

City of Ashland

Financial Statements and
Supplementary Information

December 31, 2024

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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, 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, 2024 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, the discretely presented component unit. 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 22, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Eau Claire, Wisconsin
September 22, 2025

City of Ashland

 Statement of Net Position
 December 31, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Ashland Ore Dock Charitable Trust
Assets				
Cash and investments	\$ 7,776,385	\$ 1,123,119	\$ 8,899,504	\$ 993,681
Taxes receivable	5,064,771	-	5,064,771	-
Special assessments receivable	85,192	-	85,192	-
Notes receivable, net	1,675,443	-	1,675,443	-
Other receivables, net	776,357	936,025	1,712,382	1,255
Due from other governments	535,688	941,433	1,477,121	-
Internal balances	1,256,206	(1,256,206)	-	-
Prepaid items and inventories	42,501	368,060	410,561	1,229
Restricted assets, cash and investments	5,323,354	2,845,307	8,168,661	-
Capital assets:				
Construction in progress	364,188	1,299,309	1,663,497	-
Land and right of way	4,570,819	549,992	5,120,811	-
Other capital assets, net of depreciation/amortization	76,156,787	39,496,550	115,653,337	-
Total assets	103,627,691	46,303,589	149,931,280	996,165
Deferred Outflows of Resources				
OPEB related amounts	420,890	356,682	777,572	-
Pension related amounts	5,838,813	834,400	6,673,213	-
Total deferred outflows of resources	6,259,703	1,191,082	7,450,785	-
Liabilities				
Accounts payable	804,447	653,978	1,458,425	2,186
Accrued liabilities and deposits	439,434	89,855	529,289	-
Unearned revenue	932,095	-	932,095	-
Short-term notes payable	262,000	-	262,000	-
Current portion, lease liabilities	109,043	-	109,043	-
Noncurrent liabilities:				
Noncurrent, due within one year	1,854,615	644,097	2,498,712	-
Noncurrent, due in more than one year	14,746,423	10,706,319	25,452,742	-
OPEB liability	1,284,333	1,088,404	2,372,737	-
Net pension liability	672,242	81,302	753,544	-
Lease liabilities	219,446	-	219,446	-
Total liabilities	21,324,078	13,263,955	34,588,033	2,186
Deferred Inflows of Resources				
Unearned revenues	5,031,094	-	5,031,094	-
OPEB related amounts	246,592	208,974	455,566	-
Pension related amounts	3,569,279	455,558	4,024,837	-
Total deferred inflows of resources	8,846,965	664,532	9,511,497	-
Net Position				
Net investment in capital assets	71,073,295	30,278,563	101,351,858	-
Restricted:				
Future housing and economic development loans	1,746,730	-	1,746,730	-
Future debt service	421,230	-	421,230	-
Library	132,679	-	132,679	-
Police programs	142,680	-	142,680	-
NSP breakwall	562,224	-	562,224	-
Home improvement program	-	-	-	-
Future beautification projects	2,285	-	2,285	-
Community planning and development	765	-	765	-
Future TIF projects	124,104	-	124,104	-
Waterfront development	561,051	-	561,051	-
Ore Dock	-	-	-	993,979
Debt service reserve	-	418,865	418,865	-
Debt service redemption	-	364,616	364,616	-
Equipment replacement	8,030	1,773,993	1,782,023	-
Capital improvements	101,499	-	101,499	-
Unrestricted	4,839,779	730,147	5,569,926	-
Total net position	\$ 79,716,351	\$ 33,566,184	\$ 113,282,535	\$ 993,979

See notes to financial statements

City of Ashland

Statement of Activities
Year Ended December 31, 2024

	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
Functions/Programs								
Primary government:								
Governmental activities:								
General government	\$ 2,386,427	\$ 464,244	\$ -	\$ -	\$ (1,922,183)	\$ -	\$ (1,922,183)	\$ -
Public safety	6,675,429	1,995,851	139,092	-	(4,540,486)	-	(4,540,486)	-
Public works	4,068,600	662,883	811,943	1,682,847	(910,927)	-	(910,927)	-
Health and human services	133,043	3,706	11,240	-	(118,097)	-	(118,097)	-
Leisure activities	2,033,671	310,479	252,412	143,935	(1,326,845)	-	(1,326,845)	-
Conservation and development	588,142	1,424	194,844	-	(391,874)	-	(391,874)	-
Interest and fiscal charges	309,638	-	-	-	(309,638)	-	(309,638)	-
Total governmental activities	16,194,950	3,438,587	1,409,531	1,826,782	(9,520,050)	-	(9,520,050)	-
Business-type activities:								
Water	2,118,654	2,549,266	-	896,526	-	1,327,138	1,327,138	-
Wastewater	2,694,335	2,241,604	-	986,817	-	534,086	534,086	-
Airport	432,238	246,393	-	-	-	(185,845)	(185,845)	-
Marina	289,178	277,545	-	-	-	(11,633)	(11,633)	-
Total business-type activities	5,534,405	5,314,808	-	1,883,343	-	1,663,746	1,663,746	-
Total primary government	\$ 21,729,355	\$ 8,753,395	\$ 1,409,531	\$ 3,710,125	(9,520,050)	1,663,746	(7,856,304)	-
Component Unit								
Ashland Ore Dock Charitable Trust	\$ 10,452	\$ -	\$ -	\$ -	-	-	-	(10,452)
General Revenues								
Taxes:								
Property taxes, levied for general purposes					2,976,624	-	2,976,624	-
Property taxes, levied for debt service					1,550,264	-	1,550,264	-
Property taxes, levied for TIF districts					722,539	-	722,539	-
Other taxes					225,660	-	225,660	-
Intergovernmental revenues not restricted to specific programs					5,595,302	-	5,595,302	-
Investment income					187,185	50,002	237,187	27,249
Gain on disposal of assets					-	325	325	-
Miscellaneous					777,135	71,708	848,843	-
Total general revenues					12,034,709	122,035	12,156,744	27,249
Transfers					241,304	(241,304)	-	-
Change in net position					2,755,963	1,544,477	4,300,440	16,797
Net Position, Beginning					76,960,388	32,021,707	108,982,095	977,182
Net Position, Ending					\$ 79,716,351	\$ 33,566,184	\$ 113,282,535	\$ 993,979

See notes to financial statements

City of Ashland

Balance Sheet -
Governmental Funds
December 31, 2024

	General Fund	Special Revenue Housing Rehab Revolving Loan Fund	Capital Projects Capital Improvements	Debt Service Fund	Nonmajor Governmental Funds	Total
Assets						
Current assets:						
Cash and investments	\$ 3,355,736	\$ 71,435	\$ 1,720,049	\$ 340,819	\$ 1,847,246	\$ 7,335,285
Restricted assets, construction account	-	-	5,323,354	-	-	5,323,354
Receivables:						
Taxes	2,966,914	-	4,370	1,939,908	141,923	5,053,115
Delinquent personal property taxes, net	11,656	-	-	-	-	11,656
Accounts, net	630,553	-	29,745	-	112,870	773,168
Notes, net	-	1,623,543	-	-	51,900	1,675,443
Special assessments	-	-	85,192	-	-	85,192
Due from other governments	45,495	-	429,747	-	60,446	535,688
Due from other funds	1,312,389	-	-	-	-	1,312,389
Advances to other funds	-	-	-	-	162,091	162,091
Prepaid items and inventory	31,501	-	-	-	11,000	42,501
	<u>8,354,244</u>	<u>1,694,978</u>	<u>7,592,457</u>	<u>2,280,727</u>	<u>2,387,476</u>	<u>22,309,882</u>
Total assets	<u>\$ 8,354,244</u>	<u>\$ 1,694,978</u>	<u>\$ 7,592,457</u>	<u>\$ 2,280,727</u>	<u>\$ 2,387,476</u>	<u>\$ 22,309,882</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 276,078	\$ -	\$ 469,274	\$ -	\$ 59,095	\$ 804,447
Accrued liabilities	297,553	-	-	-	19,960	317,513
Unearned revenue	-	-	634,500	-	297,595	932,095
Due to other funds	-	-	-	-	24,950	24,950
Short-term notes payable	262,000	-	-	-	-	262,000
Due to other governments	756	-	-	-	-	756
Advances from other funds	-	-	-	39,068	162,091	201,159
	<u>836,387</u>	<u>-</u>	<u>1,103,774</u>	<u>39,068</u>	<u>563,691</u>	<u>2,542,920</u>
Total liabilities	<u>836,387</u>	<u>-</u>	<u>1,103,774</u>	<u>39,068</u>	<u>563,691</u>	<u>2,542,920</u>
Deferred Inflows of Resources						
Unearned revenues	2,892,268	-	6,719	1,939,908	192,200	5,031,095
Unavailable revenues	155,596	1,623,543	354,090	-	81,921	2,215,150
	<u>3,047,864</u>	<u>1,623,543</u>	<u>360,809</u>	<u>1,939,908</u>	<u>274,121</u>	<u>7,246,245</u>
Total deferred inflows of resources	<u>3,047,864</u>	<u>1,623,543</u>	<u>360,809</u>	<u>1,939,908</u>	<u>274,121</u>	<u>7,246,245</u>
Fund Balances						
Nonspendable	81,429	-	-	-	11,000	92,429
Restricted	-	71,435	5,404,599	301,751	963,972	6,741,757
Committed	-	-	-	-	521,082	521,082
Assigned	586,000	-	723,275	-	240,651	1,549,926
Unassigned (deficit)	3,802,564	-	-	-	(187,041)	3,615,523
	<u>4,469,993</u>	<u>71,435</u>	<u>6,127,874</u>	<u>301,751</u>	<u>1,549,664</u>	<u>12,520,717</u>
Total fund balances	<u>4,469,993</u>	<u>71,435</u>	<u>6,127,874</u>	<u>301,751</u>	<u>1,549,664</u>	<u>12,520,717</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,354,244</u>	<u>\$ 1,694,978</u>	<u>\$ 7,592,457</u>	<u>\$ 2,280,727</u>	<u>\$ 2,387,476</u>	<u>\$ 22,309,882</u>

See notes to financial statements

City of Ashland

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2024

Total Fund Balance, Governmental Funds		\$ 12,520,717
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	\$ 116,399,926	
Accumulated depreciation/amortization	<u>(35,308,132)</u>	81,091,794
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.		2,215,150
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.		5,838,813
Deferred outflows of resources related to other postemployment benefits do not relate to current financial resources and are not reported in the governmental funds.		420,890
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.		(3,569,279)
Deferred inflows of resources related to other postemployment benefits do not relate to current financial resources and are not reported in the governmental funds.		(246,592)
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.		450,437
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	(15,192,104)	
Accrued interest on general obligation debt	(119,477)	
Landfill liability	(769,174)	
OPEB liability	(1,284,333)	
Net pension liability	(672,242)	
Lease liabilities	(328,489)	
Compensated absences	<u>(639,760)</u>	<u>(19,005,579)</u>
Total Net Position, Governmental Activities		<u>\$ 79,716,351</u>

See notes to financial statements

City of Ashland

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended December 31, 2024

	General Fund	Special Revenue Housing Rehab Revolving Loan Fund	Capital Projects Capital Improvements	Debt Service Fund	Nonmajor Governmental Funds	Total
Revenues						
Taxes	\$ 2,957,456	\$ -	\$ 140,919	\$ 1,665,264	\$ 722,539	\$ 5,486,178
Intergovernmental	5,647,138	-	1,244,448	-	678,190	7,569,776
Licenses and permits	196,246	-	-	-	-	196,246
Fines, forfeitures and penalties	15,331	-	125,000	-	447	140,778
Public charges for services	2,175,424	-	124,365	-	17,936	2,317,725
Intergovernmental charges for services	872,386	-	-	-	-	872,386
Special assessments	-	-	16,545	-	-	16,545
Investment income (loss)	135,035	18	6,525	14	45,593	187,185
Miscellaneous	81,414	26,933	120,090	-	533,107	761,544
Total revenues	12,080,430	26,951	1,777,892	1,665,278	1,997,812	17,548,363
Expenditures						
Current:						
General government	2,170,399	-	7,788	-	265,749	2,443,936
Public safety	6,223,305	-	-	-	207,110	6,430,415
Public works	2,326,007	-	214,183	-	163,679	2,703,869
Health and human services	130,019	-	-	-	25,431	155,450
Leisure activities	730,819	-	137,025	-	787,534	1,655,378
Conservation and development	249,078	56,434	6,802	-	303,080	615,394
Capital outlay	-	-	1,472,131	-	515,170	1,987,301
Debt service:						
Principal retirement	-	-	-	1,217,042	-	1,217,042
Interest and fiscal charges	-	-	144,145	339,309	-	483,454
Total expenditures	11,829,627	56,434	1,982,074	1,556,351	2,267,753	17,692,239
Excess (deficiency) of revenues over expenditures	250,803	(29,483)	(204,182)	108,927	(269,941)	(143,876)
Other Financing Sources (Uses)						
Long-term debt issued	-	-	4,340,000	-	-	4,340,000
Premium on long-term debt	-	-	183,438	-	-	183,438
Proceeds from sale of capital assets	-	-	-	-	49,055	49,055
Proceeds from leases	-	-	-	-	155,160	155,160
Transfers in	789,974	-	96,297	211,573	648,952	1,746,796
Transfers out	(694,842)	-	(157,080)	(277,550)	(376,020)	(1,505,492)
Total other financing sources (uses)	95,132	-	4,462,655	(65,977)	477,147	4,968,957
Net change in fund balances	345,935	(29,483)	4,258,473	42,950	207,206	4,825,081
Fund Balances (Deficit), Beginning	4,124,058	100,918	1,869,401	258,801	1,342,458	7,695,636
Fund Balances, Ending	\$ 4,469,993	\$ 71,435	\$ 6,127,874	\$ 301,751	\$ 1,549,664	\$ 12,520,717

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, 2024

Net Change in Fund Balances, Total Governmental Funds \$ 4,825,081

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	1,987,301
Some items reported as capital outlay were not capitalized	(43,863)
Some functional expenditures are capitalized	395,016
Depreciation/amortization is reported in the government-wide statements	(2,510,262)
Capital assets contributed to the city	1,622,904
Book value of capital assets disposed of in the current year	(325,547)

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.	41,956
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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.	7,013
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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.	(459,316)
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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	(4,340,000)
Principal payments paid	1,217,042
Leases issued	(155,160)
Lease principal paid	174,063

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 landfill liability	14,707
Change in compensated absences	19,595
Change in accrued interest payable	(9,621)
Change in OPEB liability (and OPEB related deferred inflows and outflows of resources)	83,957
Change in net pension liability (and pension related deferred inflows and outflows of resources)	188,116

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.	22,981
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Change in Net Position of Governmental Activities \$ 2,755,963

City of Ashland

Statement of Net Position -
 Proprietary Funds
 Year Ended December 31, 2024

	<u>Business-Type Activities - Enterprise Funds</u>				Dental/FLEX Internal Service Fund
	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Nonmajor Funds</u>	<u>Total</u>	
Assets					
Current assets:					
Cash and investments	\$ -	\$ 687,536	\$ 435,583	\$ 1,123,119	\$ 441,100
Restricted assets, redemption account	309,947	104,164	35,424	449,535	-
Restricted assets, construction account	182,546	-	20,368	202,914	-
Customer accounts receivable	451,087	470,288	-	921,375	-
Other accounts receivable	-	-	14,650	14,650	3,189
Due from other governments	665,517	275,916	-	941,433	-
Current portion of advances to other funds	12,840	-	-	12,840	-
Inventories and prepaid items	213,460	113,478	41,122	368,060	-
Total current assets	<u>1,835,397</u>	<u>1,651,382</u>	<u>547,147</u>	<u>4,033,926</u>	<u>444,289</u>
Noncurrent assets:					
Restricted assets:					
Reserve account	394,854	24,011	-	418,865	-
Replacement account	-	1,773,993	-	1,773,993	-
Capital assets:					
Construction work in progress	1,121,954	166,409	10,946	1,299,309	-
Land	73,773	38,951	437,268	549,992	-
Capital assets being depreciated	28,501,055	37,863,122	8,482,852	74,847,029	-
Accumulated depreciation	(9,985,168)	(21,035,721)	(4,329,590)	(35,350,479)	-
Other assets:					
Advances to other funds	26,228	-	-	26,228	-
Total noncurrent assets	<u>20,132,696</u>	<u>18,830,765</u>	<u>4,601,476</u>	<u>43,564,937</u>	<u>-</u>
Total assets	<u>21,968,093</u>	<u>20,482,147</u>	<u>5,148,623</u>	<u>47,598,863</u>	<u>444,289</u>
Deferred Outflows of Resources					
OPEB related amounts	169,340	187,342	-	356,682	-
Pension related amounts	303,235	408,700	122,465	834,400	-
Total deferred outflows of resources	<u>472,575</u>	<u>596,042</u>	<u>122,465</u>	<u>1,191,082</u>	<u>-</u>
Liabilities					
Current liabilities:					
Accounts payable	198,845	368,317	86,816	653,978	-
Accrued expenses	11,659	15,905	3,449	31,013	1,687
Deposits	4,000	-	-	4,000	-
Due to other funds	1,287,439	-	-	1,287,439	-
Liabilities payable from restricted assets:					
Accrued interest	38,771	10,724	5,347	54,842	-
Current portion of long-term debt	366,398	162,364	49,804	578,566	-
Current portion of accrued compensated absences	21,780	34,500	9,251	65,531	-
Total current liabilities	<u>1,928,892</u>	<u>591,810</u>	<u>154,667</u>	<u>2,675,369</u>	<u>1,687</u>
Noncurrent liabilities:					
Long-term debt	6,743,984	3,718,347	229,305	10,691,636	-
Accrued compensated absences	8,381	3,990	2,312	14,683	-
OPEB liability	516,737	571,667	-	1,088,404	-
Net pension liability	31,306	38,802	11,194	81,302	-
Total noncurrent liabilities	<u>7,300,408</u>	<u>4,332,806</u>	<u>242,811</u>	<u>11,876,025</u>	<u>-</u>
Total liabilities	<u>9,229,300</u>	<u>4,924,616</u>	<u>397,478</u>	<u>14,551,394</u>	<u>1,687</u>
Deferred Inflows of Resources					
OPEB related amounts	99,214	109,760	-	208,974	-
Pension related amounts	166,656	217,973	70,929	455,558	-
Total deferred inflow of resources	<u>265,870</u>	<u>327,733</u>	<u>70,929</u>	<u>664,532</u>	<u>-</u>
Net Position					
Net investment in capital assets	12,783,778	13,152,050	4,342,735	30,278,563	-
Restricted for:					
Debt service reserve	394,854	24,011	-	418,865	-
Debt service redemption	271,176	93,440	-	364,616	-
Equipment replacement	-	1,773,993	-	1,773,993	-
Unrestricted (deficit)	(504,310)	782,346	459,946	737,982	442,602
Total net position	<u>\$ 12,945,498</u>	<u>\$ 15,825,840</u>	<u>\$ 4,802,681</u>	<u>33,574,019</u>	<u>\$ 442,602</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>(7,835)</u>	
Net position of business-type activities				<u>\$ 33,566,184</u>	

See notes to financial statements

City of Ashland

Statement of Revenues, Expenses and Changes in Net Position -
 Proprietary Funds
 Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds				Dental/FLEX Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Funds	Total	
Operating Revenues	\$ 2,549,266	\$ 2,241,604	\$ 523,938	\$ 5,314,808	\$ 146,480
Operating Expenses					
Operation and maintenance	1,385,673	1,809,227	464,208	3,659,108	124,617
Depreciation	541,487	796,358	249,432	1,587,277	-
Taxes	2,756	-	-	2,756	-
Total operating expenses	1,929,916	2,605,585	713,640	5,249,141	124,617
Operating income (loss)	619,350	(363,981)	(189,702)	65,667	21,863
Nonoperating Revenues (Expenses)					
Investment income	1,824	37,731	10,447	50,002	6,931
Interest and fiscal charges	(191,603)	(56,965)	(7,776)	(256,344)	-
Miscellaneous revenue	9,642	59,554	2,512	71,708	-
Gain (loss) on sale of capital assets	-	(34,733)	325	(34,408)	-
Total nonoperating revenue (expenses)	(180,137)	5,587	5,508	(169,042)	6,931
Income (loss) before contributions and transfers	439,213	(358,394)	(184,194)	(103,375)	28,794
Contributions and Transfers					
Capital contributions	896,526	986,817	-	1,883,343	-
Transfers in	-	-	82,054	82,054	-
Transfers out	(323,358)	-	-	(323,358)	-
Total contributions and transfers	573,168	986,817	82,054	1,642,039	-
Change in net position	1,012,381	628,423	(102,140)	1,538,664	28,794
Net Position, Beginning	11,933,117	15,197,417	4,904,821	32,035,355	413,808
Net Position, Ending	\$ 12,945,498	\$ 15,825,840	\$ 4,802,681	\$ 33,574,019	\$ 442,602
Change in Net Position, Enterprise Funds				\$ 1,538,664	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				5,813	
Change in Net Position of Business-Type Activities				\$ 1,544,477	

See notes to financial statements

City of Ashland

Statement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds				Dental/FLEX Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Funds	Total	
Cash Flows From Operating Activities					
Cash received from customers	\$ 2,416,690	\$ 2,154,241	\$ 527,814	\$ 5,098,745	\$ 143,291
Cash received from the City	21,218	-	-	21,218	-
Cash paid to suppliers for goods and services	(1,038,448)	(1,216,725)	(306,372)	(2,561,545)	(126,942)
Cash paid to employees for services	(424,436)	(505,363)	(174,821)	(1,104,620)	-
Net cash flows from operating activities	975,024	432,153	46,621	1,453,798	16,349
Cash Flows From Noncapital Financing Activities					
Negative cash implicitly financed (paid)	374,558	-	-	374,558	-
Transfers from other funds	-	-	82,054	82,054	-
Transfers to other funds	(323,358)	-	-	(323,358)	-
Net cash flows from investing activities	51,200	-	82,054	133,254	-
Cash Flows From Investing Activities					
Noncash equivalents sold		552,107	-	552,107	-
Investment income	1,824	37,731	10,447	50,002	6,931
Net cash flows from investing activities	1,824	589,838	10,447	602,109	6,931
Cash Flows From Capital and Related Financing Activities					
Debt proceeds	976,867	1,254,136	30,557	2,261,560	-
Debt retired	(348,176)	(139,355)	(49,448)	(536,979)	-
Interest paid	(181,630)	(56,665)	(8,581)	(246,876)	-
Contributions in aid of construction	541,232	907,500	-	1,448,732	-
Acquisition and construction of capital assets	(2,071,783)	(1,960,477)	(132,614)	(4,164,874)	-
Net cash flows from capital and related financing activities	(1,083,490)	5,139	(160,086)	(1,238,437)	-
Net increase (decrease) in cash and cash equivalents	(55,442)	1,027,130	(20,964)	950,724	23,280
Cash and Cash Equivalents, Beginning	602,104	1,562,574	512,339	2,677,017	417,820
Cash and Cash Equivalents, Ending	\$ 546,662	\$ 2,589,704	\$ 491,375	\$ 3,627,741	\$ 441,100
Reconciliation of Cash and Cash Equivalents					
Cash and cash equivalents per statement of net position:					
Cash and investments	\$ -	\$ 687,536	\$ 435,583	\$ 1,123,119	\$ 441,100
Restricted cash and investments:					
Reserve account	394,854	24,011	-	418,865	-
Redemption account	309,947	104,164	35,424	449,535	-
Construction account	182,546	-	20,368	202,914	-
Replacement account	-	1,773,993	-	1,773,993	-
Total cash and investments	887,347	2,589,704	491,375	3,968,426	441,100
Less noncash equivalents	(340,685)	-	-	(340,685)	-
Cash and cash equivalents per statement of cash flows	\$ 546,662	\$ 2,589,704	\$ 491,375	\$ 3,627,741	\$ 441,100

See notes to financial statements

City of Ashland

Statement of Cash Flows -
 Proprietary Funds
 Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds				Dental/FLEX Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Funds	Total	
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities					
Operating income (loss)	\$ 619,350	\$ (363,981)	\$ (189,702)	\$ 65,667	\$ 21,863
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Nonoperating income	9,642	2,579	2,512	14,733	-
Noncash items included in income:					
Depreciation	541,487	796,358	249,432	1,587,277	-
Depreciation charged to other accounts	27,754	(27,754)	-	-	-
Change in assets and liabilities:					
Customer accounts receivable	(126,301)	(51,210)	-	(177,511)	-
Other accounts receivable	160	-	1,364	1,524	(3,189)
Inventories and prepaid items	(57,847)	47,946	8,752	(1,149)	-
Accounts payable	(47,306)	(40,256)	937	(86,625)	-
Payable to municipality	(24,142)	-	-	(24,142)	-
Other current liabilities	4,509	4,717	505	9,731	(2,325)
Accrued compensated absences	(8,289)	11,411	(23,548)	(20,426)	-
Unearned revenues	(12,635)	-	-	(12,635)	-
Other postemployment benefits	59,198	65,708	-	124,906	-
Pension related deferrals and liability	(10,556)	(13,365)	(3,631)	(27,552)	-
Net cash flows from operating activities	<u>\$ 975,024</u>	<u>\$ 432,153</u>	<u>\$ 46,621</u>	<u>\$ 1,453,798</u>	<u>\$ 16,349</u>
Noncash Capital, Investing and Financing Activities					
Capital assets acquired with accounts payable	<u>\$ 167,890</u>	<u>\$ 325,355</u>	<u>\$ 82,521</u>	<u>\$ 575,766</u>	<u>\$ -</u>

See notes to financial statements

City of Ashland

Statement of Fiduciary Net Position -
Fiduciary Fund
December 31, 2024

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
Assets	
Cash and investments	\$ 2,054,711
Taxes receivable	<u>5,572,650</u>
Total assets	<u>7,627,361</u>
Liabilities	
Due to other taxing units	<u>7,627,361</u>
Total liabilities	<u>7,627,361</u>
Total net position	<u><u>\$ -</u></u>

See notes to financial statements

City of Ashland

Statement of Changes in Fiduciary Net Position -
Fiduciary Fund
Year Ended December 31, 2024

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
Additions	
Property taxes collected for other governments	\$ 4,822,185
Deductions	
Property taxes distributed to other governments	4,822,185
Change in fiduciary net position	-
Net Position, Beginning	-
Net Position, Ending	\$ -

See notes to financial statements

City of Ashland

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December 31, 2024

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City of Ashland

Notes to Financial Statements
December 31, 2024

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, 2024

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, 2024. 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

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized in financial statements prepared using the economic resources measurement focus for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This standard was implemented January 1, 2024. The impact of implementation was not material.

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

City of Ashland

Notes to Financial Statements
December 31, 2024

- 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.

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.

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, 2024

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
------------------------	-------------------

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

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.

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.

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.

City of Ashland

Notes to Financial Statements
December 31, 2024

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, 2024 tax roll:

Lien date and levy date	December 2024
Tax bills mailed	December 2024
Payment in full, or	January 31, 2025
First installment due	January 31, 2025
Second installment due	July 31, 2025
Tax sale, 2024 delinquent real estate taxes	October 2027

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 \$2,204,430.

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.

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 \$36,019.

City of Ashland

Notes to Financial Statements

December 31, 2024

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 one 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.

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.

Vacation and sick leave pay is accrued in the government-wide and proprietary fund 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 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, 2024 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 \$4,388,564 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-105 and were in effect for services rendered on or after September 11, 2024.

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, 2024

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, 2024, the following individual funds held a deficit balance:

Fund	Amount	Reason
Economic Development Revolving Loan TIF No. 10 Increment	\$ 148 162,091	Unavailable revenues related to current year expenditures Expenditures in excess of increment
Home Improvement Program	24,802	Unavailable revenues related to current year expenditures

The TIF district deficit is anticipated to be funded with future incremental taxes levied over the life of the district, which is 27 years for 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.

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, 2024

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	\$ 10,519,903	\$ 10,686,303	Custodial credit
LGIP	4,228,622	4,228,622	Credit
U.S. treasuries	4,373,176	4,383,702	Custodial credit and interest rate
Cash on hand and petty cash	1,175	-	N/A
	<u>\$ 19,122,876</u>	<u>\$ 19,298,627</u>	
Reconciliation to financial statements:			
Per statement of net position:			
Unrestricted cash and investments	\$ 8,899,504		
Restricted cash and investments	8,168,661		
Per statement of fiduciary net position:			
Tax collection fund	2,054,711		
	<u>\$ 19,122,876</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 non-interest 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 \$1,000,000. 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 Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government). SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. \$4,390,336 of the City's investments are covered by SIPC. Additionally, through London Insurers, accounts have additional securities coverage of \$1.9 million per customer, subject to a \$1 billion aggregate firm limit.

The City maintains collateral agreements with its banks. At December 31, 2024, the banks had pledged various government securities of approximately \$14,676,104 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, 2024, none 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, 2024

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The City held investments in the external Wisconsin Local Government Investment Pool which is not rated.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2024, the City's investments were as follows:

Investment Type	Fair Value	Maturity (in Years)		
		Less Than 1	1-5	5+
U.S. treasuries	\$ 4,373,176	\$ 4,373,176	\$ -	\$ -

See Note 1 for further information on deposit and investment policies.

Receivables

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

General Fund	\$ 49,929
Housing Rehab Revolving Loan Fund	1,623,543
Capital Improvements Fund	76,672
Nonmajor Governmental Funds	92,634

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:

	Unearned	Unavailable
Property taxes receivables	\$ 4,980,610	\$ -
Other receivables	208	105,926
Grant receivables	50,277	348,589
Grants received in advance of meeting eligibility requirements	932,095	-
Special assessments not yet due	-	85,192
Economic development and housing rehabilitation loans	-	1,675,443
Total unearned/unavailable revenue for governmental funds	\$ 5,963,190	\$ 2,215,150
Unearned revenue included in liabilities	\$ 932,095	
Unearned revenue included in deferred inflows	5,031,095	
Total unearned revenue for governmental funds	\$ 5,963,190	

City of Ashland

Notes to Financial Statements
December 31, 2024

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, 2024:

	Governmental Activities	Business-Type Activities
Restricted cash and investments:		
Redemption account	\$ -	\$ 449,535
Construction account	5,323,354	202,914
Reserve account	-	418,865
Equipment replacement account	-	1,773,993
	<hr/>	<hr/>
Total restricted assets	\$ 5,323,354	\$ 2,845,307

City of Ashland

Notes to Financial Statements
December 31, 2024

Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated/amortized:				
Construction in progress	\$ 263,623	\$ 3,264,082	\$ (3,163,517)	\$ 364,188
Land	4,371,607	-	-	4,371,607
Right of way	191,464	7,748	-	199,212
Total capital assets not being depreciated/amortized	<u>4,826,694</u>	<u>3,271,830</u>	<u>(3,163,517)</u>	<u>4,935,007</u>
Capital assets being depreciated/amortized:				
Land improvements	10,055,011	-	-	10,055,011
Buildings	17,207,556	29,575	-	17,237,131
Leased vehicles	534,523	155,160	(199,293)	490,390
Machinery and equipment	10,395,133	408,863	(963,405)	9,840,591
Roads	38,325,179	1,941,616	(357,256)	39,909,539
Alleys	671,830	-	-	671,830
Bridges	313,693	-	-	313,693
Trails	2,015,297	222,713	(27,096)	2,210,914
Storm sewers	9,880,021	730,297	(26,520)	10,583,798
Sidewalks	5,934,168	364,821	(46,967)	6,252,022
Breakwater	13,900,000	-	-	13,900,000
Total capital assets being depreciated/amortized	<u>109,232,411</u>	<u>3,853,045</u>	<u>(1,620,537)</u>	<u>111,464,919</u>
Less accumulated depreciation/amortization:				
Land improvements	(2,117,234)	(231,543)	-	(2,348,777)
Buildings	(3,876,997)	(250,689)	-	(4,127,686)
Leased vehicles	(187,131)	(174,063)	199,293	(161,901)
Machinery and equipment	(6,208,240)	(545,912)	756,460	(5,997,692)
Roads	(13,076,126)	(737,829)	263,969	(13,549,986)
Alleys	(434,048)	(3,040)	-	(437,088)
Bridges	(133,477)	(4,505)	-	(137,982)
Trails	(521,450)	(55,273)	11,885	(564,838)
Storm sewers	(3,886,834)	(216,667)	26,519	(4,076,982)
Sidewalks	(2,921,573)	(151,741)	36,864	(3,036,450)
Breakwater	(729,750)	(139,000)	-	(868,750)
Total accumulated depreciation/amortization	<u>(34,092,860)</u>	<u>(2,510,262)</u>	<u>1,294,990</u>	<u>(35,308,132)</u>
Net capital assets being depreciated/amortized	<u>75,139,551</u>	<u>1,342,783</u>	<u>(325,547)</u>	<u>76,156,787</u>
Total governmental activities capital assets, net of accumulated depreciation/amortization	<u>\$ 79,966,245</u>	<u>\$ 4,614,613</u>	<u>\$ (3,489,064)</u>	<u>\$ 81,091,794</u>

City of Ashland

Notes to Financial Statements
December 31, 2024

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities

General government	\$ 56,436
Public safety	425,577
Public works, which includes the depreciation of roads, storm sewers and sidewalks	1,693,896
Leisure activities	<u>334,353</u>

Total governmental activities depreciation/amortization expense	<u>\$ 2,510,262</u>
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities				
Water Utility				
Capital assets, not being depreciated:				
Construction in progress	\$ 1,473,962	\$ 2,195,992	\$ (2,548,000)	\$ 1,121,954
Land and land rights	<u>30,611</u>	<u>43,162</u>	<u>-</u>	<u>73,773</u>
Total capital assets not being depreciated	<u>1,504,573</u>	<u>2,239,154</u>	<u>(2,548,000)</u>	<u>1,195,727</u>
Capital assets, being depreciated:				
Source of supply	88,116	-	-	88,116
Pumping	832,593	-	-	832,593
Treatment	2,663,879	-	-	2,663,879
Transmission and distribution	21,603,012	2,476,178	(163,822)	23,915,368
Administrative and general assets	<u>929,094</u>	<u>72,005</u>	<u>-</u>	<u>1,001,099</u>
Total capital assets, being depreciated	<u>26,116,694</u>	<u>2,548,183</u>	<u>(163,822)</u>	<u>28,501,055</u>
Total capital assets	<u>27,621,267</u>	<u>4,787,337</u>	<u>(2,711,822)</u>	<u>29,696,782</u>
Less accumulated depreciation:				
Source of supply	(58,911)	(1,498)	-	(60,409)
Pumping	(775,054)	(24,560)	-	(799,614)
Treatment	(1,855,779)	(99,657)	-	(1,955,436)
Transmission and distribution	(6,141,021)	(398,530)	163,822	(6,375,729)
Administrative and general assets	<u>(748,984)</u>	<u>(44,996)</u>	<u>-</u>	<u>(793,980.00)</u>
Total accumulated depreciation	<u>(9,579,749)</u>	<u>(569,241)</u>	<u>163,822</u>	<u>(9,985,168)</u>
Total capital assets, being depreciated, net	<u>16,536,945</u>	<u>1,978,942</u>	<u>-</u>	<u>18,515,887</u>
Total water utility capital assets, net	<u>\$ 18,041,518</u>	<u>\$ 4,218,096</u>	<u>\$ (2,548,000)</u>	<u>\$ 19,711,614</u>

City of Ashland

Notes to Financial Statements
December 31, 2024

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Wastewater Utility				
Capital assets, not being depreciated:				
Construction in progress	\$ 471,465	\$ 2,091,753	\$ (2,396,809)	\$ 166,409
Land and land rights	38,951	-	-	38,951
Total capital assets, not being depreciated	<u>510,416</u>	<u>2,091,753</u>	<u>(2,396,809)</u>	<u>205,360</u>
Capital assets, being depreciated:				
Collection system	18,572,537	2,402,369	(10,451)	20,964,455
Collection system pumping	3,688,271	23,298	-	3,711,569
Treatment and disposal	10,222,521	9,665	-	10,232,186
Administrative and general assets	2,886,881	152,896	(84,865)	2,954,912
Total capital assets, being depreciated	<u>35,370,210</u>	<u>2,588,228</u>	<u>(95,316)</u>	<u>37,863,122</u>
Total capital assets	<u>35,880,626</u>	<u>4,679,981</u>	<u>(2,492,125)</u>	<u>38,068,482</u>
Less accumulated depreciation	<u>(20,327,701)</u>	<u>(768,604)</u>	<u>60,584</u>	<u>(21,035,721)</u>
Total capital assets, being depreciated, net	<u>15,042,509</u>	<u>1,819,624</u>	<u>(34,732)</u>	<u>16,827,401</u>
Total wastewater utility capital assets, net	<u>\$ 15,552,925</u>	<u>\$ 3,911,377</u>	<u>\$ (2,431,541)</u>	<u>\$ 17,032,761</u>

City of Ashland

Notes to Financial Statements
December 31, 2024

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Airport				
Capital assets, not being depreciated:				
Construction in progress	\$ 10,946	\$ -	\$ -	\$ 10,946
Land and land rights	45,768	-	-	45,768
Total capital assets, not being depreciated	<u>56,714</u>	<u>-</u>	<u>-</u>	<u>56,714</u>
Capital assets, being depreciated:				
Land improvements	3,079,415	-	-	3,079,415
Buildings	586,999	-	-	586,999
Equipment	1,220,039	30,557	-	1,250,596
Total capital assets, being depreciated	<u>4,886,453</u>	<u>30,557</u>	<u>-</u>	<u>4,917,010</u>
Total capital assets	<u>4,943,167</u>	<u>30,557</u>	<u>-</u>	<u>4,973,724</u>
Less accumulated depreciation:				
Land improvements	(1,866,719)	(99,364)	-	(1,966,083)
Buildings	(269,954)	(11,530)	-	(281,484)
Equipment	(859,338)	(47,476)	-	(906,814)
Total accumulated depreciation	<u>(2,996,011)</u>	<u>(158,370)</u>	<u>-</u>	<u>(3,154,381)</u>
Total capital assets, being depreciated, net	<u>1,890,442</u>	<u>(127,813)</u>	<u>-</u>	<u>1,762,629</u>
Total airport capital assets, net	<u>\$ 1,947,156</u>	<u>\$ (127,813)</u>	<u>\$ -</u>	<u>\$ 1,819,343</u>

City of Ashland

Notes to Financial Statements
December 31, 2024

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Marina				
Capital assets, not being depreciated:				
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	12,992	-	1,214,231
Buildings	974,139	7,337	-	981,476
Equipment	<u>1,205,561</u>	<u>164,574</u>	<u>-</u>	<u>1,370,135</u>
Total capital assets, being depreciated	<u>3,380,939</u>	<u>184,903</u>	<u>-</u>	<u>3,565,842</u>
Total capital assets	<u>3,772,439</u>	<u>184,903</u>	<u>-</u>	<u>3,957,342</u>
Less accumulated depreciation:				
Land improvements	(46,960)	(24,350)	-	(71,310)
Buildings	(289,685)	(19,666)	-	(309,351)
Equipment	<u>(747,502)</u>	<u>(47,046)</u>	<u>-</u>	<u>(794,548)</u>
Total accumulated depreciation	<u>(1,084,147)</u>	<u>(91,062)</u>	<u>-</u>	<u>(1,175,209)</u>
Total capital assets, being depreciated, net	<u>2,296,792</u>	<u>93,841</u>	<u>-</u>	<u>2,390,633</u>
Total marina capital assets, net	<u>\$ 2,688,292</u>	<u>\$ 93,841</u>	<u>\$ -</u>	<u>\$ 2,782,133</u>
Business-type capital assets, net	<u>\$ 38,229,891</u>	<u>\$ 8,095,501</u>	<u>\$ (4,979,541)</u>	<u>\$ 41,345,851</u>

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

City of Ashland

Notes to Financial Statements
December 31, 2024

Depreciation expense was charged to function as follows:

Business-Type Activities

Water	\$	541,487
Wastewater		796,358
Airport		158,370
Marina		91,062
		<u>91,062</u>
Total business-type activities depreciation expense	\$	<u>1,587,277</u>

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	Economic Development Revolving Loan	\$ 148
General Fund	Home Improvement Program	24,802
General Fund	Water Utility	<u>1,287,439</u>
Total, fund financial statements		1,312,389
Less advances		(39,068)
Add interfund receivable created with internal service fund eliminations		7,835
Less fund and government-wide eliminations		<u>(24,950)</u>
Total internal balances for government-wide statement of net position		<u>\$ 1,256,206</u>
Governmental activities	Business-type activities	\$ 1,295,274
Business-type activities	Governmental activities	<u>(39,068)</u>
Total internal balances for government-wide statement of net position		<u>\$ 1,256,206</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.

City of Ashland

Notes to Financial Statements

December 31, 2024

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.

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water Utility	Debt Service Fund	\$ 39,068
NSP Breakwall	TIF No. 10 Increment	162,091
Total, fund financial statements		201,159
Less fund and government-wide eliminations		<u>(162,091)</u>
Total advances for government-wide statement of net position		<u>\$ 39,068</u>

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

<u>Years Ending December 31:</u>	<u>Principal</u>
2025	\$ 12,840
2026	13,022
2027	<u>13,206</u>
Total	<u>\$ 39,068</u>

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

<u>Years Ending December 31:</u>	<u>Principal</u>
2025	\$ 10,662
2026	10,795
2027	10,930
2028	11,067
2029	11,205
2030-2034	58,161
2035-2038	<u>49,271</u>
Total	<u>\$ 162,091</u>

City of Ashland

Notes to Financial Statements
December 31, 2024

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount
General Fund	Capital Improvements	\$ 20,000
General Fund	TIF No. 6 Increment	120,731
General Fund	TIF No. 9 Increment	48,335
General Fund	Water Utility	323,358
General Fund	Debt Service	277,550
Capital Improvements	General Fund	35,280
Capital Improvements	Capital Equipment	50,017
Capital Improvements	Community Planning and Development	11,000
Debt Service	Community Planning and Development	9,006
Debt Service	Capital Improvements	127,094
Debt Service	TIF No. 10 Increment	75,473
Recycling	General Fund	113,514
Bretting Teen Center	General Fund	2,825
Beautification	General Fund	2,774
Vaughn Library	General Fund	308,595
Home Improvement Program	Capital Improvements	9,986
TIF No.10 Development	TIF No. 10 Increment	61,458
Capital Equipment	General Fund	149,800
Airport	General Fund	82,054
		<hr/>
Total fund financial statements		1,828,850
Less fund and government-wide eliminations		<hr/> (1,587,546)
		<hr/>
Total government-wide statement of activities		\$ 241,304
		<hr/>
Governmental Activities	Business-Type Activities	\$ 323,358
Business-Type Activities	Governmental Activities	<hr/> (82,054)
		<hr/>
Total transfers for government-wide statement of activities		\$ 241,304

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, 2024

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation bonds payable	\$ 2,769,997	\$ -	\$ (345,000)	\$ 2,424,997	\$ 355,000
General obligation notes payable	8,650,000	4,340,000	(680,000)	12,310,000	920,000
General obligation notes from direct borrowings and direct placements	<u>649,149</u>	<u>-</u>	<u>(192,042)</u>	<u>457,107</u>	<u>198,887</u>
Total bonds and notes payable	<u>12,069,146</u>	<u>4,340,000</u>	<u>(1,217,042)</u>	<u>15,192,104</u>	<u>1,473,887</u>
Other liabilities:					
Compensated absences*	659,355	-	(19,595)	639,760	380,728
Landfill liability	<u>783,881</u>	<u>-</u>	<u>(14,707)</u>	<u>769,174</u>	<u>-</u>
Total other liabilities	<u>1,443,236</u>	<u>-</u>	<u>(34,302)</u>	<u>1,408,934</u>	<u>380,728</u>
Total governmental activities, long-term liabilities	<u>\$ 13,512,382</u>	<u>\$ 4,340,000</u>	<u>\$ (1,251,344)</u>	<u>\$ 16,601,038</u>	<u>\$ 1,854,615</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 803,000	\$ -	\$ (106,000)	\$ 697,000	\$ 109,000
General obligation notes from direct borrowings and direct placements	-	30,557	(10,448)	20,109	9,804
Revenue bonds	6,540,260	-	(278,370)	6,261,890	275,038
Revenue bonds from direct borrowings and direct placements	<u>2,202,361</u>	<u>2,231,003</u>	<u>(142,161)</u>	<u>4,291,203</u>	<u>184,724</u>
Total bonds and notes payable	<u>9,545,621</u>	<u>2,261,560</u>	<u>(536,979)</u>	<u>11,270,202</u>	<u>578,566</u>
Other liabilities:					
Compensated absences*	<u>100,640</u>	<u>-</u>	<u>(20,426)</u>	<u>80,214</u>	<u>65,531</u>
Total other liabilities	<u>100,640</u>	<u>-</u>	<u>(20,426)</u>	<u>80,214</u>	<u>65,531</u>
Total business-type activities, long-term liabilities	<u>\$ 9,646,261</u>	<u>\$ 2,261,560</u>	<u>\$ (557,405)</u>	<u>\$ 11,350,416</u>	<u>\$ 644,097</u>

*The change in the compensated absences liability is presented as a net change.

City of Ashland

Notes to Financial Statements

December 31, 2024

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, 2024, was \$36,365,470. Total general obligation debt outstanding at year-end was \$15,909,213.

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, 2024, consists of the following:

Governmental Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance, December 31, 2024
Note payable**	2015	2025	2.59 %	\$ 890,000	\$ 127,050
Bond payable	2015	2035	2.00-3.25	4,470,000	2,424,997
Note payable	2017	2027	2.00-2.25	2,065,000	570,000
Note payable**	2018	2028	4.00	550,000	273,950
Note payable	2020	2030	1.91	6,545,000	5,000,000
Note payable**	2022	2031	3.00	70,000	56,107
Note payable	2023	2033	4.00-5.00	2,505,000	2,400,000
Note payable	2024	2044	4.00-5.00	4,340,000	4,340,000
Total governmental activities, general obligation debt					<u>\$ 15,192,104</u>
Business-type Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance, December 31, 2024
Water Utility: Note payable	2020	2030	2.27 %	\$ 700,000	\$ 438,000
Marina: Note payable	2020	2030	2.75	410,000	259,000
Airport: Note payable**	2024	2026	5.12	30,577	20,109
Total governmental activities, general obligation debt					<u>\$ 717,109</u>

** Debt is considered direct borrowings or direct placements.

City of Ashland

Notes to Financial Statements

December 31, 2024

Debt service requirements to maturity are as follows:

Years Ending December 31:	Governmental Activities			
	General Obligation Debt		General Obligation Notes From Direct Borrowings or Direct Placements	
	Principal	Interest	Principal	Interest
2025	\$ 1,275,000	\$ 489,670	\$ 198,887	\$ 15,930
2026	1,325,000	449,189	74,637	9,841
2027	1,140,000	403,623	77,547	6,931
2028	1,060,000	368,663	80,561	3,917
2029	1,095,000	332,905	8,241	764
2030-2034	5,985,000	1,007,043	17,234	779
2035-2039	1,424,997	452,131	-	-
2040-2044	1,430,000	167,400	-	-
Total	\$ 14,734,997	\$ 3,670,624	\$ 457,107	\$ 38,162

Years Ending December 31:	Business-Type Activities			
	General Obligation Debt		General Obligation Notes From Direct Borrowings or Direct Placements	
	Principal	Interest	Principal	Interest
2025	\$ 109,000	\$ 17,065	\$ 9,804	\$ 1,029
2026	112,000	14,399	10,305	528
2027	115,000	11,660	-	-
2028	118,000	8,843	-	-
2029	120,000	5,953	-	-
2030	123,000	3,012	-	-
Total	\$ 697,000	\$ 60,932	\$ 20,109	\$ 1,557

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, 2023 and 2024. 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 32.1% of net revenues. The total principal and interest remaining to be paid on the bonds is \$8,730,353. Principal and interest paid for the current year and total customer net revenues were \$451,342 and \$848,945, 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, 2022 and 2024. Proceeds from the bonds provided financing for the wastewater utility. The bonds are payable solely from wastewater utility revenues and are payable through 2054. Annual principal and interest payments on the wastewater bonds are expected to require 32.5% of net revenues. The total principal and interest remaining to be paid on the bonds is \$4,613,108. Principal and interest paid for the current year and total customer net revenues were \$196,020 and \$472,687, respectively.

City of Ashland

Notes to Financial Statements

December 31, 2024

Revenue debt payable at December 31, 2024 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, 2024</u>
Water Utility					
Revenue bonds**	2008	2027	1.420 %	\$ 442,199	\$ 77,925
Revenue bonds**	2009	2028	1.600	345,702	81,690
Revenue bonds	2016	2056	1.875	1,883,000	1,605,900
Revenue bonds	2017	2038	1.150-4.000	3,315,000	2,410,000
Revenue bonds	2023	2043	4.000	1,585,000	1,520,000
Revenue bonds**	2024	2054	1.353	728,516	728,516 (1)
Revenue bonds**	2024	2054	1.485	248,351	248,351 (2)
Total water utility					<u>6,672,382</u>
Wastewater Utility					
Revenue bonds**	2014	2034	2.630	581,416	341,358
Revenue bonds**	2016	2036	1.960	193,550	126,544
Revenue bonds	2018	2038	2.750	960,000	725,990
Revenue bonds**	2022	2051	0.970	623,081	573,937
Revenue bonds**	2022	2052	1.353	1,438,200	1,398,227 (3)
Revenue bonds**	2024	2054	1.353	714,655	714,655 (4)
Total wastewater utility					<u>3,880,711</u>
Total business-type activities, revenue debt					<u><u>\$ 10,553,093</u></u>

** Debt is considered direct borrowings or direct placements.

(1) During 2024 the Water utility was authorized to issue Safe Drinking Water Fund Loan revenue bonds up to the amount of \$847,920. The original amount reported above has been issued as of December 31, 2024. The repayment schedule includes payments for the amount issued.

(2) During 2024 the Water utility was authorized to issue Safe Drinking Water Fund Loan revenue bonds up to the amount of \$9,166,606. The original amount reported above has been issued as of December 31, 2024. The repayment schedule includes payments for the amount issued.

(3) 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, 2024. The repayment schedule includes payments for the amount issued.

(4) During 2024 the Wastewater utility was authorized to issue Sewerage revenue bonds up to the amount of \$1,097,053. The original amount reported above has been issued as of December 31, 2024. The repayment schedule includes payments for the amount issued.

City of Ashland

Notes to Financial Statements
December 31, 2024

Debt service requirements to maturity are as follows:

Years Ending December 31:	Business-Type Activities			
	Revenue Debt		Revenue Debt From Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2025	\$ 275,038	\$ 188,766	\$ 184,724	\$ 60,275
2026	282,050	181,044	194,576	57,071
2027	293,974	172,791	197,667	53,954
2028	296,010	164,096	174,096	50,971
2029	308,058	154,989	155,670	48,295
2030-2034	1,693,238	619,739	817,246	202,225
2035-2039	1,717,122	311,296	643,196	146,623
2040-2044	679,300	114,027	661,280	104,622
2045-2049	279,300	54,333	705,339	60,274
2050-2054	306,800	26,878	557,409	15,631
2055-2056	131,000	2,468	-	-
Total	\$ 6,261,890	\$ 1,990,427	\$ 4,291,203	\$ 799,941

Other Debt Information

Estimated payments of accumulated employee benefits are not included in the debt service requirement schedules.

The City's outstanding 2015 General Obligation notes from direct borrowings and/or direct placements related to governmental activities with a balance totaling \$127,050, and 2024 General Obligation notes from direct borrowings and/or direct placements related to business-type activities with a balance totaling \$20,109, 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 \$330,057 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, 2009 and 2024 Safe Drinking Water Loans and 2014, 2016, 2022 and 2024 Clean Water Fund Loans from direct borrowings and/or direct placements related to business-type activities with balances totaling \$4,291,203, 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, 2024

Short-Term Debt

The City issued a short-term promissory note during 2024. Series 2024 was issued in the amount of \$262,000 to be used for general operations. The note has an interest rate of 5.0% and matures on December 13, 2025.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Promissory notes, direct placement	\$ 277,550	\$ 262,000	\$ (277,550)	\$ 262,000

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>
Governmental Activities					
Lease liabilities	\$ 347,392	\$ 155,160	\$ (174,063)	\$ 328,489	\$ 109,043
Total	<u>\$ 347,392</u>	<u>\$ 155,160</u>	<u>\$ (174,063)</u>	<u>\$ 328,489</u>	<u>\$ 109,043</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, 2024</u>
Enterprise - vehicles	various	various	3.63%	\$ 243,070	\$ 25,945
Enterprise - vehicles	2023	various	5.00%	291,453	167,183
Enterprise - vehicles	2024	various	5.00%	155,160	135,361
Total governmental activities lease liabilities					<u>\$ 328,489</u>

Debt service requirements to maturity are as follows:

<u>Years Ending December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 109,043	\$ 17,900	\$ 126,943
2026	96,307	11,783	108,090
2027	74,395	6,387	80,782
2028	38,399	2,171	40,570
2029	10,345	433	10,778
Total	<u>\$ 328,489</u>	<u>\$ 38,674</u>	<u>\$ 367,163</u>

City of Ashland

Notes to Financial Statements
December 31, 2024

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 \$769,174 reported as landfill closure and postclosure care liability at December 31, 2024, 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 2024. 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, 2024 includes the following:

Governmental Activities

Net investment in capital assets:

Construction in progress	\$ 364,188
Land and right of way	4,570,819
Other capital assets, net of accumulated depreciation/amortization	76,156,787
Less related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(10,018,499)</u>
Total net investment in capital assets	<u>\$ 71,073,295</u>

City of Ashland

Notes to Financial Statements
December 31, 2024

Governmental fund balances reported on the fund financial statements at December 31, 2024 include the following:

Fund Balances	General Fund	Housing Rehab Revolving Loan	Capital Improvements	Debt Service Fund	Nonmajor Funds	Total
Nonspendable						
Prepaid items and inventory	\$ 31,501	\$ -	\$ -	\$ -	\$ 11,000	\$ 42,501
Delinquent taxes	11,656	-	-	-	-	11,656
Delinquent utilities included in due from other governments	38,272	-	-	-	-	38,272
Subtotal	<u>81,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,000</u>	<u>92,429</u>
Restricted						
Housing and economic development loans	-	71,435	-	-	-	71,435
Debt service	-	-	-	301,751	-	301,751
Library	-	-	-	-	132,679	132,679
Buildings and facilities	-	-	4,174,974	-	-	4,174,974
Police programs	-	-	-	-	142,680	142,680
NSP Breakwall	-	-	-	-	562,224	562,224
Beautification	-	-	-	-	2,285	2,285
TIF No. 10 development	-	-	-	-	124,104	124,104
Waterfront development	-	-	561,051	-	-	561,051
Street improvements	-	-	668,574	-	-	668,574
Subtotal	<u>-</u>	<u>71,435</u>	<u>5,404,599</u>	<u>301,751</u>	<u>963,972</u>	<u>6,741,757</u>
Committed						
Bretting Teen Center	-	-	-	-	74,692	74,692
Insured loss deductible	-	-	-	-	336,777	336,777
Community planning and development	-	-	-	-	109,613	109,613
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>521,082</u>	<u>521,082</u>
Assigned						
Fund balance applied to subsequent year's budget	586,000	-	-	-	-	586,000
Public transportation	-	-	22,000	-	-	22,000
Recycling	-	-	-	-	8,101	8,101
Park grounds improvements	-	-	23,655	-	-	23,655
Sidewalk improvements	-	-	129,991	-	-	129,991
Landfill improvement	-	-	49,083	-	-	49,083
Capital equipment	-	-	-	-	232,550	232,550
Street improvements	-	-	692,892	-	-	692,892
Reduction to zero out unassigned fund balance	-	-	(194,346)	-	-	(194,346)
Subtotal	<u>586,000</u>	<u>-</u>	<u>723,275</u>	<u>-</u>	<u>240,651</u>	<u>1,549,926</u>
Unassigned (Deficit)	<u>3,802,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(187,041)</u>	<u>3,615,523</u>
Total fund balances (deficit)	<u>\$ 4,469,993</u>	<u>\$ 71,435</u>	<u>\$ 6,127,874</u>	<u>\$ 301,751</u>	<u>\$ 1,549,664</u>	<u>\$ 12,520,717</u>

City of Ashland

Notes to Financial Statements
December 31, 2024

Business-Type Activities

Net investment in capital assets:	
Construction in progress	\$ 1,299,309
Land	549,992
Other capital assets, net of accumulated depreciation	39,496,550
Less related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(11,067,288)</u>
Total net investment in capital assets	<u>\$ 30,278,563</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, 2024, 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. As of December 31, 2024, the uninsured portion of this balance was \$82,358.

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, 2024, the Trust had \$161,479 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, 2024 totaled \$2,186.

Subsequent Events

Management has evaluated subsequent events through June 7, 2025, 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 (880 hours for teachers and school district educational support employees) 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.

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 a retirement benefit based on a formula factor, their final average earnings and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. 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>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
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
2023	1.6	(21.0)

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 \$679,164 in contributions from the City.

City of Ashland

Notes to Financial Statements
December 31, 2024

Contribution rates for the plan year reported as of December 31, 2024 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives and Elected Officials)	6.80 %	6.80 %
Protective with Social Security	6.80	13.20
Protective without Social Security	6.80	18.10

Pension Liability, Pension Expense (Revenue), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the City reported a liability of \$753,544 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. 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, 2023, the City's proportion was 0.05068213%, which was a decrease of 0.00023380% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized pension expense (revenue) of \$384,780.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experience	\$ 3,038,285	\$ 4,024,228
Changes in actuarial assumptions	328,448	-
Net differences between projected and actual earnings on pension plan investments	2,625,982	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	19,083	609
Employer contributions subsequent to the measurement date	661,415	-
Total	<u>\$ 6,673,213</u>	<u>\$ 4,024,837</u>

City of Ashland

Notes to Financial Statements

December 31, 2024

\$661,415 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 ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2025	\$ 409,095
2026	429,656
2027	1,652,681
2028	(504,471)

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, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
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.

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, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

City of Ashland

Notes to Financial Statements

December 31, 2024

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:

Asset Allocation Targets and Expected Returns* as of December 31, 2023

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equity	40	7.3	4.5
Public Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage***	(12)	3.7	1.0
Total Core Fund	100	7.4	4.6
Variable Fund Asset			
U.S. Equities	70	6.8	4.0
International Equities	30	7.6	4.8
Total Variable Fund	100	7.3	4.5

* 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: 2.7%

*** The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% 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 3.77%. (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, 2023. 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:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
City's proportionate share of the net pension liability (asset)	\$ 7,283,375	\$ 753,544	\$ (3,815,654)

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-reports-and-statements>.

At December 31, 2024, 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.

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, 2024.

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, 2024 were \$17,108.

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.

City of Ashland

Notes to Financial Statements

December 31, 2024

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, 2024, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	17
Active plan members	45
	<hr/>
	62
	<hr/> <hr/>

Total OPEB Liability

The City's total OPEB liability of \$2,372,737 was measured as of December 31, 2024 and was determined by an actuarial valuation as of January 1, 2024 projected to December 31, 2024, reflecting actual premiums and updated discount rate.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2024 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	7.50% for 2025, decreasing 0.5% per year to an ultimate rate of 4.5% for 2032 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, 2024 valuation were based on the results of the Wisconsin Retirement System actuarial valuation as of December 31, 2022.

City of Ashland

Notes to Financial Statements

December 31, 2024

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2023	<u>\$ 2,334,802</u>
Changes for the year:	
Service cost	152,428
Interest	95,916
Changes of benefit terms	-
Differences between expected and actual experience	19,323
Changes in assumptions or other inputs	(49,302)
Benefit payments	<u>(180,430)</u>
Net changes	<u>37,935</u>
Balance at December 31, 2024	<u><u>\$ 2,372,737</u></u>

Change in Assumptions

The discount rate changed from 4.00% in 2023 to 4.28% in 2024. Health care cost trend rates were updated from an initial rate of 8.0% in 2023 to 7.50% in 2024.

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 (3.28%) or 1-percentage-point higher (5.28%) than the current discount rate:

	1% Decrease (3.28%)	Discount Rate (4.28%)	1% Increase (5.28%)
Total OPEB liability	\$ 2,571,606	\$ 2,372,737	\$ 2,194,914

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:

	1% Decrease (6.5% Decreasing to 3.5%)	Healthcare Cost Trend Rates (7.5% Decreasing to 4.5%)	1% Increase (8.5% Decreasing to 5.5%)
Total OPEB liability	\$ 2,139,442	\$ 2,372,737	\$ 2,645,766

City of Ashland

Notes to Financial Statements
December 31, 2024

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

For the year ended December 31, 2024, the City recognized OPEB expense of \$221,379. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 469,480	\$ (140,628)
Changes of assumptions or other inputs	308,092	(314,938)
Total	<u>\$ 777,572</u>	<u>\$ (455,566)</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:

2025	\$ (26,967)
2026	(6,274)
2027	93,063
2028	65,123
2029	64,148
Thereafter	132,913

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. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

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

Subsequent Events

On February 19, 2025 the City entered into a contract with Howard Immel Inc. totaling approximately \$5.8M related to the Vaughn Library Renovation project. The project will be partially funded with a Flexible Facilities Grant from Wisconsin Department of Administration.

On March 26, 2025, and August 13, 2025, the City made additional draws of \$198,210 and \$84,184, respectively, on its Clean Water Fund Loan Program Sewerage System Revenue Bonds, series 2024.

On March 26, 2025, and June 11, 2025, the City made additional draws of \$38,498 and \$52,789, respectively, on its Safe Drinking Water Loan Program Water System Revenue Bonds, series 2024.

Between April 23, 2025 and August 13, 2025, the City made five additional draws totaling \$2,451,064, on its Safe Drinking Water Loan Program Water System Revenue Bonds, series 2024B.

On September 5, 2025, the City entered into an agreement with a developer. Upon conditions of the agreement being met, the City will pay a development grant of \$3,000,000. Additionally, the City will provide developer tax increment grants the form of a tax incremental financing incentive payment to stimulate economic development. No payments have been made to the developer, nor has the City initiated any borrowing to fund the incentives.

REQUIRED SUPPLEMENTARY INFORMATION

City of Ashland

Budgetary Comparison Schedule -
 General Fund
 Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes:				
General property tax for local purposes	\$ 2,861,045	\$ 2,861,045	\$ 2,861,624	\$ 579
Payments in lieu of taxes	40,000	40,000	56,637	16,637
Sales tax-city share	140	140	193	53
Mobile home taxes	27,000	27,000	21,795	(5,205)
Room tax	10,500	10,500	10,066	(434)
Interest on taxes	3,500	3,500	7,141	3,641
Total taxes	2,942,185	2,942,185	2,957,456	15,271
Intergovernmental:				
Shared taxes from state	4,611,347	4,611,347	4,665,237	53,890
State aid, computer aid	37,133	37,133	40,610	3,477
State aid, highways	92,168	92,168	109,115	16,947
State aid, local streets	645,205	645,205	645,301	96
State aid, other public safety	50,000	50,000	-	(50,000)
Protection services	19,650	19,650	13,778	(5,872)
State aid, fire insurance tax	21,000	21,000	27,187	6,187
Expenditure restraint	145,910	145,910	145,910	-
Total intergovernmental	5,622,413	5,622,413	5,647,138	24,725
Licenses and permits:				
Liquor and malt beverage licenses	35,000	35,000	29,965	(5,035)
Nonbusiness licenses	10	10	5	(5)
Cable franchise fee	77,000	77,000	74,363	(2,637)
Building permits	47,000	47,000	87,548	40,548
Zoning permits	4,000	4,000	4,365	365
Total licenses and permits	163,010	163,010	196,246	33,236
Fines, forfeitures and penalties:				
Court penalties and costs	16,500	16,500	15,331	(1,169)
Total fines, forfeitures and penalties	16,500	16,500	15,331	(1,169)
Public charges for services:				
General government fees	12,000	12,000	12,939	939
Police department fees	5,000	5,000	2,249	(2,751)
Fire department fees	1,000	1,000	744	(256)
Ambulance fees	1,060,000	1,060,000	1,346,270	286,270
Ambulance protection fees	14,000	14,000	30,703	16,703
Other public safety fees	6,100	6,100	130	(5,970)
Public works fees	51,100	51,100	49,588	(1,512)
Fuel tax refund	3,500	3,500	-	(3,500)
Parking revenues	10,000	10,000	4,885	(5,115)
Refuse and garbage fees	389,000	389,000	475,445	86,445
Animal control	4,400	4,400	3,706	(694)
Park fees	160,000	160,000	152,917	(7,083)
Weed and nuisance control	5,000	5,000	600	(4,400)
Leisure programs	93,000	93,000	95,248	2,248
Total public charges for services	1,814,100	1,814,100	2,175,424	361,324

See notes to required supplementary information

City of Ashland

Budgetary Comparison Schedule -
General Fund
Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Intergovernmental charges for services:				
Liaison officer	\$ 87,000	\$ 87,000	\$ 52,096	\$ (34,904)
Fire yearly fees	144,850	144,850	146,837	1,987
Ambulance yearly fees	364,596	364,596	364,592	(4)
Airport fees	8,000	8,000	8,000	-
Attorney reimbursement from water utility	5,000	5,000	-	(5,000)
Utility cost sharing	244,100	244,100	255,059	10,959
Charges to library	40,000	40,000	45,802	5,802
Total intergovernmental charges for services	893,546	893,546	872,386	(21,160)
Investment income:				
Interest on temporary investments	20,000	20,000	135,035	115,035
Total investment income	20,000	20,000	135,035	115,035
Miscellaneous:				
Rent/lease	30,000	30,000	30,329	329
Insurance dividends	25,000	25,000	24,988	(12)
Donations	1,000	1,000	2,142	1,142
Insurance workman's compensation	2,000	2,000	19,854	17,854
Other miscellaneous revenue	4,150	4,150	4,101	(49)
Total miscellaneous	62,150	62,150	81,414	19,264
Total revenues	11,533,904	11,533,904	12,080,430	546,526
Expenditures				
General government:				
Council	33,700	27,730	27,720	10
Police/fire commission	8,900	6,930	6,929	1
Mayor	26,405	23,965	23,959	6
Administrator	160,460	162,950	162,944	6
Clerk:				
Legislative support	108,180	109,270	109,266	4
Elections	100,035	81,565	81,546	19
Personnel, labor relations	125,110	98,510	76,616	21,894
Data processing	307,480	310,940	310,934	6
Other city hall	48,785	46,525	46,518	7
Financial administration, finance department	485,220	497,470	497,463	7
Assessment of property	33,800	32,630	32,620	10
Legal	70,000	102,135	102,133	2
Municipal buildings	513,887	534,787	534,777	10
Uncollectible taxes/special assessment refunds	2,500	-	-	-
Property and liability insurance	144,000	156,975	156,974	1
Total general government	2,168,462	2,192,382	2,170,399	21,983
Public safety:				
Police	2,590,243	2,718,838	2,718,834	4
Ambulance and fire	3,520,825	3,345,973	3,342,745	3,228
Hydrant rental	19,500	21,220	21,218	2
Building inspection	131,425	134,910	134,508	402
Weights and measures	5,600	5,600	6,000	(400)
Total public safety	6,267,593	6,226,541	6,223,305	3,236

See notes to required supplementary information

City of Ashland

Budgetary Comparison Schedule -
General Fund
Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Public works:				
Administration	\$ 163,294	\$ 104,294	\$ 161,226	\$ (56,932)
Road maintenance	1,183,241	1,183,241	1,170,414	12,827
Street lighting	172,681	172,681	185,166	(12,485)
Sidewalk maintenance	22,467	22,467	16,207	6,260
Storm sewers	123,824	123,824	76,039	47,785
Parking facilities	6,845	6,845	4,430	2,415
Bay Area Transit	36,000	36,000	36,000	-
GIS and engineering	144,590	144,590	144,449	141
Garbage and refuse collection	362,151	467,631	467,631	-
Landfill	74,455	64,445	64,445	-
Total public works	2,289,548	2,326,018	2,326,007	11
Health and human services:	93,525	65,280	65,019	261
Animal and pest control				
Mount Hope cemetery	65,000	65,000	65,000	-
Total health and human services	158,525	130,280	130,019	261
Leisure activities:				
Museum	11,000	11,000	11,000	-
Parks	341,351	353,626	353,625	1
Leisure services	343,200	342,315	342,091	224
Municipal band	5,000	5,885	7,048	(1,163)
Community events	21,000	21,000	17,055	3,945
Total leisure activities	721,551	733,826	730,819	3,007
Conservation and development:				
Historic preservation	400	400	-	400
AADC contribution	55,000	55,000	55,000	-
Community development	213,200	191,700	194,078	(2,378)
Total conservation and development	268,600	247,100	249,078	(1,978)
Total expenditures	11,874,279	11,856,147	11,829,627	26,520
Excess of revenues over expenditures	(340,375)	(322,243)	250,803	573,046
Other Financing Sources (Uses)				
Transfers in	513,070	538,180	789,974	251,794
Transfers out	(648,775)	(692,017)	(694,842)	(2,825)
Total other financing sources (uses)	(135,705)	(153,837)	95,132	248,969
Net change in fund balance	\$ (476,080)	\$ (476,080)	345,935	\$ 822,015
Fund Balance, Beginning			4,124,058	
Fund Balance, Ending			\$ 4,469,993	

See notes to required supplementary information

City of Ashland

Budgetary Comparison Schedule -
 Special Revenue Fund - Housing Rehab Revolving Loan Fund
 Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Investment income	\$ -	\$ -	\$ 18	\$ 18
Miscellaneous	50,000	50,000	26,933	(23,067)
Total revenues	50,000	50,000	26,951	(23,049)
Expenditures				
Current:				
Conservation and development	108,000	108,000	56,434	51,566
Total expenditures	108,000	108,000	56,434	51,566
Net change in fund balance	<u>\$ (58,000)</u>	<u>\$ (58,000)</u>	(29,483)	<u>\$ 28,517</u>
Fund Balance, Beginning			100,918	
Fund Balance, Ending			<u>\$ 71,435</u>	

See notes to required supplementary information

City of Ashland

Schedule of Changes in Total OPEB Liability and Related Ratios
Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability								
Service cost	\$ 152,428	\$ 70,769	\$ 90,324	\$ 55,768	\$ 48,355	\$ 140,668	\$ 150,703	\$ 139,541
Interest	95,916	73,119	40,067	37,485	50,186	94,923	85,119	85,273
Differences between expected and actual experience	19,323	350,484	215,189	(43,742)	97,380	(445,107)	(59,839)	-
Changes of assumptions	(49,302)	302,157	(256,774)	51,514	126,193	(349,606)	(105,699)	48,530
Benefit payments	(180,430)	(173,087)	(134,980)	(111,156)	(90,358)	(146,257)	(137,344)	(126,004)
Net change in total OPEB liability	37,935	623,442	(46,174)	(10,131)	231,756	(705,379)	(67,060)	147,340
Total OPEB Liability, Beginning	<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>	<u>2,161,008</u>
Total OPEB Liability, Ending	<u>\$ 2,372,737</u>	<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>
Covered-Employee Payroll	\$ 3,234,947	\$ 2,851,142	\$ 2,676,308	\$ 2,598,357	\$ 2,297,650	\$ 2,230,728	\$ 5,124,538	\$ 4,975,280
Total OPEB Liability as a Percentage of Covered-Employee Payroll	73.35%	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, 2024

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
12/31/23	0.05068213 %	\$ 753,544	\$ 6,038,176	12.48 %	98.85 %
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, 2024

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
12/31/24	\$ 661,415	\$ 661,415	\$ -	\$ 6,549,257	10.10 %
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

City of Ashland

Notes to Required Supplementary Information
Year Ended December 31, 2024

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.

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 4.00% in 2023 to 4.28% in 2024. The Health care trend rates have been updated to an initial rate of 7.50% 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, 2024

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Funds
Assets			
Cash and investments	\$ 1,476,412	\$ 370,834	\$ 1,847,246
Taxes receivable	141,923	-	141,923
Accounts receivable	112,870	-	112,870
Notes receivable, net	51,900	-	51,900
Due from other governments	52,416	8,030	60,446
Advances to other funds	162,091	-	162,091
Prepaid items and inventory	11,000	-	11,000
	<u>11,000</u>	<u>-</u>	<u>11,000</u>
Total assets	<u>\$ 2,008,612</u>	<u>\$ 378,864</u>	<u>\$ 2,387,476</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 44,915	\$ 14,180	\$ 59,095
Accrued liabilities	19,960	-	19,960
Unearned revenues	297,595	-	297,595
Due to other funds	24,950	-	24,950
Advances from other funds	162,091	-	162,091
	<u>162,091</u>	<u>-</u>	<u>162,091</u>
Total liabilities	<u>549,511</u>	<u>14,180</u>	<u>563,691</u>
Deferred Inflows of Resources			
Unearned revenues	192,200	-	192,200
Unavailable revenues	73,891	8,030	81,921
	<u>73,891</u>	<u>8,030</u>	<u>81,921</u>
Total deferred inflows of resources	<u>266,091</u>	<u>8,030</u>	<u>274,121</u>
Fund Balances			
Nonspendable	11,000	-	11,000
Restricted	839,868	124,104	963,972
Committed	521,082	-	521,082
Assigned	8,101	232,550	240,651
Unassigned (deficit)	(187,041)	-	(187,041)
	<u>(187,041)</u>	<u>-</u>	<u>(187,041)</u>
Total fund balances	<u>1,193,010</u>	<u>356,654</u>	<u>1,549,664</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,008,612</u>	<u>\$ 378,864</u>	<u>\$ 2,387,476</u>

City of Ashland

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

Nonmajor Governmental Funds

Year Ended December 31, 2024

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 722,539	\$ -	\$ 722,539
Intergovernmental	608,661	69,529	678,190
Fines, forfeitures and penalties	447	-	447
Public charges for services	17,936	-	17,936
Investment income	43,921	1,672	45,593
Miscellaneous	517,420	15,687	533,107
	<u>1,910,924</u>	<u>86,888</u>	<u>1,997,812</u>
Total revenues	<u>1,910,924</u>	<u>86,888</u>	<u>1,997,812</u>
Expenditures			
Current:			
General government	265,749	-	265,749
Public safety	69,964	137,146	207,110
Public works	163,679	-	163,679
Health and human services	25,431	-	25,431
Leisure activities	787,534	-	787,534
Conservation and development	303,080	-	303,080
Capital outlay	-	515,170	515,170
	<u>1,615,437</u>	<u>652,316</u>	<u>2,267,753</u>
Total expenditures	<u>1,615,437</u>	<u>652,316</u>	<u>2,267,753</u>
Excess (deficiency) of revenues over expenditures	<u>295,487</u>	<u>(565,428)</u>	<u>(269,941)</u>
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	49,055	49,055
Leases issued	-	155,160	155,160
Transfers in	437,694	211,258	648,952
Transfers out	(326,003)	(50,017)	(376,020)
	<u>111,691</u>	<u>365,456</u>	<u>477,147</u>
Total other financing sources (uses)	<u>111,691</u>	<u>365,456</u>	<u>477,147</u>
Net change in fund balances	407,178	(199,972)	207,206
Fund Balances, Beginning	<u>785,832</u>	<u>556,626</u>	<u>1,342,458</u>
Fund Balances, Ending	<u>\$ 1,193,010</u>	<u>\$ 356,654</u>	<u>\$ 1,549,664</u>

City of Ashland

Combining Balance Sheet -
 Nonmajor Special Revenue Funds
 December 31, 2024

	<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>
Assets								
Cash and investments	\$ 21,992	\$ -	\$ 37,956	\$ -	\$ -	\$ -	\$ 357,196	\$ 400,133
Taxes receivable	-	-	-	-	-	141,923	-	-
Accounts receivable	-	-	-	-	-	-	56,105	-
Notes receivable, net	-	51,900	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	162,091
Prepaid items and inventory	-	-	11,000	-	-	-	-	-
Total assets	<u>\$ 21,992</u>	<u>\$ 51,900</u>	<u>\$ 48,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,923</u>	<u>\$ 413,301</u>	<u>\$ 562,224</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)								
Liabilities								
Accounts payable	\$ 13,891	\$ -	\$ 173	\$ -	\$ -	\$ -	\$ 4,198	\$ -
Accrued liabilities	-	-	-	-	-	-	1,130	-
Unearned revenues	-	-	-	-	-	-	297,595	-
Due to other funds	-	148	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	162,091	-	-
Total liabilities	<u>13,891</u>	<u>148</u>	<u>173</u>	<u>-</u>	<u>-</u>	<u>162,091</u>	<u>302,923</u>	<u>-</u>
Deferred Inflows of Resources								
Unearned revenues	-	-	-	-	-	141,923	-	-
Unavailable revenues	-	51,900	-	-	-	-	765	-
Total deferred inflows of resources	<u>-</u>	<u>51,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,923</u>	<u>765</u>	<u>-</u>
Fund Balances (Deficit)								
Nonspendable	-	-	11,000	-	-	-	-	-
Restricted	-	-	37,783	-	-	-	-	562,224
Committed	-	-	-	-	-	-	109,613	-
Assigned	8,101	-	-	-	-	-	-	-
Unassigned (deficit)	-	(148)	-	-	-	(162,091)	-	-
Total fund balances (deficit)	<u>8,101</u>	<u>(148)</u>	<u>48,783</u>	<u>-</u>	<u>-</u>	<u>(162,091)</u>	<u>109,613</u>	<u>562,224</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 21,992</u>	<u>\$ 51,900</u>	<u>\$ 48,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,923</u>	<u>\$ 413,301</u>	<u>\$ 562,224</u>

City of Ashland

Combining Balance Sheet -
 Nonmajor Special Revenue Funds
 December 31, 2024

	Evidence Funds	Bretting Teen Center	Beautification	Vaughn Library	Insured Loss Deductible	Hazardous Materials	Home Improvement Program	Total Nonmajor Special Revenue Funds
Assets								
Cash and investments	\$ 122,780	\$ 73,162	\$ 2,285	\$ 108,882	\$ 324,838	\$ 27,188	\$ -	\$ 1,476,412
Taxes receivable	-	-	-	-	-	-	-	141,923
Accounts receivable	20,000	2,083	-	-	34,682	-	-	112,870
Notes receivable, net	-	-	-	-	-	-	-	51,900
Due from other governments	-	-	-	-	-	31,190	21,226	52,416
Advances to other funds	-	-	-	-	-	-	-	162,091
Prepaid items and inventory	-	-	-	-	-	-	-	11,000
Total assets	\$ 142,780	\$ 75,245	\$ 2,285	\$ 108,882	\$ 359,520	\$ 58,378	\$ 21,226	\$ 2,008,612
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)								
Liabilities								
Accounts payable	\$ 100	\$ 553	\$ -	\$ 3,257	\$ 22,743	\$ -	\$ -	\$ 44,915
Accrued liabilities	-	-	-	10,729	-	8,101	-	19,960
Unearned revenues	-	-	-	-	-	-	-	297,595
Due to other funds	-	-	-	-	-	-	24,802	24,950
Advances from other funds	-	-	-	-	-	-	-	162,091
Total liabilities	100	553	-	13,986	22,743	8,101	24,802	549,511
Deferred Inflows of Resources								
Unearned revenues	-	-	-	-	-	50,277	-	192,200
Unavailable revenues	-	-	-	-	-	-	21,226	73,891
Total deferred inflows of resources	-	-	-	-	-	50,277	21,226	266,091
Fund Balances (Deficit)								
Nonspendable	-	-	-	-	-	-	-	11,000
Restricted	142,680	-	2,285	94,896	-	-	-	839,868
Committed	-	74,692	-	-	336,777	-	-	521,082
Assigned	-	-	-	-	-	-	-	8,101
Unassigned (deficit)	-	-	-	-	-	-	(24,802)	(187,041)
Total fund balances (deficit)	142,680	74,692	2,285	94,896	336,777	-	(24,802)	1,193,010
Total liabilities, deferred inflows of resources and fund balances (deficit)	\$ 142,780	\$ 75,245	\$ 2,285	\$ 108,882	\$ 359,520	\$ 58,378	\$ 21,226	\$ 2,008,612

City of Ashland

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Nonmajor Special Revenue Funds
 Year Ended December 31, 2024

	Recycling	Economic Development Revolving Loan	Library Grants & Special Revenue	TIF No. 6 Increment	TIF No. 9 Increment	TIF No. 10 Increment	Community Planning & Development	NSP Breakwall
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ 318,601	\$ 255,696	\$ 148,242	\$ -	\$ -
Intergovernmental	57,528	-	-	9,195	2,707	-	257,024	-
Fines, forfeitures and penalties	-	-	-	-	-	-	-	-
Public charges for services	-	-	3,778	-	-	-	12,615	-
Investment income	-	1,871	6,220	-	-	1,133	10,387	13,484
Miscellaneous	-	8,049	67,806	-	-	-	2,935	-
Total revenues	57,528	9,920	77,804	327,796	258,403	149,375	282,961	13,484
Expenditures								
Current:								
General government	-	-	-	207,065	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	163,679	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-
Leisure activities	-	-	268,294	-	-	-	-	-
Conservation and development	-	9,920	-	-	104,804	3,611	177,026	-
Total expenditures	163,679	9,920	268,294	207,065	104,804	3,611	177,026	-
Excess (deficiency) of revenues over expenditures	(106,151)	-	(190,490)	120,731	153,599	145,764	105,935	13,484
Other Financing Sources (Uses)								
Transfers in	113,514	-	-	-	-	-	-	-
Transfers out	-	-	-	(120,731)	(48,335)	(136,931)	(20,006)	-
Total other financing sources (uses)	113,514	-	-	(120,731)	(48,335)	(136,931)	(20,006)	-
Net change in fund balances	7,363	-	(190,490)	-	105,264	8,833	85,929	13,484
Fund Balances (Deficit), Beginning	738	(148)	239,273	-	(105,264)	(170,924)	23,684	548,740
Fund Balances (Deficit), Ending	\$ 8,101	\$ (148)	\$ 48,783	\$ -	\$ -	\$ (162,091)	\$ 109,613	\$ 562,224

City of Ashland

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Nonmajor Special Revenue Funds
 Year Ended December 31, 2024

	Evidence Funds	Bretting Teen Center	Beautification	Vaughn Library	Insured Loss Deductible	Hazardous Materials	Home Improvement Program	Total Nonmajor Special Revenue Funds
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 722,539
Intergovernmental	19,587	-	-	130,086	-	33,636	98,898	608,661
Fines, forfeitures and penalties	447	-	-	-	-	-	-	447
Public charges for services	-	1,424	-	119	-	-	-	17,936
Investment income	2,935	1,567	-	5,424	-	900	-	43,921
Miscellaneous	38,294	59,721	4,530	82	336,003	-	-	517,420
Total revenues	61,263	62,712	4,530	135,711	336,003	34,536	98,898	1,910,924
Expenditures								
Current:								
General government	-	-	-	-	58,684	-	-	265,749
Public safety	35,428	-	-	-	-	34,536	-	69,964
Public works	-	-	-	-	-	-	-	163,679
Health and human services	-	-	-	-	-	-	25,431	25,431
Leisure activities	-	36,458	6,854	475,928	-	-	-	787,534
Conservation and development	-	-	-	-	-	-	7,719	303,080
Total expenditures	35,428	36,458	6,854	475,928	58,684	34,536	33,150	1,615,437
Excess (deficiency) of revenues over expenditures	25,835	26,254	(2,324)	(340,217)	277,319	-	65,748	295,487
Other Financing Sources (Uses)								
Transfers in	-	2,825	2,774	308,595	-	-	9,986	437,694
Transfers out	-	-	-	-	-	-	-	(326,003)
Total other financing sources (uses)	-	2,825	2,774	308,595	-	-	9,986	111,691
Net change in fund balances	25,835	29,079	450	(31,622)	277,319	-	75,734	407,178
Fund Balances (Deficit), Beginning	116,845	45,613	1,835	126,518	59,458	-	(100,536)	785,832
Fund Balances (Deficit), Ending	\$ 142,680	\$ 74,692	\$ 2,285	\$ 94,896	\$ 336,777	\$ -	\$ (24,802)	\$ 1,193,010

City of Ashland

Combining Balance Sheet -
 Nonmajor Capital Project Funds
 December 31, 2024

	<u>TIF No. 10 Development</u>	<u>Capital Equipment</u>	<u>Total Nonmajor Capital Project Funds</u>
Assets			
Cash and investments	\$ 124,104	\$ 246,730	\$ 370,834
Due from other governments	-	8,030	8,030
Total assets	<u>\$ 124,104</u>	<u>\$ 254,760</u>	<u>\$ 378,864</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ -	\$ 14,180	\$ 14,180
Total liabilities	-	14,180	14,180
Deferred Inflows of Resources			
Unavailable revenues	-	8,030	8,030
Total deferred inflows of resources	-	8,030	8,030
Fund Balances			
Restricted	124,104	-	124,104
Assigned	-	232,550	232,550
Total fund balances	<u>124,104</u>	<u>232,550</u>	<u>356,654</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 124,104</u>	<u>\$ 254,760</u>	<u>\$ 378,864</u>

City of Ashland

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Capital Projects Funds
Year Ended December 31, 2024

	<u>TIF No. 10 Development</u>	<u>Capital Equipment</u>	<u>Total Nonmajor Capital Project Funds</u>
Revenues			
Intergovernmental	\$ -	\$ 69,529	\$ 69,529
Investment income	1,620	52	1,672
Miscellaneous	-	15,687	15,687
	<hr/>	<hr/>	<hr/>
Total revenues	1,620	85,268	86,888
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
Public safety	-	137,146	137,146
Capital outlay	-	515,170	515,170
	<hr/>	<hr/>	<hr/>
Total expenditures	-	652,316	652,316
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	1,620	(567,048)	(565,428)
	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	49,055	49,055
Leases issued	-	155,160	155,160
Transfers in	61,458	149,800	211,258
Transfers out	-	(50,017)	(50,017)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	61,458	303,998	365,456
	<hr/>	<hr/>	<hr/>
Net change in fund balances	63,078	(263,050)	(199,972)
	<hr/>	<hr/>	<hr/>
Fund Balances, Beginning	61,026	495,600	556,626
	<hr/>	<hr/>	<hr/>
Fund Balances, Ending	<u>\$ 124,104</u>	<u>\$ 232,550</u>	<u>\$ 356,654</u>

City of Ashland

Combining Statement of Net Position -
Nonmajor Enterprise Funds
December 31, 2024

	Airport	Marina	Total Nonmajor Enterprise Funds
Assets and Deferred Outflows of Resources			
Current Assets			
Cash and investments	\$ 234,935	\$ 200,648	\$ 435,583
Restricted assets, redemption account	-	35,424	35,424
Restricted assets, construction account	-	20,368	20,368
Other accounts receivable	12,234	2,416	14,650
Inventories and prepaid items	32,322	8,800	41,122
Total current assets	<u>279,491</u>	<u>267,656</u>	<u>547,147</u>
Noncurrent Assets			
Capital assets:			
Construction work in progress	10,946	-	10,946
Land	45,768	391,500	437,268
Capital assets being depreciated	4,917,010	3,565,842	8,482,852
Accumulated depreciation	<u>(3,154,381)</u>	<u>(1,175,209)</u>	<u>(4,329,590)</u>
Total noncurrent assets	<u>1,819,343</u>	<u>2,782,133</u>	<u>4,601,476</u>
Total assets	<u>2,098,834</u>	<u>3,049,789</u>	<u>5,148,623</u>
Deferred Outflows of Resources			
Pension related amounts	<u>70,276</u>	<u>52,189</u>	<u>122,465</u>
Total deferred outflows of resources	<u>70,276</u>	<u>52,189</u>	<u>122,465</u>
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Current liabilities:			
Accounts payable	3,209	83,607	86,816
Accrued expenses	2,170	1,279	3,449
Accrued interest	-	5,347	5,347
Current portion of long-term debt	9,804	40,000	49,804
Current portion of accrued compensated absences	<u>2,070</u>	<u>7,181</u>	<u>9,251</u>
Total current liabilities	<u>17,253</u>	<u>137,414</u>	<u>154,667</u>
Noncurrent liabilities:			
Long-term debt	10,305	219,000	229,305
Accrued compensated absences	621	1,691	2,312
Net pension liability	<u>5,809</u>	<u>5,385</u>	<u>11,194</u>
Total noncurrent liabilities	<u>16,735</u>	<u>226,076</u>	<u>242,811</u>
Total liabilities	<u>33,988</u>	<u>363,490</u>	<u>397,478</u>
Deferred Inflows of Resources			
Pension related amounts	<u>37,324</u>	<u>33,605</u>	<u>70,929</u>
Total deferred inflows of resources	<u>37,324</u>	<u>33,605</u>	<u>70,929</u>
Net Position			
Net investment in capital assets	1,799,234	2,543,501	4,342,735
Unrestricted	<u>298,564</u>	<u>161,382</u>	<u>459,946</u>
Total net position	<u>\$ 2,097,798</u>	<u>\$ 2,704,883</u>	<u>\$ 4,802,681</u>

City of Ashland

Combining Statement of Revenues, Expenses and Changes in Net Position -
Nonmajor Enterprise Funds
Year Ended December 31, 2024

	<u>Airport</u>	<u>Marina</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating Revenues			
Charges for services	\$ 246,393	\$ 277,545	\$ 523,938
Operating Expenses			
Operation and maintenance	273,482	190,726	464,208
Depreciation	158,370	91,062	249,432
Total operating expenses	431,852	281,788	713,640
Operating income (loss)	(185,459)	(4,243)	(189,702)
Nonoperating Revenues (Expenses)			
Investment income	5,758	4,689	10,447
Interest and fiscal charges	(386)	(7,390)	(7,776)
Miscellaneous revenue	1,092	1,420	2,512
Gain on sale of property	325	-	325
Total nonoperating revenue (expenses)	6,789	(1,281)	5,508
Income (loss) before transfers	(178,670)	(5,524)	(184,194)
Transfers			
Transfers in	82,054	-	82,054
Change in net position	(96,616)	(5,524)	(102,140)
Net Position, Beginning	2,194,414	2,710,407	4,904,821
Net Position, Ending	<u>\$ 2,097,798</u>	<u>\$ 2,704,883</u>	<u>\$ 4,802,681</u>

City of Ashland

Combining Statement of Cash Flows -
Nonmajor Enterprise Funds
Year Ended December 31, 2024

	Airport	Marina	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities			
Cash received from customers	\$ 247,573	\$ 280,241	\$ 527,814
Cash paid to suppliers for goods and services	(192,593)	(113,779)	(306,372)
Cash paid to employees for services	(81,511)	(93,310)	(174,821)
Net cash flows from operating activities	<u>(26,531)</u>	<u>73,152</u>	<u>46,621</u>
Cash Flows From Noncapital Financing Activities			
Transfers from other funds	82,054	-	82,054
Net cash flows from noncapital financing activities	<u>82,054</u>	<u>-</u>	<u>82,054</u>
Cash Flows From Investing Activities			
Investment income	5,758	4,689	10,447
Net cash flows from investing activities	<u>5,758</u>	<u>4,689</u>	<u>10,447</u>
Cash Flows From Capital and Related Financing Activities			
Debt proceeds	30,557	-	30,557
Debt retired	(10,448)	(39,000)	(49,448)
Interest paid	(386)	(8,195)	(8,581)
Acquisition and construction of capital assets	(30,232)	(102,382)	(132,614)
Net cash flows from capital and related related financing activities	<u>(10,509)</u>	<u>(149,577)</u>	<u>(160,086)</u>
Net decrease in cash and cash equivalents	50,772	(71,736)	(20,964)
Cash and Cash Equivalents, Beginning	<u>184,163</u>	<u>328,176</u>	<u>512,339</u>
Cash and Cash Equivalents, Ending	<u>\$ 234,935</u>	<u>\$ 256,440</u>	<u>\$ 491,375</u>
Reconciliation of Cash and Cash Equivalents			
Cash and cash equivalents per statement of net position:			
Cash and investments	\$ 234,935	\$ 200,648	\$ 435,583
Restricted cash and investments:			
Redemption account	-	35,424	35,424
Construction account	-	20,368	20,368
Cash and cash equivalents per statement of cash flows	<u>\$ 234,935</u>	<u>\$ 256,440</u>	<u>\$ 491,375</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities			
Operating income (loss)	\$ (185,459)	\$ (4,243)	\$ (189,702)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Nonoperating income	1,092	1,420	2,512
Noncash items included in income:			
Depreciation	158,370	91,062	249,432
Change in assets and liabilities:			
Other accounts receivable	88	1,276	1,364
Inventories and prepaid items	11,386	(2,634)	8,752
Accounts payable	1,376	(439)	937
Other current liabilities	346	159	505
Accrued compensated absences	(11,080)	(12,468)	(23,548)
Pension related deferrals and liability	(2,650)	(981)	(3,631)
Net cash flows from operating activities	<u>\$ (26,531)</u>	<u>\$ 73,152</u>	<u>\$ 46,621</u>
Noncash Capital, Investing and Financing Activities			
Capital assets acquired with accounts payable	<u>\$ -</u>	<u>\$ 82,521</u>	<u>\$ 82,521</u>