

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 20, 2023

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code) for taxable years beginning after December 31, 2022. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

The Notes shall be designated as "qualified tax-exempt obligations".

New Issue

Rating: S&P Global Ratings "A+"/Stable

CITY OF ASHLAND, WISCONSIN (Ashland and Bayfield Counties)

\$2,630,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2023A

BID OPENING: November 28, 2023, 10:00 A.M., C.T.

CONSIDERATION: November 28, 2023, 6:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$2,630,000* General Obligation Promissory Notes, Series 2023A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City of Ashland, Wisconsin (the "City"), for public purposes, including paying the cost of public works equipment, fire equipment, street improvement projects, building improvement projects, parks and public grounds projects and refunding certain outstanding obligations of the City as more fully described herein. The Notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF NOTES:

December 19, 2023

MATURITY:

December 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2024	105,000	2028	295,000	2032	320,000
2025	60,000	2029	290,000	2033	320,000
2026	425,000	2030	255,000		
2027	250,000	2031	310,000		

***MATURITY
ADJUSTMENTS:**

The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS:

See "Term Bond Option" herein.

INTEREST:

December 1, 2024 and semiannually thereafter.

OPTIONAL REDEMPTION:

Notes maturing on December 1, 2030 and thereafter are subject to call for prior optional redemption on December 1, 2029 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM BID:

\$2,603,700.

GOOD FAITH DEPOSIT:

A good faith deposit in the amount of \$52,600 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT:

U.S. Bank Trust Company, National Association.

BOND COUNSEL AND

DISCLOSURE COUNSEL:

Quarles & Brady LLP.

MUNICIPAL ADVISOR:

Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY:

See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a final Official Statement.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Official Statement is not to be construed as a contract with the underwriter (Syndicate Manager). Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the City with respect to the Notes. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Notes.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Notes to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Official Statement describes the conditions under which the City is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Notes, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Notes and all times subsequent thereto up to and including the time of the delivery of the Notes, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Notes; (3) a certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Notes, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Notes in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

TABLE OF CONTENTS

INTRODUCTORY STATEMENT.....	1	THE ISSUER	22
THE NOTES	1	CITY GOVERNMENT.....	22
GENERAL	1	EMPLOYEES; PENSIONS	22
OPTIONAL REDEMPTION	1	OTHER POST EMPLOYMENT BENEFITS.....	23
AUTHORITY; PURPOSE	2	LITIGATION	24
ESTIMATED SOURCES AND USES	2	MUNICIPAL BANKRUPTCY.....	24
SECURITY	3	FUNDS ON HAND	25
RATING	3	ENTERPRISE FUNDS.....	25
CONTINUING DISCLOSURE.....	3	SUMMARY GENERAL FUND INFORMATION.....	26
LEGAL MATTERS	4	GENERAL INFORMATION	27
TAX EXEMPTION.....	4	LOCATION	27
ORIGINAL ISSUE DISCOUNT.....	5	LARGER EMPLOYERS	27
BOND PREMIUM	6	BUILDING PERMITS	28
QUALIFIED TAX-EXEMPT OBLIGATIONS	6	U.S. CENSUS DATA	29
MUNICIPAL ADVISOR	6	EMPLOYMENT/UNEMPLOYMENT DATA.....	29
MUNICIPAL ADVISOR AFFILIATED COMPANIES.....	6	FINANCIAL STATEMENTS.....	A-1
INDEPENDENT AUDITORS	7	FORM OF LEGAL OPINION	B-1
RISK FACTORS.....	7	BOOK-ENTRY-ONLY SYSTEM	C-1
VALUATIONS	9	FORM OF CONTINUING DISCLOSURE CERTIFICATE ..	D-1
WISCONSIN PROPERTY VALUATIONS;		NOTICE OF SALE.....	E-1
PROPERTY TAXES.....	9	BID FORM	
CURRENT PROPERTY VALUATIONS.....	10		
2023 EQUALIZED VALUE BY CLASSIFICATION	10		
TREND OF VALUATIONS.....	10		
LARGER TAXPAYERS.....	11		
DEBT	12		
DIRECT DEBT	12		
DEBT PAYMENT HISTORY	12		
FUTURE FINANCING.....	12		
DEBT LIMIT	13		
SCHEDULE OF GENERAL OBLIGATION DEBT	14		
SCHEDULE OF SEWERAGE REVENUE DEBT.....	16		
SCHEDULE OF WATER REVENUE DEBT	17		
OVERLAPPING DEBT	18		
DEBT RATIOS	18		
TAX LEVIES AND COLLECTIONS	19		
TAX LEVIES AND COLLECTIONS	19		
PROPERTY TAX RATES	20		
LEVY LIMITS	20		
REVENUE FROM THE STATE	21		

CITY OF ASHLAND COMMON COUNCIL

		<u>Term Expires</u>
Matthew MacKenzie	Mayor	April 2026
Andrew Goyke	Council Member	April 2025
James Gregorie	Council Member	April 2024
Sarah Jackson	Council Member	April 2025
Charlie Ortman	Council Member	April 2025
Dick Pufall	Council Member	April 2024
Kevin Seefeldt	Council Member	April 2024
Ana Tochtermann	Council Member	April 2024

ADMINISTRATION

Brant Kucera, City Administrator
Julie Vaillancourt, Finance Director
Denise Oliphant, City Clerk
Jacy Dean, City Treasurer/Comptroller

PROFESSIONAL SERVICES

Tyler Wickman, Anich, Wickman & Lindsey SC, City Attorney, Ashland, Wisconsin

Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin

Ehlers and Associates, Inc., Municipal Advisors, Roseville, Minnesota
(Other office located in Waukesha, Wisconsin)

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the City of Ashland, Wisconsin (the "City") and the issuance of its \$2,630,000* General Obligation Promissory Notes, Series 2023A (the "Notes"). Any descriptions or summaries of the Notes, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Notes to be included in the resolution authorizing the issuance and sale of the Notes ("Authorizing Resolution") to be adopted by the Common Council on November 28, 2023.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Roseville, Minnesota, (651) 697-8500, the City's municipal advisor. A copy of this Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE NOTES

GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of December 19, 2023. The Notes will mature on December 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on June 1 and December 1 of each year, commencing December 1, 2024, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Notes of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Notes will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Notes are held under the book-entry system, beneficial ownership interests in the Notes may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Notes shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Notes shall be payable as provided in the Authorizing Resolution.

The City has selected U.S. Bank Trust Company, National Association, Milwaukee, Wisconsin, to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Notes maturing on or after December 1, 2030 shall be subject to optional redemption prior to maturity on December 1, 2029 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

*Preliminary, subject to change.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the City. If only part of the Notes having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City, for public purposes, including paying the cost of public works equipment, fire equipment, street improvement projects, building improvement projects, parks and public grounds projects and current refunding the City's Note Anticipation Note, dated November 7, 2023 (the "NAN") as follows:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturity Being Refunded	Interest Rate	Principal to be Refunded
NAN*	11/07/2023	12/20/2023	Par	2023	5.00%	<u>\$500,000</u>
Total NAN Being Refunded						<u><u>\$500,000</u></u>

A portion of the proceeds of the Notes will be used to call and prepay a portion of the NAN described above.

*The total par amount of NAN is \$1,365,000. The City will use \$865,000 of cash on hand to pay the remaining portion of the NAN not being refunded by the Notes.

ESTIMATED SOURCES AND USES**

Sources

Par Amount of Notes	<u>\$2,630,000</u>	
Total Sources		\$2,630,000

Uses

Estimated Underwriter's Discount	\$26,300	
Costs of Issuance	65,950	
Deposit to Borrowed Money Fund	2,034,425	
Deposit to Current Refunding Fund	502,986	
Rounding Amount	<u>339</u>	
Total Uses		\$2,630,000

**Preliminary, subject to change.

SECURITY

For the prompt payment of the Notes with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the City will be irrevocably pledged. The City will levy a direct, annual, irrevocable tax on all taxable property in the City sufficient to pay the interest on the Notes when it becomes due and also to pay and discharge the principal on the Notes at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

RATING

The City received a rating of "A+" (Stable Outlook) on the Notes by S&P Global Ratings ("S&P"). Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Notes any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Notes, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events. The Disclosure Undertaking includes the two new material events effective February 27, 2019 under the Rule.

On the date of issue and delivery of the Notes, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with the Disclosure Undertaking will not constitute an event of default on the Notes. However, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

The City's audited financial statements and operating data for the year ended December 31, 2018 were filed late and not associated with CUSIP numbers of certain outstanding obligations. In addition, the City's operating data filings for the years ended December 31, 2017 through December 31, 2021 failed to include certain required operating data. Except to the extent that the preceding is deemed to be material, the City believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities, including the two new material events, to help ensure compliance in the future.

LEGAL MATTERS

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the City; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B.)

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Notes. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in the Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Notes under existing law substantially in the following form:

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code) for taxable years beginning after December 31, 2022. The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The City has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the City comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes."

The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Notes. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Notes may be enacted. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Notes is less than the principal amount payable at maturity, such Notes ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

BOND PREMIUM

To the extent that the initial offering price of certain of the Notes is more than the principal amount payable at maturity, such Notes ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Notes shall be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Notes. The Municipal Advisor cannot participate in the underwriting of the Notes. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2022 have been audited by Baker Tilly US, LLP, Eau Claire, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

RISK FACTORS

The following is a description of possible risks to holders of the Notes without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here. Potential investors should read this Official Statement, including the appendices, in its entirety.

Taxes: The Notes are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the City and to the Notes. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Notes for resale prior to maturity.

Tax Exemption: If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Notes may fall for purposes of resale. Noncompliance by the City with the covenants in the Authorizing Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Notes in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Notes. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Notes to the accounts of the Beneficial Owners of the Notes may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Notes.

Depository Risk: Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Notes in the secondary market.

Secondary Market for the Notes: No assurance can be given that a secondary market will develop for the purchase and sale of the Notes or, if a secondary market exists, that such Notes can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Notes at the request of the owners thereof. Prices of the Notes as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Notes. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Notes will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

Impact of the Spread of COVID-19: The effects of the spread of COVID-19 and the government and private responses to the spread continue to evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus continues to impact the City and its financial condition will depend on future developments, which are uncertain and cannot be predicted by the City, including the duration of the outbreak and future measures taken to address the outbreak.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On May 27, 2020, Governor Tony Evers announced a program titled, "Routes to Recovery: Local Government Aid Grants," which distributed \$190 million of the State's Coronavirus Relief Fund monies to all counties, cities, villages and towns across Wisconsin for unbudgeted eligible expenditures incurred due to COVID-19 between March 1 and November 17, 2020. The State allocated funds based on population with a guaranteed minimum allocation of \$5,000. The City's allocation was \$130,824, and the City received certain additional amounts for services, including for health and emergency medical services. These funds were disbursed up to the amount of the allocation after eligible expenditures were reported through the State's cost tracker application. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, which provides local governments an additional \$130.2 billion through the Coronavirus Local Fiscal Recovery Fund. These funds can be used to mitigate increased expenditures, lost revenue and economic hardship related to the COVID-19 pandemic, with half received in 2021 and half received in 2022. The City's allocation was \$820,915. In addition, the City's airport received certain COVID-related relief funding.

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

CURRENT PROPERTY VALUATIONS¹

2023 Equalized Value	\$626,996,800
2023 Equalized Value Reduced by Tax Increment Valuation	\$591,358,700
2023 Assessed Value	\$466,888,500

2023 EQUALIZED VALUE BY CLASSIFICATION

	2023 Equalized Value²	Percent of Total Equalized Value
Residential	\$418,345,000	66.722%
Commercial	174,373,400	27.811%
Manufacturing	16,443,300	2.623%
Agricultural	128,600	0.021%
Undeveloped	106,400	0.017%
Ag Forest	22,500	0.004%
Forest	2,121,000	0.338%
Other	606,000	0.097%
Personal Property	<u>14,850,600</u>	<u>2.369%</u>
Total	<u><u>\$626,996,800</u></u>	<u><u>100.000%</u></u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value¹	Percent Increase/Decrease in Equalized Value
2019	\$420,745,300	\$476,018,800	4.63%
2020	420,903,200	467,052,000	-1.88%
2021	469,917,700	443,875,600	-4.96%
2022	468,088,800	549,565,000	23.81%
2023	466,888,500	626,996,800	14.09%

Source: Wisconsin Department of Revenue, Bureau of Equalization and Local Government Services Bureau.

¹ The City is located in both Ashland and Bayfield Counties. The valuations herein include Ashland County only, due to the fact the City has no values in Bayfield County.

² Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2022 Equalized Value ¹	Percent of City's Total Equalized Value
Wal-mart	Retail	\$13,010,101	2.37%
Memorial Medical Center	Hospital	11,744,891	2.14%
Kwik Trip Inc.	Convenience/Gas	6,241,827	1.14%
RTD Ashland-Bia LLC	Commercial Real Estate	5,411,100	0.98%
G&R Associates, LLP	Grocery Store	5,324,298	0.97%
Ashland Cobblestone LLC	Hotel	5,279,371	0.96%
C.G. Bretting Mfg. Co.	Machinery Manufacturer	5,201,014	0.95%
Zac TDB, LLC	Hotel	5,025,180	0.91%
St. Luke's Hospital Duluth	Medical Clinic	3,983,546	0.72%
Yellow Company, LLC	Auto Dealership	<u>3,913,165</u>	<u>0.71%</u>
Total		\$65,134,493	11.85%
City's Total 2022 Equalized Value ²		\$549,565,000	

Source: The City.

¹ Calculated by dividing the 2022 Assessed Values by the 2022 Aggregate Ratio of assessment for the City. Information for 2023 is not yet available.

² Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes and Concurrent Obligation, as defined below)*	<u>\$13,274,708</u>
--	---------------------

Revenue Debt (see schedules following)

Total revenue debt secured by sewerage revenues	<u>\$3,609,599</u>
Total revenue debt secured by water revenues	<u>\$4,391,691</u>

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

Concurrently with the Notes, the City expects to issue a \$277,550* Taxable General Obligation Promissory Note (the "Concurrent Obligation"). In addition, the City expects to issue \$1,615,000* Water System Revenue Bonds, Series 2023B on December 28, 2023. In 2024, the City has a number of requests for Safe Drinking Water Loans to be issued as Water System Revenue Bonds for a number of different water system projects, which in aggregate would be approximately \$16,700,000*, but the City has not yet determined the likelihood and timing for such projects, so the actual amount that may be borrowed in 2024 or in future years is not yet determined. The City believes that the most likely project to proceed in 2024 is approximately \$10,700,000, which project amount may be offset by certain grant fundings. In addition, in 2024 the City is planning to issue \$4,340,000* general obligation bonds for library improvements and taxable general obligation promissory notes, the details of which have yet to be determined. Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

*Preliminary, subject to change.

¹ Outstanding debt is as of the dated date of the Notes.

DEBT LIMIT

The constitutional and statutory general obligation debt limit for Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	\$626,996,800
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$31,349,840
Less: General Obligation Debt*	<u>(13,274,708)</u>
Unused Debt Limit*	<u><u>\$18,075,132</u></u>

*Preliminary, subject to change.

City of Ashland, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 12/19/2023)

	Corporate Purpose Bonds Series 2015A		Promissory Note Series 2015B		Promissory Notes Series 2017B		State Trust Fund Loan		Taxable Promissory Note Series 2020A	
Dated	04/01/2015		12/29/2015		12/07/2017		09/05/2018		04/16/2020	
Amount	\$4,470,000		\$890,000		\$2,065,000		\$550,000		\$410,000	
Maturity	10/01		10/01		12/01		03/15		04/01	
	Final Maturity 04/01									
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	0	0	0	0	0	0	0	0	0	0
2024	345,000	84,831	123,000	6,475	180,000	17,573	61,998	13,475	39,000	8,195
2025	355,000	74,481	127,000	3,289	185,000	12,173	64,515	10,958	40,000	7,123
2026	180,000	63,831			190,000	8,473	67,095	8,377	41,000	6,023
2027	185,000	58,431			195,000	4,388	69,779	5,694	43,000	4,895
2028	190,000	52,881					72,562	2,910	44,000	3,713
2029	195,000	47,181							45,000	2,503
2030	200,000	41,331							46,000	1,265
2031	210,000	35,331								
2032	215,000	29,031								
2033	220,000	22,313								
2034	230,000	15,438								
2035	245,000	3,981								
	2,770,000	529,063	250,000	9,764	750,000	42,605	335,948	41,414	298,000	33,715

--Continued on next page

City of Ashland, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 12/19/2023)

	Promissory Note Series 2020B		Promissory Note Series 2020C		State Trust Fund Loan		Promissory Note Series 2023A		Taxable Promissory Note Series 2023A							
Dated	04/16/2020		05/27/2020		02/23/2022		12/19/2023		12/19/2023							
Amount	\$700,000		\$6,545,000		\$70,000		\$2,630,000*		\$277,550*							
Maturity	04/01		05/01		03/15		12/01		12/20							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Estimated Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2023	0	0	0	0	0	0	0	0	0	0	0	0	0	13,274,708	.00%	2023
2024	67,000	11,464	395,000	103,045	7,104	1,901	105,000	115,387	277,550	16,699	1,600,652	379,044	1,979,696	11,674,056	12.06%	2024
2025	69,000	9,943	400,000	95,500	7,322	1,683	60,000	116,630			1,307,837	331,779	1,639,616	10,366,219	21.91%	2025
2026	71,000	8,376	410,000	87,860	7,542	1,463	425,000	113,870			1,391,637	298,273	1,689,911	8,974,582	32.39%	2026
2027	72,000	6,765	420,000	80,029	7,768	1,237	250,000	94,320			1,242,547	255,758	1,498,306	7,732,034	41.75%	2027
2028	74,000	5,130	435,000	72,007	7,999	1,007	295,000	82,820			1,118,561	220,468	1,339,029	6,613,473	50.18%	2028
2029	75,000	3,450	445,000	63,699	8,241	764	290,000	69,250			1,058,241	186,847	1,245,088	5,555,232	58.15%	2029
2030	77,000	1,748	2,890,000	55,199	8,489	517	255,000	55,910			3,476,489	155,970	3,632,459	2,078,743	84.34%	2030
2031					8,743	262	310,000	44,180			528,743	79,774	608,517	1,550,000	88.32%	2031
2032							320,000	29,920			535,000	58,951	593,951	1,015,000	92.35%	2032
2033							320,000	15,040			540,000	37,353	577,353	475,000	96.42%	2033
2034											230,000	15,438	245,438	245,000	98.15%	2034
2035											245,000	3,981	248,981	0	100.00%	2035
	505,000	46,876	5,395,000	557,338	63,209	8,836	2,630,000	737,327	277,550	16,699	13,274,708	2,023,637	15,298,344			

--Continued on next page

* Preliminary, subject to change.

City of Ashland, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewerage Revenues
(As of 12/19/2023)

Sewerage System Revenue Bonds Series 2014		Sewerage System Revenue Bonds Series 2016		Sewerage System Mortgage Revenue Bonds		Sewerage System Revenue Bonds Series 2022		Sewerage System Revenue Bonds Series 2022B 1)								
Dated Amount	12/23/2014 \$581,416		12/14/2016 \$193,550		08/10/2018 \$960,000		02/23/2022 \$623,081		10/26/2022 \$1,716,132							
Maturity	05/01		05/01		05/01		05/01		05/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2024	29,520	9,348	9,275	2,571	15,000	22,621	18,517	5,657	48,719	22,890	121,031	63,087	184,118	3,488,568	3.35%	2024
2025	30,295	8,563	9,456	2,388	15,400	22,184	18,697	5,477	49,378	22,226	123,226	60,837	184,064	3,365,342	6.77%	2025
2026	31,090	7,757	9,642	2,200	15,900	21,734	18,878	5,294	50,046	21,553	125,556	58,540	184,096	3,239,785	10.25%	2026
2027	31,906	6,931	9,831	2,010	16,300	21,271	19,062	5,110	50,723	20,872	127,822	56,193	184,015	3,111,963	13.79%	2027
2028	32,744	6,082	10,023	1,815	16,800	20,795	19,246	4,924	51,410	20,181	130,223	53,798	184,021	2,981,740	17.39%	2028
2029	33,603	5,211	10,220	1,617	17,300	20,305	19,433	4,737	52,105	19,481	132,661	51,350	184,012	2,849,079	21.07%	2029
2030	34,485	4,318	10,420	1,414	17,800	19,801	19,622	4,547	52,810	18,771	135,137	48,851	183,988	2,713,942	24.81%	2030
2031	35,391	3,400	10,624	1,208	18,300	19,282	19,812	4,356	53,525	18,051	137,652	46,298	183,949	2,576,290	28.63%	2031
2032	36,320	2,459	10,833	998	18,900	18,747	20,004	4,163	54,249	17,322	140,305	43,689	183,995	2,435,985	32.51%	2032
2033	37,273	1,493	11,045	783	19,400	18,196	20,198	3,968	54,983	16,583	142,899	41,025	183,924	2,293,086	36.47%	2033
2034	38,251	502	11,261	565	20,000	17,630	20,394	3,771	55,727	15,834	145,634	38,303	183,936	2,147,452	40.51%	2034
2035			11,482	342	20,500	17,048	20,592	3,572	56,481	15,075	148,995	36,038	183,936	2,038,397	43.53%	2035
2036			11,707	115	21,100	16,450	20,792	3,372	57,245	14,306	150,844	34,242	183,936	1,927,554	46.60%	2036
2037					21,800	15,833	20,993	3,169	58,020	13,526	152,813	32,528	183,341	1,826,741	49.39%	2037
2038					22,400	15,198	21,197	2,964	58,805	12,736	154,601	30,898	183,300	1,724,339	52.23%	2038
2039					23,100	14,544	21,403	2,758	59,600	11,935	156,403	29,236	183,339	1,620,237	55.11%	2039
2040					23,700	13,871	21,610	2,549	60,407	11,123	158,210	27,543	183,260	1,514,520	58.04%	2040
2041					24,400	13,179	21,820	2,339	61,224	10,300	160,024	25,818	183,262	1,407,076	61.02%	2041
2042					25,100	12,468	22,031	2,126	62,052	9,466	161,844	24,060	183,244	1,297,893	64.04%	2042
2043					25,900	11,735	22,245	1,911	62,892	8,621	163,637	22,267	183,304	1,186,856	67.12%	2043
2044					26,600	10,980	22,461	1,694	63,743	7,764	165,401	20,439	183,242	1,074,052	70.24%	2044
2045					27,400	10,204	22,679	1,475	64,605	6,896	167,184	18,575	183,259	959,368	73.42%	2045
2046					28,200	9,405	22,899	1,254	65,479	6,016	168,963	16,675	183,253	842,790	76.65%	2046
2047					29,000	8,582	23,121	1,031	66,365	5,124	170,766	14,738	183,224	724,304	79.93%	2047
2048					29,900	7,736	23,345	806	67,263	4,220	172,589	12,762	183,270	603,796	83.27%	2048
2049					30,700	6,865	23,572	578	68,173	3,304	174,445	10,747	183,191	481,351	86.66%	2049
2050					31,600	5,969	23,800	349	69,096	2,375	176,296	8,693	183,189	356,855	90.11%	2050
2051					32,600	5,046	24,031	117	70,030	1,434	178,130	6,597	183,258	230,194	93.62%	2051
2052					33,500	4,096			70,978	480	179,978	4,576	183,258	125,716	96.52%	2052
2053					34,500	3,118						3,118	183,258	91,216	97.47%	2053
2054					35,500	2,112						2,112	183,258	55,716	98.46%	2054
2055					36,500	1,077						1,077	183,258	19,216	99.47%	2055
2056					19,216	276						276	183,258	0	100.00%	2056
	370,878	56,065	135,819	18,026	794,316	428,357	592,454	84,071	1,716,132	358,468	3,609,599	944,986	4,554,585			

1) Pursuant to the Wisconsin Capital Finance Office, Project 4525-18, the amount of disbursements as of November 8, 2023, is \$898,719.32.

City of Ashland, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water Revenues
(As of 12/19/2023)

Dated Amount	Water System Revenue Bonds Series 2008		Water System Revenue Bonds Series 2009		Water System Mortgage Revenue Bonds		Water System Revenue Refunding Bond Series 2017A							
	04/23/2008 \$442,199		04/22/2009 \$345,702		12/23/2016 \$1,883,000		05/11/2017 \$3,315,000							
Maturity	05/01		05/01		05/01		05/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2024	25,252	1,285	19,624	1,465	36,300	30,451	135,000	82,190	216,176	115,391	331,567	4,175,515	4.92%	2024
2025	25,610	924	19,939	1,148	37,000	29,764	140,000	79,025	222,548	110,861	333,409	3,952,967	9.99%	2025
2026	25,973	558	20,258	826	37,700	29,063	145,000	75,460	228,931	105,908	334,839	3,724,036	15.20%	2026
2027	26,342	187	20,582	500	38,400	28,350	150,000	71,513	235,324	100,549	335,873	3,488,712	20.56%	2027
2028			20,912	167	39,100	27,623	150,000	67,275	210,012	95,066	305,077	3,278,700	25.34%	2028
2029					39,800	26,884	155,000	62,775	194,800	89,659	284,459	3,083,900	29.78%	2029
2030					40,600	26,130	160,000	57,930	200,600	84,060	284,660	2,883,300	34.35%	2030
2031					41,400	25,361	165,000	52,688	206,400	78,049	284,449	2,676,900	39.05%	2031
2032					42,200	24,578	170,000	47,075	212,200	71,653	283,853	2,464,700	43.88%	2032
2033					42,900	23,780	180,000	41,035	222,900	64,815	287,715	2,241,800	48.95%	2033
2034					43,800	22,967	185,000	34,555	228,800	57,522	286,322	2,013,000	54.16%	2034
2035					44,600	22,138	190,000	27,710	234,600	49,848	284,448	1,778,400	59.51%	2035
2036					45,400	21,294	200,000	20,395	245,400	41,689	287,089	1,533,000	65.09%	2036
2037					46,300	20,435	205,000	12,598	251,300	33,032	284,332	1,281,700	70.82%	2037
2038					47,200	19,558	215,000	4,300	262,200	23,858	286,058	1,019,500	76.79%	2038
2039					48,100	18,665			48,100	18,665	66,765	971,400	77.88%	2039
2040					49,000	17,754			49,000	17,754	66,754	922,400	79.00%	2040
2041					49,900	16,827			49,900	16,827	66,727	872,500	80.13%	2041
2042					50,800	15,883			50,800	15,883	66,683	821,700	81.29%	2042
2043					51,800	14,921			51,800	14,921	66,721	769,900	82.47%	2043
2044					52,800	13,941			52,800	13,941	66,741	717,100	83.67%	2044
2045					53,800	12,941			53,800	12,941	66,741	663,300	84.90%	2045
2046					54,800	11,923			54,800	11,923	66,723	608,500	86.14%	2046
2047					55,800	10,886			55,800	10,886	66,686	552,700	87.41%	2047
2048					56,900	9,830			56,900	9,830	66,730	495,800	88.71%	2048
2049					58,000	8,753			58,000	8,753	66,753	437,800	90.03%	2049
2050					59,100	7,655			59,100	7,655	66,755	378,700	91.38%	2050
2051					60,200	6,536			60,200	6,536	66,736	318,500	92.75%	2051
2052					61,300	5,397			61,300	5,397	66,697	257,200	94.14%	2052
2053					62,500	4,237			62,500	4,237	66,737	194,700	95.57%	2053
2054					63,700	3,053			63,700	3,053	66,753	131,000	97.02%	2054
2055					64,900	1,848			64,900	1,848	66,748	66,100	98.49%	2055
2056					66,100	620			66,100	620	66,720	0	100.00%	2056
	103,176	2,954	101,314	4,107	1,642,200	560,046	2,545,000	736,523	4,391,691	1,303,629	5,695,320			

OVERLAPPING DEBT¹

Taxing District	Equalized Value²	% In City	Total G.O. Debt³	City's Proportionate Share
Ashland County	\$1,746,424,800	35.9017%	\$1,385,795	\$497,524
Ashland School District	\$1,026,113,705	61.1040%	\$26,261,000	16,046,521
Northwood Technical College	56,148,120,853	1.1167%	34,130,000	<u>381,130</u>
City's Share of Total Overlapping Debt				<u><u>\$16,925,175</u></u>

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$626,996,800	Debt/ Per Capita 7,769⁴
Total General Obligation Debt*	\$13,274,708	2.12%	\$1,708.68
City's Share of Total Overlapping Debt	<u>16,925,175</u>	<u>2.70%</u>	<u>\$2,178.55</u>
Total*	\$30,199,883	4.82%	\$3,887.23

*Preliminary, subject to change.

¹ Overlapping debt is as of the dated date of the Notes and Concurrent Obligations. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

² Includes tax increment valuation.

³ Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

⁴ Estimated 2023 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2018/19	\$3,867,707	100%	\$8.88
2019/20	3,926,413	100%	8.74
2020/21	4,173,862	100%	9.42
2021/22	4,513,702	100%	10.75
2022/23	4,508,338	100%	8.64

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year. The personal property tax has been repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax has been replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023.

PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

Year Levied/ Year Collected	Schools¹	County	Local	Total
2018/19	\$9.31	\$5.94	\$8.88	\$24.13
2019/20	9.20	6.44	8.74	24.38
2020/21	9.06	6.61	9.42	25.09
2021/22	9.01	6.94	10.75	26.70
2022/23	7.78	5.90	8.64	22.32

Source: Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent; for a tax incremental district created after December 31, 2024, the valuation factor includes 90% of the equalized value increase due to new construction that is located in a tax incremental district, but does not include any improvements removed in a tax incremental district). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

¹ The Schools tax rate reflects the composite rate of all local school districts and technical college district.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by the Wisconsin Department of Revenue ("DOR") call into question the availability of this exception if the revenue shortfall is planned or ongoing. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

With respect to general obligation debt service, the following provisions are made:

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

The Notes were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Notes.

REVENUE FROM THE STATE

In addition to local property taxes described above, a number of state programs exist which provide revenue to the City. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the City that can be used for any public purpose. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the City beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2024, the City is expected to receive approximately \$4.317 million in shared revenue and supplemental shared revenue from the State, an increase from the approximately \$3.543 million received in 2023. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

THE ISSUER

CITY GOVERNMENT

The City was incorporated in 1887 and is governed by a Mayor and a seven-member Common Council. All Council Members are elected to two-year terms. The appointed City Administrator, Finance Director, City Treasurer/Comptroller and City Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 95 full-time, eight (8) part-time, and 26 seasonal employees. All eligible employees in the City are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

City employees are generally required to contribute half of the actuarially determined contributions, and the City generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2020 ("Fiscal Year 2020"), the fiscal year ended December 31, 2021 ("Fiscal Year 2021") and the fiscal year ended December 31, 2022 ("Fiscal Year 2022"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$647,008, \$636,640 and \$524,484, respectively.

Governmental Accounting Standards Board Statement No. 68 ("GASB 68") requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2021, the total pension liability of the WRS was calculated as \$133.79 billion and the fiduciary net position of the WRS was calculated as \$141.85 billion, resulting in a net pension asset of \$8.06 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2022, the City reported an asset of \$4,153,455 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2021 based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. The City's proportion was 0.05153053% of the aggregate WRS net pension asset as of December 31, 2021.

The calculation of the total pension asset and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension asset of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 4 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

All eligible City personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the 2011 amendments to MERA, the City is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the City is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless City were to seek approval for a higher increase through a referendum). Ultimately, the City can unilaterally implement the wages for a collective bargaining unit.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the City, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The following bargaining units represent employees of the City:

Bargaining Unit	Expiration Date of Current Contract
International Association of Fire Fighters	December 31, 2023
Wisconsin Professional Police Association	December 31, 2023

OTHER POST EMPLOYMENT BENEFITS

The City provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the City and have satisfied specified eligibility standards through a single-employer defined benefit plan. Except for a limited number of certain eligible employees, eligible retirees may remain on the City's group health plan but must pay 100% of the premiums. Membership of the plan consisted of 18 retirees receiving benefits and 40 active eligible plan members as of December 31, 2021, the date of the latest actuarial valuation.

OPEB calculations are required to be updated every three years and prepared in accordance with Statement No. 75 of the Governmental Accounting Standards Board. An actuarial study was last completed for the City by Nyhart in September 2022 with an actuarial valuation date of December 31, 2021.

For Fiscal Year 2022, benefit payments for the plan totaled \$134,980. The 's current funding practice is to pay the amount of benefits due in a given year on a "pay-as-you-go" basis.

Under GASB 75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

As of December 31, 2022, the plan's total OPEB liability was \$1,711,360 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$1,711,360.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information, see Note 4 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Notes or otherwise questioning the validity of the Notes.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Notes are outstanding, in a way that would allow the City to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the City to file for relief under Chapter 9. If, in the future, the City were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the City could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the City is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the City could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes could be viewed as having no priority (a) over claims of other creditors of the City; (b) to any particular assets of the City, or (c) to revenues otherwise designated for payment to holders of the Notes.

Moreover, if the City were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Notes would not occur.

FUNDS ON HAND (as of October 31, 2023)

Fund	Total Cash and Investments
General	\$2,345,342
Special Revenue	1,467,865
Debt Service	608,591
Capital Projects	(35,571)
Internal Service Funds	371,332
Enterprise Funds	(936,925)
Enterprise Funds Debt Reserves	523,789
Enterprise Funds Equipment Replacement	<u>2,041,755</u>
 Total Funds on Hand	 <u><u>\$6,386,178</u></u>

ENTERPRISE FUNDS

Revenues available for debt service for the City's enterprise funds have been as follows as of December 31 each year:

	2020 Audited	2021 Audited	2022 Audited
Water			
Total Operating Revenues	\$2,305,271	\$2,343,756	\$2,330,664
Less: Operating Expenses	<u>(1,599,151)</u>	<u>(1,489,625)</u>	<u>(1,525,314)</u>
Operating Income	\$706,120	\$854,131	\$805,350
Plus: Depreciation	479,658	485,153	496,029
Interest Income	<u>6,236</u>	<u>2,796</u>	<u>2,473</u>
Revenues Available for Debt Service	<u><u>\$1,192,014</u></u>	<u><u>\$1,342,080</u></u>	<u><u>\$1,303,852</u></u>
Sewer			
Total Operating Revenues	\$2,121,016	\$2,170,438	\$2,177,443
Less: Operating Expenses	<u>(2,390,488)</u>	<u>(2,392,923)</u>	<u>(2,320,825)</u>
Operating Income	(\$269,472)	(\$222,485)	(\$143,382)
Plus: Depreciation	842,337	843,245	776,203
Interest Income	<u>12,615</u>	<u>3,644</u>	<u>9,518</u>
Revenues Available for Debt Service	<u><u>\$585,480</u></u>	<u><u>\$624,404</u></u>	<u><u>\$642,339</u></u>

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete statements are available upon request. Appendix A includes the 2022 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31					
	2019 Audited	2020 Audited	2021 Audited	2022 Audited	2023 Adopted Budget	2024 Proposed Budget ¹
Revenues						
Taxes and special assessments	\$2,754,452	\$2,863,132	\$2,821,406	\$2,953,083	2,929,213	\$2,942,185
Intergovernmental	4,597,956	4,699,703	4,676,052	4,796,527	4,842,902	5,622,413
Licenses and permits	183,819	167,104	157,768	174,394	162,010	163,010
Penalties and forfeitures	21,070	18,882	16,549	14,716	16,500	16,500
Public charges for services	1,812,042	1,519,524	1,599,778	1,776,413	1,785,700	1,814,100
Intergovernmental charges for services	818,794	702,142	800,154	821,801	834,199	893,546
Investment income	45,250	22,504	5,122	16,468	10,000	20,000
Miscellaneous	66,903	82,113	84,389	68,176	67,150	62,150
Total Revenues	\$10,300,286	\$10,075,104	\$10,161,218	\$10,621,578	\$10,647,674	\$11,533,904
Expenditures						
Current:						
General government	\$2,079,199	\$1,993,745	\$1,929,632	\$2,160,416	\$2,087,649	\$2,093,352
Public safety	4,939,370	4,760,554	5,031,307	5,200,342	5,809,420	6,267,593
Public works	2,027,049	1,863,047	1,948,302	2,106,277	2,215,737	2,289,548
Health and human services	146,894	145,691	146,584	150,289	156,400	158,525
Leisure activities	547,915	489,503	553,527	573,558	628,247	721,551
Conservation and development	121,997	183,447	201,651	223,782	255,675	268,600
Total Expenditures	\$9,862,424	\$9,435,987	\$9,811,003	\$10,414,664	\$11,153,128	\$11,799,169
Excess of revenues over (under) expenditures	\$437,862	\$639,117	\$350,215	\$206,914	(\$505,454)	(\$265,265)
Other Financing Sources (Uses)						
Transfers in	\$396,352	\$400,184	\$458,668	\$398,723	\$513,070	\$513,070
Transfers out	(851,969)	(1,025,444)	(647,552)	(1,055,009)	(581,390)	(723,885)
Total Other Financing Sources (Uses)	(455,617)	(625,260)	(188,884)	(656,286)	(68,320)	(210,815)
Net changes in Fund Balances	(\$17,755)	\$13,857	\$161,331	(\$449,372)	(\$573,774)	(\$476,080)
General Fund Balance January 1	\$4,726,591	\$4,708,836	\$4,722,693	\$4,884,024		
General Fund Balance December 31	\$4,708,836	\$4,722,693	\$4,884,024	\$4,434,652		
DETAILS OF DECEMBER 31 FUND BALANCE						
Nonspendable	\$1,739,132	\$1,316,311	\$777,189	\$245,520		
Assigned	0	145,028	132,284	573,774		
Unassigned	2,969,704	3,261,354	3,974,551	3,615,358		
Total	\$4,708,836	\$4,722,693	\$4,884,024	\$4,434,652		

¹ The 2024 budget will be adopted on November 28, 2023.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 7,908 and a 2023 current estimated population of 7,769 comprises an area of 13.4 square miles and is located on the southern shore of Lake Superior in Northwest Wisconsin.

LARGER EMPLOYERS¹

Larger employers in and near the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
C G Bretting Mfg Co. Inc.	Paper mill	500
Memorial Medical Center	Hospital	360
Wal-Mart Supercenter	Retail	351
Ashland School District	Elementary and secondary education	285
Bad River Casino	Casino	225
Ashland County	County government	191
Northland College	College	182
The City	Municipal government and services	129
Northshore Healthcare	Nursing home/ physical therapists	120
Best Western The Hotel Chequamegon	Hotel and restaurant	99

Source: The City, Data Axle Reference Solutions, written and telephone survey, Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

BUILDING PERMITS

	2019	2020	2021	2022	2023 ¹
<u>New Single Family Homes</u>					
No. of building permits	2	4	2	2	7
Valuation	\$386,500	\$413,016	\$557,500	\$770,000	\$1,675,000
<u>New Multiple Family Buildings</u>					
No. of building permits	0	0	0	1	0
Valuation	\$0	\$0	\$0	\$12,206,578	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	4	5	1	0	0
Valuation	\$1,294,750	\$32,797,138	\$2,620,764	\$0	\$0
<u>All Building Permits</u>					
<i>(including additions and remodelings)</i>					
No. of building permits	307	215	234	260	317
Valuation	\$30,162,184	\$37,788,447	\$18,587,275	\$19,506,921	\$23,783,283

Source: The City.

¹ As of November 15, 2023

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census Population	8,216
2020 U.S. Census Population	7,908
Percent of Change 2010 - 2020	(3.75)%
2023 Estimated Population	7,769

Income and Age Statistics

	The City	Ashland County	State of Wisconsin	United States
2021 per capita income	\$26,591	\$28,324	\$36,754	\$37,638
2021 median household income	\$50,053	\$55,070	\$67,080	\$69,021
2021 median family income	\$64,219	\$67,813	\$85,623	\$85,028
2021 median gross rent	\$671	\$635	\$916	\$1,163
2021 median value owner occupied units	\$112,200	\$120,700	\$200,400	\$244,900
2021 median age	38.4 yrs.	41.7 yrs.	39.6 yrs.	38.4 yrs.

	State of Wisconsin	United States
City % of 2021 per capita income	72.35%	70.65%
City % of 2021 median family income	75.00%	75.53%

Housing Statistics

	<u>The City</u>		
	2020	2021	Percent of Change
All Housing Units	3,860	3,756	(2.69)%

Source: 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center and 2021 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities with populations under 25,000.

Year	<u>Average Employment</u>	<u>Average Unemployment</u>	
	Ashland County	Ashland County	State of Wisconsin
2019	7,522	4.6%	3.2%
2020	7,009	8.7%	6.4%
2021	7,230	5.1%	3.8%
2022	7,158	3.9%	2.9% ¹
2023, September ¹	7,411	3.3%	3.2%

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Notes, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

City of Ashland

Financial Statements and
Supplementary Information

December 31, 2022

City of Ashland

Table of Contents
December 31, 2022

	<u>Page</u>
Independent Auditors' Report	1
Basic Financial Statements	
Government-Wide Statements:	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements:	
Balance Sheet - Governmental Funds	6
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Statement of Net Position - Proprietary Funds	10
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	11
Statement of Cash Flows - Proprietary Funds	12
Statement of Fiduciary Net Position - Fiduciary Fund	14
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	15
Notes to Financial Statements	16
Required Supplementary Information	
Budgetary Comparison Schedule - General Fund	60
Budgetary Comparison Schedule - Special Revenue Fund - Housing Rehab Revolving Loan Fund	64
Schedule of Changes in Total OPEB Liability and Related Ratios	65
Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset) - Wisconsin Retirement System (WRS)	66
Schedule of Employer Contributions - Wisconsin Retirement System (WRS)	66
Notes to Required Supplementary Information	67

City of Ashland

Table of Contents
December 31, 2022

	<u>Page</u>
Supplementary Information	
Combining Balance Sheet - Nonmajor Governmental Funds	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	70
Combining Balance Sheet - Nonmajor Special Revenue Funds	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	73
Combining Balance Sheet - Nonmajor Capital Projects Funds	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	77
Combining Statement of Net Position - Nonmajor Enterprise Funds	79
Combining Statement of Revenues, Expenses and Changes in Net Position - Nonmajor Enterprise Funds	80
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	81

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, 2022, 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, 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Ashland Ore Dock Charitable Trust were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note 1, the City adopted the provisions of GASB Statement No. 87, *Leases*, effective January 1, 2022. Our opinions are not modified with respect to this matter.

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 25, 2023 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 25, 2023

City of Ashland

Statement of Net Position
December 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Ashland Ore Dock Charitable Trust
Assets				
Cash and investments	\$ 5,366,749	\$ 377,584	\$ 5,744,333	\$ 2,812,072
Taxes receivable	5,193,256	-	5,193,256	-
Special assessments receivable	59,723	-	59,723	-
Notes receivable, net	1,729,413	-	1,729,413	-
Other receivables, net	579,256	789,457	1,368,713	235
Due from other governments	1,948,033	1,453,275	3,401,308	-
Internal balances	921,814	(921,814)	-	-
Prepaid items and inventories	36,359	311,891	348,250	670
Restricted assets, cash and investments	385,678	2,604,381	2,990,059	-
Restricted assets, net pension asset	3,759,019	394,436	4,153,455	-
Capital assets:				
Construction in progress	584,171	1,042,211	1,626,382	-
Land and right of way	4,563,071	506,830	5,069,901	-
Other capital assets, net of depreciation	72,638,568	34,739,262	107,377,830	-
Total assets	97,765,110	41,297,513	139,062,623	2,812,977
Deferred Outflows of Resources				
OPEB related amounts	217,976	151,671	369,647	-
Pension related amounts	7,252,625	757,073	8,009,698	-
Total deferred outflows of resources	7,470,601	908,744	8,379,345	-
Liabilities				
Accounts payable	743,309	1,016,519	1,759,828	140,937
Accrued liabilities and deposits	371,773	67,696	439,469	-
Unearned revenue	710,449	-	710,449	-
Short-term notes payable	266,000	-	266,000	-
Noncurrent liabilities:				
Due within one year	1,585,119	468,104	2,053,223	-
Due in more than one year	11,754,625	7,691,741	19,446,366	-
Total liabilities	15,431,275	9,244,060	24,675,335	140,937
Deferred Inflows of Resources				
Unearned revenues	5,184,548	12,635	5,197,183	-
OPEB related amounts	424,860	295,624	720,484	-
Pension related amounts	8,919,816	862,667	9,782,483	-
Total deferred inflows of resources	14,529,224	1,170,926	15,700,150	-
Net Position				
Net investment in capital assets	67,872,501	29,004,459	96,876,960	-
Restricted:				
Future housing and economic development loans	1,860,310	-	1,860,310	-
Future debt service	125,483	-	125,483	-
Library	339,251	-	339,251	-
Police programs	118,220	-	118,220	-
NSP breakwall	540,413	-	540,413	-
Home improvement program	14,943	-	14,943	-
Future beautification projects	5,095	-	5,095	-
Future TIF projects	35,807	-	35,807	-
Waterfront development	365,275	-	365,275	-
Ore Dock	-	-	-	2,672,040
Debt service reserve	-	280,767	280,767	-
Debt service redemption	-	243,221	243,221	-
Equipment replacement	-	1,893,042	1,893,042	-
Street improvements	595,659	-	595,659	-
Pension	3,759,019	394,436	4,153,455	-
Unrestricted (deficit)	(356,764)	(24,654)	(381,418)	-
Total net position	\$ 75,275,212	\$ 31,791,271	\$ 107,066,483	\$ 2,672,040

See notes to financial statements

City of Ashland

Statement of Activities

Year Ended December 31, 2022

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	Ashland Ore Dock Charitable Trust
Functions/Programs								
Primary government:								
Governmental activities:								
General government	\$ 2,080,873	\$ 419,576	\$ -	\$ -	\$ (1,661,297)	\$ -	\$ (1,661,297)	\$ -
Public safety	5,082,321	1,638,586	234,675	46,999	(3,162,061)	-	(3,162,061)	-
Public works	3,715,027	548,205	759,153	1,413,262	(994,407)	-	(994,407)	-
Health and human services	261,401	3,118	114,175	-	(144,108)	-	(144,108)	-
Leisure activities	1,653,303	283,912	201,921	717,659	(449,811)	-	(449,811)	-
Conservation and development	700,687	4,835	253,913	-	(441,939)	-	(441,939)	-
Interest and fiscal charges	280,680	-	-	-	(280,680)	-	(280,680)	-
Total governmental activities	13,774,292	2,898,232	1,563,837	2,177,920	(7,134,303)	-	(7,134,303)	-
Business-type activities:								
Water	1,682,690	2,330,664	-	317,444	-	965,418	965,418	-
Wastewater	2,335,833	2,177,443	-	1,075,428	-	917,038	917,038	-
Airport	450,481	259,812	-	316,334	-	125,665	125,665	-
Marina	255,061	248,022	-	152,811	-	145,772	145,772	-
Total business-type activities	4,724,065	5,015,941	-	1,862,017	-	2,153,893	2,153,893	-
Total primary government	<u>\$ 18,498,357</u>	<u>\$ 7,914,173</u>	<u>\$ 1,563,837</u>	<u>\$ 4,039,937</u>	<u>(7,134,303)</u>	<u>2,153,893</u>	<u>(4,980,410)</u>	<u>-</u>
Component Unit								
Ashland Ore Dock Charitable Trust	<u>\$ 141,968</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(141,968)</u>
General Revenues								
Taxes:								
Property taxes, levied for general purposes					4,610,094	-	4,610,094	-
Property taxes, levied for debt service					13,310	-	13,310	-
Property taxes, levied for TIF districts					530,265	-	530,265	-
Other taxes					271,284	-	271,284	-
Intergovernmental revenues not restricted to specific programs					3,976,767	13,548	3,990,315	-
Investment income					27,628	11,605	39,233	19,688
Miscellaneous					460,011	94,425	554,436	2,390
Total general revenues					<u>9,889,359</u>	<u>119,578</u>	<u>10,008,937</u>	<u>22,078</u>
Transfers					<u>312,253</u>	<u>(312,253)</u>	<u>-</u>	<u>-</u>
Change in net position					3,067,309	1,961,218	5,028,527	(119,890)
Net Position, Beginning					<u>72,207,903</u>	<u>29,830,053</u>	<u>102,037,956</u>	<u>2,791,930</u>
Net Position, Ending					<u>\$ 75,275,212</u>	<u>\$ 31,791,271</u>	<u>\$ 107,066,483</u>	<u>\$ 2,672,040</u>

See notes to financial statements

City of Ashland

Balance Sheet - Governmental Funds

December 31, 2022

	General Fund	Special Revenue Housing Rehab Revolving Loan Fund	Capital Projects Funds Street Improvements	Leisure and Recreation Improvements	Debt Service Fund	Nonmajor Governmental Funds	Total
Assets							
Cash and investments	\$ 1,814,731	\$ 131,016	\$ -	\$ -	\$ 312,590	\$ 2,743,652	\$ 5,001,989
Restricted assets, construction account	-	-	229,005	-	-	156,673	385,678
Receivables:							
Taxes	2,905,884	-	-	-	1,656,265	628,078	5,190,227
Delinquent personal property taxes, net	3,029	-	-	-	-	-	3,029
Accounts, net	273,114	30	-	140,937	-	161,343	575,424
Notes, net	-	1,620,897	-	-	-	108,516	1,729,413
Special assessments	-	-	-	-	-	59,723	59,723
Due from other governments	55,244	-	1,071,481	660,615	-	160,693	1,948,033
Due from other funds	2,114,817	-	-	-	-	-	2,114,817
Advances to other funds	673,712	-	-	-	-	181,734	855,446
Prepaid items and inventory	36,359	-	-	-	-	-	36,359
Total assets	<u>\$ 7,876,890</u>	<u>\$ 1,751,943</u>	<u>\$ 1,300,486</u>	<u>\$ 801,552</u>	<u>\$ 1,968,855</u>	<u>\$ 4,200,412</u>	<u>\$ 17,900,138</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)							
Liabilities							
Accounts payable	\$ 273,604	\$ -	\$ 105,248	\$ 100,436	\$ -	\$ 263,771	\$ 743,059
Accrued liabilities	236,284	-	-	-	-	17,372	253,656
Due to other funds	-	-	425,869	693,370	-	33,218	1,152,457
Unearned revenue	-	-	-	127,200	-	583,249	710,449
Short-term notes payable	-	-	229,000	-	-	37,000	266,000
Due to other governments	927	-	-	-	-	-	927
Advances from other funds	-	-	-	-	64,211	855,446	919,657
Total liabilities	<u>510,815</u>	<u>-</u>	<u>760,117</u>	<u>921,006</u>	<u>64,211</u>	<u>1,790,056</u>	<u>4,046,205</u>
Deferred Inflows of Resources							
Unearned revenues	2,856,782	-	-	-	1,656,265	671,501	5,184,548
Unavailable revenues	74,641	1,620,897	595,659	801,552	-	328,599	3,421,348
Total deferred inflows of resources	<u>2,931,423</u>	<u>1,620,897</u>	<u>595,659</u>	<u>801,552</u>	<u>1,656,265</u>	<u>1,000,100</u>	<u>8,605,896</u>
Fund Balances (Deficit)							
Nonspendable	245,520	-	-	-	-	174,498	420,018
Restricted	-	131,046	229,005	-	248,379	1,295,051	1,903,481
Committed	-	-	-	-	-	201,316	201,316
Assigned	573,774	-	-	-	-	604,307	1,178,081
Unassigned (deficit)	3,615,358	-	(284,295)	(921,006)	-	(864,916)	1,545,141
Total fund balances (deficit)	<u>4,434,652</u>	<u>131,046</u>	<u>(55,290)</u>	<u>(921,006)</u>	<u>248,379</u>	<u>1,410,256</u>	<u>5,248,037</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 7,876,890</u>	<u>\$ 1,751,943</u>	<u>\$ 1,300,486</u>	<u>\$ 801,552</u>	<u>\$ 1,968,855</u>	<u>\$ 4,200,412</u>	<u>\$ 17,900,138</u>

See notes to financial statements

City of Ashland

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2022

Total Fund Balance, Governmental Funds **\$ 5,248,037**

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	\$ 109,960,842	
Accumulated depreciation/amortization	<u>(32,175,032)</u>	77,785,810

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. 3,421,348

The net pension asset does not relate to current financial resources and is not reported in the governmental funds. 3,759,019

Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. 7,252,625

Deferred outflows of resources related to other post-employment benefits do not relate to current financial resources and are not reported in the governmental funds. 217,976

Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. (8,919,816)

Deferred inflows of resources related to other post-employment benefits do not relate to current financial resources and are not reported in the governmental funds. (424,860)

An internal service fund is used by management to charge the costs of other post-employment benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. 389,996

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	(10,764,585)	
Accrued interest on general obligation debt	(115,179)	
Landfill liability	(797,058)	
Other post employment benefits	(1,009,166)	
Lease liabilities	(186,413)	
Vested compensated absences	<u>(582,522)</u>	<u>(13,454,923)</u>

Total Net Position, Governmental Activities **\$ 75,275,212**

City of Ashland

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2022

		Special Revenue	Capital Projects			Nonmajor	
	General	Housing Rehab	Street	Leisure and	Debt Service	Governmental	Total
	Fund	Revolving	Improvements	Recreation	Fund	Funds	
		Loan Fund		Improvements			
Revenues							
Taxes	\$ 2,953,083	\$ -	\$ -	\$ -	\$ 1,680,328	\$ 791,542	\$ 5,424,953
Intergovernmental	4,796,527	-	966,007	73,209	-	952,613	6,788,356
Licenses and permits	174,394	-	-	-	-	-	174,394
Fines, forfeitures and penalties	14,716	-	-	-	-	1,784	16,500
Public charges for services	1,776,413	-	95,628	-	-	8,805	1,880,846
Intergovernmental charges for services	821,801	-	-	-	-	-	821,801
Special assessments	-	-	-	-	-	4,006	4,006
Investment income (loss)	16,468	70	(1,350)	-	-	12,414	27,602
Miscellaneous	68,176	80,118	34,343	78,642	-	324,879	586,158
Total revenues	10,621,578	80,188	1,094,628	151,851	1,680,328	2,096,043	15,724,616
Expenditures							
Current:							
General government	2,160,416	-	-	-	-	29,349	2,189,765
Public safety	5,200,342	-	-	-	-	146,536	5,346,878
Public works	2,106,277	-	251,593	-	-	144,851	2,502,721
Health and human services	150,289	-	-	-	-	114,175	264,464
Leisure activities	573,558	-	-	137,787	-	562,121	1,273,466
Conservation and development	223,782	272,030	-	-	-	428,579	924,391
Capital outlay	-	-	1,416,000	1,032,941	-	830,007	3,278,948
Debt service:							
Principal retirement	-	-	-	-	1,183,363	-	1,183,363
Interest and fiscal charges	-	-	-	-	288,397	-	288,397
Total expenditures	10,414,664	272,030	1,667,593	1,170,728	1,471,760	2,255,618	17,252,393
Excess (deficiency) of revenues over expenditures	206,914	(191,842)	(572,965)	(1,018,877)	208,568	(159,575)	(1,527,777)
Other Financing Sources (Uses)							
Long-term debt issued	-	-	-	-	-	70,000	70,000
Transfers in	398,723	-	190,314	234,991	75,472	1,647,700	2,547,200
Transfers out	(1,055,009)	-	(152,900)	-	(270,000)	(757,038)	(2,234,947)
Proceeds from sale of capital assets	-	-	-	-	-	38,863	38,863
Proceeds from leases	-	-	-	-	-	138,802	138,802
Total other financing sources (uses)	(656,286)	-	37,414	234,991	(194,528)	1,138,327	559,918
Net change in fund balances	(449,372)	(191,842)	(535,551)	(783,886)	14,040	978,752	(967,859)
Fund Balances (Deficit), Beginning	4,884,024	322,888	480,261	(137,120)	234,339	431,504	6,215,896
Fund Balances (Deficit), Ending	\$ 4,434,652	\$ 131,046	\$ (55,290)	\$ (921,006)	\$ 248,379	\$ 1,410,256	\$ 5,248,037

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, 2022

Net Change in Fund Balances, Total Governmental Funds \$ (967,859)

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	3,278,948
Some items reported as capital outlay were not capitalized	(27,376)
Some functional expenditures are capitalized	392,061
Depreciation/amortization is reported in the government-wide statements	(2,190,922)
Book value of capital assets disposed of in the current year	(500,405)

Special assessments are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	17,557
--	--------

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.	876,236
---	---------

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	(70,000)
Leases issued	(138,802)
Principal payments paid	1,183,363
Lease principal paid	56,657

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Change in the landfill liability	11,723
Change in the vested compensated absences	110,868
Change in the other post-employment benefits (and OPEB related deferred inflows and outflows of resources)	150,819
Change in accrued interest payable	7,717
Change in net pension liability (and pension related deferred inflows and outflows of resources)	752,829

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.	104,528
---	---------

An internal service fund is used by management to charge the costs of other post-employment benefits to individual funds. The net revenue of certain activities of internal service fund is reported with governmental activities.	19,367
--	--------

Change in Net Position of Governmental Activities \$ 3,067,309

City of Ashland

Statement of Net Position -

Proprietary Funds

Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds				Dental/FLEX
	Water Utility	Wastewater Utility	Nonmajor Funds	Total	Internal Service Fund
Assets					
Current assets:					
Cash and investments	\$ 255,452	\$ -	\$ 122,132	\$ 377,584	\$ 364,760
Restricted assets, redemption account	225,194	55,015	49,511	329,720	-
Restricted assets, construction account	-	-	100,852	100,852	-
Customer accounts receivable	347,026	430,373	-	777,399	-
Other accounts receivable	-	-	12,058	12,058	3,832
Due from other governments	171,478	872,476	409,321	1,453,275	-
Current portion of advances to other funds	12,483	-	-	12,483	-
Inventories and prepaid items	164,888	110,373	36,630	311,891	-
Total current assets	1,176,521	1,468,237	730,504	3,375,262	368,592
Noncurrent assets:					
Restricted assets:					
Reserve account	264,777	15,990	-	280,767	-
Replacement account	-	1,893,042	-	1,893,042	-
Net pension asset	161,398	182,549	50,489	394,436	-
Capital assets:					
Construction work in progress	286,915	745,200	10,096	1,042,211	-
Land	30,611	38,951	437,268	506,830	-
Capital assets being depreciated	25,202,561	34,072,700	8,240,290	67,515,551	-
Accumulated depreciation	(9,384,532)	(19,569,099)	(3,822,658)	(32,776,289)	-
Other assets:					
Advances to other funds	51,728	-	-	51,728	-
Total noncurrent assets	16,613,458	17,379,333	4,915,485	38,908,276	-
Total assets	17,789,979	18,847,570	5,645,989	42,283,538	368,592
Deferred Outflows of Resources					
OPEB related amounts	72,003	79,668	-	151,671	-
Pension related amounts	298,208	354,139	104,726	757,073	-
Total deferred outflows of resources	370,211	433,807	104,726	908,744	-
Liabilities					
Current liabilities:					
Accounts payable	216,296	730,483	69,740	1,016,519	250
Accrued expenses	8,563	9,032	2,177	19,772	2,011
Deposits	4,000	-	-	4,000	-
Due to other funds	381,023	369,938	211,399	962,360	-
Liabilities payable from restricted assets:					
Accrued interest	30,369	6,619	6,936	43,924	-
Current portion of accrued compensated absences	24,016	20,335	12,896	57,247	-
Current portion of long-term debt	280,813	92,044	38,000	410,857	-
Total current liabilities	945,080	1,228,451	341,148	2,514,679	2,261
Noncurrent liabilities:					
Long-term debt	4,896,691	1,762,202	298,000	6,956,893	-
Accrued compensated absences	10,644	1,384	20,626	32,654	-
Other post-employment benefits	333,352	368,842	-	702,194	-
Total noncurrent liabilities	5,240,687	2,132,428	318,626	7,691,741	-
Total liabilities	6,185,767	3,360,879	659,774	10,206,420	2,261
Deferred Inflows of Resources					
Unearned revenues	12,635	-	-	12,635	-
OPEB related amounts	140,341	155,283	-	295,624	-
Pension related amounts	348,934	393,133	120,600	862,667	-
Total deferred inflow of resources	501,910	548,416	120,600	1,170,926	-
Net Position					
Net investment in capital assets	10,958,051	13,433,506	4,612,902	29,004,459	-
Restricted for:					
Debt service reserve	264,777	15,990	-	280,767	-
Debt service redemption	194,825	48,396	-	243,221	-
Equipment replacement	-	1,893,042	-	1,893,042	-
Pension	161,398	182,549	50,489	394,436	-
Unrestricted (deficit)	(106,538)	(201,401)	306,950	(989)	366,331
Total net position	\$ 11,472,513	\$ 15,372,082	\$ 4,970,341	31,814,936	\$ 366,331
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(23,665)	
Net position of business-type activities				\$ 31,791,271	

See notes to financial statements

City of Ashland

Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Funds
Year Ended December 31, 2022

	Business-Type Activities - Enterprise Funds				Dental/FLEX Internal Service Fund
	Water Utility	Wastewater Utility	Nonmajor Funds	Total	
Operating Revenues	<u>\$ 2,330,664</u>	<u>\$ 2,177,443</u>	<u>\$ 507,834</u>	<u>\$ 5,015,941</u>	<u>\$ 131,924</u>
Operating Expenses					
Operation and maintenance	1,027,029	1,544,622	464,902	3,036,553	110,757
Depreciation	496,029	776,203	231,146	1,503,378	-
Taxes	2,256	-	-	2,256	-
Total operating expenses	<u>1,525,314</u>	<u>2,320,825</u>	<u>696,048</u>	<u>4,542,187</u>	<u>110,757</u>
Operating income (loss)	<u>805,350</u>	<u>(143,382)</u>	<u>(188,214)</u>	<u>473,754</u>	<u>21,167</u>
Nonoperating Revenues (Expenses)					
Investment income	2,473	9,518	(386)	11,605	627
Interest and fiscal charges	(135,800)	(41,336)	(9,494)	(186,630)	-
Grants revenue	-	-	13,548	13,548	-
Miscellaneous revenue	10,277	82,643	1,505	94,425	2,325
Total nonoperating revenue (expenses)	<u>(123,050)</u>	<u>50,825</u>	<u>5,173</u>	<u>(67,052)</u>	<u>2,952</u>
Income (loss) before contributions and transfers	<u>682,300</u>	<u>(92,557)</u>	<u>(183,041)</u>	<u>406,702</u>	<u>24,119</u>
Contributions and Transfers					
Capital contributions	317,444	1,075,428	469,145	1,862,017	-
Transfers in	-	-	68,770	68,770	-
Transfers out	(381,023)	-	-	(381,023)	-
Total contributions and transfers	<u>(63,579)</u>	<u>1,075,428</u>	<u>537,915</u>	<u>1,549,764</u>	<u>-</u>
Change in net position	<u>618,721</u>	<u>982,871</u>	<u>354,874</u>	<u>1,956,466</u>	<u>24,119</u>
Net Position, Beginning	<u>10,853,792</u>	<u>14,389,211</u>	<u>4,615,467</u>	<u>29,858,470</u>	<u>342,212</u>
Net Position, Ending	<u>\$ 11,472,513</u>	<u>\$ 15,372,082</u>	<u>\$ 4,970,341</u>	<u>\$ 31,814,936</u>	<u>\$ 366,331</u>
Change in Net Position, Enterprise Funds				\$ 1,956,466	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>4,752</u>	
Change in Net Position of Business-Type Activities				<u>\$ 1,961,218</u>	

See notes to financial statements

City of Ashland

Statement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2022

	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	\$ 2,352,183	\$ 2,187,191	\$ 540,458	\$ 5,079,832	\$ 131,802
Cash received from city	19,126	-	-	19,126	-
Cash paid to suppliers for goods and services	(635,178)	(1,083,922)	(72,321)	(1,791,421)	(113,523)
Cash paid to employees for services	(356,167)	(394,910)	(163,611)	(914,688)	-
Net cash flows from operating activities	1,379,964	708,359	304,526	2,392,849	18,279
Cash Flows From Noncapital Financing Activities					
Negative cash implicitly financed	-	369,938	-	369,938	-
Transfers from other funds	-	-	68,770	68,770	-
Transfers to other funds	(381,023)	-	-	(381,023)	-
Net cash flows from investing activities	(381,023)	369,938	68,770	57,685	-
Cash Flows From Investing Activities					
Noncash equivalents purchased	(224,195)	(535,473)	-	(759,668)	-
Noncash equivalents sold	224,195	530,121	-	754,316	-
Investment income	2,473	9,518	(386)	11,605	627
Net cash flows from investing activities	2,473	4,166	(386)	6,253	627
Cash Flows From Capital and Related Financing Activities					
Debt proceeds	-	514,177	-	514,177	-
Debt retired	(273,461)	(89,898)	(37,000)	(400,359)	-
Interest paid	(137,843)	(41,013)	(10,258)	(189,114)	-
Special assessments received	-	11,640	-	11,640	-
Contributions in aid of construction	301,942	801,776	311,334	1,415,052	-
Acquisition and construction of capital assets	(1,369,786)	(2,551,806)	(1,005,083)	(4,926,675)	-
Net cash flows from capital and related financing activities	(1,479,148)	(1,355,124)	(741,007)	(3,575,279)	-
Net increase (decrease) in cash and cash equivalents	(477,734)	(272,661)	(368,097)	(1,118,492)	18,906
Cash and Cash Equivalents, Beginning	998,962	1,701,235	640,592	3,340,789	345,854
Cash and Cash Equivalents, Ending	<u>\$ 521,228</u>	<u>\$ 1,428,574</u>	<u>\$ 272,495</u>	<u>\$ 2,222,297</u>	<u>\$ 364,760</u>
Reconciliation of Cash and Cash Equivalents					
Cash and cash equivalents per statement of net position:					
Cash and investments	\$ 255,452	\$ -	\$ 122,132	\$ 377,584	\$ 364,760
Restricted cash and investments:					
Reserve account	264,777	15,990	-	280,767	-
Redemption account	225,194	55,015	49,511	329,720	-
Construction account	-	-	100,852	100,852	-
Replacement account	-	1,893,042	-	1,893,042	-
Total cash and investments	745,423	1,964,047	272,495	2,981,965	364,760
Less noncash equivalents	(224,195)	(535,473)	-	(759,668)	-
Cash and cash equivalents per statement of cash flows	<u>\$ 521,228</u>	<u>\$ 1,428,574</u>	<u>\$ 272,495</u>	<u>\$ 2,222,297</u>	<u>\$ 364,760</u>

See notes to financial statements

City of Ashland

Statement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2022

	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)	\$ 805,350	\$ (143,382)	\$ (188,214)	\$ 473,754	\$ 21,167
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Nonoperating income	10,277	3,093	15,053	28,423	2,325
Noncash items included in income:					
Depreciation	496,029	776,203	231,146	1,503,378	-
Depreciation charged to other accounts	20,209	(20,209)	-	-	-
Amortization	12,418	-	-	12,418	-
Change in assets and liabilities:					
Customer accounts receivable	(22,890)	(15,091)	-	(37,981)	-
Other accounts receivable	-	5,197	17,571	22,768	(2,447)
Inventories and prepaid items	(19,757)	(88,823)	(13,436)	(122,016)	-
Accounts payable	163,303	245,232	48,359	456,894	-
Payable to municipality	-	-	211,399	211,399	-
Due to other funds	(59,945)	-	-	(59,945)	-
Other current liabilities	2,133	(1,123)	(980)	30	(2,766)
Accrued compensated absences	(21,392)	(49,339)	2,056	(68,675)	-
Other post-employment benefits	27,497	31,089	-	58,586	-
Pension related deferrals and asset	(33,268)	(34,488)	(18,428)	(86,184)	-
Net cash flows from operating activities	<u>\$ 1,379,964</u>	<u>\$ 708,359</u>	<u>\$ 304,526</u>	<u>\$ 2,392,849</u>	<u>\$ 18,279</u>
Noncash Capital, Investing and Financing Activities					
None					

See notes to financial statements

City of Ashland

Statement of Fiduciary Net Position -
Fiduciary Fund
December 31, 2022

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
Assets	
Cash and investments	\$ 4,010,676
Taxes receivable	<u>3,135,209</u>
Total assets	<u>7,145,886</u>
Liabilities	
Due to other taxing units	<u>7,145,886</u>
Total liabilities	<u>7,145,886</u>
Total net position	<u>\$ -</u>

See notes to financial statements

City of Ashland

Statement of Changes in Fiduciary Net Position -
Fiduciary Fund
Year Ended December 31, 2022

	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
Additions	
Property taxes collected for other governments	\$ 4,483,973
Deductions	<u>4,483,973</u>
Property taxes distributed to other governments	
Change in fiduciary net position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u><u>\$ -</u></u>

See notes to financial statements

City of Ashland

Index to Notes to Financial Statements

December 31, 2022

	<u>Page</u>
1. Summary of Significant Accounting Policies	16
Reporting Entity	16
Government-Wide and Fund Financial Statements	17
Measurement Focus, Basis of Accounting and Financial Statement Presentation	20
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	21
Deposits and Investments	21
Receivables	22
Inventories and Prepaid Items	23
Restricted Assets	23
Capital Assets	23
Deferred Outflows of Resources	24
Compensated Absences	24
Long-Term Obligations	24
Leases	24
Deferred Inflows of Resources	24
Equity Classifications	25
Basis for Existing Utility Rates	26
Pension	26
Postemployment Benefits Other Than Pensions (OPEB)	26
2. Stewardship, Compliance and Accountability	27
Deficit Balances	27
Limitations on the City's Tax Levy	27
3. Detailed Notes on All Funds	28
Deposits and Investments	28
Receivables	29
Restricted Assets	30
Capital Assets	31
Interfund Receivables/Payables, Advances and Transfers	36
Long-Term Obligations	39
Short-term Debt	44
Lease Disclosures	44
Closure and Postclosure Care Cost	44
Net Position/Fund Balances	45
Component Unit - Ashland Ore Dock Charitable Trust	47
4. Other Information	49
Employees' Retirement System	49
Risk Management	54
Commitments and Contingencies	55
Joint Ventures	55
Postemployment Benefits Other Than Pensions	56
Related Organizations	58
Effect of New Accounting Standards on Current-Period Financial Statements	59
Subsequent Event	59

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.

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, 2022. 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 2017, the GASB issued Statement No. 87, *Leases*. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, which enhances the relevance and consistency of information about the City's leasing activities. This standard was implemented January 1, 2022.

Government-Wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

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

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

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type and

- b. The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

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 Projects Fund – Street Improvements

Capital Projects Fund – Street Improvements is used to account for and report financial resources that are restricted or assigned to expenditures for street improvement capital projects.

Capital Projects Fund – Leisure and Recreation Improvements

Capital Projects Fund – Leisure and Recreation Improvements accounts for and reports financial resources that are restricted or assigned to expenditures for leisure and recreation improvement related capital 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.

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	Wetlands Mitigation
TIF No. 9 Increment	Vaughn Library
TIF No. 10 Increment	Insured Loss Deductible
Community Planning and Development	Hazardous Materials
NSP Breakwall	Home Improvement Program

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	Park Grounds Improvements
Public Transportation	Land Sales and Acquisition
Building Facilities	Capital Sidewalk Improvements
Waterfront Development	Urban Forestry
Capital Equipment	Landfill Improvement

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

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.

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, 2022 tax roll:

Lien date and levy date	December 2022
Tax bills mailed	December 2022
Payment in full, or	January 31, 2023
First installment due	January 31, 2023
Second installment due	July 31, 2023
Personal property taxes in full	January 31, 2023
Tax sale, 2022 delinquent real estate taxes	October 2025

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

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

All receivables have been adjusted for estimated uncollectible accounts. The amounts recorded as receivables in the general fund have been reduced by an allowance for uncollectible accounts of \$1,322,757.

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 \$37,691.

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

Inventories and Prepaid Items

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

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

Restricted Assets

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

Capital Assets**Government-Wide Financial Statements**

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

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

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

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

Lease assets are typically amortized over the lease term.

Fund Financial Statements

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

Deferred Outflows of Resources

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

Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2022 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, other post-employment benefits, landfill liability, lease liabilities, 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 \$4,189,131 or 40% of expenditures.

See Note 3 for further information.

Basis for Existing Utility Rates

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

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

Pension

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by 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, 2022

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, 2022, the following individual funds held a deficit balance:

Fund	Amount	Reason
Street Improvements	\$ 55,290	Expenditures in excess of revenues
Leisure and Recreation Improvements	921,006	Unavailable revenues related to current year expenditures
Economic Development Revolving Loan	148	Unavailable revenues related to current year expenditures
TIF No. 9 Increment	593,197	Expenditures in excess of increment
TIF No. 10 Increment	181,734	Expenditures in excess of increment
Land Sales and Acquisition	81,123	Expenditures in excess of revenues
Urban Forestry	8,714	Expenditures in excess of revenues

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

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

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, 2022

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	\$ 12,743,893	<u>\$ 12,363,582</u>	Custodial credit risk
Cash on hand and petty cash	<u>1,175</u>		
Total cash and investments	<u>\$ 12,745,068</u>		
Reconciliation to financial statements:			
Per statement of net position:			
Unrestricted cash and investments	\$ 5,744,333		
Restricted cash and investments	<u>2,990,059</u>		
Per statement of fiduciary net position:			
Tax collection fund	<u>4,010,676</u>		
Total cash and investments	<u>\$ 12,745,068</u>		

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

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

The City maintains collateral agreements with its banks. At December 31, 2022, the banks had pledged various government securities of approximately \$13,011,950 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. The City does not have any deposits exposed to custodial credit risk.

City of Ashland

Notes to Financial Statements

December 31, 2022

Receivables

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

General Fund	\$	30,990
Housing Rehab Revolving Loan Fund		1,620,897
Nonmajor Governmental Funds		165,756

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

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivables	\$ 5,141,164	\$ -
Other receivables	208	47,656
Grant receivables	43,176	1,584,556
Grants received in advance of meeting eligibility requirements	710,449	-
Special assessments not yet due	-	59,723
Economic development and housing rehabilitation loans	-	1,729,413
	<u> </u>	<u> </u>
Total unearned/unavailable revenue for governmental funds	\$ 5,894,997	\$ 3,421,348
	<u> </u>	<u> </u>
Unearned revenue included in liabilities	\$ 710,449	
	<u> </u>	
Unearned revenue included in deferred inflows	5,184,548	
	<u> </u>	
Total unearned revenue for governmental funds	\$ 5,894,997	
	<u> </u>	

City of Ashland

Notes to Financial Statements
December 31, 2022

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.

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Following is a list of restricted assets at December 31, 2022:

	Governmental Activities	Business-Type Activities
Restricted cash and investments:		
Redemption account	\$ -	\$ 329,720
Reserve account	-	280,767
Construction account	385,678	100,852
Equipment replacement account	-	1,893,042
Net pension asset	3,759,019	394,436
	<u>\$ 4,144,697</u>	<u>\$ 2,998,817</u>
Total restricted assets		

City of Ashland

Notes to Financial Statements
December 31, 2022

Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance (as restated)*	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated/amortized:				
Construction in progress	\$ 391,396	\$ 2,468,645	\$ (2,275,870)	\$ 584,171
Land	4,371,607	-	-	4,371,607
Right of way	191,464	-	-	191,464
Total capital assets not being depreciated/amortized	4,954,467	2,468,645	(2,275,870)	5,147,242
Capital assets being depreciated/amortized:				
Land improvements	8,046,468	61,458	-	8,107,926
Buildings	17,066,343	177,447	(118,900)	17,124,890
Leased assets	104,268	138,802	-	243,070
Machinery and equipment	9,042,067	617,756	(409,766)	9,250,057
Roads	36,886,303	951,261	(121,573)	37,715,991
Alleys	589,611	85,390	(11,173)	663,828
Bridges	313,693	-	-	313,693
Trails	1,681,820	784,743	(466,854)	1,999,709
Storm sewers	9,253,942	417,978	(35,338)	9,636,582
Sidewalks	5,797,865	216,023	(156,034)	5,857,854
Breakwater	13,900,000	-	-	13,900,000
Total capital assets being depreciated/amortized	102,682,380	3,450,858	(1,319,638)	104,813,600
Less accumulated depreciation/amortization:				
Land improvements	(1,761,219)	(190,692)	-	(1,951,911)
Buildings	(3,437,905)	(232,320)	42,795	(3,627,430)
Leased assets	-	(56,657)	-	(56,657)
Machinery and equipment	(5,879,445)	(451,503)	405,767	(5,925,181)
Roads	(11,845,875)	(718,603)	78,618	(12,485,860)
Alleys	(449,296)	(2,841)	19,597	(432,540)
Bridges	(124,467)	(4,505)	-	(128,972)
Trails	(603,012)	(49,993)	181,937	(471,068)
Storm sewers	(3,530,083)	(201,062)	35,338	(3,695,807)
Sidewalks	(2,720,291)	(143,746)	55,181	(2,808,856)
Breakwater	(451,750)	(139,000)	-	(590,750)
Total accumulated depreciation/amortization	(30,803,343)	(2,190,922)	819,233	(32,175,032)
Net capital assets being depreciated/amortized	71,879,037	1,259,936	(500,405)	72,638,568
Total governmental activities capital assets, net of accumulated depreciation/amortization	\$ 76,833,504	\$ 3,728,581	\$ (2,776,275)	\$ 77,785,810

* Beginning balances have been restated for the implementation of GASB 87, *Leases* to reflect the lease assets at the date of implementation.

City of Ashland

Notes to Financial Statements

December 31, 2022

Depreciation/amortization expense was charged to functions as follows:

Governmental activities:

General government	\$ 49,647
Public safety	403,450
Public works, which includes the depreciation of roads, storm sewers and sidewalks	1,448,774
Leisure activities	289,051

Total governmental activities depreciation expense \$ 2,190,922

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Water Utility				
Capital assets, not being depreciated:				
Construction in progress	\$ 196,136	\$ 1,046,786	\$ (956,007)	\$ 286,915
Land and land rights	30,611	-	-	30,611
Total capital assets, not being depreciated	<u>226,747</u>	<u>1,046,786</u>	<u>(956,007)</u>	<u>317,526</u>
Capital assets, being depreciated:				
Source of supply	88,116	-	-	88,116
Pumping	832,593	-	-	832,593
Treatment	2,648,489	-	-	2,648,489
Transmission and distribution	19,671,823	1,073,230	(28,284)	20,716,769
Administrative and general assets	910,664	5,930	-	916,594
Total capital assets, being depreciated	<u>24,151,685</u>	<u>1,079,160</u>	<u>(28,284)</u>	<u>25,202,561</u>
Total capital assets	<u>24,378,432</u>	<u>2,125,946</u>	<u>(984,291)</u>	<u>25,520,087</u>
Less accumulated depreciation:				
Source of supply	(55,915)	(1,498)	-	(57,413)
Pumping	(716,809)	(32,172)	-	(748,981)
Treatment	(1,688,739)	(83,520)	-	(1,772,259)
Transmission and distribution	(5,752,057)	(355,490)	28,284	(6,079,263)
Administrative and general assets	(683,058)	(43,558)	-	(726,616)
Total accumulated depreciation	<u>(8,896,578)</u>	<u>(516,238)</u>	<u>28,284</u>	<u>(9,384,532)</u>
Total capital assets, being depreciated, net	<u>15,255,107</u>	<u>562,922</u>	<u>-</u>	<u>15,818,029</u>
Total water utility capital assets, net	<u>\$ 15,481,854</u>	<u>\$ 1,609,708</u>	<u>\$ (956,007)</u>	<u>\$ 16,135,555</u>

City of Ashland

Notes to Financial Statements
December 31, 2022

	Beginning Balance	Additions	Deletions	Ending Balance
Wastewater Utility				
Capital assets, not being depreciated:				
Construction in progress	\$ 118,642	\$ 2,426,978	\$ (1,800,420)	\$ 745,200
Land and land rights	38,951	-	-	38,951
Total capital assets, not being depreciated	157,593	2,426,978	(1,800,420)	784,151
Capital assets, being depreciated:				
Collection system	15,499,171	1,775,856	-	17,275,027
Collection system pumping	3,688,271	-	-	3,688,271
Treatment and disposal	10,185,521	37,000	-	10,222,521
Administrative and general assets	2,720,061	166,820	-	2,886,881
Total capital assets, being depreciated	32,093,024	1,979,676	-	34,072,700
Total capital assets	32,250,617	4,406,654	(1,800,420)	34,856,851
Less accumulated depreciation	(18,775,105)	(793,994)	-	(19,569,099)
Total capital assets, being depreciated, net	13,317,919	1,185,682	-	14,503,601
Total wastewater utility capital assets, net	\$ 13,475,512	\$ 3,612,660	\$ (1,800,420)	\$ 15,287,752

City of Ashland

Notes to Financial Statements
December 31, 2022

	Beginning Balance	Additions	Deletions	Ending Balance
Airport				
Capital assets, not being depreciated:				
Construction in progress	\$ 5,096	\$ 5,000	\$ -	\$ 10,096
Land and land rights	45,768	-	-	45,768
Total capital assets, not being depreciated	50,864	5,000	-	55,864
Capital assets, being depreciated:				
Land improvements	3,090,427	-	(11,012)	3,079,415
Buildings	574,074	-	-	574,074
Equipment	870,592	335,270	-	1,205,862
Total capital assets, being depreciated	4,535,093	335,270	(11,012)	4,859,351
Total capital assets	4,585,957	340,270	(11,012)	4,915,215
Less accumulated depreciation:				
Land improvements	(1,629,869)	(118,425)	-	(1,748,294)
Buildings	(247,153)	(11,271)	-	(258,424)
Equipment	(786,899)	(27,219)	-	(814,118)
Total accumulated depreciation	(2,663,921)	(156,915)	-	(2,820,836)
Total capital assets, being depreciated, net	1,871,172	178,355	(11,012)	2,038,515
Total airport capital assets, net	\$ 1,922,036	\$ 183,355	\$ (11,012)	\$ 2,094,379

City of Ashland

Notes to Financial Statements

December 31, 2022

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Marina				
Capital assets, not being depreciated:				
Construction in progress	\$ 515,340	\$ 412,839	\$ (928,179)	\$ -
Land and land rights	391,500	-	-	391,500
Total capital assets, not being depreciated	906,840	412,839	(928,179)	391,500
Capital assets, being depreciated:				
Land improvements	273,060	928,179	-	1,201,239
Buildings	974,139	-	-	974,139
Equipment	1,195,886	9,675	-	1,205,561
Total capital assets, being depreciated	2,443,085	937,854	-	3,380,939
Total capital assets	3,349,925	1,350,693	(928,179)	3,772,439
Less accumulated depreciation:				
Land improvements	(8,192)	(14,743)	-	(22,935)
Buildings	(250,719)	(19,483)	-	(270,202)
Equipment	(668,680)	(40,005)	-	(708,685)
Total accumulated depreciation	(927,591)	(74,231)	-	(1,001,822)
Total capital assets, being depreciated, net	1,515,494	863,623	-	2,379,117
Total marina capital assets, net	\$ 2,422,334	\$ 1,276,462	\$ (928,179)	\$ 2,770,617
Business-type capital assets, net	\$ 33,301,736	\$ 6,682,185	\$ (3,695,618)	\$ 36,288,303

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

Depreciation expense was charged to function as follows:

Business-type activities:	
Water	\$ 496,029
Wastewater	776,203
Airport	156,915
Marina	74,231
Total business-type activities depreciation expense	\$ 1,503,378

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.

City of Ashland

Notes to Financial Statements
December 31, 2022

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.

Receivable Fund	Payable Fund	Amount
General Fund	Street Improvements	\$ 425,869
General Fund	Leisure and Recreation Improvements	693,370
General Fund	Capital Equipment	24,504
General Fund	Urban Forestry	8,714
General Fund	Water Utility	381,023
General Fund	Wastewater Utility	369,938
General Fund	Marina	211,399
Total fund financial statements		2,114,817
Less advances		(64,211)
Add interfund receivable created with internal service fund eliminations		23,665
Less fund and government-wide eliminations		(1,152,457)
Total internal balances for government-wide statement of net position		\$ 921,814
Governmental activities	Business-type activities	\$ 986,025
Business-type activities	Governmental activities	(64,211)
Total internal balances for government-wide statement of net position		\$ 921,814

All amounts are due within one year.

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

Advances

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

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

City of Ashland

Notes to Financial Statements
December 31, 2022

No repayment schedule has been established for the remaining advances. Those advances are a result of a negative balance in pooled cash in those funds. TIF No. 9 Increment Fund is expected to repay \$495,541 of the advance within one year. The remaining balances are not expected to be repaid within one year.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount
General Fund	TIF No. 9 Increment	\$ 592,797
General Fund	Land Sales and Acquisitions	80,915
NSP Breakwall	TIF No. 10 Increment	181,734
Water Utility	Debt Service Fund	<u>64,211</u>
Total fund financial statements		919,657
Less fund and government-wide eliminations		<u>(855,446)</u>
Total advances for government-wide statement of net position		<u><u>\$ 64,211</u></u>

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

	Principal
Years ending December 31:	
2023	\$ 12,483
2024	12,660
2025	12,840
2026	13,022
2027	<u>13,206</u>
Total	<u><u>\$ 64,211</u></u>

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

	Principal
Years ending December 31:	
2023	\$ 7,236
2024	7,453
2025	7,677
2026	7,907
2027	8,144
2028-2032	44,534
2033-2037	51,629
2038-2041	<u>47,163</u>
Total	<u><u>\$ 181,743</u></u>

City of Ashland

Notes to Financial Statements

December 31, 2022

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount
Street Improvements	General Fund	\$ 84,300
Recycling	General Fund	87,512
Community Planning and Development	General Fund	75,273
Beautification	General Fund	6,270
Wetlands Mitigation	General Fund	14,484
Vaughn Library	General Fund	312,000
Capital Equipment	General Fund	390,400
Park Grounds Improvements	General Fund	5,000
Urban Forestry	General Fund	6,000
Landfill Improvement	General Fund	5,000
Airport	General Fund	68,770
Capital Equipment	Street Improvements	152,900
Street Improvements	Debt Service	34,400
Building Facilities	Debt Service	160,000
Capital Equipment	Debt Service	75,600
TIF No. 9 Increment	TIF No. 6 Increment	321,199
Debt Service	TIF No. 10 Increment	75,472
TIF No.10 Development	TIF No. 10 Increment	36,062
Leisure and Recreation Improvements	Community Planning and Development	10,000
Leisure and Recreation Improvements	Waterfront Development	224,991
Street Improvements	Waterfront Development	22,341
General Fund	Waterfront Development	17,700
Street Improvements	Capital Sidewalk Improvements	49,273
General Fund	Water Utility	381,023
Total fund financial statements		2,615,970
Less fund and government-wide eliminations		(2,303,717)
Total government-wide statement of activities		312,253
Governmental Activities	Business-Type Activities	381,023
Business-Type Activities	Governmental Activities	(68,770)
Total transfers for government-wide statement of activities		\$ 312,253

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, 2022

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2022 was as follows:

	Beginning Balance (as Restated)*	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation bonds payable	\$ 3,439,997	\$ -	\$ (330,000)	\$ 3,109,997	\$ 340,000
General obligation notes payable	7,500,000	-	(680,000)	6,820,000	675,000
General obligation notes from direct borrowings and direct placements	937,951	70,000	(173,363)	834,588	185,439
Total bonds and notes payable	11,877,948	70,000	(1,183,363)	10,764,585	1,200,439
Other liabilities:					
Vested compensated absences	693,390	24,705	(135,573)	582,522	298,732
Other post-employment benefits	1,115,060	-	(105,894)	1,009,166	-
Landfill liability	808,781	-	(11,723)	797,058	-
Lease liabilities	104,268	138,802	(56,657)	186,413	85,948
Total other liabilities	2,721,499	163,507	(309,847)	2,575,159	384,680
Total governmental activities, long-term liabilities	<u>\$ 14,599,447</u>	<u>\$ 233,507</u>	<u>\$ (1,493,210)</u>	<u>\$ 13,339,744</u>	<u>\$ 1,585,119</u>

* Beginning balances have been restated for the implementation of GASB 87, *Leases*, to reflect the lease liabilities at the date of implementation.

City of Ashland

Notes to Financial Statements
December 31, 2022

	<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	\$ 1,009,000	\$ -	\$ (102,000)	\$ 907,000	\$ 104,000
Revenue bonds	5,371,159	-	(204,443)	5,166,716	211,247
Revenue bonds from direct borrowings and direct placements	873,773	514,177	(93,916)	1,294,034	95,610
Total bonds and notes payable	<u>7,253,932</u>	<u>514,177</u>	<u>(400,359)</u>	<u>7,367,750</u>	<u>410,857</u>
Other liabilities:					
Vested compensated absences	158,576	3,461	(72,136)	89,901	57,247
Other post-employment benefits	642,474	59,720	-	702,194	-
Total other liabilities	<u>801,050</u>	<u>63,181</u>	<u>(72,136)</u>	<u>792,095</u>	<u>57,247</u>
Total business-type activities, long-term liabilities	<u>\$ 8,054,982</u>	<u>\$ 577,358</u>	<u>\$ (472,495)</u>	<u>\$ 8,159,845</u>	<u>\$ 468,104</u>

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, 2022, was \$27,478,250. Total general obligation debt outstanding at year-end was \$11,671,585.

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, 2022, consists of the following:

<u>Governmental Activities General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance, December 31, 2022</u>
Note payable*	2015	2025	2.59 %	\$ 890,000	\$ 368,991
Bond payable	2015	2035	2.00 - 3.25	4,470,000	3,109,997
Note payable	2017	2027	2.00 - 2.25	2,065,000	1,035,000
Note payable*	2018	2028	4.00	550,000	395,597
Note payable	2020	2030	1.91	6,545,000	5,785,000
Note payable*	2022	2031	3.00	70,000	70,000
Total governmental activities, general obligation debt					<u>\$ 10,764,585</u>

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

City of Ashland

Notes to Financial Statements
December 31, 2022

Business-type Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance, December 31, 2022
Water Utility: Note payable	2020	2030	2.27 %	\$ 700,000	\$ 571,000
Marina: Note payable	2020	2030	2.75	410,000	336,000
Total governmental activities, general obligation debt					<u>\$ 907,000</u>

Debt service requirements to maturity are as follows:

	Governmental Activities			
	General Obligation Debt		General Obligation Notes From Direct Borrowings or Direct Placements	
	Principal	Interest	Principal	Interest
Years ending December 31:				
2023	\$ 1,015,000	\$ 231,647	\$ 185,439	\$ 27,596
2024	920,000	205,448	192,102	21,851
2025	940,000	182,154	198,828	15,930
2026	780,000	160,164	74,637	9,841
2027	800,000	142,848	77,547	6,931
2028-2032	4,780,000	396,661	106,035	5,461
2033-2035	694,997	41,731	-	-
Total	<u>\$ 9,929,997</u>	<u>\$ 1,360,653</u>	<u>\$ 834,588</u>	<u>\$ 87,610</u>
	Business-Type Activities			
	General Obligation Debt			
	Principal	Interest		
Years ending December 31:				
2023	\$ 104,000	\$ 22,202		
2024	106,000	19,659		
2025	109,000	17,065		
2026	112,000	14,399		
2027	115,000	11,660		
2028-2030	361,000	17,807		
Total	<u>\$ 907,000</u>	<u>\$ 102,792</u>		

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 and 2017. 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 19.0% of net revenues. The total principal and interest remaining to be paid on the bonds is \$6,029,700. Principal and interest paid for the current year and total customer net revenues were \$331,867 and \$933,105, respectively.

City of Ashland

Notes to Financial Statements

December 31, 2022

The wastewater utility has pledged future wastewater utility revenues, net of specified operating expenses, to repay wastewater revenue bonds issued in 2014, 2016, 2018, and 2022. Proceeds from the bonds provided financing for the wastewater utility. The bonds are payable solely from wastewater utility revenues and are payable through 2052. Annual principal and interest payments on the wastewater bonds are expected to require 11.5% of net revenues. The total principal and interest remaining to be paid on the bonds is \$2,218,357. Principal and interest paid for the current year and total customer net revenues were \$130,911 and \$645,433, respectively.

Revenue debt payable at December 31, 2022 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, 2022</u>
Water Utility					
Revenue bonds*	2008	2027	1.420 %	\$ 442,199	\$ 128,075
Revenue bonds*	2009	2028	1.600	345,702	120,629
Revenue bonds	2016	2056	1.875	1,883,000	1,677,800
Revenue bonds	2017	2038	1.150-4.000	3,315,000	2,680,000
Total water utility					<u>4,606,504</u>
Wastewater Utility					
Revenue bonds*	2014	2034	2.630	581,416	399,643
Revenue bonds*	2016	2036	1.960	193,550	144,915
Revenue bonds	2018	2038	2.750	960,000	808,916
Revenue bonds*	2022	2051	0.970	464,177	450,772 (1)
Revenue bonds*	2022	2052	1.353	50,000	50,000 (1)
Total wastewater utility					<u>1,854,246</u>
Total business-type activities, revenue debt					<u><u>\$ 6,460,750</u></u>

* The debt noted is directly placed with a third party

(1) During 2022 the Wastewater utility was authorized to issue two Clean Water Fund Loan revenue bonds up to the amounts of \$623,081 and \$1,716,132. The original amount reported above has been issued as of December 31, 2022. The repayment schedule includes payments for the amount issued.

City of Ashland

Notes to Financial Statements
December 31, 2022

Debt service requirements to maturity are as follows:

	Business-Type Activities			
	Revenue Debt		Revenue Debt From Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
Years ending December 31:				
2023	\$ 211,247	\$ 138,832	\$ 95,610	\$ 21,274
2024	213,137	134,138	98,756	19,511
2025	220,038	129,066	100,536	17,712
2026	227,050	123,544	102,354	15,877
2027	233,974	117,591	104,207	14,007
2028-2032	1,251,351	486,236	325,681	48,195
2033-2037	1,467,400	276,580	205,239	19,170
2038-2042	520,819	93,868	88,551	11,018
2043-2047	269,000	64,613	93,107	6,440
2048-2052	295,500	38,170	79,993	1,709
2053-2056	257,200	9,756	-	-
Total	<u>\$ 5,166,716</u>	<u>\$ 1,612,394</u>	<u>\$ 1,294,034</u>	<u>\$ 174,913</u>

Other Debt Information

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

The City's outstanding 2015 General Obligation notes from direct borrowings and/or direct placements related to governmental activities with a balance totaling \$368,991, contain provisions that in the event of default, the outstanding balance shall become immediately due and payable.

The City's outstanding 2018 and 2022 State Trust Fund Loans from direct borrowings related to governmental activities with balances totaling \$465,597 contain clauses that any delinquent payments are subject to a penalty of one percent per month and shall be deducted from any state payments that are due to the City.

The City's 2008 and 2009 Safe Drinking Water Loans and 2014, 2016 and 2022 Clean Water Fund Loans from direct borrowings and/or direct placements related to business-type activities with balances totaling \$1,294,034, 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.

City of Ashland

Notes to Financial Statements
December 31, 2022

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.

Short-Term Debt

The City issued a short-term promissory note in the amount of \$266,000 to be used for capital projects. The note has an interest rate of 4.25% and matures on March 27, 2023.

	Beginning Balance	Increases	Decreases	Ending Balance
Promissory note, direct placement	\$ 270,000	\$ 266,000	\$ 270,000	\$ 266,000

Lease Disclosures

Lessee – Lease Liabilities

Governmental Activities

Lease Description	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2022
Enterprise - vehicles	various	various	3.63%	\$ 243,070	\$ 186,413
Total governmental activities lease liabilities					<u>\$ 186,413</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities		
	Principal	Interest	Total
2023	\$ 85,948	\$ 7,216	\$ 93,164
2024	74,520	3,835	78,355
2025	16,358	991	17,349
2026	9,587	361	9,948
Total	<u>\$ 186,413</u>	<u>\$ 12,403</u>	<u>\$ 198,816</u>

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 \$797,058 reported as landfill closure and postclosure care liability at December 31, 2022, 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 2022. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

City of Ashland

Notes to Financial Statements
December 31, 2022

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, 2022 includes the following:

Governmental Activities

Net investment in capital assets:

Construction in progress	\$ 584,171
Land	4,563,071
Other capital assets, net of accumulated depreciation	72,638,568
Less related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(9,913,309)</u>
Total net investment in capital assets	<u>\$ 67,872,501</u>

City of Ashland

Notes to Financial Statements
December 31, 2022

Governmental fund balances reported on the fund financial statements at December 31, 2022 include the following:

Fund Balances	General Fund	Housing Rehab Revolving Loan	Street Improvements	Leisure and Recreation Improvements	Debt Service Fund	Nonmajor Funds	Total
Nonspendable							
Prepaid items and inventory	\$ 36,359	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,359
Delinquent taxes	3,029	-	-	-	-	-	3,029
Delinquent utilities included in due from other governments	27,961	-	-	-	-	-	27,961
Noncurrent advances to other funds	178,171	-	-	-	-	-	178,171
NSP breakwall	-	-	-	-	-	174,498	174,498
Subtotal	245,520	-	-	-	-	174,498	420,018
Restricted							
Housing and economic development loans	-	131,046	-	-	-	-	131,046
Debt service	-	-	-	-	248,379	-	248,379
Library	-	-	-	-	-	339,251	339,251
Buildings and facilities	-	-	-	-	-	81,067	81,067
Police programs	-	-	-	-	-	102,772	102,772
NSP breakwall	-	-	-	-	-	365,915	365,915
Beautification	-	-	-	-	-	5,095	5,095
Home improvement program	-	-	-	-	-	14,943	14,943
TIF No. 10 development	-	-	-	-	-	35,806	35,806
Waterfront development	-	-	-	-	-	274,596	274,596
Capital equipment	-	-	-	-	-	75,606	75,606
Street improvements	-	-	229,005	-	-	-	229,005
Subtotal	-	131,046	229,005	-	248,379	1,295,051	1,903,481
Committed							
Bretting Teen Center	-	-	-	-	-	49,232	49,232
Insured loss deductible	-	-	-	-	-	29,434	29,434
Community planning and development	-	-	-	-	-	122,650	122,650
Subtotal	-	-	-	-	-	201,316	201,316
Assigned							
Fund balance applied to subsequent year's budget	573,774	-	-	-	-	-	573,774
Public transportation	-	-	-	-	-	22,000	22,000
Park grounds improvements	-	-	-	-	-	1,053	1,053
Sidewalk improvements	-	-	-	-	-	210,936	210,936
Landfill improvement	-	-	-	-	-	44,363	44,363
Capital equipment	-	-	-	-	-	304,506	304,506
Building and facilities	-	-	-	-	-	21,449	21,449
Subtotal	573,774	-	-	-	-	604,307	1,178,081
Unassigned (Deficit)	3,615,358	-	(284,295)	(921,006)	-	(864,916)	1,545,141
Total fund balances (deficit)	\$ 4,434,652	\$ 131,046	\$ (55,290)	\$ (921,006)	\$ 248,379	\$ 1,410,256	\$ 5,248,037

City of Ashland

Notes to Financial Statements
December 31, 2022

Business-Type Activities

Net investment in capital assets:	
Construction in progress	\$ 1,042,211
Land	506,830
Other capital assets, net of accumulated depreciation	34,739,262
Less related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(7,283,844)</u>
Total net investment in capital assets	<u>\$ 29,004,459</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, 2022, the Trust did not incur taxes for unrelated trade or business income. The Trust believes that it has appropriate support for any tax positions taken and as such, does not have any uncertain tax positions that are material to the financial statements. The Trust's federal Form 990, Return of Organization Exempt from Income Tax, is subject to examination for three years after it is filed.

Deposits and Investments

The Trust deposits cash directly into savings and share accounts and certificates of deposit held in FDIC member banks and NCUA member credit unions. The cash and certificate of deposit balances are insured through the FDIC or NCUA up to an amount of \$250,000. The Trust has an excess deposit insurance bond of \$1,000,000 as of December 31, 2022. As of December 31, 2022, the uninsured portion of this balance was \$561,929.

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, 2022, the Trust had \$1,493,499 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, 2022 totaled \$140,937.

Subsequent Events

Management has evaluated subsequent events through September 8, 2023, the date on which the Trust financial statements were available to be issued.

4. Other Information**Employees' Retirement System****Plan Description**

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

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

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

Vesting

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

Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

Post-Retirement 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:

	Core Fund Adjustment	Variable Fund Adjustment
Years ending December 31:		
2012	(7.0) %	(7.0) %
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0

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 \$585,479 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2022 are:

	Employee	Employer
Employee category:		
General (executives and elected officials)	6.75 %	6.75 %
Protective with Social Security	6.75	11.75
Protective without Social Security	6.75	16.35

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

At December 31, 2022, the City reported an asset of \$4,153,455 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. 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 asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the City's proportion was 0.05153053%, which was a decrease of 0.00082772% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized pension expense (revenue) of \$(202,373).

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 6,709,697	\$ 483,841
Changes in actuarial assumptions	774,892	-
Net differences between projected and actual earnings on pension plan investments	-	9,291,626
Changes in proportion and differences between employer contributions and proportionate share of contributions	625	7,016
Employer contributions subsequent to the measurement date	524,484	-
Total	<u>\$ 8,009,698</u>	<u>\$ 9,782,483</u>

\$524,484 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
Years ended December 31:	
2023	\$ (198,421)
2024	(1,127,875)
2025	(495,933)
2026	(475,040)

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
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
Post-Retirement Adjustments*:	1.7%

** No post-retirement 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 post-retirement 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. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic 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, 2021			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Total Core Fund***	115	6.6	4.0
Variable Fund Asset			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2

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

** New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

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

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 1.84%. (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, 2021. 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 (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's proportionate share of the net pension liability (asset)	\$ 2,947,171	\$ (4,153,455)	\$ (9,264,585)

Pension Plan Fiduciary Net Position

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

At December 31, 2022, 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, 2022.

The City has active construction projects as of December 31, 2022. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures. The City has open contracts of approximately \$2,921,400 at December 31, 2022 relating to various projects.

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, 2022 were \$25,172.

Joint Ventures

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

Postemployment Benefits Other Than Pensions**General Information About the OPEB Plan****Plan Description and Benefits Provided**

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

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

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

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

Employees Covered by Benefit Terms

At December 31, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	18
Active plan members	44
	<hr/>
	62
	<hr/>

Total OPEB Liability

The City's total OPEB liability of \$1,711,360 was measured as of December 31, 2022 and was determined by an actuarial valuation as of January 1, 2022 with results actuarially projected on a rolled forward basis to get to the December 31, 2022 measurement date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 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%
	3.0% plus merit/productivity increases based on WRS actuarial valuation as of December 31, 2020
Payroll growth	
Healthcare cost trend rates	7.5% for 2022, decreasing 0.5% per year to an ultimate rate of 4.5% for 2028 and later years

City of Ashland

Notes to Financial Statements
December 31, 2022

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, 2022 valuation were based on the results of the Wisconsin Retirement System actuarial valuation as of December 31, 2020.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2021	<u>\$ 1,757,534</u>
Changes for the year:	
Service cost	90,324
Interest	40,067
Changes of benefit terms	-
Differences between expected and actual experience	215,189
Changes in assumptions or other inputs	(256,774)
Benefit payments	<u>(134,980)</u>
Net changes	<u>(46,174)</u>
Balance at December 31, 2022	<u><u>\$ 1,711,360</u></u>

Change in Assumptions

The discount rate changed from 2.25% in 2021 to 4.31% in 2022.

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 (3.31%) or 1-percentage-point higher (5.31%) than the current discount rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total OPEB liability	\$ 1,845,121	\$ 1,711,360	\$ 1,591,973

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 (6.5% decreasing to 3.5%) or 1-percentage-point higher (8.5% 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	\$ 1,563,200	\$ 1,711,360	\$ 1,883,600

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$42,748. At December 31, 2022, 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	\$ 252,140	\$ 277,800
Changes of assumptions or other inputs	117,507	442,684
Total	<u>\$ 369,647</u>	<u>\$ 720,484</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:	
2023	\$ (95,733)
2024	(95,733)
2025	(95,735)
2026	(75,042)
2027	24,295
Thereafter	(12,889)

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. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

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

Subsequent Event

On January 25, 2023, the City made additional draws of \$122,815 and \$481,982, on its 2022A Clean Water Fund Loan and 2022B Clean Water Fund Loan, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

City of Ashland

Budgetary Comparison Schedule -

General Fund

Year Ended December 31, 2022

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes:				
General property tax for local purposes	\$ 2,833,374	\$ 2,833,374	\$ 2,833,760	\$ 386
Payments in lieu of taxes	40,000	40,000	76,857	36,857
Sales tax-city share	140	140	108	(32)
Mobile home taxes	24,000	24,000	27,527	3,527
Room tax	10,000	10,000	10,890	890
Interest on taxes	2,500	2,500	3,941	1,441
Total taxes	2,910,014	2,910,014	2,953,083	43,069
Intergovernmental:				
Shared taxes from state	3,759,946	3,759,946	3,795,330	35,384
State aid, computer aid	37,133	37,133	71,826	34,693
State aid, highways	76,591	76,591	76,591	-
State aid, local streets	627,312	627,312	625,575	(1,737)
State aid, other public safety	50,000	50,000	59,354	9,354
Protection services	12,500	12,500	16,283	3,783
State aid, fire insurance tax	21,000	21,000	19,094	(1,906)
Expenditure restraint	132,474	132,474	132,474	-
Total intergovernmental	4,716,956	4,716,956	4,796,527	79,571
Licenses and permits:				
Liquor and malt beverage licenses	35,000	35,000	31,090	(3,910)
Nonbusiness licenses	10	10	2	(8)
Cable franchise fee	76,000	76,000	76,861	861
Building permits	47,000	47,000	62,898	15,898
Zoning permits	6,000	6,000	3,543	(2,457)
Total licenses and permits	164,010	164,010	174,394	10,384
Fines, forfeitures and penalties:				
Court penalties and costs	20,000	20,000	14,716	(5,284)
Total fines, forfeitures and penalties	20,000	20,000	14,716	(5,284)

See notes to required supplementary information

City of Ashland

Budgetary Comparison Schedule -

General Fund

Year Ended December 31, 2022

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Public charges for services:				
General government fees	\$ 9,000	\$ 9,000	\$ 11,932	\$ 2,932
Police department fees	5,000	5,000	3,205	(1,795)
Fire department fees	1,000	1,000	878	(122)
Ambulance fees	995,000	995,000	1,058,270	63,270
Ambulance protection fees	12,000	12,000	14,822	2,822
Other public safety fees	6,100	6,100	90	(6,010)
Public works fees	55,400	55,400	38,581	(16,819)
Fuel tax refund	3,500	3,500	3,851	351
Parking revenues	10,000	10,000	8,034	(1,966)
Refuse and garbage fees	390,800	390,800	392,613	1,813
Animal control	3,000	3,000	3,118	118
Park fees	150,000	150,000	146,601	(3,399)
Weed and nuisance control	5,000	5,000	1,150	(3,850)
Leisure programs	80,000	80,000	93,268	13,268
Total public charges for services	1,725,800	1,725,800	1,776,413	50,613
Intergovernmental charges for services:				
Liaison officer	80,190	80,190	82,317	2,127
Fire yearly fees	140,292	140,292	141,728	1,436
Ambulance yearly fees	316,433	316,433	316,433	-
Airport fees	8,000	8,000	8,000	-
Attorney reimbursement from water utility	5,000	5,000	-	(5,000)
Utility cost sharing	221,570	221,570	233,250	11,680
Charges to library	43,700	43,700	40,073	(3,627)
Total intergovernmental charges for services	815,185	815,185	821,801	6,616
Investment income:				
Interest on temporary investments	20,000	20,000	16,468	(3,532)
Total investment income	20,000	20,000	16,468	(3,532)
Miscellaneous:				
Rent/lease	28,500	28,500	28,109	(391)
Insurance dividends	35,000	35,000	29,038	(5,962)
Donations	1,000	1,000	443	(557)
Insurance workman's compensation	2,000	2,000	1,269	(731)
Other miscellaneous revenue	4,150	4,150	9,317	5,167
Total miscellaneous	70,650	70,650	68,176	(2,474)
Total revenues	10,442,615	10,442,615	10,621,578	178,963

See notes to required supplementary information

City of Ashland

Budgetary Comparison Schedule -

General Fund

Year Ended December 31, 2022

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Expenditures				
General government:				
Council	\$ 71,775	\$ 55,775	\$ 55,181	\$ 594
Police/fire commission	7,900	13,740	13,732	8
Mayor	29,670	29,670	23,153	6,517
Administrator	142,745	142,745	142,313	432
Clerk:				
Legislative support	100,350	103,210	103,210	-
Elections	73,365	76,365	76,352	13
Personnel, labor relations	172,095	204,315	255,165	(50,850)
Data processing	353,370	283,860	266,637	17,223
Other city hall	89,525	89,525	87,066	2,459
Financial administration, finance department	392,950	396,250	396,244	6
Assessment of property	32,800	32,800	31,887	913
Legal	60,000	102,050	102,042	8
Municipal buildings	471,284	471,884	471,881	3
Uncollectible taxes/special assessment refunds	2,500	2,500	1,733	767
Property and liability insurance	121,600	133,060	133,820	(760)
Total general government	2,121,929	2,137,749	2,160,416	(22,667)
Public safety:				
Police	2,241,625	2,305,925	2,305,894	31
Ambulance and fire	2,954,040	2,838,520	2,748,233	90,287
Hydrant rental	19,300	19,300	19,126	174
Building inspection	141,705	141,705	121,489	20,216
Weights and measures	5,600	5,600	5,600	-
Total public safety	5,362,270	5,311,050	5,200,342	110,708
Public works:				
Administration	193,976	187,476	155,521	31,955
Road maintenance	1,023,696	1,023,696	1,159,418	(135,722)
Street lighting	173,191	173,191	164,870	8,321
Sidewalk maintenance	20,703	20,703	10,758	9,945
Storm sewers	113,426	113,426	76,382	37,044
Parking facilities	2,986	2,986	4,460	(1,474)
Bay Area Transit	31,000	31,000	31,000	-
GIS and engineering	124,311	124,311	74,319	49,992
Garbage and refuse collection	356,060	381,560	357,576	23,984
Landfill	48,032	48,032	71,973	(23,941)
Total public works	2,087,381	2,106,381	2,106,277	104

See notes to required supplementary information

City of Ashland

Budgetary Comparison Schedule -

General Fund

Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Health and human services:				
Animal and pest control	\$ 88,445	\$ 88,445	\$ 87,689	\$ 756
Mount Hope cemetery	61,000	61,000	61,000	-
Other health and human services	1,600	1,600	1,600	-
Total health and human services	151,045	151,045	150,289	756
Leisure activities:				
Museum	10,000	10,000	10,000	-
Parks	239,209	240,949	240,945	4
Leisure services	300,025	301,515	301,513	2
Municipal band	4,950	5,400	5,400	-
Community events	17,950	17,950	15,700	2,250
Total leisure activities	572,134	575,814	573,558	2,256
Conservation and development:				
Historic preservation	400	400	7	393
AADC contribution	51,000	51,000	51,000	-
Community development	183,120	170,665	172,775	(2,110)
Total conservation and development	234,520	222,065	223,782	(1,717)
Total expenditures	10,529,279	10,504,104	10,414,664	89,440
Excess of revenues over expenditures	(86,664)	(61,489)	206,914	268,403
Other Financing Sources (Uses)				
Transfers in	544,950	544,950	398,723	(146,227)
Transfers out	(832,570)	(615,745)	(1,055,009)	(439,264)
Total other financing sources (uses)	(287,620)	(70,795)	(656,286)	(585,491)
Net change in fund balance	\$ (374,284)	\$ (132,284)	(449,372)	\$ (317,088)
Fund Balance, Beginning			4,884,024	
Fund Balance, Ending			<u>\$ 4,434,652</u>	

See notes to required supplementary information

City of Ashland

Budgetary Comparison Schedule -
Special Revenue Fund - Housing Rehab Revolving Loan Fund
Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Investment income	\$ -	\$ -	\$ 70	\$ 70
Miscellaneous	90,000	80,188	80,118	(70)
Total revenues	90,000	80,188	80,188	-
Expenditures				
Current:				
Conservation and development	150,000	272,030	272,030	-
Total expenditures	150,000	272,030	272,030	-
Net change in fund balance	<u>\$ (60,000)</u>	<u>\$ (191,842)</u>	(191,842)	<u>\$ -</u>
Fund Balance, Beginning			322,888	
Fund Balance, Ending			<u>\$ 131,046</u>	

See notes to required supplementary information

City of Ashland

Schedule of Changes in Total OPEB Liability and Related Ratios
Year Ended December 31, 2022

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 90,324	\$ 55,768	\$ 48,355	\$ 140,668	\$ 150,703	\$ 139,541
Interest	40,067	37,485	50,186	94,923	85,119	85,273
Differences between expected and actual experience	215,189	(43,742)	97,380	(445,107)	(59,839)	-
Changes of assumptions	(256,774)	51,514	126,193	(349,606)	(105,699)	48,530
Benefit payments	(134,980)	(111,156)	(90,358)	(146,257)	(137,344)	(126,004)
Net change in total OPEB liability	(46,174)	(10,131)	231,756	(705,379)	(67,060)	147,340
Total OPEB Liability, Beginning	<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>\$ 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	\$ 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	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, 2022

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
12/31/21	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, 2022

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
12/31/22	\$ 524,484	\$ 524,484	\$ -	\$ 5,669,066	9.25 %
12/31/21	636,640	636,640	-	5,581,316	11.41 %
12/31/20	647,008	647,008	-	5,704,185	11.34 %
12/31/19	621,865	621,865	-	5,626,103	11.05 %
12/31/18	567,882	567,882	-	5,477,661	10.37 %
12/31/17	562,334	562,334	-	5,435,264	10.35 %
12/31/16	479,733	479,733	-	5,287,897	9.07 %
12/31/15	466,331	466,331	-	5,222,200	8.93 %

See notes to required supplementary information

1. Budgetary Information

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

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

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

2. Wisconsin Retirement System

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

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

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

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

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement 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 post-retirement 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 Post-Employment 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 2.25% in 2021 to 4.31% in 2022.

SUPPLEMENTARY INFORMATION

City of Ashland

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2022

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Funds
Assets			
Cash and investments	\$ 1,606,689	\$ 1,136,963	\$ 2,743,652
Restricted assets, construction account	-	156,673	156,673
Taxes receivable	625,972	2,106	628,078
Accounts receivable	76,451	84,892	161,343
Notes receivable, net	108,516	-	108,516
Special assessments receivable	-	59,723	59,723
Due from other governments	37,227	123,466	160,693
Advances to other funds	181,734	-	181,734
Total assets	<u>\$ 2,636,589</u>	<u>\$ 1,563,823</u>	<u>\$ 4,200,412</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 38,849	\$ 224,922	\$ 263,771
Accrued liabilities	17,372	-	17,372
Due to other funds	-	33,218	33,218
Unearned revenues	583,249	-	583,249
Short-term notes payable	-	37,000	37,000
Advances from other funds	774,531	80,915	855,446
Total liabilities	<u>1,414,001</u>	<u>376,055</u>	<u>1,790,056</u>
Deferred Inflows of Resources			
Unearned revenues	669,148	2,353	671,501
Unavailable revenues	124,729	203,870	328,599
Total deferred inflows of resources	<u>793,877</u>	<u>206,223</u>	<u>1,000,100</u>
Fund Balances			
Nonspendable	174,498	-	174,498
Restricted	827,976	467,075	1,295,051
Committed	201,316	-	201,316
Assigned	-	604,307	604,307
Unassigned (deficit)	(775,079)	(89,837)	(864,916)
Total fund balances	<u>428,711</u>	<u>981,545</u>	<u>1,410,256</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,636,589</u>	<u>\$ 1,563,823</u>	<u>\$ 4,200,412</u>

City of Ashland

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

Nonmajor Governmental Funds

Year Ended December 31, 2022

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 639,581	\$ 151,961	\$ 791,542
Intergovernmental	654,811	297,802	952,613
Fines, forfeitures and penalties	1,784	-	1,784
Public charges for services	6,980	1,825	8,805
Special assessments	-	4,006	4,006
Investment income	9,562	2,852	12,414
Miscellaneous	194,717	130,162	324,879
Total revenues	1,507,435	588,608	2,096,043
Expenditures			
Current:			
General government	29,349	-	29,349
Public safety	57,772	88,764	146,536
Public works	144,501	350	144,851
Health and human services	114,175	-	114,175
Leisure activities	515,759	46,362	562,121
Conservation and development	401,726	26,853	428,579
Capital outlay	-	830,007	830,007
Total expenditures	1,263,282	992,336	2,255,618
Excess (deficiency) of revenues over expenditures	244,153	(403,728)	(159,575)
Other Financing Sources (Uses)			
Long-term debt issued	70,000	-	70,000
Transfers in	816,738	830,962	1,647,700
Transfers out	(442,733)	(314,305)	(757,038)
Proceeds from sale of capital assets	-	38,863	38,863
Proceeds from leases	-	138,802	138,802
Total other financing sources (uses)	444,005	694,322	1,138,327
Net change in fund balances	688,158	290,594	978,752
Fund Balances, Beginning	(259,447)	690,951	431,504
Fund Balances, Ending	\$ 428,711	\$ 981,545	\$ 1,410,256

City of Ashland

Combining Balance Sheet -
Nonmajor Special Revenue Funds
December 31, 2022

	Recycling	Economic Development Revolving Loan	Library Grants and Special Revenue	TIF No. 6 Increment	TIF No. 9 Increment	TIF No. 10 Increment	Community Planning and Development	NSP Breakwall	Evidence Funds
Assets									
Cash and investments	\$ 12,071	\$ 1,496	\$ 173,515	\$ -	\$ -	\$ -	\$ 647,639	\$ 358,679	\$ 102,927
Taxes receivable	-	-	-	282,672	224,870	118,430	-	-	-
Accounts receivable	-	-	3,825	-	-	-	70,000	-	-
Notes receivable, net	-	108,516	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	15,448
Advances to other funds	-	-	-	-	-	-	-	181,734	-
Total assets	<u>\$ 12,071</u>	<u>\$ 110,012</u>	<u>\$ 177,340</u>	<u>\$ 282,672</u>	<u>\$ 224,870</u>	<u>\$ 118,430</u>	<u>\$ 717,639</u>	<u>\$ 540,413</u>	<u>\$ 118,375</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)									
Liabilities									
Accounts payable	\$ 12,071	\$ 1,644	\$ -	\$ -	\$ 400	\$ -	\$ 9,808	\$ -	\$ 155
Accrued liabilities	-	-	-	-	-	-	1,167	-	-
Unearned revenues	-	-	-	-	-	-	583,249	-	-
Advances from other funds	-	-	-	-	592,797	181,734	-	-	-
Total liabilities	<u>12,071</u>	<u>1,644</u>	<u>-</u>	<u>-</u>	<u>593,197</u>	<u>181,734</u>	<u>594,224</u>	<u>-</u>	<u>155</u>
Deferred Inflows of Resources									
Unearned revenues	-	-	-	282,672	224,870	118,430	-	-	-
Unavailable revenues	-	108,516	-	-	-	-	765	-	15,448
Total deferred inflows of resources	<u>-</u>	<u>108,516</u>	<u>-</u>	<u>282,672</u>	<u>224,870</u>	<u>118,430</u>	<u>765</u>	<u>-</u>	<u>15,448</u>
Fund Balances (Deficit)									
Nonspendable	-	-	-	-	-	-	-	174,498	-
Restricted	-	-	177,340	-	-	-	-	365,915	102,772
Committed	-	-	-	-	-	-	122,650	-	-
Unassigned (deficit)	-	(148)	-	-	(593,197)	(181,734)	-	-	-
Total fund balances (deficit)	<u>-</u>	<u>(148)</u>	<u>177,340</u>	<u>-</u>	<u>(593,197)</u>	<u>(181,734)</u>	<u>122,650</u>	<u>540,413</u>	<u>102,772</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 12,071</u>	<u>\$ 110,012</u>	<u>\$ 177,340</u>	<u>\$ 282,672</u>	<u>\$ 224,870</u>	<u>\$ 118,430</u>	<u>\$ 717,639</u>	<u>\$ 540,413</u>	<u>\$ 118,375</u>

City of Ashland

Combining Balance Sheet -
Nonmajor Special Revenue Funds
December 31, 2022

	Bretting Teen Center	Beautification	Wetlands Mitigation	Vaughn Library	Insured Loss Deductible	Hazardous Materials	Home Improvement Program	Total Nonmajor Special Revenue Funds
Assets								
Cash and investments	\$ 47,607	\$ 5,095	\$ 3,379	\$ 178,700	\$ 31,637	\$ 42,982	\$ 962	\$ 1,606,689
Taxes receivable	-	-	-	-	-	-	-	625,972
Accounts receivable	1,625	-	-	1	1,000	-	-	76,451
Notes receivable, net	-	-	-	-	-	-	-	108,516
Due from other governments	-	-	-	-	-	7,798	13,981	37,227
Advances to other funds	-	-	-	-	-	-	-	181,734
Total assets	<u>\$ 49,232</u>	<u>\$ 5,095</u>	<u>\$ 3,379</u>	<u>\$ 178,701</u>	<u>\$ 32,637</u>	<u>\$ 50,780</u>	<u>\$ 14,943</u>	<u>\$ 2,636,589</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)								
Liabilities								
Accounts payable	\$ -	\$ -	\$ 3,379	\$ 8,189	\$ 3,203	\$ -	\$ -	\$ 38,849
Accrued liabilities	-	-	-	8,601	-	7,604	-	17,372
Unearned revenues	-	-	-	-	-	-	-	583,249
Advances from other funds	-	-	-	-	-	-	-	774,531
Total liabilities	<u>-</u>	<u>-</u>	<u>3,379</u>	<u>16,790</u>	<u>3,203</u>	<u>7,604</u>	<u>-</u>	<u>1,414,001</u>
Deferred Inflows of Resources								
Unearned revenues	-	-	-	-	-	43,176	-	669,148
Unavailable revenues	-	-	-	-	-	-	-	124,729
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,176</u>	<u>-</u>	<u>793,877</u>
Fund Balances (Deficit)								
Nonspendable	-	-	-	-	-	-	-	174,498
Restricted	-	5,095	-	161,911	-	-	14,943	827,976
Committed	49,232	-	-	-	29,434	-	-	201,316
Unassigned (deficit)	-	-	-	-	-	-	-	(775,079)
Total fund balances (deficit)	<u>49,232</u>	<u>5,095</u>	<u>-</u>	<u>161,911</u>	<u>29,434</u>	<u>-</u>	<u>14,943</u>	<u>428,711</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 49,232</u>	<u>\$ 5,095</u>	<u>\$ 3,379</u>	<u>\$ 178,701</u>	<u>\$ 32,637</u>	<u>\$ 50,780</u>	<u>\$ 14,943</u>	<u>\$ 2,636,589</u>

City of Ashland

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds
Year Ended December 31, 2022

	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	Evidence Funds
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ 311,426	\$ 218,839	\$ 109,316	\$ -	\$ -	\$ -
Intergovernmental	56,987	-	-	9,195	2,707	-	283,412	-	14,905
Fines, forfeitures and penalties	-	-	-	-	-	-	-	-	1,784
Public charges for services	-	-	3,539	-	-	-	-	-	-
Investment income	-	6,343	508	728	(2,443)	31	1,801	1,558	266
Miscellaneous	-	59,720	26,303	-	-	-	11,911	-	26,555
Total revenues	56,987	66,063	30,350	321,349	219,103	109,347	297,124	1,558	43,510
Expenditures									
Current:									
General government	-	-	-	150	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	32,784
Public works	144,501	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-
Leisure activities	-	-	47,592	-	-	-	-	-	-
Conservation and development	-	66,063	-	-	31,322	755	282,318	-	-
Total expenditures	144,501	66,063	47,592	150	31,322	755	282,318	-	32,784
Excess (deficiency) of revenues over expenditures	(87,514)	-	(17,242)	321,199	187,781	108,592	14,806	1,558	10,726
Other Financing Sources (Uses)									
Long-term debt issued	-	-	-	-	-	-	70,000	-	-
Transfers in	87,512	-	-	-	321,199	-	75,273	-	-
Transfers out	-	-	-	(321,199)	-	(111,534)	(10,000)	-	-
Total other financing sources (uses)	87,512	-	-	(321,199)	321,199	(111,534)	135,273	-	-
Net change in fund balances	(2)	-	(17,242)	-	508,980	(2,942)	150,079	1,558	10,726
Fund Balances (Deficit), Beginning	2	(148)	194,582	-	(1,102,177)	(178,792)	(27,429)	538,855	92,046
Fund Balances (Deficit), Ending	\$ -	\$ (148)	\$ 177,340	\$ -	\$ (593,197)	\$ (181,734)	\$ 122,650	\$ 540,413	\$ 102,772

City of Ashland

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds
Year Ended December 31, 2022

	Bretting Teen Center	Beautification	Wetlands Mitigation	Vaughn Library	Insured Loss Deductible	Hazardous Materials	Home Improvement Program	Total Nonmajor Special Revenue Funds
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 639,581
Intergovernmental	-	-	-	148,442	-	24,988	114,175	654,811
Fines, forfeitures and penalties	-	-	-	-	-	-	-	1,784
Public charges for services	3,010	-	-	431	-	-	-	6,980
Investment income	116	-	-	654	-	-	-	9,562
Miscellaneous	24,473	3,435	-	6,431	35,889	-	-	194,717
Total revenues	27,599	3,435	-	155,958	35,889	24,988	114,175	1,507,435
Expenditures								
Current:								
General government	-	-	-	-	29,199	-	-	29,349
Public safety	-	-	-	-	-	24,988	-	57,772
Public works	-	-	-	-	-	-	-	144,501
Health and human services	-	-	-	-	-	-	114,175	114,175
Leisure activities	21,827	8,162	-	438,178	-	-	-	515,759
Conservation and development	-	-	16,998	-	-	-	4,270	401,726
Total expenditures	21,827	8,162	16,998	438,178	29,199	24,988	118,445	1,263,282
Excess (deficiency) of revenues over expenditures	5,772	(4,727)	(16,998)	(282,220)	6,690	-	(4,270)	244,153
Other Financing Sources (Uses)								
Long-term debt issued	-	-	-	-	-	-	-	70,000
Transfers in	-	6,270	14,484	312,000	-	-	-	816,738
Transfers out	-	-	-	-	-	-	-	(442,733)
Total other financing sources (uses)	-	6,270	14,484	312,000	-	-	-	444,005
Net change in fund balances	5,772	1,543	(2,514)	29,780	6,690	-	(4,270)	688,158
Fund Balances (Deficit), Beginning	43,460	3,552	2,514	132,131	22,744	-	19,213	(259,447)
Fund Balances (Deficit), Ending	\$ 49,232	\$ 5,095	\$ -	\$ 161,911	\$ 29,434	\$ -	\$ 14,943	\$ 428,711

City of Ashland

Combining Balance Sheet -
Nonmajor Capital Project Funds
December 31, 2022

	TIF #10 Development	Public Transportation	Building Facilities	Waterfront Development	Capital Equipment	Park Grounds Improvements
Assets						
Cash and investments	\$ 35,806	\$ 22,000	\$ 57,618	\$ 245,971	\$ 517,334	\$ 1,053
Restricted assets, construction account	-	-	81,067	-	75,606	-
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	831	28,625	55,436	-
Special assessments receivable	-	-	-	-	-	-
Due from other governments	-	-	-	90,679	22,540	-
Total assets	<u>\$ 35,806</u>	<u>\$ 22,000</u>	<u>\$ 139,516</u>	<u>\$ 365,275</u>	<u>\$ 670,916</u>	<u>\$ 1,053</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 224,922	\$ -
Due to other funds	-	-	-	-	24,504	-
Short-term notes payable	-	-	37,000	-	-	-
Advances from other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>37,000</u>	<u>-</u>	<u>249,426</u>	<u>-</u>
Deferred Inflows of Resources						
Unearned revenues	-	-	-	-	-	-
Unavailable revenues	-	-	-	90,679	41,378	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,679</u>	<u>41,378</u>	<u>-</u>
Fund Balances (Deficit)						
Restricted	35,806	-	81,067	274,596	75,606	-
Assigned	-	22,000	21,449	-	304,506	1,053
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances (deficit)	<u>35,806</u>	<u>22,000</u>	<u>102,516</u>	<u>274,596</u>	<u>380,112</u>	<u>1,053</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 35,806</u>	<u>\$ 22,000</u>	<u>\$ 139,516</u>	<u>\$ 365,275</u>	<u>\$ 670,916</u>	<u>\$ 1,053</u>

City of Ashland

Combining Balance Sheet -
Nonmajor Capital Projects Funds
December 31, 2022

	Land Sales & Acquisition	Capital Sidewalk Improvements	Urban Forestry	Landfill Improvement	Total Nonmajor Capital Project Funds
Assets					
Cash and investments	\$ -	\$ 212,818	\$ -	\$ 44,363	\$ 1,136,963
Restricted assets, construction account	-	-	-	-	156,673
Taxes receivable	-	2,106	-	-	2,106
Accounts receivable	-	-	-	-	84,892
Special assessments receivable	-	59,723	-	-	59,723
Due from other governments	-	-	10,247	-	123,466
	<u>-</u>	<u>-</u>	<u>10,247</u>	<u>-</u>	<u>123,466</u>
Total assets	<u>\$ -</u>	<u>\$ 274,647</u>	<u>\$ 10,247</u>	<u>\$ 44,363</u>	<u>\$ 1,563,823</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 224,922
Due to other funds	-	-	8,714	-	33,218
Short-term notes payable	-	-	-	-	37,000
Advances from other funds	80,915	-	-	-	80,915
	<u>80,915</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,915</u>
Total liabilities	<u>80,915</u>	<u>-</u>	<u>8,714</u>	<u>-</u>	<u>376,055</u>
Deferred Inflows of Resources					
Unearned revenues	208	2,145	-	-	2,353
Unavailable revenues	-	61,566	10,247	-	203,870
	<u>-</u>	<u>61,566</u>	<u>10,247</u>	<u>-</u>	<u>203,870</u>
Total deferred inflows of resources	<u>208</u>	<u>63,711</u>	<u>10,247</u>	<u>-</u>	<u>206,223</u>
Fund Balances (Deficit)					
Restricted	-	-	-	-	467,075
Assigned	-	210,936	-	44,363	604,307
Unassigned (deficit)	(81,123)	-	(8,714)	-	(89,837)
	<u>(81,123)</u>	<u>-</u>	<u>(8,714)</u>	<u>-</u>	<u>(89,837)</u>
Total fund balances (deficit)	<u>(81,123)</u>	<u>210,936</u>	<u>(8,714)</u>	<u>44,363</u>	<u>981,545</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ -</u>	<u>\$ 274,647</u>	<u>\$ 10,247</u>	<u>\$ 44,363</u>	<u>\$ 1,563,823</u>

City of Ashland

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Capital Projects Funds
Year Ended December 31, 2022

	TIF #10 Development	Public Transportation	Building Facilities	Waterfront Development	Capital Equipment	Park Grounds Improvements
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ 151,961	\$ -	\$ -
Intergovernmental	-	-	230,000	-	57,952	-
Public charges for services	-	-	-	-	1,825	-
Special assessments	-	-	-	-	-	-
Investment income	-	-	124	720	1,167	-
Miscellaneous	-	-	-	-	105,383	-
Total revenues	-	-	230,124	152,681	166,327	-
Expenditures						
Current:						
Public safety	-	-	-	-	88,764	-
Public works	-	-	350	-	-	-
Leisure activities	-	-	-	-	-	20,585
Conservation and development	26,853	-	-	-	-	-
Capital outlay	-	-	149,788	-	680,219	-
Total expenditures	26,853	-	150,138	-	768,983	20,585
Excess (deficiency) of revenues over expenditures	(26,853)	-	79,986	152,681	(602,656)	(20,585)
Other Financing Sources (Uses)						
Transfers in	36,062	-	160,000	-	618,900	5,000
Transfers out	-	-	-	(265,032)	-	-
Proceeds from sale of capital assets	-	-	-	-	38,863	-
Proceeds from leases	-	-	-	-	138,802	-
Total other financing sources (uses)	36,062	-	160,000	(265,032)	796,565	5,000
Net change in fund balances	9,209	-	239,986	(112,351)	193,909	(15,585)
Fund Balances (Deficit), Beginning	26,597	22,000	(137,470)	386,947	186,203	16,638
Fund Balances (Deficit), Ending	<u>\$ 35,806</u>	<u>\$ 22,000</u>	<u>\$ 102,516</u>	<u>\$ 274,596</u>	<u>\$ 380,112</u>	<u>\$ 1,053</u>

City of Ashland

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Capital Projects Funds
Year Ended December 31, 2022

	Land Sales & Acquisition	Capital Sidewalk Improvements	Urban Forestry	Landfill Improvement	Total Nonmajor Capital Project Funds
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 151,961
Intergovernmental	-	-	9,850	-	297,802
Public charges for services	-	-	-	-	1,825
Special assessments	-	4,006	-	-	4,006
Investment income	-	841	-	-	2,852
Miscellaneous	24,779	-	-	-	130,162
Total revenues	24,779	4,847	9,850	-	588,608
Expenditures					
Current:					
Public safety	-	-	-	-	88,764
Public works	-	-	-	-	350
Leisure activities	-	-	25,777	-	46,362
Conservation and development	-	-	-	-	26,853
Capital outlay	-	-	-	-	830,007
Total expenditures	-	-	25,777	-	992,336
Excess (deficiency) of revenues over expenditures	24,779	4,847	(15,927)	-	(403,728)
Other Financing Sources (Uses)					
Transfers in	-	-	6,000	5,000	830,962
Transfers out	-	(49,273)	-	-	(314,305)
Proceeds from sale of capital assets	-	-	-	-	38,863
Proceeds from leases	-	-	-	-	138,802
Total other financing sources (uses)	-	(49,273)	6,000	5,000	694,322
Net change in fund balances	24,779	(44,426)	(9,927)	5,000	290,594
Fund Balances (Deficit), Beginning	(105,902)	255,362	1,213	39,363	690,951
Fund Balances (Deficit), Ending	<u>\$ (81,123)</u>	<u>\$ 210,936</u>	<u>\$ (8,714)</u>	<u>\$ 44,363</u>	<u>\$ 981,545</u>

City of Ashland

Combining Statement of Net Position -
Nonmajor Enterprise Funds
December 31, 2022

	Airport	Marina	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Cash and investments	\$ 121,272	\$ 860	\$ 122,132
Restricted assets, redemption account	-	49,511	49,511
Restricted assets, construction account	-	100,852	100,852
Other accounts receivable	10,420	1,638	12,058
Due from other governments	-	409,321	409,321
Inventories and prepaid items	26,941	9,689	36,630
Total current assets	158,633	571,871	730,504
Noncurrent assets:			
Restricted assets:			
Net pension asset	26,298	24,191	50,489
Capital assets:			
Construction work in progress	10,096	-	10,096
Land	45,768	391,500	437,268
Capital assets being depreciated	4,859,351	3,380,939	8,240,290
Accumulated depreciation	(2,820,836)	(1,001,822)	(3,822,658)
Total noncurrent assets	2,120,677	2,794,808	4,915,485
Total assets	2,279,310	3,366,679	5,645,989
Deferred Outflows of Resources			
Pension related amounts	46,311	58,415	104,726
Total deferred outflows of resources	46,311	58,415	104,726
Liabilities			
Current liabilities:			
Accounts payable	5,123	64,617	69,740
Accrued expenses	2,177	-	2,177
Due to other funds	-	211,399	211,399
Accrued interest	-	6,936	6,936
Current portion of accrued compensated absences	5,167	7,729	12,896
Current portion of long-term debt	-	38,000	38,000
Total current liabilities	12,467	328,681	341,148
Noncurrent liabilities:			
Long-term debt	-	298,000	298,000
Accrued compensated absences	5,038	15,588	20,626
Total noncurrent liabilities	5,038	313,588	318,626
Total liabilities	17,505	642,269	659,774
Deferred Inflows of Resources			
Pension related amounts	49,838	70,762	120,600
Total deferred inflows of resources	49,838	70,762	120,600
Net Position			
Net investment in capital assets	2,094,379	2,518,523	4,612,902
Restricted for pension	26,298	24,191	50,489
Unrestricted	137,601	169,349	306,950
Total net position	\$ 2,258,278	\$ 2,712,063	\$ 4,970,341

City of Ashland

Combining Statement of Revenues, Expenses and Changes in Net Position -
Nonmajor Enterprise Funds
Year Ended December 31, 2022

	Airport	Marina	Total Nonmajor Enterprise Funds
Operating Revenues			
Charges for services	\$ 259,812	\$ 248,022	\$ 507,834
Total operating revenues	259,812	248,022	507,834
Operating Expenses			
Operation and maintenance	293,566	171,336	464,902
Depreciation	156,915	74,231	231,146
Total operating expenses	450,481	245,567	696,048
Operating income (loss)	(190,669)	2,455	(188,214)
Nonoperating Revenues (Expenses)			
Investment income	350	(736)	(386)
Interest and fiscal charges	-	(9,494)	(9,494)
Grants revenue	13,548	-	13,548
Miscellaneous revenue	1	1,504	1,505
Total nonoperating revenue (expenses)	13,899	(8,726)	5,173
Income (loss) before contributions and transfers	(176,770)	(6,271)	(183,041)
Contributions and Transfers			
Capital contributions	316,334	152,811	469,145
Transfers in	68,770	-	68,770
Total contributions and transfers	385,104	152,811	537,915
Change in net position	208,334	146,540	354,874
Net Position, Beginning	2,049,944	2,565,523	4,615,467
Net Position, Ending	\$ 2,258,278	\$ 2,712,063	\$ 4,970,341

City of Ashland

Combining Statement of Cash Flows -
Nonmajor Enterprise Funds
Year Ended December 31, 2022

	Airport	Marina	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities			
Cash received from customers	\$ 292,570	\$ 247,888	\$ 540,458
Cash paid to suppliers for goods and services	(234,512)	162,191	(72,321)
Cash paid to employees for services	(81,937)	(81,674)	(163,611)
Net cash flows from operating activities	(23,879)	328,405	304,526
Cash Flows From Noncapital Financing Activities			
Transfers from other funds	68,770	-	68,770
Net cash flows from noncapital financing activities	68,770	-	68,770
Cash Flows From Investing Activities			
Investment income	350	(736)	(386)
Net cash flows from investing activities	350	(736)	(386)
Cash Flows From Capital and Related Financing Activities			
Debt retired	-	(37,000)	(37,000)
Interest paid	-	(10,258)	(10,258)
Contributions in aid of construction	311,334	-	311,334
Acquisition and construction of capital assets	(324,258)	(680,825)	(1,005,083)
Net cash flows from capital and related related financing activities	(12,924)	(728,083)	(741,007)
Net decrease in cash and cash equivalents	32,317	(400,414)	(368,097)
Cash and Cash Equivalents, Beginning	88,955	551,637	640,592
Cash and Cash Equivalents, Ending	<u>\$ 121,272</u>	<u>\$ 151,223</u>	<u>\$ 272,495</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities			
Operating income (loss)	\$ (190,669)	\$ 2,455	\$ (188,214)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Nonoperating income	13,549	1,504	15,053
Noncash items included in income:			
Depreciation	156,915	74,231	231,146
Change in assets and liabilities:			
Other accounts receivable	19,209	(1,638)	17,571
Inventories and prepaid items	(12,112)	(1,324)	(13,436)
Accounts payable	2,303	46,056	48,359
Payable to municipality	-	211,399	211,399
Other current liabilities	403	(1,383)	(980)
Accrued compensated absences	3,461	(1,405)	2,056
Pension related deferrals and asset	(16,938)	(1,490)	(18,428)
Net cash flows from operating activities	<u>\$ (23,879)</u>	<u>\$ 328,405</u>	<u>\$ 304,526</u>
Noncash Capital, Investing and Financing Activities			
None			

FORM OF LEGAL OPINION

(See following pages)

Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202

December 19, 2023

Re: City of Ashland, Wisconsin ("Issuer")
\$2,630,000 General Obligation Promissory Notes, Series 2023A,
dated December 19, 2023 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on December 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2024	\$105,000	____%
2025	60,000	____
2026	425,000	____
2027	250,000	____
2028	295,000	____
2029	290,000	____
2030	255,000	____
2031	310,000	____
2032	320,000	____
2033	320,000	____

Interest is payable semi-annually on June 1 and December 1 of each year commencing on December 1, 2024.

The Notes maturing on December 1, 2030 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on December 1, 2029 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

【The Notes maturing in the years _____ are subject to mandatory redemption by lot as provided in the Notes, at the redemption price of par plus accrued interest to the date of redemption and without premium.】

We further certify that we have examined a sample of the Notes and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Notes have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Notes, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Notes.

3. The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code) for taxable years beginning after December 31, 2022. The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Notes. Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Ashland, Ashland and Bayfield Counties, Wisconsin (the "Issuer") in connection with the issuance of \$2,630,000 General Obligation Promissory Notes, Series 2023A, dated December 19, 2023 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on November 28, 2023 (the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated November 28, 2023 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Common Council of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the City of Ashland, Ashland and Bayfield Counties, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Finance Director of the Issuer who can be contacted at 601 Main Street West, Ashland, Wisconsin 54806, phone (715) 682-7190, fax (715) 682-7048.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 2023, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. TAX LEVIES AND COLLECTIONS - Tax Levies and Collections

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist

it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 19th day of December, 2023.

(SEAL)

Matthew MacKenzie
Mayor

Denise Oliphant
City Clerk

NOTICE OF SALE

\$2,630,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2023A CITY OF ASHLAND, WISCONSIN

Bids for the purchase of \$2,630,000* General Obligation Promissory Notes, Series 2023A (the "Notes") of the City of Ashland, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on November 28, 2023, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award by resolution at a meeting to be held at 6:00 P.M., Central Time, on the same date. The bid offering to purchase the Notes upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

AUTHORITY; PURPOSE; SECURITY

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City, for public purposes, including paying the cost of public works equipment, fire equipment, street improvement projects, building improvement projects, parks and public grounds projects and parks and public grounds projects, and refunding certain outstanding obligations. The Notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Notes will be dated December 19, 2023, will be issued as fully registered Notes in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on December 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2024	105,000	2028	295,000	2032	320,000
2025	60,000	2029	290,000	2033	320,000
2026	425,000	2030	255,000		
2027	250,000	2031	310,000		

ADJUSTMENT OPTION

The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the Notes may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on June 1 and December 1 of each year, commencing December 1, 2024, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Notes will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Notes, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Notes. So long as Cede & Co. is the registered owner of the Notes, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Notes.

PAYING AGENT

The City has selected U.S. Bank Trust Company, National Association, Milwaukee, Wisconsin, to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Notes maturing on or after December 1, 2030 shall be subject to optional redemption prior to maturity on December 1, 2029 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the City. If only part of the Notes having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.

DELIVERY

On or about December 19, 2023, the Notes will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Notes must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the City; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Notes. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in the Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

SUBMISSION OF BIDS

Bids must not be for less than \$2,603,700 plus accrued interest on the principal sum of \$2,630,000 from date of original issue of the Notes to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at <https://ihsmarkit.com/products/municipal-issuance.html> or via telephone (844) 301-7334.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$52,600 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the City scheduled for award of the Notes is adjourned, recessed, or continued to another date without award of the Notes having been made.

AWARD

The Notes will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Notes will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid.

BOND INSURANCE

If the Notes are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Notes from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Notes are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Notes.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Notes shall be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriter (Syndicate Manager) in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Notes. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Notes pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Notes and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the "competitive sale requirements") because:

- (1) The City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in this bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Notes to the winning bidder. In such event, any bid submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the winning bidder on its bid form to determine the issue price for the Notes. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Notes: (1) the first price at which 10% of a maturity of the Notes (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Notes (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Notes to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Notes, that the underwriters will neither offer nor sell unsold Notes of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Notes, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable

to the Notes, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Notes.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Notes of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Notes, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Notes of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Notes of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Notes that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Notes to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Notes to any person that is a related party to an underwriter participating in the initial sale of the Notes to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the public),
- (iii) a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Notes are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Official Statement relating to the Notes prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Underwriter (Syndicate Manager) will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Common Council

Brant Kucera, City Administrator
City of Ashland, Wisconsin

BID FORM

The Common Council
City of Ashland, Wisconsin (the "City")

November 28, 2023

RE: \$2,630,000* General Obligation Promissory Notes, Series 2023A (the "Notes")

DATED: December 19, 2023

For all or none of the above Notes, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$2,603,700) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % due 2024	_____ % due 2028	_____ % due 2032
_____ % due 2025	_____ % due 2029	_____ % due 2033
_____ % due 2026	_____ % due 2030	
_____ % due 2027	_____ % due 2031	

The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$52,600 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about December 19, 2023.

This bid is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Official Statement for the Notes.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Underwriter (Syndicate Manager), we agree to provide the City with the reoffering price of the Notes within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Notes identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: ____ 10% test, or the ____ hold-the-offering-price rule to determine the issue price of the Notes.

Account Manager: _____

By: _____

Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from December 19, 2023 of the above bid is \$ _____ and the true interest cost (TIC) is ____%.

The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of Ashland, Wisconsin, on November 28, 2023.

By: _____

By: _____

Title: _____

Title: _____