

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 24, 2026

In the opinion of Quarles & Brady LLP, Bond Counsel, under existing law interest on the Notes is included in gross income for federal income tax purposes. See "TAXABILITY OF INTEREST" herein. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

New Issue

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

CITY OF ASHLAND, WISCONSIN (Ashland and Bayfield Counties)

\$2,820,000* TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A

BID OPENING: March 31, 2026, 10:00 A.M., C.T.

CONSIDERATION: March 31, 2026, 6:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$2,820,000* Taxable General Obligation Promissory Notes, Series 2026A (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 an incentive payment to a developer in the City's Tax Incremental District No. 11. 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: April 21, 2026

MATURITY: As follows:

<u>Maturity</u>	<u>Amount*</u>	<u>Maturity</u>	<u>Amount*</u>	<u>Maturity</u>	<u>Amount*</u>
10/01/2028	\$55,000	10/01/2035	\$130,000	10/01/2042	\$185,000
10/01/2029	100,000	10/01/2036	135,000	10/01/2043	195,000
10/01/2030	105,000	10/01/2037	145,000	10/01/2044	205,000
10/01/2031	110,000	10/01/2038	150,000	10/01/2045	215,000
10/01/2032	115,000	10/01/2039	155,000	04/01/2046	235,000
10/01/2033	120,000	10/01/2040	165,000		
10/01/2034	125,000	10/01/2041	175,000		

***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: April 1, 2027 and semiannually thereafter.

OPTIONAL REDEMPTION: Notes maturing on October 1, 2035 and thereafter are subject to call for prior optional redemption on October 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM BID: \$2,784,750.

MAXIMUM BID: \$3,073,800.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$56,400 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL &

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; and (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.

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CITY OF ASHLAND COMMON COUNCIL

		<u>Term Expires</u>
Matthew MacKenzie*	Mayor	April 2026
Shawn Brede	Council Member	April 2027
Andrew Goyke	Council Member	April 2027
Jim Gregorie	Council Member	April 2026
Peter Levi*	Council Member	April 2026
Charlie Ortman	Council Member	April 2027
Kevin Seefeldt*	Council Member	April 2026
Nancy Szyndor*	Council Member	April 2026

*Members seeking re-election.

ADMINISTRATION

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

PROFESSIONAL SERVICES

Anich, Wickman & Lindsey, S.C., City Attorney, Ashland, Wisconsin
Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin
Ehlers and Associates, Inc., Municipal Advisors, Minneapolis, 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 \$2,820,000* Taxable General Obligation Promissory Notes, Series 2026A (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 March 31, 2026.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Minneapolis, 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 April 21, 2026. The Notes will mature on October 1 in the years and amounts set forth on the cover of this Official Statement except the final maturity is on April 1, 2046. Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2027, 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 Bond Trust Services Corporation, Minneapolis, Minnesota ("BTSC") to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. 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.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the City, the Notes maturing on or after October 1, 2035 shall be subject to optional redemption prior to maturity on October 1, 2034 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.

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 an incentive payment to a developer in the City's Tax Incremental District No. 11.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Notes	<u>\$2,820,000</u>	
Total Sources		\$2,820,000
Uses		
Estimated Underwriter's Discount	\$35,250	
Costs of Issuance	77,450	
Capitalized Interest	205,100	
Deposit to Construction Fund	2,500,000	
Rounding Amount	<u>2,200</u>	
Total Uses		\$2,820,000

*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 an "A+"/Stable outlook rating on the Notes from 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 operating data filings for the years ended December 31, 2020 and 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. Ehlers is currently engaged as dissemination agent for the City.

LEGAL MATTERS

An opinion as to the validity of the Notes will be furnished by Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of the 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 Bonds 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 this 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 this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

TAXABILITY OF INTEREST

Interest on the Notes is included in gross income for present Federal income tax purposes. Interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Notes is less than the stated principal amount payable at maturity, such Notes will be considered to be issued with original issue discount unless the amount of original issue discount is "de minimis." The amount of original issue discount with respect to a Note will be "de minimis" if the amount of discount is less than one-fourth of 1% of the principal amount payable at maturity multiplied by the number of complete years from the issue date until the maturity date.

If the amount of discount with respect to a Note is considered "de minimis," then the amount of original issue discount with respect to the Note will be zero. In that case, owners of those Notes will not be required to include any amount of original issue discount in income until the principal amount is repaid, at which time the owner will recognize capital gain (assuming the Note is held as a capital asset) equal to the excess of the amount received at maturity over the issue price.

If the amount of discount with respect to a Note is more than "de minimis," then the Notes will contain original issue discount and owners of the Notes will be required to include original issue discount in income. The Internal Revenue Code of 1986, as amended (the "Code") contains a number of very complex provisions requiring holders of debt instruments with original issue discount to include such original issue discount in income as it accrues ratably over the life of the debt instrument. In the case of a Note with original issue discount, the owner may be required to include the original issue discount in income before the owner receives the associated cash payment, regardless of the owner's regular method of accounting for tax purposes. Any such original issue discount that is included in income is treated in the same manner as interest. Any original issue discount that is included in income by an owner with respect to a Note will increase the holder's tax basis in the Note.

The Code contains certain provisions relating to the accrual of original issue discount (including de minimis original issue discount) in the case of subsequent purchasers of obligations such as the Notes. Owners who do not purchase Notes in the initial public offering should consult their own tax advisors with respect to the tax consequences of the acquisition and ownership of Notes.

Owners who purchase Notes in the initial public offering but at a price different than the initial offering price at which a substantial amount of that maturity of the Notes was sold to the public should consult their own tax advisors with respect to the tax consequences of the acquisition and ownership of the Notes.

Owners of Notes should consult their own tax advisors with respect to the state and local tax consequences of owning the Notes.

BOND PREMIUM

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

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. Owners of Premium Bonds, the interest on which is subject to tax, may make an election to amortize the bond premium and to offset the taxable interest income with the amortizable bond premium for the year. Any amortizable bond premium that reduces the amount of interest income also reduces the owner's adjusted tax basis in the Note by a corresponding amount. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of such Premium Bond. If the election is made, it is effective for all Notes acquired during that year and all future years unless the taxpayer receives permission from the IRS to revoke the election. Owners of Premium Bonds should consult with their tax advisors regarding the calculation and treatment of bond premium for federal income tax purposes, as well as the manner of making the election.

Owners of the Premium Bonds who do not purchase such Premium Bonds in the initial offering at the issue price should consult with their tax advisors regarding the tax consequences of owning the Premium Bonds.

Owners of Premium Bonds should consult with their tax advisors regarding the state and local tax consequences of owning such Premium Bonds.

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

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, 2024 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 of Wisconsin (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.

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.

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

2025 Equalized Value	\$822,951,400
2025 Equalized Value Reduced by Tax Increment Valuation	\$813,325,200
2025 Assessed Value	\$464,316,000

2025 EQUALIZED VALUE BY CLASSIFICATION

	2025 Equalized Value²	Percent of Total Equalized Value
Residential	\$532,750,600	64.737%
Commercial	269,375,900	32.733%
Manufacturing	17,175,400	2.087%
Agricultural	159,700	0.019%
Undeveloped	122,800	0.015%
Ag Forest	34,200	0.004%
Forest	2,656,200	0.323%
Other	676,600	0.082%
Total	<u>\$822,951,400</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value²	Percent Increase/Decrease in Equalized Value
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%
2024	459,453,200	727,309,400	16.00%
2025	464,316,000	822,951,400	13.15%

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	2025 Equalized Value ¹	Percent of City's Total Equalized Value
Wal-mart	Retail	\$18,167,400	2.21%
Memorial Medical Center, Inc. (Tamarack Health)	Hospital	17,746,700	2.16%
Kwik Trip, Inc.	Convenience/Gas	8,538,600	1.04%
RTD Ashland-BIA LLC	Commercial Real Estate	8,176,200	0.99%
Zac TDB, LLC (Americinn)	Hotel	7,301,300	0.89%
Ashland Cobblestone LLC	Hotel	7,169,100	0.87%
Miners, Inc. (Superone)	Grocery Store	6,403,300	0.78%
Superior View Cottages LLC	Apartments	6,300,100	0.77%
St. Luke's Hospital of Duluth	Medical Clinic	6,033,300	0.73%
Yellow Company, LLC (Honda/Toyota)	Auto Dealership	<u>5,844,400</u>	<u>0.71%</u>
Total		\$91,680,400	11.14%
City's Total 2025 Equalized Value ²		\$822,951,400	

Source: The City.

DEBT

DIRECT DEBT³

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)*	<u><u>\$16,949,887</u></u>
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*Preliminary, subject to change.

Revenue Debt (see schedules following)

Total revenue debt secured by sewerage revenues	<u><u>\$4,171,289</u></u>
Total revenue debt secured by water revenues	<u><u>\$16,632,027</u></u>

¹ Calculated by dividing the 2025 Assessed Values by the 2025 Aggregate Ratio of assessment for the City.

² Includes tax increment valuation.

³ Outstanding debt is as of the dated date of the Notes.

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

The City expects to issue \$3,030,000* General Obligation Promissory Notes, Series 2026B on or about May 12, 2026. The City also plans to issue approximately \$617,000 water system revenue bonds through a State of Wisconsin Safe Drinking Water Loan, approximately \$262,000 sewerage system revenue bonds through a State of Wisconsin Clean Water Fund Loan, and approximately \$551,000 taxable general obligation promissory notes and approximately \$265,000 taxable general obligation promissory notes in 2026, but the timing of such borrowings has not yet been determined. Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

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	\$822,951,400
Multiply by 5%	0.05
Statutory Debt Limit	<u>\$41,147,570</u>
Less: General Obligation Debt (includes the Notes)*	<u>(16,949,887)</u>
Unused Debt Limit*	<u><u>\$24,197,683</u></u>

*Preliminary, subject to change.

City of Ashland, Wisconsin
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Taxes
 (As of 04/21/2026)

	Corporate Purpose Bonds Series 2015A		Promissory Notes Series 2017B		State Trust Fund Loan		Taxable Promissory Note Series 2020A		Promissory Note Series 2020B	
Dated	04/01/2015		12/07/2017		09/05/2018		04/16/2020		04/16/2020	
Amount	\$4,470,000		\$2,065,000		\$550,000		\$410,000		\$700,000	
Maturity	10/01 Final Maturity 04/01		12/01		03/15		04/01		04/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	180,000	31,916	190,000	8,473	0	0	0	0	0	0
2027	185,000	58,431	195,000	4,388	69,779	5,694	43,000	4,895	72,000	6,765
2028	190,000	52,881			72,562	2,910	44,000	3,713	74,000	5,130
2029	195,000	47,181					45,000	2,503	75,000	3,450
2030	200,000	41,331					46,000	1,265	77,000	1,748
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								
2036										
2037										
2038										
2039										
2040										
2041										
2042										
2043										
2044										
2045										
2046										
	2,070,000	337,834	385,000	12,860	142,341	8,604	178,000	12,375	298,000	17,093

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City of Ashland, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 04/21/2026)

	Promissory Note Series 2020C		State Trust Fund Loan		Promissory Notes Series 2023A		Promissory Note		Promissory Notes Series 2024A	
Dated	05/27/2020		02/23/2022		12/19/2023		06/03/2024		11/26/2024	
Amount	\$6,545,000		\$70,000		\$2,505,000		\$30,557		\$4,340,000	
Maturity	05/01		03/15		12/01		09/01		12/01 Final Maturity 06/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	410,000	87,860	0	0	465,000	106,375	10,306	528	80,000	181,650
2027	420,000	80,029	7,768	1,237	235,000	83,125			105,000	177,650
2028	435,000	72,007	7,999	1,007	280,000	71,375			155,000	172,400
2029	445,000	63,699	8,241	764	275,000	57,375			180,000	164,650
2030	2,890,000	55,199	8,489	517	245,000	45,000			165,000	155,650
2031			8,743	262	290,000	35,200			170,000	147,400
2032					300,000	23,600			175,000	138,900
2033					290,000	11,600			185,000	130,150
2034									200,000	120,900
2035									210,000	110,900
2036									215,000	100,400
2037									225,000	89,650
2038									240,000	78,400
2039									290,000	68,800
2040									280,000	57,200
2041									280,000	46,000
2042									290,000	34,800
2043									270,000	23,200
2044									310,000	6,200
2045										
2046										
	4,600,000	358,794	41,241	3,788	2,380,000	433,650	10,306	528	4,025,000	2,004,900

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City of Ashland, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 04/21/2026)

Taxable Promissory Notes Series 2026A								
Dated	04/21/2026							
Amount	\$2,820,000*							
Maturity	10/01							
	Final Maturity 04/01							
Calendar Year Ending	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	0	0	1,335,306	416,801	1,752,106	15,614,582	7.88%	2026
2027	0	205,100	1,332,547	627,314	1,959,861	14,282,034	15.74%	2027
2028	55,000	141,993	1,313,561	523,416	1,836,977	12,968,473	23.49%	2028
2029	100,000	139,683	1,323,241	479,304	1,802,546	11,645,232	31.30%	2029
2030	105,000	135,433	3,736,489	436,143	4,172,631	7,908,743	53.34%	2030
2031	110,000	130,865	788,743	349,059	1,137,802	7,120,000	57.99%	2031
2032	115,000	126,025	805,000	317,556	1,122,556	6,315,000	62.74%	2032
2033	120,000	120,850	815,000	284,913	1,099,913	5,500,000	67.55%	2033
2034	125,000	115,330	555,000	251,668	806,668	4,945,000	70.83%	2034
2035	130,000	109,455	585,000	224,336	809,336	4,360,000	74.28%	2035
2036	135,000	103,215	350,000	203,615	553,615	4,010,000	76.34%	2036
2037	145,000	96,600	370,000	186,250	556,250	3,640,000	78.52%	2037
2038	150,000	89,350	390,000	167,750	557,750	3,250,000	80.83%	2038
2039	155,000	81,700	445,000	150,500	595,500	2,805,000	83.45%	2039
2040	165,000	73,718	445,000	130,918	575,918	2,360,000	86.08%	2040
2041	175,000	65,138	455,000	111,138	566,138	1,905,000	88.76%	2041
2042	185,000	55,950	475,000	90,750	565,750	1,430,000	91.56%	2042
2043	195,000	46,145	465,000	69,345	534,345	965,000	94.31%	2043
2044	205,000	35,713	515,000	41,913	556,913	450,000	97.35%	2044
2045	215,000	24,643	215,000	24,643	239,643	235,000	98.61%	2045
2046	235,000	6,463	235,000	6,463	241,463	0	100.00%	2046
	2,820,000	1,903,365	16,949,887	5,093,791	22,043,678			

*Preliminary, subject to change.

City of Ashland, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewerage Revenues
(As of 04/21/2026)

	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	
	Dated	Amount	Dated	Amount	Dated	Amount	Dated	Amount	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	\$1,438,200
Maturity	05/01		05/01		05/01		05/01		05/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	31,090	7,757	9,642	2,200	15,900	21,734	18,878	5,294	41,967	18,074
2027	31,906	6,931	9,831	2,010	16,300	21,271	19,062	5,110	42,535	17,502
2028	32,744	6,082	10,023	1,815	16,800	20,795	19,246	4,924	43,110	16,923
2029	33,603	5,211	10,220	1,617	17,300	20,305	19,433	4,737	43,693	16,336
2030	34,485	4,318	10,420	1,414	17,800	19,801	19,622	4,547	44,285	15,740
2031	35,391	3,400	10,624	1,208	18,300	19,282	19,812	4,356	44,884	15,137
2032	36,320	2,459	10,833	998	18,900	18,747	20,004	4,163	45,491	14,526
2033	37,273	1,493	11,045	783	19,400	18,196	20,198	3,968	46,107	13,906
2034	38,251	502	11,261	565	20,000	17,630	20,394	3,771	46,730	13,278
2035			11,482	342	20,500	17,048	20,592	3,572	47,363	12,642
2036			11,707	115	21,100	16,450	20,792	3,372	48,003	11,996
2037					21,800	15,833	20,993	3,169	48,653	11,343
2038					22,400	15,198	21,197	2,964	49,311	10,680
2039					23,100	14,544	21,403	2,758	49,978	10,008
2040					23,700	13,871	21,610	2,549	50,655	9,327
2041					24,400	13,179	21,820	2,339	51,340	8,637
2042					25,100	12,468	22,031	2,126	52,035	7,938
2043					25,900	11,735	22,245	1,911	52,739	7,229
2044					26,600	10,980	22,461	1,694	53,452	6,511
2045					27,400	10,204	22,679	1,475	54,175	5,783
2046					28,200	9,405	22,899	1,254	54,908	5,045
2047					29,000	8,582	23,121	1,031	55,651	4,297
2048					29,900	7,736	23,345	806	56,404	3,539
2049					30,700	6,865	23,572	578	57,167	2,771
2050					31,600	5,969	23,800	349	57,941	1,992
2051					32,600	5,046	24,031	117	58,725	1,203
2052					33,500	4,096			59,519	403
2053					34,500	3,118				
2054					35,500	2,112				
2055					36,500	1,077				
2056					19,216	276				
	311,063	38,154	117,088	13,067	763,916	383,552	555,239	72,937	1,356,820	262,765

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City of Ashland, Wisconsin
Schedule of Bonded Indebtedness continued
Revenue Debt Secured by Sewerage Revenues
(As of 04/21/2026)

Sewerage System Revenue Bonds 1) Series 2024								
Dated	07/10/2024							
Amount	\$1,097,053							
Maturity	05/01							
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	30,295	14,234	147,772	69,294	217,066	4,023,517	3.54%	2026
2027	30,705	13,821	150,338	66,645	216,983	3,873,178	7.15%	2027
2028	31,121	13,403	153,044	63,943	216,987	3,720,134	10.82%	2028
2029	31,542	12,979	155,791	61,184	216,976	3,564,342	14.55%	2029
2030	31,969	12,549	158,580	58,370	216,950	3,405,762	18.35%	2030
2031	32,401	12,114	161,412	55,497	216,909	3,244,350	22.22%	2031
2032	32,840	11,672	164,387	52,565	216,952	3,079,964	26.16%	2032
2033	33,284	11,225	167,306	49,573	216,879	2,912,657	30.17%	2033
2034	33,734	10,772	170,371	46,518	216,889	2,742,286	34.26%	2034
2035	34,191	10,312	134,127	43,916	178,043	2,608,158	37.47%	2035
2036	34,653	9,847	136,255	41,779	178,035	2,471,903	40.74%	2036
2037	35,122	9,374	126,568	39,719	166,288	2,345,335	43.77%	2037
2038	35,597	8,896	128,505	37,738	166,244	2,216,829	46.86%	2038
2039	36,079	8,411	130,560	35,721	166,281	2,086,269	49.99%	2039
2040	36,567	7,920	132,532	33,667	166,199	1,953,738	53.16%	2040
2041	37,062	7,422	134,622	31,577	166,199	1,819,116	56.39%	2041
2042	37,563	6,917	136,729	29,449	166,178	1,682,387	59.67%	2042
2043	38,072	6,405	138,955	27,280	166,236	1,543,432	63.00%	2043
2044	38,587	5,887	141,100	25,072	166,172	1,402,332	66.38%	2044
2045	39,109	5,361	143,363	22,823	166,186	1,258,969	69.82%	2045
2046	39,638	4,828	145,645	20,532	166,177	1,113,324	73.31%	2046
2047	40,174	4,288	147,946	18,199	166,145	965,378	76.86%	2047
2048	40,718	3,741	150,367	15,821	166,188	815,011	80.46%	2048
2049	41,269	3,186	152,708	13,400	166,107	662,303	84.12%	2049
2050	41,827	2,624	155,168	10,934	166,102	507,135	87.84%	2050
2051	42,393	2,055	157,749	8,420	166,168	349,387	91.62%	2051
2052	42,966	1,477	135,986	5,976	141,961	213,401	94.88%	2052
2053	43,548	892	78,048	4,010	82,058	135,353	96.76%	2053
2054	44,137	299	79,637	2,411	82,048	55,716	98.66%	2054
2055			36,500	1,077	37,577	19,216	99.54%	2055
2056			19,216	276	19,492	0	100.00%	2056
	1,067,162	222,910	4,171,289	993,385	5,164,674			

1) Pursuant to the Wisconsin Capital Finance Office, Project No. 4525-21, the amount of disbursements as of March 9, 2026, is \$1,002,904.61. The schedule shown assumes the full amount will be drawn.

City of Ashland, Wisconsin
 Schedule of Bonded Indebtedness
 Revenue Debt Secured by Water Revenues
 (As of 04/21/2026)

	Water System Revenue Bonds Series 2008		Water System Revenue Bonds Series 2009		Water System Mortgage Revenue Bonds		Water System Revenue Refunding Bonds Series 2017A		Water System Revenue Bonds Series 2023B	
Dated	04/23/2008		04/22/2009		12/23/2016		05/11/2017		12/28/2023	
Amount	\$442,199		\$345,702		\$1,883,000		\$3,315,000		\$1,585,000	
Maturity	05/01		05/01		05/01		05/01		05/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	25,973	558	20,258	826	37,700	29,063	145,000	75,460	55,000	57,500
2027	26,342	187	20,582	500	38,400	28,350	150,000	71,513	60,000	55,200
2028			20,912	167	39,100	27,623	150,000	67,275	60,000	52,800
2029					39,800	26,884	155,000	62,775	65,000	50,300
2030					40,600	26,130	160,000	57,930	65,000	47,700
2031					41,400	25,361	165,000	52,688	70,000	45,000
2032					42,200	24,578	170,000	47,075	70,000	42,200
2033					42,900	23,780	180,000	41,035	75,000	39,300
2034					43,800	22,967	185,000	34,555	80,000	36,200
2035					44,600	22,138	190,000	27,710	80,000	33,000
2036					45,400	21,294	200,000	20,395	85,000	29,700
2037					46,300	20,435	205,000	12,598	90,000	26,200
2038					47,200	19,558	215,000	4,300	90,000	22,600
2039					48,100	18,665			95,000	18,900
2040					49,000	17,754			100,000	15,000
2041					49,900	16,827			105,000	10,900
2042					50,800	15,883			110,000	6,600
2043					51,800	14,921			110,000	2,200
2044					52,800	13,941				
2045					53,800	12,941				
2046					54,800	11,923				
2047					55,800	10,886				
2048					56,900	9,830				
2049					58,000	8,753				
2050					59,100	7,655				
2051					60,200	6,536				
2052					61,300	5,397				
2053					62,500	4,237				
2054					63,700	3,053				
2055					64,900	1,848				
2056					66,100	620				
	52,315	745	61,751	1,493	1,568,900	499,831	2,270,000	575,308	1,465,000	591,300

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City of Ashland, Wisconsin
Schedule of Bonded Indebtedness continued
Revenue Debt Secured by Water Revenues
(As of 04/21/2026)

Dated Amount	Water System Revenue Bonds Series 2024		Water System Revenue Bonds 1) Series 2024B		Water System Revenue Bonds 2) Series 2025		Water System Revenue Bonds 3) Series 2025C							
	07/10/2024 \$819,803		10/09/2024 \$9,166,606		10/22/2025 \$1,161,830		12/23/2025 \$85,672							
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
2026	22,710	10,670	255,204	134,229	30,708	18,232	0	183	592,552	326,723	919,275	16,039,475	3.56%	2026
2027	23,017	10,360	258,993	130,411	31,184	17,302	4,408	209	612,927	314,031	926,958	15,426,548	7.25%	2027
2028	23,328	10,047	262,839	126,537	31,668	16,814	4,419	198	592,267	301,461	893,728	14,834,281	10.81%	2028
2029	23,644	9,729	266,743	122,605	32,159	16,319	4,431	187	586,776	288,798	875,575	14,247,505	14.34%	2029
2030	23,964	9,407	270,704	118,614	32,658	15,817	4,442	175	597,367	275,773	873,141	13,650,137	17.93%	2030
2031	24,288	9,081	274,724	114,564	33,165	15,306	4,453	164	613,029	262,164	875,193	13,037,108	21.61%	2031
2032	24,617	8,750	278,803	110,454	33,679	14,788	4,464	153	623,763	247,998	871,761	12,413,345	25.36%	2032
2033	24,950	8,414	282,943	106,283	34,201	14,262	4,475	142	644,470	233,216	877,686	11,768,876	29.24%	2033
2034	25,287	8,075	287,145	102,050	34,732	13,727	4,486	131	660,451	217,705	878,155	11,108,425	33.21%	2034
2035	25,630	7,730	291,409	97,755	35,270	13,184	4,497	120	671,407	201,637	873,043	10,437,018	37.25%	2035
2036	25,976	7,381	295,737	93,395	35,818	12,633	4,509	108	692,439	184,907	877,346	9,744,579	41.41%	2036
2037	26,328	7,027	300,128	88,971	36,373	12,073	4,520	97	708,649	167,400	876,049	9,035,930	45.67%	2037
2038	26,684	6,669	304,585	84,481	36,937	11,504	4,531	86	724,938	149,198	874,135	8,310,992	50.03%	2038
2039	27,045	6,305	309,108	79,924	37,510	10,927	4,543	74	752,306	134,795	887,101	7,789,686	53.16%	2039
2040	27,411	5,937	313,699	75,300	38,092	10,341	4,554	63	780,755	124,395	905,150	7,256,931	56.37%	2040
2041	27,782	5,563	318,357	70,607	38,683	9,745	4,565	52	819,287	113,694	932,981	6,712,644	59.64%	2041
2042	28,158	5,185	323,085	65,844	39,283	9,141	4,577	40	864,802	102,693	967,495	6,156,742	62.98%	2042
2043	28,539	4,801	327,883	61,011	39,892	8,527	4,588	29	916,391	91,489	1,007,880	5,594,041	66.37%	2043
2044	28,925	4,413	332,752	56,105	40,511	7,903	4,600	17	975,980	82,379	1,058,359	5,134,454	69.13%	2044
2045	29,316	4,019	337,693	51,127	41,139	7,270	4,611	6	1,041,591	75,363	1,116,954	4,667,895	71.93%	2045
2046	29,713	3,619	342,708	46,075	41,777	6,627			1,112,868	68,245	1,181,113	4,198,897	74.75%	2046
2047	30,115	3,215	347,797	40,948	42,425	5,974			1,191,443	61,023	1,252,466	3,722,761	77.62%	2047
2048	30,522	2,804	352,962	35,745	43,083	5,311			1,270,026	53,690	1,323,716	3,239,294	80.52%	2048
2049	30,935	2,389	358,203	30,465	43,751	4,638			1,348,777	46,244	1,395,021	2,748,404	83.48%	2049
2050	31,354	1,967	363,522	25,106	44,430	3,954			1,429,211	38,682	1,467,893	2,249,998	86.47%	2050
2051	31,778	1,540	368,921	19,668	45,119	3,259			1,514,330	31,003	1,545,333	1,743,980	89.51%	2051
2052	32,208	1,107	374,399	14,148	45,819	2,554			1,604,949	23,207	1,628,156	1,230,254	92.60%	2052
2053	32,644	668	379,959	8,547	46,529	1,838			1,701,678	15,290	1,716,968	708,622	95.74%	2053
2054	33,085	224	385,601	2,863	47,251	1,111			1,800,429	7,251	1,807,680	178,984	98.92%	2054
2055					47,984	372			1,900,180	2,220	1,902,400	66,100	99.60%	2055
2056									2,000,000	620	2,000,620	0	100.00%	2056
	799,953	167,095	9,166,606	2,113,834	1,161,830	291,454	85,672	2,234	16,632,027	4,243,294	20,875,322			

- 1) Pursuant to the Wisconsin Capital Finance Office, Project No. 4759-27, the amount of disbursements as of March 9, 2026, is \$7,861,862.07. The schedule shown assumes the full amount will be drawn.
- 2) Pursuant to the Wisconsin Capital Finance Office, Project No. 4759-22, the amount of disbursements as of March 9, 2026, is \$1,042,179.62. The schedule shown assumes the full amount will be drawn.
- 3) Pursuant to the Wisconsin Capital Finance Office, Project No. 4759-29, the amount of disbursements as of March 9, 2026, is \$25,267.37. The schedule shown assumes the full amount will be drawn.

OVERLAPPING DEBT¹

Taxing District	2025 Equalized Value²	% In City	Total G.O. Debt³	City's Proportionate Share
Ashland County	\$2,092,130,700	39.3356%	\$679,907	\$267,445
Ashland School District	1,332,081,749	61.7793%	16,035,000	9,906,311
Northwood Technical College	66,959,697,256	1.2290%	37,710,000	463,456
City's Share of Total Overlapping Debt				<u>\$10,637,212</u>

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$822,951,400	Debt/ Per Capita 7,652⁴
Total General Obligation Debt*	\$16,949,887	2.06%	\$2,215.09
City's Share of Total Overlapping Debt	<u>10,637,212</u>	<u>1.29%</u>	<u>1,390.12</u>
Total*	\$27,587,099	3.35%	\$3,605.21

*Preliminary, subject to change.

¹ Overlapping debt is as of the dated date of the Notes. 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, Wisconsin Department of Revenue, Wisconsin Department of Public Instruction and the Municipal Advisor's records.

⁴ Estimated 2025 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
2021/22	\$4,513,702	100%	\$10.75
2022/23	4,508,338	100%	8.64
2023/24	4,526,309	100%	7.65
2024/25	4,824,498	100%	6.71
2025/26	4,880,381	In Process of Collection	6.00

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.

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. Previously, personal property taxes were required to be paid to the town, city or village treasurer in full by January 31. Uncollected personal property taxes owed by an entity that had ceased operations or filed a petition for bankruptcy, or were due on personal property that had been removed from the next assessment roll were formerly collected from each taxing entity in the year following the levy year. The personal property tax was repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax was 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
2021/22	\$9.01	\$6.94	\$10.75	\$26.70
2022/23	7.78	5.90	8.64	22.32
2023/24	7.27	5.35	7.65	20.27
2024/25	5.82	4.77	6.71	17.30
2025/26	6.13	4.49	6.00	16.62

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.

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. 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.

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. Chapter 79, Wis. Stats. includes other revenue sharing programs, which each have their own requirements. 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 2025, the City received approximately \$4,863,600 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately \$4,763,300 received in 2024. The City is expected to receive approximately \$4,971,700 in shared revenue under Chapter 79, Wis. Stats. in 2026. 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 93 full-time, seven part-time, and 18 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, 2022, the fiscal year ended December 31, 2023 and the fiscal year ended December 31, 2024 ("Fiscal Year 2024"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$524,484, \$600,448 and \$661,415, 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, 2023, the total pension liability of the WRS was calculated as \$129.2 billion and the fiduciary net position of the WRS was calculated as \$127.7 billion, resulting in a net pension liability of \$1.5 billion. As of December 31, 2024, the total pension liability of the WRS was calculated as \$136.18 billion and the fiduciary net position of the WRS was calculated as \$134.54 billion, resulting in a net pension liability of \$1.64 billion. Accordingly, the City will continue to report a liability for its proportionate share of the net pension liability in its audited financial statements for the year ended December 31, 2025.

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 2024, the City reported a liability of \$753,544 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2023 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 0.05068213% of the aggregate WRS net pension liability as of December 31, 2023.

The calculation of the total pension liability 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 liability 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.¹

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. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is total base wages, 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
Police	December 31, 2025*
Fire	December 31, 2027

*A new contract is currently being negotiated.

¹ On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case *Abbotsford Education Association vs. Wisconsin Employment Relations Commission, Case No. 2023CV3152*, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The court's order denying the motion to dismiss stated that the Act violates the equal protection clause of the Wisconsin Constitution and declared those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. On December 2, 2024, the court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The court's decision has been appealed to the Wisconsin Court of Appeals. On January 23, 2025, the court granted a motion to stay the decision pending outcome of the appeal. No guarantee can be made regarding the outcome of the matter.

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 17 retirees receiving benefits and 43 active eligible plan members as of December 31, 2023, 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 (the "Actuary") in July 2024 with an actuarial valuation date of December 31, 2023. The Actuary completed an interim valuation in June 2025 with a measurement date of December 31, 2024.

For Fiscal Year 2024, benefit payments for the plan totaled \$173,0870. The City'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, 2024, the plan's total OPEB liability was \$2,334,802 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$2,334,802.

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 February 28, 2026)

Fund	Total Cash and Investments
General	\$4,618,276
Special Revenue	1,584,818
Debt Service	1,157,243
Capital Projects	2,665,915
Enterprise Funds	1,046,403
Enterprise Funds Debt Reserves	1,297,158
Enterprise Funds Equipment Replacement Fund	2,087,881
Internal Service Fund	<u>489,659</u>
Total Funds on Hand	<u><u>\$14,947,353</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:

	2022 Audited	2023 Audited	2024 Audited
Water Utility			
Total Operating Revenues	\$2,330,664	\$2,358,763	\$2,549,266
Less: Operating Expenses	(1,525,314)	(1,770,185)	(1,929,916)
Operating Income	\$805,350	\$588,578	\$619,350
Plus: Depreciation	496,029	496,221	541,487
Interest Income	2,473	3,676	1,824
Revenues Available for Debt Service	<u>\$1,303,852</u>	<u>\$1,088,475</u>	<u>\$1,162,661</u>
Wastewater Utility			
Total Operating Revenues	\$2,177,443	\$2,178,051	\$2,241,604
Less: Operating Expenses	(2,320,825)	(2,670,115)	(2,605,585)
Operating Income	(\$143,382)	(\$492,064)	(\$363,981)
Plus: Depreciation	776,203	799,189	796,358
Interest Income	9,518	25,151	37,731
Revenues Available for Debt Service	<u>\$642,339</u>	<u>\$332,276</u>	<u>\$470,108</u>

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues, 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 2024 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2021 Audited	2022 Audited	2023 Audited	2024 Audited	2025 Unaudited
Revenues					
Taxes and special assessments	\$2,821,406	\$2,953,083	\$2,893,373	\$2,957,456	\$2,988,970
Intergovernmental	4,676,052	4,796,527	4,857,593	5,647,138	5,863,044
Licenses and permits	157,768	174,394	209,188	196,246	126,075
Penalties and forfeitures	16,549	14,716	15,342	15,331	12,881
Public charges for services	1,599,778	1,776,413	1,908,661	2,175,424	2,621,270
Intergovernmental charges for services	800,154	821,801	839,104	872,386	766,328
Investment income	5,122	16,468	54,269	135,035	175,641
Miscellaneous	84,389	68,176	91,158	81,414	51,114
Total Revenues	\$10,161,218	\$10,621,578	\$10,868,688	\$12,080,430	\$12,605,323
Expenditures					
Current:					
General government	\$1,929,632	\$2,160,416	\$2,037,974	\$2,170,399	\$2,161,208
Public safety	5,031,307	5,200,342	5,544,354	6,223,305	6,499,802
Public works	1,948,302	2,106,277	2,238,742	2,326,007	2,427,752
Health and human services	146,584	150,289	153,325	130,019	94,284
Leisure activities	553,527	573,558	665,170	730,819	731,293
Conservation and development	201,651	223,782	237,152	249,078	257,907
Total Expenditures	\$9,811,003	\$10,414,664	\$10,876,717	\$11,829,627	\$12,172,246
Excess of revenues over (under) expenditures	\$350,215	\$206,914	(\$8,029)	\$250,803	\$433,076
Other Financing Sources (Uses)					
Transfers in	\$458,668	\$398,723	\$371,359	\$789,974	\$631,330
Transfers (out)	(647,552)	(1,055,009)	(673,924)	(694,842)	(862,181)
Total Other Financing Sources (Uses)	(188,884)	(656,286)	(302,565)	95,132	(230,851)
Net changes in Fund Balances	\$161,331	(\$449,372)	(\$310,594)	\$345,935	\$202,225
General Fund Balance January 1	\$4,722,693	\$4,884,024	\$4,434,652	\$4,124,058	\$4,469,993
General Fund Balance December 31	\$4,884,024	\$4,434,652	\$4,124,058	\$4,469,993	\$4,672,218
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$777,189	\$245,520	\$60,647	\$81,429	\$81,249
Assigned	132,284	573,774	198,530	586,000	400,000
Unassigned	3,974,551	3,615,358	3,864,881	3,802,564	4,190,969
Total	\$4,884,024	\$4,434,652	\$4,124,058	\$4,469,993	\$4,672,218

GENERAL FUND BUDGET SUMMARY

FISCAL YEAR ENDING DECEMBER 31

COMBINED STATEMENT

	2026 Adopted Budget¹
Revenues	
Taxes and special assessments	\$3,037,777
Intergovernmental	5,951,446
Licenses and permits	170,505
Penalties and forfeitures	16,000
Public charges for services	2,484,050
Intergovernmental charges for services	786,312
Investment income (loss)	120,000
Miscellaneous	7,150
Total Revenues	<u>\$12,573,240</u>
Expenditures	
Current:	
General government	\$2,356,980
Public safety	6,840,169
Public works	2,579,103
Health and human services	99,960
Leisure activities	808,606
Conservation and development	268,095
Total Expenditures	<u>\$12,952,913</u>
Excess of revenues over (under) expenditures	(\$379,673)
Other Financing Sources (Uses)	
Transfers in	\$760,250
Transfers (out)	(780,577)
Total Other Financing Sources (Uses)	<u>(20,327)</u>
Net changes in Fund Balances	(\$400,000) ²

¹ The 2026 budget was adopted on November 18, 2025.

² Planned use of excess fund balance in order to meet the City's fund balance policy. The City has a formal minimum fund balance policy to maintain a total fund balance (excluding nonspendable and restricted fund balances) in the General Fund equal to 30% of expenditures. The City was recently informed that an existing EMS Services contract will be terminated in the near future, resulting in an approximately \$400,000 reduction in revenue. The City expects to explore additional contract opportunities to replace the lost revenue

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 7,908 and a 2025 estimated population of 7,652 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 the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Memorial Medical Center, Inc. (Tamarack Health)	Hospital	762
C G Bretting Mfg Co. Inc.	Paper mill	500
Wal-mart Supercenter	Retail	351
Ashland School District	Elementary and secondary education	300
Ashland County	County government and services	178
Bad River Casino	Casino	138
Court Manor Health & Rehab	Physical therapists	120
The City	Municipal government and services	118
Ashland Health & Rehab Center	Rehabilitation services	100
Best Western The Hotel Chequamegon	Hotel & 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

	2022	2023	2024	2025	2026 ¹
<u>New Single Family Homes</u>					
No. of building permits	2	7	2	2	1
Valuation	\$770,000	\$1,675,000	\$750,000	\$410,000	\$150,000
<u>New Multiple Family Buildings</u>					
No. of building permits	1	0	0	1	1
Valuation	\$12,206,578	\$0	\$0	\$1,300,000	\$36,240,000
<u>New Commercial/Industrial</u>					
No. of building permits	0	0	0	0	1
Valuation	\$0	\$0	\$0	\$0	\$21,982,032
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	262	335	356	353	41
Valuation	\$19,517,921	\$25,134,995	\$21,088,762	\$44,555,015	\$63,298,268

Source: The City.

¹ As of February 23, 2026.

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%
2025 Estimated Population	7,652

Income and Age Statistics

	The City	Ashland County	State of Wisconsin	United States
2024 per capita income	\$32,135	\$33,580	\$43,373	\$44,673
2024 median household income	\$54,529	\$62,462	\$77,485	\$80,734
2024 median family income	\$96,494	\$82,887	\$100,141	\$99,999
2024 median gross rent	\$753	\$721	\$1,087	\$1,413
2024 median value owner occupied units	\$176,400	\$170,300	\$266,500	\$332,700
2024 median age	40.9 yrs.	43.1 yrs.	40.2 yrs.	38.9 yrs.

	State of Wisconsin	United States
City % of 2024 per capita income	74.09%	71.93%
City % of 2024 median family income	96.36%	96.50%

Housing Statistics

	<u>The City</u>		Percent of Change
	2020	2024	
All Housing Units	3,860	3,830	-0.78%

Source: 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center (https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx) and 2024 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	State of Wisconsin
2021	7,340	5.0%	3.8%	
2022	7,303	3.8%	2.8%	
2023	7,383	3.5%	2.8%	
2024	7,516 ¹	3.4% ¹	3.0%	
2025, December ¹	7,201	3.7%	3.0%	

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, 2024

City of Ashland

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City of Ashland

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Independent Auditors' Report

To the City Council of
City of Ashland

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Ashland, Wisconsin (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of December 31, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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



Eau Claire, Wisconsin
September 22, 2025

City of Ashland

 Statement of Net Position
 December 31, 2024

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

See notes to financial statements

City of Ashland

Statement of Activities
Year Ended December 31, 2024

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

See notes to financial statements

City of Ashland

Balance Sheet -
Governmental Funds
December 31, 2024

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

See notes to financial statements

City of Ashland

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

Total Fund Balance, Governmental Funds		\$ 12,520,717
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in government activities are not financial resources and, therefore, are not reported in the fund statements. Capital assets at year end consist of:		
Capital assets	\$ 116,399,926	
Accumulated depreciation/amortization	<u>(35,308,132)</u>	81,091,794
Special assessments, certain grant receivables, loan receivables and various other receivables are reported as unavailable revenues in the fund financial statements and are recognized as revenue when earned in the government-wide financial statements. See Note 3 for details.		2,215,150
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.		5,838,813
Deferred outflows of resources related to other postemployment benefits do not relate to current financial resources and are not reported in the governmental funds.		420,890
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.		(3,569,279)
Deferred inflows of resources related to other postemployment benefits do not relate to current financial resources and are not reported in the governmental funds.		(246,592)
An internal service fund is used by management to charge the costs of other postemployment benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		450,437
Long-term liabilities, including bond and notes payable, are not due in the current period and, therefore, are not reported in the fund statements. Long-term liabilities at year end consist of:		
General obligation debt	(15,192,104)	
Accrued interest on general obligation debt	(119,477)	
Landfill liability	(769,174)	
OPEB liability	(1,284,333)	
Net pension liability	(672,242)	
Lease liabilities	(328,489)	
Compensated absences	<u>(639,760)</u>	<u>(19,005,579)</u>
Total Net Position, Governmental Activities		<u>\$ 79,716,351</u>

See notes to financial statements

City of Ashland

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

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

See notes to financial statements

City of Ashland

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2024

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

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

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

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

Special assessments are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	41,956
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Governmental funds report repayments of economic development and housing loans and notes receivables as revenue and issuing new loans as expenditures. However, in the Statement of Activities, these amounts are not reported as revenue and expenses; they are reported as changes in the receivables balances.	7,013
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Grant and accounts receivables are reported as unavailable revenues in the fund financial statements if not collected within 60 days of year end but are recognized as revenue when earned in the government-wide financial statements.	(459,316)
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(4,340,000)
Principal payments paid	1,217,042
Leases issued	(155,160)
Lease principal paid	174,063

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Change in landfill liability	14,707
Change in compensated absences	19,595
Change in accrued interest payable	(9,621)
Change in OPEB liability (and OPEB related deferred inflows and outflows of resources)	83,957
Change in net pension liability (and pension related deferred inflows and outflows of resources)	188,116

An internal service fund is used by management to charge the costs of other postemployment benefits to individual funds. The net revenue of certain activities of internal service fund is reported with governmental activities.	22,981
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Change in Net Position of Governmental Activities \$ 2,755,963

City of Ashland

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

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

See notes to financial statements

City of Ashland

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

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

See notes to financial statements

City of Ashland

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

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

See notes to financial statements

City of Ashland

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

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

See notes to financial statements

City of Ashland

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

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

See notes to financial statements

City of Ashland

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

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

See notes to financial statements

City of Ashland

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December 31, 2024

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City of Ashland

Notes to Financial Statements
December 31, 2024

1. Summary of Significant Accounting Policies

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

Reporting Entity

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

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

Discretely Presented Component Unit

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

City of Ashland

Notes to Financial Statements
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As a component unit, the Ashland Ore Dock Charitable Trust's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2024. The Ashland Ore Dock Charitable Trust is a not-for-profit organization that follows Financial Accounting Standards Board (FASB) for accounting and financial reporting principles. Separately issued financial statements of the Ashland Ore Dock Charitable Trust may be requested at 601 Main Street West, Ashland, WI 54806.

Government-Wide and Fund Financial Statements

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

City of Ashland

Notes to Financial Statements
December 31, 2024

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund

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

Special Revenue Fund - Housing Rehab Revolving Loan Fund

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

Capital Improvements Fund

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

Debt Service Fund

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

The City reports the following major enterprise funds:

Water Utility

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

Wastewater Utility

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

City of Ashland

Notes to Financial Statements
December 31, 2024

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds

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

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

Capital Projects Funds

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

TIF No. 10 Development	Capital Equipment
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Enterprise Funds

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

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

Internal Service Funds

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

Custodial Funds

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

Tax Collection Fund

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.

City of Ashland

Notes to Financial Statements
December 31, 2024

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and wastewater utilities are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

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

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

Deposits and Investments

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

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

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

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

City of Ashland

Notes to Financial Statements
December 31, 2024

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

See Note 3 for further information.

Receivables

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

Property tax calendar, 2024 tax roll:

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

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

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

All receivables have been adjusted for estimated uncollectible accounts. The amounts recorded as receivables in the general fund have been reduced by an allowance for uncollectible accounts of \$2,204,430.

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

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

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as notes receivable has been reduced by an allowance for uncollectible accounts of \$36,019.

City of Ashland

Notes to Financial Statements
December 31, 2024

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

Inventories and Prepaid Items

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

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

Restricted Assets

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

Capital Assets

Government-Wide Financial Statements

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

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

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

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

Lease assets are typically amortized over the lease term.

Fund Financial Statements

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

Deferred Outflows of Resources

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

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts.

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2024 are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations

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

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

Leases

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

Deferred Inflows of Resources

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

Equity Classifications

Government-Wide Statements

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

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund balances are displayed as follows:

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

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

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

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

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

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

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

The City has a formal minimum fund balance policy. That policy is to maintain a total fund balance (excluding nonspendable and restricted fund balances) in the General Fund equal to 30% of expenditures. The balance at year-end was \$4,388,564 or 37% of expenditures.

See Note 3 for further information.

Basis for Existing Utility Rates

Current water rates were authorized by Public Service Commission order 250-WR-105 and were in effect for services rendered on or after September 11, 2024.

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

Pension

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

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

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

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

City of Ashland

Notes to Financial Statements
December 31, 2024

2. Stewardship, Compliance and Accountability

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end. As of December 31, 2024, the following individual funds held a deficit balance:

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

The TIF district deficit is anticipated to be funded with future incremental taxes levied over the life of the district, which is 27 years for districts created before October 1, 1995 and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

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

Limitations on the City's Tax Levy

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

City of Ashland

Notes to Financial Statements
December 31, 2024

3. Detailed Notes on All Funds

Deposits and Investments

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

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand and time deposits	\$ 10,519,903	\$ 10,686,303	Custodial credit
LGIP	4,228,622	4,228,622	Credit
U.S. treasuries	4,373,176	4,383,702	Custodial credit and interest rate
Cash on hand and petty cash	1,175	-	N/A
	<u>\$ 19,122,876</u>	<u>\$ 19,298,627</u>	
Reconciliation to financial statements:			
Per statement of net position:			
Unrestricted cash and investments	\$ 8,899,504		
Restricted cash and investments	8,168,661		
Per statement of fiduciary net position:			
Tax collection fund	2,054,711		
	<u>\$ 19,122,876</u>		

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

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$1,000,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government). SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. \$4,390,336 of the City's investments are covered by SIPC. Additionally, through London Insurers, accounts have additional securities coverage of \$1.9 million per customer, subject to a \$1 billion aggregate firm limit.

The City maintains collateral agreements with its banks. At December 31, 2024, the banks had pledged various government securities of approximately \$14,676,104 to secure the City's deposits.

Custodial Credit Risk

Deposits

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

As of December 31, 2024, none of the City's total bank balances were exposed to custodial credit risk as uninsured and uncollateralized deposits.

City of Ashland

Notes to Financial Statements
December 31, 2024

Credit Risk

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

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

Interest Rate Risk

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

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

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

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

Receivables

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

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

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

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

City of Ashland

Notes to Financial Statements
December 31, 2024

Restricted Assets

The following represent the balances of the restricted assets.

Long-Term Debt Accounts

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

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

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

Equipment Replacement Account

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

Following is a list of restricted assets at December 31, 2024:

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

City of Ashland

Notes to Financial Statements
December 31, 2024

Capital Assets

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

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

City of Ashland

Notes to Financial Statements

December 31, 2024

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities

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

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

City of Ashland

Notes to Financial Statements
December 31, 2024

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

City of Ashland

Notes to Financial Statements
December 31, 2024

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

City of Ashland

Notes to Financial Statements
December 31, 2024

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Marina				
Capital assets, not being depreciated:				
Land and land rights	\$ 391,500	\$ -	\$ -	\$ 391,500
Total capital assets, not being depreciated	<u>391,500</u>	<u>-</u>	<u>-</u>	<u>391,500</u>
Capital assets, being depreciated:				
Land improvements	1,201,239	12,992	-	1,214,231
Buildings	974,139	7,337	-	981,476
Equipment	<u>1,205,561</u>	<u>164,574</u>	<u>-</u>	<u>1,370,135</u>
Total capital assets, being depreciated	<u>3,380,939</u>	<u>184,903</u>	<u>-</u>	<u>3,565,842</u>
Total capital assets	<u>3,772,439</u>	<u>184,903</u>	<u>-</u>	<u>3,957,342</u>
Less accumulated depreciation:				
Land improvements	(46,960)	(24,350)	-	(71,310)
Buildings	(289,685)	(19,666)	-	(309,351)
Equipment	<u>(747,502)</u>	<u>(47,046)</u>	<u>-</u>	<u>(794,548)</u>
Total accumulated depreciation	<u>(1,084,147)</u>	<u>(91,062)</u>	<u>-</u>	<u>(1,175,209)</u>
Total capital assets, being depreciated, net	<u>2,296,792</u>	<u>93,841</u>	<u>-</u>	<u>2,390,633</u>
Total marina capital assets, net	<u>\$ 2,688,292</u>	<u>\$ 93,841</u>	<u>\$ -</u>	<u>\$ 2,782,133</u>
Business-type capital assets, net	<u>\$ 38,229,891</u>	<u>\$ 8,095,501</u>	<u>\$ (4,979,541)</u>	<u>\$ 41,345,851</u>

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

City of Ashland

Notes to Financial Statements
December 31, 2024

Depreciation expense was charged to function as follows:

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

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

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

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

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

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

All amounts are due within one year.

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

City of Ashland

Notes to Financial Statements
December 31, 2024

Advances

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

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

The following is a schedule of interfund advances:

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

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

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

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

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

City of Ashland

Notes to Financial Statements
December 31, 2024

Transfers

The following is a schedule of interfund transfers:

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

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

City of Ashland

Notes to Financial Statements
December 31, 2024

Long-Term Obligations

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

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

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

City of Ashland

Notes to Financial Statements
December 31, 2024

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2024, was \$36,365,470. Total general obligation debt outstanding at year-end was \$15,909,213.

General Obligation Debt

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

General obligation debt payable for the City at December 31, 2024, consists of the following:

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

** Debt is considered direct borrowings or direct placements.

City of Ashland

Notes to Financial Statements

December 31, 2024

Debt service requirements to maturity are as follows:

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

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

Revenue Debt

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

The water utility has pledged future water utility revenues, net of specified operating expenses, to repay water revenue bonds issued in 2008, 2009, 2016, 2017, 2023 and 2024. Proceeds from the bonds provided financing for the water utility. The bonds are payable solely from water utility revenues and are payable through 2056. Annual principal and interest payments on the water bonds are expected to require 32.1% of net revenues. The total principal and interest remaining to be paid on the bonds is \$8,730,353. Principal and interest paid for the current year and total customer net revenues were \$451,342 and \$848,945, respectively.

The wastewater utility has pledged future wastewater utility revenues, net of specified operating expenses, to repay wastewater revenue bonds issued in 2014, 2016, 2018, 2022 and 2024. Proceeds from the bonds provided financing for the wastewater utility. The bonds are payable solely from wastewater utility revenues and are payable through 2054. Annual principal and interest payments on the wastewater bonds are expected to require 32.5% of net revenues. The total principal and interest remaining to be paid on the bonds is \$4,613,108. Principal and interest paid for the current year and total customer net revenues were \$196,020 and \$472,687, respectively.

City of Ashland

Notes to Financial Statements

December 31, 2024

Revenue debt payable at December 31, 2024 consists of the following:

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

** Debt is considered direct borrowings or direct placements.

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

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

(3) During 2022 the Wastewater utility was authorized to issue Clean Water Fund Loan revenue bonds up to the amount of \$1,716,132. The original amount reported above has been issued as of December 31, 2024. The repayment schedule includes payments for the amount issued.

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

City of Ashland

Notes to Financial Statements
December 31, 2024

Debt service requirements to maturity are as follows:

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

Other Debt Information

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

The City's outstanding 2015 General Obligation notes from direct borrowings and/or direct placements related to governmental activities with a balance totaling \$127,050, and 2024 General Obligation notes from direct borrowings and/or direct placements related to business-type activities with a balance totaling \$20,109, contain provisions that in the event of default, the outstanding balance shall become immediately due and payable.

The City's outstanding 2018 and 2022 State Trust Fund Loans from direct borrowings related to governmental activities with balances totaling \$330,057 contain clauses that any delinquent payments are subject to a penalty of one percent per month and shall be deducted from any state payments that are due to the City.

The City's 2008, 2009 and 2024 Safe Drinking Water Loans and 2014, 2016, 2022 and 2024 Clean Water Fund Loans from direct borrowings and/or direct placements related to business-type activities with balances totaling \$4,291,203, contain provisions that amounts due may be deducted from any state payments due to the City, that the Wisconsin Department of Administration may add a special charge to the amount of taxes apportioned to and levied upon the county in which the City is located, that the state has the right to bill the users of the City's utility system directly and that the state has the right to declare the entire principal balance immediately due and payable.

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

City of Ashland

Notes to Financial Statements
December 31, 2024

Short-Term Debt

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

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

Lease Disclosures

Lessee - Lease Liabilities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Lease liabilities	\$ 347,392	\$ 155,160	\$ (174,063)	\$ 328,489	\$ 109,043
Total	<u>\$ 347,392</u>	<u>\$ 155,160</u>	<u>\$ (174,063)</u>	<u>\$ 328,489</u>	<u>\$ 109,043</u>

Governmental Activities

<u>Lease Description</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2024</u>
Enterprise - vehicles	various	various	3.63%	\$ 243,070	\$ 25,945
Enterprise - vehicles	2023	various	5.00%	291,453	167,183
Enterprise - vehicles	2024	various	5.00%	155,160	135,361
Total governmental activities lease liabilities					<u>\$ 328,489</u>

Debt service requirements to maturity are as follows:

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

City of Ashland

Notes to Financial Statements
December 31, 2024

Closure and Postclosure Care Cost

State and federal laws and regulations require the City to place a final cover on its concrete and demolition disposal landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 40 years after closure. The \$769,174 reported as landfill closure and postclosure care liability at December 31, 2024, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill. The landfill was closed and capped in 2003. These amounts are based on what it would cost to perform all closure and postclosure care in 2024. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

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

Net Position/Fund Balances

Net position reported on the government wide statement of net position at December 31, 2024 includes the following:

Governmental Activities

Net investment in capital assets:

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

City of Ashland

Notes to Financial Statements
December 31, 2024

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

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

City of Ashland

Notes to Financial Statements
December 31, 2024

Business-Type Activities

Net investment in capital assets:	
Construction in progress	\$ 1,299,309
Land	549,992
Other capital assets, net of accumulated depreciation	39,496,550
Less related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(11,067,288)</u>
Total net investment in capital assets	<u>\$ 30,278,563</u>

Component Unit - Ashland Ore Dock Charitable Trust

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

Summary of Significant Accounting Principles

Organization

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

Basis of Accounting

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

Support and Revenue

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

Income Taxes and Uncertain Tax Positions

For tax purposes, the Trust has been given status as an organization exempt from income tax liability under Section 501(c)(3) of the Internal Revenue Code on May 20, 2015. While the Trust is generally exempt from income taxes, it is subject to taxes on unrelated trade or business income. For the year ended December 31, 2024, the Trust did not incur taxes for unrelated trade or business income. The Trust believes that it has appropriate support for any tax positions taken and as such, does not have any uncertain tax positions that are material to the financial statements. The Trust's federal Form 990, Return of Organization Exempt from Income Tax, is subject to examination for three years after it is filed.

Deposits and Investments

The Trust deposits cash directly into savings and share accounts and certificates of deposit held in FDIC member banks and NCUA member credit unions. The cash and certificate of deposit balances are insured through the FDIC or NCUA up to an amount of \$250,000. As of December 31, 2024, the uninsured portion of this balance was \$82,358.

Liquid Resources

The Trust's working capital and cash flows vary each year as their main focus is to reimburse the City of Ashland for approved expenses on the Ashland Ore Dock renovation project. Timing of the requests are dependent on project workflow. Because of this, a large amount is kept in liquid assets. As of December 31, 2024, the Trust had \$161,479 of cash and other net financial assets available to meet cash needs for general expenses within one year.

Related-Party Transactions

Costs for maintenance, betterment and operation of the Ore Dock are paid by the City of Ashland, after which the City requests reimbursement for such approved costs from the Trust. Amounts owed from the Trust to the City as of December 31, 2024 totaled \$2,186.

Subsequent Events

Management has evaluated subsequent events through June 7, 2025, the date on which the Trust financial statements were available to be issued.

4. Other Information

Employees' Retirement System

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

Vesting

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

Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

Postretirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)

Contributions

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

During the reporting period, the WRS recognized \$679,164 in contributions from the City.

City of Ashland

Notes to Financial Statements
December 31, 2024

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

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

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

At December 31, 2024, the City reported a liability of \$753,544 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the City's proportion was 0.05068213%, which was a decrease of 0.00023380% from its proportion measured as of December 31, 2022.

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

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

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

City of Ashland

Notes to Financial Statements
December 31, 2024

\$661,415 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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

Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1%-5.6%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*:	1.7%

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

City of Ashland

Notes to Financial Statements

December 31, 2024

Long-Term Expected Return on Plan Assets

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

Asset Allocation Targets and Expected Returns* as of December 31, 2023			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equity	40	7.3	4.5
Public Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage***	(12)	3.7	1.0
Total Core Fund	100	7.4	4.6
Variable Fund Asset			
U.S. Equities	70	6.8	4.0
International Equities	30	7.6	4.8
Total Variable Fund	100	7.3	4.5

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

** New England Pension Consultants' Long-Term U.S. CPI (Inflation) Forecast: 2.7%

*** The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used subject to an allowable range of up to 20%.

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability, for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 3.77%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

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

Pension Plan Fiduciary Net Position

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

At December 31, 2024, the City reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

Risk Management

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

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

Commitments and Contingencies

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

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

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

The City operated a state licensed sanitary landfill and demolition landfill on Woodbury Lane for approximately 20 years. Disposal operations ceased in 2002 and both landfills were closed and capped in 2003. As required by the Wis. DNR, the City maintains an Irrevocable Letter of Credit with a local bank for the present value of estimated Long Term Care Costs for the landfill. The long-term care obligation extends through year 2044. The City has letters of credit at a local bank of \$729,605, to be drawn upon for cleanup costs. No draws have been made on these letters of credit as of December 31, 2024.

On April 13, 2015, the City through its Tax Incremental Financing District (TID) No. 9 entered into a tax abatement agreement with a developer in the form of a tax incremental financing incentive payment to stimulate economic development. The abatement is authorized through the TID project plan. The developer pays property taxes as they become due and after meeting the criteria established in the development agreement, is entitled to a future incentive payment that directly correlates to the taxes paid. The incentive is calculated based on 90% of the tax increment revenue received up to \$197,380 and an achieved value of \$1.184 million. Incentive payments for the year ended December 31, 2024 were \$17,108.

Joint Ventures

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

Postemployment Benefits Other Than Pensions

General Information About the OPEB Plan

Plan Description and Benefits Provided

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

City of Ashland

Notes to Financial Statements

December 31, 2024

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

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

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

Employees Covered by Benefit Terms

At December 31, 2024, the following employees were covered by the benefit terms:

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

Total OPEB Liability

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

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Payroll growth	3.0% plus merit/productivity increases based on WRS actuarial valuation as of December 31, 2022
Healthcare cost trend rates	7.50% for 2025, decreasing 0.5% per year to an ultimate rate of 4.5% for 2032 and later years

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

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

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of the Wisconsin Retirement System actuarial valuation as of December 31, 2022.

City of Ashland

Notes to Financial Statements

December 31, 2024

Changes in the Total OPEB Liability

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

Change in Assumptions

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

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.28%) or 1-percentage-point higher (5.28%) than the current discount rate:

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

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

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

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

City of Ashland

Notes to Financial Statements
December 31, 2024

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

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

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

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

Years Ending December 31:

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

Related Organizations

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

Effect of New Accounting Standards on Current-Period Financial Statements

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

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

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

Subsequent Events

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

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

City of Ashland

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

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

See notes to required supplementary information

City of Ashland

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

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

See notes to required supplementary information

City of Ashland

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

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Public works:				
Administration	\$ 163,294	\$ 104,294	\$ 161,226	\$ (56,932)
Road maintenance	1,183,241	1,183,241	1,170,414	12,827
Street lighting	172,681	172,681	185,166	(12,485)
Sidewalk maintenance	22,467	22,467	16,207	6,260
Storm sewers	123,824	123,824	76,039	47,785
Parking facilities	6,845	6,845	4,430	2,415
Bay Area Transit	36,000	36,000	36,000	-
GIS and engineering	144,590	144,590	144,449	141
Garbage and refuse collection	362,151	467,631	467,631	-
Landfill	74,455	64,445	64,445	-
Total public works	<u>2,289,548</u>	<u>2,326,018</u>	<u>2,326,007</u>	<u>11</u>
Health and human services:	93,525	65,280	65,019	261
Animal and pest control				
Mount Hope cemetery	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Total health and human services	<u>158,525</u>	<u>130,280</u>	<u>130,019</u>	<u>261</u>
Leisure activities:				
Museum	11,000	11,000	11,000	-
Parks	341,351	353,626	353,625	1
Leisure services	343,200	342,315	342,091	224
Municipal band	5,000	5,885	7,048	(1,163)
Community events	<u>21,000</u>	<u>21,000</u>	<u>17,055</u>	<u>3,945</u>
Total leisure activities	<u>721,551</u>	<u>733,826</u>	<u>730,819</u>	<u>3,007</u>
Conservation and development:				
Historic preservation	400	400	-	400
AADC contribution	55,000	55,000	55,000	-
Community development	<u>213,200</u>	<u>191,700</u>	<u>194,078</u>	<u>(2,378)</u>
Total conservation and development	<u>268,600</u>	<u>247,100</u>	<u>249,078</u>	<u>(1,978)</u>
Total expenditures	<u>11,874,279</u>	<u>11,856,147</u>	<u>11,829,627</u>	<u>26,520</u>
Excess of revenues over expenditures	<u>(340,375)</u>	<u>(322,243)</u>	<u>250,803</u>	<u>573,046</u>
Other Financing Sources (Uses)				
Transfers in	513,070	538,180	789,974	251,794
Transfers out	<u>(648,775)</u>	<u>(692,017)</u>	<u>(694,842)</u>	<u>(2,825)</u>
Total other financing sources (uses)	<u>(135,705)</u>	<u>(153,837)</u>	<u>95,132</u>	<u>248,969</u>
Net change in fund balance	<u>\$ (476,080)</u>	<u>\$ (476,080)</u>	<u>345,935</u>	<u>\$ 822,015</u>
Fund Balance, Beginning			<u>4,124,058</u>	
Fund Balance, Ending			<u>\$ 4,469,993</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, 2024

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

See notes to required supplementary information

City of Ashland

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability								
Service cost	\$ 152,428	\$ 70,769	\$ 90,324	\$ 55,768	\$ 48,355	\$ 140,668	\$ 150,703	\$ 139,541
Interest	95,916	73,119	40,067	37,485	50,186	94,923	85,119	85,273
Differences between expected and actual experience	19,323	350,484	215,189	(43,742)	97,380	(445,107)	(59,839)	-
Changes of assumptions	(49,302)	302,157	(256,774)	51,514	126,193	(349,606)	(105,699)	48,530
Benefit payments	(180,430)	(173,087)	(134,980)	(111,156)	(90,358)	(146,257)	(137,344)	(126,004)
Net change in total OPEB liability	37,935	623,442	(46,174)	(10,131)	231,756	(705,379)	(67,060)	147,340
Total OPEB Liability, Beginning	<u>2,334,802</u>	<u>1,711,360</u>	<u>1,757,534</u>	<u>1,767,665</u>	<u>1,535,909</u>	<u>2,241,288</u>	<u>2,308,348</u>	<u>2,161,008</u>
Total OPEB Liability, Ending	<u>\$ 2,372,737</u>	<u>\$ 2,334,802</u>	<u>\$ 1,711,360</u>	<u>\$ 1,757,534</u>	<u>\$ 1,767,665</u>	<u>\$ 1,535,909</u>	<u>\$ 2,241,288</u>	<u>\$ 2,308,348</u>
Covered-Employee Payroll	\$ 3,234,947	\$ 2,851,142	\$ 2,676,308	\$ 2,598,357	\$ 2,297,650	\$ 2,230,728	\$ 5,124,538	\$ 4,975,280
Total OPEB Liability as a Percentage of Covered-Employee Payroll	73.35%	81.89%	63.94%	67.64%	76.93%	68.85%	43.74%	46.40%

See notes to required supplementary information

City of Ashland

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

Wisconsin Retirement System (WRS)

Year Ended December 31, 2024

WRS Fiscal Year End Date (Measurement Date)	City's Proportion of the Net Pension Liability/(Asset)	City's Proportionate Share of the Net Pension Liability/(Asset)	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/23	0.05068213 %	\$ 753,544	\$ 6,038,176	12.48 %	98.85 %
12/31/22	0.05091593 %	2,697,375	5,669,066	47.58 %	95.72 %
12/31/21	0.05153053 %	(4,153,455)	5,580,917	74.42 %	106.02 %
12/31/20	0.05235825 %	(3,268,798)	5,704,184	57.31 %	105.26 %
12/31/19	0.05279944 %	(1,702,495)	5,627,783	30.25 %	102.96 %
12/31/18	0.05205305 %	1,851,884	5,477,661	33.81 %	96.45 %
12/31/17	0.05058435 %	(1,501,909)	5,435,264	27.63 %	102.93 %
12/31/16	0.04893186 %	403,315	5,287,897	7.63 %	99.12 %
12/31/15	0.04770946 %	775,269	5,222,200	14.85 %	98.20 %
12/31/14	0.04797177 %	(1,178,315)	5,094,425	23.13 %	102.74 %

Schedule of Employer Contributions

Wisconsin Retirement System (WRS)

Year Ended December 31, 2024

City Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/24	\$ 661,415	\$ 661,415	\$ -	\$ 6,549,257	10.10 %
12/31/23	600,448	600,448	-	6,038,177	9.94 %
12/31/22	524,484	524,484	-	5,669,066	9.25 %
12/31/21	636,640	636,640	-	5,581,316	11.41 %
12/31/20	647,008	647,008	-	5,704,185	11.34 %
12/31/19	621,865	621,865	-	5,626,103	11.05 %
12/31/18	567,882	567,882	-	5,477,661	10.37 %
12/31/17	562,334	562,334	-	5,435,264	10.35 %
12/31/16	479,733	479,733	-	5,287,897	9.07 %
12/31/15	466,331	466,331	-	5,222,200	8.93 %

See notes to required supplementary information

City of Ashland

Notes to Required Supplementary Information
Year Ended December 31, 2024

1. Budgetary Information

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

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

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

2. Wisconsin Retirement System

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

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

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

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

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

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

3. Other Postemployment Benefit (OPEB) Plan

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

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

Accumulation of Assets

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

Changes in Benefit Terms and Assumptions

There were no changes in the benefit terms. The discount rate changed from 4.00% in 2023 to 4.28% in 2024. The Health care trend rates have been updated to an initial rate of 7.50% decreasing by 0.50% annually to an ultimate rate of 4.50%. Dental trend rates have been updated to a flat rate of 4.00%. Termination rates, retirement rates and disability rates have been updated to reflect the most recent WRS Actuarial Valuation as of December 31, 2022.

SUPPLEMENTARY INFORMATION

City of Ashland

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2024

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

City of Ashland

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

Nonmajor Governmental Funds

Year Ended December 31, 2024

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

City of Ashland

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

	<u>Recycling</u>	<u>Economic Development Revolving Loan</u>	<u>Library Grants and Special Revenue</u>	<u>TIF No. 6 Increment</u>	<u>TIF No. 9 Increment</u>	<u>TIF No. 10 Increment</u>	<u>Community Planning and Development</u>	<u>NSP Breakwall</u>
Assets								
Cash and investments	\$ 21,992	\$ -	\$ 37,956	\$ -	\$ -	\$ -	\$ 357,196	\$ 400,133
Taxes receivable	-	-	-	-	-	141,923	-	-
Accounts receivable	-	-	-	-	-	-	56,105	-
Notes receivable, net	-	51,900	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	162,091
Prepaid items and inventory	-	-	11,000	-	-	-	-	-
Total assets	<u>\$ 21,992</u>	<u>\$ 51,900</u>	<u>\$ 48,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,923</u>	<u>\$ 413,301</u>	<u>\$ 562,224</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)								
Liabilities								
Accounts payable	\$ 13,891	\$ -	\$ 173	\$ -	\$ -	\$ -	\$ 4,198	\$ -
Accrued liabilities	-	-	-	-	-	-	1,130	-
Unearned revenues	-	-	-	-	-	-	297,595	-
Due to other funds	-	148	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	162,091	-	-
Total liabilities	<u>13,891</u>	<u>148</u>	<u>173</u>	<u>-</u>	<u>-</u>	<u>162,091</u>	<u>302,923</u>	<u>-</u>
Deferred Inflows of Resources								
Unearned revenues	-	-	-	-	-	141,923	-	-
Unavailable revenues	-	51,900	-	-	-	-	765	-
Total deferred inflows of resources	<u>-</u>	<u>51,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,923</u>	<u>765</u>	<u>-</u>
Fund Balances (Deficit)								
Nonspendable	-	-	11,000	-	-	-	-	-
Restricted	-	-	37,783	-	-	-	-	562,224
Committed	-	-	-	-	-	-	109,613	-
Assigned	8,101	-	-	-	-	-	-	-
Unassigned (deficit)	-	(148)	-	-	-	(162,091)	-	-
Total fund balances (deficit)	<u>8,101</u>	<u>(148)</u>	<u>48,783</u>	<u>-</u>	<u>-</u>	<u>(162,091)</u>	<u>109,613</u>	<u>562,224</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 21,992</u>	<u>\$ 51,900</u>	<u>\$ 48,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,923</u>	<u>\$ 413,301</u>	<u>\$ 562,224</u>

City of Ashland

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

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

City of Ashland

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

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

City of Ashland

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

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

City of Ashland

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

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

City of Ashland

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

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

City of Ashland

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

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

City of Ashland

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

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

City of Ashland

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

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

FORM OF LEGAL OPINION

(See following pages)

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

April 21, 2026

Re: City of Ashland, Wisconsin ("Issuer")
\$2,820,000 Taxable General Obligation Promissory Notes, Series 2026A,
dated April 21, 2026 ("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 the dates and in the principal amounts as follows:

<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
October 1, 2028	\$ 55,000	___%
October 1, 2029	100,000	___
October 1, 2030	105,000	___
October 1, 2031	110,000	___
October 1, 2032	115,000	___
October 1, 2033	120,000	___
October 1, 2034	125,000	___
October 1, 2035	130,000	___
October 1, 2036	135,000	___
October 1, 2037	145,000	___
October 1, 2038	150,000	___
October 1, 2039	155,000	___
October 1, 2040	165,000	___
October 1, 2041	175,000	___
October 1, 2042	185,000	___
October 1, 2043	195,000	___
October 1, 2044	205,000	___
October 1, 2045	215,000	___
April 1, 2046	235,000	___

Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2027.

The Notes maturing on October 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on October 1, 2034 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 included for federal income tax purposes in the gross income of the owners of 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 \$2,820,000 Taxable General Obligation Promissory Notes, 2026A, dated April 21, 2026 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on March 31, 2026 (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 March 31, 2026 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, 2025, 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 21st day of April, 2026.

(SEAL)

Matthew MacKenzie
Mayor

Denise Oliphant
City Clerk

NOTICE OF SALE

**\$2,820,000* TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A
CITY OF ASHLAND, WISCONSIN**

Bids for the purchase of \$2,820,000* Taxable General Obligation Promissory Notes, Series 2026A (the "Notes") of the City of Ashland, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, 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 March 31, 2026, 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 an incentive payment to a developer in the City's Tax Incremental District No. 11. 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 April 21, 2026, will be issued as fully registered Notes in the denomination of \$5,000 each, or any integral multiple thereof, and will mature as follows:

<u>Maturity</u>	<u>Amount*</u>	<u>Maturity</u>	<u>Amount*</u>	<u>Maturity</u>	<u>Amount*</u>
10/01/2028	\$55,000	10/01/2035	\$130,000	10/01/2042	\$185,000
10/01/2029	100,000	10/01/2036	135,000	10/01/2043	195,000
10/01/2030	105,000	10/01/2037	145,000	10/01/2044	205,000
10/01/2031	110,000	10/01/2038	150,000	10/01/2045	215,000
10/01/2032	115,000	10/01/2039	155,000	04/01/2046	235,000
10/01/2033	120,000	10/01/2040	165,000		
10/01/2034	125,000	10/01/2041	175,000		

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 April 1 and October 1 of each year, commencing April 1, 2027, 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 Bond Trust Services Corporation, Minneapolis, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. 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 October 1, 2035 shall be subject to optional redemption prior to maturity on October 1, 2034 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 April 21, 2026, 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 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 will be furnished by Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel to the City ("Bond Counsel"). 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 this 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 this 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 \$2,784,750 plus accrued interest on the principal sum of \$2,820,000 from date of original issue of the Notes to date of delivery. **The maximum proposal allowed will be \$3,073,800.** 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 \$56,400 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.

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.

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 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, 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")

March 31, 2026

RE: \$2,820,000* Taxable General Obligation Promissory Notes, Series 2026A (the "Notes")
DATED: April 21, 2026

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 \$2,784,750 *and not more than* \$3,073,800) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % due 10/01/2028	_____ % due 10/01/2035	_____ % due 10/01/2042
_____ % due 10/01/2029	_____ % due 10/01/2036	_____ % due 10/01/2043
_____ % due 10/01/2030	_____ % due 10/01/2037	_____ % due 10/01/2044
_____ % due 10/01/2031	_____ % due 10/01/2038	_____ % due 10/01/2045
_____ % due 10/01/2032	_____ % due 10/01/2039	_____ % due 04/01/2046
_____ % due 10/01/2033	_____ % due 10/01/2040	
_____ % due 10/01/2034	_____ % due 10/01/2041	

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 \$56,400 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 April 21, 2026.

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: ____.

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 April 21, 2026 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 March 31, 2026.

By: _____ By: _____
Title: _____ Title: _____