

Popular Annual Financial Report



For the Fiscal Year Ending June 30, 2016

Mayor Chuck Charles	City Manager Richard Martin	Corporation Counsel John Vincent	Economic Devt. Director Chris Pullem	Community Devt. Director Michael Miller
Commissioners: Larry Brown Amanda Clark Kevin Gunderson Marty Gute	Finance Director Tony D. Grubb	City Clerk Susan Maddix	Public Works Director Marion Russell	Eng. and Utilities Director Ryan Eastwood
	Asst. Finance Director Michelle Veach	HR / Parks Director Sean Murray	Chief of Police Robert Ratliff	Fire Chief Scott Penick

Message from the Director of Finance

Dear City Residents,

We are pleased to present the City of Ashland's fourth *Popular Annual Financial Report* (PAFR) for the 2016 fiscal year.

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

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

Respectfully,



Tony D. Grubb, CGFM
Director of Finance



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What is the Popular Annual Financial Report?

The PAFR is specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance. Its goal is to supplement—not replace—the 2016 CAFR.

Similarly to the 2016 CAFR, information in the PAFR conforms to Generally Accepted Accounting Principles (GAAP). However, this report only presents information for governmental funds and enterprise funds. Internal service funds and fiduciary funds are not included. For more detailed information and copies of the PAFR and CAFR, visit the city's website at www.ashlandky.gov, or contact the Finance Department at (606) 327-2009.

About the City of Ashland, Kentucky



Ashland is part of the "metro triangle" that includes Ironton, Ohio and Huntington, West Virginia. The city currently encompasses 17.02 square miles with a population of approximately 21,108 citizens. Ashland is eastern Kentucky's largest urban area as well as a center for health care, commerce, banking, and recreational activities. We continue to expand in the areas of art, entertainment, and cultural events while maintaining an aggressive nature for progression and growth.

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

Department Organization Chart



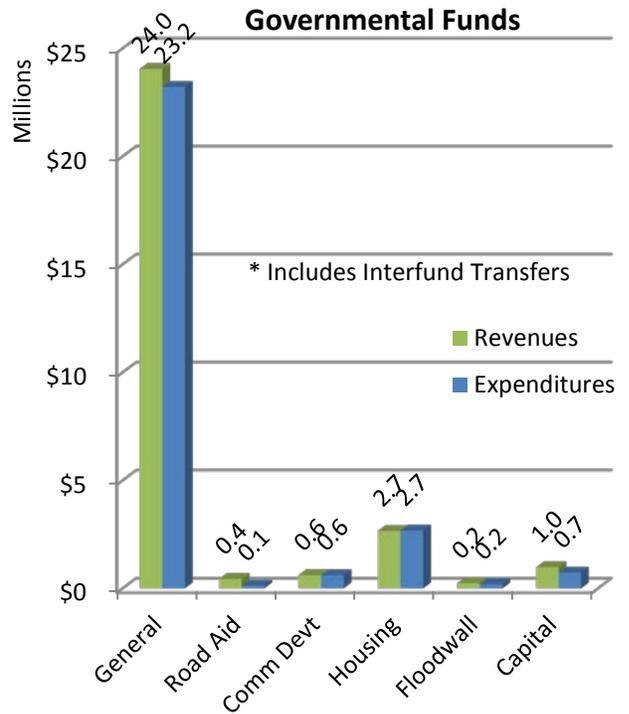
Governmental Funds / General Fund

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

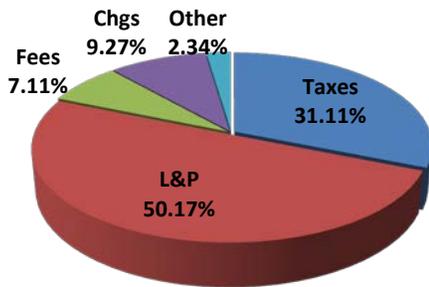
Governmental revenues totaled \$28.9 million, while expenditures totaled \$27.5 million (including other financing sources and uses). Of these totals, the General Fund accounts for 83.04% of revenues at \$24 million and 84.36% of expenditures at \$23.2 million.

As of June 30, 2016, the General Fund's balance was \$5,557,634, which is an increase of \$831,335, or 17.59%, over the previous year. Fund balance is comprised of the following four categories:

- Nonspendable**—funds that cannot be spent due to their form (e.g. inventories) = \$120,016;
- Restricted**—funds that are mandated for a specific purpose by external parties = \$15,981;
- Committed**—funds that are mandated for a specific purpose by the government itself = \$0;
- Unassigned**—excess funds that are not classified in other categories; spendable resources = \$5,421,637.



General Fund Revenues



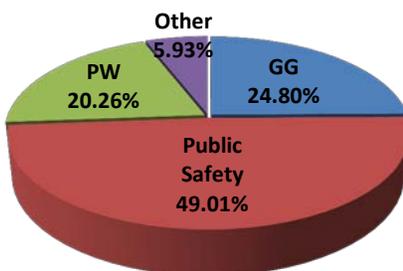
Taxes	
Property Tax	3,375,487
Insurance Premium Tax	4,014,491
Bank Franchise Tax	90,948
Total Taxes	\$7,480,926

Licenses and Permits	
Occupational License Fee	9,690,716
Business License / Net Profit	1,674,687
Other Licenses and Permits	696,982
Total Licenses and Permits	\$12,062,385

Fees / Fines / Reimbursements	
Franchise Fees	1,421,460
Other Fees / Fines / Reimbs	287,774
Total Fees / Fines / Reimbs	\$1,709,234

Charges for Services	
Garbage Collection	2,146,692
Other Services	81,000
Total Charges for Services	\$2,227,692

General Fund Expenditures



General Government	
Salaries and Benefits	1,146,003
Services and Supplies	875,580
Debt Service Payments	722,347
Prop / Equip / Gen Liab Ins	266,805
Grants and Projects	7,830
Contributions and Dues	278,044
Transfers to Other Funds	2,461,025
Total General Government	\$5,757,634

Public Safety	
Salaries and Benefits	10,573,395
Services and Supplies	801,696
Total Public Safety	\$11,375,091

Public Works	
Salaries and Benefits	3,063,114
Services and Supplies	1,640,153
Total Public Works	\$4,703,267

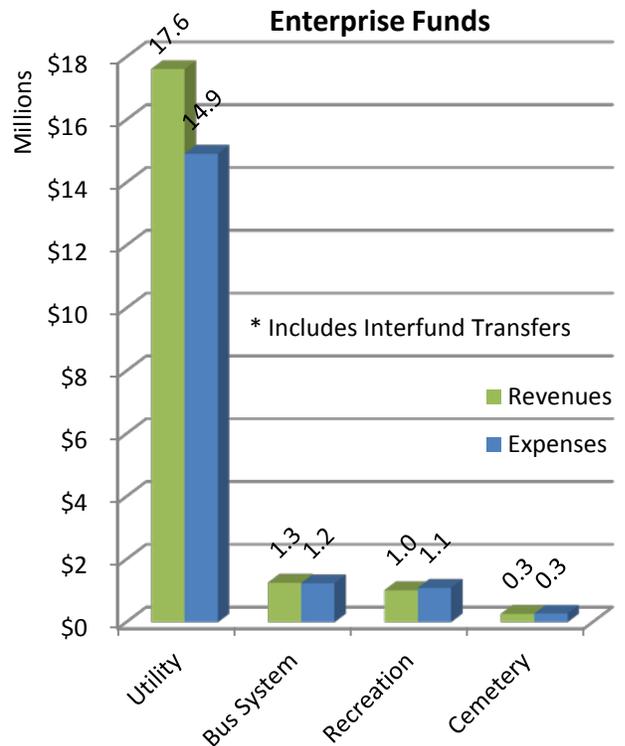
Enterprise Funds / Utility Fund

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

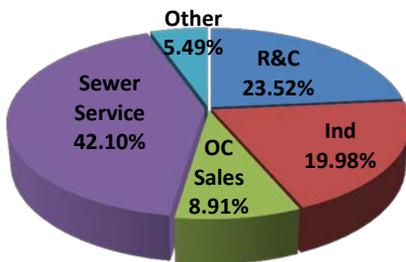
Enterprise fund revenues totaled \$20.2 million, while expenses totaled \$17.5 million (including other financing sources and uses). Of these totals, the Utility Fund accounts for 87.13% of total revenues at \$17.6 million and 85.14% of expenses at \$14.9 million.

As of June 30, 2016, the Utility Fund's net position was \$27,041,045, which is an increase of \$2,695,019, or 11.07%, over the previous year. Net position is comprised of the following four categories:

- Net investment in capital assets** = \$28,728,110;
- Restricted for debt service** = \$1,182,163;
- Restricted for sewer improvements** = \$6,528,457;
- Unrestricted** = (\$9,397,685).



Utility Fund Revenues



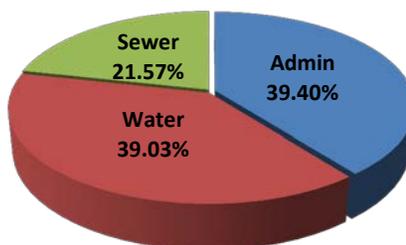
Residential and Commercial Meter Sales	
City	1,998,273
Noncity	2,144,162
Total Meter Sales	\$4,142,435

Industrial Meter Sales	
City	1,322,713
Noncity	2,197,691
Total Meter Sales	\$3,520,404

Sales to Other Cities	
Russell / Big Sandy	177,001
Cannonsburg	1,186,896
Flatwoods	205,863
Total Sales to Other Cities	\$1,569,760

Sewer Service	
City	2,681,119
Noncity	2,735,452
CSO Surcharge	1,999,688
Total Sewer Service	\$7,416,259

Utility Fund Expenses

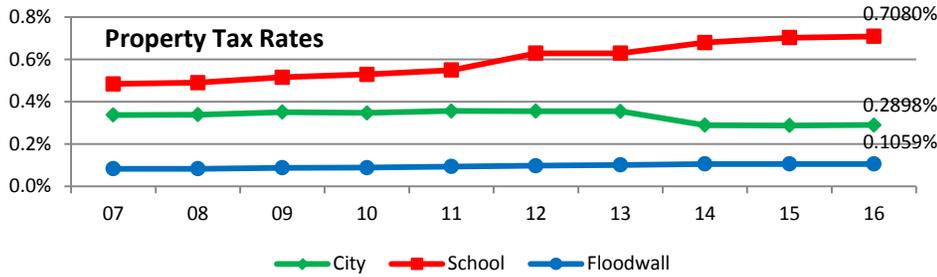


Administration	
Salaries and Benefits	2,431,410
Services and Supplies	520,815
Debt Service Payments	358,197
CSO Debt Service	135,119
Prop / Equip / Gen Liab Ins	166,524
Bad Debts	69,674
Depreciation / Amortization	2,196,940
Total Administration	\$5,878,679

Water	
Salaries and Benefits	3,037,930
Services and Supplies	2,786,030
Total Water	\$5,823,960

Sewer	
Salaries and Benefits	1,933,755
Services and Supplies	1,284,565
Total Sewer	\$3,218,320

Facts and Statistics



PARKS & RECREATION

Weddings at Central Park: 40

Ballgames / Practices: 3,050

Dawson Pool Visitors: 10,684



PUBLIC WORKS

10,041 Tons of Debris Hauled to Landfill

380 Tons of Waste Recycled

5,829 Tons of Asphalt for Paving

15,000 Square Feet of Concrete for Sidewalks

140,500 Bus Passengers

2016 Population: 21,108

City Employees: 296 FT

PUBLIC SAFETY

Police Service Calls: 26,605

Citations Issued: 4,924

Crimes Reported: 1,859

Cases Closed: 523

Fire Service Calls: 1,827

Fires Extinguished: 322

Smoke Detectors Installed: 118



PLANNING & CODE ENFORCEMENT

285 Building / Zoning Permits

3,684 Code Fines Issued



ENGINEERING & UTILITIES

3,885 Feet of Pipe Installed

3.9 Billion Gallons of Water Produced

2.1 Billion Gallons of Wastewater Treated



Top 10 Employers, Taxpayers, and Customers

Employers	W2s Issued
King's Daughters Medical Center	2,928
Ashland Independent School District	788
Walmart	628
Texas Roadhouse	418
City of Ashland	361
Kentucky Community and Technical College	352
JCPenney	317
Mint Julep (Cheddar's Casual Café)	272
Pathways, Inc.	256
Commonwealth of Kentucky	234
Total	6,554

King's Daughters Medical Center



GO KCTCS!
Student Service Center

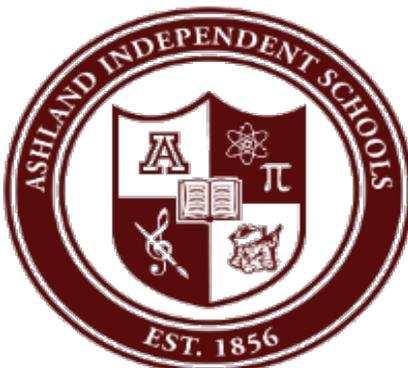
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365

You can have questions ANYTIME.
That's why we're here ALL THE TIME.

help.ashland.kctcs.edu
(855) 246-2282

Occupational License Fees	Taxable Wages	Taxes Paid
King's Daughters Medical Center	117,905	2,358
King's Daughters Medical Specialties	38,990	780
Ashland Board of Education	18,324	366
City of Ashland	13,973	279
AK Steel Corporation	12,008	240
Walmart	9,838	197
Kentucky Community and Technical College	7,506	150
Commonwealth of Kentucky	6,444	129
Pathways, Inc.	6,435	129
Cintas Corporation	4,924	99
Total (Rounded to Thousands)	\$236,347	\$4,727

Property Taxpayers	Assessment	Paid
ATC Glimcher, LLC	28,425	82
Fred Burns	25,615	74
Melody Mountain Associates, LTD	14,525	42
Progress Metal Reclamation	12,867	37
Verit Mt Ashland KY, LLC	12,000	35
BDB Midtown, LLC	11,300	33
JCPenney Company	9,924	29
AK Steel Corporation	9,807	28
GCG Ashland, LLC	8,546	25
Walmart	8,159	24
Total (Rounded to Thousands)	\$141,168	\$409



Water and Sewer Customers	Avg. Mo. Bill	Avg. Mo. Gal.
Cannonsburg Water	99	35,225
AK Steel West Works	64	14,675
Big Sandy Water District	14	6,813
Ashland Oil Refinery	34	6,556
Federal Corrections	31	6,425
Flatwoods Water	18	6,202
King's Daughters Medical Center	44	5,408
City of Ashland	28	4,790
Air Products	17	3,302
Catlettsburg Sewer	9	2,134
Total (Rounded to Thousands)	\$358	91,530