800	153,325	1,475
Leisure activities:				
Museum	10,000	10,000	10,000	-
Parks	268,607	317,673	317,673	-
Leisure services	328,690	315,870	315,817	53
Municipal band	5,000	5,320	5,980	(660)
Community events	17,550	17,550	15,700	1,850
Total leisure activities	629,847	666,413	665,170	1,243
Conservation and development:				
Historic preservation	400	400	-	400
AADC contribution	53,000	53,000	53,000	-
Community development	202,275	198,325	184,152	14,173
Total conservation and development	255,675	251,725	237,152	14,573
Total expenditures	11,153,128	11,062,996	10,876,717	186,279
Excess of revenues over expenditures	(505,454)	(415,322)	(8,029)	407,293
<b>Other Financing Sources (Uses)</b>				
Transfers in	513,070	513,070	371,359	(141,711)
Transfers out	(581,390)	(671,522)	(673,924)	(2,402)
Total other financing sources (uses)	(68,320)	(158,452)	(302,565)	(144,113)
Net change in fund balance	\$ (573,774)	\$ (573,774)	(310,594)	\$ 263,180
<b>Fund Balance, Beginning</b>			4,434,652	
<b>Fund Balance, Ending</b>			<u>\$ 4,124,058</u>	

See notes to required supplementary information

## City of Ashland

Budgetary Comparison Schedule -  
Special Revenue Fund - Housing Rehab Revolving Loan Fund  
Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Investment income	\$ -	\$ -	\$ 20	\$ 20
Miscellaneous	90,000	52,480	52,460	(20)
Total revenues	90,000	52,480	52,480	-
<b>Expenditures</b>				
Current:				
Conservation and development	150,000	82,610	82,608	2
Total expenditures	150,000	82,610	82,608	2
Net change in fund balance	<u>\$ (60,000)</u>	<u>\$ (30,130)</u>	(30,128)	<u>\$ 2</u>
<b>Fund Balance, Beginning</b>			131,046	
<b>Fund Balance, Ending</b>			<u>\$ 100,918</u>	

See notes to required supplementary information

**City of Ashland**

Schedule of Changes in Total OPEB Liability and Related Ratios  
 Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>							
Service cost	\$ 70,769	\$ 90,324	\$ 55,768	\$ 48,355	\$ 140,668	\$ 150,703	\$ 139,541
Interest	73,119	40,067	37,485	50,186	94,923	85,119	85,273
Differences between expected and actual experience	350,484	215,189	(43,742)	97,380	(445,107)	(59,839)	-
Changes of assumptions	302,157	(256,774)	51,514	126,193	(349,606)	(105,699)	48,530
Benefit payments	(173,087)	(134,980)	(111,156)	(90,358)	(146,257)	(137,344)	(126,004)
	<u>623,442</u>	<u>(46,174)</u>	<u>(10,131)</u>	<u>231,756</u>	<u>(705,379)</u>	<u>(67,060)</u>	<u>147,340</u>
Net change in total OPEB liability							
<b>Total OPEB Liability, Beginning</b>	<u>1,711,360</u>	<u>1,757,534</u>	<u>1,767,665</u>	<u>1,535,909</u>	<u>2,241,288</u>	<u>2,308,348</u>	<u>2,161,008</u>
<b>Total OPEB Liability, Ending</b>	<u>\$ 2,334,802</u>	<u>\$ 1,711,360</u>	<u>\$ 1,757,534</u>	<u>\$ 1,767,665</u>	<u>\$ 1,535,909</u>	<u>\$ 2,241,288</u>	<u>\$ 2,308,348</u>
<b>Covered-Employee Payroll</b>	\$ 2,851,142	\$ 2,676,308	\$ 2,598,357	\$ 2,297,650	\$ 2,230,728	\$ 5,124,538	\$ 4,975,280
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	81.89%	63.94%	67.64%	76.93%	68.85%	43.74%	46.40%

See notes to required supplementary information

## City of Ashland

### Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)

Wisconsin Retirement System (WRS)

Year Ended December 31, 2023

WRS Fiscal Year End Date (Measurement Date)	City's Proportion of the Net Pension Liability/(Asset)	City's Proportionate Share of the Net Pension Liability/(Asset)	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/22	0.05091593 %	\$ 2,697,375	\$ 5,669,066	47.58 %	95.72 %
12/31/21	0.05153053 %	(4,153,455)	5,580,917	74.42 %	106.02 %
12/31/20	0.05235825 %	(3,268,798)	5,704,184	57.31 %	105.26 %
12/31/19	0.05279944 %	(1,702,495)	5,627,783	30.25 %	102.96 %
12/31/18	0.05205305 %	1,851,884	5,477,661	33.81 %	96.45 %
12/31/17	0.05058435 %	(1,501,909)	5,435,264	27.63 %	102.93 %
12/31/16	0.04893186 %	403,315	5,287,897	7.63 %	99.12 %
12/31/15	0.04770946 %	775,269	5,222,200	14.85 %	98.20 %
12/31/14	0.04797177 %	(1,178,315)	5,094,425	23.13 %	102.74 %

### Schedule of Employer Contributions

Wisconsin Retirement System (WRS)

Year Ended December 31, 2023

City Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/23	\$ 600,448	\$ 600,448	\$ -	\$ 6,038,177	9.94 %
12/31/22	524,484	524,484	-	5,669,066	9.25 %
12/31/21	636,640	636,640	-	5,581,316	11.41 %
12/31/20	647,008	647,008	-	5,704,185	11.34 %
12/31/19	621,865	621,865	-	5,626,103	11.05 %
12/31/18	567,882	567,882	-	5,477,661	10.37 %
12/31/17	562,334	562,334	-	5,435,264	10.35 %
12/31/16	479,733	479,733	-	5,287,897	9.07 %
12/31/15	466,331	466,331	-	5,222,200	8.93 %

See notes to required supplementary information

## 1. Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting as described in Note 1.

The budgeted amounts presented include any amendments made. The City administrator may authorize transfers of budgeted amounts within departments. Transfers between departments may be authorized by resolution by the City Council and a public hearing must be held to increase the total appropriations of any governmental fund type.

Appropriations lapse at year-end unless specifically carried over. Budgets are adopted at the department level of expenditure for the general fund and the enterprise funds. The debt service fund budget is adopted at the function level. Budgets are adopted at the fund level for special revenue funds, capital projects funds and the internal service fund.

## 2. Wisconsin Retirement System

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The City is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

*Changes in benefit terms.* There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

*Changes in assumptions.* Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

### 3. Other Postemployment Benefit (OPEB) Plan

The City implemented GASB Statement No. 75 in fiscal year 2017. Information prior to fiscal year 2017 is not available.

The City is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

#### Accumulation of Assets

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

#### Changes in Benefit Terms and Assumptions

There were no changes in the benefit terms. The discount rate changed from 4.31% in 2022 to 4.00% in 2023. The Health care trend rates have been updated to an initial rate of 8.00% decreasing by 0.50% annually to an ultimate rate of 4.50%. Dental trend rates have been updated to a flat rate of 4.00%. Termination rates, retirement rates and disability rates have been updated to reflect the most recent WRS Actuarial Valuation as of December 31, 2022.

**SUPPLEMENTARY INFORMATION**

# City of Ashland

Combining Balance Sheet -  
 Nonmajor Governmental Funds  
 December 31, 2023

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Funds</b>
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 1,516,977	\$ 169,879	\$ 1,686,856
Restricted assets, construction account	-	364,455	364,455
Taxes receivable	722,539	-	722,539
Accounts receivable	63,209	35,605	98,814
Notes receivable, net	59,144	-	59,144
Due from other governments	219,548	37,112	256,660
Advances to other funds	171,318	-	171,318
	<u>171,318</u>	<u>-</u>	<u>171,318</u>
Total assets	<u>\$ 2,752,735</u>	<u>\$ 607,051</u>	<u>\$ 3,359,786</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 117,863	\$ 23,313	\$ 141,176
Accrued liabilities	16,377	-	16,377
Unearned revenues	429,619	-	429,619
Due to other funds	100,564	-	100,564
Advances from other funds	276,582	-	276,582
	<u>276,582</u>	<u>-</u>	<u>276,582</u>
Total liabilities	<u>941,005</u>	<u>23,313</u>	<u>964,318</u>
<b>Deferred Inflows of Resources</b>			
Unearned revenues	767,465	-	767,465
Unavailable revenues	258,433	27,112	285,545
	<u>258,433</u>	<u>27,112</u>	<u>285,545</u>
Total deferred inflows of resources	<u>1,025,898</u>	<u>27,112</u>	<u>1,053,010</u>
<b>Fund Balances</b>			
Nonspendable	160,902	-	160,902
Restricted	872,309	349,861	1,222,170
Committed	128,755	-	128,755
Assigned	738	206,765	207,503
Unassigned (deficit)	(376,872)	-	(376,872)
	<u>(376,872)</u>	<u>-</u>	<u>(376,872)</u>
Total fund balances	<u>785,832</u>	<u>556,626</u>	<u>1,342,458</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,752,735</u>	<u>\$ 607,051</u>	<u>\$ 3,359,786</u>

## City of Ashland

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances -

Nonmajor Governmental Funds

Year Ended December 31, 2023

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>			
Taxes	\$ 625,972	\$ -	\$ 625,972
Intergovernmental	492,319	288,618	780,937
Fines, forfeitures and penalties	292	-	292
Public charges for services	3,079	-	3,079
Investment income	29,307	17	29,324
Miscellaneous	206,428	121,224	327,652
	<u>1,357,397</u>	<u>409,859</u>	<u>1,767,256</u>
Total revenues			
<b>Expenditures</b>			
Current:			
General government	7,889	-	7,889
Public safety	76,691	132,818	209,509
Public works	146,220	-	146,220
Health and human services	108,884	-	108,884
Leisure activities	551,932	-	551,932
Conservation and development	351,651	4,900	356,551
Capital outlay	51,360	1,358,854	1,410,214
Debt service:			
Interest and fiscal charges	-	27,843	27,843
	<u>1,294,627</u>	<u>1,524,415</u>	<u>2,819,042</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>62,770</u>	<u>(1,114,556)</u>	<u>(1,051,786)</u>
<b>Other Financing Sources (Uses)</b>			
Long-term debt issued	-	905,000	905,000
Premium on long-term debt	-	45,102	45,102
Proceeds from sale of capital assets	-	59,592	59,592
Leases issued	-	119,268	119,268
Transfers in	703,397	126,302	829,699
Transfers out	(409,046)	-	(409,046)
	<u>294,351</u>	<u>1,255,264</u>	<u>1,549,615</u>
Total other financing sources (uses)			
Net change in fund balances	357,121	140,708	497,829
<b>Fund Balances, Beginning</b>	<u>428,711</u>	<u>415,918</u>	<u>844,629</u>
<b>Fund Balances, Ending</b>	<u>\$ 785,832</u>	<u>\$ 556,626</u>	<u>\$ 1,342,458</u>

**City of Ashland**

Combining Balance Sheet -  
 Nonmajor Special Revenue Funds  
 December 31, 2023

	<u>Recycling</u>	<u>Economic Development Revolving Loan</u>	<u>Library Grants and Special Revenue</u>	<u>TIF No. 6 Increment</u>	<u>TIF No. 9 Increment</u>	<u>TIF No. 10 Increment</u>	<u>Community Planning and Development</u>	<u>NSP Breakwall</u>
<b>Assets</b>								
Cash and investments	\$ 12,955	\$ 2,398	\$ 239,273	\$ -	\$ -	\$ 394	\$ 483,330	\$ 377,422
Taxes receivable	-	-	-	318,601	255,696	148,242	-	-
Accounts receivable	-	-	-	-	-	-	63,209	-
Notes receivable, net	-	59,144	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	87,180	-
Advances to other funds	-	-	-	-	-	-	-	171,318
Total assets	<u>\$ 12,955</u>	<u>\$ 61,542</u>	<u>\$ 239,273</u>	<u>\$ 318,601</u>	<u>\$ 255,696</u>	<u>\$ 148,636</u>	<u>\$ 633,719</u>	<u>\$ 548,740</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</b>								
<b>Liabilities</b>								
Accounts payable	\$ 12,217	\$ 2,546	\$ -	\$ -	\$ -	\$ -	\$ 92,387	\$ -
Accrued liabilities	-	-	-	-	-	-	84	-
Unearned revenues	-	-	-	-	-	-	429,619	-
Due to other funds	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	105,264	171,318	-	-
Total liabilities	<u>12,217</u>	<u>2,546</u>	<u>-</u>	<u>-</u>	<u>105,264</u>	<u>171,318</u>	<u>522,090</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>								
Unearned revenues	-	-	-	318,601	255,696	148,242	-	-
Unavailable revenues	-	59,144	-	-	-	-	87,945	-
Total deferred inflows of resources	<u>-</u>	<u>59,144</u>	<u>-</u>	<u>318,601</u>	<u>255,696</u>	<u>148,242</u>	<u>87,945</u>	<u>-</u>
<b>Fund Balances (Deficit)</b>								
Nonspendable	-	-	-	-	-	-	-	160,902
Restricted	-	-	239,273	-	-	-	-	387,838
Committed	-	-	-	-	-	-	23,684	-
Assigned	738	-	-	-	-	-	-	-
Unassigned (deficit)	-	(148)	-	-	(105,264)	(170,924)	-	-
Total fund balances (deficit)	<u>738</u>	<u>(148)</u>	<u>239,273</u>	<u>-</u>	<u>(105,264)</u>	<u>(170,924)</u>	<u>23,684</u>	<u>548,740</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 12,955</u>	<u>\$ 61,542</u>	<u>\$ 239,273</u>	<u>\$ 318,601</u>	<u>\$ 255,696</u>	<u>\$ 148,636</u>	<u>\$ 633,719</u>	<u>\$ 548,740</u>

**City of Ashland**

Combining Balance Sheet -  
 Nonmajor Special Revenue Funds  
 December 31, 2023

	Evidence Funds	Bretting Teen Center	Beautification	Vaughn Library	Insured Loss Deductible	Hazardous Materials	Home Improvement Program	Total Nonmajor Special Revenue Funds
<b>Assets</b>								
Cash and investments	\$ 105,478	\$ 45,613	\$ 1,835	\$ 142,715	\$ 59,458	\$ 46,106	\$ -	\$ 1,516,977
Taxes receivable	-	-	-	-	-	-	-	722,539
Accounts receivable	-	-	-	-	-	-	-	63,209
Notes receivable, net	-	-	-	-	-	-	-	59,144
Due from other governments	15,658	-	-	-	-	7,798	108,912	219,548
Advances to other funds	-	-	-	-	-	-	-	171,318
Total assets	<u>\$ 121,136</u>	<u>\$ 45,613</u>	<u>\$ 1,835</u>	<u>\$ 142,715</u>	<u>\$ 59,458</u>	<u>\$ 53,904</u>	<u>\$ 108,912</u>	<u>\$ 2,752,735</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</b>								
<b>Liabilities</b>								
Accounts payable	\$ 1,831	\$ -	\$ -	\$ 7,340	\$ -	\$ 1,542	\$ -	\$ 117,863
Accrued liabilities	-	-	-	8,857	-	7,436	-	16,377
Unearned revenues	-	-	-	-	-	-	-	429,619
Due to other funds	-	-	-	-	-	-	100,564	100,564
Advances from other funds	-	-	-	-	-	-	-	276,582
Total liabilities	<u>1,831</u>	<u>-</u>	<u>-</u>	<u>16,197</u>	<u>-</u>	<u>8,978</u>	<u>100,564</u>	<u>941,005</u>
<b>Deferred Inflows of Resources</b>								
Unearned revenues	-	-	-	-	-	44,926	-	767,465
Unavailable revenues	2,460	-	-	-	-	-	108,884	258,433
Total deferred inflows of resources	<u>2,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,926</u>	<u>108,884</u>	<u>1,025,898</u>
<b>Fund Balances (Deficit)</b>								
Nonspendable	-	-	-	-	-	-	-	160,902
Restricted	116,845	-	1,835	126,518	-	-	-	872,309
Committed	-	45,613	-	-	59,458	-	-	128,755
Assigned	-	-	-	-	-	-	-	738
Unassigned (deficit)	-	-	-	-	-	-	(100,536)	(376,872)
Total fund balances (deficit)	<u>116,845</u>	<u>45,613</u>	<u>1,835</u>	<u>126,518</u>	<u>59,458</u>	<u>-</u>	<u>(100,536)</u>	<u>785,832</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 121,136</u>	<u>\$ 45,613</u>	<u>\$ 1,835</u>	<u>\$ 142,715</u>	<u>\$ 59,458</u>	<u>\$ 53,904</u>	<u>\$ 108,912</u>	<u>\$ 2,752,735</u>

**City of Ashland**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Nonmajor Special Revenue Funds  
 Year Ended December 31, 2023

	<u>Recycling</u>	<u>Economic Development Revolving Loan</u>	<u>Library Grants &amp; Special Revenue</u>	<u>TIF No. 6 Increment</u>	<u>TIF No. 9 Increment</u>	<u>TIF No. 10 Increment</u>	<u>Community Planning &amp; Development</u>	<u>NSP Breakwall</u>
<b>Revenues</b>								
Taxes	\$ -	\$ -	\$ -	\$ 282,672	\$ 224,870	\$ 118,430	\$ -	\$ -
Intergovernmental	56,958	-	-	9,195	2,707	-	153,629	-
Fines, forfeitures and penalties	-	-	-	-	-	-	-	-
Public charges for services	-	-	2,806	-	-	-	-	-
Investment income	-	2,586	3,808	1,730	(5,344)	394	11,074	8,327
Miscellaneous	-	50,239	76,147	-	-	-	8,400	-
<b>Total revenues</b>	<u>56,958</u>	<u>52,825</u>	<u>82,761</u>	<u>293,597</u>	<u>222,233</u>	<u>118,824</u>	<u>173,103</u>	<u>8,327</u>
<b>Expenditures</b>								
Current:								
General government	-	-	-	150	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	146,220	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-
Leisure activities	-	-	20,828	-	-	-	-	-
Conservation and development	-	52,825	-	-	27,747	2,421	262,063	-
Capital outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>146,220</u>	<u>52,825</u>	<u>20,828</u>	<u>150</u>	<u>27,747</u>	<u>2,421</u>	<u>262,063</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(89,262)</u>	<u>-</u>	<u>61,933</u>	<u>293,447</u>	<u>194,486</u>	<u>116,403</u>	<u>(88,960)</u>	<u>8,327</u>
<b>Other Financing Sources (Uses)</b>								
Transfers in	90,000	-	-	-	293,447	-	-	-
Transfers out	-	-	-	(293,447)	-	(105,593)	(10,006)	-
<b>Total other financing sources (uses)</b>	<u>90,000</u>	<u>-</u>	<u>-</u>	<u>(293,447)</u>	<u>293,447</u>	<u>(105,593)</u>	<u>(10,006)</u>	<u>-</u>
Net change in fund balances	738	-	61,933	-	487,933	10,810	(98,966)	8,327
<b>Fund Balances (Deficit), Beginning</b>	<u>-</u>	<u>(148)</u>	<u>177,340</u>	<u>-</u>	<u>(593,197)</u>	<u>(181,734)</u>	<u>122,650</u>	<u>540,413</u>
<b>Fund Balances (Deficit), Ending</b>	<u>\$ 738</u>	<u>\$ (148)</u>	<u>\$ 239,273</u>	<u>\$ -</u>	<u>\$ (105,264)</u>	<u>\$ (170,924)</u>	<u>\$ 23,684</u>	<u>\$ 548,740</u>

**City of Ashland**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Nonmajor Special Revenue Funds  
 Year Ended December 31, 2023

	<u>Evidence Funds</u>	<u>Bretting Teen Center</u>	<u>Beautification</u>	<u>Vaughn Library</u>	<u>Insured Loss Deductible</u>	<u>Hazardous Materials</u>	<u>Home Improvement Program</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Revenues</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 625,972
Intergovernmental	110,424	-	-	137,763	-	21,643	-	492,319
Fines, forfeitures and penalties	292	-	-	-	-	-	-	292
Public charges for services	-	-	-	273	-	-	-	3,079
Investment income	1,278	780	-	4,054	-	620	-	29,307
Miscellaneous	7,782	24,395	1,544	73	37,763	85	-	206,428
<b>Total revenues</b>	<u>119,776</u>	<u>25,175</u>	<u>1,544</u>	<u>142,163</u>	<u>37,763</u>	<u>22,348</u>	<u>-</u>	<u>1,357,397</u>
<b>Expenditures</b>								
Current:								
General government	-	-	-	-	7,739	-	-	7,889
Public safety	54,343	-	-	-	-	22,348	-	76,691
Public works	-	-	-	-	-	-	-	146,220
Health and human services	-	-	-	-	-	-	108,884	108,884
Leisure activities	-	28,794	8,754	493,556	-	-	-	551,932
Conservation and development	-	-	-	-	-	-	6,595	351,651
Capital outlay	51,360	-	-	-	-	-	-	51,360
<b>Total expenditures</b>	<u>105,703</u>	<u>28,794</u>	<u>8,754</u>	<u>493,556</u>	<u>7,739</u>	<u>22,348</u>	<u>115,479</u>	<u>1,294,627</u>
Excess (deficiency) of revenues over expenditures	<u>14,073</u>	<u>(3,619)</u>	<u>(7,210)</u>	<u>(351,393)</u>	<u>30,024</u>	<u>-</u>	<u>(115,479)</u>	<u>62,770</u>
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	-	3,950	316,000	-	-	-	703,397
Transfers out	-	-	-	-	-	-	-	(409,046)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>3,950</u>	<u>316,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>294,351</u>
<b>Net change in fund balances</b>	<u>14,073</u>	<u>(3,619)</u>	<u>(3,260)</u>	<u>(35,393)</u>	<u>30,024</u>	<u>-</u>	<u>(115,479)</u>	<u>357,121</u>
<b>Fund Balances (Deficit), Beginning</b>	<u>102,772</u>	<u>49,232</u>	<u>5,095</u>	<u>161,911</u>	<u>29,434</u>	<u>-</u>	<u>14,943</u>	<u>428,711</u>
<b>Fund Balances (Deficit), Ending</b>	<u>\$ 116,845</u>	<u>\$ 45,613</u>	<u>\$ 1,835</u>	<u>\$ 126,518</u>	<u>\$ 59,458</u>	<u>\$ -</u>	<u>\$ (100,536)</u>	<u>\$ 785,832</u>

**City of Ashland**

Combining Balance Sheet -  
 Nonmajor Capital Project Funds  
 December 31, 2023

	<u>TIF #10 Development</u>	<u>Capital Equipment</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 61,026	\$ 108,853	\$ 169,879
Restricted assets, construction account	-	364,455	364,455
Accounts receivable	-	35,605	35,605
Due from other governments	-	37,112	37,112
	<u>61,026</u>	<u>546,025</u>	<u>607,051</u>
Total assets	<u>\$ 61,026</u>	<u>\$ 546,025</u>	<u>\$ 607,051</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 23,313	\$ 23,313
	<u>-</u>	<u>23,313</u>	<u>23,313</u>
Total liabilities	<u>-</u>	<u>23,313</u>	<u>23,313</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues	-	27,112	27,112
	<u>-</u>	<u>27,112</u>	<u>27,112</u>
Total deferred inflows of resources	<u>-</u>	<u>27,112</u>	<u>27,112</u>
<b>Fund Balances</b>			
Restricted	61,026	288,835	349,861
Assigned	-	206,765	206,765
	<u>61,026</u>	<u>495,600</u>	<u>556,626</u>
Total fund balances	<u>61,026</u>	<u>495,600</u>	<u>556,626</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 61,026</u>	<u>\$ 546,025</u>	<u>\$ 607,051</u>

**City of Ashland**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
Nonmajor Capital Projects Funds  
Year Ended December 31, 2023

	<u>TIF #10 Development</u>	<u>Capital Equipment</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>Revenues</b>			
Intergovernmental	\$ -	\$ 288,618	\$ 288,618
Investment income	-	17	17
Miscellaneous	-	121,224	121,224
	<u>-</u>	<u>409,859</u>	<u>409,859</u>
<b>Total revenues</b>	<u>-</u>	<u>409,859</u>	<u>409,859</u>
<b>Expenditures</b>			
Current:			
Public safety	-	132,818	132,818
Conservation and development	4,900	-	4,900
Capital outlay	-	1,358,854	1,358,854
Debt service:			
Interest and fiscal charges	-	27,843	27,843
	<u>-</u>	<u>27,843</u>	<u>27,843</u>
<b>Total expenditures</b>	<u>4,900</u>	<u>1,519,515</u>	<u>1,524,415</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(4,900)</u>	<u>(1,109,656)</u>	<u>(1,114,556)</u>
<b>Other Financing Sources</b>			
Long-term debt issued	-	905,000	905,000
Premium on long-term debt issued	-	45,102	45,102
Proceeds from sale of capital assets	-	59,592	59,592
Leases issued	-	119,268	119,268
Transfers in	30,120	96,182	126,302
	<u>30,120</u>	<u>96,182</u>	<u>126,302</u>
<b>Total other financing sources</b>	<u>30,120</u>	<u>1,225,144</u>	<u>1,255,264</u>
<b>Net change in fund balances</b>	25,220	115,488	140,708
<b>Fund Balances, Beginning</b>	<u>35,806</u>	<u>380,112</u>	<u>415,918</u>
<b>Fund Balances, Ending</b>	<u>\$ 61,026</u>	<u>\$ 495,600</u>	<u>\$ 556,626</u>

## City of Ashland

Combining Statement of Net Position -  
Nonmajor Enterprise Funds  
December 31, 2023

	Airport	Marina	Total Nonmajor Enterprise Funds
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 184,163	\$ 185,782	\$ 369,945
Restricted assets, redemption account	-	41,523	41,523
Restricted assets, construction account	-	100,871	100,871
Other accounts receivable	12,322	3,692	16,014
Inventories and prepaid items	43,708	6,166	49,874
	<u>240,193</u>	<u>338,034</u>	<u>578,227</u>
Total current assets			
Noncurrent assets:			
Capital assets:			
Construction work in progress	10,946	-	10,946
Land	45,768	391,500	437,268
Capital assets being depreciated	4,886,453	3,380,939	8,267,392
Accumulated depreciation	(2,996,011)	(1,084,147)	(4,080,158)
	<u>1,947,156</u>	<u>2,688,292</u>	<u>4,635,448</u>
Total noncurrent assets			
	<u>2,187,349</u>	<u>3,026,326</u>	<u>5,213,675</u>
Total assets			
<b>Deferred Outflows of Resources</b>			
Pension related amounts	96,445	76,589	173,034
	<u>96,445</u>	<u>76,589</u>	<u>173,034</u>
Total deferred outflows of resources			
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	1,833	1,525	3,358
Accrued expenses	1,824	1,120	2,944
Accrued interest	-	6,152	6,152
Current portion of long-term debt	-	39,000	39,000
Current portion of accrued compensated absences	6,717	7,480	14,197
	<u>10,374</u>	<u>55,277</u>	<u>65,651</u>
Total current liabilities			
Noncurrent liabilities:			
Long-term debt	-	259,000	259,000
Accrued compensated absences	7,054	13,860	20,914
Net pension liability	22,130	19,178	41,308
	<u>29,184</u>	<u>292,038</u>	<u>321,222</u>
Total noncurrent liabilities			
	<u>39,558</u>	<u>347,315</u>	<u>386,873</u>
Total liabilities			
<b>Deferred Inflows of Resources</b>			
Pension related amounts	49,822	45,193	95,015
	<u>49,822</u>	<u>45,193</u>	<u>95,015</u>
Total deferred inflows of resources			
<b>Net Position</b>			
Net investment in capital assets	1,947,156	2,491,163	4,438,319
Unrestricted	247,258	219,244	466,502
	<u>\$ 2,194,414</u>	<u>\$ 2,710,407</u>	<u>\$ 4,904,821</u>
Total net position			

## City of Ashland

Combining Statement of Revenues, Expenses and Changes in Net Position -  
Nonmajor Enterprise Funds  
Year Ended December 31, 2023

	<u>Airport</u>	<u>Marina</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Operating Revenues</b>			
Charges for services	\$ 279,436	\$ 283,161	\$ 562,597
Total operating revenues	<u>279,436</u>	<u>283,161</u>	<u>562,597</u>
<b>Operating Expenses</b>			
Operation and maintenance	312,884	196,543	509,427
Depreciation	175,175	82,325	257,500
Total operating expenses	<u>488,059</u>	<u>278,868</u>	<u>766,927</u>
Operating income (loss)	<u>(208,623)</u>	<u>4,293</u>	<u>(204,330)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Investment income	2,393	1,946	4,339
Interest and fiscal charges	-	(8,456)	(8,456)
Grants revenue	45,000	-	45,000
Miscellaneous revenue	10,574	561	11,135
Total nonoperating revenue (expenses)	<u>57,967</u>	<u>(5,949)</u>	<u>52,018</u>
Income (loss) before contributions and transfers	<u>(150,656)</u>	<u>(1,656)</u>	<u>(152,312)</u>
<b>Contributions and Transfers</b>			
Transfers in	86,792	-	86,792
Total contributions and transfers	<u>86,792</u>	<u>-</u>	<u>86,792</u>
Change in net position	(63,864)	(1,656)	(65,520)
<b>Net Position, Beginning</b>	<u>2,258,278</u>	<u>2,712,063</u>	<u>4,970,341</u>
<b>Net Position, Ending</b>	<u>\$ 2,194,414</u>	<u>\$ 2,710,407</u>	<u>\$ 4,904,821</u>

## City of Ashland

Combining Statement of Cash Flows -  
Nonmajor Enterprise Funds  
Year Ended December 31, 2023

	Airport	Marina	Total Nonmajor Enterprise Funds
<b>Cash Flows From Operating Activities</b>			
Cash received from customers	\$ 333,108	\$ 281,668	\$ 614,776
Cash paid to suppliers for goods and services	(245,784)	(358,094)	(603,878)
Cash paid to employees for services	(85,666)	(93,702)	(179,368)
Net cash flows from operating activities	<u>1,658</u>	<u>(170,128)</u>	<u>(168,470)</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Transfers from other funds	86,792	-	86,792
Net cash flows from noncapital financing activities	<u>86,792</u>	<u>-</u>	<u>86,792</u>
<b>Cash Flows From Investing Activities</b>			
Investment income	2,393	1,946	4,339
Net cash flows from investing activities	<u>2,393</u>	<u>1,946</u>	<u>4,339</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Debt retired	-	(38,000)	(38,000)
Interest paid	-	(9,240)	(9,240)
Contributions in aid of construction	-	409,321	409,321
Acquisition and construction of capital assets	(27,952)	(16,946)	(44,898)
Net cash flows from capital and related related financing activities	<u>(27,952)</u>	<u>345,135</u>	<u>317,183</u>
Net decrease in cash and cash equivalents	62,891	176,953	239,844
<b>Cash and Cash Equivalents, Beginning</b>	<u>121,272</u>	<u>151,223</u>	<u>272,495</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 184,163</u>	<u>\$ 328,176</u>	<u>\$ 512,339</u>
<b>Reconciliation of Cash and Cash Equivalents</b>			
Cash and cash equivalents per statement of net position:			
Cash and investments	\$ 184,163	\$ 185,782	\$ 369,945
Restricted cash and investments:			
Redemption account	-	41,523	41,523
Construction account	-	100,871	100,871
Cash and cash equivalents per statement of cash flows	<u>\$ 184,163</u>	<u>\$ 328,176</u>	<u>\$ 512,339</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities</b>			
Operating income (loss)	\$ (208,623)	\$ 4,293	\$ (204,330)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Nonoperating income	55,574	561	56,135
Noncash items included in income:			
Depreciation	175,175	82,325	257,500
Change in assets and liabilities:			
Other accounts receivable	(1,902)	(2,054)	(3,956)
Inventories and prepaid items	(16,767)	3,523	(13,244)
Accounts payable	(3,717)	(46,499)	(50,216)
Payable to municipality	-	(211,399)	(211,399)
Other current liabilities	74	1,473	1,547
Accrued compensated absences	3,566	(1,977)	1,589
Pension related deferrals and asset	(1,722)	(374)	(2,096)
Net cash flows from operating activities	<u>\$ 1,658</u>	<u>\$ (170,128)</u>	<u>\$ (168,470)</u>
<b>Noncash Capital, Investing and Financing Activities</b>			
None			