



CITY OF
Owensboro
KENTUCKY



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025

City of Owensboro
Annual Comprehensive Financial
Report for the
Fiscal Year Ended June 30, 2025



Issued by the
Department of Finance

Angela Waninger, CPA, CGMA
Director of Finance and Support Services

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE CITY OF OWENSBORO, KENTUCKY
FISCAL YEAR ENDED JUNE 30, 2025**

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Introductory Section



December 16, 2025

Owensboro Board of Commissioners and Citizens of Owensboro:

We present to you the Annual Comprehensive Financial Report (ACFR) of the City of Owensboro, Kentucky (City) for the fiscal year ended June 30, 2025. The ACFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and the reporting standards of the Governmental Accounting Standards Board (GASB). The ACFR includes all funds of the City and its component units.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that they have established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

To the best of our knowledge, this report fairly presents the financial position of the City. All information needed for the reader to gain an understanding of the City's financial activities has been included.

The independent accounting firm of ATA-KY, PSC, Certified Public Accountants, has audited the City's financial statements and has issued an unmodified (clean) opinion that the City's financial statements for the year ended June 30, 2025 are fairly presented in all material respects in conformity with GAAP. Their report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City, established in 1817, located in the western part of the state, occupies 21.67 square miles and serves a population of 60,675.

The City operates under the City Manager form of government. Policy-making and legislative authority are vested in the Board of Commissioners (Board) consisting of the Mayor and four Commissioners, all elected on a non-partisan basis. The Board appoints the City Manager, who advises and implements decisions of the Board and oversees all city staff. The Mayor is elected for a four-year term and the Commissioners for two-year terms.

The City provides a full range of services including: police and fire protection, the construction and maintenance of highways, streets and other infrastructure, transit, and recreational and cultural activities. All funds, agencies, commissions and trusts involved in the provision of these

services, and for which the City is financially accountable, are included with data of the primary government.

In accordance with Governmental Accounting Standards Board Statement No. 14, "*The Financial Reporting Entity*," the following organizations are reported separately within the City's basic financial statements:

Owensboro Municipal Utilities
Owensboro Riverport Authority

The Owensboro-Daviess County Regional Airport Board is a joint venture between the City and County governments. The City's equity interest in this joint venture is reflected in the financial statements.

In accordance with state statute, on or before June 1 of each year, the City Manager submits a proposed budget for all funds of the City to the Board for the fiscal year commencing July 1, and on or before June 30 of each year, the Board adopts the budget. This annual budget serves as the foundation for financial planning and control for the City of Owensboro. The budget is prepared by fund, function (ie: public safety), department (ie: police) and account. Budget adjustments, within a department and with no change in total appropriations, require approval by the City Manager. Board approval is required for any of the following situations: an increase above appropriations, a reallocation of expenditure appropriations between departments or if a new source of revenue is available.

LOCAL ECONOMY

Owensboro lies on the southern banks of the Ohio River, one of the nation's major waterways, in the Western Kentucky Coal Field Region. Owensboro is located 32 miles southeast of Evansville, Indiana, 123 miles north of Nashville, Tennessee, and 109 miles southwest of Louisville, Kentucky.

Over the past ten years, real estate assessments have increased \$1.5 billion, or 50.4%, from fiscal year ended 2016 to 2025.

Owensboro was able to increase its General Fund operating revenue by 3.1% over prior year. There was notable revenue growth in Regulatory License Fees, Property Taxes, and Occupational License Fees.

Regulatory License Fees revenue is \$9,926,233, or 9.0% higher than prior year primarily due to higher insurance premiums. Property Tax revenue is \$14,164,315, 3.9% higher than prior year due to increased real estate assessments. Occupational License Fee revenue is \$24,066,866, or 1.8%, higher than prior year due to a higher wage base (higher wages and employment).

Major industries located within the government's boundaries include health care, banking, manufacturing, and retail. The unemployment rate for the Owensboro MSA was 4.6% in June 2025. The state and federal unemployment rates were 4.9% and 4.4%, respectively.

SIGNIFICANT EVENTS AND INITIATIVES

Transient Room Tax

In August 2022, the City passed an ordinance establishing the transient room tax and procedures for its collection and enforcement. A total rate of 4% is imposed on hotels and short-term rentals.

The 3% transient room tax shall be distributed to the Owensboro Tourist and Convention Commission for use in accordance with KRS 91A.390(3); their first project includes using the 3% for the construction of an indoor sports facility. The additional 1% shall be used to supplant the operating cost of the City's convention center.

Tax Increment Financing

The City is participating with the State in two tax increment financing (TIF) projects; the Gateway Commons TIF (Gateway TIF) and the Downtown Riverfront Revitalization TIF (Downtown TIF). The State returns 80% of incremental tax revenues created by the development to the City to pay for public infrastructure costs. The Kentucky State Economic Development Finance Authority approved a total of \$24.5 million for the Downtown TIF and \$20.5 million for the Gateway Commons TIF in state tax incentive rebates over 20 years. The City activated the reimbursement period effective January 1, 2018 for both TIFs. The taxes generated in these TIFs have been less than anticipated, due to delayed construction by the developer and the COVID-19 pandemic.

Downtown Redevelopment and Revitalization

The community expressed a desire to redevelop the downtown and riverfront, and as such, voiced their opinion on how to do that through a public forum called 'We the People'. The City's elected officials acted upon that, partnering with Daviess County Fiscal Court (County) in the development and financing of this project, with the City sponsoring \$79.4 million of the project and the County sponsoring \$20 million. A portion of the City's Insurance Premium License Fee is dedicated to funding this endeavor. This project has spurred over \$380 million in private and public development downtown, with many more projects on the horizon. This project continues to attract private development.

Indoor Sports Facility

The City is constructing an Indoor Sports Facility in the downtown area. The facility will be 88,000 square feet comprised of seven basketball courts, common areas, and administrative offices. Configurations also include 14 volleyball courts or up to 28 pickleball courts. This complex complements the downtown's revitalization and is designed to attract sports tourism; it is expected to generate \$11-\$17 million in economic impact per year. It is scheduled to be open by June 2026.

Operation Firehouse

The City has invested in fire department infrastructure. A brand-new state-of-the-art 9,000 sq/ft classroom/training building, along with a four-story modular burn tower and burn room has been constructed. The City has undertaken complete replacement of Command Station No. 1, Fire Station No. 3 and Fire Station No. 4. These projects will deliver upgraded daytime and nighttime facilities, enhanced administrative offices, and modern apparatus bays, representing a total investment of approximately \$30 million.

Elizabeth Munday Senior Center

The City is moving forward with the replacement of the existing Elizabeth Munday Senior Center, developing a contemporary, purpose-built facility at the corner of Carter Road and 2nd Street. The new center is designed to provide a significantly enhanced experience for the community's senior population, featuring dedicated activity and game areas, fully modernized kitchen and dining spaces, and flexible multipurpose rooms to accommodate classes, programs, and community gatherings. The facility will also incorporate improved accessibility features, upgraded technology infrastructure, and comfortable social spaces, ensuring a welcoming environment that supports health, engagement, and lifelong learning for local seniors.

Public-Private Partnership

The City's aggressive economic development posture has resulted in significant job growth, annexation of land and businesses into the City, increased city revenue, and acceleration of the private sector's investment in our community. The City partnered with a utility company relocating their headquarters to the City's downtown area, bringing 120 new jobs with an annual payroll of \$14 million. The City continues to pursue such partnerships, both large and small, as infill and expansion of its strong financial baseline.

LONG-TERM FINANCIAL PLANNING

A five-year forecast is maintained for all major funds of the City. This enables and encourages discussions on items two to five years before they are needed.

City staff and Board have developed and implemented a strategic plan to provide for expenditure reduction and increased efficiencies and revenues; this is explained in greater detail in the MD&A.

A five-year Capital Improvement Plan has been adopted as a component of the annual operating budget. The Capital Improvement Plan is coordinated with the annual operating budget, taking into consideration its impact on annual operating costs.

AWARDS AND ACKNOWLEDGEMENTS

The City received the GFOA Distinguished Budget Presentation Award for its annual budget document for the 26th year. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

Preparation of this report could not be accomplished without the efficient and dedicated services of the entire Finance Department staff. We wish to express our appreciation to all members of the department for their assistance, with special thanks to Dane' Galloway, Deputy Director of Finance and Support Services, and the staff at ATA-KY, PSC. We also thank the Owensboro Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Owensboro's finances.

Respectfully submitted,



Nathaniel W. Pagan
City Manager



Angela Waninger, CPA, CGMA
Director of Finance and Support Services

DIRECTORY OF PUBLIC OFFICIALS

ELECTED OFFICIALS – BOARD OF COMMISSIONERS

Mayor Thomas H. Watson

Commissioner Bob Glenn (Mayor Pro Tem)

Commissioner Curtis Maglinger

Commissioner Sharon NeSmith

Commissioner Jeff Sanford

APPOINTED OFFICIALS AND DEPARTMENT HEADS

City Manager.....Nate Pagan

Assistant City Manager.....Lelan Hancock

City Attorney.....Mark Pfeifer

City Clerk.....Beth Davis

Director of Finance & Support Services.....Angela Waninger

Director of Public Works..... Stephen Franklin

Fire Chief.....James Howard

Police Chief.....Art Ealum

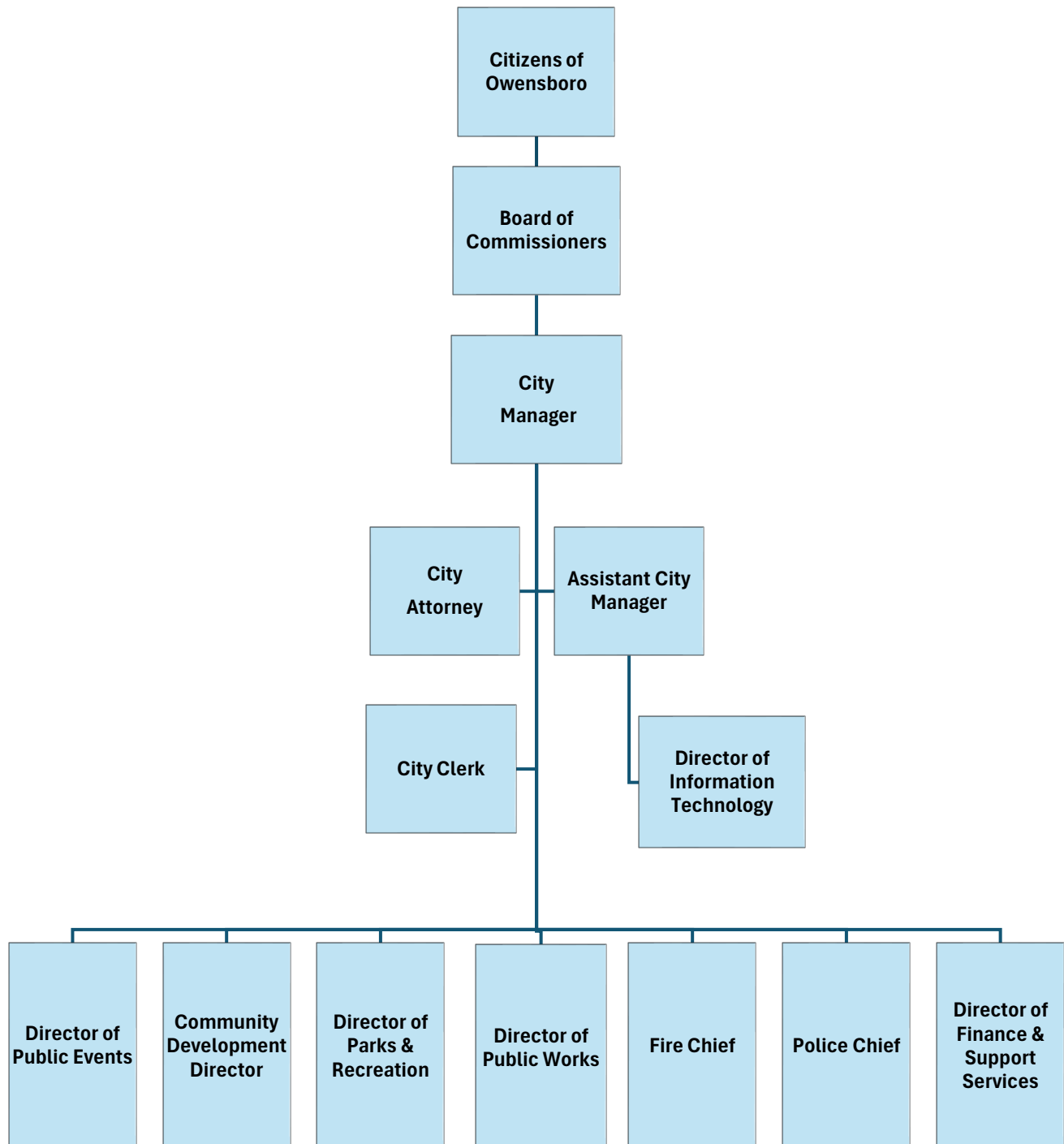
Director of Parks & Recreation.....Amanda Rogers

Director of Community Development.....Abby Shelton

Director of Information Technology.....Jeff Bell

CITY OF OWENSBORO

ORGANIZATION CHART FISCAL YEAR 2024-2025



Financial Section



INDEPENDENT AUDITOR'S REPORT

To the Honorable Tom Watson, Mayor
And the Board of Commissioners of the
City of Owensboro, 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 units, each major fund, and the aggregate remaining fund information of the City of Owensboro, Kentucky, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Owensboro, Kentucky's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Owensboro, Kentucky as of June 30, 2025, 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 Owensboro Municipal Utilities and the Owensboro Riverport Authority, which represent all component unit assets, total component unit net position, and total component unit revenues. In addition we did not audit the financial statements of the Owensboro-Daviess County Regional Airport, which represents 5.1 percent, 15.4 percent, and 1.1 percent, respectively, of total governmental activities assets, total governmental activities net position, and total governmental activities revenues and transfers as of June 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose reports has been furnished to us, and our opinion, insofar as it relates to the amounts included for Owensboro Municipal Utilities, Owensboro Riverport Authority, and Owensboro-Daviess County Regional Airport 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 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 Owensboro, 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 Owensboro, 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 Owensboro, 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 Owensboro, 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, General Fund budgetary comparison information, and various pension and OPEB schedules 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 and other auditors 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 Owensboro, Kentucky's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedules, and capital asset schedules are presented for purposes of additional analysis and are 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 by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual nonmajor fund financial statements, schedules, and capital asset schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2025, on our consideration of the City of Owensboro, 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 Owensboro, 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 Owensboro's internal control over financial reporting and compliance.

ATA-KY, PSC

Owensboro, Kentucky
December 12, 2025



Management's Discussion and Analysis
(Required Supplement Information)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Owensboro ("City") offers Management's Discussion and Analysis to provide a narrative overview and analysis of City financial activities for fiscal year ended June 30, 2025. To fully understand the entire scope of the City's financial activities, this information should be read in conjunction with the letter of transmittal (pages 1-4) and the financial statements (pages 23-141) provided in this document.

I. Financial Highlights

- The government-wide assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$158.3 million at the close of the 2024-2025 fiscal year.
- The government-wide total net position increased by \$22.5 million from prior year.
- City governmental funds reported a combined ending fund balance of \$99 million. Of this total amount \$43.5 million, or 43.9%, is unassigned and available for spending at the City's discretion.
- The unassigned general fund balance of \$43.5 million represents 56.7%, or 207 days of total general fund expenditures including transfers.

II. Overview of Financial Statements

This discussion and analysis serve as an introduction to the City's basic financial statements, which consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

A. Government-Wide Financial Statements

Government-wide financial statements are designed to provide readers with a broad overview of City finances in a manner similar to private-sector business.

The Statement of Net Position presents information on all City assets and deferred outflows compared to the liabilities and deferred inflows, with the difference reported as net position. Monitoring increases and/or decreases in net position over time helps the City to recognize whether its financial position is deteriorating or improving.

The Statement of Activities shows how the City's net position changed during the past fiscal year. All net position changes are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues and expenses are reported in the Statement of Activities for some items that will only result in cash flows in the future (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements separate City functions primarily supported by taxes and intergovernmental revenues (governmental activities) from other City functions that are intended to recover all or a significant portion of expenses through user fees and charges (business-type activities). City governmental activities include general government, public safety, public works, community and cultural, and community and economic development. Business-type activities of the City include sanitation, transit, geographic information system, and recreation.

Government-wide financial statements include the City (the primary government) and its legally separate component units, Owensboro Municipal Utilities (“OMU”) and Owensboro Riverport Authority (“ORA”), for which the City is financially accountable. Financial information for the component units is reported separately from the financial information presented for the primary government.

The government-wide financial statements are on pages 23-24 of this report.

B. Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over segregated resources for specific activities or objectives. The City of Owensboro, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. City funds are divided into three categories:

- 1) Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike government-wide financial statements, however, governmental fund financial statements focus on near-term inflow and outflows of spendable resources, as well as on balances of spendable resources available at fiscal year-end. This information can help the City when it evaluates near-term financing requirements.

The City maintains 16 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and Capital Improvements Fund all of which are considered to be major funds. Data from thirteen non-major governmental funds are combined into a single aggregated presentation. Individual fund data for each non-major governmental fund is provided in the form of combining statements within the Non-major Governmental Funds section in this report.

Readers may better understand the long-term impact of the City’s near-term financing decisions by comparing the narrow-focus government funds financial statements with governmental activities in the government-wide financial statements. The governmental funds balance sheet (pages 25-26) and the statement of revenues, expenditures and changes in fund balances (pages 27-28) provide a reconciliation to ease comparison between governmental funds and governmental activities.

- 2) Proprietary Funds. The City maintains two different types of proprietary funds:

- a. **Enterprise funds**. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements and are used to account for operations:

- financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or
- in which the governing body decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The City uses six enterprise funds to account for Sanitation, Convention Center Operations, Transit, Geographic Information System, Recreation, and Sportscenter Operations as well as certain component units that provide electric, water, and riverport services. These component units, which each have their own board of directors, are also Enterprise Funds. Sanitation and the component units are self-supporting. The other Enterprise funds receive subsidy from the General Fund.

The City's component unit enterprises are OMU, which provides the electric, light and power system and the water works system, and ORA, which operates the riverport and navigational facilities.

- b. **Internal Service funds** are used to accumulate and allocate costs internally among the City's various functions. The City uses four internal service funds to account for its Facilities Maintenance, Insurance, Garage Service, and Fleet and Facilities Capital Replacement. Internal Service Funds have been included within governmental activities in the government-wide financial statements because these funds predominantly benefit governmental functions versus business-type functions.

Proprietary fund statements provide the same kind of information as government-wide financial statements, but in greater detail. Individual data for the proprietary fund financial statements is presented in the form of combining statements at pages 29-31 of this report. Individual data for the internal service fund financial statements are likewise presented in the form of combining statements at pages 111-113 of this report.

- 3) **Fiduciary Funds.** Fiduciary funds account for resources held for the benefit of parties outside the government and are not reflected in government-wide financial statements because those resources are not available to support City programs. Individual data for the City's four fiduciary funds (City Employees' Pension Fund, Police and Firefighters' Retirement Fund, Investment Trust Fund, and Custodial Funds) are presented in the form of combining statements at pages 32-33 of this report.

C. Notes to the Financial Statements

These notes provide additional information crucial to fully understanding data provided in the government-wide and fund financial statements. Notes to the financial statements are on pages 36-87 of this report.

D. Other Information

In addition to basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning City funding of its obligation to provide pension and OPEB benefits to its employees and budgetary comparison schedules for the General Fund. Required supplementary information is on pages 89-102 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules are on pages 103-118 of this report.

III. Government-Wide Financial Analysis

As previously indicated, net position may serve over time as a useful indicator of the City's financial position. City assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$158.3 million on June 30, 2025.

The largest portion of the City's net position, \$95.9 million, or 61%, reflects its net investment in capital assets. The City uses these capital assets to provide service to citizens and as a result, these assets are not available for future spending. The City's capital assets are reported net of related debt, but the resources to pay this debt must come from other sources since capital assets cannot be used to liquidate the liabilities.

At the end of the last fiscal year, the City was able to report a positive total net position.

City of Owensboro Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
Current and other assets	\$169,381,305	\$162,941,003	\$32,440,871	\$33,953,161	\$201,822,176	\$196,894,164
Capital assets	190,430,713	201,282,750	7,587,550	7,053,053	198,018,263	208,335,803
Total assets	359,812,018	364,223,753	40,028,421	41,006,214	399,840,439	405,229,967
Deferred outflows of resources	24,981,755	26,229,235	-	-	24,981,755	26,229,235
Total assets and deferred outflows of resources	\$384,793,773	\$390,452,988	\$40,028,421	\$41,006,214	\$424,822,194	\$431,459,202
Long-term liabilities	\$220,433,073	\$210,039,639	\$1,319,072	\$1,256,105	\$221,752,145	\$211,295,744
Other liabilities	21,101,085	19,371,429	1,048,707	1,357,913	22,149,792	20,729,342
Total liabilities	241,534,158	229,411,068	2,367,779	2,614,018	243,901,937	232,025,086
Deferred inflows of resources	44,560,485	40,617,058	617,400	562,685	45,177,885	41,179,743
Total liabilities and deferred inflows of resources	\$286,094,643	\$270,028,126	\$2,985,179	\$3,176,703	\$289,079,822	\$273,204,829
Net position:						
Net Invest in capital assets	\$78,531,479	\$88,866,937	\$7,587,550	\$7,053,053	\$86,119,029	\$95,919,990
Restricted	59,074,763	29,767,381	776,574	502,527	59,851,337	30,269,908
Unrestricted	(38,907,112)	1,790,544	28,679,118	30,273,931	(10,227,994)	32,064,475
Total net position	\$98,699,130	\$120,424,862	\$37,043,242	\$37,829,511	\$135,742,372	\$158,254,373

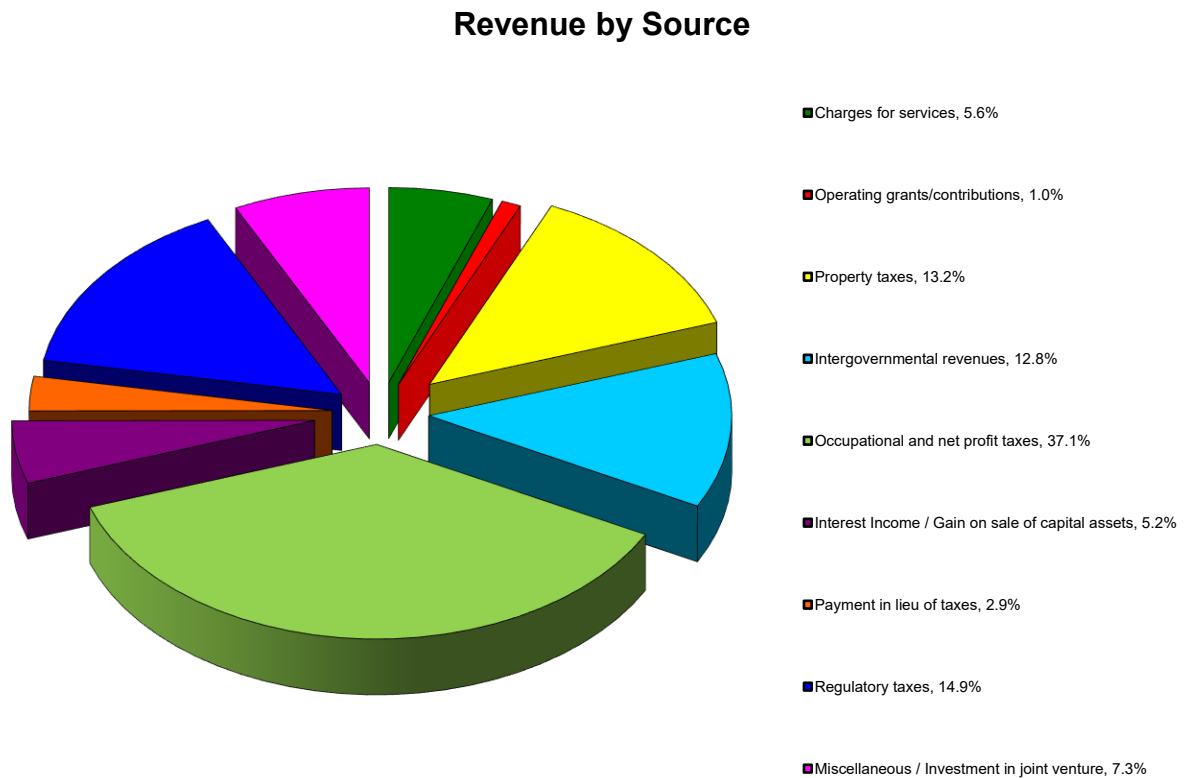
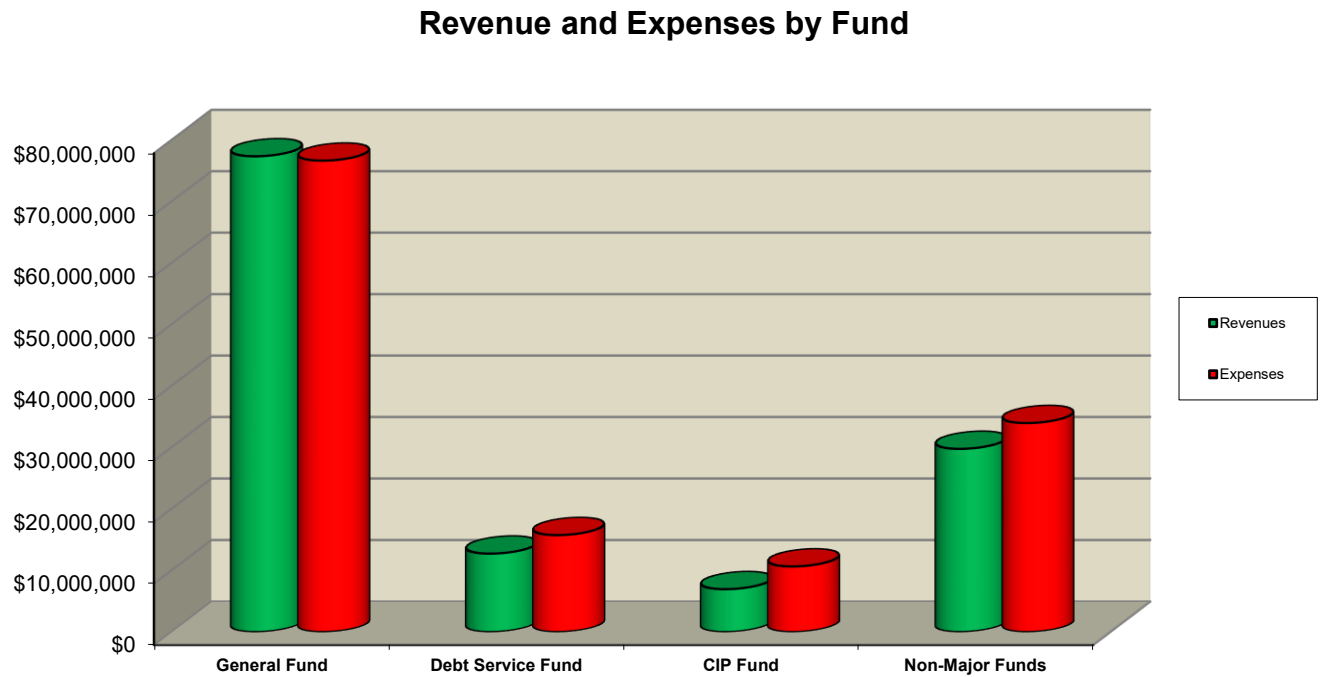
A. Analysis of the City's Operations

The following table summarizes City operations for the year ended June 30, 2025. The City's net position increased by \$21.7 million under governmental activities and increased by \$.8 million under business-type activities. The increase in governmental activities net position is primarily due to higher occupational, net profit and insurance premium license fees, and investment earnings. The increase in business-type activities net position is primarily due to increased earnings under charges for services and investment earnings under the Convention Center.

City of Owensboro - Changes in Net Position

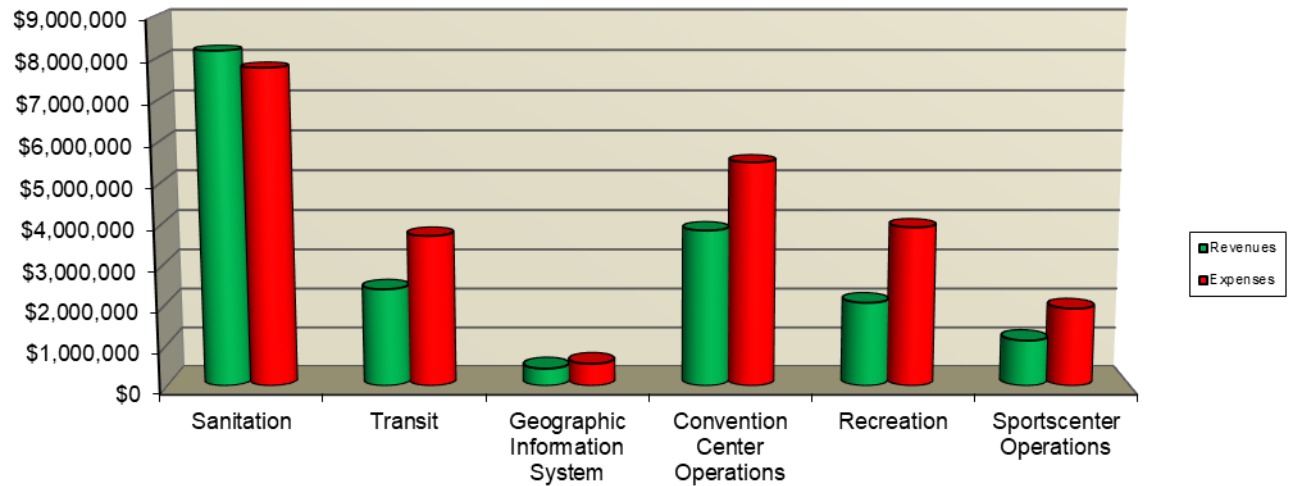
	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
Revenues:						
Program revenues:						
Charges for services	\$5,673,689	\$6,240,395	\$15,415,749	\$15,786,035	\$21,089,438	\$22,026,430
Operating grants/contributions	1,288,145	1,160,008	1,721,086	1,088,544	3,009,231	2,248,552
Capital grants/contributions	-	8,000	401,300	1,194,536	401,300	1,202,536
General revenues:						
Property taxes	14,296,489	14,866,994	-	-	14,296,489	14,866,994
Occupational & NP License Fee	40,329,045	41,627,577	-	-	40,329,045	41,627,577
Regulatory taxes	14,839,197	16,717,150	249,473	294,705	15,088,670	17,011,855
Payment in lieu of taxes	3,095,756	3,201,776	-	-	3,095,756	3,201,776
Gain on sale of capital assets	7,806	116,981	327,751	18,456	335,557	135,437
Investment earnings	5,929,844	5,725,116	1,020,515	1,010,036	6,950,359	6,735,152
Intergovernmental revenues	14,163,489	14,397,212	290,747	309,543	14,454,236	14,706,755
Investment in joint venture	480,165	1,152,314	-	-	480,165	1,152,314
Miscellaneous	3,286,836	8,164,922	554,112	1,157,714	3,840,948	9,322,636
Total revenues	\$103,390,461	\$113,378,445	\$19,980,733	\$20,859,569	\$123,371,194	\$134,238,014
Expenses:						
General government	\$ 20,550,304	\$ 16,451,301	-	-	\$20,550,304	\$16,451,301
Public safety	34,752,159	32,735,658	-	-	34,752,159	32,735,658
Public works	9,298,430	12,086,539	-	-	9,298,430	12,086,539
Community and cultural	15,692,968	17,088,830	-	-	15,692,968	17,088,830
Community/economic development	4,614,212	5,885,423	-	-	4,614,212	5,885,423
Interest on long-term debt	4,367,742	4,066,407	-	-	4,367,742	4,066,407
Sanitation	-	-	7,535,067	7,785,618	7,535,067	7,785,618
Other enterprise funds	-	-	14,433,035	15,626,237	14,433,035	15,626,237
Total expenses	\$89,275,815	\$88,314,158	\$21,968,102	\$23,411,855	\$111,243,917	\$111,726,013
Increase in net position						
before transfers & special items	\$14,114,646	\$25,064,287	(\$1,987,369)	(\$2,552,286)	\$12,127,277	\$22,512,001
Transfers	(2,738,470)	(3,338,555)	2,738,470	3,338,555	-	-
Increase (decrease) in net position	11,376,176	21,725,732	751,101	786,269	12,127,277	22,512,001
Net position – beginning of year	87,322,954	98,699,130	36,292,141	37,043,242	123,615,095	135,742,372
Net position – end of year	\$98,699,130	\$120,424,862	\$37,043,242	\$37,829,511	\$135,742,372	\$158,254,373

B. Governmental Activities

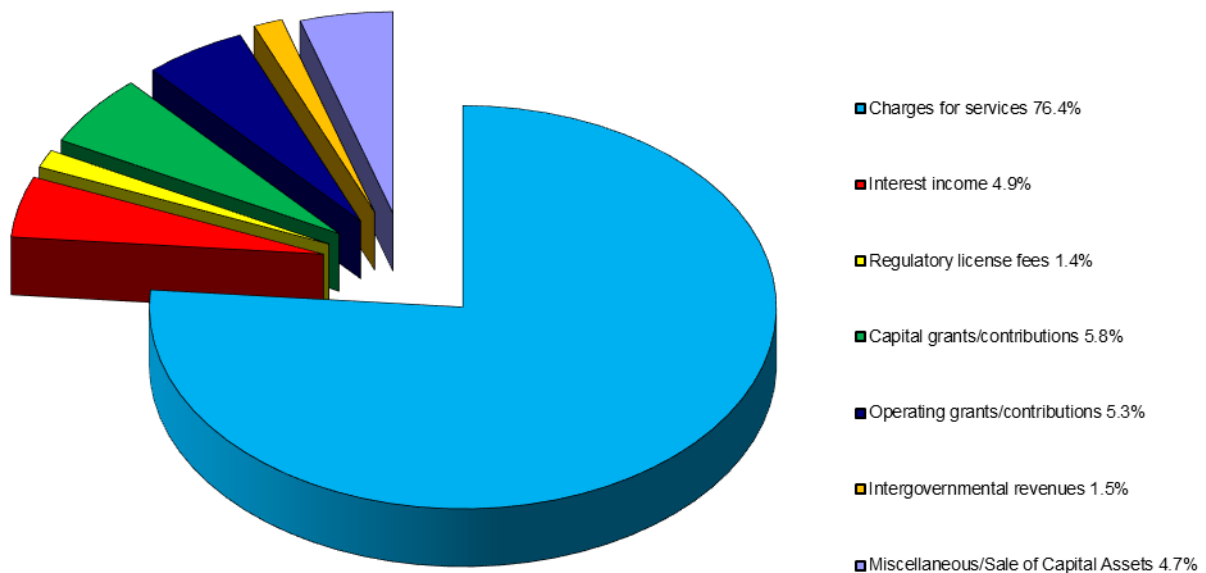


C. Business- Type Activities

Revenue and Expenses by Fund



Revenue by Source



IV. Financial Analysis of the City's Funds

As was earlier stated, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

A. Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources, which is useful in determining the City's financing requirements. Unassigned fund balance serves as a useful measure of the City's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the City governmental funds reported combined ending fund balance of \$98,965,378 of which \$40,418,927 is restricted, \$14,825,567 is committed, \$175,494 is assigned and \$50,351 is non-spendable. Approximately 43.9%, or \$43,495,039, is unassigned fund balance, which is available for spending at the city's discretion.

The General Fund is the chief operating fund of the City. At the end of the 2024-2025 fiscal year, the General Fund unassigned fund balance was \$43,495,039. As a measure of General Fund liquidity, readers may compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 56.7% of total General Fund expenditures (including transfers-out) of \$76,667,581, while total fund balance represents 57.3% of total General Fund expenditures. The General Fund balance increased by \$705,380 during the 2024-2025 fiscal year. This increase is primarily due to higher insurance premium license fees, property tax, and occupational license fees.

The decrease in long-term debt is primarily due to the Series 2014B General Obligation Bonds reaching maturity during the 2024-2025 fiscal year. The bonds were originally issued by the City on behalf of the Owensboro Riverport Authority to support infrastructure improvements. With the bonds reaching maturity, the associated debt service obligations have concluded, resulting in a reduction in the restricted fund balance.

The Capital Improvements Fund balance of \$27,498,840 represents a decrease of \$3,691,028 from prior year. The decrease is primarily due to expending funds towards the construction of a downtown indoor sports facility, new fire training center, renovation and expansion of two fire stations and other various capital projects. The total fund balance is restricted.

The City's non-major governmental fund balances are:

CERS	\$ 2,883,542
Central Dispatch	\$ 2,360,302
Community Development	\$ 21,521
Economic Development	\$ 7,868,620
Your Community Vision	\$ 5,590,710
Downtown Development & Revitalization	\$ 1,398,018
Gateway Commons TIF	\$ 2,398,499
Downtown Riverfront TIF	\$ 1,431,394
ARPA	\$ 1,422,303
Tourist & Convention	\$ 699,426
Opioid Settlement	\$ 652,813
Drug and Property Recovery	\$ 783,444
Fire Secondary Employment	\$ 1,081
Total	<u>\$ 27,511,673</u>

The total fund balances for all non-major governmental funds decreased by \$4,191,008. The Central Dispatch fund balance increased \$436,420 due to personnel, maintenance and capital project expenditure savings. The Community Development fund balance reflects an increase of \$136,898 due to the sale of two newly constructed homes under the HOME program resulting in program income. The Economic Development fund balance increased \$892,146 primarily due to higher occupational fee revenues and investment earnings. Your Community Vision fund decreased by \$3,495,882 due to timing of project and maintenance expenditures. Downtown Development and Revitalization fund increased \$944,105 due to increased Insurance Premium license Fee collections. The Gateway Commons TIF fund balance increased \$206,760 due to higher local and state revenue reimbursements. The ARPA fund balance decreased by \$3,598,050 due to the York Ditch Drainage Project nearing completion. The Tourist & Convention fund balance increased \$115,693 due to increased hotel tax revenues. The Opioid Settlement fund balance increased by \$166,605, due to additional settlements increasing the revenue stream and timing of expenditures. The CERS, Downtown Riverfront TIF, Drug and Property Recovery and Fire Secondary Employment funds reflect normal, or immaterial, net changes in fund balance.

B. Proprietary Enterprise Funds

The City's proprietary funds provide the same information found in the government-wide financial statements, but in more detail. The respective Proprietary Funds unrestricted net position are:

Sanitation	\$ 19,403,009
Total Non-major Enterprise Funds	\$ 3,755,515

The net position for the Proprietary Funds decreased \$188,148. The Sanitation Fund increased \$506,631 due to increased revenues along with savings in motor fuel and tipping fees. Total Non-major Enterprise Funds net position decreased \$694,779 due to timing of reimbursement for expenses in the Transit fund. The changes in net position for the non-major Enterprise Funds are:

Transit	\$ (1,265,023)
GIS	\$ 31,713
Recreation	\$ 189,647
Convention Center	\$ 414,135
Sportscenter	\$ (65,251)

Other factors concerning the Proprietary Enterprise Funds are addressed in the discussion of Proprietary Funds on pages 12-13.

V. General Fund Budgetary Highlights

Differences between the original budgeted appropriations and the final amended budget resulted in a \$11,333,880 increase in appropriations and transfers. The net budgetary increase due to appropriations and transfers was deducted from the available fund balance. The increases are primarily due to carryovers from prior year due to unfinished projects and appropriation of funds for the purchase of property. Actual expenditures and other financing uses were \$8,083,636 less than the final amended budgeted appropriations. This was primarily due to timing of expenditures for unfinished projects, street resurfacing, transfers to OMU and savings in personnel due to vacancies.

Differences between the original budgeted revenues and the final amended budget resulted in a \$876,958 increase in revenues. The increase in budgeted revenues is due to transfers from the ARPA and Central Dispatch funds. Actual revenues and other financing sources were \$3,073,145 more than final amended budgeted revenues primarily due to higher net profit license fees and insurance premium license fees and investment earnings.

For a complete comparison of original budget to final amended budget to actual revenues and expenditures, refer to the General Fund Budgetary Comparison Schedule on pages 100-101.

VI. Capital Asset and Debt Administration

A. Capital Assets

The City's net investment in capital assets for governmental and business-type activities as of June 30, 2025, is \$208 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, parks facilities, roads, highways and bridges, and construction in progress.

	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
Land	\$32,875,084	\$37,166,270	\$118,739	\$116,454	\$32,993,823	\$37,282,724
Land improvements	71,150,592	71,562,674	387,326	356,810	71,537,918	71,919,484
Buildings	71,442,479	74,571,124	1,103,914	1,034,153	72,546,393	75,605,277
Vehicles	3,104,723	2,472,280	4,589,809	4,152,194	7,694,532	6,624,474
Machinery and equipment	2,887,747	4,622,341	1,327,279	1,252,989	4,215,026	5,875,330
Software	1,119,840	858,643	-	-	1,119,840	858,643
Construction in Progress	7,850,248	10,029,418	60,483	140,453	7,910,731	10,169,871
Total	\$190,430,713	\$201,282,750	\$7,587,550	\$7,053,053	\$198,018,263	\$208,335,803

Major capital projects ongoing during the current fiscal year include the following:

- The Downtown Indoor Sports Facility, an 80,000 square foot facility for hosting basketball, tennis, volleyball, archery, cheer, dance and pickleball at a budgeted cost of \$19 million.
- Fire Station #3 Expansion budgeted at \$8.1 million.
- The new senior center budgeted at \$6.9 million.

Additional information on capital assets is on pages 53-55 in Footnote 5 and on pages 121-123.

B. Long-Term Debt

At year end, the City had \$129,418,650 in outstanding bonds and loans payable, compared to \$141,226,690 on June 30, 2024. That is a 8.4% decrease as shown in the following table:

	Governmental Activities	
	2024	2025
General obligation bonds	\$ 69,741,154	\$ 62,898,586
Refunding bonds	55,710,000	52,130,000
KIA loan payable	15,775,535	14,390,064
Total	\$ 141,226,689	\$129,418,650

The City's legal debt limit under Kentucky Constitution Section 158 is 10% of total assessed value of taxable property in Owensboro; therefore, the debt limit is \$511,783,850. The City's bond rating on June 30, 2025 is A1.

The City issues and incurs debt to fund capital improvement projects, purchase major capital equipment facilities, and respond to other special funding needs. The City has a low amount of general obligation debt, which explains our large legal debt margin. Less than 1% of the General Fund budget is expended on debt service and has little impact on current and future operations.

Additional information on long-term debt is in Footnote 6 at pages 56-64.

C. Types of Municipal Debt

- i. **Refunding Bonds.** The City refinances debt when interest rates become favorable to do so, thereby reducing the outstanding debt liability. As such, the following refunding bonds were issued: Series 2014 refunded 2009 Building America Bonds; Series 2016A refunded 2006 bonds; Series 2016B refunded 2008 bonds; 2019A refunded 2016 bonds; 2019B refunded 2010 bonds; 2019C and 2019D refunded 2011 bonds; and Series 2019E refunded the 2009 Bond Anticipation Note and 2012B bonds.
- ii. **Kentucky Infrastructure Authority Loan Payable.** The City executed low interest loans from KIA to fund stormwater projects. Loan A07-04 provided \$20,508,678 in 2007, and Loan A15-36 provided \$2,878,252 in 2015. The total outstanding balance as of June 30, 2025, is \$14,390,064.

VII. Economic Factors and Next Year's Budgets and Rates

- A. **Unemployment Rate.** The unemployment rate for the City of Owensboro as of June 2025 was 4.6%. The state and federal unemployment rates were 4.9% and 4.4%, respectively.
- B. **Inflationary Trends.** City inflationary trends compare favorably to state and national trends.
- C. **Annexation Policy.** Incentive investments in annexation and economic development should enable revenue to increase significantly over the next years. The City will continue to aggressively pursue its annexation efforts as these efforts will ensure long-term financial stability for the City in terms of increased property taxes, occupational license fees, and occupational net profit fees through mixed commercial, industrial, and residential development. City policy will continue to provide annexation and economic development incentives that will pay for themselves within years of implementation and serve as incentive investments in future revenues to offset the cost of providing services to the newly annexed areas. The policy of balanced and controlled growth will be the City's greatest challenge in the next 5-10 years.
- D. **Fleet and Facilities Maintenance Plan.** The City's strategy to continue to limit expenditure growth and seek cost savings opportunities will ensure that funds are available for needed capital projects in the future. To assist with this, the City implemented the Fleet and Facilities Maintenance Plan. This plan allows the City to make long-range plans for facility maintenance and to replace vehicles at the optimal time to avoid high maintenance costs and take advantage of a higher resale value.
- E. **Debt Service Payments.** All future debt service payments must come from operating funds. As a result, debt service requirements are an important consideration when preparing the annual operating budget and the long-range plans.

All these factors, in addition to current and future needs of the City of Owensboro, were considered when the 2025-2026 City budget was prepared. The budgeted beginning general fund balance for fiscal year 2025-2026 is \$35,121,724. The City's financial condition is improving due to continued growth in the economic base, both with existing businesses and those annexed into the City.

VIII. Requests for Information

This financial report is designed to provide a general financial overview for those interested in the City of Owensboro government finances. Questions or requests for additional financial information may be addressed to Angela Waninger, Director of Finance and Support Services, City of Owensboro, 101 East Fourth Street, Owensboro, KY 42303.



Basic Financial Statements

City of Owensboro, Kentucky
Statement of Net Position
June 30, 2025

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Equity in pooled deposits and investments	\$ 111,909,841	\$ 22,796,959	\$ 134,706,800	\$ 3,388,667
Cash and cash equivalents:				
In segregated accounts	7,000	195,515	202,515	39,657,635
With escrow agents	40,894	-	40,894	-
Restricted cash	15,281,335	-	15,281,335	-
Investments	-	-	-	26,990,406
Receivables:				
Accounts, net of allowance \$694,323 Governmental and \$24,460 Business-Type	2,399,422	2,536,924	4,936,346	22,987,492
Lease receivable	6,280,000	-	6,280,000	1,556,252
Component units	144,236	1,211,413	1,355,649	
Intergovernmental	3,406,502	-	3,406,502	-
Taxes	5,469,483	-	5,469,483	-
Delinquent taxes receivable, net of allowance \$104,367	385,456	-	385,456	-
Internal balances	(7,115,407)	7,115,407	-	-
Materials and supplies inventory	292,645	93,743	386,388	11,642,421
Prepaid items	115,712	3,200	118,912	335,821
Other current assets	-	-	-	296,351
Restricted Assets	-	-	-	41,371,625
Net pension asset	3,699,510	-	3,699,510	-
Net other postemployment pension asset	763,379	-	763,379	1,001,457
Capital assets, net of accumulated depreciation				
Land	37,166,270	116,454	37,282,724	-
Construction in progress	10,029,418	140,453	10,169,871	-
Depreciable capital assets	154,087,062	6,796,146	160,883,208	243,408,631
Other noncurrent assets	-	-	-	3,597,157
Long-Term receivable	1,332,230	-	1,332,230	4,582,431
Investment in joint venture	18,528,765	-	18,528,765	-
Total Assets	364,223,753	41,006,214	405,229,967	400,816,346
DEFERRED OUTFLOWS OF RESOURCES				
Deferred asset retirement outflow	-	-	-	4,915,250
Deferred pension and postemployment benefits outflows	22,769,933	-	22,769,933	6,896,581
Deferred pension and postemployment benefits obligations	-	-	-	36,673,701
Unamortized Loss in Debt Refunding	3,459,302	-	3,459,302	842,084
Net Unrealized loss on investments	-	-	-	5,218,907
Total Deferred Outflows of Resources	26,229,235	-	26,229,235	54,546,523
Total Assets and Deferred Outflows of Resources	\$ 390,452,988	\$ 41,006,214	\$ 431,459,202	\$ 455,362,869
LIABILITIES				
Accounts payable	\$ 5,482,517	\$ 873,441	\$ 6,355,958	\$ 18,813,621
Accrued wages	1,665,511	319,646	1,985,157	-
Other accrued liabilities	2,747,706	5,283	2,752,989	373,522
Accrued interest payable	865,692	-	865,692	1,451,346
Unearned revenue	-	54,516	54,516	-
Bonds and loans payable, current portion	8,300,161	90,576	8,390,737	19,158,364
Compensated absences, current portion	309,842	14,451	324,293	-
Noncurrent liabilities:				
Bonds and loans payable, less current portion	120,399,284	628,629	121,027,913	96,186,765
Compensated absences, less current portion	4,987,584	627,476	5,615,060	-
Net pension liability	82,150,231	-	82,150,231	34,589,215
Net other postemployment benefits liability	2,502,540	-	2,502,540	-
Total Liabilities	229,411,068	2,614,018	232,025,086	170,572,833
DEFERRED INFLOWS OF RESOURCES				
Deferred pension and postemployment benefits inflows	30,631,796	-	30,631,796	16,908,897
Deferred lease inflows	6,280,000	562,685	6,842,685	5,951,605
Deferred revenue	3,705,262	-	3,705,262	4,889,736
Total Deferred Inflows of Resources	40,617,058	562,685	41,179,743	27,750,238
NET POSITION				
Net investment in capital assets	88,866,937	7,053,053	95,919,990	140,602,632
Restricted for:				
Capital projects	13,806,708	-	13,806,708	13,622,322
Debt service	8,277,445	260,900	8,538,345	11,766,142
Pensions	4,462,889	-	4,462,889	-
Public safety	609,031	-	609,031	-
Community & Economic Development/Parks/Wellness	2,611,308	241,627	2,852,935	-
Other purposes	-	-	-	7,040,667
Unrestricted	1,790,544	30,273,931	32,064,475	84,008,035
Total Net Position	120,424,862	37,829,511	158,254,373	257,039,798
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 390,452,988	\$ 41,006,214	\$ 431,459,202	\$ 455,362,869

The accompanying notes are an integral part of these financial statements.

City of Owensboro, Kentucky
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Debt Service	Capital Improvements	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Equity in pooled deposits and investments	\$ 46,960,978	\$ -	\$ 14,568,573	\$ 25,098,691	\$ 86,628,242
Cash and cash equivalents					
In segregated accounts	7,000	-	-	-	7,000
With escrow agents	8,280	2,332	5,613	24,669	40,894
Restricted cash	-	-	15,281,335	-	15,281,335
Receivables					
Accounts, net of allowance \$556,057	2,117,880	-	-	1,485,213	3,603,093
Component units	144,236	-	-	-	144,236
Lease	-	6,280,000	-	-	6,280,000
Taxes	4,251,976	-	-	1,217,507	5,469,483
Intergovernmental	42,336	-	-	3,364,165	3,406,501
Delinquent taxes receivable, net of allowance \$75,297	385,456	-	-	-	385,456
Materials and supplies inventory	22,639	-	-	-	22,639
Prepaid items	27,712	-	-	-	27,712
Total Assets	\$ 53,968,493	\$ 6,282,332	\$ 29,855,521	\$ 31,190,245	\$ 121,296,591
LIABILITIES					
Accounts payable	\$ 1,171,951	\$ -	\$ 930,947	\$ 467,471	\$ 2,570,369
Accrued wages	1,455,709	-	-	102,683	1,558,392
Other accrued liabilities	1,184,470	-	1,425,734	137,502	2,747,706
Total Liabilities	3,812,130	-	2,356,681	707,656	6,876,467
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue	6,203,830	6,280,000	-	2,970,916	15,454,746
FUND BALANCES (DEFICITS)					
Nonspendable	50,351	-	-	-	50,351
Restricted	407,143	2,332	27,498,840	12,510,612	40,418,927
Committed	-	-	-	14,825,567	14,825,567
Assigned	-	-	-	175,494	175,494
Unassigned	43,495,039	-	-	-	43,495,039
Total Fund Balances (Deficits)	43,952,533	2,332	27,498,840	27,511,673	98,965,378
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 53,968,493	\$ 6,282,332	\$ 29,855,521	\$ 31,190,245	\$ 121,296,591

The notes to financial statements are an integral part of this statement.

City of Owensboro, Kentucky
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
For the Year Ended June 30, 2025

Fund balances of governmental funds	\$	98,965,378
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Amounts reported for governmental activities in the statement of net position are different because:

Internal services funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		28,238,356
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Capital assets used in governmental activities are not financial resources, and therefore are not reported in the governmental funds:

Cost	407,488,980	
Accumulated depreciation	<u>(218,801,095)</u>	
		188,687,885

Certain assets are not available to pay for current period expenditures:

Occupational and net profit taxes	5,469,484	
Net pension asset-OPEB	763,379	
Net pension asset-Single Employer Plan	<u>3,699,510</u>	
		9,932,373

The City has an equity interest in a joint venture. This investment is not a current financial resource, and therefore is not reported in the funds.

18,528,765

Deferred outflows and inflows of resources shown in governmental activities apply to future periods, and therefore are not reported in governmental funds:

Deferred outflows of resources-CERS	22,592,899	
Deferred outflows of resources-Single Employer Plans	177,034	
Deferred inflows of resources-CERS	(29,619,252)	
Deferred inflows of resources-Single Employer Plans	<u>(1,012,544)</u>	
		(7,861,863)

Long-term liabilities are not due and payable in the current period, and therefore are not reported as liabilities in governmental funds:

Long-term debt	(127,463,928)	
Accrued interest payable	(865,692)	
Debt issuance discounts	150,030	
Debt issuance premiums	(1,385,547)	
Deferred refunding charges	3,459,302	
Compensated absences	(5,297,426)	
Net pension liability-CERS	(79,417,152)	
Net OPEB liability-CERS	(2,502,540)	
Net pension liability-Single Employer Plans	<u>(2,743,079)</u>	
		(216,066,032)

Net position of governmental activities	\$	<u><u>120,424,862</u></u>
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The notes to financial statements are an integral part of this statement.

City of Owensboro, Kentucky
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2025

	General Fund	Debt Service	Capital Improvements	Your Community Vision	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
Real and personal property taxes	\$ 14,164,315	\$ -	-	-	\$ 702,678	\$ 14,866,993
Occupational license fees	24,066,866	-	-	-	9,042,908	33,109,774
Net profit license fees	6,694,850	-	-	-	1,822,951	8,517,801
Regulatory license fees	9,926,233	-	-	-	6,790,917	16,717,150
Intergovernmental	2,488,445	571,964	-	-	3,717,064	6,777,473
Investment earnings	2,798,912	4,791	1,526,572	-	1,394,839	5,725,114
Fees licenses and permits	659,045	-	-	-	87,677	746,722
Fines and forfeitures	88,613	-	-	-	-	88,613
Rentals	162,993	-	-	-	953,111	1,116,104
Charges for services	2,596,986	-	-	-	1,230,145	3,827,131
Contributions and donations	258,000	-	2,240,000	-	32,231	2,530,231
Dividends from component units	8,787,759	-	-	-	-	8,787,759
Payments in lieu of taxes from component unit	3,201,776	-	-	-	-	3,201,776
Miscellaneous income	327,174	-	-	-	563,415	890,589
Total Revenues	76,221,967	576,755	3,766,572	-	26,337,936	106,903,230
EXPENDITURES						
Current:						
General government	14,869,436	-	75,431	-	-	14,944,867
Public safety	34,018,300	-	-	-	3,859,491	37,877,791
Public works	7,643,497	-	-	-	1,990,573	9,634,070
Community and cultural	7,298,502	-	-	-	6,250	7,304,752
Community/economic development	310,041	-	-	-	5,584,594	5,894,635
Capital outlay	5,438,454	-	10,567,863	-	6,237,284	22,243,601
Debt service:						
Debt retirement	-	15,746,878	-	-	-	15,746,878
Total Expenditures	69,578,230	15,746,878	10,643,294	-	17,678,192	113,646,594
Excess (deficiency) of revenues over expenditures	6,643,737	(15,170,123)	(6,876,722)	-	8,659,744	(6,743,364)
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	490	-	-	-	116,208	116,698
Transfers in	1,150,504	12,159,559	3,189,894	-	3,314,613	19,814,570
Transfers out	(7,089,351)	-	(4,200)	-	(16,281,573)	(23,375,124)
Total Other Financing Sources (Uses)	(5,938,357)	12,159,559	3,185,694	-	(12,850,752)	(3,443,856)
Net Change in Fund Balances	705,380	(3,010,564)	(3,691,028)	-	(4,191,008)	(10,187,220)
Fund Balances - Beginning of the Year	43,247,153	3,012,896	31,189,868	9,086,592	22,616,089	109,152,598
Change within financial reporting entity (major to nonmajor fund)	-	-	-	(9,086,592)	9,086,592	-
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-	-	-
Fund Balances - Beginning of the Year, as adjusted	43,247,153	3,012,896	31,189,868	-	31,702,681	109,152,598
Fund Balances - Ending of the Year	\$ 43,952,533	\$ 2,332	\$ 27,498,840	\$ -	\$ 27,511,673	\$ 98,965,378

The notes to financial statements are an integral part of this statement.

City of Owensboro, Kentucky
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Net change in fund balances - total governmental funds	\$ (10,187,220)
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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 those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlays	21,217,673	
Loss on disposals	(38,343)	
Depreciation expense	(12,752,566)	8,426,764

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:

Occupational and Net Profit Taxes	708,847	
Increase in Investment in Joint Venture	1,152,314	1,861,161

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Amortization of bond discounts and premiums	129,060	
Amortization of deferred amounts on refunding	(263,486)	
Debt principal payments	11,600,865	11,466,439

Certain expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds:

Increase in compensated absences	(109,282)	
Decrease in accrued interest payable	48,618	
Pension contributions paid after the measurement date - CERS	9,113,240	
OPEB contributions paid after the measurement date - CERS	353,320	
Contributions to the Single Employer Plans	224,093	
Actuarial pension expense - CERS	(6,927,769)	
Actuarial OPEB expense - CERS	3,842,791	
Actuarial pension expense - Single Employer Plans	430,854	6,975,865

Internal service funds are used by management to charge the cost of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.

3,182,723

Change in net position of governmental activities	\$ 21,725,732
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City of Owensboro, Kentucky
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-type Activities			Governmental Activities
	Sanitation	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current Assets:				
Equity in pooled deposits and investments	\$ 18,811,550	\$ 3,985,409	\$ 22,796,959	\$ 25,281,600
Cash and cash equivalents	300	195,215	195,515	-
Receivables				
Accounts	5,560	2,531,364	2,536,924	128,559
Component units, net of allowance of \$24,460	1,211,413	-	1,211,413	-
Materials and supplies inventory	39,217	54,526	93,743	270,006
Prepaid expenses	-	3,200	3,200	88,000
Total Current Assets	20,068,040	6,769,714	26,837,754	25,768,165
Noncurrent Assets:				
Capital assets, net of accumulated depreciation				
Land	13,000	103,454	116,454	-
Construction in progress	-	140,453	140,453	1,034,810
Depreciable capital assets	2,168,313	4,627,833	6,796,146	11,560,055
Total Noncurrent Assets	2,181,313	4,871,740	7,053,053	12,594,865
Total Assets	\$ 22,249,353	\$ 11,641,454	\$ 33,890,807	\$ 38,363,030
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 243,143	\$ 630,298	\$ 873,441	\$ 2,912,148
Accrued liabilities	-	5,283	5,283	-
Accrued wages	106,163	213,483	319,646	107,119
Unearned revenue	-	54,516	54,516	-
Bonds and loans payable, current portion	-	90,576	90,576	-
Compensated absences, current portion	4,658	9,793	14,451	-
Total Current Liabilities	353,964	1,003,949	1,357,913	3,019,267
Noncurrent Liabilities:				
Bonds payable, net of discount, less current portion	-	628,629	628,629	-
Compensated absences less current portion	311,067	316,409	627,476	-
Total Noncurrent Liabilities	311,067	945,038	1,256,105	-
Total Liabilities	665,031	1,948,987	2,614,018	3,019,267
DEFERRED INFLOWS OF RESOURCES				
Deferred lease inflows	-	562,685	562,685	-
Total Deferred Inflows of Resources	-	562,685	562,685	-
Total Liabilities and Deferred Inflows of Resources	665,031	2,511,672	3,176,703	3,019,267
NET POSITION				
Net Invested in capital assets	2,181,313	4,871,740	7,053,053	12,594,865
Restricted for:				
Debt Service	-	260,900	260,900	-
Other Purposes	-	241,627	241,627	-
Unrestricted	19,403,009	3,755,515	23,158,524	22,748,898
Total Net Position	21,584,322	9,129,782	30,714,104	35,343,763
Total Liabilities and Net Position	\$ 22,249,353	\$ 11,641,454	\$ 33,890,807	\$ 38,363,030
Total Net Position			\$ 30,714,104	
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds.			7,115,407	
Net position of business-type activities			<u>\$ 37,829,511</u>	

The accompanying notes are an integral part of these financial statements.

City of Owensboro, Kentucky
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For Fiscal Year Ended June 30, 2025

	Business-type Activities			Governmental Activities
	Sanitation	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 8,193,173	\$ 7,592,862	\$ 15,786,035	\$ 17,649,142
Miscellaneous income	80,620	102,677	183,297	90,382
Transient Room Tax	-	294,705	294,705	-
Total Operating Revenues	8,273,793	7,990,244	16,264,037	17,739,524
OPERATING EXPENSES				
Salaries wages and benefits	2,889,881	4,465,274	7,355,155	2,951,316
Maintenance	714,141	1,444,010	2,158,151	851,014
Utilities	9,551	417,412	426,963	27,950
Administrative	-	-	-	456,874
Supplies	455,932	905,718	1,361,650	1,053,969
Other	2,840,502	7,558,751	10,399,253	2,610,050
Claims	-	-	-	4,638,667
Depreciation	875,611	648,785	1,524,396	1,986,520
Total Operating Expenses	7,785,618	15,439,950	23,225,568	14,576,360
Operating Income (Loss)	488,175	(7,449,706)	(6,961,531)	3,163,164
NONOPERATING REVENUES (EXPENSES)				
Gain on sale of capital assets	18,456	-	18,456	49,805
Loss on disposal of capital assets	-	(186,287)	(186,287)	(132,863)
Intergovernmental	-	309,543	309,543	-
Investment earnings	-	1,010,036	1,010,036	953,572
Operating grants	-	1,088,544	1,088,544	-
Total Nonoperating Revenues (Expenses)	18,456	2,221,836	2,240,292	870,514
Income (Loss) Before Contributions and Transfers	506,631	(5,227,870)	(4,721,239)	4,033,678
Capital contributions- grants	-	1,194,536	1,194,536	123,460
Transfers in	-	3,601,397	3,601,397	-
Transfers out	-	(262,842)	(262,842)	-
Change in Net Position	506,631	(694,779)	(188,148)	4,157,138
Net Position, Beginning of the Year	21,077,691	9,824,561	30,902,252	31,186,625
Net Position, End of the Year	\$ 21,584,322	\$ 9,129,782	\$ 30,714,104	\$ 35,343,763
Change in Net Position			\$ (188,148)	
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds			974,417	
Changes in net position of business-type activities			\$ 786,269	

The accompanying notes are an integral part of these financial statements.

City of Owensboro, Kentucky
Statement of Cash Flows
Proprietary Funds
For Fiscal Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sanitation	Total Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 8,179,912	\$ 7,345,255	\$ 15,525,167	\$ 17,828,762
Other cash receipts	80,620	87,670	168,290	45,029
Cash payments to employees for services	(2,888,846)	(4,414,117)	(7,302,963)	(2,936,760)
Cash payments to suppliers	(3,996,700)	(10,175,129)	(14,171,829)	(5,320,446)
Cash payments for claims	-	-	-	(4,813,795)
Net Cash Provided (Used) by Operating Activities	<u>1,374,986</u>	<u>(7,156,321)</u>	<u>(5,781,335)</u>	<u>4,802,790</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grant	-	1,088,544	1,088,544	-
Intergovernmental contributions - grants	-	309,543	309,543	-
Transfers in	-	3,601,397	3,601,397	-
Transfers out	-	(262,842)	(262,842)	-
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>4,736,642</u>	<u>4,736,642</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions - grants	-	1,194,536	1,194,536	123,460
Proceeds from sale of capital assets	18,456	-	18,456	49,805
Payments for capital acquisitions	(425,270)	(937,203)	(1,362,473)	(4,690,835)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(406,814)</u>	<u>257,333</u>	<u>(149,481)</u>	<u>(4,517,570)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	-	1,010,036	1,010,036	953,572
Net Cash Provided by Investing Activities	<u>-</u>	<u>1,010,036</u>	<u>1,010,036</u>	<u>953,572</u>
Net Increase (Decrease) in Equity in Pooled Cash and Deposits and Cash Equivalents	968,172	(1,152,310)	(184,138)	1,238,792
Equity in Pooled Cash and Deposits, and Cash and Cash Equivalents, Beginning of the Year	17,843,678	5,332,934	23,176,612	24,042,808
Equity in Pooled Cash and Deposits, and Cash and Cash Equivalents, End of the Year	<u>\$ 18,811,850</u>	<u>\$ 4,180,624</u>	<u>\$ 22,992,474</u>	<u>\$ 25,281,600</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 488,175	\$ (7,449,706)	\$ (6,961,531)	\$ 3,163,164
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	875,611	648,785	1,524,396	1,986,520
Loss on disposal of capital assets	-	186,287	186,287	132,863
Changes in assets and liabilities:				
(Increase) decrease in assets:				
Accounts Receivables	(370)	(678,072)	(678,442)	(80,700)
Component units receivable	(12,891)	-	(12,891)	-
Materials and supplies inventory	(14,018)	(14,662)	(28,680)	8,659
Prepaid expenses	-	(2,000)	(2,000)	-
Increase (decrease) in liabilities:				
Accounts Payable	37,443	235,867	273,310	(422,265)
Accrued liabilities	-	(60,014)	(60,014)	-
Deferred charges	13,910	(53,604)	(39,694)	14,549
Compensated absences	(12,874)	30,798	17,924	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,374,986</u>	<u>\$ (7,156,321)</u>	<u>\$ (5,781,335)</u>	<u>\$ 4,802,790</u>
CASH RECONCILIATION				
Equity in pooled deposits and investments	\$ 18,811,550	\$ 3,985,409	\$ 22,796,959	\$ 25,281,600
Cash and cash equivalents	300	195,215	195,515	-
Equity in Pooled Cash and Deposits, and Cash and Cash Equivalents, End of the Year	<u>\$ 18,811,850</u>	<u>\$ 4,180,624</u>	<u>\$ 22,992,474</u>	<u>\$ 25,281,600</u>

The accompanying notes are an integral part of these financial statements.

City of Owensboro, Kentucky
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Pension Trust Funds	Investment Trust Funds	Custodial Funds
ASSETS			
Equity in pooled deposits and investments	\$ 477,566	\$ 56,779,010	\$ 636,005
Cash and cash equivalents	102,125	-	-
Intergovernmental receivable	-	-	28,830
Taxes receivable	-	-	771,269
Investments, at fair value:			
Corporate stocks	4,260,038	-	-
Total Assets	<u>\$ 4,839,729</u>	<u>\$ 56,779,010</u>	<u>\$ 1,436,104</u>
LIABILITIES			
Pension payable	\$ 39,950	\$ -	\$ -
Other	15,250	-	1,504,796
Total Liabilities	<u>55,200</u>	<u>-</u>	<u>1,504,796</u>
NET POSITION			
Restricted for:			
Pensions	4,784,529	-	-
External pool participants	-	56,779,010	(68,692)
Total Net Position	<u>\$ 4,784,529</u>	<u>\$ 56,779,010</u>	<u>\$ (68,692)</u>

The accompanying notes are an integral part of these financial statements.

City of Owensboro, Kentucky
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2025

	Pension Trust Funds	Investment Trust Funds	Custodial Funds
ADDITIONS			
Purchases of pool units	\$ -	\$ 72,374,657	\$ -
Contributions:			
Employer	222,000	-	-
Other	2,093	-	-
Total contributions	<u>224,093</u>	<u>72,374,657</u>	<u>-</u>
Investment earnings:			
Net appreciation in fair value of investments	394,565	(971,006)	-
Interest	67,571	3,572,097	-
Total investment earnings	462,136	2,601,091	-
Less Investment Expense	51,775	-	-
Net investment earnings	<u>410,361</u>	<u>2,601,091</u>	<u>-</u>
Tax Collections for other agencies:			
Property Taxes	-	-	15,967,591
Occupational License Fees	-	-	10,340,608
Total Tax Collections	<u>-</u>	<u>-</u>	<u>26,308,199</u>
Total Additions	<u>634,454</u>	<u>74,975,748</u>	<u>26,308,199</u>
DEDUCTIONS			
Benefits	596,744	-	-
Redemption of pool units	-	92,931,209	-
Payments of tax collections other agencies	-	-	26,326,612
Total Deductions	<u>596,744</u>	<u>92,931,209</u>	<u>26,326,612</u>
Change in Net Position	37,710	(17,955,461)	(18,413)
Net Position, Beginning of Year	4,746,819	74,734,471	(50,279)
Net Position, End of Year	<u>\$ 4,784,529</u>	<u>\$ 56,779,010</u>	<u>\$ (68,692)</u>

The accompanying notes are an integral part of these financial statements.

City of Owensboro, Kentucky
Statement Net Position
Component Units
June 30, 2025

	Owensboro Municipal Utilities	Owensboro Riverport Authority	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Equity in pooled deposits and investments	\$ -	\$ 3,388,667	\$ 3,388,667
Cash and cash equivalents:			
In segregated accounts	27,640,690	12,016,945	39,657,635
Investments	26,990,406	-	26,990,406
Accounts receivable (less allowance of \$80,891 and \$0 for OMU and ORA, respectively)	18,887,814	4,099,678	22,987,492
Lease receivable	-	1,556,252	1,556,252
Materials and supplies inventory	11,642,421	-	11,642,421
Prepaid items	232,573	103,248	335,821
Other current assets	-	296,351	296,351
Restricted assets	41,371,625	-	41,371,625
Capital assets, net of accumulated depreciation	188,261,007	55,147,624	243,408,631
Net other postemployment pension asset	829,068	172,389	1,001,457
Other noncurrent assets	3,597,157	-	3,597,157
Long-term lease receivable	-	4,582,431	4,582,431
Total Assets	319,452,761	81,363,585	400,816,346
Deferred Outflows of Resources:			
Deferred asset retirement outflow	4,915,250	-	4,915,250
Deferred pension outflows	4,195,020	1,144,781	5,339,801
Deferred other postemployment benefit outflows	1,211,193	345,587	1,556,780
Deferred pension obligation	29,135,107	-	29,135,107
Deferred postemployment benefit obligation	7,538,594	-	7,538,594
Unamortized loss on debt refunding	842,084	-	842,084
Net unrealized loss on investments	5,218,907	-	5,218,907
Total Deferred Outflows of Resources	53,056,155	1,490,368	54,546,523
Total Assets and Deferred Outflows of Resources	\$ 372,508,916	\$ 82,853,953	\$ 455,362,869
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
Liabilities:			
Accounts payable	\$ 17,756,395	\$ 1,057,226	\$ 18,813,621
Accrued liabilities	-	373,522	373,522
Accrued interest payable	1,451,346	-	1,451,346
Noncurrent liabilities:			
Long-term debt:			
Due within one year	18,800,000	358,364	19,158,364
Due in more than one year	96,013,557	173,208	96,186,765
Net pension liability	28,635,105	5,954,110	34,589,215
Total Liabilities	162,656,403	7,916,430	170,572,833
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflows	4,695,022	911,480	5,606,502
Deferred other postemployment benefits inflows	9,578,855	1,723,540	11,302,395
Deferred lease inflows	-	5,951,605	5,951,605
Deferred revenue	2,804,779	2,084,957	4,889,736
Total Deferred Inflows of Resources	17,078,656	10,671,582	27,750,238
NET POSITION			
Net investment in capital assets	85,455,008	55,147,624	140,602,632
Restricted for:			
Capital projects	13,622,322	-	13,622,322
Debt service	11,766,142	-	11,766,142
Other purposes	6,868,278	172,389	7,040,667
Unrestricted	75,062,107	8,945,928	84,008,035
Total Net Position	192,773,857	64,265,941	257,039,798
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 372,508,916	\$ 82,853,953	\$ 455,362,869

The accompanying notes are an integral part of these financial statements.

City of Owensboro, Kentucky
Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2025

	Program Revenues			Net (Expense) Revenue and Change in Net Position		
	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Owensboro Municipal Utilities	Owensboro Riverport Authority	Total
Owensboro Municipal Utilities	Expenses					
	\$ 108,137,384	\$ 109,394,418	\$ -	\$ 1,257,034	\$ -	\$ 1,257,034
Owensboro Riverport Authority	23,165,514	18,615,549	56,226	-	4,365,596	4,365,596
Total Component Units:	\$ 131,302,898	\$ 128,009,967	\$ 56,226	1,257,034	4,365,596	5,622,630
General revenues:						
Earnings on investments				5,038,233	647,694	5,685,927
Miscellaneous				1,658,571	211,750	1,870,321
Total General Revenues				6,696,804	859,444	7,556,248
Change in Net Position				7,953,838	5,225,040	13,178,878
Net Position, Beginning of Year				184,820,019	59,040,901	243,860,920
Net Position, End of Year				\$ 192,773,857	\$ 64,265,941	\$ 257,039,798

The accompanying notes are an integral part of these financial statements.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City is a municipal corporation governed by an elected mayor and a four-member commission. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government. Individual discretely presented component units are presented in the combining component units' financial statements.

Blended Component Unit:

Established in 1967 pursuant to Kentucky Revised Statute (KRS) 273, the Owensboro Municipal Improvement Corporation (OMIC) has been presented as a blended component unit because the entity's governing body is substantially the same as the governing body of the City, and because its only purpose is to provide a financing vehicle for the acquisition of property to be dedicated to public use by the City. The Corporation has no separate existence apart from the City.

Discretely Presented Component Units:

The component unit's column in the government-wide financial statements includes the financial data of the City's other component units. They are reported in a separate column to emphasize that they are legally separate from the City. Combining financial statements for the discretely presented component units are included within this report. Separate financial statements of the individual component units can be requested from the City's Finance Director. The following component units are included in the City's reporting entity because the primary government is financially accountable for, and is able to impose its will upon, the organizations.

Owensboro Municipal Utilities

Owensboro Municipal Utilities (OMU) is managed, controlled, and operated by the City Utility Commission, established by the City in 1940. OMU consists of the Electric Light and Power System and the Water Works System. The fiscal year-end for OMU is May 31; data presented for OMU is as of and for the year ended May 31, 2025. There were no intervening events that would materially affect financial position or results of operations of the City.

OMU is subject to regulation, including establishment of rates charged for utility services by the City, or set forth in applicable City ordinance. City officials select the Board of Directors. OMU is presented as an enterprise fund. Financial statements can be obtained by contacting the Finance Director of OMU at (270) 926-3200 or 2070 Tamarack Road, Owensboro, Kentucky 42301.

The financial statements are prepared in accordance with generally accepted accounting principles and follow accounting guidance provided by the Governmental Accounting Standards Board (GASB) in the regulated operations provisions of GASB Statement NO. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncement, which permit certain entities with cost-based rates to defer certain costs or income that would otherwise be recognized when incurred to the extent that the rate-regulated entity is recovering or expects to recover such amounts in future rates charged to its customers. Regulatory assets are the deferral of costs expected to be recovered in future customer rates and regulatory liabilities represent current recovery of expected future costs.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Owensboro Riverport Authority and Affiliate

The Owensboro Riverport Authority (Authority) was created by ordinance on September 9, 1966, for the purpose of establishing, maintaining, operating, and expanding necessary and proper riverport and navigational facilities for the purpose of attracting river-oriented industry. Because the City appoints the Authority's Board of Directors and provides a specific financial benefit to the City each year in the form of a distribution, the Authority is a component unit of the City. The Authority is presented as an enterprise fund. Financial statements can be obtained by contacting the Controller of the Authority at (270) 926-4238 or P.O. Box 21955, Owensboro, Kentucky 42304.

Related Organization:

The City is responsible for appointing four members to the Board of the Regional Water Resource Agency (RWRA). RWRA was established through an ordinance dated October 18, 1994 as a legally separate entity which administers and provides regional comprehensive wastewater services for Owensboro and Daviess County, excluding the Facilities Planning Area boundary of the City of Whitesville. The Board consists of seven members, the remaining three of which are appointed by the Daviess County Judge-Executive. RWRA has currently contracted with the City to provide financial and personnel services. The City's responsibility does not extend beyond appointing authority, and the City is not financially accountable for the activities of RWRA. Separate financial statements for RWRA may be obtained from the City's Finance Director.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. 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. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privilege 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 properly included among program revenues are reported instead as general revenues.

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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when liabilities are incurred under accrual accounting. However, the debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following funds:

Governmental Funds

General Fund

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law, ordinance, or contractual agreement to some other fund are accounted for in this fund. From this fund the general operating expenditures are paid, the fixed charges and the capital improvement costs that are not paid through other funds. This is a major fund of the City.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources. This is a major fund of the City.

Capital Improvements Fund - established to account for the acquisition and construction of major capital assets financed with funds from long-term borrowings other than those financed by proprietary funds. This is a major fund of the City.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes, and are as follows:

CERS Fund - established to reserve funds to accommodate the rising cost of the County Employees' Retirement System (CERS), a cost-sharing, multiple-employer defined-benefit plan administered by the Board of Trustees of Kentucky Retirement Systems.

Central Dispatch Fund - established to account for funds used in operation of the Owensboro-Daviess County Central Dispatch.

Community Development Fund - established to account for community development. Resources are restricted for activities directed toward satisfying the primary objective of developing viable urban communities and expanding economic opportunities, principally persons of low or moderate income.

Economic Development Fund - established to monitor incentives disbursed for economic development of the City and the increased revenues resulting from that development. The City's intent is to offset the incentive with an increased revenue stream.

Your Community Vision Fund - established to account for the revenues derived from a .33% rate increase of occupational license and net profit taxes; expenditures of those revenues fund Your Community Vision Projects.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Downtown Development and Revitalization Fund - established to account for revenues received from insurance license premium taxes for revitalization and redevelopment of the downtown area.

Gateway Commons TIF - established for the purpose of accounting for the receipt of incremental tax revenues earned within the area of the Gateway Commons TIF.

Downtown Riverfront Revitalization TIF - established for the purpose of accounting for the receipt of incremental tax revenues earned within the area of the Downtown Riverfront Revitalization TIF.

ARPA - established to account for funds received from the American Rescue Plan Act (ARPA) of 2021.

Tourist and Convention Fund – established to account for funds received for transient room tax rental within the city with 3% going toward the Owensboro Tourist and Convention Commission and 1% toward the Owensboro Convention Center.

Opioid Settlement Fund - established to account for funds received from the State of Kentucky Opioid Settlement funds to be distributed over the course of 15 years.

Drug and Property Recovery Fund - established to account for funds obtained through drug law enforcement grants and police services to customers on a contract basis.

Fire Secondary Employment – established to provide fire emergency services to customers on a contract basis.

Proprietary Funds

Proprietary fund reporting focuses on financial position changes in net position and cash flows. The City reports the following proprietary funds, which are classified as either enterprise or internal service.

Enterprise Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determinations of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City reports the following enterprise funds:

Convention Center Operations Fund - established for the purpose of managing and accounting for the operations of the convention and events center.

Sportscenter Operations Fund - established for the purpose of managing and accounting for the operations of the Owensboro Sportscenter.

Sanitation Fund - established as a means of more effectively managing and accounting for operations of the City Sanitation Department. This is a major fund of the City.

Transit Fund - established for the purpose of managing and accounting for the operations of the City's Transit Department.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Recreation Fund - established for the purpose of managing and accounting for the operations of the City's swimming pools, golf courses, softball complex, and ice arena.

Geographic Information System Fund (GIS) - established for the purpose of managing and accounting for the activity of the GIS Division of the City's Information Technology Department.

Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City on a user charge basis. The internal service funds of the City are as follows:

Insurance Fund - established to account for the City's health, unemployment, and workers' compensation insurance programs.

Facilities Maintenance Fund - established to account for the maintenance provided to departments within the City.

Garage Service Fund - established to account for garage maintenance provided to departments within the City.

Fleet and Facilities Fund - established to account for foreseeable capital expenditures and to straight-line depreciate their cost over their useful life.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments, and are therefore not available to support the City's own programs. The various pension trust, investment trust, and custodial funds of the City are as follows:

City Employees' Pension Fund - The City Employees' Pension Fund (a contributory defined benefit plan) was created by ordinance, August 13, 1946, under KRS 90.310-90.410. It covers all employees of the City of Owensboro and Owensboro Municipal Utilities, except for the Owensboro Riverport Authority, the City's police and firefighters, and those employees who elected to transfer into the CERS.

Police and Firefighters' Retirement Fund - The Police and Firefighters Retirement Fund (a contributory defined benefit plan) was created by ordinance, March 26, 1928, under KRS 95.851-95.991. It covers employees of the City of Owensboro in the police and fire departments that elected not to transfer into the CERS.

Investment Trust Fund - Established to account for the monies of legally separate entities that participate in the City-sponsored external investment pool. The Investment Trust Fund is accounted for using the economic resources measurement focus and the accrual basis of accounting.

Custodial Funds - The custodial funds are custodial in nature and do not present results of operations or have a measurement focus. The funds are used to account for assets that the government holds for others in a custodial capacity. The School District Tax Fund accounts for school district tax collection and payment to the Owensboro Board of Education. The County Occupational Tax Fund accounts for occupational tax collection and payment to Daviess County, Kentucky.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes received from one of the City's component units. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operation grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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.

Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on an accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities for the current fiscal year. For the City, available means expected to be received within 60 days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. The City considers property taxes as available if they are collected within 60 days after year-end. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

The following is a list of primary revenue sources which have been treated as susceptible to accrual under the modified accrual basis, and which have not:

Susceptible

Taxes

Intergovernmental

Non-Susceptible

Licenses and permits

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue. On governmental fund financial statements, receivables uncollected within the available period are reported as deferred revenue.

Deposits and Investments

City Ordinance 2-76 requires all City deposits to be secured by bonds or other securities of the U.S. Government, bonds of the City redeemable from taxes collected by the City, or by other certificates of indebtedness of cities or corporations, which shall have a fair value equal to or greater than the amount of the deposits which may exist from time to time.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and all highly liquid investments (including restricted assets) with a maturity of three months or less from the date of acquisition.

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest-bearing depository accounts are presented on the statement of net position as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City's treasury.

Investments are stated at fair value. Fair values are obtained from market quotations on the last business day of the fiscal year. The market quotations are obtained from national security exchanges or other published sources. Kentucky Revised Statute 66.480 permits the City to invest in U.S. Treasury obligations, U.S. Agency obligations, certain Federal instruments, repurchase agreements, commercial banks' certificates of deposits, savings and loan deposits, and the Commonwealth of Kentucky Investment Pool.

Materials and Supplies Inventory

Inventory is valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. Inventory consists of expendable supplies held for consumption. The cost is recorded as an asset at the time individual inventory items are purchased and as an expenditure when used (consumption method).

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. They are reported in the governmental activities' column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The City maintains a capitalization threshold of \$5,000 dollars. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems, and water and sewer lines. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life is not.

All reported capital assets are depreciated, except for land and construction in progress. Improvements are

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure are estimated based on the City's historical records of necessary improvements and replacements. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities	Business-Type Activities
	Estimated Lives	Estimated Lives
Land Improvements	20 years	3-30 years
Machinery and Equipment	3-9 years	2-25 years
Buildings	30 years	20-60 years
Vehicles	4-6 years	4-10 years
Infrastructure	20 years	N/A

Property Taxes

Property taxes are recognized as revenue to the extent that they are both measurable and available, and an appropriate allowance is established for the portion that is estimated to be uncollectible.

Compensated Absences

The City's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. Sick pay is accumulated to one hundred days; thereafter, employees are compensated for sick pay earned and not taken up to a maximum of twelve days annually. The liability for these compensated absences is recorded as long-term debt and an expense when earned in the government-wide statements. The current portion of this debt is estimated based on historical trends. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation or retirement.

Interfund Balances

On the fund financial statements, long-term interfund loans are classified as "advances to/from other funds" on the balance sheet and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Accrued Liability and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in full, in a timely manner from current financial resources are reported as obligations of the funds. However, claims and judgments, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and long-term loans are recognized as a liability in the fund financial statements when due.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements⁴
For the Fiscal Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

Retirement Benefits

For purposes of measuring the net pension liability, net other postemployment benefits liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits, and pension and other postemployment benefits expense, information about the fiduciary net position, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the various pension plans of the City. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments, if any, are reported at fair value.

Bond Discounts/Issuance Costs

In the governmental fund financial statements, bond discounts and issuance costs are recognized in the current period. In the government-wide financial statements and proprietary fund types in the fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds- outstanding method, which approximates the effective interest method. In the government-wide financial statements, bond costs are recognized in the current period as well.

Net Position

The City classifies net position in the government-wide and fiduciary financial statements as follows:

- Net investment in capital assets includes the City's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The City typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use to a future project.
- Unrestricted net position typically includes unrestricted liquid assets. The City Commission has the authority to revisit or alter their designation.

The City follows GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Non-spendable fund balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - amounts constrained for specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Commission). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest-level action to remove or change the constraint.
- Assigned fund balance - amounts the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Amounts may be assigned by the Director of Finance and Support Services under the authorization of the City Commission via a municipal order.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements⁴
For the Fiscal Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The City Commission establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a commitment of the fund (such as for special incentives). Under City policy, assigned fund balance is established by City Commission through adoption or amendment of the budget as intended for specific purposes (such as the purchase of capital assets, construction, debt service, or for other purposes). All budget appropriations created by passage of ordinance, lapse at fiscal year-end.

The City would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

In the General Fund, the City strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 17% of expenditures.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of City administration and are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year ended June 30, 2025.

Estimates

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Budgetary Information

Annual budgets are prepared on a basis consistent with generally accepted accounting principles for all governmental funds and adopted by City ordinance.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements⁴
For the Fiscal Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

Budgets for the General and Special Revenue Funds are adopted on a modified accrual basis. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the use of resources are reflected in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Special Revenue Funds for which annual budgets have been adopted.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

NOTE 2 - PROPERTY TAXES

Property taxes attach as a lien on property as of January 1st each year. Property values are assessed on January 1st of each year. These taxes are levied annually by ordinance, usually in September, and are payable in one installment on, or before, November 1st. The tax rate and assessed valuation, a County government function, are not known until September of the year. The City bills and collects its own property taxes as well as the taxes for the Owensboro Board of Education. Collections of the school taxes are remitted to the Board each month based upon collections in the previous month.

The City is permitted by Section 157 of the Constitution of Kentucky to levy taxes up to \$1.50 per \$100 of assessed valuation for general governmental services other than school purposes. The real property tax rate to finance general governmental services other than school purposes for the year ended June 30, 2025, was \$0.2610 per \$100 on the assessed valuation of \$4,397,175,743. Although this tax margin would indicate significantly higher potential tax revenues, the City is subject to a recall petition if it levies a tax rate that will produce revenue 4% greater, exclusive of revenue from net assessment growth, than would be produced by application of the tax rate that was levied in the preceding year to the preceding year's assessment. The effect of this legislation has been to limit increases in property tax revenues to minimal levels. The City's personal property and vehicle tax rates were \$0.2825 and \$0.3030 per \$100 of assessed value, respectively.

NOTE 3 - DEPOSITS AND INVESTMENTS

The City sponsors an external investment pool in which monies of the primary government and of legally separate entities that choose to participate are commingled and invested for the benefit of all participants. The internal portion of this fund is allocated to the City's funds participating and the external portion is accounted for in the Investment Trust Fund of the City's reporting entity. The equity position of each City fund is reported at fair value in the assets of those funds with the equity position of the external participants reflected at fair value in the Investment Trust Fund. The pool is not registered with the SEC as an investment company and is not subject to regulatory oversight. Investments are valued at the market quotation on the last business day of the fiscal year. Market quotations are obtained from brokers or available published services. Investment income is allocated to participants based on the participant's average cash balance. Immaterial accounts do not receive investment income.

Participants with negative cash balances are not charged interest. Participants' shares sold and redeemed are determined using specific identification of the participant's cost basis in the investment pool. The City does not issue a separate report for the pool.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS, CONTINUED

The City has neither provided nor obtained any legally binding guarantees during the period to support the value of shares. The pool includes no involuntary participants. The investments held by the pool at June 30, 2025, consist of the following major investment classifications:

	<u>Fair Value</u>	<u>Number of Shares</u>	<u>Interest Rates</u>	<u>Maturity Dates</u>
Government obligations	\$ 132,465,659	134,796,000	1.3-6.1%	7/25-12/34
Cash and cash equivalents	<u>78,808,963</u>	<u>78,808,963</u>		
Totals	<u>\$ 211,274,622</u>	<u>213,604,963</u>		

The following condensed statements of net position and changes in net position for the year ended June 30, 2025, are presented for the pool as a whole:

Statement of Net Position

Assets:

Investments at fair value	\$ 132,465,659
Cash and cash equivalents	<u>78,808,963</u>
Total Assets	<u><u>\$ 211,274,622</u></u>

Net Position:

Held in trust for external pool participants:	
Component unit	\$ 3,388,962
Fiduciary:	
Pension Trust Funds	477,566
Custodial Funds	636,005
Other external participants	56,783,954
Held in trust for internal pool participants	<u>149,988,135</u>
Total Net Position	<u><u>\$ 211,274,622</u></u>

Net position consists of:

Participants' units outstanding (\$1 par)	<u><u>\$ 213,604,963</u></u>
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City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 3 - DEPOSITS AND INVESTMENTS, CONTINUED

Statement of Changes in Net Position

Revenues:	
Interest income	\$ 2,362,278
Net change in fair value	<u>1,204,822</u>
Total Revenues	<u>3,567,100</u>
Share transactions at net position value of \$1 per share:	
Purchase of units	405,411,023
Redemption of units	<u>(430,490,300)</u>
Net increase in net position and shares resulting from share transactions	<u>(25,079,277)</u>
Total Increase in Net Position	<u>(21,512,177)</u>
Net Position:	
Beginning of period	<u>232,786,799</u>
End of period	<u>\$ 211,274,622</u>

Interest Rate Risk

To limit exposure to fair value losses resulting from an increase in interest rates, the City manages term to maturity for its investments.

Credit Risk

The City's investment policy limits investments to obligations of the U.S., its agencies and instrumentalities, obligations backed by the full faith and credit of the U.S. or a U.S. government agency, obligations of any corporation of the U.S. government, certificates of deposit issued by FDIC insured or similarly collateralized institutions, and bonds and securities of states, local governments, or related agencies in the U.S. rated in one of the three highest categories by a nationally recognized rating agency.

With the exception of fully insured or fully collateralized investments, authorized investment pools, no more than twenty-five percent of the City's total investment portfolio shall be invested in a single security type or with a single financial institution. Unless matched to a specific cash flow need, no more than fifty percent of the funds shall be invested in securities maturing more than ten years from the date of purchase.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. All of the City's investments in government instrumentalities were purchased by the City and held by the City's counterparty on the City's behalf; therefore, these investments are not subject to custodial credit risk. The City's investments in government obligations were rated AA+ by Standard & Poor's Ratings Services, and Aaa by Moody's Investor Services, Inc. It is the City's policy that all cash and investments maintained in any financial institution named as a depository be collateralized. In order to anticipate market changes and provide a level of security for all funds, the collateralization level shall be 102% of the market value of principal. Collateral shall always be held by an independent third-party custodian with whom the City has a current custodial agreement.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 3 - DEPOSITS AND INVESTMENTS, CONTINUED

The City's bank balance at June 30, 2025 is fully collateralized with securities held by the City's agent in the City's name, reduced by the amount of FDIC insurance. In accordance with Kentucky Revised Statutes (KRS) 66.480 and the City's investment policy, the government is allowed to invest in obligations of the U.S. Treasury and U.S. agencies and instruments, securities issued by a state or local government, or certificates of deposit of insured state banks.

As of June 30, 2025, the City had the following investments in the investment pool:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Months)</u>
Federal Home Loan Bank	\$ 56,478,469	
Federal Farm Credit Bank Obligations	31,687,372	
Federal Home Loan Mortgage Corporation	1,993,230	
Federal National Mortgage Association	4,808,122	
Federal Agricultural Mortgage Corporation	2,001,288	
Allen County KY Sch Dist	250,153	
New York NY GO	1,931,125	
New York City Rev	467,370	
Monterey Pk CA Rev	594,379	
Santa Maria CA GO	598,338	
California State GO	1,585,640	
Paducah KY ISD Rev	300,777	
Boyle Co KY Edu Rev	381,375	
Florida St Rev	3,569,800	
Northern KY Univ Gen Rev	912,590	
Interboro PA SD Ref GO	927,700	
Jefferson Co KY Sch Dist Rev	501,700	
Ashland KY ISD Fin Corp Rev	442,510	
Fayette KY Sch Dist Rev	1,008,584	
Pike County Rev Ref	870,570	
Reeths-Puffer MI Schs GO	3,768,240	
Bullitt Co KY Sch Dist Fin Rev	443,055	
KY Assn Cntys Rev	384,056	
KY State Econ Dev Rev	296,496	
KY Higher Ed Student Rev	1,677,193	
KY State Property & Buildings Rev	4,117,980	
Cuyahoga CO Public Library Rev	354,064	
McAllen TX ISD GO	966,121	
Austin TX ISD Ref GO	2,009,600	
Columbus GA Rev	2,246,089	
Texas State GO	200,292	
Rhode Island Ref Rev	272,457	
Illinois HSG Rev	599,880	
Covington KY GO	839,596	
Roanoke VA GO	1,384,573	
VA St HSG Rev	<u>1,594,875</u>	
Total investments and weighted average maturity	<u>\$132,465,659</u>	<u>70.28</u>

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 3 - DEPOSITS AND INVESTMENTS, CONTINUED

<u>Primary Government</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
Deposits and investments:		
Non-pooled:		
Cash and cash equivalents	<u>\$ 243,409</u>	\$ 243,409
Fiduciary cash equivalents		102,125
Fiduciary investments		<u>4,260,038</u>
		4,605,572
Pooled:		
Cash and cash equivalents		63,527,628
Restricted cash		15,281,335
Government obligations		<u>132,465,659</u>
		<u>211,274,622</u>
Total deposits and investments		<u>215,880,194</u>
Less:		
External participants' equity in pool:		
Component unit		(3,388,962)
Other external participants – Investment Trust Fund		(56,783,954)
Fiduciary:		
Cash equivalents		(102,125)
Investments		(4,260,038)
Equity in pool:		
Pension Trust Funds		(477,566)
Custodial Funds		<u>(636,005)</u>
Total deposits and investments - primary government		<u>\$ 150,231,544</u>
<u>Statement of Net Position Accounts:</u>		
Equity in pooled deposits and investments		\$ 134,706,800
Cash and cash equivalents:		
In segregated accounts		202,515
With escrow agents		40,894
Restricted Funds		<u>15,281,335</u>
Total deposits and investments - primary government		<u>\$ 150,231,544</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The inputs or methodology used for valuing securities are not an indication of risk associated with those securities.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 3 - DEPOSITS AND INVESTMENTS, CONTINUED

The City has the following recurring fair value measurements as of June 30, 2025:

	June 30, 2025	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Debt Securities:</u>				
U.S. Agency Securities	\$ 96,968,481	\$ 96,968,481	\$ -	\$ -
State & Municipal Securities	<u>35,497,178</u>	<u>35,497,178</u>	-	-
Total Investments-Primary Government	132,465,659	132,465,659	-	-
<u>City Employees' Pension Fund:</u>				
Equity Securities	<u>4,362,164</u>	<u>4,362,164</u>	-	-
Total Investments	<u>\$ 136,827,823</u>	<u>\$ 136,827,823</u>	<u>\$ -</u>	<u>\$ -</u>

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Certificates of deposits classified in Level 2 are valued using consensus pricing. Money market funds and certificates of deposit having a maturity of one year or less from the fiscal year end are not subject to GASB Statement No. 72.

Component Units

	<u>Carrying Amount</u>
Deposits:	
Cash and cash equivalents	<u>\$ 66,559,069</u>
Investments:	
Equity in pooled deposits and investments	3,388,667
Government agency obligations	<u>41,391,346</u>
Total investments	<u>44,780,013</u>
Total deposits and investments - component units	<u>\$ 111,339,082</u>
<u>Balance Sheet Accounts:</u>	
Equity in pooled deposits and investments	\$ 3,388,667
Cash and cash equivalents	39,657,435
Investments	<u>26,990,406</u>
Restricted assets:	<u>70,036,508</u>
Cash and cash equivalents	26,901,634
Investments	14,400,940
Other restricted assets	<u>69,051</u>
	<u>41,371,625</u>
Less other restricted assets	<u>(69,051)</u>
Total deposits and investments - component units	<u>\$ 111,339,082</u>

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 4 - RESTRICTED ASSETS

Primary Government

Certain assets of the primary government, which are restricted, consist of the following:

Cash with escrow agents

General Fund	\$ 8,280
Debt Service Fund	2,332
Economic Development	8,052
Capital Improvement	5,613
Your Community Vision	<u>16,617</u>
	<u>\$ 40,894</u>

Component Units

Certain assets of Owensboro Municipal Utilities as of May 31, 2025, which are restricted, consist of the following:

Electric Light and Power System:

Cash and investments	\$ 20,772,033
Investments	10,011,852
Accrued interest receivable	<u>39,258</u>
	<u>30,823,143</u>

Water Works System:

Cash and equivalents	6,129,601
Investments	4,389,088
Accrued interest receivable	<u>29,793</u>
	10,548,482

Total restricted assets - component units	<u>\$ 41,371,625</u>
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City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 5 - CAPITAL ASSETS

Primary Government

Capital asset activity for the City for the fiscal year ended June 30, 2025, was as follows:

	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 32,875,084	\$ 4,371,284	\$ (80,098)	\$ 37,166,270
Construction in progress	7,850,248	8,538,800	(6,359,630)	10,029,418
Total capital assets, not being depreciated	<u>40,725,332</u>	<u>12,910,084</u>	<u>(6,439,728)</u>	<u>47,195,688</u>
Capital assets, being depreciated:				
Land improvements/infrastructure	206,894,417	8,460,006	(84,838)	215,269,585
Buildings	132,024,765	7,256,566	(214,634)	139,066,697
Vehicles	16,741,453	675,747	(315,772)	17,101,428
Machinery and equipment	14,356,502	2,913,663	(752,356)	16,517,809
Software	2,156,770	-	(12,000)	2,144,770
Total capital assets, being depreciated	<u>372,173,907</u>	<u>19,305,982</u>	<u>(1,379,600)</u>	<u>390,100,289</u>
Less accumulated depreciation for:				
Land improvements/infrastructure	(135,743,825)	(8,003,916)	40,830	(143,706,911)
Buildings	(60,582,286)	(4,075,155)	161,868	(64,495,573)
Vehicles	(13,636,730)	(1,219,749)	227,331	(14,629,148)
Machinery and equipment	(11,468,755)	(1,179,068)	752,355	(11,895,468)
Software	(1,036,930)	(261,197)	12,000	(1,286,127)
Total accumulated depreciation	<u>(222,468,526)</u>	<u>(14,739,085)</u>	<u>1,194,384</u>	<u>(236,013,227)</u>
Total capital assets, being depreciated, net	<u>149,705,381</u>	<u>4,566,897</u>	<u>(185,216)</u>	<u>154,087,062</u>
Governmental activities, capital assets, net	<u>\$ 190,430,713</u>	<u>\$ 17,476,981</u>	<u>\$ (6,624,944)</u>	<u>\$ 201,282,750</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 118,739	\$ -	\$ (2,285)	\$ 116,454
Construction in progress	60,483	79,970	-	140,453
Total capital assets, not being depreciated	<u>179,222</u>	<u>79,970</u>	<u>(2,285)</u>	<u>256,907</u>
Capital assets, being depreciated:				
Land improvements	1,160,376	3,750	-	1,164,126
Buildings	3,078,538	-	(190,969)	2,887,569
Vehicles	11,364,191	861,226	(510,518)	11,714,899
Software	188,320	-	-	188,320
Machinery and equipment	3,045,719	233,525	(5,235)	3,274,009
Total capital assets, being depreciated	<u>18,837,144</u>	<u>1,098,501</u>	<u>(706,722)</u>	<u>19,228,923</u>
Less accumulated depreciation for:				
Land improvements	(773,050)	(34,266)	-	(807,316)
Buildings	(1,974,624)	(69,762)	190,969	(1,853,417)
Vehicles	(6,774,382)	(1,112,554)	324,231	(7,562,705)
Software	(188,320)	-	-	(188,320)
Machinery and equipment	(1,718,440)	(307,814)	5,235	(2,021,019)
Total accumulated depreciation	<u>(11,428,816)</u>	<u>(1,524,396)</u>	<u>520,435</u>	<u>(12,432,777)</u>
Total capital assets, being depreciated, net	<u>7,408,328</u>	<u>(425,895)</u>	<u>(186,287)</u>	<u>6,796,146</u>
Business-type activities, capital assets, net	<u>\$ 7,587,550</u>	<u>\$ (345,925)</u>	<u>\$ (188,572)</u>	<u>\$ 7,053,053</u>

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 5 - CAPITAL ASSETS, CONTINUED

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 1,378,568
Public safety	643,901
Public works	3,147,976
Community and cultural	<u>9,568,640</u>
Total depreciation expense, governmental activities	<u>\$ 14,739,085</u>
Business-type activities:	
Sanitation	\$ 875,611
Transit	453,080
Recreation	16,537
Sportscenter	93,543
Convention Center	<u>85,625</u>
Total depreciation expense, business-type activities	<u>\$ 1,524,396</u>

Construction Commitments

The City has ongoing construction projects. The projects include GIS Aerial Flights, Indoor Sports Facility (Sportsplex), the Sportscenter HVAC, Windsor Culvert, and the Senior Center. Also included are Owensboro Fire Department (OFD) Station #1 renovations, Station #3 expansion, a new rescue boat, and two new fire trucks. Ben Hawes has several projects including construction of a new driving range building, pickleball courts, and a culvert/bridge project. A list of commitments as of June 30, 2025, is as follows:

Project	Spent-to-Date	Remaining
GIS Aerial Flights	\$ 25,000	\$ 25,000
Sportsplex	5,526,331	13,473,671
Fire Station Projects	4,041,487	6,033,410
Windsor Culvert	139,250	1,184,500
Sportscenter HVAC	2,520	246,480
Ben Hawes Projects	283,603	957,967
Senior Center	<u>151,680</u>	<u>5,683,590</u>
	<u>\$ 10,169,871</u>	<u>\$ 27,604,618</u>

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 5 - CAPITAL ASSETS, CONTINUED

Component Units

Capital asset activity for Owensboro Municipal Utilities for the fiscal year ended May 31, 2025, was as follows:

	Balance May 31, 2024	Increases	Decreases	Balance May 31, 2025
Electric Light and Power System:				
Capital assets, not being depreciated:				
Construction in progress	\$ 10,202,075	\$ 861,532	\$ -	\$ 11,063,607
Capital assets, being depreciated:				
Utility plant	518,654,431	10,505,674	(573,467)	528,586,638
Less accumulated depreciation	(419,667,402)	(20,662,011)	554,547	(439,774,866)
Total capital assets, being depreciated, net	98,987,029	(10,156,337)	(18,920)	88,811,772
Electric Light and Power System capital assets, net	\$ 109,189,104	\$ (9,294,805)	\$ (18,920)	\$ 99,875,379
Water Works System:				
Capital assets, not being depreciated:				
Construction in progress	\$ 4,026,475	\$ 2,709,274	\$ -	\$ 6,735,749
Capital assets, being depreciated:				
Utility plant	139,572,849	2,217,463	(110,123)	141,680,189
Less accumulated depreciation	(55,683,053)	(4,455,582)	108,325	(60,030,310)
Total capital assets, being depreciated, net	83,889,796	(2,238,119)	(1,798)	81,649,879
Water Works System capital assets, net	\$ 87,916,271	\$ 471,155	\$ (1,798)	\$ 88,385,628

Capital asset activity for Owensboro Riverport Authority for the fiscal year ended June 30, 2025, was as follows:

	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025
Capital assets, not being depreciated:				
Land and land improvements	\$ 5,789,148	\$ -	\$ -	\$ 5,789,148
Construction in progress	1,812,619	3,422,706	(3,082,974)	2,152,351
Total capital assets, not being depreciated	7,601,767	3,422,706	(3,082,974)	7,941,499
Capital assets, being depreciated:				
Port facilities	82,698,074	3,040,944	(68,168)	85,670,850
Machinery and equipment	17,640,526	1,203,828	(1,895)	18,842,459
Office furniture and equipment	1,535,555	-	-	1,535,555
Total capital assets, being depreciated	101,874,155	4,244,772	(70,063)	106,048,864
Less accumulated depreciation	(53,718,313)	(5,193,370)	68,944	(58,842,739)
Total capital assets, being depreciated, net	48,155,842	(948,598)	(1,119)	47,206,125
Owensboro Riverport Authority capital assets, net	\$ 55,757,609	\$ 2,474,108	\$ (3,084,093)	\$ 55,147,624

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 6 - LONG-TERM LIABILITIES

Primary Government

Long-term liability activity for the City for the fiscal year ended June 30, 2025, was as follows:

	Balance 6/30/2024	Additions	Reductions	Balance 6/30/2025	Due Within One Year
Governmental activities					
Bonds and loans payable:					
General obligation bonds:					
Series 2013A	15,020,000	\$ -	\$ (615,000)	\$ 14,405,000	\$ 610,000
Series 2013B	4,679,258	-	(930,393)	3,748,865	464,424
Series 2013C	3,260,000	-	(320,000)	2,940,000	330,000
Series 2014 Refunding	2,030,000	-	(300,000)	1,730,000	315,000
Series 2014B	3,010,000	-	(3,010,000)	-	-
Series 2016A Refunding	505,000	-	(250,000)	255,000	255,000
Series 2016B Refunding	730,000	-	(175,000)	555,000	180,000
Series 2016C	1,760,000	-	(125,000)	1,635,000	130,000
Series 2016D	7,400,000	-	(460,000)	6,940,000	480,000
Series 2019A Refunding	3,685,000	-	(250,000)	3,435,000	250,000
Series 2019B Refunding	2,530,000	-	(340,000)	2,190,000	350,000
Series 2019C Refunding	14,935,000	-	(700,000)	14,235,000	720,000
Series 2019D Refunding	1,330,000	-	(180,000)	1,150,000	180,000
Series 2019E Refunding	29,965,000	-	(1,385,000)	28,580,000	1,415,000
Series 2023A	32,450,000	-	(1,175,000)	31,275,000	1,220,000
Loan payable (direct borrowing):					
KIA A07-04	13,254,636	-	(1,203,384)	12,051,252	1,215,448
KIA A15-36	2,520,899	-	(182,088)	2,338,811	185,289
	139,064,793	-	(11,600,865)	127,463,928	8,300,161
Less deferred amounts:					
For issuance premiums	1,529,876	-	(144,329)	1,385,547	-
For issuance discounts	(165,299)	-	15,269	(150,030)	-
Total Governmental	140,429,370	-	(11,729,925)	128,699,445	8,300,161
Business-type activities:					
Bonds payable:					
General obligation bonds:					
Series 2013B	810,742	3,315	(82,921)	731,136	90,576
Less deferred amounts:					
For issuance discounts	(13,423)	-	1,492	(11,931)	-
Total Business-type	797,319	3,315	(81,429)	719,205	90,576
Total Bonds and loans payable net of deferred amounts	<u>\$ 141,226,689</u>	<u>\$ 3,315</u>	<u>\$ (11,811,354)</u>	<u>\$ 129,418,650</u>	<u>\$ 8,390,737</u>
Compensated absences					
Governmental activities	\$ 5,188,144	\$ 237,426	\$ (128,144)	\$ 5,297,426	\$ 309,842
Business Activities	624,003	17,924	-	641,927	14,451
Total Compensated absences	<u>\$ 5,812,147</u>	<u>\$ 255,350</u>	<u>\$ (128,144)</u>	<u>\$ 5,939,353</u>	<u>\$ 324,293</u>

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 6 - LONG-TERM LIABILITIES, CONTINUED

Internal service funds predominantly serve governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. For governmental activities, compensated absences are liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the respective enterprise fund. Long-term debt of the City at June 30, 2025, consisted of the following:

Series 2013A General Obligation Bonds: 2.00% - 5.00% with principal due annually and interest due semi-annually through May 2043	\$ 14,405,000
Series 2013B General Obligation Bonds: 1.55% - 3.125% with principal due annually and interest due semi-annually through May 2033	4,480,000
Series 2013C General Obligation Bonds: 2.00% - 3.75% with principal due annually and interest due semi-annually through May 2033	2,940,000
Series 2014 General Obligation Refunding Bonds: 2.00% - 3.25% with principal due annually and interest due semi-annually through October 2029	1,730,000
Series 2016A General Obligation Refunding Bonds: 2.00% - 5.00% with principal due annually and interest due semi-annually through March 2026	255,000
Series 2016B General Obligation Refunding Bonds: 2.00% - 3.00% with principal due annually and interest due semi-annually through January 2029	555,000
Series 2016C General Obligation Bonds: 2.00% - 3.00% with principal due annually and interest due semi-annually through January 2037	1,635,000
Series 2016D General Obligation Bonds: 3.00% - 5.00% with principal due annually and interest due semi-annually through December 2036	6,940,000
Series 2019A General Obligation Refunding Bonds: 2.00% - 2.60% with principal due annually and interest due semi-annually through December 2036	3,435,000
Series 2019B General Obligation Refunding Bonds: 2.25% - 2.45% with principal due annually and interest due semi-annually through December 2030	2,190,000

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 6 - LONG-TERM LIABILITIES, CONTINUED

Series 2019C General Obligation Refunding Bonds: 2.625% - 3.00% with principal due annually and interest due semi-annually through April 2031	\$ 14,235,000
Series 2019D General Obligation Refunding Bonds: 2.25% - 2.625% with principal due annually and interest due semi-annually through June 2031	1,150,000
Series 2019E General Obligation Refunding Bonds: 2.00% - 2.75% with principal due annually and interest due semi-annually through June 2042	28,580,000
Series 2023A General Obligation Bonds: 4.00% with principal due annually and interest due semi-annually through February 2043	31,275,000
Kentucky Infrastructure Authority Federally Assisted Wastewater Revolving Loan A07-04: 1.00% with semi-annual interest only until final closing, thereafter, due in semi-annual principal and interest payments for a period not to exceed twenty years	12,051,252
Kentucky Infrastructure Authority Federally Assisted Wastewater Revolving Loan A15-036: 1.75% semi-annual interest only until final closing, thereafter, due in semi-annual principal and interest payments for a period not to exceed twenty years	<u>2,338,811</u>
Total bonds and loans payable, primary government	<u>\$ 128,195,063</u>

The City obtains loans and issues general obligation bonds primarily to provide funds for the acquisition and construction of various public projects in the City. General Obligation Bonds are direct obligations and are secured by the full faith and credit of the government.

The KIA loans are direct borrowings from the Kentucky Infrastructure Authority and are the primary source of funding for the sewer rehabilitation and stormwater separation project. The loans are secured by and payable solely from the pledged receipts derived from collection of occupational license and net profit fee revenues in the Your Community Vision Fund. In the event of default, KIA may take whatever legal action necessary to enforce its rights under the agreements.

In prior years, the City defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On June 30, 2025, \$46,350,000 of bonds outstanding is considered defeased.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 6 - LONG-TERM LIABILITIES, CONTINUED

Annual debt service requirements for governmental and business-type long-term debt (excluding compensated absences) are as follows:

Year Ending June 30:	Governmental Activities Bonds		Notes from Direct Borrowings		Business Type Activities Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 6,899,424	\$ 3,520,907	\$ 1,400,737	\$ 185,685	\$ 90,576	\$ 22,245	\$ 8,390,737	\$ 3,728,837
2027	6,826,160	3,321,550	1,416,178	167,434	93,840	19,528	8,336,178	3,508,512
2028	7,033,712	3,129,418	1,431,799	148,973	96,288	16,713	8,561,799	3,295,104
2029	7,035,448	2,929,636	1,447,602	130,299	99,552	13,824	8,582,602	3,073,759
2030	7,233,000	2,725,621	1,463,589	111,410	102,000	10,837	8,798,589	2,847,868
2031-2035	32,546,120	10,574,701	6,897,875	265,969	248,880	13,362	39,692,875	10,854,032
2036-2040	30,515,000	5,588,922	332,284	6,499	-	-	30,847,284	5,595,421
2041-2043	14,985,000	970,600	-	-	-	-	14,985,000	970,600
	<u>\$ 113,073,864</u>	<u>\$ 32,761,355</u>	<u>\$ 14,390,064</u>	<u>\$ 1,016,269</u>	<u>\$ 731,136</u>	<u>\$ 96,509</u>	<u>\$ 128,195,064</u>	<u>\$ 33,874,133</u>

Component Units

Owensboro Municipal Utilities Electric Light and Power System

Long-term debt activity for the year ended May 31, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Bonds Payable</u>					
Series of 2017	\$ 28,790,000	\$ -	\$ (7,205,000)	\$ 21,585,000	\$ 11,345,000
Series of 2019	<u>26,610,000</u>	<u>-</u>	<u>(9,030,000)</u>	<u>17,580,000</u>	<u>5,535,000</u>
	55,400,000	-	(16,235,000)	39,165,000	16,880,000
Add unamortized debt premium (discount)	<u>4,009,434</u>	<u>-</u>	<u>(1,740,639)</u>	<u>2,268,795</u>	<u>-</u>
Total long-term debt	<u>\$ 59,409,434</u>	<u>\$ -</u>	<u>\$ (17,975,639)</u>	<u>\$ 41,433,795</u>	<u>\$ 16,880,000</u>

Bonds payable on May 31st consist of the following Electric Light and Power Revenue Bonds:

Series of 2017:	
Current interest bonds, 4.00%, due from 2024 to 2037	\$ 21,585,000
Series of 2019:	
Current interest bonds, 4.00% to 5.00%, due from 2024 to 2027	<u>17,580,000</u>
Total long-term debt	39,165,000
Less current maturities	(16,880,000)
Add unamortized debt premium	<u>2,268,795</u>
Long-term portion	<u>\$ 24,553,795</u>

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 6 - LONG-TERM LIABILITIES, CONTINUED

Sinking fund requirements and scheduled aggregate maturities of long-term debt are as follows:

<u>Year Ending May 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 16,880,000	\$ 1,742,400	\$ 18,622,400
2027	17,615,000	1,011,850	18,626,850
2028	345,000	186,800	531,800
2029	365,000	173,000	538,000
2030	390,000	158,400	548,400
2031-2035	2,385,000	535,200	2,920,200
2036-2038	<u>1,185,000</u>	<u>71,800</u>	<u>1,256,800</u>
	<u>\$ 39,165,000</u>	<u>\$ 3,879,450</u>	<u>\$ 43,044,450</u>

The Electric System is subject to certain debt covenants, compliance with which is required by ordinances authorizing its bond issues. Such ordinances require revenue to be first applied to the Sinking Fund, second to Operation and Maintenance Fund, third to the Additions and Replacements Fund, fourth to the Depreciation Fund, fifth to the Reserve and Contingency Fund, and finally to the Facilities Charge Fund.

On August 9, 2017, the City authorized, and OMU issued \$49,685,000 of Electric Light and Power System Revenue Bonds, 2017 Series, each dated August 9, 2017. The 2017 Bonds were issued to fund construction of a residential fiber optic distribution network with the ability to provide ultrahigh speed internet access to approximately 6,500 dwellings and to refund the 2010-C series bonds and certain 2013-B series bonds.

The in-substance defeasance of the 2010-C and 2013-B bonds was accomplished by placing \$48,325,931 in proceeds from the 2017 Bonds and \$456,210 in funds from the 2010-C and 2013-B Bond Sinking Funds in an irrevocable escrow fund to be used solely for satisfying scheduled debt service payments of the 2010-C and 2013-B Bonds. Accordingly, the 2010-C Bonds in the amount of \$8,935,000 and certain 2013-B Bonds in the amount of \$36,160,000, as well as accrued interest payable of \$347,104 and unamortized discount and issuance costs of \$1,152,596, were extinguished resulting in the accounting recognition of a loss from defeasance of \$2,187,441, reported in the accompanying financial statements as a deferred outflow. OMU advance refunded the 2010-C and 2013-B bonds to reduce the effective rate on the debt. The advance refunding resulted in an economic savings (difference between the present value of the debt service payment on the old and new debt) of \$3,128,648.

The 2017 series bonds maturing on or after January 1, 2028 are subject to redemption prior to maturity in whole or in part on any date on or after January 1, 2027, at the redemption price (expressed as a percentage of principal amount redeemed) of 100% plus accrued interest to the redemption date.

On December 4, 2019, the City issued \$64,155,000 of Electric Light and Power System Refunding Revenue Bonds, 2019 Series, each dated December 4, 2019. The 2019 Bonds were issued for the purpose of refunding certain outstanding revenue bonds which include the 2010-A Series, 2010-B Series, 2013-A Series and 2013-B Series.

The in-substance defeasance of the 2010 and 2013 Series bonds was accomplished by placing \$71,178,711 in proceeds from the 2019 Bonds, \$3,895,548 of sinking funds and \$15,231,495 of other restricted funds in an irrevocable escrow fund to be used solely for satisfying scheduled debt service payments of the 2010 and 2013 Series Bonds. Accordingly, the 2010 Series Bonds in the amount of \$38,495,000, the 2013 Series Bonds in the

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 6 - LONG-TERM LIABILITIES, CONTINUED

amount of \$49,815,000, as well as accrued interest payable of \$1,772,444 and unamortized discount and issuance costs of \$449,846, were extinguished resulting in the accounting recognition of a gain from defeasance of \$226,536, reported in the accompanying financial statements as a deferred outflow of resources. The City advance refunded these bonds to reduce its total outstanding debt and reduce the effective rate on the debt. The advance refunding resulted in an economic savings (difference between the present value of the debt service payment on the old and new debt) of \$7,441,846.

All bonds are secured by a pledge of, and are payable from, the gross revenues derived from the operation of the Electric System and are secured by a statutory mortgage lien as provided and authorized by the Kentucky Revised Statutes.

For all bonds, in the event of default, any Bondholder may proceed to protect and enforce its rights and the rights of the holders of the Bonds under the Ordinance forthwith by a suit or suits in equity or at law.

Owensboro Municipal Utilities Water Works System

Long-term debt activity for the year ended May 31, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds Payable					
Series of 2014	\$ 5,645,000	\$ -	\$ -	\$ 5,645,000	\$ -
Series of 2015	5,110,000	-	(45,000)	5,065,000	45,000
Series of 2016	5,170,000	-	(370,000)	4,800,000	385,000
Series of 2018	<u>58,070,000</u>	<u>-</u>	<u>(1,425,000)</u>	<u>56,645,000</u>	<u>1,490,000</u>
	73,995,000	-	(1,840,000)	72,155,000	1,920,000
Add unamortized debt premium	<u>1,280,338</u>	<u>-</u>	<u>(55,576)</u>	<u>1,224,762</u>	<u>-</u>
Total bonds payable	<u>\$ 75,275,338</u>	<u>\$ -</u>	<u>\$ (1,895,576)</u>	<u>\$ 73,379,762</u>	<u>\$ 1,920,000</u>

Long-term debt at May 31, 2025, consists of the following Water Revenue Bonds:

Series of 2014:	
1.75% to 3.90%, due serially September 15, 2024 to 2038	\$ 5,645,000
Series of 2015:	
3.00% to 4.00%, due serially September 15, 2024 to 2041	5,065,000
Series of 2016:	
2.00% to 3.00%, due serially September 15, 2024 to 2035	4,800,000
Series of 2018:	
3.00% to 5.00%, due serially September 15, 2024 to 2048	<u>56,645,000</u>
Total long-term debt	72,155,000
Less current maturities	(1,920,000)
Add unamortized debt premium	<u>1,224,762</u>
Long-term portion	<u>\$ 71,459,762</u>

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 6 - LONG-TERM LIABILITIES, CONTINUED

Sinking fund requirements and scheduled aggregate maturities of long-term debt are as follows:

<u>Year Ending May 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,920,000	\$ 2,676,954	\$ 4,596,954
2027	2,010,000	2,590,599	4,600,599
2028	2,080,000	2,516,540	4,596,540
2029	2,145,000	2,454,374	4,599,374
2030	2,210,000	2,387,134	4,597,134
2031-2035	12,235,000	10,755,131	22,990,131
2036-2040	14,730,000	8,258,608	22,988,608
2041-2045	17,820,000	5,168,094	22,988,094
2046-2048	<u>17,005,000</u>	<u>1,394,100</u>	<u>18,399,100</u>
	<u>\$ 72,155,000</u>	<u>\$ 38,201,534</u>	<u>\$ 110,356,534</u>

The Water System is subject to certain debt covenants, compliance with which is required by the ordinances authorizing its bond issues. Such ordinances require revenue to be first applied to the Sinking Fund, next to the Operations and Maintenance Fund and finally to the Renewal and Replacement Fund.

On June 12, 2014, the City authorized and OMU issued \$9,730,000 of Water Revenue and improvement Bonds, Series 2014, dated July 31, 2014. The 2014 Bonds were issued to refund all 1999 and 2003 series bonds due after September 15, 2014, and to fund various capital improvement expenditures for the Water System.

The in-substance defeasance of the 1999 and 2003 Bonds was accomplished by placing \$3,835,802 in proceeds from the 2014 Bonds and \$40,700 in funds from the 1999 and 2003 Bonds sinking funds in an irrevocable escrow fund to be used solely for satisfying scheduled debt service payments of the 1999 and 2003 Bonds. Accordingly, 1999 and 2003 Bonds in the amount of \$1,305,000 and \$2,510,000, respectively, net of unamortized discount and issuance costs of \$60,176 and accrued interest payable of \$47,483, were extinguished resulting in the accounting recognition of a loss from defeasance of \$74,195, reported in the accompanying financial statements as a deferred outflow of resources. OMU advance refunded the 1999 and 2003 bonds to reduce the effective rate on the debt. The advance refunding resulted in an economic gain (difference between the present value of the debt service payment on the old and new debt) of \$252,617.

The Series 2014 Bonds maturing on and after September 15, 2023, are subject to redemption prior to maturity in whole or in part on September 15, 2022, and on any date thereafter, at the redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date.

On December 16, 2015, the City authorized, and OMU issued \$5,385,000 of Water Revenue Improvement Bonds, Series 2015, dated December 1, 2015. The 2015 Bonds were issued to provide funds for the various capital improvement expenditures for the Water System and to fully fund the Bond Reserve Account. The Series 2015 Bond maturing on and after September 15, 2024, are subject to redemption in whole or in part on September 15, 2023, and on any date thereafter, at the redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date.

On June 8, 2016, the City authorized, and OMU issued \$6,590,000 of Water Revenue Refunding Bonds, Series 2016, dated June 8, 2016. The 2016 Bonds were issued to refund a portion of the outstanding Series 2009 Bonds.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 6 - LONG-TERM LIABILITIES, CONTINUED

The in-substance defeasance of the 2009 Bonds was accomplished by placing \$6,417,071 in proceeds from the 2014 Bonds and \$104,023 in funds from the 2009 Bond Sinking Fund in an irrevocable escrow fund to be used solely for satisfying scheduled debt service payments of the 2009 Bonds. Accordingly, 2009 Bonds in the amount of \$5,895,000, net of unamortized discount and issuance costs of \$129,024 and accrued interest payable of \$69,133, were extinguished resulting in the accounting recognition of a loss from defeasance of \$685,985, reported in the accompanying financial statements as a deferred outflow of resources. OMU advance refunded the 2009 bonds to reduce the effective rate on the debt. The advance refunding resulted in an economic gain (difference between the present value of the debt service payment on the old and new debt) of \$771,709.

The Series 2016 Bonds maturing on and after September 15, 2025, are subject to redemption in whole or in part on September 15, 2024, and on any date thereafter, at the redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date.

On September 27, 2018, the City issued \$63,190,000 of Water Revenue Refunding and Improvement Bonds, Series 2018, dated September 27, 2018. These bonds were issued to refund all outstanding 2009 Series Bonds due after September 15, 2018, and to fund various capital improvement expenditures for the Water System including expansion of the Cavin Water Treatment Plant to treat an additional 20 million gallons of water per day. The refunding of the 2009 Bonds was accomplished by placing \$12,811,686 in proceeds from the 2018 Bonds with a paying agent to be used solely for refunding the outstanding 2009 Bonds. Accordingly, 2009 Bonds in the amount of \$12,790,000, net of unamortized discount and issuance cost of \$255,218 and accrued interest payable of \$21,686, were extinguished resulting in the accounting recognition of a loss from defeasance of \$255,218, reported in the accompanying financial statements as a deferred outflow of resources. The City refunded the 2009 Bonds to reduce the effective rate on the debt. The refunding resulted in an economic gain (difference between the present value of the debt service payment on the old and new debt) of \$1,777,076.

The Series 2018 Bonds maturing on and after September 15, 2028, are subject to redemption prior to maturity in whole or in part on September 15, 2027, and on any date thereafter, at the redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date.

All bonds are secured by a pledge of, and are payable from, the gross revenues derived from the operation of the Water System and are secured by the statutory mortgage lien as provided and authorized by the Kentucky Revised Statutes.

For all bonds, in the event of default, any Bondholder may proceed to protect and enforce its rights and the rights of the holders of the Bonds under the Ordinance forthwith by a suit or suits in equity or at law.

The difference between the reacquisition price and the net carrying amount of defeased bond issues has been deferred and is being amortized using the straight-line method over the lives of the defeased bond issues.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 6 - LONG-TERM LIABILITIES, CONTINUED

Owensboro Riverport Authority

Long-term debt and lease obligation activity (all direct borrowing) for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 3,010,000	\$ -	\$ (3,010,000)	\$ -	\$ -
	3,010,000	-	(3,010,000)	-	-
Add unamortized debt premium	22,579	-	(22,579)	-	-
Total debt payable	<u>\$ 3,032,579</u>	<u>\$ -</u>	<u>\$ (3,032,579)</u>	<u>\$ -</u>	<u>\$ -</u>

In fiscal year 2015, the City of Owensboro issued general obligation bonds in the amount of \$24,000,000 on behalf of the Authority for the purpose of financing the construction of an economic development project to be owned and operated by the Authority. Payments of principal and interest were made to the City, and the debt was paid in full as of June 30, 2025. In accordance with a related agreement between the Authority and a third party dated November 17, 2014, the third-party pays to the Authority capital cost reimbursement payments, the total of which is not to exceed \$24,000,000. The agreement also established that the Authority would provide services to the third-party relating to the tolling facility for an initial term through December 31, 2025, with an option to renew for three additional years ending December 31, 2028. This debt was paid off during fiscal year 2025.

NOTE 7 - CITY FUNDED RETIREMENT PLANS

The City of Owensboro maintains two pension plans which are funded and administered by the City: the City Employees' Pension Fund (CEPF) and the Police and Firefighters' Pension Fund (PFRF). The City also participates in the state-wide County Employees' Retirement System (CERS).

Plan Descriptions:

City Employees' Pension Fund (CEPF)

Participants of the CEPF were full-time Civil Service employees of the City (except for police and firefighters) and OMU as of October 6, 1986, who elected to remain in the CEPF rather than enter the CERS. Employees hired after October 6, 1986, are required to participate in the CERS. No active employees remain in the CEPF. A single-employer, defined-benefit plan, the CEPF was created by ordinance on August 13, 1946, under KRS 90.310-90.410. Benefit provisions and contribution requirements are established under these authorities. A board of trustees consisting of the Mayor, two commissioners, and four employees administers the plan.

Police and Firefighters' Retirement Fund (PFRF)

Participants of the PFRF were full-time City police and firefighters as of August 1, 1988, who elected to remain in the PFRF rather than enter the CERS. Employees hired after August 1, 1988, are required to participate in the CERS. No active employees remain in the PFRF. A single-employer, defined-benefit plan, the PFRF was created by ordinance on March 26, 1928, under KRS 95.851-95.991. Benefit provisions and contribution requirements are established under

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 7 - CITY FUNDED RETIREMENT PLANS, CONTINUED

these authorities. A board of trustees consisting of the Mayor, the Finance Director, one retired police officer, and one retired firefighter administers the plan.

The CEPF and PFRF issue publicly available financial reports that include financial statements and required supplementary information. These financial reports may be obtained from the City's Finance Director, City Hall, Owensboro, Kentucky 42303.

Benefits Provided:

CEPF provides retirement, disability, and death benefits to plan members. Employees attaining the age of 60 and who have completed 20 or more continuous years of service are entitled to monthly benefits of 50% of their average monthly earnings for the last ten years of employment. Retirement at age 70 is mandatory unless waived by the City. As of June 30, 2025, the plan had ten members, none of whom were active City or OMU employees. The plan is closed to new entrants.

PFRF provides retirement, disability, and death benefits to plan members. Employees attaining the age of 50 and who have completed 20 or more years of continuous service are entitled to annual benefits of 2.5% of their average monthly earnings for each year of service up to a maximum of 75% of average monthly earnings. Early retirement at the completion of 20 years of service is permitted. As of June 30, 2025, the plan had eighteen members, none of whom were active City employees. The plan is closed to new entrants.

Contributions:

The City's and OMU's funding policy for CEPF is to provide for periodic employer contributions for active employees at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The required contributions are determined using an entry age normal cost actuarial funding method. The plan has no active employees. The City and OMU made no contributions to the plan for the fiscal year ended June 30, 2025.

The City's funding policy for PFRF is to provide for periodic employer contributions to finance the costs of benefits paid to participants during the current year with an additional amount to finance any unfunded accrued liability. The plan has no active employees. The City made contributions of \$222,000 to the plan for the fiscal year ended June 30, 2025.

NET PENSION LIABILITY/ASSET

The CEPF had a net pension asset of \$3,699,510 as of June 30, 2025, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2023.

The PFRF net pension liability was \$2,743,079 as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023.

Actuarial Assumptions:

The total pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>CEPF</u>	<u>PFRF</u>
Inflation rate	None	None
Investment rate of return	6.00%	4.00%

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 7 - CITY FUNDED RETIREMENT PLANS, CONTINUED

Mortality rates were based on the RP-2000 Mortality Table projected to 2020 without collar adjustment (separate tables for Male and Female lives). This assumption has been updated from that used in the 2017 valuation.

The long-term expected rate of return on pension plan investments was determined using a best estimate range of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) based on the nature of investments in each plan. Best estimates of arithmetic real rates of returns was 6.00% for CEPF and 4.00% for PFRF.

Discount Rate:

The discount rate used to measure the total pension liability (asset) was 6.00% for the CEPF. The projection of cash flows used to determine the discount rate was based on plan income. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the total pension liability was 4.00% for the PFRF. The projection of cash flows used to determine the discount rate was based on plan income. Based on those assumptions, the plan's fiduciary net position is not sufficient to make all projected future benefit payments of current plan members and additional funding will be necessary in order to have sufficient assets to cover all projected benefit payments. The expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset):

	<u>CEPF</u>	<u>PFRF</u>
Total Pension Liability (Asset)		
Service cost	\$ -	\$ -
Interest	-	-
Changes in benefit terms	-	-
Differences between expected and actual experience	-	-
Changes in assumptions	-	-
Benefit payments	<u>(169,185)</u>	<u>(427,559)</u>
Net change in total pension liability (asset)	(169,185)	(427,559)
Total Pension Liability - Beginning	<u>1,033,369</u>	<u>3,391,473</u>
Total Pension Liability - Ending (a)	<u><u>\$ 864,184</u></u>	<u><u>\$ 2,963,914</u></u>
Plan Fiduciary Net Position		
Contributions - employer	\$ -	\$ 222,000
Contributions - employee	-	-
Contributions - other	-	2,093
Net investment income	446,229	15,907
Benefit payments	(169,185)	(427,559)
Administrative expense	<u>(51,622)</u>	<u>(153)</u>
Net change in plan fiduciary net position	225,422	(187,712)
Plan Fiduciary Net Position - Beginning	<u>4,338,272</u>	<u>408,547</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 4,563,694</u></u>	<u><u>\$ 220,835</u></u>
Net Pension Liability (Asset) (a) - (b)	<u><u>\$ (3,699,510)</u></u>	<u><u>\$ 2,743,079</u></u>

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 7 - CITY FUNDED RETIREMENT PLANS, CONTINUED

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate:

Sensitivity of the net pension liability (asset) was calculated using 6.00% for the CEPF, and 4.00% for the PFRF. The following represents the net pension liability of the plans using the discount rates as well as what the City's position would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City of Owensboro City Employees' Pension Fund net pension liability (asset)	\$ 3,634,688	\$ (3,699,510)	\$ 3,757,862
	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
City of Owensboro Police and Firefighters' net pension liability	\$ 2,975,421	\$ 2,743,079	\$ 2,535,494

Pension Plan Fiduciary Net Position:

Detailed information about pension plans' fiduciary net position is available in the separately issued CEPF and PFRF financial reports.

Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended June 30, 2025, the City recognized (negative) pension expense of \$(430,854), which consisted of \$(469,306) for CEPF and \$38,452 for PFRF. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience:		
CEPF	\$ 12,258	\$ 159,422
PFRF	51,629	173,569
	<u>63,887</u>	<u>332,991</u>
Changes in assumptions:		
CEPF	8,689	-
PFRF	104,458	188,913
	<u>113,147</u>	<u>188,913</u>
Net difference between projected and actual earnings on pension plan investments:		
CEPF	-	485,050
PFRF	-	5,590
	<u>-</u>	<u>490,640</u>
Totals		
CEPF	20,947	644,472
PFRF	156,087	368,072
	<u>\$ 177,034</u>	<u>\$ 1,012,544</u>

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 7 - CITY FUNDED RETIREMENT PLANS, CONTINUED

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

<u>Year Ending June 30:</u>	<u>CEPF</u>	<u>PFRF</u>
2026	\$ (84,400)	\$ 53,931
2027	(258,613)	(33,366)
2028	(183,456)	(59,227)
2029	(66,342)	(57,968)
2030	(10,238)	(38,454)
Thereafter	(20,476)	(76,901)

NOTE 8 - CERS RETIREMENT PLANS

General Information about the Pension Plans

Plan description: Substantially all of the City's full-time employees, as well as employees of Owensboro Municipal Utilities and Owensboro Riverport Authority, participate in the County Employees' Retirement System (CERS), a cost sharing, multiple-employer defined benefit plan administered by the CERS Board of Trustees. CERS consists of two plans – Non-Hazardous and Hazardous. Kentucky Public Pensions Authority issues a publicly available financial report that includes financial statements and supplementary information for CERS. That report can be obtained at <https://kyret.ky.gov>.

Benefits provided: CERS provides retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Kentucky Revised Statute 61.645 assigns the authority to establish and amend benefit provisions to the Kentucky Retirement Systems Board of Trustees.

Cost of Living Adjustment (COLA): Prior to July 1, 2009, COLAs were provided annually equal to the percentage increase in the annual average of the consumer price index for all urban consumers for the most recent calendar year, not to exceed 5% in any plan year. After July 1, 2009, the COLAs were limited to 1.50%. No COLA has been granted since July 1, 2011

Contributions: Tier 1 plan members, who began participating prior to September 1, 2008, are required to contribute 5% (non-hazardous) and 8% (hazardous) of their annual creditable compensation. Interest is paid each June 30 on members' accounts at a rate of 2.5%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest.

Tier 2 plan members, who began participating on, or after, September 1, 2008, and before January 1, 2014, are required to contribute 6% (non-hazardous) and 9% (hazardous) of their annual creditable compensation, while 1% of these contributions are deposited to an account created for the payment of health insurance benefits under 25 USC Section 401(h) in the Pension Fund. Interest is paid each June 30 on members' accounts at a rate of 2.5%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest; however, the 1% contribution to the 401(h) account is non-refundable and is forfeited.

Tier 3 plan members, who began participating on, or after, January 1, 2014, are required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 8 - CERS RETIREMENT PLANS, CONTINUED

their own account. Members contribute 5% (non-hazardous) and 8% (hazardous) of their annual creditable compensation, and an additional 1% to the health insurance fund (401(h) account) which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Kentucky Retirement System Board of Trustees based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a 4% (non-hazardous) and 7.5% (hazardous) employer pay credit. The employer pay credit represents a portion of the employer contribution.

Interest is paid into the Tier 3 member's account. The account currently earns 4% interest credit on the member's account balance as of June 30 of the previous year. The member's account may be credited with additional interest if the system's five-year Geometric Average Net Investment Return (GANIR) exceeded 4%. If the member was actively employed and participating in the fiscal year, and if the system's GANIR for the previous five years exceeds 4%, then the member's account will be credited with 75% of the amount of the returns over 4% on the account balance as of June 30 of the previous year (Upside Sharing Interest). The Upside Sharing Interest is credited to both the member contribution balance and Employer Pay Credit Balance.

The City is required to contribute at an actuarially determined rate. As of June 30, 2025, the City's required contribution rate was 19.71% (non-hazardous) and 36.49% (hazardous) of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by the CERS Board of Trustees. Contributions to CERS from the City were \$3,031,805 for non-hazardous employees and \$6,081,435 for hazardous employees, for total contributions of \$9,113,240 for the year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the City reported a liability of \$79,417,152, for its proportionate share of the collective net pension liabilities, with \$26,366,732 for non-hazardous pensions and \$53,050,420 for hazardous pensions. The collective net pension liabilities were measured as of June 30, 2024, and the total pension liabilities used to calculate the collective net pension liabilities were determined by actuarial valuations as of June 30, 2023 and rolled-forward using generally accepted actuarial principles. The City's proportion of the collective net pension liabilities was based on projections of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the City's proportion was 0.440884% for non-hazardous pensions, an increase of 0.0127956% from its proportion measured as of June 30, 2023, and 2.062609% for hazardous pensions, an increase of 0.092073% from its proportion measured as of June 30, 2023.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 8 - CERS RETIREMENT PLANS, CONTINUED

The following is a summary of the City's CERS collective net pension liability:

	Net Pension Liability
City of Owensboro:	
Non-Hazardous	\$ 26,366,732
Hazardous	53,050,420
Total City of Owensboro	<u>\$ 79,417,152</u>
Component Units:	
Owensboro Municipal Utilities:	
Electric Light and Power System	\$ 22,061,716
Water Works	6,573,389
Total Owensboro Municipal Utilities	<u>\$ 28,635,105</u>
Owensboro Riverport Authority	<u>\$ 5,954,110</u>

For the year ended June 30, 2025, the City recognized pension expense of \$6,927,769, which consists of \$1,493,288 for non-hazardous pensions and \$5,434,481 for hazardous pensions. The net pension expense in aggregate for all plans was \$6,496,914 for the year ended June 30, 2025. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,723,275	\$ -
Changes of assumptions	-	4,185,328
Net difference between projected and actual investment earnings on pension plan investments	-	4,526,669
Changes in proportion and differences between City contributions and proportional share of contributions	3,512,836	344,264
City contributions subsequent to the measurement date	<u>9,113,240</u>	<u>n/a</u>
Total	<u>\$ 17,349,351</u>	<u>\$ 9,056,261</u>

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 8 - CERS RETIREMENT PLANS, CONTINUED

Of the total amount reported as deferred outflows of resources related to pensions, City contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the City's pension expense as follows:

Year ended June 30:	
2026	\$ (1,143,268)
2027	1,855,253
2028	(622,376)
2029	(909,759)
2030	-
Thereafter	-

Actuarial assumptions: The total pension liability as of June 30, 2024, was determined using the following updated assumptions:

Inflation	2.50%
Payroll Growth Rate	2.00%
Salary Increases	3.30% to 10.30%, varies by service for non-hazardous 3.55% to 19.05%, varies by service for hazardous
Investment Rate of Return	6.50%

The mortality table used for active members was a PUB-2010 General Mortality table, for the Non-Hazardous System, and PUB-2010 Public Safety Mortality table for the Hazardous System, projected with the ultimate rates from the MP-2020 improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2022, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2023. The mortality table used for the disabled members was PUB-2010 Disable Mortality table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.

The long-term expected rate of return was determined by using a building-block method in which best-estimate ranges of expected future real rates of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the table below. The current long-term inflation assumption is 2.50% per annum.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 8 - CERS RETIREMENT PLANS, CONTINUED

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	60.00%	
Public Equity	50.00%	4.15%
Private Equity	10.00%	9.10%
Fixed Income	20.00%	
Core Fixed Income	10.00%	2.85%
Specialty Credit	10.00%	3.82%
Cash	0.00%	1.70%
Inflation Protected	20.00%	
Real Estate	7.00%	4.90%
Real Return	13.00%	5.35%
Expected Real Return	100.00%	4.69%
Long Term Inflation Assumption		2.50%
Expected Nominal Return for Portfolio		7.19%

Discount rate: The projection of cash flows used to determine the discount rate of 6.50% assumes that the funds receive the required employer contributions each future year, as determined by the current funding policy established in statute as last amended by House Bill 362 (passed in 2018). The discount rate determination does not use a municipal bond rate.

Sensitivity of the City's proportionate share of the collective net pension liabilities to changes in the discount rate: The following presents the City's proportionate share of the collective net pension liabilities calculated using the discount rate of 6.50%, as well as what the City's proportionate share of the collective net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

City's proportionate share of the collective net pension liability as of June 30, 2024	1.00% Decrease (5.50%)	Current Discount Rate (6.50%)	1.00% Increase (7.50%)
Non-Hazardous	\$ 33,991,025	\$ 26,366,732	\$ 20,040,577
Hazardous	\$ 68,296,874	\$ 53,050,420	\$ 40,602,526

Pension plan fiduciary net position: Detailed information about the pension plans' fiduciary net position is available in the separately issued Kentucky Public Pensions Authority financial report.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 8 - CERS RETIREMENT PLANS, CONTINUED

General Information about the Other Postemployment Benefits (OPEB) Plan

Plan description: In addition to the pension benefits described above, Kentucky Public Pensions Authority provides postemployment healthcare benefits through the Kentucky Retirement Systems Insurance Trust Fund (Insurance Fund), a cost-sharing, multiple-employer defined benefit plan. The Insurance Fund was established by KRS 61.701 to provide hospital and medical insurance for those receiving benefits from the Kentucky Employees' Retirement System (KERS), the County Employees' Retirement System (CERS), and the State Police Retirement System (SPRS). The responsibility for the general administration and operation of the Insurance Fund is vested with the KRS and CERS Boards of Trustees.

Benefits Provided: The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance. For the fiscal year ended June 30, 2024 (the date of the latest available information), insurance premiums withheld from benefit payments for members of CERS were \$18.9 million and \$4.3 million for non-hazardous and hazardous employees, respectively. For the fiscal year ended June 30, 2023, insurance premiums withheld from benefit payments for members of CERS were \$23.7 million and \$4.0 million for non-hazardous and hazardous employees, respectively. The Insurance Fund pays the same proportion of hospital and medical insurance premiums for the spouse and dependents of retired hazardous employees killed in the line of duty.

The amount of contributions paid by the Insurance Fund is based on years of service. For employees participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are shown below:

<u>Years of Service</u>	<u>% Paid by Insurance Fund</u>
20 or more	100%
15 - 19	75%
10 - 14	50%
4 - 9	25%
Less than 4	0%

As a result of House Bill 290 (2004 Kentucky General Assembly), medical insurance benefits are calculated differently for those who began participating on or after July 1, 2003. Once employees reach a minimum vesting period of ten years, non-hazardous employees whose participation began on or after July 1, 2003 earn \$10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Hazardous employees whose participation began on or after July 1, 2003 earn \$15 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon death of a hazardous employee, the employee's spouse receives \$10 per month for insurance benefits for each year of the deceased employee's earned hazardous service. This dollar amount is subject to adjustment annually, which is currently 1.5%, based upon Kentucky Revised Statutes. This benefit is not protected under the inviolable contract provisions of Kentucky Revised Statute 16.652, 61.692, and 78.852. The Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgment, the welfare of the Commonwealth so demands.

Contributions: The City is required to contribute at an actuarially determined rate. As of June 30, 2025, the City's required contribution rate was 0.00% and 2.12% of annual covered payroll for non-hazardous and hazardous employees, respectively. The contribution requirements of plan members and the City are established and may be amended by the CERS Board of Trustees. Contributions to the Insurance Fund from the City were \$0 (not including implicit subsidies reported in the amount of \$206,931) for non-hazardous employees and \$353,320 (not including implicit subsidies reported in the amount of \$(34,420)) for hazardous employees, for total contributions of \$353,320 (not including implicit subsidies reported in the amount of \$172,511) for the year ended June 30, 2025. As described above, Tier 2

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 8 - CERS RETIREMENT PLANS, CONTINUED

and Tier 3 employees contribute 1% of their annual creditable compensation to the Insurance Fund; Tier 1 employees are not required to contribute.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the City reported a liability of \$1,739,161 for its proportionate share of the collective net OPEB liabilities, with \$(763,379) for non-hazardous OPEB and \$2,502,540 for hazardous OPEB. The collective net OPEB liabilities were measured as of June 30, 2024, and the total OPEB liabilities used to calculate the collective net OPEB liabilities were determined by an actuarial valuation as of June 30, 2023 and rolled-forward using generally accepted actuarial principles. The City's proportion of the collective net OPEB liabilities was based on projections of the City's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the City's proportion was 0.441310% for non-hazardous pensions, an increase of 0.013238% from its proportion measured as of June 30, 2023, and 2.063056% for hazardous pensions, an increase of 0.093840% from its proportion measured as of June 30, 2023.

The following is a summary of the City's CERS net OPEB liability:

	Net OPEB Liability (Asset)
City of Owensboro:	
Non-Hazardous	\$ (763,379)
Hazardous	<u>2,502,540</u>
Total City of Owensboro	<u><u>\$ 1,739,161</u></u>
Component Units:	
Owensboro Municipal Utilities:	
Electric Light and Power System	\$ (638,750)
Water Works	<u>(190,318)</u>
Total Owensboro Municipal Utilities	<u><u>\$ (829,068)</u></u>
Owensboro Riverport Authority	<u>\$ 172,389</u>

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 8 - CERS RETIREMENT PLANS, CONTINUED

For the year ended June 30, 2025, the City recognized negative OPEB expense of \$3,842,791, which consists of \$1,914,423 for non-hazardous OPEB and \$1,928,368 for hazardous OPEB. At June 30, 2025, 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	\$ 1,101,187	\$ 15,166,154
Changes of assumptions	2,389,163	2,741,040
Net difference between projected and actual investment earnings on OPEB plan investments	-	2,269,192
Changes in proportion and differences between City contributions and proportional share of contributions	1,227,367	386,605
Implicit subsidy	172,511	n/a
City contributions subsequent to the measurement date	353,320	n/a
Total	<u>\$ 5,243,548</u>	<u>\$ 20,562,991</u>

Of the total amount reported as deferred outflows of resources related to OPEB, the implicit subsidy and City contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liabilities in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the City's OPEB expense as follows:

Year ended June 30:

2026	\$ (5,309,250)
2027	(4,062,721)
2028	(4,733,787)
2029	(1,973,990)
2030	234,474
Thereafter	-

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 8 - CERS RETIREMENT PLANS, CONTINUED

Actuarial assumptions: The total OPEB liability as of June 30, 2024, was determined using the following updated assumptions:

Inflation	2.50%
Payroll Growth Rate	2.00%
Salary Increases	3.30% to 10.30%, varies by service for non-hazardous 3.55% to 19.05%, varies by service for hazardous
Investment Rate of Return	6.50%
Healthcare Trend Rates	
Pre-65	Initial trend starting at 6.80% at January 1, 2025, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Post-65	Initial trend starting at 8.50% at January 1, 2025, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.

The long-term expected rate of return was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates or arithmetic real rate of return for each major asset class are summarized in the table below. The current long-term inflation assumption is 2.50% per annum.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Growth	60.00%	
Public Equity	50.00%	4.15%
Private Equity	10.00%	9.10%
Fixed Income	20.00%	
Core Fixed Income	10.00%	2.85%
Specialty Credit	10.00%	3.82%
Cash	0.00%	1.70%
Inflation Protected	20.00%	
Real Estate	7.00%	4.90%
Real Return	13.00%	5.35%
Expected Real Return	100.00%	4.69%
Long Term Inflation Assumption		2.50%
Expected Nominal Return for Portfolio		7.19%

The fully-insured premiums Kentucky Public Pensions Authority pays for the CERS Health Insurance Plans are blended rates based on the combined experience of active and retired members. Because the average cost of providing health care benefits to retirees under age 65 is higher than the average cost of providing health care benefits to active

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 8 - CERS RETIREMENT PLANS, CONTINUED

employees, there is an implicit employer subsidy for the non-Medicare eligible retirees. GASB 75 requires that the liability associated with this implicit subsidy be included in the calculation of the total OPEB liability.

Discount rate: Single discount rates of 5.99% for non-hazardous and 6.02% for hazardous were used to measure the total OPEB liability as of June 30, 2024. The discount rate determination used an expected rate of return of 6.50%, and a municipal bond rate of 3.97%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2024. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the plan's fiduciary net position and future contributions were projected to be sufficient to finance the future benefit payments of current plan members. However, the cost associated with the implicit employer subsidy was not included in the calculation of the system's actuarially determined contributions, and any cost associated with the implicit subsidy will not be paid out of the system's trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

Sensitivity of the City's proportionate share of the collective net OPEB liabilities to changes in the discount rate: The following presents the City's proportionate share of the collective net OPEB liabilities calculated using discount rates of 5.99% (non-hazardous) and 6.02% (hazardous), as well as what the City's proportionate share of the collective net OPEB liabilities would be if they were calculated using discount rates that are one percentage point lower (4.99% and 5.02%, respectively) or one percentage point higher (6.99% and 7.02%, respectively) than the current rates:

City's proportionate share of the collective net OPEB liability (asset) as of June 30, 2024	1.00% Decrease	Current Discount Rate	1.00% Increase
Non-Hazardous	\$ 1,032,174	\$ (763,379)	\$ (2,273,083)
Hazardous	\$ 6,915,851	\$ 2,502,540	\$ (1,185,637)

Sensitivity of the City's proportionate share of the collective net OPEB liabilities to changes in the healthcare cost trend rates: The following presents the City's proportionate share of the collective net OPEB liabilities, as well as what the City's proportionate share of the collective net OPEB liabilities would be if they were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

City's proportionate share of the collective net OPEB liability (asset) as of June 30, 2024	1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
Non-Hazardous	\$ (1,836,597)	\$ (763,379)	\$ 486,844
Hazardous	\$ (387,945)	\$ 2,502,540	\$ 5,880,887

OPEB plan fiduciary net position: Detailed information about the OPEB plans' fiduciary net position is available in the separately issued Kentucky Public Pensions Authority financial report.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 9 – LEASES

Primary Government

The City's leasing operations are as follows:

Lessor

Owensboro-Daviess Co. Tennis Association, Inc.

On May 12, 2014, the City entered into a lease agreement with the Owensboro-Daviess County Tennis Association, Inc., for real property located at 2965 Bittel Road in Owensboro, Kentucky, location of an indoor tennis facility. The term of the lease is 20 years and will automatically renew for two additional terms of 5 years. The lessee shall pay the City rent of \$6,059/month for the 20-year term beginning January 1, 2015. The Lease revenue is measured at the present net value of the future rent payments expected to be received during the lease term at a discount rate of 3.037%.

During the fiscal year ended June 30, 2025, the City recognized \$54,712 of lease revenue and \$17,996 of interest under the lease.

Future annual minimum lease payments are estimated to be as follows:

<u>Year ending June 30:</u>	<u>Amount</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 72,708	\$ 56,397	\$ 16,311
2027	72,708	58,135	14,573
2028	72,708	59,925	12,783
2029	72,708	61,771	10,937
2030	72,708	63,673	9,035
2031-2034	<u>278,714</u>	<u>262,787</u>	<u>15,927</u>
	<u>\$ 642,254</u>	<u>\$ 562,688</u>	<u>\$ 79,566</u>

The deferred inflow of resources on lease activity for the fiscal year ended June 30, 2025 is as follows:

	<u>Deferred</u>	
<u>Balance June 30, 2024</u>	<u>Revenue Recognized</u>	<u>Balance June 30, 2025</u>
<u>\$ 617,400</u>	<u>\$ (54,712)</u>	<u>\$ 562,688</u>

Component Units

Leasing arrangements of the City's component units are as follows:

Owensboro Riverport Authority

Lessor

The Authority's leasing activities as lessor consist primarily of the leasing of land and facilities to certain customers under agreements with original lease terms ranging from 3 to 20 years, some of which contain provisions for payments to be adjusted based on tonnage and/or CPI increases. Lease receivables totaling \$6,138,683 at June 30, 2025, have been recorded based on the present value of the future minimum lease payments received. The deferred inflows of resources totaled \$5,951,605 at June 30, 2025.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 9 – LEASES, CONTINUED

Future minimum lease payments to be received as of June 30, 2025, are as follows:

<u>Year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,556,252	\$ 175,180	\$ 1,731,432
2027	1,578,307	124,326	1,702,633
2028	1,153,883	75,349	1,229,232
2029	462,393	51,826	514,219
2030	439,273	37,838	477,111
2031-2034	948,575	43,054	991,629
	<u>\$ 6,138,683</u>	<u>\$ 507,573</u>	<u>\$ 6,646,256</u>

Lease revenue recognized under these leases totaled \$1,611,046 for the year ended June 30, 2025. Interest income recognized under these leases totaled \$180,764 for the year ended June 30, 2025.

NOTE 10 – PROJECT FINANCING

U.S. Bank

In fiscal years 2011 and 2013, the City issued general obligation bonds totaling \$8,365,000 and \$6,350,000, respectively, to construct certain property to be leased to U.S. Bank (Bank). The City and the Bank then entered into two twenty-year lease agreements wherein the Bank agreed to pay the City, as rent for the property, annual payments based on square footage, which may decrease in future years depending upon the number of new jobs created. Payments of principal and interest due on the debt shall be provided by the additional occupational license taxes generated from such new jobs and the annual rental payments. The leases are absolute net leases under which the Bank pays, in addition to rent as stated above, any and all expenses related to the leased premises. Upon the earlier of the end of the term or the payoff and retirement of the bond issues, and for 90 days thereafter, the Bank has the option to purchase the properties from the City for \$1. An interest rate of 3.017% has been used to discount.

During the fiscal year ended June 30, 2025, the City recognized \$840,000 of lease revenue and \$194,907 of interest under the lease.

Future minimum lease payments and net present value of these minimum lease payments included in the measurement of the lease receivable as of June 30, 2025 are as follows:

<u>Year ending June 30:</u>	<u>Amount</u>	<u>Principal</u>	<u>Interest</u>
2026	1,034,295	860,000	174,295
2027	1,022,470	870,000	152,470
2028	1,029,851	900,000	129,851
2029	1,030,989	925,000	105,989
2030	1,020,395	940,000	80,395
2031-2033	1,883,698	1,785,000	98,698
	<u>\$ 7,021,698</u>	<u>\$ 6,280,000</u>	<u>\$ 741,698</u>

The deferred inflow of resources on lease activity for the fiscal year ended June 30, 2025 is as follows:

<u>Balance June 30, 2024</u>	<u>Deferred Revenue Recognized</u>	<u>Balance June 30, 2025</u>
<u>\$ 7,120,000</u>	<u>\$ (840,000)</u>	<u>\$ 6,280,000</u>

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 11 – DEFERRED COMPENSATION PLANS

The City provides its employees with the opportunity to participate in two deferred compensation plans which comply with Section 457 of the Internal Revenue Code. One plan is administered by Nationwide Retirement Solutions, Inc. and the second is administered by Kentucky Public Employees' Deferred Compensation Authority. Participation in the plans is optional. The City remits amounts withheld from payroll to administrators of each plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plans are compliant with recent law changes. Accordingly, assets of the plans are held in trust under the requirements of IRC Section 457, subsection (g), for the exclusive benefit of the participants and their beneficiaries. The plans do not meet the criteria in NCGA Statement 1 for reporting as fiduciary funds.

NOTE 12 – COMPENSATED ABSENCES

Employees who retire, or whose position has been eliminated, receive payment for accumulated sick leave under one of the following options:

- 1) Cash payment equal to fifty (50) percent of their current salary value of accumulated sick leave,
- 2) Application of all accumulated sick leave as a credit toward years of service, included in the calculation of pension benefits, or
- 3) A combination of Option 1 and Option 2

In addition, upon termination of employment (retirement or otherwise), employees are paid for accumulated vacation at their current rate of pay.

The liability for the aforementioned compensated absences is recorded as a liability on the statement of net position. The liability as of fiscal year end June 30, 2025 totaled \$5,297,426 for governmental activities and \$641,927 for business-type activities. This is a net increase of \$109,282 for governmental activities and \$17,924 for business-type activities.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 13 – INTERFUND BALANCES

Interfund balances involving governmental and fiduciary funds are reflected as intergovernmental receivables and payables. The balances result from expenditures disbursed by the Investment Trust Fund on behalf of the governmental funds, or taxes received on behalf of the custodial fund.

	<u>Receivable</u>	<u>Payable</u>
<u>Fiduciary Fund</u>		
Custodial Fund: School District Tax Fund	\$ 28,830	\$ -
<u>Major Governmental Fund:</u>		
General Fund	-	28,830
	<u>\$ 28,830</u>	<u>\$ 28,830</u>

Receivable and payable balances involving component units at June 30, 2025, were as follows:

	<u>Receivable</u>	<u>Payable</u>
<u>Primary Government</u>		
General Fund	\$ 144,236	\$ -
Sanitation Fund	1,211,413	-
<u>Component Units</u>		
Owensboro Riverport Authority	-	125,000
Owensboro Municipal Utilities	-	1,230,649
	<u>\$ 1,355,649</u>	<u>\$ 1,355,649</u>

Receivables in the Sanitation Fund represent balances due from component units for sanitation services. General Fund receivables represent the fourth quarter dividend due from Owensboro Riverport Authority and various City services billed to Owensboro Municipal Utilities.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 15 – FUND BALANCE CLASSIFICATIONS

The composition of the fund balance classifications at June 30, 2025 are as follows:

	Major Governmental Funds				
	General Fund	Debt Service Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:					
Nonspendable:					
Inventory	\$ 22,639	\$ -	\$ -	\$ -	\$ 22,639
Prepaid items	27,712	-	-	-	27,712
	<u>50,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,351</u>
Restricted for:					
Debt service	407,143	2,332	-	7,867,970	8,277,445
Public Safety	-	-	-	609,031	609,031
Community Development	-	-	-	21,521	21,521
Capital/Economic Development	-	-	27,498,840	3,359,277	30,858,117
Parks and wellness	-	-	-	652,813	652,813
	<u>407,143</u>	<u>2,332</u>	<u>27,498,840</u>	<u>12,510,612</u>	<u>40,418,927</u>
Committed:					
Public safety	-	-	-	2,360,302	2,360,302
Stormwater maintenance and capital projects	-	-	-	2,448,400	2,448,400
Pension	-	-	-	2,883,542	2,883,542
Capital/Economic Development	-	-	-	7,133,323	7,133,323
	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,825,567</u>	<u>14,825,567</u>
Assigned					
Public safety	-	-	-	175,494	175,494
Unassigned	<u>43,495,039</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,495,039</u>
Total fund balances	<u>\$ 43,952,533</u>	<u>\$ 2,332</u>	<u>\$ 27,498,840</u>	<u>\$ 27,511,673</u>	<u>\$ 98,965,378</u>

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 16 - RISK MANAGEMENT

Primary Government

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Beginning in July 1994, the City established an Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Currently, under this program, the Insurance Fund provides coverage for up to a maximum of \$600,000 per covered employee or \$750,000 per firefighter or police officer for each workers' compensation claim, up to a maximum of \$2,000,000 per policy year; and \$100,000 for each health insurance claim per insured. The City purchases commercial insurance for claims in excess of coverage provided by the Fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds of the City participate in the program and make payments to the Insurance Fund based on historical cost information of the amounts needed to pay prior and current year claims. The claims liability of \$2,313,268 reported in the Insurance Fund at June 30, 2025, is due within one year, and is based on the requirements of Governmental Accounting Standards Board Statement No. 10, as amended by Statement No. 30, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Fund's claims liability amount are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims & Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Fiscal Year Liability</u>
2025	\$ 2,395,988	\$ 4,555,947	\$ (4,638,667)	\$ 2,313,268
2024	\$ 1,895,439	\$ 5,682,234	\$ (5,181,685)	\$ 2,395,988
2023	\$ 1,831,903	\$ 5,350,244	\$ (5,286,708)	\$ 1,895,439

Component Units

Owensboro Municipal Utilities

Owensboro Municipal Utilities is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. OMU manages its risks through coverage provided by private insurance carriers for various risks of losses to which it is exposed, including directors and officers, employee dishonesty, workers' compensation, and other property risks. The property and casualty insurance policy contains a deductible of \$250,000 and excludes acts of terrorism from its coverage. For the last three years, settled claims have not exceeded private insurance coverage, nor has there been any reduction in insurance coverage. OMU is self-insured for group health insurance and limits its risks of loss by purchasing reinsurance coverage.

Owensboro Riverport Authority

The Owensboro Riverport Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; life and health of employees; and natural disasters. Commercial insurance is purchased for the risks of losses relating to property damage, general liability, workers' compensation, health, dental, vision, and life insurance.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 17 – INTERGOVERNMENTAL PAYMENTS - COMPONENT UNITS

Payments made to the City from component units for the year ended June 30, 2025 were:

	<u>Riverport</u>	<u>OMU</u>	<u>Total</u>
Dividends	\$ 500,000	\$ 8,287,759	\$ 8,787,759
In Lieu of Tax	-	3,201,776	3,201,776
	<u>\$ 500,000</u>	<u>\$ 11,489,535</u>	<u>\$ 11,989,535</u>

Owensboro Municipal Utilities

The City Utility Commission may withdraw and pay to the General Fund an amount of excess cash, as determined under the terms and restrictions of Ordinance 72-63 of the City. The Ordinance calls for payment to the City of a sum equal to the dollar value of services purchased by the City from the Electric Light and Power System in the fiscal year, not to exceed \$700,000 for the fiscal year ended June 30, 1985, and thereafter increasing at a compound rate of 2.5% per annum. The Water Works System pays to the General Fund each year a sum equal to the dollar value of service purchased by the City from the Water Works System.

Owensboro Riverport Authority

The Authority paid the General Fund \$500,000 for the year ended June 30, 2025.

NOTE 18 - DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL STATEMENTS

The carrying amount of cash and cash equivalents approximates fair value because of the short maturity of those instruments. Investments are stated at their fair value obtained from market quotations from published sources on the last business day of the fiscal year.

NOTE 19 - CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2025, there were no conduit debt obligations.

NOTE 20 - INVESTMENT IN JOINT VENTURE

The City of Owensboro and Daviess County Fiscal Court jointly maintain equity interest in the Owensboro-Daviess County Regional Airport. A Board of Directors oversees the operations of the Airport. The Board is comprised of ten members. The City Mayor and County Judge Executive each appoint five members for a term of four years.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 20 - INVESTMENT IN JOINT VENTURE, CONTINUED

The Board is primarily autonomous in its operation. The City does not exercise control over the Board in its budgetary or financial affairs. If the Airport were to cease operation, its properties would be distributed to the City and County in direct proportion to their cumulative contributed grants. This proportion is approximately 50% each at June 30, 2025.

The City's equity interest in the Owensboro-Daviess County Regional Airport at June 30, 2025, was \$18,528,765 and is reported as an investment in joint venture in the statement of net position. Because the City's participation in the joint venture is for investment purposes, the increase in this investment of \$1,152,314 for the year ended June 30, 2025, is reported as general revenue in the statement of activities. Audited financial statements for the Airport may be obtained from the City's Finance Director.

NOTE 21 - COMMITMENTS AND CONTINGENCIES

Primary Government

The City is a defendant or plaintiff in lawsuits which have arisen in the normal course of operations. While certain lawsuits involve substantial amounts, it is the opinion of management, based on the advice of legal counsel, that the ultimate resolution of such litigation will not have a material adverse effect on the City's financial position.

Under the terms of certain Federal and State grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits lead to reimbursement of the grant monies to the respective grantor agency. Management of the City believes that any disallowance would be immaterial.

Components Units

OMU is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. OMU manages its risks through coverage provided by private insurance carriers for various risks of losses to which it is exposed, including directors and officers, employee dishonesty, boiler and machinery, workers' compensation, and other property risks. The boiler and machinery policy contains a deductible of \$250,000 and excludes acts of terrorism from its coverage. OMU is self-insured for group health and limits its risk of loss by purchasing reinsurance coverage.

OMU has been identified by the United States Environmental Protection Agency as one of numerous parties that may be liable for damages under federal law with respect to a superfund hazardous waste site. Based upon the opinion of its outside legal counsel, management does not anticipate additional costs to be material; however, the ultimate resolution of this matter and the related financial impact on OMU, if any, cannot be determined at this time.

There are a number of other pending legal actions involving OMU. Management believes that the outcome of such legal actions and claims will not have a material effect on OMU's financial position or results of operations.

NOTE 22 - TAX INCREMENT FINANCING (TIF) PROJECTS

The City activated both of their TIF projects, the Downtown Riverfront Revitalization TIF and the Gateway Commons TIF, on January 1, 2018. The activation of the TIFs will result in reimbursements of incremental tax revenues earned within the TIF areas derived from both the City and the Commonwealth of Kentucky. The Kentucky State Economic Development Finance Authority approved a total of \$24.5 million for the Downtown Riverfront Revitalization TIF and \$20.5 million for the Gateway Commons TIF in state tax incentive rebates over 20 years to cover public infrastructure costs. During the year ended June 30, 2025, the City of Owensboro recorded tax incentive rebate revenues of \$1,843,553. for the Gateway Commons TIF and \$705,493 for the Downtown Riverfront Revitalization TIF.

City of Owensboro, Kentucky
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 23 – TRANSIT FUND DISCLOSURE

The negative cash balance within the Transit Fund is due to timing of receivables due from the Federal Transit Administration and the Kentucky Transportation Cabinet.

NOTE 24 – ACCOUNTING CHANGES

The Your Community Vision Fund was reclassified from a major governmental fund for the year ended June 30, 2024 to a non-major governmental fund for the year ended June 30, 2025.

NOTE 25 – NEW ACCOUNTING PRONOUNCEMENTS

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

Statement No. 102, Certain Risk Disclosures, the requirements of this Statement were implemented and have no material effect on the financial statements for the year ending June 30, 2025.

Statement No. 103, Financial Reporting Model Improvements, effective for financial statements for the fiscal year ending June 30, 2026.

Statement No. 104, Disclosure of Certain Capital Assets, effective for financial statements for the fiscal year ending June 30, 2026.

In addition to the pronouncements discussed previously, GASB has issued additional guidance for state and local governments that are not yet effective. The City reviews each pronouncement to determine the impact of implementation in future periods.

NOTE 26 – SUBSEQUENT EVENTS

In September 2025, the City purchased 121.605 acres, more or less, on West Parrish Avenue for \$4,681,792 for the purpose of Economic Development.



Required Supplementary Information
(other than Management's Discussion and Analysis)

City of Owensboro, Kentucky
Schedule of Changes in Plan Net Pension Liability and Related Ratios
City Employees' Pension Fund
Fiduciary Funds
For the Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	233,832	-	-	205,362	-	109,970	123,942	138,906
Changes of benefit terms	-	-	142,104	-	-	44,114	-	33,052	9,813	-
Differences between expected and actual experience	-	-	(108,905)	-	-	(184,452)	-	61,290	(94,508)	(77,133)
Changes of assumptions	-	-	6,525	-	-	8,402	-	-	7,574	-
Benefit payments	(169,185)	(183,434)	(187,976)	(184,012)	(196,517)	(221,733)	(253,351)	(269,985)	(291,151)	(334,825)
Net Change in Total Pension Liability	(169,185)	(183,434)	85,580	(184,012)	(196,517)	(148,307)	(253,351)	(65,673)	(244,330)	(273,052)
Total Pension Liability (Asset) - Beginning	1,033,369	1,216,803	1,131,223	1,315,235	1,511,752	1,660,059	1,913,410	1,979,083	2,223,413	2,496,465
Total Pension Liability (Asset) - Ending	\$ 864,184	\$ 1,033,369	\$ 1,216,803	\$ 1,131,223	\$ 1,315,235	\$ 1,511,752	\$ 1,660,059	\$ 1,913,410	\$ 1,979,083	\$ 2,223,413
Plan Fiduciary Net Position:										
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	-	-	-	-	-	-	-	-	-	-
Contributions - other	-	-	-	-	-	-	-	-	-	-
Net investment income	446,229	804,670	603,274	(663,849)	1,073,017	321,879	257,444	457,681	455,239	59,940
Benefit payments including refunds	(169,185)	(183,434)	(187,976)	(184,012)	(196,517)	(221,733)	(253,351)	(269,985)	(291,151)	(334,825)
Administrative expenses	(51,622)	(53,361)	(39,094)	(55,094)	(45,625)	(26,646)	(32,701)	(24,449)	(32,400)	(35,123)
Other - debt service	-	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	225,422	567,875	376,204	(902,955)	830,875	73,500	(28,608)	163,247	131,688	(310,008)
Plan Fiduciary Net Position - Beginning	4,338,272	3,770,397	3,394,193	4,297,148	3,466,273	3,392,773	3,421,381	3,258,134	3,126,446	3,436,454
Plan Fiduciary Net Position - Ending	\$ 4,563,694	\$ 4,338,272	\$ 3,770,397	\$ 3,394,193	\$ 4,297,148	\$ 3,466,273	\$ 3,392,773	\$ 3,421,381	\$ 3,258,134	\$ 3,126,446
City's Net Pension Liability (Asset)	\$ (3,699,510)	\$ (3,304,903)	\$ (2,553,594)	\$ (2,262,970)	\$ (2,981,913)	\$ (1,954,521)	\$ (1,732,714)	\$ (1,507,971)	\$ (1,279,051)	\$ (903,033)
Plan Fiduciary Net Position as a Percentage of the										
Total Pension Liability	528%	420%	310%	300%	327%	229%	204%	179%	165%	141%
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actuarial Valuation Date	June 30, 2023	June 30, 2023	June 30, 2023	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2017	June 30, 2016

See Independent Auditor's Report and Notes to Required Supplementary Information (RSI) on Pension Schedules

City of Owensboro, Kentucky
Schedule of Changes in Plan Net Pension Liability and Related Ratios
Police & Firefighters' Retirement Fund
Fiduciary Funds
For the Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	370,584	-	-	316,658	-	175,528	300,505	328,605
Changes of benefit terms	-	-	374,106	-	-	173,846	-	6,054	22,257	-
Differences between expected and actual experience	-	-	-	-	-	(219,077)	-	258,165	(56,856)	(40,960)
Changes of assumptions	-	-	(269,877)	-	-	31,143	-	-	920,026	-
Benefit payments	(427,559)	(473,467)	(572,205)	(594,176)	(636,934)	(673,088)	(777,213)	(800,197)	(828,540)	(874,581)
Net Change in Total Pension Liability	(427,559)	(473,467)	(212,048)	(594,176)	(636,934)	(370,518)	(777,213)	(360,450)	357,392	(586,936)
Total Pension Liability (Asset) - Beginning	3,391,473	3,864,940	4,076,988	4,671,164	5,308,098	5,678,616	6,455,829	6,816,279	6,458,887	7,045,823
Total Pension Liability (Asset) - Ending	\$ 2,963,914	\$ 3,391,473	\$ 3,864,940	\$ 4,076,988	\$ 4,671,164	\$ 5,308,098	\$ 5,678,616	\$ 6,455,829	\$ 6,816,279	\$ 6,458,887
Plan Fiduciary Net Position:										
Contributions - employer	\$ 222,000	\$ 294,000	\$ 605,000	\$ 660,000	\$ 700,000	\$ 815,000	\$ 825,900	\$ 850,000	\$ -	\$ -
Contributions - member	-	-	-	-	-	-	-	-	-	-
Contributions - other	2,093	6,730	7,996	7,141	141	3,177	8,936	3,744	4,312	3,200
Net investment income	15,907	25,156	20,581	7,522	6,902	7,329	6,053	3,358	5,575	8,739
Benefit payments including refunds	(427,559)	(473,467)	(572,205)	(594,176)	(636,934)	(673,088)	(777,213)	(800,197)	(828,540)	(874,581)
Administrative expenses	(153)	(5,525)	(153)	(153)	(4,849)	(1,538)	(3,579)	(5,672)	(4,984)	(9,078)
Other - debt service	-	-	-	-	-	-	-	-	-	(233,557)
Net Change in Plan Fiduciary Net Position	(187,712)	(153,106)	61,219	80,334	65,260	150,880	60,097	51,233	(823,637)	(1,105,257)
Plan Fiduciary Net Position - Beginning	408,547	561,653	500,434	420,100	354,840	203,960	143,863	92,630	916,267	2,021,524
Plan Fiduciary Net Position - Ending	\$ 220,835	\$ 408,547	\$ 561,653	\$ 500,434	\$ 420,100	\$ 354,840	\$ 203,960	\$ 143,863	\$ 92,630	\$ 916,267
City's Net Pension Liability	\$ 2,743,079	\$ 2,982,926	\$ 3,303,287	\$ 3,576,554	\$ 4,251,064	\$ 4,953,258	\$ 5,474,656	\$ 6,311,966	\$ 6,723,649	\$ 5,542,620
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	7%	12%	15%	12%	9%	7%	4%	2%	1%	14%
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actuarial Valuation Date	June 30, 2023	June 30, 2023	June 30, 2023	June 30, 2020	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2017	June 30, 2016

See Independent Auditor's Report and Notes to Required Supplementary Information (RSI) on Pension Schedules

City of Owensboro, Kentucky
Schedule of City Contributions
City Employees' Pension Fund
For the Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the statutorily required contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Valuation date	June 30, 2023
Actuarial cost method	Entry age
Amortization method	Level dollar - closed
Remaining amortization period	20 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	6.00%
Inflation rate	None
Projected salary increases	None
Cost of living adjustment	None

City of Owensboro, Kentucky
Schedule of City Contributions
Police and Firefighters' Retirement Fund
For the Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 391,601	\$ 391,601	\$ 391,601	\$ 557,945	\$ 557,945	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the statutorily required contribution	(222,000)	(294,000)	(605,000)	(660,000)	(700,000)	(815,000)	(825,900)	(850,000)	-	-
Contribution deficiency (excess)	\$ 169,601	\$ 97,601	\$ (213,399)	\$ (102,055)	\$ (142,055)	\$ (815,000)	\$ (825,900)	\$ (850,000)	\$ -	\$ -
City's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Valuation date	June 30, 2023
Actuarial cost method	Entry age
Amortization method	Level dollar - closed
Remaining amortization period	20 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	4.00%
Inflation rate	None
Projected salary increases	None
Cost of living adjustment	None

City of Owensboro, Kentucky
Schedule of the City's Proportionate Share of Collective Net Pension Liability
County Employees' Retirement System Pension Plan
As of the Measurement Date for the Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Non-Hazardous Employees									
City's proportion of the collective net pension liability	0.440884%	0.428089%	0.416723%	0.433492%	0.420673%	0.417190%	0.402166%	0.405155%	0.434874%	0.427822%
City's proportionate share of the collective net pension liability	\$ 26,366,732	\$ 27,468,367	\$ 30,124,962	\$ 27,638,515	\$ 32,265,271	\$ 29,341,159	\$ 24,493,135	\$ 23,714,968	\$ 21,411,533	\$ 18,394,299
City's covered payroll	\$ 13,035,621	\$ 11,454,722	\$ 10,682,565	\$ 10,304,109	\$ 11,023,508	\$ 10,883,896	\$ 10,218,059	\$ 10,110,000	\$ 10,576,014	\$ 10,405,208
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	202.27%	239.80%	282.00%	268.23%	292.70%	269.58%	239.70%	234.57%	202.45%	176.78%
Plan fiduciary net position as a percentage of the total pension liability	61.61%	57.48%	52.42%	57.33%	47.81%	50.45%	53.54%	53.32%	55.50%	59.97%
	Hazardous Employees									
City's proportion of the collective net pension liability	2.062609%	1.970536%	1.894583%	1.942094%	1.938308%	1.952117%	1.883714%	1.822329%	1.911532%	1.873598%
City's proportionate share of the collective net pension liability	\$ 53,050,420	\$ 53,124,776	\$ 57,812,391	\$ 51,701,635	\$ 58,440,537	\$ 53,923,238	\$ 45,556,812	\$ 40,770,576	\$ 32,800,767	\$ 28,761,709
City's covered payroll	\$ 16,741,202	\$ 14,815,489	\$ 13,450,845	\$ 12,653,247	\$ 11,521,733	\$ 11,255,358	\$ 10,669,149	\$ 10,398,015	\$ 9,755,923	\$ 9,569,156
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	316.89%	358.58%	429.80%	408.60%	507.22%	479.09%	427.00%	392.10%	336.21%	300.57%
Plan fiduciary net position as a percentage of the total pension liability	57.05%	52.96%	47.11%	52.26%	44.11%	46.63%	49.26%	49.78%	53.95%	57.52%

City of Owensboro, Kentucky
Schedule of City Contributions
County Employees Retirement System Pension Plan
For the Last Ten Fiscal Years

Non-Hazardous Employees

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 3,031,805	\$ 3,042,514	\$ 2,680,405	\$ 2,261,499	\$ 1,988,693	\$ 2,127,537	\$ 1,765,368	\$ 1,479,575	\$ 1,410,345	\$ 1,313,541
Contributions in relation to the statutorily required contribution	(3,031,805)	(3,042,514)	(2,680,405)	(2,261,499)	(1,988,693)	(2,127,537)	(1,765,368)	(1,479,575)	(1,410,345)	(1,313,541)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 15,382,065	\$ 13,035,621	\$ 11,454,722	\$ 10,682,565	\$ 10,304,109	\$ 11,023,508	\$ 10,883,896	\$ 10,218,059	\$ 10,110,000	\$ 10,576,014
Contributions as a percentage of covered payroll	19.71%	23.34%	23.40%	21.17%	19.30%	19.30%	16.22%	14.48%	13.95%	12.42%

Hazardous Employees

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 6,081,435	\$ 6,882,308	\$ 6,342,511	\$ 4,554,456	\$ 3,803,566	\$ 3,463,433	\$ 2,798,082	\$ 2,368,551	\$ 2,257,409	\$ 1,976,550
Contributions in relation to the statutorily required contribution	(6,081,435)	(6,882,308)	(6,342,511)	(4,554,456)	(3,803,566)	(3,463,433)	(2,798,082)	(2,368,551)	(2,257,409)	(1,976,550)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 16,666,032	\$ 16,741,202	\$ 14,815,489	\$ 13,450,845	\$ 12,653,247	\$ 11,521,733	\$ 11,255,358	\$ 10,669,149	\$ 10,398,015	\$ 9,755,923
Contributions as a percentage of covered payroll	36.49%	41.11%	42.81%	33.86%	30.06%	30.06%	24.86%	22.20%	21.71%	20.26%

City of Owensboro, KY
Schedule of the City's Proportionate Share of the Collective Net OPEB Liability
County Employees' Retirement System OPEB Plan
As of the Measurement Date for the Last Ten Years*

	Non-Hazardous Employees					
	2024	2023	2022	2021	2020	2019
City's proportion of the collective net OPEB liability	0.441310%	0.428072%	0.416659%	0.433391%	0.420553%	0.417089%
City's proportionate share of the collective net OPEB liability (asset)	\$ (763,379)	\$ (591,025)	\$ 8,222,822	\$ 8,297,054	\$ 10,155,076	\$ 7,015,249
City's covered payroll	\$ 13,035,621	\$ 11,454,722	\$ 10,682,565	\$ 10,304,109	\$ 11,023,508	\$ 10,883,896
City's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	-5.86%	-5.16%	76.97%	80.52%	92.12%	64.46%
Plan fiduciary net position as a percentage of the total OPEB liability	104.89%	104.23%	60.95%	62.91%	51.67%	60.44%
	Hazardous Employees					
	2024	2023	2022	2021	2020	2019
City's proportion of the collective net OPEB liability	2.063056%	1.969216%	1.893658%	1.942088%	1.937696%	1.951756%
City's proportionate share of the collective net OPEB liability	\$ 2,502,540	\$ 2,694,340	\$ 16,129,909	\$ 15,702,934	\$ 17,906,356	\$ 14,440,258
City's covered payroll	\$ 16,741,202	\$ 14,815,489	\$ 13,450,845	\$ 12,653,247	\$ 11,521,733	\$ 11,255,358
City's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	14.95%	18.19%	119.92%	124.10%	155.41%	128.30%
Plan fiduciary net position as a percentage of the total OPEB liability	93.53%	92.27%	64.13%	66.81%	58.84%	64.44%

*This table will present ten years of information as it becomes available.

City of Owensboro, Kentucky
Schedule of the City Contributions
County Employees Retirement System OPEB Plan
For the Last Ten Fiscal Years*

	Non-Hazardous Employees							
	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution	\$ -	\$ -	\$ 388,315	\$ 617,452	\$ 490,476	\$ 524,718	\$ 572,495	\$ 480,250
Contributions in relation to the statutorily required contribution	-	-	(388,315)	(617,452)	(490,476)	(524,718)	(572,495)	(480,250)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 15,382,065	\$ 13,035,621	\$ 11,454,722	\$ 10,682,565	\$ 10,304,109	\$ 11,023,508	\$ 10,883,896	\$ 10,218,059
Contributions as a percentage of covered payroll	0.00%	0.00%	3.39%	5.78%	4.76%	4.76%	5.26%	4.70%

	Hazardous Employees							
	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution	\$ 353,320	\$ 431,923	\$ 1,004,490	\$ 1,408,303	\$ 1,204,589	\$ 1,096,869	\$ 1,179,562	\$ 997,566
Contributions in relation to the statutorily required contribution	(353,320)	(431,923)	(1,004,490)	(1,408,303)	(1,204,589)	(1,096,869)	(1,179,562)	(997,566)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 16,666,032	\$ 16,741,202	\$ 14,815,489	\$ 13,450,845	\$ 12,653,247	\$ 11,521,733	\$ 1,255,358	\$ 10,669,149
Contributions as a percentage of covered payroll	2.12%	2.58%	6.78%	10.47%	9.52%	9.52%	10.47%	9.35%

*This table will present ten years of information when it becomes available.

City of Owensboro, Kentucky
Notes to Required Supplementary Information (RSI) on Budgetary Accounting and Control
For Fiscal Year Ended June 30, 2025

City Employees' Pension Fund (CEPF) and Police and Firefighters' Retirement Fund (PFRF)

1. The total pension liabilities are based on full actuarial valuation reports or GASB updates as of the end of each fiscal year. Full actuarial valuation reports have been prepared in odd numbered years while GASB updates have been prepared in even numbered years.
2. Information as of the latest actuarial valuations:

	<u>CEPF</u>	<u>PFRF</u>
Valuation date	June 30, 2023	June 30, 2023
Actuarial cost method	Entry age	Entry age
Amortization method	Level dollar – closed	Level dollar – closed
Remaining amortization period	20 years	20 years
Asset valuation method	Market	Market
Actuarial assumptions:		
Investment rate of return	6.00%	4.00%
Inflation rate	None	None
Projected salary increases	None	None
Cost of living adjustment	None	None

3. Changes of assumptions:

CEPF – interest rate assumption used to develop total pension liability is 6.00% for June 30, 2012 and later; 7.00% for earlier years shown in the schedules.

PFRF – interest rate assumptions used to develop total pension liability is 4.00% for June 30, 2023; 2.75% for June 30, 2017 through June 30, 2022; 5.00% for June 30, 2012 through June 30, 2016; 6.00% for earlier periods shown in the schedules.

4. Components of change in total pension liabilities:
 - a. Service cost is zero since there are no active plan members accruing benefits in any reported year.
 - b. Interest component of change in total pension liability reflects interest rate used in developing total pension liability as of beginning of the fiscal year.
 - c. Changes in benefit terms reflect impact of cost-of-living increases from the previous year benefit amounts.
 - d. Changes in assumptions reflect impact of changes in valuation interest and/or mortality assumptions from the prior year.

City of Owensboro, Kentucky
Notes to Required Supplementary Information (RSI) on Budgetary Accounting and Control
For Fiscal Year Ended June 30, 2025

County Employees' Retirement System (CERS) Pension Plan and Other Postemployment Benefits (OPEB) Plan

Pension Plan

Changes of benefit terms: During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. Benefits paid to the spouses of deceased members have been increased from 25% of the member's final pay rate to 75% of the member's average pay. If the member does not have a surviving spouse, benefits paid to surviving dependent children have been increased from 10% of member's final pay to 50% of average pay for one child, 65% over average pay for two children, of 75% of average pay for three children. The Total Pension Liability beginning June 30, 2018 is determined using these updated benefit provisions.

Changes of assumptions: In the June 30, 2019, 2017 and 2015 actuarial valuations, the following changes in actuarial assumptions were made:

	<u>June 30, 2019</u>	<u>June 30, 2017</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Inflation	2.30%	2.30%	3.25%	3.50%
Payroll Growth	2.00%	0.75%	0.75%	1.00%
Salary Increases		3.05%	4.00%	4.50%
Non-Hazardous	3.30% to 10.30%			
Hazardous	3.55% to 19.05%			
Investment Rate of Return	6.25%	6.25%	7.50%	7.75%

In the June 30, 2019 actuarial valuation, the mortality table used for active members was a PUB-2010 General Mortality table, for the Non-Hazardous System, and PUB-2010 Public Safety Mortality table for the Hazardous System, projected with the ultimate rates from the MP-2014 improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for the disabled members was PUB-2010 Disable Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

Beginning with the June 30, 2015 actuarial valuation, the mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back one year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back four years for males) is used for the period after disability retirement.

For periods prior to the June 30, 2015 actuarial valuation, the rates of mortality for the period after service retirement are according to the 1983 Group Annuity Mortality Table for all retired members and beneficiaries as of June 30, 2006 and the 1994 Group Annuity Mortality Table for all other members. The Group Annuity Mortality Table set forward five years was used for the period after disability retirement.

Other Postemployment Benefits Plan

Changes in benefit terms: Senate Bill 209 passed during the 2022 legislative session and increased the insurance dollar contribution for members hired on or after July 1, 2003, by \$5 for each year of service a member attains over

City of Owensboro, Kentucky
Notes to Required Supplementary Information (RSI) on Budgetary Accounting and Control
For Fiscal Year Ended June 30, 2025

certain thresholds, depending on a member's retirement eligibility requirement. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicare retirees. Additionally, it is only payable when the member's applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023. Senate Bill 2090 also allows members receiving the insurance dollar contribution to participate in a medical insurance reimbursement plan that would provide the reimbursement of premiums for health plans other than those administered by KPPA. The total OPEB liability as of June 30, 2023, is determined using these updated benefit provisions.

During the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. The system shall now pay 100% of the insurance premium for spouses and children of all active members who die in the line of duty. The Total OPEB Liability beginning June 30, 2018 is determined using these updated benefit provisions.

Changes in Assumptions: In the June 30, 2019 actuarial valuation, the following changes in actuarial assumptions were made:

	<u>June 30, 2019</u>	<u>June 30, 2017</u>
Inflation	2.30%	2.30%
Payroll Growth	2.00%	0.75%
Salary Increases		3.05%
Non-Hazardous	3.30% to 10.30%	
Hazardous	3.55% to 19.05%	
Investment Rate of Return	6.25%	6.25%

In the June 30, 2019 actuarial valuation, the mortality table used for active members was a PUB-2010 General Mortality table, for the Non-Hazardous System, and PUB-2010 Public Safety Mortality table for the Hazardous System, projected with the ultimate rates from the MP-2014 improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for the disabled members was PUB-2010 Disable Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

Beginning with the June 30, 2017 actuarial valuation, the mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back one year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back four years for males) is used for the period after disability retirement.

City of Owensboro, Kentucky
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes:				
Real and personal property taxes	\$ 13,979,378	\$ 13,979,378	\$ 14,164,315	\$ 184,937
License, permits and other taxes:				
Occupational taxes:				
Employer withholding	24,681,877	24,681,877	24,066,866	(615,011)
Net profit license fees	4,950,000	4,950,000	6,694,850	1,744,850
Regulatory:				
Insurance license fees	7,953,567	7,953,567	8,945,177	991,610
Alcoholic beverage license fees	150,000	150,000	160,624	10,624
Telecommunications Tax	479,000	479,000	478,826	(174)
Franchise fees	542,948	542,948	341,606	(201,342)
Other	522,125	522,125	659,045	136,920
Total license and permits	53,258,895	53,258,895	55,511,309	2,252,414
Intergovernmental revenues:				
State Grants	1,264,742	1,264,742	1,196,640	(68,102)
City's portion of state gas tax	1,250,000	1,250,000	1,214,713	(35,287)
Federal Grants	139,800	139,800	-	(139,800)
Police/Fire incentive reimbursement	21,501	21,501	21,869	368
LGEA mineral severance tax	20,000	20,000	12,319	(7,681)
Other	30,000	30,000	42,904	12,904
Total intergovernmental revenues	2,726,043	2,726,043	2,488,445	(237,598)
Charges for services				
Tax Collection	526,753	526,753	564,321	37,568
Management Fees	1,282,362	1,282,362	1,218,001	(64,361)
Other miscellaneous	850,803	850,803	814,664	(36,139)
Total charges for services	2,659,918	2,659,918	2,596,986	(62,932)
Other revenues:				
Fines and forfeitures	70,000	70,000	88,613	18,613
Investment earnings	1,800,000	1,800,000	2,798,912	998,912
Dividends from component units	8,787,758	8,787,758	8,787,759	1
Payments in lieu of taxes from component unit	3,070,000	3,070,000	3,201,776	131,776
Contributions and donations	247,500	247,500	258,000	10,500
Rentals	206,574	206,574	162,993	(43,581)
Miscellaneous income	360,449	360,449	327,174	(33,275)
Total other revenue	14,542,281	14,542,281	15,625,227	1,082,946
Total Revenues	\$ 73,187,137	\$ 73,187,137	\$ 76,221,967	\$ 3,034,830

See independent auditor's notes and notes to required supplementary information (RSI) on budgetary accounting and control.

City of Owensboro, Kentucky
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Administration	\$ 3,263,163	\$ 3,266,317	\$ 3,122,177	\$ 144,140
Community Development	330,658	335,788	310,041	25,747
Community Services	2,188,600	2,588,600	2,505,495	83,105
Engineering	4,458,730	4,900,191	4,587,083	313,108
Finance	2,540,229	2,540,229	2,239,250	300,979
Fire	16,426,217	16,578,408	15,889,518	688,890
General Government	4,485,752	13,659,448	10,646,623	3,012,825
Information Technology	2,799,318	3,144,761	2,762,643	382,118
Parks	4,966,868	4,982,868	4,885,599	97,269
Parking Garage	185,680	185,680	182,870	2,810
Human Resources	1,118,849	1,128,849	1,016,418	112,431
Police	19,161,477	19,372,260	18,426,644	945,616
Property Maintenance	397,055	466,402	413,249	53,153
Street	2,876,489	2,920,954	2,590,620	330,334
Total Expenditures	<u>65,199,085</u>	<u>76,070,755</u>	<u>69,578,230</u>	<u>6,492,525</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>7,988,052</u>	<u>(2,883,618)</u>	<u>6,643,737</u>	<u>9,527,355</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	5,000	5,000	490	(4,510)
Transfers out	(8,218,252)	(8,680,462)	(7,089,351)	1,591,111
Transfers in	230,721	1,107,679	1,150,504	42,825
Total other financing sources (uses)	<u>(7,982,531)</u>	<u>(7,567,783)</u>	<u>(5,938,357)</u>	<u>1,629,426</u>
Net Change in Fund Balance	5,521	(10,451,401)	705,380	11,156,781
Fund Balances - Beginning of Year	43,247,153	43,247,153	43,247,153	-
Fund Balances - End of Year	<u>\$ 43,252,674</u>	<u>\$ 32,795,752</u>	<u>\$ 43,952,533</u>	<u>\$ 11,156,781</u>

See independent auditor's notes and notes to required supplementary information (RSI) on budgetary accounting and control.

City of Owensboro, Kentucky
Notes to Required Supplementary Information (RSI) on Budgetary Accounting and Control
For Fiscal Year Ended June 30, 2025

Stewardship, compliance, and accountability:

Budgets and budgetary accounting:

1. Annual budgets are prepared on a basis consistent with generally accepted accounting principles for all governmental funds and adopted by City ordinance.
2. Budgets for the General and Special Revenue Funds are adopted on the modified accrual basis. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the use of resources are reflected in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Special Revenue Funds for which annual budgets have been adopted.

Nonmajor Governmental Funds

Nonmajor Governmental Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

CERS Fund - established to reserve funds to accommodate the rising cost of the County Employees' Retirement System (CERS), a cost-sharing, multiple-employer defined-benefit plan administered by the Board of Trustees of Kentucky Retirement Systems.

Central Dispatch Fund - established to account for funds used in operation of the Owensboro-Daviess County Central Dispatch.

Community Development Fund - established to account for community development. Resources are restricted for activities directed toward satisfying the primary objective of developing viable urban communities and expanding economic opportunities, principally persons of low or moderate income.

Economic Development Fund - established to monitor incentives disbursed for economic development of the City and the increased revenues resulting from that development. The City's intent is to offset the incentive with an increased revenue stream.

Your Community Vision Fund - established to account for the revenues derived from a .33% rate increase of occupational license and net profit taxes; expenditures of those revenues fund Your Community Vision Projects.

Downtown Development and Revitalization Fund - established to account for revenues received from insurance license premium taxes for revitalization and redevelopment of the downtown area.

Gateway Commons TIF - established for the purpose of accounting for the receipt of incremental tax revenues earned within the area of the Gateway Commons TIF.

Downtown Riverfront Revitalization TIF - established for the purpose of accounting for the receipt of incremental tax revenues earned within the area of the Downtown Riverfront Revitalization TIF.

ARPA - established to account for funds received from the American Rescue Plan Act (ARPA) of 2021.

Tourist and Convention Fund – established to account for funds received for transient room tax rental within the city with 3% going toward the Owensboro Tourist and Convention Commission and 1% toward the Owensboro Convention Center.

Opioid Settlement Fund - established to account for funds received from the State of Kentucky Opioid Settlement funds to be distributed over the course of 15 years.

Drug and Property Recovery Fund - established to account for funds obtained through drug law enforcement grants and police services to customers on a contract basis.

Fire Secondary Employment – established to provide fire emergency services to customers on a contract basis.

City of Owensboro, Kentucky
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	CERS Fund	Central Dispatch	Community Development Fund	Economic Development	Your Community Vision	Downtown Development and Revitalization	Gateway Commons TIF
ASSETS							
Equity in pooled deposits and investments	\$ 2,883,542	\$ 2,454,402	\$ 39,454	\$ 7,899,468	\$ 5,591,694	\$ 1,398,018	\$ 461,525
Accounts receivable	-	-	-	-	34,236	-	-
Intergovernmental	-	-	7,185	-	393,688	-	1,936,974
Taxes	-	-	-	170,742	1,046,765	-	-
With escrow agents	-	-	-	8,052	16,617	-	-
Total Assets	\$ 2,883,542	\$ 2,454,402	\$ 46,639	\$ 8,078,262	\$ 7,083,000	\$ 1,398,018	\$ 2,398,499
LIABILITIES							
Accounts payable	\$ -	\$ 3,672	\$ 5,475	\$ 38,000	\$ 104,777	\$ -	\$ -
Other accrued liabilities	-	-	19,643	900	-	-	-
Accrued wages	-	90,428	-	-	10,399	-	-
Total Liabilities	-	94,100	25,118	38,900	115,176	-	-
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue	-	-	-	170,742	1,377,114	-	-
FUND BALANCES (DEFICITS)							
Restricted	-	-	21,521	1,196,822	3,142,310	1,398,018	1,936,974
Committed	2,883,542	2,360,302	-	6,671,798	2,448,400	-	461,525
Assigned	-	-	-	-	-	-	-
Total Fund Balances (Deficits)	2,883,542	2,360,302	21,521	7,868,620	5,590,710	1,398,018	2,398,499
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 2,883,542	\$ 2,454,402	\$ 46,639	\$ 8,078,262	\$ 7,083,000	\$ 1,398,018	\$ 2,398,499

See Independent Auditor's Report.

City of Owensboro, Kentucky
Combining Balance Sheet, Continued
Nonmajor Governmental Funds
June 30, 2025

	Downtown Riverfront TIF	ARPA Funds	Tourist & Convention Fund	Opioid Settlement	Drug and Property Recovery Fund	Fire Secondary Employment	Total Nonmajor Governmental Funds
ASSETS							
Equity in pooled deposits and investments	\$ 406,445	\$ 1,846,829	\$ 699,426	\$ 652,813	\$ 764,294	\$ 781	\$ 25,098,691
Accounts receivable	-	-	-	1,423,060	27,617	300	1,485,213
Intergovernmental	1,024,949	-	-	-	1,369	-	3,364,165
Taxes	-	-	-	-	-	-	1,217,507
With escrow agents	-	-	-	-	-	-	24,669
Total Assets	\$ 1,431,394	\$ 1,846,829	\$ 699,426	\$ 2,075,873	\$ 793,280	\$ 1,081	\$ 31,190,245
LIABILITIES							
Accounts payable	\$ -	\$ 307,567	\$ -	\$ -	\$ 7,980	\$ -	\$ 467,471
Other accrued liabilities	-	116,959	-	-	-	-	137,502
Accrued wages	-	-	-	-	1,856	-	102,683
Total Liabilities	-	424,526	-	-	9,836	-	707,656
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue	-	-	-	1,423,060	-	-	2,970,916
FUND BALANCES (DEFICITS)							
Restricted	1,431,394	1,422,303	699,426	652,813	609,031	-	12,510,612
Committed	-	-	-	-	-	-	14,825,567
Assigned	-	-	-	-	174,413	1,081	175,494
Total Fund Balances (Deficits)	1,431,394	1,422,303	699,426	652,813	783,444	1,081	27,511,673
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 1,431,394	\$ 1,846,829	\$ 699,426	\$ 2,075,873	\$ 793,280	\$ 1,081	\$ 31,190,245

See Independent Auditor's Report.

City of Owensboro, Kentucky
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	CERS Fund	Central Dispatch	Community Development Fund	Economic Development	Your Community Vision	Downtown Development and Revitalization	Gateway Commons TIF
REVENUES							
Real and personal property taxes	\$ -	\$ -	\$ -	\$ 387,403	\$ -	\$ -	\$ 263,508
Occupational license fees	-	-	-	2,226,459	6,118,083	-	195,432
Net profit license fees	-	-	-	127,164	1,596,139	-	29,715
Regulatory license fees	-	-	-	683,007	-	5,202,681	-
Intergovernmental	-	-	918,239	-	-	-	1,843,553
Rentals	-	-	12,120	940,991	-	-	-
Investment earnings	-	106,702	-	358,715	477,213	77,989	20,400
Contributions and donations	-	-	-	-	-	-	-
Miscellaneous income	-	-	109,671	47,671	5,060	-	-
Charges for services	-	1,141,527	-	-	-	-	-
Fees licenses and permits	-	-	-	-	86,792	-	-
Total Revenues	-	1,248,229	1,040,030	4,771,410	8,283,287	5,280,670	2,352,608
EXPENDITURES							
Current:							
Community/economic development	-	-	1,018,716	2,680,919	-	-	1,872,467
Community and cultural	-	-	-	-	-	-	-
Public safety	-	3,339,290	-	-	-	-	-
Public works	-	-	-	-	1,990,573	-	-
Capital outlay	-	-	-	-	2,970,419	-	-
Total Expenditures	-	3,339,290	1,018,716	2,680,919	4,960,992	-	1,872,467
Excess (Deficiency) of Revenues over Expenditures	-	(2,091,061)	21,314	2,090,491	3,322,295	5,280,670	480,141
OTHER FINANCING SOURCES (USES)							
Sale of capital assets	-	-	115,584	-	-	-	-
Transfers in	-	2,687,238	-	-	-	-	-
Transfers out	-	(159,757)	-	(1,198,345)	(6,818,177)	(4,336,565)	(273,381)
Total Other Financing Sources (Uses)	-	2,527,481	115,584	(1,198,345)	(6,818,177)	(4,336,565)	(273,381)
Net Change in Fund Balances	-	436,420	136,898	892,146	(3,495,882)	944,105	206,760
Fund balances - Beginning of the Year	2,883,542	1,923,882	(115,377)	6,976,474	9,086,592	453,913	2,191,739
Fund balances - Ending of the Year	\$ 2,883,542	\$ 2,360,302	\$ 21,521	\$ 7,868,620	\$ 5,590,710	\$ 1,398,018	\$ 2,398,499

See Independent Auditor's Report.

City of Owensboro, Kentucky
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Downtown Riverfront TIF	ARPA Funds	Tourist & Convention Fund	Opioid Settlement	Drug and Property Recovery Fund	Fire Secondary Employment	Total Nonmajor Governmental Funds
REVENUES							
Real and personal property taxes	\$ 51,767	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 702,678
Occupational license fees	502,934	-	-	-	-	-	9,042,908
Net profit license fees	69,933	-	-	-	-	-	1,822,951
Regulatory license fees	-	-	905,229	-	-	-	6,790,917
Intergovernmental	705,493	-	-	-	249,779	-	3,717,064
Rentals	-	-	-	-	-	-	953,111
Investment earnings	8,267	263,233	18,909	25,593	37,818	-	1,394,839
Contributions and donations	-	-	-	-	32,231	-	32,231
Miscellaneous income	-	-	-	147,262	248,861	4,890	563,415
Charges for services	-	-	-	-	88,618	-	1,230,145
Fees licenses and permits	-	-	885	-	-	-	87,677
Total Revenues	1,338,394	263,233	925,023	172,855	657,307	4,890	26,337,936
EXPENDITURES							
Current:							
Community/economic development	12,492	-	-	-	-	-	5,584,594
Community and cultural	-	-	-	6,250	-	-	6,250
Public safety	-	-	-	-	515,585	4,616	3,859,491
Public works	-	-	-	-	-	-	1,990,573
Capital outlay	-	3,148,117	-	-	118,748	-	6,237,284
Total Expenditures	12,492	3,148,117	-	6,250	634,333	4,616	17,678,192
Excess (Deficiency) of Revenues over Expenditures	1,325,902	(2,884,884)	925,023	166,605	22,974	274	8,659,744
OTHER FINANCING SOURCES (USES)							
Sale of capital assets	-	-	-	-	624	-	116,208
Transfers in	38,119	-	589,256	-	-	-	3,314,613
Transfers out	(1,383,596)	(713,166)	(1,398,586)	-	-	-	(16,281,573)
Total Other Financing Sources (Uses)	(1,345,477)	(713,166)	(809,330)	-	624	-	(12,850,752)
Net Change in Fund Balances	(19,575)	(3,598,050)	115,693	166,605	23,598	274	(4,191,008)
Fund balances - Beginning of the Year	1,450,969	5,020,353	583,733	486,208	759,846	807	31,702,681
Fund balances - Ending of the Year	1,431,394	1,422,303	699,426	652,813	783,444	1,081	27,511,673

See Independent Auditor's Report.

Nonmajor Enterprise Funds

Nonmajor Enterprise Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determinations of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Transit Fund - established for the purpose of managing and accounting for the operations of the City's Transit Department.

Geographic Information System Fund (GIS) - established for the purpose of managing and accounting for the activity of the GIS Division of the City's Information Technology Department.

Recreation Fund - established for the purpose of managing and accounting for the operations of the City's swimming pools, golf courses, softball complex, and ice arena.

Convention Center Operations Fund - established for the purpose of managing and accounting for the operations of the convention and events center.

Sportscenter Operations Fund - established for the purpose of managing and accounting for the operations of the Owensboro Sportscenter.

City of Owensboro, Kentucky
Combining Statement of Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2025

	Transit	GIS	Recreation Fund	Convention Center Operations	Sportscenter Operations	Total Nonmajor Enterprise Funds
ASSETS						
Current Assets:						
Equity in pooled deposits and investments	\$ (126,974)	\$ 71,159	\$ 669,069	\$ 2,713,637	\$ 658,518	\$ 3,985,409
Cash and cash equivalents	500	-	7,860	142,758	44,097	195,215
Accounts receivable	590,477	54,564	601,830	1,020,075	264,418	2,531,364
Materials and supplies inventory	-	-	54,526	-	-	54,526
Prepaid expenses	-	-	3,200	-	-	3,200
Total Current Assets	<u>464,003</u>	<u>125,723</u>	<u>1,336,485</u>	<u>3,876,470</u>	<u>967,033</u>	<u>6,769,714</u>
Noncurrent Assets:						
Capital assets, net of accumulated depreciation						
Land	-	-	103,454	-	-	103,454
Depreciable capital assets	3,285,053	-	301,677	661,078	380,025	4,627,833
Construction in progress	-	25,000	115,453	-	-	140,453
Total Noncurrent Assets	<u>3,285,053</u>	<u>25,000</u>	<u>520,584</u>	<u>661,078</u>	<u>380,025</u>	<u>4,871,740</u>
Total Assets	<u>\$ 3,749,056</u>	<u>\$ 150,723</u>	<u>\$ 1,857,069</u>	<u>\$ 4,537,548</u>	<u>\$ 1,347,058</u>	<u>\$ 11,641,454</u>
LIABILITIES						
Current Liabilities:						
Accounts payable	\$ 277,656	\$ -	\$ 61,687	\$ 263,814	\$ 27,141	\$ 630,298
Accrued liabilities	-	-	5,283	-	-	5,283
Accrued wages	79,267	18,630	115,586	-	-	213,483
Unearned revenue	-	-	54,516	-	-	54,516
Bonds and loans payable, current portion	-	-	-	90,576	-	90,576
Compensated absences, current portion	7,566	-	2,227	-	-	9,793
Total Current Liabilities	<u>364,489</u>	<u>18,630</u>	<u>239,299</u>	<u>354,390</u>	<u>27,141</u>	<u>1,003,949</u>
Noncurrent Liabilities:						
Bonds payable, net of discount, less current portion	-	-	-	628,629	-	628,629
Compensated absences, less current portion	109,795	103,447	103,167	-	-	316,409
Total Noncurrent Liabilities	<u>109,795</u>	<u>103,447</u>	<u>103,167</u>	<u>628,629</u>	<u>-</u>	<u>945,038</u>
Total Liabilities	<u>474,284</u>	<u>122,077</u>	<u>342,466</u>	<u>983,019</u>	<u>27,141</u>	<u>1,948,987</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred lease inflows	-	-	562,685	-	-	562,685
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>562,685</u>	<u>-</u>	<u>-</u>	<u>562,685</u>
Total Liabilities and Deferred Inflows of Resources	<u>474,284</u>	<u>122,077</u>	<u>905,151</u>	<u>983,019</u>	<u>27,141</u>	<u>2,511,672</u>
NET POSITION						
Investment in capital assets	3,285,053	25,000	520,584	661,078	380,025	4,871,740
Restricted for:						
Debt Service	-	-	148,078	112,822	-	260,900
Other Purposes	-	-	-	142,758	98,869	241,627
Unrestricted	(10,281)	3,646	283,256	2,637,871	841,023	3,755,515
Total Net Position	<u>3,274,772</u>	<u>28,646</u>	<u>951,918</u>	<u>3,554,529</u>	<u>1,319,917</u>	<u>9,129,782</u>
Total Liabilities and Net Position	<u>\$ 3,749,056</u>	<u>\$ 150,723</u>	<u>\$ 1,857,069</u>	<u>\$ 4,537,548</u>	<u>\$ 1,347,058</u>	<u>\$ 11,641,454</u>

See Independent Auditor's Report.

City of Owensboro, Kentucky
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise funds
For Fiscal Year Ended June 30, 2025

	Transit	GIS	Recreation Fund	Convention Center Operations	Sportscenter Operations	Total Nonmajor Enterprise Funds
OPERATING REVENUES						
Charges for services	\$ 118,697	\$ 427,981	\$ 2,068,627	\$ 3,848,873	\$ 1,128,684	\$ 7,592,862
Miscellaneous income	48,422	85	42,239	11,931	-	102,677
Transient Room Tax	-	-	-	294,705	-	294,705
Total Operating Revenues	<u>167,119</u>	<u>428,066</u>	<u>2,110,866</u>	<u>4,155,509</u>	<u>1,128,684</u>	<u>7,990,244</u>
OPERATING EXPENSES						
Salaries wages and benefits	2,110,616	515,750	1,838,908	-	-	4,465,274
Maintenance	307,221	15,354	985,562	119,412	16,461	1,444,010
Utilities	35,295	3,058	240,721	138,338	-	417,412
Supplies	273,001	3,606	569,950	55,673	3,488	905,718
Other	349,722	10,930	273,958	5,105,731	1,818,410	7,558,751
Depreciation	453,080	-	16,537	93,543	85,625	648,785
Total Operating Expenses	<u>3,528,935</u>	<u>548,698</u>	<u>3,925,636</u>	<u>5,512,697</u>	<u>1,923,984</u>	<u>15,439,950</u>
Operating Income (Loss)	<u>(3,361,816)</u>	<u>(120,632)</u>	<u>(1,814,770)</u>	<u>(1,357,188)</u>	<u>(795,300)</u>	<u>(7,449,706)</u>
NONOPERATING REVENUES (EXPENSES)						
Loss on disposal of capital assets	(186,287)	-	-	-	-	(186,287)
Intergovernmental	-	-	-	309,543	-	309,543
Investment earnings	-	2,095	-	982,795	25,146	1,010,036
Operating grants	1,088,544	-	-	-	-	1,088,544
Total Nonoperating Revenues (Expenses)	<u>902,257</u>	<u>2,095</u>	<u>-</u>	<u>1,292,338</u>	<u>25,146</u>	<u>2,221,836</u>
Income (Loss) Before Contributions and Transfers	<u>(2,459,559)</u>	<u>(118,537)</u>	<u>(1,814,770)</u>	<u>(64,850)</u>	<u>(770,154)</u>	<u>(5,227,870)</u>
Capital contributions- grants	1,194,536	-	-	-	-	1,194,536
Transfers in	-	150,250	2,153,598	592,646	704,903	3,601,397
Transfers out	-	-	(149,181)	(113,661)	-	(262,842)
Change in Net Position	<u>(1,265,023)</u>	<u>31,713</u>	<u>189,647</u>	<u>414,135</u>	<u>(65,251)</u>	<u>(694,779)</u>
Net Position, Beginning of the Year	<u>4,539,795</u>	<u>(3,067)</u>	<u>762,271</u>	<u>3,140,394</u>	<u>1,385,168</u>	<u>9,824,561</u>
Net Position, End of the Year	<u>\$ 3,274,772</u>	<u>\$ 28,646</u>	<u>\$ 951,918</u>	<u>\$ 3,554,529</u>	<u>\$ 1,319,917</u>	<u>\$ 9,129,782</u>

See Independent Auditor's Report.

City of Owensboro, Kentucky
Statement of Cash Flows
Nonmajor Enterprise funds
For the Fiscal Year Ended June 30, 2025

	Transit	GIS	Recreation Fund	Convention Center Operations	Sportscenter Operations	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 305,224	\$ 441,726	\$ 2,096,833	\$ 3,568,224	\$ 933,248	\$ 7,345,255
Other cash receipts	(232,282)	-	25,247	294,705	-	87,670
Cash payments to employees for service	(2,099,333)	(510,434)	(1,804,350)	-	-	(4,414,117)
Cash payments to suppliers	(801,259)	(32,946)	(2,070,121)	(5,331,996)	(1,938,807)	(10,175,129)
Net Cash Provided (Used) by Operating Activities	(2,827,650)	(101,654)	(1,752,391)	(1,469,067)	(1,005,559)	(7,156,321)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Operating grant	1,088,544	-	-	-	-	1,088,544
Intergovernmental contributions - grants	-	-	-	309,543	-	309,543
Transfers in	-	150,250	2,153,598	592,646	704,903	3,601,397
Transfers out	-	-	(149,181)	(113,661)	-	(262,842)
Net Cash Provided (Used) by Noncapital Financing Activities	1,088,544	150,250	2,004,417	788,528	704,903	4,736,642
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions - grants	1,194,536	-	-	-	-	1,194,536
Payments for capital acquisitions	(625,992)	(25,000)	(52,686)	(209,871)	(23,654)	(937,203)
Net Cash Provided (Used) by Capital and Related Financing Activities	568,544	(25,000)	(52,686)	(209,871)	(23,654)	257,333
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	-	2,095	-	982,795	25,146	1,010,036
Net Cash Provided by Investing Activities	-	2,095	-	982,795	25,146	1,010,036
Net Increase (Decrease) in Cash and Cash Equivalents	(1,170,562)	25,691	199,340	92,385	(299,164)	(1,152,310)
Cash and Cash Equivalents, Beginning of the Year	1,044,088	45,468	477,589	2,764,010	1,001,779	5,332,934
Cash and Cash Equivalents, End of the Year	<u>\$ (126,474)</u>	<u>\$ 71,159</u>	<u>\$ 676,929</u>	<u>\$ 2,856,395</u>	<u>\$ 702,615</u>	<u>\$ 4,180,624</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating Income (Loss)	\$ (3,361,816)	\$ (120,632)	\$ (1,814,770)	\$ (1,357,188)	\$ (795,300)	\$ (7,449,706)
Adjustments to reconcile operating income to net cash used by operating activities:						
Depreciation	453,080	-	16,537	93,543	85,625	648,785
Loss on disposal of capital assets	186,287	-	-	-	-	186,287
Changes in assets and liabilities:						
(Increase) decrease in assets:						
Accounts receivable	(280,464)	13,661	64,817	(280,649)	(195,437)	(678,072)
Materials and supplies inventory	-	-	(14,662)	-	-	(14,662)
Prepaid expenses	-	-	(2,000)	-	-	(2,000)
Increase (decrease) in liabilities:						
Accounts payable	163,980	2,260	16,733	153,341	(100,447)	235,867
Accrued liabilities	2,076	-	16,024	(78,114)	-	(60,014)
Deferred charges	-	-	(53,604)	-	-	(53,604)
Compensated absences	9,207	3,057	18,534	-	-	30,798
Net Cash Used in Operating Activities	<u>\$ (2,827,650)</u>	<u>\$ (101,654)</u>	<u>\$ (1,752,391)</u>	<u>\$ (1,469,067)</u>	<u>\$ (1,005,559)</u>	<u>\$ (7,156,321)</u>
CASH RECONCILIATION						
Equity in pooled deposits and investments	\$ (126,974)	\$ 71,159	\$ 669,069	\$ 2,713,637	\$ 658,518	\$ 3,985,409
Cash and cash equivalents	500	-	7,860	142,758	44,097	195,215
Cash and Cash Equivalents, End of the Year	<u>\$ (126,474)</u>	<u>\$ 71,159</u>	<u>\$ 676,929</u>	<u>\$ 2,856,395</u>	<u>\$ 702,615</u>	<u>\$ 4,180,624</u>

See Independent Auditor's Report.



Internal Service Funds

City of Owensboro, Kentucky
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	Governmental Activities Internal Service Funds				
	Insurance Fund	Facilities Maintenance	Garage Service	Fleet & Facilities Replacement	Total Internal service funds
ASSETS					
Current Assets:					
Equity in pooled deposits and investments	\$ 8,027,512	\$ 3,363,959	\$ 645,455	\$ 13,244,674	\$ 25,281,600
Accounts receivable	-	5,099	-	123,460	128,559
Materials and supplies inventory	-	-	270,006	-	270,006
Prepaid expenses	88,000	-	-	-	88,000
Total Current Assets	<u>8,115,512</u>	<u>3,369,058</u>	<u>915,461</u>	<u>13,368,134</u>	<u>25,768,165</u>
Noncurrent Assets:					
Capital Assets, net of accumulated depreciation					
Construction in Progress	-	-	-	1,034,810	1,034,810
Depreciable capital assets	-	487,701	3,093	11,069,261	11,560,055
Total Noncurrent Assets	<u>-</u>	<u>487,701</u>	<u>3,093</u>	<u>12,104,071</u>	<u>12,594,865</u>
Total Assets	<u><u>\$ 8,115,512</u></u>	<u><u>\$ 3,856,759</u></u>	<u><u>\$ 918,554</u></u>	<u><u>\$ 25,472,205</u></u>	<u><u>\$ 38,363,030</u></u>
LIABILITIES AND NET POSITION					
Current Liabilities:					
Accounts payable	\$ 2,337,311	\$ 158,318	\$ 3,711	\$ 412,808	\$ 2,912,148
Accrued wages	-	76,290	30,829	-	107,119
Total Current Liabilities	<u>2,337,311</u>	<u>234,608</u>	<u>34,540</u>	<u>412,808</u>	<u>3,019,267</u>
Net Position:					
Investment in capital assets	-	487,701	3,093	12,104,071	12,594,865
Unrestricted	<u>5,778,201</u>	<u>3,134,450</u>	<u>880,921</u>	<u>12,955,326</u>	<u>22,748,898</u>
Total Net Position	<u>5,778,201</u>	<u>3,622,151</u>	<u>884,014</u>	<u>25,059,397</u>	<u>35,343,763</u>
Total Liabilities and Net Position	<u><u>\$ 8,115,512</u></u>	<u><u>\$ 3,856,759</u></u>	<u><u>\$ 918,554</u></u>	<u><u>\$ 25,472,205</u></u>	<u><u>\$ 38,363,030</u></u>

See Independent Auditor's Report

City of Owensboro, Kentucky
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2025

	Governmental Activities Internal Service Funds				
	Insurance Fund	Facilities Maintenance	Garage Service	Fleet & Facilities Replacement	Total Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 6,492,755	\$ 4,418,416	\$ 1,757,114	\$ 4,980,857	\$ 17,649,142
Miscellaneous income	46,102	655	-	43,625	90,382
Total Operating Revenues	<u>6,538,857</u>	<u>4,419,071</u>	<u>1,757,114</u>	<u>5,024,482</u>	<u>17,739,524</u>
OPERATING EXPENSES					
Salaries wages and benefits	-	2,136,452	814,864	-	2,951,316
Maintenance	-	813,704	37,310	-	851,014
Utilities	-	18,559	9,391	-	27,950
Administrative	456,874	-	-	-	456,874
Supplies	-	259,949	794,020	-	1,053,969
Other	1,398,387	1,098,486	50,445	62,732	2,610,050
Claims	4,638,667	-	-	-	4,638,667
Depreciation	-	30,833	4,640	1,951,047	1,986,520
Total Operating Expenses	<u>6,493,928</u>	<u>4,357,983</u>	<u>1,710,670</u>	<u>2,013,779</u>	<u>14,576,360</u>
Operating Income (Loss)	<u>44,929</u>	<u>61,088</u>	<u>46,444</u>	<u>3,010,703</u>	<u>3,163,164</u>
NONOPERATING REVENUES (EXPENSES)					
Gain on sale of capital assets	-	-	49,805	-	49,805
Loss on disposal of capital assets	-	-	-	(132,863)	(132,863)
Investment earnings	376,360	-	-	577,212	953,572
Total Nonoperating Revenues (Expenses)	<u>376,360</u>	<u>-</u>	<u>49,805</u>	<u>444,349</u>	<u>870,514</u>
Income (Loss) Before Contributions and Transfers	<u>421,289</u>	<u>61,088</u>	<u>96,249</u>	<u>3,455,052</u>	<u>4,033,678</u>
Capital contributions- grants	-	-	-	123,460	123,460
Change in Net Position	<u>421,289</u>	<u>61,088</u>	<u>96,249</u>	<u>3,578,512</u>	<u>4,157,138</u>
Total Net Position, Beginning of Year	<u>5,356,912</u>	<u>3,561,063</u>	<u>787,765</u>	<u>21,480,885</u>	<u>31,186,625</u>
Total Net Position, End of Year	<u>\$ 5,778,201</u>	<u>\$ 3,622,151</u>	<u>\$ 884,014</u>	<u>\$ 25,059,397</u>	<u>\$ 35,343,763</u>

See Independent Auditor's Report

City of Owensboro, Kentucky
Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2025

	Governmental Activities Internal Service Funds				
	Insurance Fund	Facilities Maintenance	Garage Service	Fleet & Facilities Replacement	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers	\$ 6,538,857	\$ 4,419,071	\$ 1,757,114	\$ 5,113,720	\$ 17,828,762
Cash Payments to employees for services	-	(2,128,579)	(808,181)	-	(2,936,760)
Cash Payments to suppliers	(1,697,683)	(2,143,144)	(894,874)	(584,745)	(5,320,446)
Cash payments for claims	(4,813,795)	-	-	-	(4,813,795)
Other cash receipts	-	-	1,404	43,625	45,029
Net cash provided by operating activities	<u>27,379</u>	<u>147,348</u>	<u>55,463</u>	<u>4,572,600</u>	<u>4,802,790</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions - grants	-	-	-	123,460	123,460
Proceeds from sale of capital assets	-	-	49,805	-	49,805
Payments for capital acquisitions	-	-	-	(4,690,835)	(4,690,835)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>49,805</u>	<u>(4,567,375)</u>	<u>(4,517,570)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	376,360	-	-	577,212	953,572
Net cash provided by investing activities	<u>376,360</u>	<u>-</u>	<u>-</u>	<u>577,212</u>	<u>953,572</u>
Net increase (decrease) in cash and cash equivalents	403,739	147,348	105,268	582,437	1,238,792
Equity in Pooled Cash and Deposits, and Cash and Cash Equivalents, Beginning of the Year	<u>7,623,773</u>	<u>3,216,611</u>	<u>540,187</u>	<u>12,662,237</u>	<u>24,042,808</u>
Equity in Pooled Cash and Deposits, and Cash and Cash Equivalents, End of the Year	<u>\$ 8,027,512</u>	<u>\$ 3,363,959</u>	<u>\$ 645,455</u>	<u>\$ 13,244,674</u>	<u>\$ 25,281,600</u>
RECONCILITATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating Income	\$ 44,929	\$ 61,088	\$ 46,444	\$ 3,010,703	\$ 3,163,164
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	30,833	4,640	1,951,047	1,986,520
Loss on disposal of capital assets	-	-	-	132,863	132,863
Changes in assets and liabilities:					
(Increase) decrease in assets:					
Accounts Receivables	43,710	(2,354)	1,404	(123,460)	(80,700)
Materials and supplies inventory	-	-	8,659	-	8,659
Increase (decrease) in liabilities:					
Accounts payable	(61,260)	49,913	(12,365)	(398,553)	(422,265)
Accrued liabilities	-	7,868	6,681	-	14,549
Net cash provided by operating activities	<u>\$ 27,379</u>	<u>\$ 147,348</u>	<u>\$ 55,463</u>	<u>\$ 4,572,600</u>	<u>\$ 4,802,790</u>
CASH RECONCILIATION					
Equity in pooled deposits and investments	<u>\$ 8,027,512</u>	<u>\$ 3,363,959</u>	<u>\$ 645,455</u>	<u>\$ 13,244,674</u>	<u>\$ 25,281,600</u>

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Fiduciary Funds

City of Owensboro, Kentucky
Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2025

	City Employees' Pension Fund	Police and Firefighters' Retirement Fund	Total Pension Trust Funds
ASSETS			
Equity in pooled deposits and investments	\$ 222,517	\$ 255,049	\$ 477,566
Cash and cash equivalents	102,125	-	102,125
Investments, at fair value:			
Corporate stocks	4,260,038	-	4,260,038
Total Assets	\$ 4,584,680	\$ 255,049	\$ 4,839,729
LIABILITIES			
Pension payable	\$ 6,962	\$ 32,988	\$ 39,950
Other	14,024	1,226	15,250
Total Liabilities	20,986	34,214	55,200
NET POSITION			
Restricted	4,563,694	220,835	4,784,529
Total Net Position	\$ 4,563,694	\$ 220,835	\$ 4,784,529

See Independent Auditor's Report

City of Owensboro, Kentucky
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Fiscal Year Ended June 30, 2025

	City Employees' Pension Fund	Police and Firefighters' Retirement Fund	Total Pension Trust Funds
ADDITIONS			
Contributions			
Employer	\$ -	\$ 222,000	\$ 222,000
Other	-	2,093	2,093
Total contributions	-	224,093	224,093
Investment earnings			
Net appreciation in fair value of investments	394,565	-	394,565
Interest	51,664	15,907	67,571
Total investment earnings	446,229	15,907	462,136
Less investment expense	51,622	153	51,775
Net investment earnings	394,607	15,754	410,361
Total Additions	394,607	239,847	634,454
DEDUCTIONS			
Benefits	169,185	427,559	596,744
Total Deductions	169,185	427,559	596,744
Change in Net Position	225,422	(187,712)	37,710
Net Position, Beginning of the Year	4,338,272	408,547	4,746,819
Net Position, End of the Year	<u>\$ 4,563,694</u>	<u>\$ 220,835</u>	<u>\$ 4,784,529</u>

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City of Owensboro, Kentucky
Combining Statement of Assets and Liabilities
Custodial Funds
June 30, 2025

	County Occupational Tax Fund	School District Tax Fund	Total Custodial Funds
ASSETS			
Equity in pooled deposits and investments	\$ 636,005	\$ -	\$ 636,005
Intergovernmental receivable	-	28,830	28,830
Taxes receivable	-	771,269	771,269
Total Assets	<u>\$ 636,005</u>	<u>\$ 800,099</u>	<u>\$ 1,436,104</u>
LIABILITIES			
Other	\$ 632,218	\$ 872,578	\$ 1,504,796
Total Liabilities	<u>632,218</u>	<u>872,578</u>	<u>1,504,796</u>
NET POSITION			
Restricted	3,787	(72,479)	(68,692)
Total Net Position	<u>\$ 3,787</u>	<u>\$ (72,479)</u>	<u>\$ (68,692)</u>

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City of Owensboro, Kentucky
Combining Statement of Changes in Assets and Liabilities
Custodial Funds
For the Fiscal Year Ended June 30, 2025

	<u>County Occupational Tax Fund</u>	<u>School District Tax Fund</u>	<u>Total Custodial Funds</u>
ADDITIONS			
Tax Collections for other agencies:			
Property Taxes	\$ -	\$ 15,967,591	\$ 15,967,591
Occupational License Fees	10,340,608	-	10,340,608
Total Tax Collections	<u>10,340,608</u>	<u>15,967,591</u>	<u>26,308,199</u>
Total Additions	<u>10,340,608</u>	<u>15,967,591</u>	<u>26,308,199</u>
DEDUCTIONS			
Payments of tax collections other agencies	<u>10,340,607</u>	<u>15,986,005</u>	<u>26,326,612</u>
Total Deductions	<u>10,340,607</u>	<u>15,986,005</u>	<u>26,326,612</u>
 Change in Net Position	 1	 (18,414)	 (18,413)
 Net Position, Beginning of the Year	 <u>3,786</u>	 <u>(54,065)</u>	 <u>(50,279)</u>
 Net Position, End of the Year	 <u>\$ 3,787</u>	 <u>\$ (72,479)</u>	 <u>\$ (68,692)</u>

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Component Unit

City of Owensboro, Kentucky
Combining Statement Net Position
Component Units
Owensboro Municipal Utilities
May 31, 2025

	Electric Light and Power System	Water Works Systems	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and cash equivalents:			
In segregated accounts	\$ 23,680,601	\$ 3,960,089	\$ 27,640,690
Investments	26,990,406	-	26,990,406
Accounts receivable (less allowance of \$40,885 and \$18,101 for Electric and Water, respectively)	15,302,955	3,584,859	18,887,814
Materials and supplies inventory	9,431,625	2,210,796	11,642,421
Prepaid items	232,573	-	232,573
Restricted assets	30,823,143	10,548,482	41,371,625
Capital assets, net of accumulated depreciation	99,875,379	88,385,628	188,261,007
Net other postemployment pension asset	638,750	190,318	829,068
Other noncurrent assets	2,438,129	1,159,028	3,597,157
Total Assets	209,413,561	110,039,200	319,452,761
Deferred Outflows of Resources:			
Deferred asset retirement outflow	4,517,777	397,473	4,915,250
Deferred pension outflows	3,048,563	1,146,457	4,195,020
Deferred other postemployment benefit outflows	933,155	278,038	1,211,193
Deferred pension obligation	22,630,400	6,504,707	29,135,107
Deferred postemployment benefit obligation	5,808,057	1,730,537	7,538,594
Unamortized loss on debt refunding	320,447	521,637	842,084
Net unrealized loss on investments	4,765,555	453,352	5,218,907
Total Deferred Outflows of Resources	42,023,954	11,032,201	53,056,155
Total Assets and Deferred Outflows of Resources	\$ 251,437,515	\$ 121,071,401	\$ 372,508,916
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
Liabilities:			
Accounts payable	\$ 17,096,116	\$ 660,279	\$ 17,756,395
Accrued interest payable	884,893	566,453	1,451,346
Non-current liabilities:			
Long-term debt:			
Due within one year	16,880,000	1,920,000	18,800,000
Due in more than one year	24,553,795	71,459,762	96,013,557
Net pension liability	22,061,716	6,573,389	28,635,105
Total Liabilities	81,476,520	81,179,883	162,656,403
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflows	3,617,247	1,077,775	4,695,022
Deferred other postemployment benefits inflows	7,379,962	2,198,893	9,578,855
Deferred revenue	2,686,918	117,861	2,804,779
Total Deferred Inflows of Resources	13,684,127	3,394,529	17,078,656
NET POSITION			
Net investment in capital assets	66,380,791	19,074,217	85,455,008
Restricted for:			
Capital projects	7,347,199	6,275,123	13,622,322
Debt service	9,562,066	2,204,076	11,766,142
Other purposes	6,868,278	-	6,868,278
Unrestricted	66,118,534	8,943,573	75,062,107
Total Net Position	156,276,868	36,496,989	192,773,857
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 251,437,515	\$ 121,071,401	\$ 372,508,916

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City of Owensboro, Kentucky
Combining Statement of Activities
Component Units
Owensboro Municipal Utilities
For the Fiscal Year Ended May 31, 2025

	Program Revenues			Net (Expenses) Revenue and Change in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Electric Light and Power System	Water Works System
Electric Light and Power System	\$ 91,170,568	\$ 91,980,485	\$ -	\$ -	\$ 809,917	\$ -
Water Works System	16,966,816	17,413,933	-	-	-	447,117
Total Component Units:	\$ 108,137,384	\$ 109,394,418	\$ -	\$ -	809,917	447,117
						1,257,034
General Revenues:						
Earnings on investments					2,839,460	558,997
Deferred net change in fair value of investments					2,093,128	(453,352)
Miscellaneous					(1,363,648)	3,022,219
Total General Revenues					3,568,940	3,127,864
Change in Net Position					4,378,857	3,574,981
Net Position, Beginning of Year					151,898,011	32,922,008
Net Position, End of Year					\$ 156,276,868	\$ 36,496,989
						\$ 192,773,857

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Capital Assets Used in the Operation of Governmental Funds

City of Owensboro, Kentucky
Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
June 30, 2025

Governmental funds capital assets:

Land	\$ 37,166,270
Construction in Progress	8,994,608
Land improvements/infrastructure	210,858,060
Buildings	135,794,088
Vehicles	2,590,027
Equipment	9,941,157
Software	2,144,770
	<u>\$ 407,488,980</u>

Investments in governmental funds capital assets by source:

General Fund	\$ 401,650,864
Community Development Fund	5,283,734
City of Owensboro Municipal Improvement Corporation	554,382
	<u>\$ 407,488,980</u>

This schedule presents only the capital assets balances related to the governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal funds are included as governmental activities in the Statement of Net Position.

See Independent Auditor's Report

City of Owensboro, Kentucky
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
June 30, 2025

Function and Activity	Governmental Funds Capital Assets June 30, 2024	Additions	Deductions	Governmental Funds Capital Assets June 30, 2025
General government:				
City manager, commissioners and legal	\$ 8,247,751	\$	\$	\$ 8,247,751
Finance	33,502	6,795		40,297
Personnel	83,968			83,968
Information services	1,222,325		(185,200)	1,037,125
Unallocated	38,218,591	10,253,164	(30,098)	48,441,657
Total general government	<u>47,806,137</u>	<u>10,259,959</u>	<u>(215,298)</u>	<u>57,850,798</u>
Public safety:				
Police	8,260,780	320,238	(82,843)	8,498,175
Fire	4,421,263	6,300,274	(256,994)	10,464,543
Total public safety	<u>12,682,043</u>	<u>6,620,512</u>	<u>(339,837)</u>	<u>18,962,718</u>
Public works:				
Engineering	70,903	12,750		83,653
Streets	59,234,184	95,764	(16,838)	59,313,110
Garage	202,444			202,444
Stormwater	374,439	97,795		472,234
Total public works	<u>59,881,970</u>	<u>206,309</u>	<u>(16,838)</u>	<u>60,071,441</u>
Community and cultural:				
Parks	25,992,701	159,095	(50,000)	26,101,796
Community services	10,441,913			10,441,913
Other agencies	14,582,843			14,582,843
Downtown Revitalization	98,824,336		(107,935)	98,716,401
Your Community Vision	109,029,670	2,861,847	(125,055)	111,766,462
Total community and cultural	<u>258,871,463</u>	<u>3,020,942</u>	<u>(282,990)</u>	<u>261,609,415</u>
Community / economic development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Construction in Progress	<u>7,804,559</u>	<u>7,549,679</u>	<u>(6,359,630)</u>	<u>8,994,608</u>
Total governmental funds capital assets	\$ <u>387,046,172</u>	\$ <u>27,657,401</u>	\$ <u>(7,214,593)</u>	\$ <u>407,488,980</u>

This schedule presents only the capital assets balances related to the governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal funds are included as governmental activities in the Statement of Net Position.

See Independent Auditor's Report

City of Owensboro, Kentucky
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
June 30, 2025

Function and Activity	Land	Construction in Progress	Land Improvements	Buildings	Vehicles	Equipment	Software	Total
General government:								
City manager, commissioners and legal	\$ 5,773,030	\$ -	\$ -	\$ 2,272,567	\$ -	\$ 202,154	\$ -	\$ 8,247,751
Finance	-	-	-	-	-	40,297	-	40,297
Personnel	-	-	-	-	-	35,080	48,888	83,968
Information services	-	-	-	82,124	-	877,835	77,166	1,037,125
Unallocated	11,225,212	-	10,008,880	24,355,355	-	2,247,811	604,399	48,441,657
Total general government	16,998,242	-	10,008,880	26,710,046	-	3,403,177	730,453	57,850,798
Public Safety:								
Police	767,183	-	5,081	3,378,151	57,325	3,426,060	864,375	8,498,175
Fire	498,862	-	-	7,882,183	1,283,410	800,088	-	10,464,543
Total public safety	1,266,045	-	5,081	11,260,334	1,340,735	4,226,148	864,375	18,962,718
Public works:								
Engineering	-	-	-	-	17,958	65,695	-	83,653
Streets	4,305,872	-	53,813,352	1,017,920	-	175,966	-	59,313,110
Garage	22,500	-	-	173,527	-	6,417	-	202,444
Stormwater	-	-	337,945	-	51,999	82,290	-	472,234
Total public works	4,328,372	-	54,151,297	1,191,447	69,957	330,368	-	60,071,441
Community and cultural:								
Parks	3,709,795	-	7,250,191	15,053,089	-	88,721	-	26,101,796
Community services	876,713	-	2,038,705	7,526,495	-	-	-	10,441,913
Other agencies	-	-	-	14,582,843	-	-	-	14,582,843
Downtown Revitalization	7,542,467	-	35,303,687	55,500,000	-	370,247	-	98,716,401
Your Community Vision	2,444,636	-	102,100,219	3,969,834	1,179,335	1,522,496	549,942	111,766,462
Total community and cultural	14,573,611	-	146,692,802	96,632,261	1,179,335	1,981,464	549,942	261,609,415
Construction in Progress	-	8,994,608	-	-	-	-	-	8,994,608
Total governmental funds capital assets	\$ 37,166,270	\$ 8,994,608	\$ 210,858,060	\$ 135,794,088	\$ 2,590,027	\$ 9,941,157	\$ 2,144,770	\$ 407,488,980

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Other Supplementary Information

City of Owensboro, Kentucky
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 3,172,341	\$ 3,181,341	\$ 571,964	\$ (2,609,377)
Investment earnings	-	-	4,791	4,791
Total revenues	<u>3,172,341</u>	<u>3,181,341</u>	<u>576,755</u>	<u>(2,604,586)</u>
EXPENDITURES				
Debt retirement	15,286,348	15,761,571	15,746,878	14,693
Issuance Costs	10,000	10,000	-	10,000
Total expenditures	<u>15,296,348</u>	<u>15,771,571</u>	<u>15,746,878</u>	<u>24,693</u>
Excess (deficiency) of revenues over expenditures	<u>(12,124,007)</u>	<u>(12,590,230)</u>	<u>(15,170,123)</u>	<u>(2,579,893)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	12,114,007	12,580,230	12,159,559	(420,671)
Issuance of debt	10,000	10,000	-	(10,000)
Total other financing sources (uses)	<u>12,124,007</u>	<u>12,590,230</u>	<u>12,159,559</u>	<u>(430,671)</u>
Net change in fund balances	-	-	(3,010,564)	(3,010,564)
Fund balances - beginning of the year	3,012,896	3,012,896	3,012,896	-
Fund balances - end of the year	<u>\$ 3,012,896</u>	<u>\$ 3,012,896</u>	<u>\$ 2,332</u>	<u>\$ (3,010,564)</u>

See Independent Auditor's Report

City of Owensboro, Kentucky
Budgetary Comparison Schedule
Capital Improvements Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Investment earnings	\$ -	\$ 1,040,000	\$ 1,526,572	\$ 486,572
County Contributions	-	2,240,000	2,240,000	-
Total revenues	-	3,280,000	3,766,572	486,572
EXPENDITURES				
General government	100,000	207,973	75,431	132,542
Capital outlay	-	37,167,635	10,567,863	26,599,772
Total expenditures	100,000	37,375,608	10,643,294	26,732,314
Excess (deficiency) of revenues over expenditures	(100,000)	(34,095,608)	(6,876,722)	27,218,886
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	3,189,894	3,189,894	-
Transfers out	-	(4,200)	(4,200)	-
Total other financing sources (uses)	100,000	3,185,694	3,185,694	-
Net change in fund balances	-	(30,909,914)	(3,691,028)	27,218,886
Fund balances - beginning of the year	31,189,868	31,189,868	31,189,868	-
Fund balances - end of the year	<u>\$ 31,189,868</u>	<u>\$ 279,954</u>	<u>\$ 27,498,840</u>	<u>\$ 27,218,886</u>

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City of Owensboro, Kentucky
Budgetary Comparison Schedule
CERS Special Revenue Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning of the year	2,883,542	2,883,542	2,883,542	-
Fund balances - end of the year	<u>\$ 2,883,542</u>	<u>\$ 2,883,542</u>	<u>\$ 2,883,542</u>	<u>\$ -</u>

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City of Owensboro, Kentucky
Budgetary Comparison Schedule
Central Dispatch Special Revenue Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Investment earnings	\$ -	\$ -	\$ 106,702	\$ 106,702
Charges for services	1,031,093	1,031,093	1,141,527	110,434
Total revenues	<u>1,031,093</u>	<u>1,031,093</u>	<u>1,248,229</u>	<u>217,136</u>
EXPENDITURES				
Public safety	3,673,331	3,770,175	3,339,290	430,885
Capital outlay	45,000	80,151	-	80,151
Total expenditures	<u>3,718,331</u>	<u>3,850,326</u>	<u>3,339,290</u>	<u>511,036</u>
Excess (deficiency) of revenues over expenditures	<u>(2,687,238)</u>	<u>(2,819,233)</u>	<u>(2,091,061)</u>	<u>728,172</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(159,758)	(159,757)	1
Transfers in	2,687,238	2,687,238	2,687,238	-
Total other financing sources (uses)	<u>2,687,238</u>	<u>2,527,480</u>	<u>2,527,481</u>	<u>1</u>
Net change in fund balances	-	(291,753)	436,420	728,173
Fund balances - beginning of the year	1,923,882	1,923,882	1,923,882	-
Fund balances - end of the year	<u>\$ 1,923,882</u>	<u>\$ 1,632,129</u>	<u>\$ 2,360,302</u>	<u>\$ 728,173</u>

See Independent Auditor's Report

City of Owensboro, Kentucky
Budgetary Comparison Schedule
Community Development Special Revenue Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 878,000	\$ 3,202,533	\$ 918,239	\$ (2,284,294)
Miscellaneous income	9,000	9,000	109,671	100,671
Rentals	14,000	14,000	12,120	(1,880)
Total revenues	<u>901,000</u>	<u>3,225,533</u>	<u>1,040,030</u>	<u>(2,185,503)</u>
EXPENDITURES				
Community/economic development	1,051,000	3,375,533	1,018,716	2,356,817
Total expenditures	<u>1,051,000</u>	<u>3,375,533</u>	<u>1,018,716</u>	<u>2,356,817</u>
Excess (deficiency) of revenues over expenditures	<u>(150,000)</u>	<u>(150,000)</u>	<u>21,314</u>	<u>171,314</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	150,000	150,000	115,584	(34,416)
Total other financing sources (uses)	<u>150,000</u>	<u>150,000</u>	<u>115,584</u>	<u>(34,416)</u>
Net change in fund balances	-	-	136,898	136,898
Fund balances - beginning of the year	(115,377)	(115,377)	(115,377)	-
Fund balances - end of the year	<u>\$ (115,377)</u>	<u>\$ (115,377)</u>	<u>\$ 21,521</u>	<u>\$ 136,898</u>

See Independent Auditor's Report

City of Owensboro, Kentucky
Budgetary Comparison Schedule
Economic Development Special Revenue Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Real and personal property taxes	\$ 736,905	\$ 736,905	\$ 387,403	\$ (349,502)
Occupational license fees	2,038,664	2,038,664	2,226,459	187,795
Net profit license fees	198,340	198,340	127,164	(71,176)
Regulatory license fees	703,024	703,024	683,007	(20,017)
Investment earnings	200,000	200,000	358,715	158,715
Miscellaneous Revenue	42,500	42,500	47,671	5,171
Rentals	940,980	940,980	940,991	11
Total revenues	<u>4,860,413</u>	<u>4,860,413</u>	<u>4,771,410</u>	<u>(89,003)</u>
EXPENDITURES				
Community/economic development	2,503,717	4,596,871	2,680,919	1,915,952
Total expenditures	<u>2,503,717</u>	<u>4,596,871</u>	<u>2,680,919</u>	<u>1,915,952</u>
Excess (deficiency) of revenues over expenditures	<u>2,356,696</u>	<u>263,542</u>	<u>2,090,491</u>	<u>1,826,949</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,187,063)	(1,198,345)	(1,198,345)	-
Total other financing sources (uses)	<u>(1,187,063)</u>	<u>(1,198,345)</u>	<u>(1,198,345)</u>	<u>-</u>
Net change in fund balances	1,169,633	(934,803)	892,146	1,826,949
Fund balances - beginning of the year	6,976,474	6,976,474	6,976,474	-
Fund balances - end of the year	<u>\$ 8,146,107</u>	<u>\$ 6,041,671</u>	<u>\$ 7,868,620</u>	<u>\$ 1,826,949</u>

See Independent Auditor's Report

City of Owensboro, Kentucky
Budgetary Comparison Schedule
Your Community Vision Special Revenue Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Occupational license fees	\$ 6,098,180	\$ 6,098,180	\$ 6,118,083	\$ 19,903
Net profit license fees	1,250,000	1,250,000	1,596,139	346,139
Investment earnings	300,000	300,000	477,213	177,213
Miscellaneous income	6,000	6,000	5,060	(940)
Fees licenses and permits	75,000	75,000	86,792	11,792
Total revenues	<u>7,729,180</u>	<u>7,729,180</u>	<u>8,283,287</u>	<u>554,107</u>
EXPENDITURES				
Public works	2,129,822	2,830,755	1,990,573	840,182
Capital outlay	1,100,000	6,116,715	2,970,419	3,146,296
Total expenditures	<u>3,229,822</u>	<u>8,947,470</u>	<u>4,960,992</u>	<u>3,986,478</u>
Excess (deficiency) of revenues over expenditures	<u>4,499,358</u>	<u>(1,218,290)</u>	<u>3,322,295</u>	<u>4,540,585</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,729,093)	(6,818,987)	(6,818,177)	810
Total other financing sources (uses)	<u>(3,729,093)</u>	<u>(6,818,987)</u>	<u>(6,818,177)</u>	<u>810</u>
Net change in fund balances	770,265	(8,037,277)	(3,495,882)	4,541,395
Fund balances - beginning of the year	9,086,592	9,086,592	9,086,592	-
Fund balances - end of the year	<u>\$ 9,856,857</u>	<u>\$ 1,049,315</u>	<u>\$ 5,590,710</u>	<u>\$ 4,541,395</u>

See independent auditor's notes and notes to required supplementary information (RSI) on budgetary accounting and control.

City of Owensboro, Kentucky
Budgetary Comparison Schedule
Downtown Development Revitalization Special Revenue Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Regulatory license fees	\$ 4,400,000	\$ 4,400,000	\$ 5,202,681	\$ 802,681
Investment earnings	48,000	48,000	77,989	29,989
Total revenues	<u>4,448,000</u>	<u>4,448,000</u>	<u>5,280,670</u>	<u>832,670</u>
Excess (deficiency) of revenues over expenditures	<u>4,448,000</u>	<u>4,448,000</u>	<u>5,280,670</u>	<u>832,670</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,338,297)	(4,338,297)	(4,336,565)	1,732
Total other financing sources (uses)	<u>(4,338,297)</u>	<u>(4,338,297)</u>	<u>(4,336,565)</u>	<u>1,732</u>
Net change in fund balances	109,703	109,703	944,105	834,402
Fund balances - beginning of the year	453,913	453,913	453,913	-
Fund balances - end of the year	<u>\$ 563,616</u>	<u>\$ 563,616</u>	<u>\$ 1,398,018</u>	<u>\$ 834,402</u>

See Independent Auditor's Report

City of Owensboro, Kentucky
Budgetary Comparison Schedule
Gateway Commons TIF Special Revenue Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,347,000	\$ 1,347,000	\$ 1,843,553	\$ 496,553
Real and personal property taxes	230,000	263,509	263,508	(1)
Occupational license fees	130,000	195,432	195,432	-
Net profit license fees	30,000	30,000	29,715	(285)
Investment earnings	-	-	20,400	20,400
Total revenues	<u>1,737,000</u>	<u>1,835,941</u>	<u>2,352,608</u>	<u>516,667</u>
EXPENDITURES				
Community/economic development	1,515,706	1,872,468	1,872,467	1
Total expenditures	<u>1,515,706</u>	<u>1,872,468</u>	<u>1,872,467</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>221,294</u>	<u>(36,527)</u>	<u>480,141</u>	<u>516,668</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(221,294)	(273,382)	(273,381)	1
Total other financing sources (uses)	<u>(221,294)</u>	<u>(273,382)</u>	<u>(273,381)</u>	<u>1</u>
Net change in fund balances	-	(309,909)	206,760	516,669
Fund balances - beginning of the year	2,191,739	2,191,739	2,191,739	-
Fund balances - end of the year	<u>\$ 2,191,739</u>	<u>\$ 1,881,830</u>	<u>\$ 2,398,499</u>	<u>\$ 516,669</u>

See Independent Auditor's Report

City of Owensboro, Kentucky
Budgetary Comparison Schedule
Downtown Riverfront TIF Special Revenue Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 878,000	\$ 878,000	\$ 705,493	\$ (172,507)
Real and personal property taxes	40,000	40,000	51,767	11,767
Occupational license fees	400,000	400,000	502,934	102,934
Net profit license fees	80,000	80,000	69,933	(10,067)
Investment earnings	-	-	8,267	8,267
Total revenues	<u>1,398,000</u>	<u>1,398,000</u>	<u>1,338,394</u>	<u>(59,606)</u>
EXPENDITURES				
Community/economic development	27,960	27,960	12,492	15,468
Total expenditures	<u>27,960</u>	<u>27,960</u>	<u>12,492</u>	<u>15,468</u>
Excess (deficiency) of revenues over expenditures	<u>1,370,040</u>	<u>1,370,040</u>	<u>1,325,902</u>	<u>(44,138)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,408,159)	(1,408,159)	(1,383,596)	24,563
Transfers in	38,119	38,119	38,119	-
Total other financing sources (uses)	<u>(1,370,040)</u>	<u>(1,370,040)</u>	<u>(1,345,477)</u>	<u>24,563</u>
Net change in fund balances	-	-	(19,575)	(19,575)
Fund balances - beginning of the year	1,450,969	1,450,969	1,450,969	-
Fund balances - end of the year	<u>\$ 1,450,969</u>	<u>\$ 1,450,969</u>	<u>\$ 1,431,394</u>	<u>\$ (19,575)</u>

See Independent Auditor's Report

City of Owensboro, Kentucky
Budgetary Comparison Schedule
ARPA Special Revenue Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Investment earnings	\$ -	\$ -	\$ 263,233	\$ 263,233
Total revenues	<u>-</u>	<u>-</u>	<u>263,233</u>	<u>263,233</u>
EXPENDITURES				
Capital outlay	-	3,148,117	3,148,117	-
Total expenditures	<u>-</u>	<u>3,148,117</u>	<u>3,148,117</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(3,148,117)</u>	<u>(2,884,884)</u>	<u>263,233</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(713,166)	(713,166)	-
Total other financing sources (uses)	<u>-</u>	<u>(713,166)</u>	<u>(713,166)</u>	<u>-</u>
Net change in fund balances	-	(3,861,283)	(3,598,050)	263,233
Fund balances - beginning of the year	5,020,353	5,020,353	5,020,353	-
Fund balances - end of the year	<u>\$ 5,020,353</u>	<u>\$ 1,159,070</u>	<u>\$ 1,422,303</u>	<u>\$ 263,233</u>

See Independent Auditor's Report

City of Owensboro, Kentucky
Budgetary Comparison Schedule
Tourist & Convention Special Revenue Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 18,909	\$ 18,909
Fees, licenses and permits	-	-	885	885
Transient Room Tax	810,000	810,000	905,229	95,229
Total revenues	<u>810,000</u>	<u>810,000</u>	<u>925,023</u>	<u>115,023</u>
Excess (deficiency) of revenues over expenditures	<u>810,000</u>	<u>810,000</u>	<u>925,023</u>	<u>115,023</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,399,256)	(1,399,256)	(1,398,586)	670
Transfers in	589,256	589,256	589,256	-
Total other financing sources (uses)	<u>(810,000)</u>	<u>(810,000)</u>	<u>(809,330)</u>	<u>670</u>
Net change in fund balances	-	-	115,693	115,693
Fund balances - beginning of the year	583,733	583,733	583,733	-
Fund balances - end of the year	<u>\$ 583,733</u>	<u>\$ 583,733</u>	<u>\$ 699,426</u>	<u>\$ 115,693</u>

See Independent Auditor's Report

City of Owensboro, Kentucky
Budgetary Comparison Schedule
Opioid Special Revenue Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 6,000	\$ 6,000	\$ 25,593	\$ 19,593
Miscellaneous income	48,740	48,740	147,262	98,522
Total revenues	<u>54,740</u>	<u>54,740</u>	<u>172,855</u>	<u>118,115</u>
EXPENDITURES				
Community and Cultural	54,740	54,740	6,250	48,490
Total expenditures	<u>54,740</u>	<u>54,740</u>	<u>6,250</u>	<u>48,490</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>166,605</u>	<u>166,605</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>166,605</u>	<u>166,605</u>
Fund balances - beginning of the year	486,208	486,208	486,208	-
Fund balances - end of the year	<u><u>\$ 486,208</u></u>	<u><u>\$ 486,208</u></u>	<u><u>\$ 652,813</u></u>	<u><u>\$ 166,605</u></u>

See Independent Auditor's Report

City of Owensboro, Kentucky
Budgetary Comparison Schedule
Drug and Property Recovery Special Revenue Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 814,069	\$ 249,779	\$ (564,290)
Investment earnings	15,350	15,350	37,818	22,468
Charges for services	51,000	51,000	88,618	37,618
Miscellaneous income	337,700	337,700	248,861	(88,839)
Contributions and donations	28,000	28,000	32,231	4,231
Total revenues	<u>432,050</u>	<u>1,246,119</u>	<u>657,307</u>	<u>(588,812)</u>
EXPENDITURES				
Public safety	540,443	1,006,170	515,585	490,585
Community and cultural	-	84,303	-	84,303
Capital outlay	-	387,969	118,748	269,221
Total expenditures	<u>540,443</u>	<u>1,478,442</u>	<u>634,333</u>	<u>844,109</u>
Excess (deficiency) of revenues over expenditures	<u>(108,393)</u>	<u>(232,323)</u>	<u>22,974</u>	<u>255,297</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(27,400)	(27,400)	-	27,400
Sale of capital assets	2,000	2,000	624	(1,376)
Transfers in	2,400	2,400	-	(2,400)
Total other financing sources (uses)	<u>(23,000)</u>	<u>(23,000)</u>	<u>624</u>	<u>23,624</u>
Net change in fund balances	<u>(131,393)</u>	<u>(255,323)</u>	<u>23,598</u>	<u>278,921</u>
Fund balances - beginning of the year	<u>759,846</u>	<u>759,846</u>	<u>759,846</u>	<u>-</u>
Fund balances - end of the year	<u>\$ 628,453</u>	<u>\$ 504,523</u>	<u>\$ 783,444</u>	<u>\$ 278,921</u>

See Independent Auditor's Report

City of Owensboro, Kentucky
Budgetary Comparison Schedule
Fire Secondary Employment Special Revenue Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous income	\$ 18,750	\$ 18,750	\$ 4,890	\$ (13,860)
Total revenues	<u>18,750</u>	<u>18,750</u>	<u>4,890</u>	<u>(13,860)</u>
EXPENDITURES				
Public Safety	18,750	18,750	4,616	14,134
Total expenditures	<u>18,750</u>	<u>18,750</u>	<u>4,616</u>	<u>14,134</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>274</u>	<u>274</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>274</u>	<u>274</u>
Fund balances - beginning of the year	807	807	807	-
Fund balances - end of the year	<u><u>\$ 807</u></u>	<u><u>\$ 807</u></u>	<u><u>\$ 1,081</u></u>	<u><u>\$ 274</u></u>

See Independent Auditor's Report



**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Honorable Tom Watson, Mayor
and the Board of Commissioners of the
City of Owensboro, Kentucky

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Owensboro, Kentucky, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Owensboro, Kentucky's basic financial statements, and have issued our report thereon dated December 12, 2025. Our report includes references to other auditors who have audited the financial statements of Owensboro Municipal Utilities, Owensboro Riverport Authority, and Owensboro-Daviess County Regional Airport, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Owensboro, Kentucky's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Owensboro, Kentucky's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Owensboro, Kentucky's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Owensboro, Kentucky's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ATA-KY,PSC

Owensboro, Kentucky
December 12, 2025



Statistical Section



CITY OF OWENSBORO GENERAL INFORMATION



The City

Owensboro, originally known as Yellow Banks (due to the color of the soil along the Ohio River banks), was first settled in 1797. By 1810, David Morton had opened a general store and the settlement population grew to 100 by 1815. An 1817 Act of the Kentucky Legislature incorporated the town as "Owensborough," later shortened to "Owensboro." The Owensboro area has grown steadily while retaining the "small town quality" of a friendly city. Owensboro ranks as Kentucky's fourth largest city in terms of population and is the industrial and cultural capital of western Kentucky.



Owensboro received two top ten rankings in *Site Selection Magazine's* 2024 Governor's Cup, for Total Project Count and Projects Per Capita. In the July/August 2022 issue of *Business Facilities Magazine*, Owensboro was ranked #6 in the listing of America's Top 10 Manufacturing Hubs. *Site Selection Magazine* ranked Owensboro 3rd Best for Economic Development in 2020. A 2017 *USA Today* article ranked Owensboro #11 in the country for percentage of new mortgages being closed by millennials (those entering adulthood since 2000), citing our recent downtown makeover as one of the factors attracting this demographic. In 2013, Owensboro was named an All-American City (one of only ten communities selected nationwide) by the National Civic League. *Forbes* magazine ranked Owensboro #6 on their 2013 "Best Small Cities For Jobs" and #62 "Best Small Places for Business and Careers," including #24 in job growth and #37 ranking for "Low Cost of Doing Business."

Location

Owensboro, the county seat of Daviess County, Kentucky, lies on the southern banks of the Ohio River, one of the nation's major waterways. Part of the western Kentucky coalfield region, Owensboro is located 32 miles southeast of Evansville, Indiana, 123 miles north of Nashville, Tennessee, and 109 miles southwest of Louisville, Kentucky. An improved section of U.S. Highway 231 in southern Indiana, a recently expanded Owensboro bypass, and I-165 complete a four-lane direct link through Owensboro from Interstate 64 in Indiana to Interstate 65 in southern Kentucky.



Industry and Economic Development

Owensboro has emerged as a major economic hub of western Kentucky, attracting major manufacturing processors in industries such as aluminum, automobile parts, uniforms, paper, food, tobacco, and alcoholic beverages. Locally produced goods include automobile frames and parts, electronics, plastics, wire, spaghetti sauce, bourbon, and various tobacco, food, and paper products. Biodiesel ethanol is locally produced from soybeans grown in the area, and Owensboro has emerged as an international leader in biotechnology research. A large mortgage processing firm and two natural gas transmission corporations also call Owensboro home. A large utility company has recently completed construction of its new corporate headquarters in the downtown area, creating a \$100 million-plus impact on the community, with 120 employees and an annual payroll of \$14 million a year. The same company has also begun construction on a new \$30 million operations center on the west side of town with an additional 145 jobs.

The City is active in promoting economic development, as new developmental job growth is necessary to ensure the continued stability of the City's revenue base. Economic indicators and trends reflect growth in the area's economy and workforce compared to the previous year. As of June 2025, area employment over the prior twelve months averaged 44,829, an increase of 7.9% from the prior year average. The June 2025 unemployment rate was 4.6%, lower than the prior year rate of 5.2%, and the State rate of 4.9%, but slightly higher than the U.S. rate of 4.4%. The total number of Owensboro Municipal Utilities active water and electric meters was slightly higher and has been steady for several years, with much of the recent construction in the city occurring in areas served by Kenergy and the local water district. The rate of construction of new single-family housing increased by almost 41% from the prior year. The value of new non-residential projects decreased about 50% from last year's total.

The City of Owensboro pursues an aggressive annexation policy to ensure continued growth and development. Much of the City's long-term industrial growth potential lies in the Carter Road/Airport Corridor, anchored by the 400-acre MidAmerica Airpark. The City coordinated with the Greater Owensboro Economic Development Corporation to complete MidAmerica Airpark, which includes Airpark and Unifirst Drives and extensions of Tamarack Road and Southtown Boulevard. This has proven to be a valuable tool for attracting new industry to Owensboro. In recent years, a local expansion to the Airpark of a national mortgage processing company brought over 800 jobs to three new buildings. The Owensboro-Daviess County Regional Airport has completed facility and terminal expansions valued at over \$40 million. Direct flights to Chicago make Owensboro a hub for convenient and cost-effective transportation, and round-trip daily flights from Owensboro to Chicago serve a vital connection to cities nationwide. The overall outlook for the area's economy remains bright due to its diversification.

In recent years, the City completed construction of a \$40 million Riverfront Development project which was funded mostly through a federal grant. The project included a river wall, a signature fountain, children's playground and spraypark, and significant additional green space for Smothers Park. In 2015, this "Lazy Dayz" playground was named the #1 playground in the world by the Landscape Architects Network, one of the 10 best playgrounds in the United States by USA Today, and 18th best playground in America by Early Childhood Education Zone.





The City completed a \$99 million downtown redevelopment and revitalization project, partnering with Daviess County Fiscal Court in the development and financing of this project, with the City sponsoring \$79 million of the project and the County sponsoring the remaining \$20 million. A \$55.5 million convention and events center overlooking the Ohio River opened in January 2014, and shortly thereafter two privately-developed hotels with 270 total rooms opened nearby at a total cost of over \$35 million. A third \$50 million 5-story hotel/apartment/parking complex is scheduled to bring another 121

hotel rooms, 180 apartments, and 245 parking garage spaces to this area of downtown.

A 437-space parking garage opened in November 2018 to serve parking needs of the convention center and the nearby hotels. Other new construction in the area includes a corporate headquarters and multiple residential buildings on available riverfront property, with additional property available for future development. In 2015, *Southern Business & Development Magazine* included Owensboro on their list of “10 Great Southern Downtowns That Are Worth A Visit.”

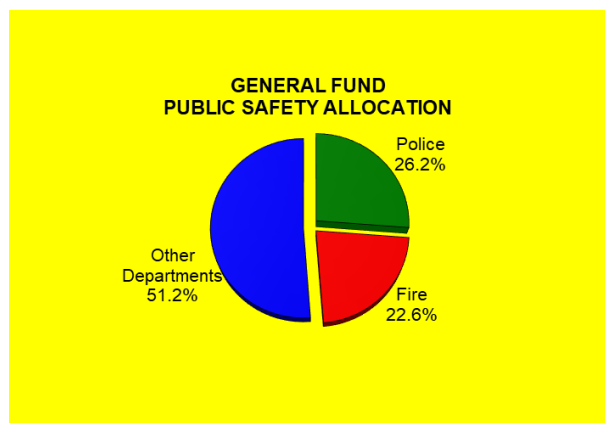
In 2018, the City activated two separate Tax Increment Financing (TIF) project areas in partnership with the Commonwealth of Kentucky. The Downtown Riverfront TIF project continues revitalization of downtown through public and private investment expected to reach \$153.9 million. The Gateway Commons TIF project on 208 acres of annexed land includes total investment of \$198.9 million and is projected to generate \$128.6 million of eligible state and local tax revenues over a 20-year period.

Communications

The citizens of Owensboro and surrounding counties are served by the Owensboro *Messenger-Inquirer* daily print newspaper service and online daily news source the *Owensboro Times*. The Owensboro area is served by many radio stations and by affiliate stations of the four major television networks (ABC, CBS, FOX, and NBC). Cable television service is provided by Spectrum. Owensboro is home to a United States Post Office, with branch offices throughout the City.

Public Safety

The City is committed to excellence from its Police (OPD) and Fire (OFD) Departments. Emergency response times average 4.21 minutes for OPD and 3.10 minutes for OFD, in accordance with the National Fire Protection and United States Insurance Service Offices recommendations. Our combined City-County Central Dispatch Center helps ensure efficient and effective Public Safety dispatch services throughout the county. This chart illustrates General Fund expenditure percentages for public safety and all other departments, not including capital projects funding. Police and Fire account for 48.8% of the General Fund expenditure budget.



Education

Quality education is a priority for the City of Owensboro. Education facilities in the area abound, with city, county and parochial school systems providing elementary, middle and high school students with quality education. The average student-teacher ratio for these systems is 20-25:1.

The Owensboro Community and Technical College, an institute for higher learning, offers two-year Associate of Arts and Science degrees, several doctoral degree programs via telecommunications and vocational education.

Brescia University and Kentucky Wesleyan College are four-year education institutions offering Bachelors of Science and Art degrees. Graduate programs are offered locally by Brescia, Western Kentucky University and Murray State University. Western Kentucky University-Owensboro offers a host of undergraduate and graduate degree programs on their recently expanded Owensboro Campus. These programs provide area residents with the opportunity to earn post-graduate degrees without leaving the city.

Owensboro is proud of the Ford Government Gallery located at the Owensboro Museum of Science and History. The late Senator Wendell H. Ford, who was a local resident, donated memorabilia from his long political career to the Gallery. The Gallery includes a replica of his Senate office, a rotunda, and a 70-seat "Senate chamber" used for community, school meetings and lectures. It is equipped with computer and television connections to Washington, D.C. and Frankfort, KY.

Medical Facilities

Owensboro Health is a community-based, not-for-profit regional health system covering 18 counties in Western Kentucky and Southern Indiana. The health system's mission is to heal the sick and to improve the health of the communities it serves, a population of nearly 400,000 people. Its \$385 million state-of-the-art flagship hospital facility (licensed for 477 beds and pictured to the right) officially opened in Owensboro June 1, 2013. It also operates separate Kentucky hospitals in Greenville and Leitchfield, as well as additional Healthplexes to serve the communities of Henderson, Madisonville and Powderly.



Owensboro Health Regional Hospital (OHRH) offers a variety of medical services, and patients consistently benefit from quality care. OHRH was rated among the Top 10 Employers on the Forbes list of America's Best-in-State Employers 2023 list. US News & World Report named OHRH a 2022-2023 High Performing Hospital, the highest rating available for the care of heart attacks, strokes, COPD and kidney failure. OHRH also earned the 2019 Excellence in Healthcare Facilities Management Award—the first time a Kentucky hospital has ever received this award. Owensboro Health was one of only two recipients of the 2019 Strata Decision LEAP (Lead, Excel, Achieve, and Progress) Award, recognizing healthcare organizations for outstanding performance in the areas of finance and strategy to benefit both their organization and the communities they serve. In recent years, OHRH has been ranked in the top 5 percent for clinical excellence by Healthgrades, a leading healthcare rating firm, including top 2 percent for 2014. Among many services and accomplishments, Owensboro Health also leads two key initiatives for cancer research in the

Owensboro region. The Owensboro Health Mitchell Memorial Cancer Center is accredited as a Comprehensive Cancer Center, the highest endorsement awarded to any community hospital from the Commission on Cancer of the American College of Surgeons, confirming that Owensboro Health provides the highest level of care in the diagnosis and treatment of cancer. OHRH just celebrated the fifteenth anniversary of its Level III Neonatal Intensive Care Unit (NICU), which is the largest of its kind in the region and can tend to babies of any weight born as early as 27 weeks of gestation.

Recreation and Culture

The new, high-tech public library serves the community well with a collection of 197,000 books, 28,000 audio and DVD items, a digital collection of over 55,000 items, and access to 31 online databases. Owensboro Museum of Science and History maintains community interest in the natural sciences and area history. Art lovers benefit from the Owensboro Museum of Fine Art, which now features an Atrium Sculpture Court, a restored Civil War-era mansion, a priceless collection of German stained glass windows, and the Kentucky Spirit Galleries. These institutions are recognized as being among the finest in western Kentucky. In Fall 2018, the Bluegrass Music Hall of Fame & Museum moved into a new \$15.4 million facility in downtown Owensboro.



Owensboro offers wide ranges of recreational and cultural activities to its citizens, who enjoy everything from fishing on nearby lakes to live performances of the Owensboro Symphony Orchestra, one of the finest in the state. Municipal parks provide areas for picnicking, family gatherings, golf, hiking, tennis, softball, football, soccer, fishing, and just plain relaxing. Other water sports may be enjoyed on the Ohio River. Whether walking, running or biking for fun or exercise, the City's Greenbelt offers a safe route for its residents and visitors.

The City maintains two swimming pools and three sprayparks (shallow water play areas specially built for small children). Cravens Pool was renovated and reopened in the Fall of 2024. Legion Park is one of our community's finest parks and includes a spraypark, basketball courts, a foot soccer court, a walking trail, a dog park, two covered shelters perfect for gatherings and family reunions, and one of the city's best playgrounds. This playground was recently updated with GameTime equipment including over 80 play options and a zipline. Adult fitness equipment is located adjacent to the playground so adults can get fit while their children are playing.

As previously mentioned, Smothers Park was greatly expanded and enhanced with additional green space, a signature fountain, and a large children's playground/spraypark complex as part of a recent Riverfront Development Project. This is connected to the new riverfront convention center area by the Mitch McConnell Plaza and Walkway, also a recent addition. Owensboro is indebted to Senator McConnell for his loyalty and dedication to the City and its ambitious riverfront projects. The City has dedicated the plaza and walkway in his honor.



The RiverPark Center, a 100,000 square foot performing arts and civic center, boasts a 1,500 seat multi-purpose auditorium, an experimental theatre, a riverfront plaza, an open-air courtyard, and meeting/reception rooms. Each year, the RiverPark Center hosts hundreds of performance and civic events. Other community activities include music, theatre and art. Cultural activities play a major role in the everyday lives of Owensboro's residents. The City funds many cultural agencies in part.



Friday After 5 is a weekly series of free outdoor concerts held on the riverfront beginning at the RiverPark Center and continuing west over several city blocks past the convention center to the Holiday Inn Riverfront. The event began in 1996 with ten weekly Friday evening concerts. It has grown to a summer-long signature event for the tri-state area hosting more than 70,000 visitors and runs from May to September. The festival includes live bands, interactive events for families, entertainment and crafts each Friday after 5:00 p.m. until 11:30 p.m.

Owensboro hosts many festivals throughout the year. Each festival is unique and designed for the whole family. The largest of these is BBQ & Barrels, formerly known as the International Bar-B-Q Festival, which is hosted on the Ohio Riverfront in May of each year. Owensboro has over 150 years of barbecuing experience and boasts of being the Bar-B-Q Capital of the World. The BBQ & Barrels Festival is packed with food, music, dance, and a variety of vendor booths. The Bluegrass Music Hall of Fame & Museum's annual ROMP Fest draws thousands of music lovers to its 4-day event each summer, celebrating the roots and branches of Bluegrass music.



The Fourth of July ushers in Owensboro's next big celebration, with festivities and family fun. The celebration begins with live music and concludes with a large firework show on the riverfront. In addition, there are three locations throughout the City with simultaneously launched fireworks where spectators listen to the soundtrack of the choreographed show. Various other festivals are celebrated during the year, including Pumpkin & Pickles and Harvest Festivals each fall.

Owensboro organizes a variety of events to help people connect and get involved. The City has sponsored an airshow in late summer at the airport and over the downtown riverfront. Both the U.S. Navy Blue Angels and the U.S. Air Force Thunderbirds have been featured performers at this airshow, with the Blue Angels making their third appearance in 2024. August 2022 saw the return of the Owensboro Hydrofair, featuring hydroplane races on the Ohio River at Owensboro for the second time since the late 1970's. New for 2025 will be Illuminate, an art and light experience throughout downtown with a nightly drone show.



Owensboro has been awarded the designation of Sports Illustrated "Sportstown" as the state's top location for community sports and recreation. As a City representative at the time was quoted in the Sports Illustrated article: "Sports are a huge focus here in Owensboro and we try to appeal to everyone at all stages of life — from t-ball to adult softball to activities for seniors. Our goal is to help residents have a positive, lifelong relationship with sports." Owensboro is continuing to promote this goal with the new Indoor Sports Facility. This 80,000 square foot facility will have seven basketball courts that will be adaptable for other sports, including volleyball, cheerleading, pickleball, futsal, and archery. The Indoor Sports Facility is expected to open by June 2026. The City of Owensboro works to drive sports and recreation tourism, hosting events and tournaments, resulting in an average of \$11-\$17 million in economic impact annually.

The Owensboro Sportscenter, a 5,000-seat, air-conditioned auditorium/arena, is home to local high school and college basketball. The City has several times hosted the NCAA Division II Men's "March Madness" Basketball Tournament and the Kentucky 3rd Region Boys' and Girls' High School Basketball Tournament at this site.

Owensboro high schools participate in all major team sports offered by the Kentucky High School Athletic Association, and often at least one of these schools is in serious contention for state champion for various sports. Owensboro High School won its fourth boys high school state basketball championship in 2015. The Owensboro Rampage high school ice hockey team won Kentucky High School Hockey League state titles in 2012, 2016, 2020, 2021, 2022, and 2024.

The Kentucky Wesleyan College basketball team has been referred to as the "UCLA of Small College Basketball." The Panthers have historically been a perennial powerhouse in NCAA's small college basketball ranks and have won eight NCAA II National Tournaments.



The Owensboro softball complex, located in Jack C. Fisher Park, has been the site of more than 30 national level softball and baseball world series' and championships since 2001. The complex is a multiple recipient of the NSA Outstanding Park Award, and the City has received the ASA James Ferrall Award of Excellence on tournament operations multiple times since 2001. The City successfully hosted the three largest Amateur Softball Association's (ASA) National Championships in the history of the ASA, each with more than 140 teams participating.

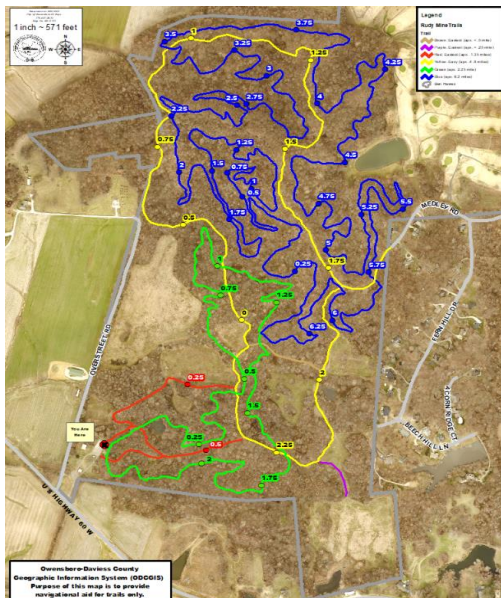
The Owensboro Parks and Recreation Department, in partnership with Owensboro Catholic High School, was awarded the honor of hosting the KHSAA Girls Fast Pitch Softball State Championship in 2004, 2005, and 2008 through 2018. Anything more than a three-year award to the same host community is

unprecedented in the history of the event, and the renewal for eleven consecutive years speaks volumes regarding the caliber of our facilities and staff. The Owensboro Catholic Lady Aces have earned five state fast-pitch softball titles since 1998.

On weeknights throughout the season, the softball complex is home to 450 youth t-ball players, 100 youth baseball players, and 1,200 adult softball players. These leagues are coordinated by the Owensboro Parks and Recreation Department. A \$2.95 million makeover of the softball complex was completed in 2020, including a new sign, ticketing entrance, batting cages, playground, and expanded parking. The fields now have improved drainage systems and synthetic turf infields, making them much easier to maintain for continued play and allowing for use the majority of the year. The complex has seen growth in both the amount of tournaments hosted and organizations utilizing the facilities.

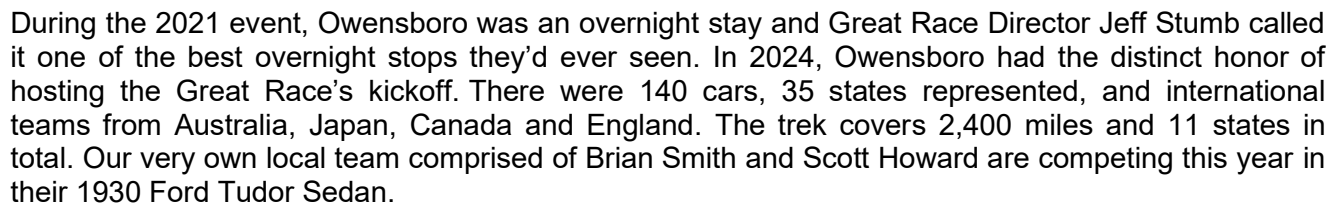


All Owensboro residents (children, teens, adults, and seniors) have many recreational options, including golf, tennis, pickleball, softball, volleyball, ice-skating, soccer, football, baseball, street soccer, and basketball. There are also developmental and instructional programs in t-ball, soccer, cheerleading, tumbling, tennis, golf, tae-kwon do, baseball, softball, volleyball, ice-skating, swimming, and fishing. The City opened its new Edge Ice Arena in August 2009, replacing a facility that had been built in 1963. Owensboro Youth Hockey Association, Inc. is open to youth ages 4-18. The Owensboro Youth Soccer League involves youth ages 6-19 during spring and fall seasons. Recently, one underutilized tennis court was converted to a street soccer facility, which sees much play and has hosted tournaments. Another tennis court has been converted for pickleball, a rapidly-expanding sport similar to tennis. Owensboro Youth Baseball develops young people ages 6-18 in baseball. In 2014, the City opened a new 14,000 square foot Skate Park, and in 2015, a new indoor-outdoor 15-court tennis complex was opened. The United States Tennis Association (USTA) presented the Owensboro Parks and Recreation Department with two awards in 2024, The USTA Southern Outstanding Parks and Recreation Department and the USTA KY Outstanding Parks and Recreation Department Award.



Owensboro's 2010 purchase of Ben Hawes Park from the State of Kentucky allowed for further enhancement of recreational facilities in the area, among them is the Rudy Mines Mountain Bike Trail, 8.2 miles mountain biking and 4 miles of hiking trails and a Soap Box Derby Track. Rudy Mines allows the public to enjoy a little bit of the country on either one of the double track hiking trails. The trails will be revamped in the upcoming budget year to preserve and continue to provide recreational enjoyment for our citizens.

In 2019, the City opened its first dog park on 1.6 acres within Legion Park. The Castlen Dog Park was funded by donations and sponsorships from the public, and it features separate areas for small and large dogs.



A refugee resettlement agency has had an Owensboro office since 2009 and have assisted over 3,500 refugees that have arrived in Owensboro, the majority from Burma, Somalia, and Afghanistan.

Owensboro operates under a City Manager form of government. The Board of Commissioners includes our Mayor and four Commissioners. Citizens elect the Commissioners at large on a non-partisan ballot. The Mayor is elected for a four-year term and the Commissioners for two-year terms. The Mayor and Commissioners have equal voting power. The Commission sets the policies that govern the City. It appoints citizen advisory groups that help in the decision-making process. The City Manager is appointed by the Board and is responsible for the day-to-day operations of City employees. Department managers are responsible for their various departments and report to the City Manager.

CITY OF OWENSBORO, KENTUCKY
Statistical Section Objectives

The statistical section of our report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	153-159
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources.	160-163
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	164-167
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	168-169
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	170-172

Sources: Unless otherwise noted, the information in this section is derived from the comprehensive annual financial report for the relevant year. The City implemented GASB Statement No. 54 in 2010.

Schedule 1

CITY OF OWENSBORO
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$ 71,226,488	\$ 58,035,347	\$ 85,881,234	\$ 76,368,322	\$ 69,816,187	\$ 76,380,304	\$ 76,057,495	\$ 44,075,870	\$ 78,531,479	\$ 88,866,937
Restricted	20,558,893	35,381,751	41,030,114	36,034,801	37,310,871	36,004,148	34,471,741	67,224,766	59,074,763	29,767,381
Unrestricted	(10,417,214)	(17,484,235)	(45,867,301)	(33,714,221)	(36,468,516)	(34,830,704)	(29,552,566)	(23,977,882)	(38,907,112)	1,790,544
Total governmental activities net position	\$ 81,368,167	\$ 75,952,863	\$ 81,044,047	\$ 78,688,902	\$ 70,658,542	\$ 77,553,748	\$ 80,976,670	\$ 87,322,954	\$ 98,699,130	\$ 120,424,862
Business-Type activities										
Net investment in capital assets	\$ 3,319,301	\$ 2,832,721	\$ 3,048,650	\$ 2,513,370	\$ 3,115,066	\$ 4,202,182	\$ 5,817,038	\$ 6,718,693	\$ 7,587,550	\$ 7,053,053
Restricted	-	-	-	-	1,280,282	1,340,164	-	383,823	776,574	502,527
Unrestricted	10,443,827	12,429,800	14,301,945	17,584,114	18,786,184	20,920,694	26,451,760	29,189,825	28,679,118	30,273,931
Total business-type activities net position	\$ 13,763,128	\$ 15,262,521	\$ 17,350,595	\$ 20,097,484	\$ 23,181,532	\$ 26,463,040	\$ 32,268,798	\$ 36,292,141	\$ 37,043,242	\$ 37,829,511
Primary government										
Net investment in capital assets	\$ 74,545,789	\$ 60,868,068	\$ 88,929,884	\$ 78,881,692	\$ 72,931,253	\$ 80,582,486	\$ 81,874,533	\$ 50,794,563	\$ 86,119,029	\$ 95,919,990
Restricted	20,558,893	35,381,751	41,030,114	36,034,801	38,591,153	37,344,312	34,471,741	67,608,389	59,851,337	30,269,908
Unrestricted	26,613	(5,034,435)	(31,565,356)	(16,130,107)	(17,682,332)	(13,910,010)	(3,100,806)	5,212,143	(10,227,994)	32,064,475
Total primary government net position	\$ 95,131,295	\$ 91,215,384	\$ 98,394,642	\$ 98,786,386	\$ 93,840,074	\$ 104,016,788	\$ 113,245,468	\$ 123,615,095	\$ 135,742,372	\$ 158,254,373

Schedule 2

CITY OF OWENSBORO
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government										
Public safety	\$ 12,057,045	\$ 12,523,892	\$ 12,275,046	\$ 13,926,173	\$ 16,320,121	\$ 14,387,759	\$ 13,929,987	\$ 14,221,970	\$ 20,550,304	\$ 16,451,301
Public works	23,698,594	25,332,284	29,760,594	32,134,068	36,426,414	36,521,834	32,837,919	34,731,305	34,752,159	32,735,658
Community and cultural	8,023,489	8,174,725	9,659,970	10,168,239	11,385,694	12,051,440	9,972,742	11,040,398	9,298,430	12,086,539
Community/economic development	12,340,552	14,348,152	14,652,874	15,654,040	15,510,760	14,229,456	16,224,578	16,278,532	15,692,968	17,088,830
Interest on long-term debt	2,643,392	2,748,147	1,904,167	2,399,082	2,417,981	2,602,842	7,014,021	3,930,015	4,614,212	5,885,423
Total governmental activities expenses	5,376,681	5,421,113	5,177,589	5,001,882	4,237,525	3,787,339	3,546,266	3,299,886	4,367,742	4,066,407
	64,139,753	68,548,313	73,430,240	79,283,484	86,298,495	83,590,670	83,525,513	83,502,106	89,275,815	88,314,158
Business-Type activities:										
Sanitation	5,881,661	6,320,520	6,168,818	6,420,671	6,559,647	6,382,133	6,700,739	6,921,600	7,535,067	7,785,618
Transit	2,454,465	2,454,835	2,170,455	2,338,521	2,470,722	2,799,450	3,445,475	3,319,356	3,589,061	3,715,222
Geographic information system	429,385	386,654	408,314	434,701	466,899	473,735	499,397	524,076	600,425	548,698
Convention Center Operations	2,378,892	4,067,132	4,063,694	4,467,443	4,360,646	3,784,256	3,967,785	4,230,079	4,985,140	5,512,697
Recreation	3,135,933	2,649,215	2,504,145	2,638,077	2,531,311	2,677,278	3,017,106	3,070,713	3,624,510	3,925,636
Sportscenter Operations	-	139,565	643,697	813,928	1,038,904	1,338,699	1,462,046	1,541,751	1,633,899	1,923,984
Total business-type activities expenses	14,280,336	16,017,921	15,959,123	17,113,341	17,428,129	17,455,551	19,092,548	19,607,575	21,968,102	23,411,855
Total primary government expenses	\$ 78,420,089	\$ 84,566,234	\$ 89,389,363	\$ 96,396,825	\$ 103,726,624	\$ 101,046,221	\$ 102,618,061	\$ 103,109,681	\$ 111,243,917	\$ 111,726,013

Schedule 2

CITY OF OWENSBORO
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,536,628	\$ 1,540,833	\$ 1,668,690	\$ 1,776,170	\$ 1,292,049	\$ 1,372,135	\$ 1,607,811	\$ 2,292,163	\$ 2,578,484	\$ 2,998,628
Public safety	1,122,692	1,293,622	1,370,241	1,511,032	1,482,425	1,389,567	1,452,131	1,557,554	1,777,018	1,851,150
Public works	40,034	95,877	99,398	109,595	54,305	40,295	47,378	136,626	113,725	162,120
Community and cultural	225,812	243,243	209,796	241,138	121,698	116,225	214,022	243,898	251,271	275,386
Community/economic development	1,026,603	1,031,165	1,020,451	1,104,132	1,103,412	966,356	953,471	955,291	953,191	953,111
Operating grants and contributions	364,181	1,414,590	650,420	1,090,247	1,029,486	13,163,607	8,170,673	949,272	1,288,145	1,160,008
Capital grants and contributions	36,104,114	250,000	-	-	-	113,907	-	-	-	8,000
Total governmental activities program revenues	40,420,064	5,869,330	5,018,996	5,832,314	5,083,375	17,162,092	12,445,486	6,134,804	6,961,834	7,408,403
Business-type activities:										
Charges for services:										
Sanitation	7,370,383	7,435,484	7,390,612	7,522,096	7,573,650	7,707,634	7,857,272	7,981,244	8,065,289	8,193,173
Transit	130,112	102,623	115,977	140,024	91,662	3,588	37,044	101,041	103,907	118,697
Geographic information system	295,667	285,787	307,260	319,885	323,316	347,915	379,340	360,331	434,475	427,981
Convention Center Operations	1,716,131	3,281,257	3,100,098	3,673,480	3,125,438	2,033,331	3,049,075	3,160,072	3,841,793	3,848,873
Recreation	1,804,377	1,488,243	1,423,815	1,434,706	1,215,508	1,275,012	1,573,946	1,823,809	1,976,136	2,068,627
Sportscenter Operations	-	-	316,862	503,834	593,657	777,129	841,648	1,026,743	994,149	1,128,684
Operating grants and contributions	881,430	922,823	899,713	1,057,371	1,685,354	1,483,476	2,797,311	1,178,812	1,721,086	1,088,544
Capital grants and contributions	264,864	296,263	447,235	423,250	450,288	1,007,261	1,838,395	1,357,766	401,300	1,194,536
Total business-type activities program revenues	12,462,964	13,812,480	14,001,572	15,074,546	15,058,873	14,635,346	18,374,031	16,989,818	17,538,135	18,069,115
Total primary government program revenues	\$ 52,883,028	\$ 19,681,810	\$ 19,020,568	\$ 20,906,960	\$ 20,142,248	\$ 31,797,438	\$ 30,819,517	\$ 23,124,622	\$ 24,499,969	\$ 25,477,518
Net (expense) revenue										
Governmental activities	\$ (23,719,689)	\$ (62,678,983)	\$ (68,411,244)	\$ (73,451,170)	\$ (81,215,120)	\$ (66,428,578)	\$ (71,080,027)	\$ (77,367,302)	\$ (82,313,981)	\$ (80,905,755)
Business-type activities	(1,817,372)	(2,205,441)	(1,957,551)	(2,038,695)	(2,369,256)	(2,820,205)	(718,517)	(2,617,757)	(4,429,967)	(5,342,740)
Total primary government net expense	\$ (25,537,061)	\$ (64,884,424)	\$ (70,368,795)	\$ (75,489,865)	\$ (83,584,376)	\$ (69,248,783)	\$ (71,798,544)	\$ (79,985,059)	\$ (86,743,948)	\$ (86,248,495)

Schedule 2

CITY OF OWENSBORO
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (accrual basis of accounting)

General Revenues and Other Changes in Net Position:										
Governmental activities:										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Taxes										
Property taxes	\$ 10,326,162	\$ 10,724,339	\$ 10,951,519	\$ 11,306,177	\$ 11,743,623	\$ 12,536,038	\$ 13,148,827	\$ 13,647,896	\$ 14,296,489	\$ 14,866,994
Occupational license taxes	18,292,666	18,816,777	24,228,968	25,267,717	26,177,778	27,403,790	29,658,697	30,729,185	32,197,861	33,109,776
Net profit license taxes	3,017,508	3,850,957	4,418,349	5,481,032	5,182,182	6,056,203	5,777,629	7,432,335	8,131,184	8,517,801
Regulatory taxes	8,818,772	8,819,470	9,182,849	10,825,575	11,685,045	11,242,943	12,523,914	13,308,405	14,839,197	16,717,150
Payments in lieu of taxes from component unit	2,493,330	2,670,618	2,596,009	2,598,448	2,650,357	2,582,188	2,912,621	2,970,110	3,095,756	3,201,776
Investment earnings	486,956	504,883	843,703	1,395,770	1,232,256	650,226	(1,228,775)	2,810,693	5,929,844	5,725,116
Unrestricted grants and contributions	2,085,495	2,061,368	2,147,882	3,823,386	4,474,650	3,882,116	5,254,171	5,128,897	5,577,871	5,609,453
Gain on sale of assets	22,662	532,369	196,978	908,194	76,233	112,021	916,521	84,473	7,806	116,981
Investment in joint venture	(153,877)	(247,350)	593,133	1,126,196	357,671	(209,470)	(339,255)	951,582	480,165	1,152,314
Miscellaneous	3,629,767	5,082,403	6,540,543	3,659,531	5,243,410	5,015,769	2,692,330	2,974,351	3,286,836	8,164,922
Dividends from component unit	7,211,243	7,277,149	7,647,203	8,146,508	8,325,171	8,258,300	8,196,008	8,388,408	8,585,618	8,787,759
Transfers	(2,306,631)	(2,829,304)	(3,125,154)	(3,442,509)	(3,963,616)	(4,206,340)	(5,009,739)	(4,712,749)	(2,738,470)	(3,338,555)
Total governmental activities	53,904,053	57,263,679	66,221,982	71,096,025	73,184,760	73,323,784	74,502,949	83,713,586	93,690,157	102,631,487
Business-type activities:										
Investment earnings	101,584	99,485	152,766	363,698	359,914	163,312	(285,681)	768,760	1,020,515	1,010,036
Unrestricted grants and contributions	230,126	233,865	232,876	242,110	226,132	163,851	680,733	292,029	290,747	309,543
Gain on sale of assets	225,337	95,025	103,093	166,043	-	313,413	76,041	283,620	327,751	18,456
Miscellaneous	541,871	373,196	431,736	571,224	903,642	1,254,797	1,043,443	583,942	803,585	1,452,419
Transfers	2,306,631	2,903,263	3,125,154	3,442,509	3,963,616	4,206,340	5,009,739	4,712,749	2,738,470	3,338,555
Total business-type activities	3,405,549	3,704,834	4,045,625	4,785,584	5,453,304	6,101,713	6,524,275	6,641,100	5,181,068	6,129,009
Total primary government	\$ 57,309,602	\$ 60,968,513	\$ 70,267,607	\$ 75,881,609	\$ 78,638,064	\$ 79,425,497	\$ 81,027,224	\$ 90,354,686	\$ 98,871,225	\$ 108,760,496
Change in Net Position										
Governmental activities	\$ 30,184,364	\$ (5,415,304)	\$ (2,189,262)	\$ (2,355,145)	\$ (8,030,360)	\$ 6,895,206	\$ 3,422,922	\$ 6,346,284	\$ 11,376,176	\$ 21,725,732
Business-type activities	1,588,177	1,499,393	2,088,074	2,746,889	3,084,048	3,281,508	5,805,758	4,023,343	751,101	786,269
Total primary government	\$ 31,772,541	\$ (3,915,911)	\$ (101,188)	\$ 391,744	\$ (4,946,312)	\$ 10,176,714	\$ 9,228,680	\$ 10,369,627	\$ 12,127,277	\$ 22,512,001

Schedule 3

**CITY OF OWENSBORO
GENERAL GOVERNMENTAL REVENUES BY SOURCE
Last Ten Fiscal Years**

FISCAL YEAR	TOTAL	PROPERTY TAXES	LICENSES AND PERMITS	INTER- GOVERNMENTAL REVENUES	CHARGES FOR				INVESTMENT EARNINGS	MISC. OTHER REVENUES
					SERVICES - GENERAL GOVERNMENT	FINES AND FORFEITS				
2016	\$ 63,375,677	\$ 10,326,162	\$ 30,606,359	\$ 12,582,476	\$ 872,945	\$ 95,306	\$ 441,972	\$ 8,450,457		
2017	64,385,335	10,724,339	32,004,997	14,071,144	868,669	80,489	519,810	6,115,887		
2018	68,213,898	10,951,519	38,545,539	13,713,745	893,439	72,455	843,703	3,193,498		
2019	75,994,656	11,306,177	42,247,198	16,468,098	916,030	94,518	1,395,770	3,566,865		
2020	77,430,450	11,743,623	43,936,349	15,784,432	2,224,223	62,854	1,232,256	2,446,713		
2021	91,160,624	12,536,038	45,621,176	28,000,118	2,252,137	48,009	650,226	2,052,920		
2022	89,779,330	13,148,828	48,496,826	24,404,406	3,075,719	67,175	(1,228,776)	1,815,152		
2023	92,032,682	13,647,896	52,067,602	17,436,687	3,397,444	67,715	2,810,691	2,604,647		
2024	101,045,692	14,296,489	55,963,607	18,538,189	3,717,655	69,837	5,929,844	2,530,071		
2025	106,903,230	14,866,993	59,091,447	18,767,008	3,827,131	88,613	5,725,114	4,536,924		

Schedule 4

CITY OF OWENSBORO
FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund										
Nonspendable	\$ 67	\$ 38	\$ 61	\$ 34	\$ 115	\$ 155	\$ 137	\$ 114	\$ 53	\$ 50
Restricted	138	1,392	1,898	1,898	1,521	1,559	408	408	406	407
Committed	377	547	-	-	-	-	-	-	-	-
Unassigned	9,127	6,928	9,306	15,013	17,335	25,273	28,843	35,103	42,788	43,495
Total General Fund	\$ 9,709	\$ 8,905	\$ 11,265	\$ 16,945	\$ 18,971	\$ 26,987	\$ 29,388	\$ 35,625	\$ 43,247	\$ 43,952
All other governmental units										
Restricted	\$ 20,432	\$ 33,990	\$ 39,132	\$ 31,862	\$ 28,020	\$ 31,463	\$ 31,801	\$ 59,438	\$ 48,913	\$ 40,012
Committed	4,624	3,567	4,856	7,542	7,747	9,273	9,211	15,795	16,970	14,826
Assigned	-	-	(2)	-	2,500	3,258	4,284	-	138	175
Unassigned	-	-	-	(83)	(6)	-	-	-	(115)	-
Total all other government funds	\$ 25,056	\$ 37,557	\$ 43,986	\$ 39,321	\$ 38,261	\$ 43,994	\$ 45,296	\$ 75,233	\$ 65,906	\$ 55,013

Schedule 5

CITY OF OWENSBORO

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Real and personal property taxes	\$ 10,326,162	\$ 10,724,339	\$ 10,951,519	\$ 11,306,177	\$ 11,743,623	\$ 12,536,038	\$ 13,148,828	\$ 13,647,896	\$ 14,296,489	\$ 14,866,993
Occupational licenses	18,292,666	18,816,777	24,228,967	25,267,716	26,177,778	27,403,790	29,658,697	30,729,184	32,197,861	33,109,774
Net profit license fees	3,017,508	3,850,957	4,418,349	5,481,032	5,182,182	6,056,203	5,777,629	7,432,335	8,131,184	8,517,801
Regulatory licenses	8,818,772	8,819,470	9,317,225	10,955,567	11,685,045	11,242,943	12,523,914	13,308,405	14,839,197	16,717,150
Intergovernmental	2,877,903	4,123,377	3,470,533	5,723,142	4,808,904	17,159,630	13,295,775	6,078,169	6,856,815	6,777,473
Interest	441,972	504,883	843,703	1,395,770	1,232,257	650,226	(1,228,776)	2,810,691	5,929,844	5,725,114
Fees, licenses and permits	477,413	517,793	580,998	542,883	891,343	918,240	536,586	597,678	795,365	746,722
Fines and forfeitures	95,306	80,489	72,455	94,518	62,854	48,009	67,175	67,715	69,837	88,613
Rentals	100,861	101,522	1,089,411	1,193,858	1,238,141	1,091,241	1,075,664	1,122,695	1,100,030	1,116,104
Charges for services	872,945	868,669	893,439	916,030	2,224,223	2,252,137	3,075,719	3,397,444	3,717,655	3,827,131
Contributions and donations	6,205,977	1,330,493	56,531	51,188	138,237	12,912	149,703	529,233	301,486	2,530,231
Dividends from component units	7,211,243	7,277,149	7,647,203	8,146,508	8,325,171	8,258,300	8,196,008	8,388,408	8,585,618	8,787,759
Payments in lieu of taxes from component unit	2,493,330	2,670,618	2,596,009	2,598,448	2,650,357	2,582,188	2,912,623	2,970,110	3,095,756	3,201,776
Miscellaneous income	2,143,619	4,698,799	2,047,556	2,321,819	1,070,335	948,767	589,785	952,719	1,128,555	890,589
Total Revenues	63,375,677	64,385,335	68,213,898	75,994,656	77,430,450	91,160,624	89,779,330	92,032,682	101,045,692	106,903,230
Expenditures										
Current:										
General government	10,490,809	11,116,289	9,891,273	10,249,146	10,782,268	11,019,104	11,254,991	11,647,464	17,010,677	14,944,867
Public safety	21,546,175	22,205,055	24,253,472	26,145,686	27,046,175	28,238,306	30,533,438	33,488,850	36,259,522	37,877,791
Public works	6,022,709	6,441,521	7,366,773	7,068,629	7,845,505	7,545,804	7,784,592	8,673,389	7,820,250	9,634,070
Community and cultural	5,483,008	5,294,753	5,532,297	5,170,601	5,636,919	5,524,075	5,772,301	6,516,238	6,493,265	7,304,752
Community/economic development	2,739,068	2,991,944	1,876,680	2,369,586	2,233,341	2,561,653	6,999,246	4,504,438	4,781,308	5,894,635
Capital outlay	7,248,975	6,670,921	14,000,944	8,265,135	5,781,894	4,355,160	5,726,031	7,308,233	12,517,196	22,243,601
Debt service:										
Principal	5,249,513	8,062,924	9,987,703	8,156,487	13,074,258	9,586,144	9,835,721	9,500,467	10,890,383	11,680,472
Interest	4,952,973	4,952,973	5,232,169	5,019,847	1,131,728	3,787,339	3,546,265	3,299,886	4,367,741	4,066,406
Insurance costs	166,030	278,974	-	-	-	-	-	487,397	-	-
Total Expenditures	63,899,260	68,015,354	78,141,311	72,445,117	74,132,088	72,617,585	81,452,585	85,426,382	100,140,342	113,646,594
Excess (deficiency) of revenues over expenditures	(523,583)	(3,630,019)	(9,927,413)	3,549,539	3,298,362	18,543,039	8,326,745	6,606,300	905,350	(6,743,364)
Other financing sources (uses):										
Sale of capital assets	31,417	532,369	196,978	908,194	76,234	112,021	1,045,590	84,473	7,806	116,698
Issuance of debt	10,728,666	17,418,523	-	-	-	-	-	33,580,000	-	-
Refunding bond issue	-	-	-	-	65,290,000	-	-	-	-	-
Payment to bond refunding escrow	(4,455,272)	-	-	-	(64,264,384)	-	-	-	-	-
Premiums on bonds issued	309,678	280,476	-	-	133,830	-	-	1,221,172	-	-
Transfers in	11,609,493	12,000,366	15,033,745	12,149,099	16,031,107	13,213,151	18,480,900	13,681,276	30,946,637	19,814,570
Transfers out	(13,532,587)	(14,903,642)	(18,158,899)	(15,591,608)	(19,599,269)	(18,119,490)	(24,150,639)	(18,999,025)	(33,565,007)	(23,375,124)
Total Other Financing Sources (Uses)	4,691,395	15,328,092	(2,928,176)	(2,534,315)	(2,332,482)	(4,794,318)	(4,624,149)	29,567,896	(2,610,564)	(3,443,856)
Net change in fund balances	\$ 4,167,812	\$ 11,698,073	\$ (12,855,589)	\$ 1,015,224	\$ 965,880	\$ 13,748,721	\$ 3,702,596	\$ 36,174,196	\$ (1,705,214)	\$ (10,187,220)
Debt service as a percentage of non-capital expenditures	18.0%	21.7%	23.7%	20.3%	20.6%	19.9%	17.3%	16.5%	16.6%	17.0%

Schedule 6

**CITY OF OWENSBORO
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years**

FISCAL YEAR	ASSESSED VALUE					TOTAL DIRECT TAX RATE	ESTIMATED ACTUAL VALUE		PERCENT ASSESSED TO ESTIMATED VALUE ²
	REAL ESTATE	PERSONAL PROPERTY ¹	FRANCHISE	BANK DEPOSITS	TOTAL				
2016	\$ 2,895,178,798	\$ 324,995,786	\$ 55,438,357	\$ 3,173,809,995	\$ 6,449,422,936	0.5224	\$ 6,697,220,079		96.3%
2017	3,009,034,677	340,470,231	67,106,282	2,606,444,488	6,023,055,678	0.5158	6,525,520,778		92.3%
2018	3,102,696,394	359,094,721	64,687,577	2,239,124,619	5,765,603,311	0.5150	6,342,797,922		90.9%
2019	3,214,327,234	337,315,942	69,227,141	2,498,123,125	6,118,993,442	0.5469	6,814,023,878		89.8%
2020	3,347,793,626	361,190,878	72,127,520	2,270,382,959	6,051,494,983	0.5334	6,939,787,825		87.2%
2021	3,549,574,775	364,774,946	74,307,895	2,540,043,781	6,528,701,397	0.5427	7,368,737,468		88.6%
2022	3,724,513,291	321,322,365	81,208,585	2,486,366,341	6,613,410,582	0.5942	7,188,489,763		92.0%
2023	3,893,965,799	417,048,199	90,429,786	2,355,543,534	6,756,987,318	0.5401	8,629,613,433		78.3%
2024	4,074,789,740	397,780,158	95,566,157	2,256,654,641	6,824,790,696	0.5348	8,467,482,253		80.6%
2025	4,353,785,517	409,919,089	86,865,441	2,424,175,977	7,274,746,024	0.5435	9,302,744,276		78.2%

¹Assessment on motor vehicles are not included as the State of Kentucky collects the taxes when vehicles are licensed.

²Source: Property Valuation Administration- Letter from State of KY to PVA "Final Sales Ratio Study Results for The YEAR Assessment Year."

Schedule 7

**CITY OF OWENSBORO
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
Cents Per \$100 of Net Assessed Valuation
Last Ten Fiscal Years**

REAL PROPERTY:

Fiscal Year	DIRECT		OVERLAPPING					CITY RESIDENT TOTALS ¹		
	City	State	County	Health	Extension	Library	City		In City School District	In County School District
							School District	District		
2016	0.2593	0.1220	0.1360	0.0350	0.00900	0.0640	0.8530	0.6330	1.4783	1.2583
2017	0.2593	0.1220	0.1350	0.0350	0.00882	0.0640	0.8580	0.6480	1.4821	1.2721
2018	0.2620	0.1220	0.1350	0.0400	0.00860	0.0640	0.8610	0.7050	1.4926	1.3366
2019	0.2660	0.1220	0.1350	0.0400	0.00859	0.0640	0.8630	0.7070	1.4986	1.3426
2020	0.2660	0.1220	0.1350	0.0400	0.00859	0.0630	0.8660	0.7150	1.5006	1.3496
2021	0.2640	0.1220	0.1340	0.0400	0.00859	0.0630	0.8490	0.7150	1.4806	1.3466
2022	0.2640	0.1190	0.1340	0.0400	0.00859	0.0620	0.8660	0.7100	1.4936	1.3376
2023	0.2640	0.1150	0.1300	0.0400	0.00900	0.0600	0.8660	0.7100	1.4840	1.3280
2024	0.2640	0.1140	0.1300	0.0400	0.00900	0.0590	0.8680	0.7100	1.4840	1.3260
2025	0.2610	0.1090	0.1290	0.0400	0.00900	0.0570	0.8510	0.7100	1.4560	1.3150

PERSONAL PROPERTY:

Fiscal Year	DIRECT		OVERLAPPING					CITY RESIDENT TOTALS ¹		
	City	State	County	Health	Extension	Library	City		In City School District	In County School District
							School District	District		
2016	0.2631	0.4500	0.1800	0.0350	0.00900	0.0838	0.8530	0.6330	1.8739	1.6539
2017	0.2565	0.4500	0.1789	0.0350	0.00887	0.0839	0.8580	0.6480	1.8712	1.6612
2018	0.2530	0.4500	0.1712	0.0400	0.00859	0.0804	0.8610	0.7050	1.8642	1.7082
2019	0.2809	0.4500	0.1712	0.0400	0.00859	0.0804	0.8630	0.7070	1.8941	1.7381
2020	0.2674	0.4500	0.1637	0.0400	0.00859	0.0757	0.8660	0.7150	1.8714	1.7204
2021	0.2787	0.4500	0.1637	0.0400	0.00859	0.0757	0.8490	0.7150	1.8657	1.7317
2022	0.3302	0.4500	0.1637	0.0400	0.00859	0.0757	0.8660	0.7150	1.9342	1.7832
2023	0.2761	0.4500	0.1384	0.0400	0.00900	0.0639	0.8660	0.7150	1.8434	1.6924
2024	0.2708	0.4500	0.1384	0.0400	0.00920	0.0639	0.8680	0.7150	1.8403	1.6873
2025	0.2825	0.4500	0.0138	0.0400	0.00920	0.0620	0.8510	0.7150	1.7085	1.5725

The Kentucky Revised Statutes state that property tax revenue cannot exceed, excluding new property, 4% of the previous year property.

¹City residents are in either the City School Tax District or the County School Tax District.

Schedule 8

**CITY OF OWENSBORO
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago**

TAXPAYER	TYPE OF BUSINESS	June 30, 2025			June 30, 2016		
		ASSESSED VALUATION ¹	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION OF	ASSESSED VALUATION ¹	RANK	PERCENTAGE OF TOTAL ASSESSED VALUATION OF
Wal-Mart	Retail	\$ 48,906,639	1	1.01%	\$ 51,089,259	2	1.55%
Toyotetsu Midamerica LLC	Manufacturer	35,164,998	2	0.72%	29,625,946	3	0.90%
Atmos Energy Corporation	Utility	34,899,846	3	0.72%	60,030,072	1	1.82%
Owensboro Grain Company LLC	Manufacturer	32,858,258	4	0.68%	18,144,376	8	0.55%
Gateway Retail Partners I LLC	Commercial Rental	31,670,600	5	0.65%	--	--	--
Specialty Food Group LLC	Manufacturer	27,943,441	6	0.58%	--	--	--
Meijer Stores	Retail	21,086,194	7	0.43%	--	--	--
Arg Otoweky001 LLC	Commercial Rental	20,147,767	8	0.42%	--	--	--
Gateway Land LLC	Commercial Rental	19,875,445	9	0.41%	--	--	--
Unifirst Corporation	Manufacturer	19,242,196	10	0.40%	20,806,340	6	0.63%
Town Square Mall, LLC	Mall Development	--	--	--	29,000,000	4	0.88%
Dart Container Corporation	Manufacturer	--	--	--	23,897,682	5	0.72%
AT&T (Bellsouth)	Telecommunications	--	--	--	20,698,321	7	0.63%
Owensboro Towne Center	Mall Development	--	--	--	17,296,264	9	0.52%
Menards	Retail	--	--	--	15,903,519	10	0.48%
		<u>\$ 291,795,384</u>		<u>6.02%</u>	<u>\$ 286,491,779</u>		<u>8.68%</u>

¹Source: Daviess County Property Valuation Office

Schedule 9

**CITY OF OWENSBORO
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years**

FISCAL YEAR	TOTAL TAX LEVY FOR FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF LEVY		COLLECTIONS IN SUBSEQUENT YEARS (b)	TOTAL COLLECTIONS TO DATE		OUTSTANDING TAX
		AMOUNT	% OF LEVY		AMOUNT	% OF LEVY	
2016	\$ 8,627,508	8,564,336	99.27%	60,388	\$ 8,624,724	99.97%	\$ 2,784
2017	8,871,770	8,767,003	98.82%	101,685	8,868,688	99.97%	3,082
2018	9,256,586	9,201,360	99.40%	52,532	9,253,892	99.97%	2,694
2019	9,742,058	9,657,115	99.13%	75,815	9,732,930	99.91%	9,128
2020	10,142,789	10,053,712	99.12%	80,461	10,134,173	99.92%	8,616
2021	10,648,862	10,568,057	99.24%	71,107	10,639,164	99.91%	9,698
2022	11,189,172	11,051,319	98.77%	124,053	11,175,372	99.88%	13,800
2023	11,735,241	11,636,036	99.15%	81,911	11,717,947	99.85%	17,294
2024	12,160,192	12,064,808	99.22%	50,288	12,115,096	99.63%	45,096
2025	12,826,242	12,687,445	98.92%	-	12,687,445	98.92%	138,797

(a) Collections as of June 30, 2025

Schedule 10

CITY OF OWENSBORO
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

FISCAL YEAR	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES				TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME ¹	PER CAPITA	
	GENERAL		LEASE		GENERAL		OBLIGATION					
	BONDS	OBLIGATION	BONDS	REVENUE	LOAN	PAYABLE						
2016	\$	133,084,574	\$	157,600	\$	24,744,149	\$	1,417,402	\$	159,403,725	6.78%	2,700
2017		142,525,834		108,300		25,060,874		1,323,862		169,018,870	7.29%	2,852
2018		134,190,256		54,000		23,777,470		1,253,067		159,274,793	6.63%	2,681
2019		127,404,651		-		22,479,983		1,182,084		151,066,718	6.05%	2,526
2020		124,456,053		-		21,168,250		1,108,114		146,732,417	5.76%	2,440
2021		116,172,527		-		19,842,106		1,032,654		137,047,287	4.90%	2,271
2022		107,664,349		-		18,501,385		955,701		127,121,435	4.23%	2,118
2023		134,246,432		-		17,145,918		877,256		152,269,606	5.06%	2,536
2024		124,653,835		-		15,775,535		797,319		141,226,689	4.77%	2,347
2025		114,309,381		-		14,390,064		719,205		129,418,650	4.07%	2,133

Note: Details regarding outstanding debt can be found in the notes to the financial statements.

¹See Schedule 14, Demographic and Economic Statistics, for personal income and population data.

Schedule 11

CITY OF OWENSBORO
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
Last Ten Fiscal Years

FISCAL YEAR	POPULATION	ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY	TOTAL		LESS: AMOUNTS AVAILABLE IN		NET		RATIO OF	
			GENERAL OBLIGATION BONDS		DEBT SERVICE FUND		BONDED DEBT		NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
2016	59,042	\$ 6,709,336,304	\$ 134,501,976	\$	2,568	\$ 134,499,408	2.00			2,278
2017	59,273	6,522,900,296	143,849,696		192	143,849,504	2.21			2,427
2018	59,404	6,347,791,942	135,443,323		19,215,157	116,228,166	1.83			1,957
2019	59,809	6,817,253,698	127,404,651		16,715,459	110,689,192	1.62			1,851
2020	60,131	6,942,288,255	124,456,053		14,135,782	110,320,271	1.59			1,835
2021	60,344	7,376,526,058	116,172,527		11,480,624	104,691,903	1.42			1,735
2022	60,011	7,198,512,808	107,664,349		8,740,011	98,924,338	1.37			1,648
2023	60,037	8,629,613,433	134,246,432		5,922,129	128,324,303	1.49			2,137
2024	60,183	8,467,482,253	124,653,835		3,012,896	121,640,939	1.44			2,021
2025	60,675	9,302,744,276	114,309,381		2,332	114,307,049	1.23			1,884

Note: Details regarding outstanding debt can be found in the notes to the financial statements.

¹Source: Bureau of the Census Count

²Source: Kentucky Department of Revenue - Research Division

Schedule 12

CITY OF OWENSBORO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2025

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Owensboro
Direct			
City of Owensboro			
General Obligation Bonds	\$ 114,312,696	100.0%	\$ 114,312,696
Revolving Loan	14,390,064	100.0%	14,390,064
	<u>Total Direct</u>		<u>128,702,760</u>
Overlapping			
Owensboro Independent Schools	76,168,867	100.0%	76,168,867
Daviess County	5,507,675	55.2%	3,007,191
Daviess County Schools	136,289,000	42.9%	57,922,825
	<u>Total Overlapping Debt</u>		<u>137,098,883</u>
	<u>Total Direct and Overlapping Debt</u>		<u>\$ 265,801,643</u>

Note: This table includes all debt for which the City is directly or contingently liable should the outstanding entity's revenue not be sufficient to retire the debt. This table excludes debt which is to be retired by the City's enterprise funds or component units through rates.

(1) Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in the City.

Schedule 13

CITY OF OWENSBORO LEGAL DEBT MARGIN INFORMATION Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	\$ 348,893,937	\$ 361,350,566	\$ 373,462,178	\$ 382,943,092	\$ 400,164,320	\$ 421,390,911	\$ 435,421,614	\$ 463,508,828	\$ 483,491,056	\$ 511,783,850
Total net debt applicable to limit	134,665,000	143,915,000	135,265,001	128,460,000	124,940,000	116,680,000	108,185,000	133,620,000	124,100,001	113,805,000
Legal debt margin	\$ 214,228,937	\$ 217,435,566	\$ 238,197,177	\$ 254,483,092	\$ 275,224,320	\$ 304,710,911	\$ 327,236,614	\$ 329,888,828	\$ 359,391,055	\$ 397,978,850
Total net debt applicable to the limit as a percentage of debt limit	38.60%	39.83%	36.22%	33.55%	31.22%	27.69%	24.85%	28.83%	25.67%	22.24%

Legal Debt Margin Calculation for Fiscal Year 2025

Net assessed value	\$ 4,850,570,047
Add back: exempt real property	267,268,450
Total assessed value	5,117,838,497
Debt limit - 10% of total assessed value ¹	511,783,850
Amount of debt applicable to debt limit:	
Total general bonded debt	128,195,064
Less: Revenue Bonds	-
Loan Payable	(14,390,064)
Amount set aside for repayment of general obligation bonds	-
Total debt applicable to limitation	113,805,000
Legal debt margin	\$ 397,978,850

¹ Section 158 of the Commonwealth of Kentucky Constitution states:

Cities, towns, counties, and taxing districts shall not incur indebtedness to an amount exceeding the following maximum percentages on the value of the taxable property therein, to be estimated by the last assessment previous to the incurring of the indebtedness: Cities having a population of fifteen thousand or more, ten percent (10%); cities having a population of less than three thousand, three percent (3%); and counties and case of taxing districts, two percent (2%), unless in case of emergency, the public health or safety should so require. Nothing shall prevent the issue of renewal bonds, or bonds to fund the floating indebtedness of any city, county, or taxing district. Subject to the limits and conditions set forth in this section and elsewhere in this Constitution, the General Assembly shall have the power to establish additional limits on indebtedness and conditions under which debt may be incurred by cities, counties, and taxing districts.

Schedule 14

CITY OF OWENSBORO
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

FISCAL YEAR	POPULATION ¹	PERSONAL INCOME (in thousands)	PER CAPITA PERSONAL INCOME ²	SCHOOL ENROLLMENT ³	UNEMPLOYMENT RATE ⁴
2016	59,042	\$ 2,350,521	\$ 39,811	4,770	4.8%
2017	59,273	2,319,115	39,126	4,772	5.3%
2018	59,404	2,401,110	40,420	4,782	4.6%
2019	59,809	2,497,265	41,754	4,875	4.4%
2020	60,131	2,547,871	42,372	4,793	4.2%
2021	60,344	2,798,332	46,373	4,815	5.2%
2022	60,011	3,005,291	50,079	4,879	4.1%
2023	60,037	3,006,593	50,079	4,850	4.5%
2024	60,183	2,959,740	49,179	4,945	5.0%
2025	60,675	3,182,161	52,446	4,856	4.9%

Sources:

¹United States Census Estimates

²U.S. Department of Commerce, Bureau of Economic Analysis

³Owensboro Board of Education; represents elementary and secondary public schools

⁴Kentucky Department for Employment Services, June rate

Schedule 15

City of Owensboro Principal Employers Current Year and Nine Years Ago

	2025			2016		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Owensboro Health Regional Hospital	2,505	1	8.06%	4,125	1	9.38%
US Bank Home Mortgage	1,260	2	4.05%	2,120	2	4.82%
Owensboro Public Schools	832	3	2.68%	766	3	1.74%
Toyotetsu Mid-America LLC	700	4	2.25%	500	7	1.14%
Specialty Food Group LLC	642	5	2.07%	600	5	1.36%
The Glenmore Distillery	570	6	1.83%	415	10	0.94%
Unifirst Corporation	475	8	1.53%	506	6	1.15%
Total Packaging LLC	460	7	1.48%	--	--	--
City of Owensboro	439	9	1.41%	418	9	0.95%
Mizkan America Inc	412	10	1.33%	--	--	--
Wal-Mart	--	--	--	661	4	1.50%
Commonwealth of Kentucky	--	--	--	471	8	1.07%
Total	8,295		26.69%	10,582		24.05%

Source: Chamber of Commerce County total and City tax records.

Schedule 16

**City of Owensboro
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years**

	FULL-TIME EQUIVALENT EMPLOYEES AS OF JUNE 30									
Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
General government	51	47	40	43	43	44	44	44	44	46
Public safety	238	236	230	237	251	250	250	248	248	251
Public works	64	65	62	60	64	65	65	65	65	65
Community and cultural	1	1	1	1	1	2	2	2	2	2
Total Governmental Activities	354	349	333	341	359	361	361	359	359	364
Business-type activities:										
Sanitation	28	29	28	28	29	29	29	29	29	29
Other enterprise funds	36	37	36	39	41	43	44	44	44	44
Total business-type activities	64	66	64	67	70	72	73	73	73	73
Total primary government	418	415	397	408	429	433	434	432	432	437

Source: Government Budget

Schedule 17

City of Owensboro
Operating Indicators by Function
Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Physical arrests	4,132	4,459	4,946	5,640	4,348	3,241	4,595	4,360	3,572	3,695
Parking violations	3,595	1,009	2,225	3,794	1,116	1,052	1,219	1,351	1,332	2,831 *
Traffic violations and courtesy notices	6,589	4,333	5,128	6,290	5,426	5,047	9,235	5,365	8,670	11,096
Fire										
Number of calls answered	7,070	7,904	8,014	8,113	8,262	9,180	9,585	6,644	6,167	7,321
Inspections	1,780	2,121	2,028	2,157	1,596	1,571	1,895	617	930	1,632
Highways and streets										
Street resurfacing (miles)	5.2	5.0	7.5	9.9	7.3	8.6	8.0	11.7	8.9	8.7
Potholes repaired	2,627	2,229	2,366	2,917	2,333	1,314	1,544	1,021	1,124	1,048
Transit System										
Bus Routes	9	9	9	9	9	9	9	9	9	9
Sanitation										
Refuse collected (tons/day)	186.1	190.5	177.2	188.7	186.1	196.1	192.8	170.6	193.2	201.6
Recyclables collected (tons/year)	367.2	261.7	265.5	298.2	35.9	1.0	2.3	0.4	4.6	0.2
Culture and recreation										
Participants	380,234	300,525	313,098	323,977	244,697	333,414	473,532	473,532	437,300	565,965
Number of programs	186	176	188	183	143	94	160	189	164	161
Water ¹										
New connections	125	79	84	93	156	166	171	148	73	77
Water main breaks and service leaks repaired										
Average daily consumption (thousands of gallons)	322	203	284	234	209	201	201	249	239	235
Electric ¹										
New connections (net)	11,612	12,500	11,825	11,789	11,187	10,875	10,669	11,103	10,497	11,050
Riverport										
Terminal operations (thousands of tons)	(21)	(36)	38	91	205	31	184	44	59	54
	969.0	1,068.5	1,157.4	1,066.6	1,207.4	1,139.0	1,192.0	1,216.6	1,233.1	1,080.8

Sources: Various government departments and component units.

¹Owensboro Municipal Utilities totals only; other utilities serve some outlying parts of the city

* Citation officer position vacant for extended time in 2017. Less ticketing in 2020 & 2023 due to court ruling on tire chalking.

Increase in Parking violations in 2025 due to conversion of part-time citation officer to full-time citation officer

Schedule 18

City of Owensboro
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	2	2	2	2	2	2	2	2	2	2
Patrol units	81	81	86	86	86	86	86	89	91	90
Fire stations	5	5	5	5	5	5	5	5	5	5
Sanitation										
Collection trucks	25	25	25	25	25	23	26	25	25	26
Highways and streets										
Streets (miles)	247.4	248.3	250.3	250.3	250.3	250.5	252.0	254.3	254.3	254.5
Streetlights	9,443	9,459	9,422	9,544	9,568	9,637	9,671	9,663	9,645	9,632 *
Traffic signals	125	123	127	126	126	126	126	126	126	127
Culture and recreation										
Parks acreage	959.9	959.9	959.9	959.9	959.9	959.9	960.5	960.5	960.5	960.5
Parks	24	24	24	25	25	25	25	25	25	25
Ball diamonds	15	14	14	14	14	14	14	14	14	14
Basketball courts	11	11	11	11	11	11	11	12	12	12
Football & Soccer fields	15	15	15	15	15	15	15	15	15	15
Golf Courses	3	3	3	3	3	3	3	3	3	3
Sports Arena	1	1	1	1	1	1	1	1	1	1
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	37	36	36	36	35	35	35	38	38	38
Pickleball courts	-	-	-	-	4	4	4	4	4	4
Ice skating rinks	1	1	1	1	1	1	1	1	1	1
Community centers	1	1	1	1	1	1	1	1	1	1
Water¹										
Water mains (miles)	326	326	325	329	330	330	330	330	332	334
Fire hydrants	2,319	2,319	2,330	2,366	2,379	2,381	2,390	2,394	2,404	2,418
Maximum daily capacity (thousands of gallons)	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	30,000	30,000
Sewer										
Sanitary sewers (miles)	305.33	306.45	309.27	309.37	311.93	313.73	318.72	301.92	302.25	302.86
Storm sewers (miles)	55.33	56.16	57.62	57.68	57.69	57.83	59.36	61.38	61.47	62.48
Maximum daily treatment capacity (thousands of gallons)	21,800	21,800	21,800	21,800	21,800	21,800	26,600	26,600	26,600	26,600
Electric¹										
Number of distribution stations	14	14	14	14	12	12	12	12	12	11
Miles of service lines	706	706	710	716	722	722	728	728	726	726

Sources: Various government departments and component units.

¹Owensboro Municipal Utilities totals only; other utilities serve outlying parts of the city.