

SUMMERS, MCCRARY & SPARKS, P.S.C.

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INDEPENDENT AUDITOR'S REPORT

To the City Commissioners
City of Winchester, Kentucky

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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Winchester, Kentucky as of and for the year ended June 30, 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Winchester, Kentucky, as of June 30, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Winchester, Kentucky 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.

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 of Winchester, Kentucky'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.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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 of Winchester, Kentucky'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 of Winchester, Kentucky'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 management's discussion and analysis on pages 13-25, the single employer defined pension trust schedules and notes on page 86-87, and the cost-sharing defined pension trust and other postretirement employee benefit plan schedules and notes on pages 88-94 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Winchester, Kentucky's basic financial statements. The introductory section and combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 schedule of expenditures of federal awards, combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section (Profile of Government) has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2025, on our consideration of the City of Winchester, Kentucky'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 of Winchester, Kentucky'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 City of Winchester, Kentucky's internal control over financial reporting and compliance.

Summers, McCrary & Sparks, PSC

Lexington, KY
February 17, 2025

CITY OF WINCHESTER
STATEMENT OF NET POSITION
JUNE 30, 2024

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	TOTAL		
ASSETS:				
Current Assets				
Cash and Cash Equivalents	\$ 5,442,951	\$ 5,442,951	\$ 9,223,838	
Restricted Cash and Cash Equivalents	-	-	747,642	
Accounts Receivable				
Taxes	3,564,418	3,564,418	-	
Accounts, net	186,495	186,495	2,484,140	
Intergovernmental	352,933	352,933	-	
Other	-	-	305,000	
SDC Receivables	-	-	162,771	
Accrued Interest	-	-	403	
Prepaid Expenses	-	-	822,414	
Inventories	-	-	760,511	
Total Current Assets	<u>9,546,797</u>	<u>9,546,797</u>	<u>14,506,719</u>	
Restricted Assets				
Cash and Cash Equivalents	-	-	9,709,733	
Total Restricted Assets	-	-	9,709,733	
Noncurrent Assets				
Net OPEB Asset	134,786	134,786	160,827	
Construction in Progress	5,175,075	5,175,075	5,400,265	
Land	2,146,683	2,146,683	1,519,050	
Net Capital Assets	<u>12,790,482</u>	<u>12,790,482</u>	<u>119,514,751</u>	
Total Noncurrent Assets	<u>20,247,026</u>	<u>20,247,026</u>	<u>126,594,893</u>	
TOTAL ASSETS	<u>\$ 29,793,823</u>	<u>\$ 29,793,823</u>	<u>\$ 150,811,345</u>	
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	\$ 10,096,540	\$ 10,096,540	\$ 1,975,084	
OPEB	<u>3,438,629</u>	<u>3,438,629</u>	<u>746,183</u>	
Total Deferred Outflows of Resources	<u>\$ 13,535,169</u>	<u>\$ 13,535,169</u>	<u>\$ 2,721,267</u>	
LIABILITIES:				
Current Liabilities				
Accounts Payable	\$ 26,765	\$ 26,765	\$ 439,670	
Accrued TIF Incentive Payable	26,931	26,931	-	
Accrued Payroll & Related Liabilities	1,036,354	1,036,354	471,089	
Customer Deposits	-	-	132,423	
Accrued Interest Payable	-	-	36,874	
Incurred but Not Reported Health Claims	145,634	145,634	-	
Current Portion of Accrued Sick Leave	104,546	104,546	-	
Current Portion of Bonds	-	-	4,517,993	
Current portion of Financed Purchases	<u>141,400</u>	<u>141,400</u>	<u>-</u>	
Total Current Liabilities	<u>1,481,630</u>	<u>1,481,630</u>	<u>5,598,049</u>	
Noncurrent Liabilities				
Noncurrent Portion of Financed Purchases	488,819	488,819	-	
Noncurrent Portion of Bonds	-	-	48,513,191	
Noncurrent Portion of Accrued Sick Leave	917,740	917,740	498,661	
Net Pension Liability	30,736,200	30,736,200	7,474,591	
Net OPEB Liability	<u>1,151,874</u>	<u>1,151,874</u>	<u>-</u>	
Total Noncurrent Liabilities	<u>33,294,633</u>	<u>33,294,633</u>	<u>56,486,443</u>	
TOTAL LIABILITIES	<u>\$ 34,776,263</u>	<u>\$ 34,776,263</u>	<u>\$ 62,084,492</u>	
DEFERRED INFLOWS OF RESOURCES				
Pensions	\$ 6,441,369	\$ 6,441,369	\$ 1,889,610	
OPEB	<u>10,041,752</u>	<u>10,041,752</u>	<u>2,994,241</u>	
Total Deferred Inflows of Resources	<u>\$ 16,483,121</u>	<u>\$ 16,483,121</u>	<u>\$ 4,883,851</u>	
NET POSITION				
Net Investment in Capital Assets	\$ 19,482,021	\$ 19,616,807	\$ 73,402,882	
Restricted				
Restricted for Capital Projects & Grants	2,096,417	2,096,417	8,658,055	
Restricted for Bond Debt Service	-	-	1,799,320	
Unrestricted	<u>(29,508,830)</u>	<u>(29,508,830)</u>	<u>2,704,012</u>	
TOTAL NET POSITION	<u>\$ (7,930,392)</u>	<u>\$ (7,795,606)</u>	<u>\$ 86,564,269</u>	

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER, KENTUCKY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION PRIMARY GOVERNMENT	
	EXPENSES	OPERATING		GOVERNMENTAL ACTIVITIES	TOTAL
		CHARGES FOR SERVICES	GRANTS AND CONTRIBUTIONS		
Primary Government					
Governmental Activities:					
General Government	\$ (6,907,160)	\$ 334,224	\$ 497,318	\$ 552,554	\$ (5,523,064)
Public Safety:					
Dispatch	(1,451,052)	-	582,492	49,864	(818,696)
Police	(5,987,960)	8,507	308,442	-	(5,671,011)
Fire	(5,691,260)	-	283,801	-	(5,407,459)
EMS	(3,875,244)	1,548,317	747,947	28,839	(1,550,141)
Public Works	(2,435,029)	9,343	-	-	(2,425,686)
Intergovernmental Services	(2,162,831)	-	-	-	(2,162,831)
Interest on Long-Term Debt	(32,493)	-	-	-	(32,493)
Total Governmental Activities	<u>(28,543,029)</u>	<u>1,900,391</u>	<u>2,420,000</u>	<u>631,257</u>	<u>(23,591,381)</u>
Total Primary Government	<u>\$ (28,543,029)</u>	<u>\$ 1,900,391</u>	<u>\$ 2,420,000</u>	<u>\$ 631,257</u>	<u>\$ (23,591,381)</u>
Component Unit					
Winchester Municipal Utilities	\$ (18,060,144)	\$ 21,333,563	\$ -	\$ -	\$ 3,273,419
General Revenues:					
Taxes:					
Property			\$ 4,858,522	\$ 4,858,522	\$ -
Payroll			10,260,427	10,260,427	-
Insurance Premium			4,339,300	4,339,300	-
Hotel/Motel Room Tax			192,052	192,052	-
Telecommunications Excise Tax			122,187	122,187	-
Licenses, Franchise & Permits			1,373,367	1,373,367	-
Investment Income			313,845	313,845	387,386
Parking Fines			115	115	-
Gain (Loss) on disposal of fixed assets			10,058	10,058	2,250
Other Local Revenues			1,047,576	1,047,576	203,891
Total General Revenues	\$ <u>22,517,449</u>		<u>\$ 22,517,449</u>	<u>\$ 22,517,449</u>	<u>\$ 593,527</u>
Capital Contributions			<u>\$ (1,073,932)</u>	<u>\$ (1,073,932)</u>	<u>\$ 5,424,364</u>
Change in Net Position					
Net Position June 30, 2023			<u>(6,856,460)</u>	<u>(6,856,460)</u>	<u>77,272,959</u>
Net Position June 30, 2024			<u>\$ (7,930,392)</u>	<u>\$ (7,930,392)</u>	<u>\$ 86,564,269</u>

The accompanying notes are an integral part of this statement
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CITY OF WINCHESTER, KENTUCKY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	GENERAL FUND	CAPITAL EQUIPMENT FUND	FEDERAL & STATE GRANT FUND	NONMAJOR GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and Cash Equivalents	\$ 2,526,872	\$ 324,928	\$ 1,920,206	\$ 670,945	\$ 5,442,951
Accounts Receivable					
Taxes (net of allowance for doubtful accounts (\$101,751))	3,564,418	-	-	-	3,564,418
Accounts, Net of allowance for doubtful accounts (\$904,978)	186,495	-	-	-	186,495
Intergovernmental	322,156	4,012	-	26,765	352,933
Due from Other Funds	-	-	-	-	-
TOTAL ASSETS	<u>\$ 6,599,941</u>	<u>\$ 328,940</u>	<u>\$ 1,920,206</u>	<u>\$ 697,710</u>	<u>\$ 9,546,797</u>
LIABILITIES:					
Accounts Payable	\$ -	\$ -	\$ -	\$ 26,765	\$ 26,765
Due to Other Funds	26,931	-	-	-	-
Accrued TIF Incentive Payable	1,036,354	-	-	-	1,036,354
Accrued Payroll & Related Liabilities	1,063,285	-	-	-	1,090,050
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,765</u>	<u>\$ -</u>	<u>\$ 26,765</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Property Taxes	48,494	-	-	-	48,494
FUND BALANCES:					
Restricted Fund Balance	-	-	1,920,206	176,211	2,096,417
Committed Fund Balance	293,935	328,940	-	494,734	1,117,609
Assigned Fund Balance	6,103	-	-	-	6,103
Unassigned Fund Balance	5,188,124	-	-	-	5,188,124
TOTAL FUND BALANCES	<u>\$ 5,488,162</u>	<u>\$ 328,940</u>	<u>\$ 1,920,206</u>	<u>\$ 670,945</u>	<u>\$ 8,408,253</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 6,599,941</u>	<u>\$ 328,940</u>	<u>\$ 1,920,206</u>	<u>\$ 697,710</u>	<u>\$ 9,546,797</u>

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER, KENTUCKY
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total Governmental Fund Balances	\$ 8,408,253
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are not reported in the fund financial statement because they are not current financial resources, but they are reported in the statement of Net Position	20,112,240
Deferred Inflows related to unavailable revenues are reported in the fund financial statements because they will be recognized in future periods but reported as revenue in the government-wide statements	48,494
Deferred Inflows related to pensions are not reported in the fund financial statements because they will be recognized in future periods	(6,441,369)
Deferred Inflows related to OPEB are not reported in the fund financial statements because they will be recognized in future periods	(10,041,752)
Deferred Outflows related to pension are not reported in the fund financial statements because they do not represent current financial resources	10,096,540
Deferred Outflows related to OPEB are not reported in the fund financial statements because they do not represent current financial resources	3,438,629
Certain liabilities are not reported in the fund statements because they are not due and payable, but these liabilities are included in the statement of net position	
Long-term debt	(630,219)
Incurred but Not Reported Health Claims	(145,634)
Compensated Absences Liability	(1,022,286)
Net Pension Liability--Cost-sharing CERS Plan	(28,976,010)
Net OPEB Liability--Cost-sharing CERS Plan	(1,151,874)
Net OPEB Asset--Cost-sharing CERS Plan	134,786
Net Pension Liability--Single-employer Police & Firefighters Plan	(1,760,190)
Net Position of Governmental Activities	<u>\$ (7,930,392)</u>

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER, KENTUCKY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL	CAPITAL EQUIPMENT	FEDERAL & STATE GRANT FUNDS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Taxes	\$ 17,758,699	\$ 1,376,595	\$ -	\$ 192,052	\$ 19,327,346
Licenses, Franchises & Permits	1,373,367	-	-	-	1,373,367
Charges for Services	1,897,691	-	-	2,700	1,900,391
Fines	115	-	-	-	115
Intergovernmental	2,310,059	631,258	-	549,429	3,490,746
Investment Income	199,905	65,495	4,090	44,353	313,843
Other	685,089	-	223,180	139,307	1,047,576
TOTAL REVENUES	24,224,925	2,073,348	227,270	927,841	27,453,384
EXPENDITURES:					
City Commission	2,292,379	-	-	-	2,292,379
City Attorney	65,424	-	-	-	65,424
City Manager	785,322	870	-	-	786,192
Finance Department	933,799	-	-	-	933,799
Planning Department	557,124	-	-	325	557,449
Engineering Department	317,411	-	-	-	317,411
Main Street Department	98,104	-	-	222,542	320,646
Administration	954,117	-	-	1,776	955,893
Central Communications	1,527,932	-	-	2,856	1,530,788
Police Department	6,357,718	-	-	89,459	6,447,177
Fire Department	5,952,232	17,838	-	-	5,970,070
EMS Division	4,187,698	290	-	-	4,187,988
Public Works	1,693,848	29,550	-	573,190	2,296,588
Intergovernmental	708,762	-	1,259,317	194,754	2,162,833
Capital	11,936	3,749,360	-	11,602	3,772,898
Debt service principal	-	133,403	-	-	133,403
Debt service interest	-	32,493	-	-	32,493
TOTAL EXPENDITURES	26,443,806	3,963,804	1,259,317	1,096,504	32,763,431
Excess (Deficit) of Revenues over Expenditures	(2,218,881)	(1,890,456)	(1,032,047)	(168,663)	(5,310,047)
OTHER FINANCING SOURCES (USES):					
Gain/loss on sale of capital assets	10,058	-	-	-	10,058
Operating transfers in	-	-	22,746	-	22,746
Operating transfers out	(22,746)	-	-	-	(22,746)
TOTAL OTHER FINANCING SOURCES (USES)	(12,688)	-	22,746	-	10,058
Net Change in Fund Balance	(2,231,569)	(1,890,456)	(1,009,301)	(168,663)	(5,299,989)
Fund Balance June 30, 2023	7,719,731	2,219,396	2,929,507	839,608	13,708,242
Fund Balance June 30, 2024	\$ 5,488,162	\$ 328,940	\$ 1,920,206	\$ 670,945	\$ 8,408,253

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER, KENTUCKY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ (5,299,989)
Amounts reported for governmental activities in the statement of activities are different because:	
Unavailable taxes are not recognized in the fund statements because they are not current financial resources, but they are recognized in the statement of activities	5,653
Capital outlays are reported as expenditures in the fund financial statement because they are current financial resources, but they are presented as assets in the statement of activities and depreciated over their estimated economic lives.	3,772,898
Depreciation expense is reported in the statement of activities to recognize the cost of capital assets used to provide programs and services	(1,424,757)
Pension liability costs are not reported in the fund financial statements because they are not due in the current period, but they are presented as long-term liabilities in the statement of net position.	
Single-employer Police & Fire Fund	(149,550)
Cost-sharing County Employees Retirement System	1,063,739
OPEB liability costs are not reported in the fund financial statements because they are not due in the current period, but they are presented as long-term liabilities in the statement of net position.	
Cost-sharing County Employees Retirement System	887,754
Health insurance claims that have been incurred, but not reported as of June 30, are not reported in the fund financial statements because they are not due in the current period, but they are presented as long-term liabilities in the statement of net position.	48,336
Compensated absences are not reported in the fund financial statements because they are not due in the current period, but they are presented as long-term liabilities in the statement of net position.	(111,419)
Bond and lease payments are recognized as expenditures of current financial resources in the fund financial statement, but are reductions of liabilities in the statement of net position.	133,403
Change in Net Position of Governmental Activities	<u>\$ (1,073,932)</u>

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER, KENTUCKY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL FUND				VARIANCE Favorable (Unfavorable)	
	BUDGETED AMOUNTS		ACTUAL			
	ORIGINAL	FINAL				
REVENUES:						
Taxes	\$ 15,659,000	\$ 16,720,836	\$ 17,758,699	\$ 1,037,863		
Licenses, Franchise & Permits	1,225,000	1,476,426	1,373,367	(103,059)		
Charges for Services	1,475,000	1,475,000	1,897,691	422,691		
Fines	100	100	115	15		
Intergovernmental	2,541,350	2,681,255	2,310,059	(371,196)		
Investment Income	160,000	160,000	199,905	39,905		
Other	396,700	920,867	685,089	(235,778)		
TOTAL REVENUES	<u>21,457,150</u>	<u>23,434,484</u>	<u>24,224,925</u>	<u>790,441</u>		
EXPENDITURES:						
General Government	4,282,222	6,889,239	6,003,680	885,559		
Central Communications	1,625,860	1,339,740	1,527,932	(188,192)		
Police Department	6,277,614	5,744,703	6,357,718	(613,015)		
Fire Department	8,159,006	5,484,448	5,952,232	(467,784)		
EMS Division	3,950,644	3,369,893	4,187,698	(817,805)		
Public Works	1,640,311	1,385,216	1,693,848	(308,632)		
Intergovernmental	1,571,616	1,723,551	708,762	1,014,789		
Capital	-	-	11,936	(11,936)		
TOTAL EXPENDITURES	<u>27,507,273</u>	<u>25,936,790</u>	<u>26,443,806</u>	<u>(507,016)</u>		
Excess (Deficit) of Revenues over Expenditures	<u>(6,050,123)</u>	<u>(2,502,306)</u>	<u>(2,218,881)</u>	<u>283,425</u>		
OTHER FINANCING SOURCES (USES):						
Gain or loss on sale of capital assets	-	-	10,058	(10,058)		
Operating transfers in	-	-	-	-		
Operating transfers out	-	-	(22,746)	(22,746)		
TOTAL OTHER FINANCING SOURCES (USES):	<u>-</u>	<u>-</u>	<u>(12,688)</u>	<u>(32,804)</u>		
Net Change in Fund Balance	(6,050,123)	(2,502,306)	(2,231,569)	250,621		
Fund Balance June 30, 2023	<u>6,078,254</u>	<u>7,719,731</u>	<u>7,719,731</u>	<u>-</u>		
Fund Balance June 30, 2024	<u>\$ 28,131</u>	<u>\$ 5,217,425</u>	<u>\$ 5,488,162</u>	<u>\$ 250,621</u>		

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER, KENTUCKY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

SPECIAL REVENUE FUND (CAPITAL EQUIPMENT FUND)					
	BUDGETED AMOUNTS			VARIANCE	
	ORIGINAL	FINAL	ACTUAL	Favorable (Unfavorable)	
REVENUES:					
Taxes	\$ 1,250,000	\$ 1,267,522	\$ 1,376,595	\$ 109,073	
Intergovernmental	85,000	603,452	631,258	27,806	
Investment Income	30,000	30,000	65,495	35,495	
Other	10,000	385,442	-	(385,442)	
TOTAL REVENUES	<u>1,375,000</u>	<u>2,286,416</u>	<u>2,073,348</u>	<u>(213,068)</u>	
EXPENDITURES:					
City manager	-	-	870	(870)	
Fire	-	-	17,838	(17,838)	
EMS	-	-	290	(290)	
Public works	-	-	29,550	(29,550)	
Capital	6,240,747	4,330,751	3,749,360	581,391	
Debt service principal	145,049	145,049	133,403	11,646	
Debt service interest	4,578	4,578	32,493	(27,915)	
TOTAL EXPENDITURES	<u>6,390,374</u>	<u>4,480,378</u>	<u>3,963,804</u>	<u>516,574</u>	
Excess (Deficit) of Revenues over Expenditures	<u>(5,015,374)</u>	<u>(2,193,962)</u>	<u>(1,890,456)</u>	<u>303,506</u>	
OTHER FINANCING SOURCES (USES):					
Operating transfers in	3,367,770	-	-	-	
Gain/loss on sale of capital assets	-	-	-	-	
TOTAL OTHER FINANCING SOURCES (USES):	<u>3,367,770</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Net Change in Fund Balance	(1,647,604)	(2,193,962)	(1,890,456)	303,506	
Fund Balance June 30, 2023	<u>2,044,766</u>	<u>2,219,396</u>	<u>2,219,396</u>	<u>-</u>	
Fund Balance June 30, 2024	<u>\$ 397,162</u>	<u>\$ 25,434</u>	<u>\$ 328,940</u>	<u>\$ 303,506</u>	

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER, KENTUCKY
STATEMENT OF NET POSITION
PROPRIETARY FUND (COMPONENT UNIT)
JUNE 30, 2024

	ENTERPRISE FUND
ASSETS:	
Current Assets	
Cash and Cash Equivalents	\$ 9,223,838
Restricted Cash and Cash Equivalents	747,642
Accrued Interest, Restricted	403
Accounts Receivable, Customers,	
Net of Allowance of Doubtful Accounts, \$87,288	2,484,140
SDC Assessments Receivable	305,000
Other Accounts Receivable	162,771
Materials and Supplies	760,511
Prepaid Expenses	822,414
Total Current Assets	<u>14,506,719</u>
Restricted Assets	
Cash and Cash Equivalents	<u>9,709,733</u>
Total Restricted Assets	<u>9,709,733</u>
Property, Plant and Equipment	
Utility Systems, Net of Depreciation	119,514,751
Land	1,519,050
Construction in Progress	5,400,265
Total Property, Plant and Equipment	<u>126,434,066</u>
Noncurrent Assets	
Net OPEB Asset	<u>160,827</u>
Total Noncurrent Assets	<u>160,827</u>
TOTAL ASSETS	<u><u>\$ 150,811,345</u></u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	\$ 1,975,084
OPEB	746,183
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 2,721,267</u></u>
LIABILITIES:	
Current Liabilities	
Accounts Payable	\$ 439,670
Other Accrued Liabilities	471,089
Customer Deposits	132,423
Accrued Interest Payable	36,874
Current Portion of Long-Term Debt	4,517,993
Total Current Liabilities	<u>5,598,049</u>
NONCURRENT LIABILITIES	
Compensated Absences	498,661
Noncurrent Portion of Long-Term Debt	48,513,191
Net Pension Liability	7,474,591
Total Noncurrent Liabilities	<u>56,486,443</u>
TOTAL LIABILITIES	<u><u>\$ 62,084,492</u></u>
DEFERRED INFLOWS OF RESOURCES	
Pensions	\$ 1,889,610
OPEB	2,994,241
TOTAL DEFERRED INFLOWS OF RESOURCES	<u><u>\$ 4,883,851</u></u>
NET POSITION:	
Net Investment in Capital Assets	\$ 73,402,882
Restricted for Capital Projects (Expendable)	8,658,055
Restricted for Bond Debt Service (Expendable)	1,799,320
Unrestricted	2,704,012
TOTAL NET POSITION	<u><u>\$ 86,564,269</u></u>

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER, KENTUCKY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND (COMPONENT UNIT)
FOR THE YEAR ENDED JUNE 30, 2024

	ENTERPRISE FUND
OPERATING REVENUES:	
Water	\$ 6,363,036
Wastewater	10,388,469
Solid Waste	4,364,941
Transfer Station	217,117
TOTAL OPERATING REVENUES	<u>21,333,563</u>
OPERATING EXPENSES:	
Administrative	2,112,704
Solid Waste	2,261,175
Water	5,089,828
Wastewater	7,028,013
Vehicle Maintenance	144,236
TOTAL OPERATING EXPENSES	<u>16,635,956</u>
Operating Income (Loss)	4,697,607
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	387,386
Interest Expense	(1,405,540)
Other Income	203,891
Gain on Sale of Capital Assets	2,250
Amortization Expense of Bond Discount	(18,648)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(830,661)</u>
Net Income (Loss) before Capital Grants & Contributions	3,866,946
Capital Contributions	<u>5,424,364</u>
Change in Net Position	9,291,310
Net Position, Beginning of Year	<u>77,272,959</u>
Net Position, End of Year	<u>\$ 86,564,269</u>

The accompanying notes are an integral part of this statement

**CITY OF WINCHESTER, KENTUCKY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (COMPONENT UNIT)
FOR THE YEAR ENDED JUNE 30, 2024**

	ENTERPRISE FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 21,291,836
Payments to Suppliers	(6,335,436)
Payments to Employees	(5,875,153)
Other Receipts (Payments)	<u>(87,471)</u>
Net Cash Provided (Used) by Operating Activities	<u>8,993,776</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Sale of Equipment	2,250
Principal Payments	(4,450,587)
Interest Payments	(1,386,892)
Purchase of Property, Plant and Equipment	(6,916,243)
Contributed Capital Received	5,424,364
Cash from Other Income	<u>203,891</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(7,123,217)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash from Interest	<u>387,027</u>
Net Cash Provided (Used) by Investing Activities	<u>387,027</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,257,586
Cash and Cash Equivalents, Beginning of Year	<u>17,423,627</u>
Cash and Cash Equivalents, End of Year	<u>\$ 19,681,213</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:	
Cash and Cash Equivalents - Unrestricted	9,223,838
Cash and Cash Equivalents - Restricted	747,642
Investments - Restricted	<u>9,709,733</u>
Cash and Cash Equivalents, End of Year	<u>\$ 19,681,213</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ 4,697,607
Adjustments to Reconcile Net Income (Loss) to Net Cash from Operating Activities:	
Depreciation/Amortization	5,430,183
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:	
Accounts Receivable, Customers	(44,543)
SDC Assessments Receivable	(5,191)
Other Accounts Receivable	(87,471)
Material and Supplies	(173,654)
Prepaid Expenses	(111,438)
Deferred Outflows of Resources	412,018
Net OPEB asset - CERS	(160,827)
Accounts Payable	121,341
Accrued Liabilities	97,228
Net Pension Liability	(1,136,465)
Net OPEB Liability	(2,350,396)
Compensated Absences	86,099
Accrued Interest Payable	(4,163)
Deferred Inflows of Resources	2,215,441
Customer Deposits	<u>8,007</u>
Net Cash Provided by Operating Activities	<u>\$ 8,993,776</u>
Supplemental Information, Noncash Transactions	
Donated Capital assets	\$ 1,275,350
Depreciation and Amortization Expense	<u>\$ 5,448,831</u>

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER, KENTUCKY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2024

	PENSION TRUST	CUSTODIAL FUNDS
ASSETS		
Cash and Cash Equivalents	\$ 32,879	\$ 41,560
Investments	721,665	-
Accrued Investment Income	2,807	-
TOTAL ASSETS	\$ 757,351	\$ 41,560
LIABILITIES		
Accounts Payable	\$ 815	-
Due to Member Agencies	- 41,560	
TOTAL LIABILITIES	\$ 815	\$ 41,560
FIDUCIARY NET POSITION	\$ 756,536	

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER
STATEMENT OF NET POSITION
JUNE 30, 2024

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	TOTAL		
ASSETS:				
Current Assets				
Cash and Cash Equivalents	\$ 5,442,951	\$ 5,442,951	\$ 9,223,838	
Restricted Cash and Cash Equivalents	-	-	747,642	
Accounts Receivable				
Taxes	3,564,418	3,564,418	-	
Accounts, net	186,495	186,495	2,484,140	
Intergovernmental	352,933	352,933	-	
Other	-	-	305,000	
SDC Receivables	-	-	162,771	
Accrued Interest	-	-	403	
Prepaid Expenses	-	-	822,414	
Inventories	-	-	760,511	
Total Current Assets	<u>9,546,797</u>	<u>9,546,797</u>	<u>14,506,719</u>	
Restricted Assets				
Cash and Cash Equivalents	-	-	9,709,733	
Total Restricted Assets	-	-	9,709,733	
Noncurrent Assets				
Net OPEB Asset	134,786	134,786	160,827	
Construction in Progress	5,175,075	5,175,075	5,400,265	
Land	2,146,683	2,146,683	1,519,050	
Net Capital Assets	<u>12,790,482</u>	<u>12,790,482</u>	<u>119,514,751</u>	
Total Noncurrent Assets	<u>20,247,026</u>	<u>20,247,026</u>	<u>126,594,893</u>	
TOTAL ASSETS	<u>\$ 29,793,823</u>	<u>\$ 29,793,823</u>	<u>\$ 150,811,345</u>	
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	\$ 10,096,540	\$ 10,096,540	\$ 1,975,084	
OPEB	<u>3,438,629</u>	<u>3,438,629</u>	<u>746,183</u>	
Total Deferred Outflows of Resources	<u>\$ 13,535,169</u>	<u>\$ 13,535,169</u>	<u>\$ 2,721,267</u>	
LIABILITIES:				
Current Liabilities				
Accounts Payable	\$ 26,765	\$ 26,765	\$ 439,670	
Accrued TIF Incentive Payable	26,931	26,931	-	
Accrued Payroll & Related Liabilities	1,036,354	1,036,354	471,089	
Customer Deposits	-	-	132,423	
Accrued Interest Payable	-	-	36,874	
Incurred but Not Reported Health Claims	145,634	145,634	-	
Current Portion of Accrued Sick Leave	104,546	104,546	-	
Current Portion of Bonds	-	-	4,517,993	
Current portion of Financed Purchases	<u>141,400</u>	<u>141,400</u>	<u>-</u>	
Total Current Liabilities	<u>1,481,630</u>	<u>1,481,630</u>	<u>5,598,049</u>	
Noncurrent Liabilities				
Noncurrent Portion of Financed Purchases	488,819	488,819	-	
Noncurrent Portion of Bonds	-	-	48,513,191	
Noncurrent Portion of Accrued Sick Leave	917,740	917,740	498,661	
Net Pension Liability	30,736,200	30,736,200	7,474,591	
Net OPEB Liability	<u>1,151,874</u>	<u>1,151,874</u>	<u>-</u>	
Total Noncurrent Liabilities	<u>33,294,633</u>	<u>33,294,633</u>	<u>56,486,443</u>	
TOTAL LIABILITIES	<u>\$ 34,776,263</u>	<u>\$ 34,776,263</u>	<u>\$ 62,084,492</u>	
DEFERRED INFLOWS OF RESOURCES				
Pensions	\$ 6,441,369	\$ 6,441,369	\$ 1,889,610	
OPEB	<u>10,041,752</u>	<u>10,041,752</u>	<u>2,994,241</u>	
Total Deferred Inflows of Resources	<u>\$ 16,483,121</u>	<u>\$ 16,483,121</u>	<u>\$ 4,883,851</u>	
NET POSITION				
Net Investment in Capital Assets	\$ 19,482,021	\$ 19,616,807	\$ 73,402,882	
Restricted				
Restricted for Capital Projects & Grants	2,096,417	2,096,417	8,658,055	
Restricted for Bond Debt Service	-	-	1,799,320	
Unrestricted	<u>(29,508,830)</u>	<u>(29,508,830)</u>	<u>2,704,012</u>	
TOTAL NET POSITION	<u>\$ (7,930,392)</u>	<u>\$ (7,795,606)</u>	<u>\$ 86,564,269</u>	

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER, KENTUCKY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION PRIMARY GOVERNMENT	
	EXPENSES	OPERATING		GOVERNMENTAL ACTIVITIES	TOTAL
		CHARGES FOR SERVICES	GRANTS AND CONTRIBUTIONS		
Primary Government					
Governmental Activities:					
General Government	\$ (6,907,160)	\$ 334,224	\$ 497,318	\$ 552,554	\$ (5,523,064)
Public Safety:					
Dispatch	(1,451,052)	-	582,492	49,864	(818,696)
Police	(5,987,960)	8,507	308,442	-	(5,671,011)
Fire	(5,691,260)	-	283,801	-	(5,407,459)
EMS	(3,875,244)	1,548,317	747,947	28,839	(1,550,141)
Public Works	(2,435,029)	9,343	-	-	(2,425,686)
Intergovernmental Services	(2,162,831)	-	-	-	(2,162,831)
Interest on Long-Term Debt	(32,493)	-	-	-	(32,493)
Total Governmental Activities	<u>(28,543,029)</u>	<u>1,900,391</u>	<u>2,420,000</u>	<u>631,257</u>	<u>(23,591,381)</u>
Total Primary Government	<u>\$ (28,543,029)</u>	<u>\$ 1,900,391</u>	<u>\$ 2,420,000</u>	<u>\$ 631,257</u>	<u>\$ (23,591,381)</u>
Component Unit					
Winchester Municipal Utilities	\$ (18,060,144)	\$ 21,333,563	\$ -	\$ -	\$ 3,273,419
General Revenues:					
Taxes:					
Property			\$ 4,858,522	\$ 4,858,522	\$ -
Payroll			10,260,427	10,260,427	-
Insurance Premium			4,339,300	4,339,300	-
Hotel/Motel Room Tax			192,052	192,052	-
Telecommunications Excise Tax			122,187	122,187	-
Licenses, Franchise & Permits			1,373,367	1,373,367	-
Investment Income			313,845	313,845	387,386
Parking Fines			115	115	-
Gain (Loss) on disposal of fixed assets			10,058	10,058	2,250
Other Local Revenues			1,047,576	1,047,576	203,891
Total General Revenues	\$ <u>22,517,449</u>		<u>\$ 22,517,449</u>	<u>\$ 22,517,449</u>	<u>\$ 593,527</u>
Capital Contributions			<u>\$ (1,073,932)</u>	<u>\$ (1,073,932)</u>	<u>\$ 5,424,364</u>
Change in Net Position					
Net Position June 30, 2023			<u>(6,856,460)</u>	<u>(6,856,460)</u>	<u>77,272,959</u>
Net Position June 30, 2024			<u>\$ (7,930,392)</u>	<u>\$ (7,930,392)</u>	<u>\$ 86,564,269</u>

The accompanying notes are an integral part of this statement
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CITY OF WINCHESTER, KENTUCKY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	GENERAL FUND	CAPITAL EQUIPMENT FUND	FEDERAL & STATE GRANT FUND	NONMAJOR GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and Cash Equivalents	\$ 2,526,872	\$ 324,928	\$ 1,920,206	\$ 670,945	\$ 5,442,951
Accounts Receivable					
Taxes (net of allowance for doubtful accounts (\$101,751))	3,564,418	-	-	-	3,564,418
Accounts, Net of allowance for doubtful accounts (\$904,978)	186,495	-	-	-	186,495
Intergovernmental	322,156	4,012	-	26,765	352,933
Due from Other Funds	-	-	-	-	-
TOTAL ASSETS	<u>\$ 6,599,941</u>	<u>\$ 328,940</u>	<u>\$ 1,920,206</u>	<u>\$ 697,710</u>	<u>\$ 9,546,797</u>
LIABILITIES:					
Accounts Payable	\$ -	\$ -	\$ -	\$ 26,765	\$ 26,765
Due to Other Funds	26,931	-	-	-	-
Accrued TIF Incentive Payable	1,036,354	-	-	-	1,036,354
Accrued Payroll & Related Liabilities	1,063,285	-	-	-	1,090,050
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,765</u>	<u>\$ -</u>	<u>\$ 26,765</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Property Taxes	48,494	-	-	-	48,494
FUND BALANCES:					
Restricted Fund Balance	-	-	1,920,206	176,211	2,096,417
Committed Fund Balance	293,935	328,940	-	494,734	1,117,609
Assigned Fund Balance	6,103	-	-	-	6,103
Unassigned Fund Balance	5,188,124	-	-	-	5,188,124
TOTAL FUND BALANCES	<u>\$ 5,488,162</u>	<u>\$ 328,940</u>	<u>\$ 1,920,206</u>	<u>\$ 670,945</u>	<u>\$ 8,408,253</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 6,599,941</u>	<u>\$ 328,940</u>	<u>\$ 1,920,206</u>	<u>\$ 697,710</u>	<u>\$ 9,546,797</u>

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER, KENTUCKY
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total Governmental Fund Balances	\$ 8,408,253
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are not reported in the fund financial statement because they are not current financial resources, but they are reported in the statement of Net Position	20,112,240
Deferred Inflows related to unavailable revenues are reported in the fund financial statements because they will be recognized in future periods but reported as revenue in the government-wide statements	48,494
Deferred Inflows related to pensions are not reported in the fund financial statements because they will be recognized in future periods	(6,441,369)
Deferred Inflows related to OPEB are not reported in the fund financial statements because they will be recognized in future periods	(10,041,752)
Deferred Outflows related to pension are not reported in the fund financial statements because they do not represent current financial resources	10,096,540
Deferred Outflows related to OPEB are not reported in the fund financial statements because they do not represent current financial resources	3,438,629
Certain liabilities are not reported in the fund statements because they are not due and payable, but these liabilities are included in the statement of net position	
Long-term debt	(630,219)
Incurred but Not Reported Health Claims	(145,634)
Compensated Absences Liability	(1,022,286)
Net Pension Liability--Cost-sharing CERS Plan	(28,976,010)
Net OPEB Liability--Cost-sharing CERS Plan	(1,151,874)
Net OPEB Asset--Cost-sharing CERS Plan	134,786
Net Pension Liability--Single-employer Police & Firefighters Plan	(1,760,190)
Net Position of Governmental Activities	<u>\$ (7,930,392)</u>

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER, KENTUCKY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL	CAPITAL EQUIPMENT	FEDERAL & STATE GRANT FUNDS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Taxes	\$ 17,758,699	\$ 1,376,595	\$ -	\$ 192,052	\$ 19,327,346
Licenses, Franchises & Permits	1,373,367	-	-	-	1,373,367
Charges for Services	1,897,691	-	-	2,700	1,900,391
Fines	115	-	-	-	115
Intergovernmental	2,310,059	631,258	-	549,429	3,490,746
Investment Income	199,905	65,495	4,090	44,353	313,843
Other	685,089	-	223,180	139,307	1,047,576
TOTAL REVENUES	24,224,925	2,073,348	227,270	927,841	27,453,384
EXPENDITURES:					
City Commission	2,292,379	-	-	-	2,292,379
City Attorney	65,424	-	-	-	65,424
City Manager	785,322	870	-	-	786,192
Finance Department	933,799	-	-	-	933,799
Planning Department	557,124	-	-	325	557,449
Engineering Department	317,411	-	-	-	317,411
Main Street Department	98,104	-	-	222,542	320,646
Administration	954,117	-	-	1,776	955,893
Central Communications	1,527,932	-	-	2,856	1,530,788
Police Department	6,357,718	-	-	89,459	6,447,177
Fire Department	5,952,232	17,838	-	-	5,970,070
EMS Division	4,187,698	290	-	-	4,187,988
Public Works	1,693,848	29,550	-	573,190	2,296,588
Intergovernmental	708,762	-	1,259,317	194,754	2,162,833
Capital	11,936	3,749,360	-	11,602	3,772,898
Debt service principal	-	133,403	-	-	133,403
Debt service interest	-	32,493	-	-	32,493
TOTAL EXPENDITURES	26,443,806	3,963,804	1,259,317	1,096,504	32,763,431
Excess (Deficit) of Revenues over Expenditures	(2,218,881)	(1,890,456)	(1,032,047)	(168,663)	(5,310,047)
OTHER FINANCING SOURCES (USES):					
Gain/loss on sale of capital assets	10,058	-	-	-	10,058
Operating transfers in	-	-	22,746	-	22,746
Operating transfers out	(22,746)	-	-	-	(22,746)
TOTAL OTHER FINANCING SOURCES (USES)	(12,688)	-	22,746	-	10,058
Net Change in Fund Balance	(2,231,569)	(1,890,456)	(1,009,301)	(168,663)	(5,299,989)
Fund Balance June 30, 2023	7,719,731	2,219,396	2,929,507	839,608	13,708,242
Fund Balance June 30, 2024	\$ 5,488,162	\$ 328,940	\$ 1,920,206	\$ 670,945	\$ 8,408,253

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER, KENTUCKY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ (5,299,989)
Amounts reported for governmental activities in the statement of activities are different because:	
Unavailable taxes are not recognized in the fund statements because they are not current financial resources, but they are recognized in the statement of activities	5,653
Capital outlays are reported as expenditures in the fund financial statement because they are current financial resources, but they are presented as assets in the statement of activities and depreciated over their estimated economic lives.	3,772,898
Depreciation expense is reported in the statement of activities to recognize the cost of capital assets used to provide programs and services	(1,424,757)
Pension liability costs are not reported in the fund financial statements because they are not due in the current period, but they are presented as long-term liabilities in the statement of net position.	
Single-employer Police & Fire Fund	(149,550)
Cost-sharing County Employees Retirement System	1,063,739
OPEB liability costs are not reported in the fund financial statements because they are not due in the current period, but they are presented as long-term liabilities in the statement of net position.	
Cost-sharing County Employees Retirement System	887,754
Health insurance claims that have been incurred, but not reported as of June 30, are not reported in the fund financial statements because they are not due in the current period, but they are presented as long-term liabilities in the statement of net position.	48,336
Compensated absences are not reported in the fund financial statements because they are not due in the current period, but they are presented as long-term liabilities in the statement of net position.	(111,419)
Bond and lease payments are recognized as expenditures of current financial resources in the fund financial statement, but are reductions of liabilities in the statement of net position.	133,403
Change in Net Position of Governmental Activities	<u>\$ (1,073,932)</u>

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER, KENTUCKY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL FUND				VARIANCE Favorable (Unfavorable)	
	BUDGETED AMOUNTS		ACTUAL			
	ORIGINAL	FINAL				
REVENUES:						
Taxes	\$ 15,659,000	\$ 16,720,836	\$ 17,758,699	\$ 1,037,863		
Licenses, Franchise & Permits	1,225,000	1,476,426	1,373,367	(103,059)		
Charges for Services	1,475,000	1,475,000	1,897,691	422,691		
Fines	100	100	115	15		
Intergovernmental	2,541,350	2,681,255	2,310,059	(371,196)		
Investment Income	160,000	160,000	199,905	39,905		
Other	396,700	920,867	685,089	(235,778)		
TOTAL REVENUES	<u>21,457,150</u>	<u>23,434,484</u>	<u>24,224,925</u>	<u>790,441</u>		
EXPENDITURES:						
General Government	4,282,222	6,889,239	6,003,680	885,559		
Central Communications	1,625,860	1,339,740	1,527,932	(188,192)		
Police Department	6,277,614	5,744,703	6,357,718	(613,015)		
Fire Department	8,159,006	5,484,448	5,952,232	(467,784)		
EMS Division	3,950,644	3,369,893	4,187,698	(817,805)		
Public Works	1,640,311	1,385,216	1,693,848	(308,632)		
Intergovernmental	1,571,616	1,723,551	708,762	1,014,789		
Capital	-	-	11,936	(11,936)		
TOTAL EXPENDITURES	<u>27,507,273</u>	<u>25,936,790</u>	<u>26,443,806</u>	<u>(507,016)</u>		
Excess (Deficit) of Revenues over Expenditures	<u>(6,050,123)</u>	<u>(2,502,306)</u>	<u>(2,218,881)</u>	<u>283,425</u>		
OTHER FINANCING SOURCES (USES):						
Gain or loss on sale of capital assets	-	-	10,058	(10,058)		
Operating transfers in	-	-	-	-		
Operating transfers out	-	-	(22,746)	(22,746)		
TOTAL OTHER FINANCING SOURCES (USES):	<u>-</u>	<u>-</u>	<u>(12,688)</u>	<u>(32,804)</u>		
Net Change in Fund Balance	(6,050,123)	(2,502,306)	(2,231,569)	250,621		
Fund Balance June 30, 2023	<u>6,078,254</u>	<u>7,719,731</u>	<u>7,719,731</u>	<u>-</u>		
Fund Balance June 30, 2024	<u>\$ 28,131</u>	<u>\$ 5,217,425</u>	<u>\$ 5,488,162</u>	<u>\$ 250,621</u>		

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER, KENTUCKY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

SPECIAL REVENUE FUND (CAPITAL EQUIPMENT FUND)					
	BUDGETED AMOUNTS			VARIANCE	
	ORIGINAL	FINAL	ACTUAL	Favorable (Unfavorable)	
REVENUES:					
Taxes	\$ 1,250,000	\$ 1,267,522	\$ 1,376,595	\$ 109,073	
Intergovernmental	85,000	603,452	631,258	27,806	
Investment Income	30,000	30,000	65,495	35,495	
Other	10,000	385,442	-	(385,442)	
TOTAL REVENUES	<u>1,375,000</u>	<u>2,286,416</u>	<u>2,073,348</u>	<u>(213,068)</u>	
EXPENDITURES:					
City manager	-	-	870	(870)	
Fire	-	-	17,838	(17,838)	
EMS	-	-	290	(290)	
Public works	-	-	29,550	(29,550)	
Capital	6,240,747	4,330,751	3,749,360	581,391	
Debt service principal	145,049	145,049	133,403	11,646	
Debt service interest	4,578	4,578	32,493	(27,915)	
TOTAL EXPENDITURES	<u>6,390,374</u>	<u>4,480,378</u>	<u>3,963,804</u>	<u>516,574</u>	
Excess (Deficit) of Revenues over Expenditures	<u>(5,015,374)</u>	<u>(2,193,962)</u>	<u>(1,890,456)</u>	<u>303,506</u>	
OTHER FINANCING SOURCES (USES):					
Operating transfers in	3,367,770	-	-	-	
Gain/loss on sale of capital assets	-	-	-	-	
TOTAL OTHER FINANCING SOURCES (USES):	<u>3,367,770</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Net Change in Fund Balance	(1,647,604)	(2,193,962)	(1,890,456)	303,506	
Fund Balance June 30, 2023	<u>2,044,766</u>	<u>2,219,396</u>	<u>2,219,396</u>	<u>-</u>	
Fund Balance June 30, 2024	<u>\$ 397,162</u>	<u>\$ 25,434</u>	<u>\$ 328,940</u>	<u>\$ 303,506</u>	

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER, KENTUCKY
STATEMENT OF NET POSITION
PROPRIETARY FUND (COMPONENT UNIT)
JUNE 30, 2024

	ENTERPRISE FUND
ASSETS:	
Current Assets	
Cash and Cash Equivalents	\$ 9,223,838
Restricted Cash and Cash Equivalents	747,642
Accrued Interest, Restricted	403
Accounts Receivable, Customers,	
Net of Allowance of Doubtful Accounts, \$87,288	2,484,140
SDC Assessments Receivable	305,000
Other Accounts Receivable	162,771
Materials and Supplies	760,511
Prepaid Expenses	822,414
Total Current Assets	<u>14,506,719</u>
Restricted Assets	
Cash and Cash Equivalents	<u>9,709,733</u>
Total Restricted Assets	<u>9,709,733</u>
Property, Plant and Equipment	
Utility Systems, Net of Depreciation	119,514,751
Land	1,519,050
Construction in Progress	5,400,265
Total Property, Plant and Equipment	<u>126,434,066</u>
Noncurrent Assets	
Net OPEB Asset	<u>160,827</u>
Total Noncurrent Assets	<u>160,827</u>
TOTAL ASSETS	<u>\$ 150,811,345</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	\$ 1,975,084
OPEB	746,183
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,721,267</u>
LIABILITIES:	
Current Liabilities	
Accounts Payable	\$ 439,670
Other Accrued Liabilities	471,089
Customer Deposits	132,423
Accrued Interest Payable	36,874
Current Portion of Long-Term Debt	4,517,993
Total Current Liabilities	<u>5,598,049</u>
NONCURRENT LIABILITIES	
Compensated Absences	498,661
Noncurrent Portion of Long-Term Debt	48,513,191
Net Pension Liability	7,474,591
Total Noncurrent Liabilities	<u>56,486,443</u>
TOTAL LIABILITIES	<u>\$ 62,084,492</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions	\$ 1,889,610
OPEB	2,994,241
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 4,883,851</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 73,402,882
Restricted for Capital Projects (Expendable)	8,658,055
Restricted for Bond Debt Service (Expendable)	1,799,320
Unrestricted	<u>2,704,012</u>
TOTAL NET POSITION	<u>\$ 86,564,269</u>

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER, KENTUCKY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND (COMPONENT UNIT)
FOR THE YEAR ENDED JUNE 30, 2024

	ENTERPRISE FUND
OPERATING REVENUES:	
Water	\$ 6,363,036
Wastewater	10,388,469
Solid Waste	4,364,941
Transfer Station	217,117
TOTAL OPERATING REVENUES	<u>21,333,563</u>
OPERATING EXPENSES:	
Administrative	2,112,704
Solid Waste	2,261,175
Water	5,089,828
Wastewater	7,028,013
Vehicle Maintenance	144,236
TOTAL OPERATING EXPENSES	<u>16,635,956</u>
Operating Income (Loss)	4,697,607
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	387,386
Interest Expense	(1,405,540)
Other Income	203,891
Gain on Sale of Capital Assets	2,250
Amortization Expense of Bond Discount	(18,648)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(830,661)</u>
Net Income (Loss) before Capital Grants & Contributions	3,866,946
Capital Contributions	<u>5,424,364</u>
Change in Net Position	9,291,310
Net Position, Beginning of Year	<u>77,272,959</u>
Net Position, End of Year	<u>\$ 86,564,269</u>

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER, KENTUCKY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (COMPONENT UNIT)
FOR THE YEAR ENDED JUNE 30, 2024

	ENTERPRISE FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 21,291,836
Payments to Suppliers	(6,335,436)
Payments to Employees	(5,875,153)
Other Receipts (Payments)	<u>(87,471)</u>
Net Cash Provided (Used) by Operating Activities	<u>8,993,776</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Sale of Equipment	2,250
Principal Payments	(4,450,587)
Interest Payments	(1,386,892)
Purchase of Property, Plant and Equipment	(6,916,243)
Contributed Capital Received	5,424,364
Cash from Other Income	<u>203,891</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(7,123,217)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash from Interest	<u>387,027</u>
Net Cash Provided (Used) by Investing Activities	<u>387,027</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,257,586
Cash and Cash Equivalents, Beginning of Year	<u>17,423,627</u>
Cash and Cash Equivalents, End of Year	<u>\$ 19,681,213</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:	
Cash and Cash Equivalents - Unrestricted	9,223,838
Cash and Cash Equivalents - Restricted	747,642
Investments - Restricted	<u>9,709,733</u>
Cash and Cash Equivalents, End of Year	<u>\$ 19,681,213</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ 4,697,607
Adjustments to Reconcile Net Income (Loss) to Net Cash from Operating Activities:	
Depreciation/Amortization	5,430,183
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:	
Accounts Receivable, Customers	(44,543)
SDC Assessments Receivable	(5,191)
Other Accounts Receivable	(87,471)
Material and Supplies	(173,654)
Prepaid Expenses	(111,438)
Deferred Outflows of Resources	412,018
Net OPEB asset - CERS	(160,827)
Accounts Payable	121,341
Accrued Liabilities	97,228
Net Pension Liability	(1,136,465)
Net OPEB Liability	(2,350,396)
Compensated Absences	86,099
Accrued Interest Payable	(4,163)
Deferred Inflows of Resources	2,215,441
Customer Deposits	<u>8,007</u>
Net Cash Provided by Operating Activities	<u>\$ 8,993,776</u>
Supplemental Information, Noncash Transactions	
Donated Capital assets	\$ 1,275,350
Depreciation and Amortization Expense	<u>\$ 5,448,831</u>

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER, KENTUCKY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2024

	PENSION TRUST	CUSTODIAL FUNDS
ASSETS		
Cash and Cash Equivalents	\$ 32,879	\$ 41,560
Investments	721,665	-
Accrued Investment Income	2,807	-
TOTAL ASSETS	\$ 757,351	\$ 41,560
LIABILITIES		
Accounts Payable	\$ 815	-
Due to Member Agencies	- 41,560	
TOTAL LIABILITIES	\$ 815	\$ 41,560
FIDUCIARY NET POSITION	\$ 756,536	

The accompanying notes are an integral part of this statement

CITY OF WINCHESTER, KENTUCKY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	PENSION TRUST	CUSTODIAL FUNDS
ADDITIONS:		
Contributions	\$ 50,600	\$ -
Investment Income:		
Interest	13,127	2,331
Net Appreciation (Depreciation) in Fair Value of Investments	21,832	-
Gain (Loss) on Sale of Investments	-	-
Less: Investment Expense	<u>(3,980)</u>	<u>-</u>
Net Investment Income	<u>30,979</u>	<u>2,331</u>
Total Additions	81,579	2,331
DEDUCTIONS:		
Benefits	147,064	-
Program Expenses	-	-
HRA Benefits	-	-
Taxes	<u>(6,342)</u>	<u>-</u>
Total Deductions	140,722	-
Change in Net Position	(59,143)	2,331
Net Position June 30, 2023	<u>815,679</u>	<u>39,229</u>
Net Position June 30, 2024	<u>\$ 756,536</u>	<u>\$ 41,560</u>

The accompanying notes are an integral part of this statement