

CITY OF WILMORE
Wilmore, Kentucky

FINANCIAL STATEMENTS
June 30, 2025

C O N T E N T S

Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-11
Government-wide Financial Statements	
Statement of Net Position	12
Statement of Activities.....	13
Fund Financial Statements	
Balance Sheet – Governmental Funds	14
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	15
Balance Sheet – Proprietary Funds	16
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund.....	17
Statement of Cash Flows – Proprietary Funds	18
Notes to Financial Statements	19-40
Required Supplementary Information	
Budget Information	41-42
Proportionate Share of the Net Pension Liability – Nonhazardous	43
Proportionate Share of the Net Pension Liability – Hazardous	44
Schedule of Pension Contributions – Nonhazardous	45
Schedule of Pension Contributions – Hazardous	46
Proportionate Share of the Net OPEB Liability – Nonhazardous	47
Proportionate Share of the Net OPEB Liability – Hazardous.....	48
Schedule of OPEB Contributions – Nonhazardous	49
Schedule of OPEB Contributions – Hazardous	50
Notes to Required Supplementary Information.....	51-53
Supplementary Information	
Combining Balance Sheet – Nonmajor Governmental Funds	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds	55
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	56-57



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INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Wilmore
Wilmore, 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, each major fund, and the aggregate remaining fund information of the City of Wilmore, 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 Wilmore, Kentucky's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilmore, 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.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Wilmore, 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 Wilmore, 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Wilmore, 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 Wilmore, 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, budgetary comparison information, and pension and OPEB schedules on pages 4-11 and 41-53 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wilmore, Kentucky's basic financial statements. The accompanying combining nonmajor fund financial statements 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. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Prior-Year Comparative Information

We have previously audited the City of Wilmore, Kentucky's financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated January 22, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2025, on our consideration of the City of Wilmore, 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 Wilmore, 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 the City of Wilmore, Kentucky's internal control over financial reporting and compliance.

RFH

RFH, PLLC
Lexington, Kentucky
November 24, 2025

City of Wilmore, Kentucky

Management's Discussion and Analysis

Our discussion and analysis of the City of Wilmore's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2025. Please read the following in conjunction with the auditors' report on pages 1 through 3 and the City's financial statements, which begin to appear on page 12.

OVERVIEW OF THIS ANNUAL REPORT

This annual report consists of the management's discussion and analysis report, the independent auditors' report, the basic financial statements of the City, the independent auditors' report in accordance with Government Auditing Standards, and the independent auditor's report required by the Uniform Guidance. The financial statements also include notes that explain in more detail some of the information in the financial statements.

The City's financial statements present two kinds of statements, each with a different snapshot of the City's finances. The focus is both the City as a whole (government-wide) and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the City's overall financial status. The fund financial statements focus on the individual funds of the City, reporting the City's operations in more detail than the government-wide statements. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison (year to year or government to government) and enhance the City's accountability.

GOVERNMENT – WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the City as a whole, using accounting methods similar to those used by private-sector companies. One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the City's activities in a way that will help answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenditures are taken into account regardless of when cash is received or paid.

These two statements report the net position of the City and the changes in them. One can think of the City's net position—the resources the City has left over after its debts are settled—as one way to measure financial health or financial position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health or position is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, changes in property tax rates or valuation, infrastructure asset condition, and new or changed government legislation.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

Governmental activities—Most of the City’s basic services are reported here, including general government administration, police, fire, streets, parks and recreation, community development and cemetery. Property taxes, licenses and permits (including insurance and franchise fees), and grants finance most of these activities.

Business-type activities—The City collects fees from customers to cover the costs of the services provided by the water and sewer utility system and solid waste collection and disposal. The City also includes the collection of occupational taxes (payroll and net profits) as business type activities since occupational taxes are directed by ordinance to be used to pay off any current debt outstanding related to the water and sewer system.

FUND FINANCIAL STATEMENTS

Traditional users of government financial statements will find the fund financial statement presentation more familiar. The focus is now on the City’s funds. The fund financial statements provide more information about the City’s funds and not the City as a whole.

The City has two kinds of funds:

Governmental Fund—Most of the City’s basic services are included in governmental funds, which focus on (1) how cash and other financial assets, that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or less financial resources that can be spent in the near future to finance the City’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statements that explains the relationship (or differences) between them.

Proprietary Fund—Services for which the City charges customers a fee are generally reported in proprietary funds.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

NET POSITION

Our analysis begins with a summary of the City's Statement of Net Position, which is presented on Table A-1 followed by an explanation of the results. Changes in Net Position are presented in Table A-2, which is also followed by an explanation of the results.

Table A-1

	Governmental Activities	Business-type Activities	2025 Total Primary Government	2024 Total Primary Government
Current and Other Assets	\$ 1,907,349	\$ 1,043,879	\$ 2,951,228	\$ 4,033,798
Capital Assets	6,682,322	10,891,691	17,574,013	17,853,779
Deferred Outflows	<u>520,024</u>	<u>254,071</u>	<u>774,095</u>	<u>870,151</u>
Total Assets & Deferred Outflows	<u>9,109,695</u>	<u>12,189,641</u>	<u>21,299,336</u>	<u>22,757,728</u>
Long-Term Debt Outstanding	913,173	3,980,543	4,893,716	5,122,611
Net Pension Liability	2,226,597	1,231,205	3,457,802	3,966,070
Net OPEB Liability	44,252	-	44,252	65,202
Current Liabilities	<u>672,570</u>	<u>498,761</u>	<u>1,171,331</u>	<u>1,127,138</u>
Total Liabilities	<u>3,856,592</u>	<u>5,710,509</u>	<u>9,567,101</u>	<u>10,079,990</u>
Deferred Inflows	<u>1,319,445</u>	<u>566,512</u>	<u>1,885,957</u>	<u>2,175,176</u>
Net Position:				
Net investment in capital assets	5,769,149	6,911,148	12,680,297	12,731,168
Restricted	415,828	858,592	1,274,420	1,122,434
Unrestricted	<u>(180,918)</u>	<u>1,750,192</u>	<u>1,569,274</u>	<u>(462,936)</u>
Total Net Position	<u>\$ 6,004,059</u>	<u>\$ 9,519,932</u>	<u>\$ 15,523,991</u>	<u>\$ 14,316,538</u>

Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$15,523,991 which is the net position of the City at June 30, 2025. Comparing the net position of the City at June 30, 2025, to June 30, 2024, reflects an increase of \$1,207,453 (approximately 8%) in the financial condition of the City resulting from current year activities (presented in Table A-2). The net position of \$15,523,991 consists of three parts: 1) \$12,680,297 is invested in capital assets, less any related debt still outstanding that was issued to acquire those items, 2) \$1,274,420 are resources that are subject to external restrictions on how they must be used, and 3) \$1,569,274 is unrestricted resources (deficit).

Table A-2

Condensed Statement of Activities

	Governmental Activities	Business-type Activities	2025 Total Primary Government	2024 Total Primary Government
Revenues				
<u>Program Revenues</u>				
Charges for Service	\$ 217,780	\$ 2,511,926	\$ 2,729,706	\$ 2,640,223
Operating Grants & Contributions	265,986	-	265,986	229,702
Capital Grants & Contributions	359,688	-	359,688	127,411
<u>General Revenue</u>				
Taxes	752,848	-	752,848	719,962
License Fees	1,058,117	1,547,578	2,605,695	2,498,265
Investment Earnings	53,164	112,377	165,541	87,276
Other Revenues	52,237	157,011	209,248	80,30
Total Revenue	<u>2,759,820</u>	<u>4,328,892</u>	<u>7,088,712</u>	<u>6,383,769</u>
Program Expenses				
General Government	350,952	-	350,952	535,843
Public Safety-Police	851,886	-	851,886	702,127
Public Safety-Fire	254,387	-	254,387	209,844
Public Works-Streets	485,929	-	485,929	447,225
Community Development	(1,076)	-	(1,076)	102,932
Parks and Recreation	(36,506)	-	(36,506)	77,837
Cemetery	26,548	-	26,548	15,031
Interest on Long-Term Debt	36,095	-	36,095	39,726
Sewer and Water	-	-	-	299,896
Sanitation	-	-	-	103,371
Total Program Expenses	<u>1,968,215</u>	<u>-</u>	<u>1,968,215</u>	<u>2,533,835</u>
Change in Net Position before transfers and gain on disposal of capital assets	(51,849)	1,276,591	1,224,742	852,598
Gain (loss) on disposal of capital assets	9,797	(27,086)	(17,289)	8,000
Transfers	<u>1,047,551</u>	<u>(1,047,551)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	<u>\$ 1,005,499</u>	<u>\$ 201,954</u>	<u>\$ 1,207,453</u>	<u>\$ 860,598</u>

The City's change in net position above appears to be analogous to the long-standing concept of net revenues, but under the full accrual basis utilized by the Governmental Activities, these numbers include dollars of "paper" depreciation expenses that are not cash expenditures of the City. Therefore, these "paper" bookkeeping entries are never considered as part of the City's budget process. Additionally, the principal portions of debt obligations are excluded from the above but are reflected as debt service expenditures along with capital outlay expenditures in the City's budget for governmental activities.

GOVERNMENTAL ACTIVITIES

Table A-3 details a condensed statement of the fiscal year's governmental activities.

Table A-3

<u>Condensed Governmental Activities – Revenues & Expenditures</u>		
	2025	2024
Taxes	\$ 752,848	\$ 719,963
Licenses and permits	1,053,888	960,611
Charges for Services	151,231	134,240
Fines & Forfeits	3,283	1,560
Intergovernmental	588,477	357,096
Other Revenues	<u>219,454</u>	<u>129,687</u>
Total Revenues	<u>2,769,181</u>	<u>2,303,157</u>
General Government	614,945	637,441
Public safety-Police	1,192,945	1,057,062
Public safety-Fire	176,660	151,077
Public works-Streets	530,565	462,531
Community Development	96,662	138,685
Parks and Recreation	255,656	225,989
Cemetery	55,937	50,665
Capital Outlay	403,098	642,509
Debt Services	<u>142,587</u>	<u>137,200</u>
Total Expenditures	<u>3,469,055</u>	<u>3,503,159</u>
Excess (deficiency) of revenues over expenditures before other financial revenues	<u>\$ (699,874)</u>	<u>\$ (1,200,002)</u>

The bottom number of Table A-3 above should not be confused with the end-of-year "Fund Balances" figure shown in the City's Governmental Funds Statements, because the above figure does not reflect the Governmental Funds beginning-of-year balances, any debt proceeds received or the annual transfer the City makes of excess 2% occupational license fees after the occupational license fees are first applied to paying off principal and interest on water and sewer bonds outstanding and funding required reserves.

BUDGET HIGHLIGHTS

Over the course of the fiscal year, the City amended the budget. Amendments were made after the beginning of the fiscal year to reflect the actual beginning balances after the beginning of said fiscal year or due to unusual events that occurred during the fiscal year. The budget contains proposed expenditures and expected revenues. A comparison of the final amended budget to actual amounts for governmental activities is presented in Tables A-4 and A-5.

Table A-4
Condensed General Fund - Revenues

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Taxes	\$ 729,022	\$ 752,848	\$ 23,826
Licenses and permits	1,013,000	1,053,888	40,888
Intergovernmental	371,756	465,598	93,842
Fines & Forfeits	3,000	3,283	283
Charges for Service	112,400	117,331	4,931
Other Revenues	<u>121,301</u>	<u>215,563</u>	<u>94,262</u>
 Total Revenues	 <u>\$ 2,350,479</u>	 <u>\$ 2,608,511</u>	 <u>\$ 258,032</u>

Table A-5
Condensed General Fund – Expenditures

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Government	\$ 651,573	\$ 614,945	\$ (36,628)
Public safety-Police	1,201,141	1,192,945	(8,196)
Public safety-Fire	181,898	176,660	(5,238)
Public works-Streets	497,916	489,690	(8,226)
Community Development	100,082	96,662	(3,420)
Parks and Recreation	252,584	255,656	3,072
Capital Outlay	350,439	403,098	52,659
Debt Service	<u>137,200</u>	<u>142,587</u>	<u>5,387</u>
Total Expenditures	<u>\$ 3,372,833</u>	<u>\$ 3,372,243</u>	<u>\$ (590)</u>

The City budgeted for a total of \$2,350,479 in revenues for 2024-2025 but ended up having revenues of \$2,608,511. A total of \$3,372,833 was budgeted for expenditures, but actual expenditures were \$3,372,243 at year end. The City budgets conservatively to guard against unexpected economic downturn and unknown / unplanned expense such as storms, the price of gas, etc. The City also attempts to eliminate unnecessary expenditures and reduce costs whenever possible. The City was over budget on revenues received by \$258,032 or 11 percent and was under budget on expenditures by \$(590) or .01 percent. This table reflects only General Fund activities which exclude cemetery and municipal road aid.

CAPITAL ASSETS

Table A-1 showed summary totals of depreciated capital assets for both governmental and business-type activities. Table A-6 shows the detailed breakdown of non-depreciated capital assets for both governmental and business-type activities.

Table A-6**Capital Assets at Year End Without Depreciation**

	Governmental Activities	Business-type Activities	2025 Total Primary Government	2024 Total Primary Government
		\$		
Land & Improvements	\$ 525,328	1,727,365	\$ 2,252,693	\$ 2,252,693
Infrastructure	5,114,613	-	5,114,613	4,988,938
Building & Improvements	974,347	-	974,347	951,347
Vehicles	3,007,929	1,072,571	4,080,500	4,147,715
Equipment	516,949	457,269	974,218	1,186,454
Plant & Water System	-	9,965,888	9,965,888	9,965,888
Plant & Sewer System	-	9,562,638	9,562,638	9,562,638
SBITA asset	22,650	-	22,650	-
Construction in Progress	<u>893,215</u>	<u>56,848</u>	<u>950,063</u>	<u>784,337</u>
Total Capital Assets	<u>\$ 11,055,031</u>	<u>\$ 22,842,579</u>	<u>\$ 33,897,610</u>	<u>\$ 33,840,010</u>

Total capital assets increased by \$57,600 (\$615,633 in additions and \$558,033 of disposals.) Additions include a new roof for the fire department, 2005 pierce pumper, 2025 Gator Made Trailer, municipal center parking lot updates, pickleball court, 2022 Chevy Silverado, painting of pickleball court, CIP projects, and SBITA asset.

DEBT

Table A-7 provides a summary of all of the City's outstanding indebtedness and includes both short-term and long-term debt but excludes interest to be paid.

Table A-7

	Governmental Activities	Business-type Activities	2025 Total Primary Government	2024 Total Primary Government
<u>Debt Outstanding at Year End</u>				
Bonds & Loans	\$ 895,909	\$ 3,980,543	\$ 4,876,452	\$ 5,122,611
Net pension liability	2,226,597	1,231,205	3,457,802	4,877,106
Net OPEB liability	44,252	-	44,252	65,202
SBITA liability	13,516	-	13,516	-
Compensated Absences	<u>34,628</u>	<u>18,011</u>	<u>52,639</u>	<u>44,474</u>
Total Debt Outstanding	<u>\$ 3,214,902</u>	<u>\$ 5,229,759</u>	<u>\$ 8,444,661</u>	<u>\$ 9,198,357</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Mayor and City Council considered many factors when setting the fiscal year 2025-2026 budget. Some of the factors are the local economy, expected grant money, and anticipated tax revenue. The City's primary source of revenue is the 2% occupational license fee. The occupational license fees are first applied to paying off principal and interest on the water and sewer bonds outstanding and funding required reserves, and any excess can be used to cover general fund operations.

The 2024-25 budget also funds the following capital additions: parking improvements at City Hall, a sidewalk project, a new bridge at Centennial Park, two utility trucks, and a sewer project.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens of the City, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lori Vahle, Finance Director/Treasurer, 210 South Lexington Avenue, Wilmore, Kentucky 40390.

CITY OF WILMORE, KENTUCKY
STATEMENT OF NET POSITION
June 30, 2025

	Primary Government			2024
	Governmental	Business-type	Total	Totals
	Activities	Activities		
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,907,349	\$ 1,043,879	\$ 2,951,228	\$ 4,033,798
Investments - certificates of deposit	1,241,000	315,000	1,556,000	350,855
Receivables, net	412,727	761,822	1,174,549	1,084,998
Grant receivable	78,486	-	78,486	35,571
Interest receivable	6,705	12,427	19,132	23,972
Internal balances	244,984	(244,984)	-	-
Prepaid expenses	7,789	-	7,789	10,996
Inventories	3,818	59,033	62,851	55,673
Total current assets	<u>3,902,858</u>	<u>1,947,177</u>	<u>5,850,035</u>	<u>5,595,863</u>
Noncurrent assets				
Restricted cash and cash equivalents	-	674,953	674,953	557,829
Restricted investments - certificates of deposit	-	1,863,000	1,863,000	1,663,000
Net OPEB asset	-	35,647	35,647	31,082
Capital assets:				
Land and improvements, net	525,328	91,821	617,149	617,149
Construction in progress	893,215	56,848	950,063	784,337
Depreciable plants and utility systems, net	-	9,374,024	9,374,024	9,737,182
Depreciable buildings, property, and equipment, net	5,245,282	1,368,998	6,614,280	6,715,111
Right to use SBITA	18,497	-	18,497	-
Total noncurrent assets	<u>6,682,322</u>	<u>13,465,291</u>	<u>20,147,613</u>	<u>20,105,690</u>
Total assets	<u>10,585,180</u>	<u>15,412,468</u>	<u>25,997,648</u>	<u>25,701,553</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension	404,649	190,235	594,884	638,973
Deferred outflows - OPEB	115,375	63,836	179,211	231,178
Total deferred outflows of resources	<u>520,024</u>	<u>254,071</u>	<u>774,095</u>	<u>870,151</u>
Total assets and deferred outflows of resources	<u>\$ 11,105,204</u>	<u>\$ 15,666,539</u>	<u>\$ 26,771,743</u>	<u>\$ 26,571,704</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 174,877	\$ 117,415	\$ 292,292	\$ 220,118
Accrued Liabilities	6,816	-	6,816	-
Unearned grant revenue	319,944	-	319,944	390,361
Compensated absences, current	58,410	36,728	95,138	78,644
Payable from restricted assets:				
Accrued interest payable	3,003	32,548	35,551	35,137
Utility deposits and other	-	163,645	163,645	157,373
Current portion of SBITA liability	3,747	-	3,747	-
Current portion of long-term obligations	105,773	148,425	254,198	245,505
Total current liabilities	<u>672,570</u>	<u>498,761</u>	<u>1,171,331</u>	<u>1,127,138</u>
Noncurrent liabilities				
Compensated absences, noncurrent	34,628	18,011	52,639	44,474
Noncurrent portion of long-term obligations	790,137	3,832,118	4,622,255	4,877,106
SBITA liability	13,516	-	13,516	-
Net pension liability	2,226,597	1,231,205	3,457,802	3,966,070
Net OPEB liability	44,252	-	44,252	65,202
Total noncurrent liabilities	<u>3,109,130</u>	<u>5,081,334</u>	<u>8,190,464</u>	<u>8,952,852</u>
Total liabilities	<u>3,781,700</u>	<u>5,580,095</u>	<u>9,361,795</u>	<u>10,079,990</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	608,055	192,329	800,384	789,227
Deferred inflows - OPEB	711,390	374,183	1,085,573	1,385,949
Total deferred inflows of resources	<u>1,319,445</u>	<u>566,512</u>	<u>1,885,957</u>	<u>2,175,176</u>
NET POSITION				
Net investment in capital assets	5,769,149	6,911,148	12,680,297	12,731,168
Restricted for				
Debt service	-	484,790	484,790	471,755
Special purposes	415,828	373,802	789,630	650,679
Unrestricted	(180,918)	1,750,192	1,569,274	462,936
Total net position	<u>6,004,059</u>	<u>9,519,932</u>	<u>15,523,991</u>	<u>14,316,538</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 11,105,204</u>	<u>\$ 15,666,539</u>	<u>\$ 26,771,743</u>	<u>\$ 26,571,704</u>

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

CITY OF WILMORE, KENTUCKY
STATEMENT OF ACTIVITIES
for the year ended June 30, 2025

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			2024 Total	
					Governmental Activities	Business-type Activities	Total		
Primary government:									
Governmental activities									
General government	\$ 571,910	\$ 38,800	\$ 33,742	\$ 148,416	\$ (350,952)	\$ -	\$ (350,952)	\$ (535,846)	
Public safety-Police	914,461	3,283	59,292	-	(851,886)	-	(851,886)	(702,127)	
Public safety-Fire	270,887	-	16,500	-	(254,387)	-	(254,387)	(209,844)	
Public works-Streets	611,927	-	125,998	-	(485,929)	-	(485,929)	(447,225)	
Community development	96,662	24,466	12,000	61,272	1,076	-	1,076	(102,932)	
Parks and recreation	249,279	117,331	18,454	150,000	36,506	-	36,506	(77,837)	
Cemetery	60,448	33,900	-	-	(26,548)	-	(26,548)	(15,031)	
Interest on long-term debt	36,095	-	-	-	(36,095)	-	(36,095)	(39,726)	
Total governmental activities	2,811,669	217,780	265,986	359,688	(1,968,215)	-	(1,968,215)	(2,130,568)	
Business-type activities:									
Water and Sewer	2,469,846	2,012,407	-	-	-	(457,439)	(457,439)	(299,896)	
Sanitation	582,455	499,519	-	-	-	(82,936)	(82,936)	(103,371)	
Total business-type activities	3,052,301	2,511,926	-	-	-	(540,375)	(540,375)	(403,267)	
Total primary government	\$ 5,863,970	\$ 2,729,706	\$ 265,986	\$ 359,688	(1,968,215)	(540,375)	(2,508,590)	(2,533,835)	
General revenues:									
Taxes:									
Property taxes, levied for general purposes					752,848	-	752,848	719,962	
License fees:									
Franchise					206,394	-	206,394	197,916	
Occupational license fees					11,285	1,547,578	1,558,863	1,541,934	
Insurance premiums					821,133	-	821,133	741,108	
ABC fees					10,508	-	10,508	9,807	
Impact fees					8,797	-	8,797	7,500	
Investment earnings					53,164	112,377	165,541	87,276	
Miscellaneous					52,237	157,011	209,248	80,930	
Total general revenues					1,916,366	1,816,966	3,733,332	3,386,433	
Gain (loss) on disposal of capital assets					9,797	(27,086)	(17,289)	8,000	
Transfers in (out)					1,047,551	(1,047,551)	-	-	
Total general revenues and transfers					2,973,714	742,329	3,716,043	3,394,433	
Change in Net Positon					1,005,499	201,954	1,207,453	860,598	
Net position-beginning					4,998,560	9,317,978	14,316,538	13,455,940	
NET POSITION-ENDING					\$ 6,004,059	\$ 9,519,932	\$ 15,523,991	\$ 14,316,538	

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

CITY OF WILMORE, KENTUCKY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	<u>2024 Totals</u>
ASSETS				
Cash and cash equivalents	\$ 1,754,391	\$ 152,957	\$ 1,907,348	\$ 2,395,394
Investments - certificates of deposit	1,241,000	-	1,241,000	287,855
Receivables, net	386,490	8,537	395,027	374,558
Grant receivable	78,486	-	78,486	35,571
Interest receivable	6,705	-	6,705	623
Due from other funds	360,096	-	360,096	425,038
Prepaid expense	7,789	-	7,789	10,996
Inventories	3,818	-	3,818	5,422
	<u>3,838,775</u>	<u>161,494</u>	<u>4,000,269</u>	<u>3,535,457</u>
Total assets	\$ 3,838,775	\$ 161,494	\$ 4,000,269	\$ 3,535,457
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ 174,877	\$ -	\$ 174,877	\$ 120,239
Accrued liabilities	6,816	-	6,816	-
Due to other funds	9,895	105,217	115,112	85,960
Compensated absences	58,410	-	58,410	42,040
Unearned grant revenue	319,944	-	319,944	390,361
	<u>569,942</u>	<u>105,217</u>	<u>675,159</u>	<u>638,600</u>
Total liabilities	569,942	105,217	675,159	638,600
Deferred Inflows of Resources				
Unavailable revenue	93,097	-	93,097	99,259
	<u>93,097</u>	<u>-</u>	<u>93,097</u>	<u>99,259</u>
Total deferred inflows of resources	93,097	-	93,097	99,259
Fund balance				
Unassigned	2,861,969	(57,391)	2,804,578	2,603,562
Restricted - Impact fees	102,753	-	102,753	145,912
Restricted - Street	-	113,668	113,668	29,656
Restricted - Recreation	153,454	-	153,454	-
Restricted - Solar Panels	33,660	-	33,660	-
Restricted - Opioid Settlement	12,293	-	12,293	2,050
Nonspendable	11,607	-	11,607	16,418
	<u>3,175,736</u>	<u>56,277</u>	<u>3,232,013</u>	<u>2,797,598</u>
Total fund balance	3,175,736	56,277	3,232,013	2,797,598
Total liabilities and fund balance	\$ 3,838,775	\$ 161,494	\$ 4,000,269	\$ 3,535,457
Total fund balance - total governmental funds			\$ 3,232,013	\$ 2,797,598
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			6,682,323	6,609,787
Long-term SBITA liability			(17,263)	-
Long-term property tax receivables are not current financial resources and therefore are not reported in the funds.			17,700	17,700
Accrued interest on long-term debt is not reported in the funds.			(3,003)	(1,519)
Unavailable revenue only available for government-wide purposes.			93,097	99,259
Net deferred inflows/outflows related to the long-term net pension/OPEB liability are not reported in the funds.			(799,421)	(910,323)
Long-term liabilities, including bonds payable and net pension/OPEB liability, are not due and payable in the current period and therefore are not reported in the funds.			(3,201,387)	(3,613,942)
Net position of governmental activities			\$ 6,004,059	\$ 4,998,560

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

CITY OF WILMORE, KENTUCKY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
for the year ended June 30, 2025

	General	Other Governmental Funds	Total Governmental Funds	2024 Totals
REVENUES				
Taxes	\$ 752,848	\$ -	\$ 752,848	\$ 719,963
Licenses and permits	1,053,888	-	1,053,888	960,611
Charges for services	117,331	33,900	151,231	134,240
Fines and forfeits	3,283	-	3,283	1,560
Intergovernmental	465,598	122,879	588,477	357,096
Other	<u>215,563</u>	<u>3,891</u>	<u>219,454</u>	<u>129,687</u>
Total revenues	<u>2,608,511</u>	<u>160,670</u>	<u>2,769,181</u>	<u>2,303,157</u>
EXPENDITURES				
Current				
General government	614,945	-	614,945	637,441
Public safety-Police	1,192,945	-	1,192,945	1,057,062
Public safety-Fire	176,660	-	176,660	151,077
Public works-Streets	489,690	40,875	530,565	462,531
Community development	96,662	-	96,662	138,685
Parks and recreation	255,656	-	255,656	225,989
Cemetery	-	55,937	55,937	50,665
Capital outlay	403,098	-	403,098	642,509
Debt service	<u>142,587</u>	<u>-</u>	<u>142,587</u>	<u>137,200</u>
Total expenditures	<u>3,372,243</u>	<u>96,812</u>	<u>3,469,055</u>	<u>3,503,159</u>
Excess (deficiency) of revenues over expenditures	<u>(763,732)</u>	<u>63,858</u>	<u>(699,874)</u>	<u>(1,200,002)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	11,639	-	11,639	8,000
SBITA proceeds	22,650	-	22,650	-
Transfers in	<u>1,100,000</u>	<u>-</u>	<u>1,100,000</u>	<u>1,100,000</u>
Total other financing sources and uses	<u>1,134,289</u>	<u>-</u>	<u>1,134,289</u>	<u>1,108,000</u>
Net change in fund balance	370,557	63,858	434,415	(92,002)
Fund balance-beginning	<u>2,805,179</u>	<u>(7,581)</u>	<u>2,797,598</u>	<u>2,889,600</u>
Fund balance-ending	<u>\$ 3,175,736</u>	<u>\$ 56,277</u>	<u>\$ 3,232,013</u>	<u>\$ 2,797,598</u>
Reconciliation to government-wide change in net position:				
Net change in fund balance			\$ 434,415	\$ (92,002)
add: capital outlay expenditures capitalized			403,098	642,509
add: gain (loss) on disposal of capital assets			9,797	8,000
less: unavailable revenue collected			(6,163)	(6,166)
add: debt service expenditures			142,587	137,200
add: change in long-term property taxes			-	-
less: change in long-term compensated absences			(5,915)	3,069
add: change in net pension liability			310,952	240,929
less: pension and OPEB liability transfer from Sanitation Fund			(52,445)	
add: change in net OPEB liability			168,278	112,165
less: SBITA proceeds			(22,650)	-
less: proceeds from sale of capital assets			(11,639)	(8,000)
less: depreciation and amortization on capital assets and right to use assets			(328,721)	(284,871)
less: interest on long-term debt			<u>(36,095)</u>	<u>(39,726)</u>
Change in net position governmental activities			<u>\$ 1,005,499</u>	<u>\$ 713,107</u>

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

CITY OF WILMORE, KENTUCKY
BALANCE SHEET
PROPRIETARY FUNDS
June 30, 2025

	Business - Type Activities			
	Water and Sewer System	Sanitation	Total Proprietary Funds	2024 Totals
ASSETS				
Current assets				
Cash and cash equivalents	\$ 926,964	\$ 116,915	\$ 1,043,879	\$ 1,638,404
Investments - certificates of deposit	315,000	-	315,000	63,000
Receivables, net	646,530	115,292	761,822	692,740
Interest receivable	12,427	-	12,427	23,349
Due from other funds	118	4,958	5,076	37,345
Inventories	59,033	-	59,033	50,251
Total current assets	<u>1,960,072</u>	<u>237,165</u>	<u>2,197,237</u>	<u>2,505,089</u>
Noncurrent assets				
Restricted cash and cash equivalents	674,953	-	674,953	557,829
Restricted investments - certificates of deposit	1,863,000	-	1,863,000	1,663,000
Net OPEB asset	35,647	-	35,647	31,082
Capital assets:				
Land, building, and tower	1,727,365	-	1,727,365	1,727,365
Construction in progress	56,848	-	56,848	22,012
Plant and water system	9,965,888	-	9,965,888	9,965,888
Plant and sewer system	9,562,638	-	9,562,638	9,562,638
Vehicles and equipment	1,298,691	231,148	1,529,839	1,817,941
Less accumulated depreciation	(11,724,582)	(226,305)	(11,950,887)	(11,851,852)
Total noncurrent assets	<u>13,460,448</u>	<u>4,843</u>	<u>13,465,291</u>	<u>13,495,903</u>
Total assets	<u>15,420,520</u>	<u>242,008</u>	<u>15,662,528</u>	<u>16,000,992</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension	190,235	-	190,235	235,219
Deferred outflows - OPEB	63,836	-	63,836	97,601
Total deferred outflows of resources	<u>254,071</u>	<u>-</u>	<u>254,071</u>	<u>332,820</u>
Total assets and deferred outflows of resources	<u>\$ 15,674,591</u>	<u>\$ 242,008</u>	<u>\$ 15,916,599</u>	<u>\$ 16,333,812</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 62,787	\$ 54,628	\$ 117,415	\$ 99,879
Due to other funds	9,352	240,708	250,060	376,423
Compensated absences, current	36,728	-	36,728	36,604
Accrued interest payable	32,548	-	32,548	33,618
Utility deposits and other	163,645	-	163,645	157,373
Bonds, notes, and loans payable, current	148,425	-	148,425	143,569
Total current liabilities	<u>453,485</u>	<u>295,336</u>	<u>748,821</u>	<u>847,466</u>
Noncurrent liabilities				
Compensated absences, noncurrent	18,011	-	18,011	15,760
Bonds, notes, and loans payable	3,832,118	-	3,832,118	3,980,543
Net pension liability	1,231,205	-	1,231,205	1,444,543
Total noncurrent liabilities	<u>5,081,334</u>	<u>-</u>	<u>5,081,334</u>	<u>5,440,846</u>
Total liabilities	<u>5,534,819</u>	<u>295,336</u>	<u>5,830,155</u>	<u>6,288,312</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	192,329	-	192,329	207,131
Deferred inflows - OPEB	374,183	-	374,183	520,391
Total deferred inflows of resources	<u>566,512</u>	<u>-</u>	<u>566,512</u>	<u>727,522</u>
NET POSITION				
Net investment in capital assets	6,906,305	4,843	6,911,148	7,119,880
Restricted for debt services	484,790	-	484,790	471,755
Restricted for other purposes	373,802	-	373,802	373,802
Unrestricted	1,808,363	(58,171)	1,750,192	1,352,541
Total net position	<u>9,573,260</u>	<u>(53,328)</u>	<u>9,519,932</u>	<u>9,317,978</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 15,674,591</u>	<u>\$ 242,008</u>	<u>\$ 15,916,599</u>	<u>\$ 16,333,812</u>

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

CITY OF WILMORE, KENTUCKY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
for the year ended June 30, 2025

	Business - Type Activities			2024 Totals
	Water and Sewer System	Sanitation	Total Proprietary Funds	
OPERATING REVENUES				
Water service	\$ 1,034,809	\$ -	\$ 1,034,809	\$ 1,025,344
Sewer service	977,598	-	977,598	964,803
Sanitation service	-	499,519	499,519	445,870
Other revenues	74,041	82,970	157,011	56,632
Total operating revenues	2,086,448	582,489	2,668,937	2,492,649
OPERATING EXPENSES				
Water operations	1,055,026	-	1,055,026	955,482
Sewer operations	846,271	-	846,271	799,318
Sanitation operations	-	575,141	575,141	470,093
Total operating expenses before depreciation	1,901,297	575,141	2,476,438	2,224,893
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	185,151	7,348	192,499	267,756
DEPRECIATION EXPENSE				
Water operations	241,477	-	241,477	249,904
Sewer operations	211,737	-	211,737	219,337
Sanitation operations	-	7,314	7,314	25,296
Total depreciation expense	453,214	7,314	460,528	494,537
OPERATING INCOME (LOSS)	(268,063)	34	(268,029)	(226,781)
NON-OPERATING REVENUE (EXPENSE)				
Occupational license fees	1,547,578	-	1,547,578	1,529,729
Gain (loss) on disposal of fixed assets	(27,086)	-	(27,086)	-
Interest income	112,376	-	112,376	64,397
Interest and fiscal expense-bonds	(115,334)	-	(115,334)	(119,854)
Total non-operating revenue (expense)	1,517,534	-	1,517,534	1,474,272
INCOME (LOSS) BEFORE TRANSFERS	1,249,471	34	1,249,505	1,247,491
Operating transfers in (out)	(1,316,420)	268,869	(1,047,551)	(1,100,000)
CHANGE IN NET POSITION	(66,949)	268,903	201,954	147,491
Net Position - Beginning of year	9,640,209	(322,231)	9,317,978	9,170,487
NET POSITION - END OF YEAR	<u>\$ 9,573,260</u>	<u>\$ (53,328)</u>	<u>\$ 9,519,932</u>	<u>\$ 9,317,978</u>

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

CITY OF WILMORE, KENTUCKY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
for the year ended June 30, 2025

	Business-Type Activities			
	Water and Sewer System	Sanitation	Total Proprietary Funds	2024 Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 2,030,058	\$ 453,121	\$ 2,483,179	\$ 2,471,057
Cash deposits returned to customers	(19,065)	-	(19,065)	(21,280)
Cash payments to suppliers for goods and services	(1,202,397)	(539,432)	(1,741,829)	(1,314,689)
Cash payments to employees for services and benefits	(971,201)	6	(971,195)	(1,075,132)
Other operating revenue	74,041	82,970	157,011	56,632
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(88,564)	(3,335)	(91,899)	116,588
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating transfers from (to) other funds - net	(1,100,000)	-	(1,100,000)	(1,100,000)
Due (to) from other funds	(27,985)	(66,109)	(94,094)	102,567
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	(1,127,985)	(66,109)	(1,194,094)	(997,433)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
License fee revenue pledged to debt service	1,532,430	-	1,532,430	1,514,071
Principal paid on revenue bonds and loans	(143,569)	-	(143,569)	(138,730)
Interest and fiscal fees paid on revenue bonds and loans	(116,404)	-	(116,404)	(120,870)
Debt proceeds	-	-	-	-
Proceeds from sale of property, plant and equipment	7,375	-	7,375	-
Purchases of property, plant and equipment	(142,538)	-	(142,538)	(61,687)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	1,137,294	-	1,137,294	1,192,784
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(1,841,000)	-	(1,841,000)	(708,000)
Proceeds from sales and maturities of investments	1,389,000	-	1,389,000	-
Interest received on investments and interest bearing cash accounts	123,298	-	123,298	65,473
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(328,702)	-	(328,702)	(642,527)
NET INCREASE (DECREASE) IN CASH	(407,957)	(69,444)	(477,401)	(330,588)
Cash and cash equivalents - beginning of year	2,009,874	186,359	2,196,233	2,526,821
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,601,917	\$ 116,915	\$ 1,718,832	\$ 2,196,233
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ (268,063)	\$ 34	\$ (268,029)	\$ (226,781)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:				
Depreciation	453,214	7,314	460,528	494,537
Increase (decrease) in net pension liability	(142,070)	-	(142,070)	(90,513)
Increase (decrease) in net OPEB liability	(105,645)	-	(105,645)	(66,708)
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	(7,686)	(46,398)	(54,084)	6,257
Decrease (increase) in prepaids	-	-	-	545
Decrease (increase) in inventory	(8,782)	-	(8,782)	(3,387)
Increase (decrease) in operating accounts payable	(18,636)	36,172	17,536	1,851
Increase (decrease) in accrued expenses	2,832	(457)	2,375	(6,718)
Increase (decrease) in customer utility deposits	6,272	-	6,272	7,505
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (88,564)	\$ (3,335)	\$ (91,899)	\$ 116,588

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

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Wilmore, Kentucky (the City) operates under the Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), public works, parks and recreation and community development. The accounting policies of the City of Wilmore conform to generally accepted accounting principles applicable to governmental units. The following is a summary of the more significant accounting policies.

A. Reporting Entity

The financial statements of the City of Wilmore, Kentucky include the funds, account groups and entities over which the Mayor and Council exercise significant oversight responsibility. Oversight responsibility, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, was determined on the basis of the City's ability to significantly influence operation, select the governing body, participate in fiscal management and the scope of public service.

B. Basis of Presentation

The City's financial statements consist of the following:

- Management's discussion and analysis (required supplementary information)
- Basic financial statements
 - Government-wide financial statements
 - Fund financial statements
 - Notes to the financial statements
- Pension schedules (required supplementary information)
- Combining financial statements (supplementary information)

Government-wide Financial Statements

The government-wide financial statements include a statement of net position and statement of activities. These statements display information about the City as a whole. The statements distinguish between governmental and business-type activities of the City. These financial statements include the financial activities of the City except for fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support. The government-wide statement of activities reflects costs of government by function for governmental activities and business-type activities. Program revenues include charges paid by the recipient for the goods or services offered by the program and grants or contributions that are restricted to the program. Revenues which are not classified as program revenues are presented as general revenues of the City.

Fund financial statements report detailed information about the City. The accounts of the City are organized on the basis of funds, each of which is considered to be a separate fiscal and accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that is comprised of its assets, liabilities, fund balance/net position, revenues and expenditures/expenses.

Governmental funds are those through which most governmental functions are financed. The governmental fund measurement focus is upon determination of financial position and budgetary control over revenues and expenditures. Proprietary fund types are used to account for operations that are financed and operated in a manner similar to business enterprises - where the intent of the governing body is that costs of providing services are to be financed or recovered primarily through user charges.

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (continued)

Fund Financial Statements

The following funds are used by the City of Wilmore:

Governmental Funds

General Fund – The general operating fund of the City is used to account for all financial resources except those required to be accounted for in another fund. Most of the essential governmental services such as police and fire protection, community services and general administration are reported in this fund.

Special Revenue Funds – The special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are restricted by law to be expended for specific purposes. The City maintains the following special revenue funds:

Municipal Road Aid Fund – A special revenue fund for the money received from the state to be used exclusively for road repair.

Cemetery Fund – A fund used to account for the operations of the Wilmore Cemetery which the City took over as of April 1, 2013, the operations of which are partially financed by the sale of burial plots.

Proprietary Funds

Proprietary funds are used to account for the ongoing organizations and activities of the City, which are similar to those found in private business enterprises. The measurement focus is upon determination of net income, financial position, and changes in cash flows. Proprietary funds can include enterprise funds or internal service funds. The City does not maintain any internal service funds.

Enterprise funds are established to account for the acquisition, operations and maintenance of the City's facilities and services which are entirely or predominantly self-supported by user charges or where the City has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The accounts are maintained on the accrual basis of accounting. The City's enterprise operations include the following:

Water and Sewer Utility System Enterprise Fund – a proprietary fund used to account for the water and sewer utility services provided to the residents of the City, the operations of which are financed by user fees. Additionally, accounting for new plant and system construction and related debt service, which is financed by a 2% occupational fee, is included therein. The City levies a 2% occupational fee, the entire proceeds of which, are set aside to provide payment of the principal and interest on the water and sewer bonds outstanding. Pursuant to Ordinance 479-98 if the proceeds collected exceed the debt service obligations and related provisions the excess may be distributed to the General Fund of the City.

Sanitation Enterprise Fund – a proprietary fund used to account for the sanitation (solid waste removal / garbage collection) services provided to the residents of the City, the operations of which are financed by user fees.

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City as a whole. The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for individual funds.

Fund Financial Statements

The financial transactions of the City are recorded in individual funds. Their focus is on individual funds rather than reporting funds by type. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

Revenues – Exchange and Non-exchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and 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 of the current fiscal year. For City property taxes, available means expected to be received within sixty days of the fiscal year end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal 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 fiscal 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, revenues from non-exchange transactions must also be available before they can be recognized.

Proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Permits, fines and forfeits, and miscellaneous revenues (except for investment earnings) are recorded as revenues when received because they are generally not measurable until actually received. Investment earnings are recorded when earned since they are measurable and available in all funds.

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Balance

In fund financial statements, the difference between the assets and liabilities of governmental funds is reported as fund balance. Fund balance is divided into nonspendable and spendable components, if applicable. Fund balance is further broken down into the following components:

Nonspendable – amounts that must be maintained intact legally or contractually.

Restricted – amounts constrained for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed – amounts constrained for a specific purpose by the City using its highest level of decision making authority.

Assigned – for all governmental funds, other than the General Fund, any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund, amounts constrained, by intent, to be used for a specific purpose by the City or the elected City official given authority to assign amounts.

Unassigned – for the General Fund, amounts not classified as nonspendable, restricted, committed or assigned. For all other government funds, amounts expended in excess of resources that are nonspendable, restricted, committed or assigned.

For resources considered to be committed, the City issues an ordinance that can be changed with another corresponding ordinance.

For resources considered to be assigned, the City has designated the Mayor to carry the intent of the City Council.

It is the policy of the City to spend restricted funds first when both restricted and unrestricted funds are available. Once restricted funds are spent, the City will use committed funds first, assigned funds second and unassigned funds last.

E. Budgeting

The City follows the procedures established pursuant to Section 91A.030 of the Kentucky Revised Statutes in establishing the budgetary data reflected in the financial statements. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles.

Budgeted amounts in the financial statements are adopted by ordinance of the City and have been revised for amendments authorized during the year.

F. Use of Estimates

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

G. Cash and Cash Equivalents

Cash and cash equivalents – The City of Wilmore considers all cash, and certificates of deposit maturing in 90 days or less when purchased, both restricted and unrestricted, as cash and cash equivalents for purposes of the Statement of Cash Flows.

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

Acquired capital assets are recorded at cost or estimated cost. Depreciation of capital assets is provided over the estimated useful lives of the respective assets using the straight-line basis. The estimated useful lives are as follows:

Infrastructure	35-45 years
Buildings	25-50 years
Improvements	10-25 years
Vehicles, furniture and equipment	5-20 years

I. Internal Balances and Transfers

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

Permanent re-allocation of resources between funds of the City are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

J. Compensated Absences

The City's policy is to allow employees to accumulate up to 160 hours of vacation pay and up to 160 hours of personal pay. Any excess over the 160-hour limit at December 31 will be paid to the employee at their current rate. Upon termination, employees shall be paid for all accumulated unused vacation and personal hours at their current rate of pay.

K. Revenues and Receivables

Tax receivables are stated less an allowance for doubtful accounts of \$17,700 in the General Fund. No allowance for doubtful accounts on utility or sanitation customer accounts receivable has been provided since customer deposits are adequate and service is discontinued when unpaid amounts approach the deposit amount.

Proprietary funds report all revenues and expenses as operating, except interest income, interest expense, occupational license fees and capital contributions.

Unearned revenues represent grant revenues received but unearned. Revenues are recognized when eligible expenditures are incurred and all conditions of the grant are satisfied.

L. Pensions

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

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County Employees' Retirement System (CERS) and additions to/deductions from CERS' fiduciary net position have been determined on the same basis as they are reported by CERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

N. Leases

The City follows Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease payable and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City currently does not have any leases that meet the criteria for recognition.

O. Subscription-based Information Technology Arrangements

Effective July 1, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-based Information Technology Arrangements. GASB Statement No. 96 requires recognition of a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability for subscription-based information technology arrangements (SBITA) that were previously classified as operating expenses. It establishes uniform guidance for SBITA accounting based on the foundational principle that SBITA are financings of the right to use vendor-provided information technology assets. Government entities are required to recognize a subscription liability and an intangible right-to-use subscription asset. See Note 12 for information regarding the City's subscription-based assets and liabilities.

P. Management's Review of Subsequent Events

The City has evaluated and considered the need to recognize or disclose subsequent events through November 24, 2025, which represents the date that these financial statements were available to be issued. Subsequent events past this date, as they pertain to the fiscal year ended June 30, 2025, have not been evaluated by the City.

Q. Other Accounting Policies

Investments consist of certificates of deposit and are reported at cost. These funds are invested for periods that comply with cash flow requirements of bond ordinances and general government services.

The City maintains inventories of fuel and utility system parts and they are reported at lower of cost or market on the first-in, first-out basis.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City of Wilmore.

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Change in Accounting Policy

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The City implemented GASB Statement No. 101 during the fiscal year ending June 30, 2025. These changes were incorporated in the City's June 30, 2025, financial statements. There was no material effect on the financial statements.

2. CASH AND INVESTMENTS

KRS 66.480 authorizes the City to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which have a physical presence in Kentucky and are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4). The Statute also authorizes investment in mutual funds, exchange traded funds, individual equity securities and high-quality corporate bonds that are managed by a professional investment manager and subject to additional requirements outlined in KRS 66.480.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City does not have a policy regarding interest rate risk.

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 the investment or collateral securities that are in the possession of an outside party. The City requires all deposits and investments to be covered by federal depository insurance or by collateral held by the custodial bank in the City's name.

The balances for cash, cash equivalents and investments in certificates of deposit as of June 30, 2025, are as follows:

	Governmental	Proprietary	Total
Carrying amount	\$ 3,148,349	\$ 3,896,832	\$ 7,045,181
Bank Balance	\$ 3,196,052	\$ 3,919,837	\$ 7,115,889
FDIC Insurance	\$ 1,491,356	\$ 2,719,352	\$ 4,210,708
Collateral	\$ 1,704,696	\$ 2,259,711	\$ 3,964,407

The City of Wilmore's deposits and investments at June 30, 2025, were entirely covered by federal depository insurance or by collateral held by the custodial banks in the City's name.

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

2. CASH AND INVESTMENTS (CONTINUED)

Types of Investment	Cost	Interest Rate	Maturity Date
<u>Governmental activities:</u>			
Edward Jones:			
Certificate of deposit - First Horizon	\$ 5,000	5.25%	7/3/2025
Certificate of deposit - Wells Fargo Bk N A Sioux Falls	236,000	4.30%	6/16/2026
Certificate of deposit - Zions Bank	168,000	4.30%	3/25/2026
Certificate of deposit - Bank of America, CA	205,000	4.15%	9/19/2025
Certificate of deposit - State Bank of India NY	127,000	4.15%	3/25/2026
Certificate of deposit - Bank of America Charlotte	89,000	3.95%	7/9/2026
Certificate of deposit - Bank of NY Mellon	36,000	4.10%	4/6/2026
Certificate of deposit - First Horizon	241,000	4.30%	4/6/2026
Certificate of deposit - Zions Bancorporation	80,000	4.30%	4/2/2026
Certificate of deposit - Godman Sachs Bank	54,000	4.20%	4/1/2026
	<u>\$ 1,241,000</u>		
<u>Business-type activities:</u>			
Farmers Bank:			
Certificate of Deposit	\$ 10,000		
Certificate of Deposit	5,000		
	<u>\$ 15,000</u>		
Edward Jones:			
Certificate of deposit - Morgan Sanley Bank Salt	\$ 161,000	5.15%	11/24/2025
Certificate of deposit - BANK America Charlotte	161,000	5.15%	12/01/2025
Certificate of deposit - Farmers Bank & Trust Magnolia	228,000	4.15%	02/27/2026
Certificate of deposit - Washington Fed Bank	220,000	4.20%	02/13/2026
Certificate of deposit - Goldman Sachs	70,000	4.10%	01/07/2026
Certificate of deposit - Bank of India	115,000	4.25%	02/18/2026
Certificate of deposit - Bank of Baton Rouge	236,000	4.25%	06/18/2026
Certificate of deposit - Bank Hapoalim	236,000	4.25%	06/29/2026
Certificate of deposit - China NYC	236,000	4.30%	06/08/2026
Certificate of deposit - Bank of China NYC	99,000	4.10%	03/25/2026
Certificate of deposit - Bank New York Mellon	101,000	4.25%	06/25/2026
Certificate of deposit - Morgan Sanley	154,000	4.30%	06/30/2026
Certificate of deposit - Essa Bank & TR Stroudsburg	146,000	4.45%	04/02/2026
	<u>\$ 2,163,000</u>		

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

3. ACCOUNTS RECEIVABLE

Receivables at year end of the City's major individual funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General Fund	Nonmajor Funds	Governmental Funds
Governmental funds:			
Taxes	\$ 47,901	\$ -	\$ 47,901
Licenses, permits, billings	247,886	-	247,886
Charges for service	-	-	-
Intergovernmental	4,681	8,537	13,218
Other	<u>103,722</u>	<u>-</u>	<u>103,722</u>
Gross receivables	404,190	8,537	412,727
Less: allowance for uncollectible	<u>(17,700)</u>	<u>-</u>	<u>(17,700)</u>
Net receivables	<u>\$ 386,490</u>	<u>\$ 8,537</u>	<u>\$ 395,027</u>
	Water and Sewer Fund	Sanitation Fund	Business-type Funds
Business-type activities:			
Customer	\$ 261,970	\$ 115,292	\$ 377,262
Licenses, permits, billings	384,560	-	384,560
Other receivables	-	-	-
Less: allowance for uncollectible	<u>-</u>	<u>-</u>	<u>-</u>
Net receivables	<u>\$ 646,530</u>	<u>\$ 115,292</u>	<u>\$ 761,822</u>

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

4. CAPITAL ASSETS

A summary of capital asset activity during the fiscal year follows:

	Balance July 01, 2024	Additions	Deductions/ Transfers	Balance June 30, 2025
Governmental activities:				
Assets not depreciated:				
Construction in progress	\$ 762,325	\$ 200,888	\$ (69,998)	\$ 893,215
Land and improvements	<u>525,328</u>	<u>-</u>	<u>-</u>	<u>525,328</u>
Totals	<u>1,287,653</u>	<u>200,888</u>	<u>(69,998)</u>	<u>1,418,543</u>
Capital assets that are depreciated:				
Buildings and improvements	951,347	23,000	-	974,347
Vehicles	2,996,727	94,933	(83,731)	3,007,929
Equipment	519,499	5,950	(8,500)	516,949
SBITA equipment	<u>-</u>	<u>22,650</u>	<u>-</u>	<u>22,650</u>
Totals	<u>4,467,573</u>	<u>146,533</u>	<u>(92,231)</u>	<u>4,521,875</u>
Total non-infrastructure assets	<u>5,755,226</u>	<u>347,421</u>	<u>(92,231)</u>	<u>5,940,418</u>
Infrastructure assets	<u>4,988,938</u>	<u>125,675</u>	<u>-</u>	<u>5,114,613</u>
Total capital assets	<u>10,744,164</u>	<u>473,096</u>	<u>(162,229)</u>	<u>11,055,031</u>
Less accumulated depreciation				
Accumulated amortization:				
Buildings and Improvements	456,525	21,193	-	478,109
Vehicles	1,094,131	142,631	(83,731)	1,153,031
Equipment	312,363	40,633	(6,658)	346,338
SBITA equipment	-	4,153	-	4,153
Infrastructure assets	<u>2,271,358</u>	<u>119,720</u>	<u>-</u>	<u>2,391,078</u>
Totals	<u>4,134,377</u>	<u>328,721</u>	<u>(90,389)</u>	<u>4,372,709</u>
Capital assets, net	<u>\$ 6,609,787</u>	<u>\$ 144,375</u>	<u>\$ (71,840)</u>	<u>\$ 6,682,322</u>
Business-type activities:				
Construction in progress	\$ 22,012	\$ 34,836	\$ -	\$ 56,848
Land, buildings and tower	1,727,365	-	-	1,727,365
Plant and water system	9,965,888	-	-	9,965,888
Plant and sewer system	9,562,638	-	-	9,562,638
Vehicles and equipment	<u>1,817,941</u>	<u>107,702</u>	<u>(395,804)</u>	<u>1,529,840</u>
Totals	<u>23,095,844</u>	<u>142,538</u>	<u>(395,804)</u>	<u>22,842,579</u>
Less accumulated depreciation	<u>11,851,852</u>	<u>460,528</u>	<u>(361,494)</u>	<u>11,950,883</u>
Capital assets, net	<u>\$ 11,243,992</u>	<u>\$ (317,990)</u>	<u>\$ (34,310)</u>	<u>\$ 10,891,691</u>

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

4. CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense was charged to the governmental activities functions as follows:

General government	\$ 14,173
Police	55,971
Fire	94,227
Public works-streets	143,910
Cemetery	4,510
Parks and recreation	<u>15,930</u>
Total depreciation expense	<u>\$ 328,721</u>

5. GOVERNMENTAL ACTIVITIES - LONG-TERM DEBT

Governmental activities long-term debt consists of compensated absences, net pension liability, net OPEB liability, and note payable.

A direct placement note payable for a fire truck was entered into on December 12, 2022, for \$1,144,812. The City drew the entire \$1,144,812 during the year ending June 30, 2023. The interest rate on the note is a fixed rate of 3.65%, with payments due monthly beginning January 15, 2023. The note matures on December 15, 2032. The fire truck is held as security on the note.

The schedule below shows the City's fire truck note at June 30, 2025:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 105,773	\$ 31,427	\$ 137,200
2027	109,755	27,445	137,200
2028	113,824	23,376	137,200
2029	118,171	19,029	137,200
2030	122,619	14,581	137,200
2031-2032	<u>325,767</u>	<u>15,890</u>	<u>341,657</u>
	<u>\$ 895,909</u>	<u>\$ 131,748</u>	<u>\$ 1,027,657</u>

The following is a summary of changes in long-term debt for the year ended June 30, 2025:

	Balance July 01, 2024	Issued	Retired	Balance June 30, 2025
Governmental activities:				
Long-term compensated absences	\$ 28,714	\$ 5,914	\$ -	\$ 34,628
Fire truck note - 2023	998,499	-	102,589	895,909
SBITA liability	-	13,516	-	13,516
Net pension liability	2,521,527	-	294,930	2,226,597
Net OPEB liability	<u>65,202</u>	<u>-</u>	<u>20,950</u>	<u>44,252</u>
	<u>\$ 3,613,892</u>	<u>\$ 19,430</u>	<u>\$ 418,469</u>	<u>\$ 3,214,902</u>

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

6. BUSINESS-TYPE ACTIVITIES - LONG-TERM DEBT

Business-type activities long-term debt consists of compensated absences, net pension liability, net OPEB liability, revenue bonds, two loans through Rural Development, and a loan through the Kentucky Infrastructure Authority. Proceeds from the revenue bonds and Rural Development loans were used for expansions and improvements to the water and sewer utility systems.

	Maturity	Rate	Balance July 01, 2024	Issued	Retired	Balance June 30, 2025
Water and Sewer System:						
Revenue bond:						
2000A (\$2,283,000)	2040	4.375%	\$ 1,071,000	\$ -	\$ 60,000	\$ 1,011,000
Direct placement debt:						
RD Loan #1 (\$1,875,000)	2057	2.500%	1,750,000	-	33,500	1,716,500
RD Loan #2 (\$390,000)	2057	1.875%	360,500	-	7,500	353,000
KIA Loan F21-060	2043	2.000%	942,612	-	42,569	900,043
Long-term compensated absences			15,760	2,251	-	18,011
Net pension liability			1,229,744	1,461	-	1,231,205
Net OPEB liability (asset)			<u>(26,460)</u>	<u>-</u>	<u>9,187</u>	<u>(35,647)</u>
			<u>\$ 5,343,156</u>	<u>\$ 3,712</u>	<u>\$ 152,756</u>	<u>\$ 5,194,112</u>
Sanitation:						
Net pension liability			\$ 214,799	\$ -	\$ 214,799	\$ -
Net OPEB liability (asset)			<u>(4,622)</u>	<u>-</u>	<u>4,622</u>	<u>-</u>
			<u>\$ 210,177</u>	<u>\$ -</u>	<u>\$ 210,177</u>	<u>\$ -</u>
Total business-type activities			<u>\$ 5,553,333</u>	<u>\$ 3,712</u>	<u>\$ 362,933</u>	<u>\$ 5,194,112</u>

The annual requirements to retire the water and sewer debt as of June 30, 2025, is as follows:

	Principal	Interest	Total
2026	\$ 148,425	\$ 110,168	\$ 258,593
2027	152,298	105,495	257,793
2028	157,188	100,670	257,858
2029	162,096	95,671	257,767
2030	167,023	90,502	257,525
2031-2035	920,177	368,108	1,288,285
2036-2040	800,799	223,423	1,024,222
2041-2045	462,038	148,511	610,549
2046-2050	353,000	104,661	457,661
2051-2055	397,000	60,347	457,347
2056-2058	<u>260,500</u>	<u>12,604</u>	<u>273,104</u>
	<u>\$ 3,980,544</u>	<u>\$ 1,420,160</u>	<u>\$ 5,400,704</u>

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

7. CONDUIT DEBT

The City issued City of Wilmore, Kentucky Educational Development Revenue Bonds, Series 2009 (Asbury College Project) dated December 18, 2009, in the amount of \$9,000,000. These bonds mature on January 1, 2035, with an interest rate of 6.33%.

These bonds are not a general obligation, debt or bonded indebtedness or liability of the City of Wilmore and will not give rise to a charge against the general credit or taxing powers of the City of Wilmore and are not included in the financial statements.

8. COMMITMENTS

The City participates in various state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. Therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2025 may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants. Therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

9. RETIREMENT PLAN

The City of Wilmore is a participating employer of the County Employees' Retirement System (CERS). Under the provisions of Kentucky Revised Statute 61.645, the Board of Trustees of Kentucky Public Pensions Authority (KPPA) administers the CERS. The plan issues publicly available financial statements which may be downloaded from the KPPA website.

Plan Description – CERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all regular full-time members employed in positions of each participating county, city, school board, and any additional eligible local agencies electing to participate in the System. The plan provides for retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Cost-of-living adjustments (COLA) are provided at the discretion of state legislature.

Contributions – For the year ended June 30, 2025, plan members were required to contribute 5% of wages for non-hazardous job classifications and 8% of wages for hazardous job classifications. Employees hired after September 1, 2008, are required to contribute an additional 1% to cover the cost of medical insurance that is provided through CERS. Participating employers are required to contribute at an actuarially determined rate. Per Kentucky Revised Statute Section 78.545(33), normal contribution and past service contribution rates shall be determined by the Board on the basis of an annual valuation last proceeding the July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial basis adopted by the Board. For the year ended June 30, 2025, participating employers contributed 19.71% of each employee's wages for non-hazardous job classifications and 38.61% of each employee's wages for hazardous job classifications. The contributions are allocated to both the pension and insurance trusts. The insurance trust is more fully described in Note 10. Plan members' contributions were allocated 19.71% to the pension trust for non-hazardous job classifications and 36.49% to the pension trust for hazardous job classifications. The contribution rates are equal to the actuarially determined rate set by the Board. Administrative costs of Kentucky Public Pensions Authority are financed through employer contributions and investment earnings.

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

9. RETIREMENT PLAN (CONTINUED)

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 their own account. Plan members contribute 5% of wages to their own account for non-hazardous job classifications and 8% of wages to their own account for hazardous classifications. Plan members also contribute 1% to the health insurance fund. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of each member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. Each member's account is credited with a 4% employer pay credit for non-hazardous members, and a 7.5% pay credit for hazardous members. The employer pay credit represents a portion of the employer contribution.

For the year ended June 30, 2025, the City contributed \$212,057, or 100% of the required contribution for non-hazardous job classifications, which was allocated \$212,057 to the CERS pension fund and \$0 to the CERS insurance fund. The City contributed \$198,185, or 100% of the required contribution for hazardous job classifications, which was allocated \$187,303 to the CERS pension fund and \$10,882 to the CERS insurance fund.

Benefits – CERS provides retirement, health insurance, death and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years' service.

For retirement purposes, employees are grouped into three tiers based on hire date:

Tier 1	Participation date	Before September 1, 2008
	Unreduced retirement	27 years service or 65 years old and 4 years service
	Reduced retirement	At least 5 years service and 55 years old or 25 years service and any age
Tier 2	Participation date	September 1, 2008 - December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years old or age 57+ and sum of service years plus age equal to 87+
	Reduced retirement	At least 10 years service and 60 years old
Tier 3	Participation date	After December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years old or age 57+ and sum of service years plus age equal to 87+
	Reduced retirement	Not available

Cost of living adjustments are provided at the discretion of the General Assembly. Retirement is based on a factor of the number of years' service and hire date multiplied by the average of the highest five years' earnings. Reduced benefits are based on factors of both of these components. Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are \$5,000 in lump sum. Five years' service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent's beneficiary will receive the higher of the normal death benefit and \$10,000 plus 25% of the decedent's monthly final rate of pay and any dependent child will receive 10% of the decedent's monthly final rate of pay up to 40% for all dependent children. Five years' service is required for nonservice-related disability benefits.

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

9. RETIREMENT PLAN (CONTINUED)

Pension Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2025, the City reported a liability for its proportionate share of the net pension liability as follows:

Total Net Pension Liability	Non-hazardous	Hazardous
\$ <u>3,457,802</u>	\$ <u>2,029,696</u>	\$ <u>1,428,106</u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, and rolled forward using generally accepted actuarial procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. The City's proportionate share at June 30, 2024, was as follows:

Non-hazardous	Hazardous
.0339%	.0555%

The proportionate share at June 30, 2024, decreased .0021% for non-hazardous and decreased .0058% for hazardous compared to the proportionate share as of June 30, 2023.

For the year ended June 30, 2025, the City recognized pension expense of \$48,406. 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 results	\$ 191,036	\$ -
Changes of assumptions	-	172,303
Net difference between projected and actual earnings on Plan investments	-	206,718
Changes in proportion and differences between City contributions and proportionate share of contributions	4,488	421,363
City contributions subsequent to the measurement date	<u>399,360</u>	<u>-</u>
Total	<u>\$ 594,884</u>	<u>\$ 800,384</u>

The \$399,360 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending June 30,	
2026	\$ (328,955)
2027	\$ (105,934)
2028	\$ (121,440)
2029	\$ (48,531)

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

9. RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions – The total pension liabilities in the June 30, 2024, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Non-hazardous

Inflation	2.50%
Salary increases	3.30% to 10.30%, varies by service, including inflation
Investment rate of return	6.50%, net of Plan investment expense, including inflation

Hazardous

Inflation	2.50%
Salary increases	3.55% to 19.05%, varies by service, including inflation
Investment rate of return	6.50%, net of Plan investment expense, including inflation

Mortality rates were based on the Pub-2010 General Mortality Table projected with the ultimate rates from the MP-2014 Mortality 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 MP-2020 Mortality Improvement Scale using a base year of 2023. The Mortality Table used for disabled members was PUB-2010 Disabled Mortality Table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from MP-2020 Mortality Improvement Scale using a base year of 2010.

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2013 - June 30, 2022. The total pension liability was rolled-forward from the valuation date (June 30, 2023) to the plan's fiscal year ending June 30, 2024.

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 of arithmetic nominal real rates of return for each major asset class are summarized in the following table:

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%
Liquidity	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%
Total	100.00%	4.69%
Long term inflation assumption		2.50%
Expected nominal return for portfolio		7.19%

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

9. RETIREMENT PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the closed 27-year amortization period of the unfunded actuarial accrued liability. The actuarial determined contribution rate is adjusted to reflect the phase in of anticipated gains on actuarial value of assets over the first four years of the projection period. The discount rate does not use a municipal bond rate.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	Non-hazardous			Hazardous		
		City's proportionate share of net pension liability			City's proportionate share of net pension liability	
	Discount rate			Discount rate		
1% decrease	5.50%	\$ 2,616,610		5.50%	\$ 1,838,537	
Current discount rate	6.50%	\$ 2,029,696		6.50%	\$ 1,428,106	
1% increase	7.50%	\$ 1,542,712		7.50%	\$ 1,093,011	

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description – As more fully described in Note 9, the City of Wilmore participates in the County Employees' Retirement System (CERS). CERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all regular full-time members employed in positions of each participating county, city, school board, and any additional eligible local agencies electing to participate in the System. In addition to retirement benefits, the plan provides for health insurance benefits to plan members (other postemployment benefits or OPEB). OPEB benefits may be extended to beneficiaries of plan members under certain circumstances.

Contributions – As more fully described in Note 9, plan members contribute to CERS for non-hazardous and hazardous job classifications. For the year ending June 30, 2025, the employer's contribution was 0.00% to the insurance trust for non-hazardous job classifications and 2.12% to the insurance trust for hazardous job classifications. Employees hired after September 1, 2008, are required to contribute an additional 1% to cover the cost of medical insurance that is provided through CERS. Participating employers are required to contribute at an actuarially determined rate. Per Kentucky Revised Statute Section 78.545(33), normal contribution and past service contribution rates shall be determined by the Board on the basis of an annual valuation last proceeding the July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial basis adopted by the Board. The contribution rates are equal to the actuarially determined rate set by the Board. Administrative costs of Kentucky Public Pensions Authority are financed through employer contributions and investment earnings.

For the year ended June 30, 2025, the City contributed \$0, or 100% of the required contribution for non-hazardous job classifications, and \$10,882, or 100% of the required contribution for hazardous job classifications.

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Benefits – CERS provides health insurance benefits to Plan employees and beneficiaries.

For retirement purposes, employees are grouped into three tiers based on hire date:

Tier 1	Participation date Insurance eligibility Benefit	Before July 1, 2003 10 years of service credit required Set percentage of single coverage health insurance based on service credit accrued at retirement
Tier 1	Participation date Insurance eligibility Benefit	Before September 1, 2008 but after July 1, 2003 10 years of service credit required Set dollar amount based on service credit accrued, increased annually
Tier 2	Participation date Insurance eligibility Benefit	After September 1, 2008 and before December 31, 2013 15 years of service credit required Set dollar amount based on service credit accrued, increased annually
Tier 3	Participation date Insurance eligibility Benefit	After December 31, 2013 15 years of service credit required Set dollar amount based on service credit accrued, increased annually

OPEB Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2025, the City reported a liability (asset) for its proportionate share of the net OPEB liability (asset) as follows:

Total Net OPEB Liability (Asset)	Non-hazardous	Hazardous
\$ 8,605	\$ (58,765)	\$ 67,370

The net OPEB liability (asset) was measured as of **June 30, 2024**, and the total OPEB liability (asset) used to calculate the net OPEB liability was determined by an actuarial valuation as of **June 30, 2023** and rolled forward using generally accepted actuarial procedures. The City's proportion of the net OPEB liability (asset) was based on a projection of the City's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. The City's proportionate share at **June 30, 2024**, was as follows:

Non-hazardous	Hazardous
.0340%	.0555%

The proportionate share at **June 30, 2024**, decreased .0021% for non-hazardous and decreased .0058% for hazardous compared to the proportionate share as of **June 30, 2023**.

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

For the year ended June 30, 2025, the City recognized OPEB expense of \$(235,569). 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 results	\$ 50,845	\$ 708,953
Changes of assumptions	98,945	123,923
Net difference between projected and actual earnings on Plan investments	-	72,792
Changes in proportion and differences between City contributions and proportionate share of contributions	3,536	179,905
City contributions subsequent to the measurement date	<u>25,885</u>	<u>-</u>
Total	<u>\$ 179,211</u>	<u>\$ 1,085,573</u>

The \$25,885 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. This includes adjustments of \$15,930 for the nonhazardous implicit subsidy and \$(927) for the hazardous implicit subsidy, which are required to be recognized as deferred outflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ending June 30,

2026	\$ (326,221)
2027	\$ (263,230)
2028	\$ (255,977)
2029	\$ (85,431)
2030	\$ (1,388)

Actuarial Assumptions – The total OPEB liability (asset) in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Non-hazardous

Inflation	2.50%
Salary increases	3.30 to 10.30%, varies by service, including inflation
Investment rate of return	6.50%, net of Plan investment expense, including inflation
Healthcare trend	

Pre – 65: Initial trend starting at 7.10% at January 1, 2026, and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years.

Post – 65: Initial trend starting at 8.00% in 2026, then gradually decreasing to an ultimate trend rate of 4.25% over a period of 9 years.

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Hazardous

Inflation	2.50%
Salary increases	3.55 to 19.05%, varies by service, including inflation
Investment rate of return	6.50%, net of Plan investment expense, including inflation
Healthcare trend	

Pre – 65: Initial trend starting at 7.10% at January 1, 2026, and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years.

Post – 65: Initial trend starting at 8.00% in 2026, then gradually decreasing to an ultimate trend rate of 4.25% over a period of 9 years.

Mortality rates were based on the Pub-2010 General Mortality Table projected with the ultimate rates from the MP-2014 Mortality 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 MP-2020 Mortality Improvement Scale using a base year of 2023. The Mortality Table used for disabled members was PUB-2010 Disabled Mortality Table, with rates multiplied by 150% for both male and female rates, projected with the ultimate rates from MP-2020 Mortality Improvement Scale using a base year of 2010.

The actuarial assumption used in the June 30, 2024, valuation was based on the results of an actuarial experience study for the period July 1, 2013 - June 30, 2022. The total OPEB liability was rolled-forward from the valuation date (June 30, 2023) to the plan's fiscal year ending June 30, 2024.

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 of arithmetic real rate of return for each major asset class are summarized in the following table:

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%
Liquidity	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%
Total	100.00%	4.69%
Long term inflation assumption		2.50%
Expected nominal return for portfolio		7.19%

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Discount Rate – The discount rate used to measure the total OPEB liability (asset) was 5.99% and 6.02% for non-hazardous and hazardous classifications, respectively. The projection of cash flows used to determine the discount rate assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 22-year amortization period of the unfunded actuarial accrued liability. 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. However, the cost associated with the implicit employer subsidy was not included in the calculation of the System’s actuarial 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 Net OPEB Liability (Asset) to Changes in the Discount Rate – The following presents the City’s proportionate share of the net OPEB liability (asset) calculated using the discount rate as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Non-hazardous		Hazardous	
	Discount rate	City’s proportionate share of net OPEB liability (asset)	Discount rate	City’s proportionate share of net OPEB liability (asset)
1% decrease	4.99%	\$ 79,457	5.02%	\$ 186,180
Current discount rate	5.99%	\$ (58,765)	6.02%	\$ 67,370
1% increase	6.99%	\$ (174,984)	7.02%	\$ (31,920)

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate – The following presents the City’s proportionate share of the net OPEB liability (asset) calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Non-hazardous	Hazardous
	City’s proportionate share of net OPEB liability (asset)	City’s proportionate share of net OPEB liability (asset)
1% decrease	\$ (141,383)	\$ (10,444)
Current trend rate	\$ (58,765)	\$ 67,370
1% increase	\$ 37,477	\$ 158,318

OPEB plan fiduciary net position – Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued financial report.

CITY OF WILMORE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

11. PROPERTY TAX CALENDAR

Property taxes for fiscal year 2025 were levied in September 2024 on the assessed property located in the City of Wilmore as of the preceding January 1. The assessments are determined by the County Property Valuation Administrator in accordance with Kentucky Revised Statutes. The due date collection periods for all taxes exclusive of vehicle taxes are as follows:

Description	Date
Due date for payment	November 31
Face value payment period	October 1 - November 31
Past due date, 20% penalty	December 1
Attorney for collection	February 1
Interest charge	8.00% per annum effective February 1

Vehicle taxes are collected by the County Clerk of Jessamine County and are due and collected in the birth month of the vehicle's licensee.

12. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

On July 5, 2024, the City entered into a subscription-based information technology arrangement (SBITA) with Wolfcom for body cameras and related software. The arrangement requires five annual payments of \$5,387. The rate implicit in the agreement is 9.11% with an asset value of \$23,880. For the year ended June 30, 2025, the City reported a corresponding SBITA liability in the amount of \$18,493. For the year ended June 30, 2025, there was a principal reduction of \$5,387 and interest of 9.11%. Future payments are as follows:

Year ended	Principal	Interest	Total
2026	\$ 3,747	\$ 1,640	\$ 5,387
2027	4,103	1,284	5,387
2028	4,493	894	5,387
2029	<u>4,920</u>	<u>467</u>	<u>5,387</u>
	<u>\$ 17,263</u>	<u>\$ 4,285</u>	<u>\$ 21,548</u>

13. RISK MANAGEMENT

The City of Wilmore 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. In addition to its general liability insurance, the City also carries commercial insurance for all other risks of loss such as worker's compensation and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

14. CONCENTRATIONS

The City has a concentration of revenue for occupational tax. Four entities generated approximately 65% of the City's occupational tax revenue, as well as 37% of the proprietary funds' revenue and 36% of the proprietary fund's customer accounts receivable.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WILMORE, KENTUCKY
REQUIRED SUPPLEMENTARY BUDGETARY COMPARISON
GENERAL FUND
for the year ended June 30, 2025

	Enacted Budget	Amended Budget	Actual	Variance
REVENUES				
MUNICIPAL TAXATION				
General property taxes	\$ 721,397	\$ 729,022	\$ 752,848	\$ 23,826
LICENSES AND PERMITS				
Insurance	715,000	785,000	821,133	36,133
Business	13,500	11,000	11,285	285
Utility franchise fees	200,000	205,000	206,394	1,394
Impact fees	-	12,000	15,076	3,076
	<u>928,500</u>	<u>1,013,000</u>	<u>1,053,888</u>	<u>40,888</u>
CHARGES FOR SERVICES				
Parks and recreation fees	<u>91,000</u>	<u>112,400</u>	<u>117,331</u>	<u>4,931</u>
FINES AND FORFEITS				
Parking fines	1,200	2,500	2,785	285
Arrest fees	<u>500</u>	<u>500</u>	<u>498</u>	<u>(2)</u>
	<u>1,700</u>	<u>3,000</u>	<u>3,283</u>	<u>283</u>
INTERGOVERNMENTAL				
Fiscal court contributions	16,500	28,500	172,500	144,000
Commonwealth of Kentucky - fire grant	15,000	15,000	15,000	-
Commonwealth of Kentucky - coal severance	2,600	3,100	3,118	18
Law enforcement fees	8,000	8,200	8,365	165
Other grants - feasibility study	-	6,000	6,000	-
Police incentive pay	48,855	50,398	50,927	529
CDBG grant	-	-	139,616	139,616
CARES Act funding	<u>315,000</u>	<u>260,558</u>	<u>70,072</u>	<u>(190,486)</u>
	<u>405,955</u>	<u>371,756</u>	<u>465,598</u>	<u>93,842</u>
OTHER				
Rental income	32,000	37,500	38,800	1,300
Interest income	16,750	28,175	53,164	24,989
Miscellaneous	<u>34,200</u>	<u>55,626</u>	<u>86,485</u>	<u>30,859</u>
	<u>82,950</u>	<u>121,301</u>	<u>215,563</u>	<u>94,262</u>
TOTAL REVENUES	<u>\$ 2,231,502</u>	<u>\$ 2,350,479</u>	<u>\$ 2,608,511</u>	<u>\$ 258,032</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Salaries	\$ 214,880	\$ 205,000	\$ 205,762	\$ 762
Fringe benefits	51,993	48,744	47,787	(957)
Advertising and postage	5,200	5,400	5,182	(218)
Professional	24,200	19,800	30,690	10,890
Insurance	25,215	28,265	27,220	(1,045)
Utilities	85,000	85,000	86,911	1,911
Office supplies	5,000	5,600	5,401	(199)
Cleaning expense	16,000	13,000	12,015	(985)
Phone	1,200	1,200	1,200	-
Planning and zoning	140,000	145,000	123,398	(21,602)
Building maintenance	30,000	22,000	15,113	(6,887)
Maintenance of office equipment	16,000	22,000	19,833	(2,167)
Other	<u>48,700</u>	<u>50,564</u>	<u>34,433</u>	<u>(16,131)</u>
	<u>663,388</u>	<u>651,573</u>	<u>614,945</u>	<u>(36,628)</u>
POLICE				
Salaries	604,000	605,426	612,027	6,601
Fringe benefits	277,495	251,262	253,896	2,634
Dispatch contract	6,500	6,400	6,360	(40)
Insurance	137,859	140,650	139,489	(1,161)
Fuel	28,000	30,000	32,729	2,729
Building maintenance	8,000	10,000	8,104	(1,896)
Equipment maintenance	20,440	20,440	13,913	(6,527)
Vehicle maintenance	20,000	52,000	50,802	(1,198)
Uniform and allowances	12,500	10,500	9,617	(883)
Office and computer supplies	19,000	19,000	19,305	305
Other supplies	29,208	18,300	12,855	(5,445)
Telephone and security system	9,000	7,500	6,098	(1,402)
Drug Free Kids	3,500	3,200	2,667	(533)
Travel and training	12,000	10,000	10,174	174
Other	<u>11,550</u>	<u>16,463</u>	<u>14,909</u>	<u>(1,554)</u>
	<u>1,199,052</u>	<u>1,201,141</u>	<u>1,192,945</u>	<u>(8,196)</u>

CITY OF WILMORE, KENTUCKY
REQUIRED SUPPLEMENTARY BUDGETARY COMPARISON
GENERAL FUND
for the year ended June 30, 2025

	<u>Enacted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
FIRE				
Salaries	\$ 58,000	\$ 54,500	\$ 52,419	\$ (2,081)
Fringe benefits	4,500	4,100	4,010	(90)
Dispatch contract	8,000	7,773	7,773	-
Utilities	13,000	13,000	12,732	(268)
Insurance	14,200	12,350	12,031	(319)
Vehicle maintenance and fuel	29,800	30,600	29,693	(907)
Travel and training	5,975	5,975	6,218	243
Equipment	42,100	42,350	40,859	(1,491)
Other	6,380	11,250	10,925	(325)
	<u>181,955</u>	<u>181,898</u>	<u>176,660</u>	<u>(5,238)</u>
STREETS				
Salaries	232,000	233,000	234,918	1,918
Fringe benefits	62,748	51,748	50,656	(1,092)
Insurance	66,800	64,018	62,280	(1,738)
Utilities	80,000	66,000	58,672	(7,328)
Fuel	25,000	18,000	19,724	1,724
Vehicle and equipment maintenance	23,000	21,000	26,554	5,554
Landscaping	18,000	19,000	21,067	2,067
Other	24,500	25,150	15,819	(9,331)
	<u>532,048</u>	<u>497,916</u>	<u>489,690</u>	<u>(8,226)</u>
COMMUNITY DEVELOPMENT				
Salaries	18,018	18,018	18,002	(16)
Fringe benefits	1,378	1,378	1,377	(1)
Other	81,450	80,686	77,283	(3,403)
	<u>100,846</u>	<u>100,082</u>	<u>96,662</u>	<u>(3,420)</u>
PARKS AND RECREATION				
Salaries	96,564	100,000	105,791	5,791
Fringe benefits	18,684	18,684	19,324	640
Insurance	19,049	17,100	16,620	(480)
Utilities	6,000	6,000	5,137	(863)
Maintenance and repairs	36,500	42,000	27,724	(14,276)
Recreation expenses	42,000	67,300	79,663	12,363
Other	1,000	1,500	1,397	(103)
	<u>219,797</u>	<u>252,584</u>	<u>255,656</u>	<u>3,072</u>
CAPITAL OUTLAY				
General	8,800	8,800	8,800	-
Police	-	-	22,650	22,650
Fire	-	55,033	78,033	23,000
Streets	54,785	45,850	45,850	-
Parks and recreation	45,000	38,825	46,877	8,052
Community development	307,000	201,931	200,888	(1,043)
	<u>415,585</u>	<u>350,439</u>	<u>403,098</u>	<u>52,659</u>
DEBT SERVICE	<u>138,000</u>	<u>137,200</u>	<u>142,587</u>	<u>5,387</u>
TOTAL EXPENDITURES	<u>3,450,671</u>	<u>3,372,833</u>	<u>3,372,243</u>	<u>(590)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(1,219,169)</u>	<u>(1,022,354)</u>	<u>(763,732)</u>	<u>258,622</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	11,639	11,639	-
SBITA proceeds	-	-	22,650	22,650
Transfers in, net	1,300,000	1,100,000	1,100,000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,300,000</u>	<u>1,111,639</u>	<u>1,134,289</u>	<u>22,650</u>
NET CHANGE IN FUND BALANCE	<u>\$ 80,831</u>	<u>\$ 89,285</u>	<u>\$ 370,557</u>	<u>\$ 281,272</u>

CITY OF WILMORE, KENTUCKY
REQUIRED SUPPLEMENTARY SCHEDULE OF
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - NONHAZARDOUS
Last Ten Fiscal Years

Reporting Fiscal Year (Measurement Date)	2016 (2015)	2017 (2016)	2018 (2017)	2019 (2018)	2020 (2019)	2021 (2020)	2022 (2021)	2023 (2022)	2024 (2023)	2025 (2024)
City's proportion of the net pension liability	0.0399%	0.0387%	0.0388%	0.0383%	0.0383%	0.0389%	0.0396%	0.0358%	0.0360%	0.0339%
City's proportionate share of the net pension liability	\$ 1,713,809	\$ 1,905,656	\$ 2,274,244	\$ 2,331,307	\$ 2,696,681	\$ 2,982,909	\$ 2,524,873	\$ 2,587,047	\$ 2,312,317	\$ 2,029,696
City's covered employee payroll	\$ 929,995	\$ 925,216	\$ 951,715	\$ 942,606	\$ 966,304	\$ 996,194	\$ 1,011,522	\$ 989,600	\$ 1,046,073	\$ 1,063,784
City's share of the net pension liability as a percentage of its covered employee payroll	184.28%	205.97%	238.96%	247.33%	279.07%	299.43%	249.61%	261.42%	221.05%	190.80%
Plan fiduciary net position as a percentage of the total pension liability	59.97%	55.50%	53.32%	53.54%	50.45%	47.81%	57.33%	52.42%	57.48%	61.61%

CITY OF WILMORE, KENTUCKY
REQUIRED SUPPLEMENTARY SCHEDULE OF
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - HAZARDOUS
Last Ten Fiscal Years

Reporting Fiscal Year (Measurement Date)	2016 (2015)	2017 (2016)	2018 (2017)	2019 (2018)	2020 (2019)	2021 (2020)	2022 (2021)	2023 (2022)	2024 (2023)	2025 (2024)
City's proportion of the net pension liability	0.0752%	0.0758%	0.0697%	0.0807%	0.0778%	0.0781%	0.0784%	0.0693%	0.0613%	0.0555%
City's proportionate share of the net pension liability	\$ 1,154,625	\$ 1,300,404	\$ 1,559,092	\$ 1,951,743	\$ 2,148,154	\$ 2,354,225	\$ 2,085,802	\$ 2,113,470	\$ 1,653,753	\$ 1,428,106
City's covered employee payroll	\$ 384,734	\$ 392,999	\$ 382,543	\$ 449,551	\$ 442,895	\$ 456,192	\$ 468,498	\$ 453,626	\$ 430,353	\$ 415,397
City's share of the net pension liability as a percentage of its covered employee payroll	300.11%	330.89%	407.56%	434.15%	485.03%	516.06%	445.21%	465.91%	384.28%	343.79%
Plan fiduciary net position as a percentage of the total pension liability	57.52%	53.95%	49.78%	49.26%	46.63%	44.11%	52.26%	47.11%	53.96%	57.05%

**CITY OF WILMORE, KENTUCKY
REQUIRED SUPPLEMENTARY
SCHEDULE OF PENSION CONTRIBUTIONS - NONHAZARDOUS
Last Ten Fiscal Years**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required employer contribution	\$ 114,912	\$ 132,764	\$ 136,489	\$ 156,734	\$ 192,265	\$ 195,224	\$ 209,498	\$ 244,781	\$ 248,287	\$ 212,057
Contributions relative to contractually required employer contribution	<u>114,912</u>	<u>132,764</u>	<u>136,489</u>	<u>156,734</u>	<u>192,265</u>	<u>195,224</u>	<u>209,498</u>	<u>244,781</u>	<u>248,287</u>	<u>212,057</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered employee payroll	\$ 925,216	\$ 951,715	\$ 942,606	\$ 966,304	\$ 996,194	\$ 1,011,522	\$ 989,600	\$ 1,046,073	\$ 1,063,784	\$ 1,075,884
Employer contributions as a percentage of covered-employee payroll	12.42%	13.95%	14.48%	16.22%	19.30%	19.30%	21.17%	23.40%	23.34%	19.71%

**CITY OF WILMORE, KENTUCKY
REQUIRED SUPPLEMENTARY
SCHEDULE OF PENSION CONTRIBUTIONS - HAZARDOUS
Last Ten Fiscal Years**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required employer contribution	\$ 79,622	\$ 83,050	\$ 99,800	\$ 110,148	\$ 137,132	\$ 140,830	\$ 153,598	\$ 184,234	\$ 170,770	\$ 187,303
Contributions relative to contractually required employer contribution	<u>79,622</u>	<u>83,050</u>	<u>99,800</u>	<u>110,148</u>	<u>137,132</u>	<u>140,830</u>	<u>153,598</u>	<u>184,234</u>	<u>170,770</u>	<u>187,303</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered employee payroll	\$ 392,999	\$ 382,543	\$ 449,551	\$ 442,895	\$ 456,192	\$ 468,498	\$ 453,626	\$ 430,353	\$ 415,397	\$ 513,300
Employer contributions as a percentage of covered-employee payroll	20.26%	21.71%	22.20%	24.87%	30.06%	30.06%	33.86%	42.81%	41.11%	36.49%

CITY OF WILMORE, KENTUCKY
REQUIRED SUPPLEMENTARY SCHEDULE OF
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - NONHAZARDOUS
Last Eight Fiscal Years

Reporting Fiscal Year (Measurement Date)	2018 (2017)	2019 (2018)	2020 (2019)	2021 (2020)	2022 (2021)	2023 (2022)	2024 (2023)	2025 (2024)
City's proportion of the net OPEB liability (asset)	0.0388%	0.0383%	0.0383%	0.0389%	0.0396%	0.0358%	0.0360%	0.0340%
City's proportionate share of the net OPEB liability (asset)	\$ 781,098	\$ 679,832	\$ 644,828	\$ 938,834	\$ 757,969	\$ 706,143	\$ (49,754)	\$ (58,765)
City's covered employee payroll	\$ 951,715	\$ 942,606	\$ 966,304	\$ 996,194	\$ 1,011,522	\$ 989,600	\$ 1,046,073	\$ 1,063,784
City's share of the net OPEB liability (asset) as a percentage of its covered employee payroll	82.07%	72.12%	66.73%	94.24%	74.93%	71.36%	-4.76%	-5.52%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	52.39%	57.62%	60.44%	51.67%	62.91%	60.95%	104.23%	104.89%

CITY OF WILMORE, KENTUCKY
REQUIRED SUPPLEMENTARY SCHEDULE OF
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - HAZARDOUS
Last Eight Fiscal Years

Reporting Fiscal Year (Measurement Date)	2018 (2017)	2019 (2018)	2020 (2019)	2021 (2020)	2022 (2021)	2023 (2022)	2024 (2023)	2025 (2024)
City's proportion of the net OPEB liability (asset)	0.0697%	0.0807%	0.0778%	0.0781%	0.0784%	0.0692%	0.0613%	0.0555%
City's proportionate share of the net OPEB liability (asset)	\$ 576,083	\$ 575,401	\$ 575,256	\$ 721,338	\$ 633,506	\$ 589,657	\$ 83,874	\$ 67,370
City's covered employee payroll	\$ 382,543	\$ 449,551	\$ 442,895	\$ 456,192	\$ 468,498	\$ 453,626	\$ 430,353	\$ 415,397
City's share of the net OPEB liability (asset) as a percentage of its covered employee payroll	150.59%	127.99%	129.89%	158.12%	135.22%	129.99%	19.49%	16.22%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	58.99%	64.24%	64.44%	58.84%	66.81%	64.13%	92.27%	93.53%

**CITY OF WILMORE, KENTUCKY
REQUIRED SUPPLEMENTARY
SCHEDULE OF OPEB CONTRIBUTIONS - NONHAZARDOUS
Last Ten Fiscal Years**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required employer contribution	\$ 42,930	\$ 45,016	\$ 44,303	\$ 50,828	\$ 47,419	\$ 48,148	\$ 57,199	\$ 35,462	\$ -	\$ -
Contributions relative to contractually required employer contribution	42,930	45,016	44,303	50,828	47,419	48,148	57,199	35,462	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered employee payroll	\$ 925,216	\$ 951,715	\$ 942,606	\$ 966,304	\$ 996,194	\$ 1,011,522	\$ 989,600	\$ 1,046,073	\$ 1,063,784	\$ 1,075,884
Employer contributions as a percentage of covered-employee payroll	4.64%	4.73%	4.70%	5.26%	4.76%	4.76%	5.78%	3.39%	0.00%	0.00%

**CITY OF WILMORE, KENTUCKY
REQUIRED SUPPLEMENTARY
SCHEDULE OF OPEB CONTRIBUTIONS - HAZARDOUS
Last Ten Fiscal Years**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required employer contribution	\$ 49,872	\$ 35,768	\$ 42,034	\$ 46,384	\$ 43,429	\$ 44,601	\$ 47,495	\$ 29,178	\$ 10,717	\$ 10,882
Contributions relative to contractually required employer contribution	<u>49,872</u>	<u>35,768</u>	<u>42,034</u>	<u>46,384</u>	<u>43,429</u>	<u>44,601</u>	<u>47,495</u>	<u>29,178</u>	<u>10,717</u>	<u>10,882</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered employee payroll	\$ 392,999	\$ 382,543	\$ 449,551	\$ 442,895	\$ 456,192	\$ 468,498	\$ 453,626	\$ 430,353	\$ 415,397	\$ 513,300
Employer contributions as a percentage of covered-employee payroll	12.69%	9.35%	9.35%	10.47%	9.52%	9.52%	10.47%	6.78%	2.58%	2.12%

CITY OF WILMORE, KENTUCKY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

1. GENERAL INFORMATION

Contributions

Contractually required employer contributions reported on the Schedule of Pension Contributions exclude the portion of contributions paid to CERS but allocated to the insurance fund of the CERS. The insurance contributions are reported on the Schedule of OPEB Contributions.

Payroll

The City's covered payroll reported on the Proportionate Share of the Net Pension Liability and the Proportionate Share of the Net OPEB Liability Schedules is one year prior to the City's fiscal year payroll as reported on the Schedule of Contributions for Pension and OPEB.

2. CHANGES OF ASSUMPTIONS

June 30, 2024 – Pension and OPEB - Hazardous and Nonhazardous

There were no changes in assumptions in the valuation of pension. The following change in assumptions was made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2024, for OPEB:

- The initial healthcare trend rate for pre-65 was changed from 6.80% to 7.10%. The initial healthcare trend rate for post-65 was changed from 8.50% to 8.00%.

June 30, 2023 – Pension and OPEB – Hazardous and Nonhazardous

The following change in assumptions was made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2023, for pension:

- The rate of inflation was increased from 2.30% to 2.50%.
- The salary productivity assumption was reduced by .20%, resulting in no change in the salary increase assumption for long-service employees of 3.30% in the non-hazardous funds.
- The individual rates of salary increases were increased during the select period for the CERS funds.
- The investment return assumption was increased from 6.25% to 6.50%.
- The Tier 3 cash balance interest crediting rate assumption was increased to 6.75% for the CERS pension funds.

The following change in assumptions was made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2023, for OPEB:

- The rate of inflation was increased from 2.30% to 2.50%.
- The salary productivity assumption was reduced by .20%, resulting in no change in the salary increase assumption for long-service employees of 3.30% in the non-hazardous funds.
- The individual rates of salary increases were increased during the select period for the CERS funds.
- The investment return assumption was increased from 6.25% to 6.50%.
- The initial healthcare trend rate for pre-65 was changed from 6.20% to 6.8%. The initial healthcare trend rate for post-65 was changed from 9.00% to 8.50%.

CITY OF WILMORE, KENTUCKY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

2. CHANGES OF ASSUMPTIONS (CONTINUED)

June 30, 2022 – Pension and OPEB – Hazardous and Nonhazardous

The following change in assumptions was made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2022, for OPEB:

- The initial healthcare trend rate for pre-65 was changed from 6.30% to 6.40%.

There were no changes in assumptions made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2022, for pension.

June 30, 2021 – Pension and OPEB – Hazardous and Nonhazardous

The following change in assumptions was made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2021, for OPEB:

- The initial healthcare trend rate for pre-65 was changed from 6.40% to 6.30%. The initial healthcare trend rate for post-65 was changed from 2.90% to 6.30%.

There were no changes in assumptions made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2021, for pension.

June 30, 2020 – Pension and OPEB – Hazardous and Nonhazardous

The following change in assumptions was made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2020, for OPEB:

- The initial healthcare trend rate for pre-65 was changed from 7% to 6.40%, which gradually decreases to an ultimate trend rate of 4.05% over a period of 14 years. The initial healthcare trend rate for post-65 was changed from 5% to 2.90%, which increases to 6.30% in 2023 and then gradually decreases to an ultimate trend rate of 4.05% over a period of 14 years.

There were no changes in assumptions made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2020, for pension.

June 30, 2019 – Pension and OPEB – Hazardous and Nonhazardous

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2019, for both pension and OPEB:

- The assumed rate of salary increases was increased from 3.05% to 3.3% to 10.3% on average for non-hazardous and 3.05% to 3.55% to 19.05% on average for hazardous.

CITY OF WILMORE, KENTUCKY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

2. CHANGES OF ASSUMPTIONS (CONTINUED)

June 30, 2018 – Pension and OPEB – Hazardous and Nonhazardous

There were no changes in assumptions made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2018, for either pension or OPEB.

June 30, 2017 – Pension and OPEB – Hazardous and Nonhazardous

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2017, for both pension and OPEB:

- The assumed rate of return was decreased from 7.5% to 6.25%.
- The assumed rate of inflation was reduced from 3.25% to 2.3%.
- Payroll growth assumption was reduced from 4% to 2%

June 30, 2016 – Pension and OPEB – Hazardous and Nonhazardous

There were no changes in assumptions made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2016, for either pension or OPEB.

June 30, 2015 – Pension – Hazardous and Nonhazardous

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2015:

- The assumed rate of return was decreased from 7.75% to 7.5%.
- The assumed rate of inflation was reduced from 3.5% to 3.25%.
- The assumed rate of wage inflation was reduced from 1% to .75%.
- Payroll growth assumption was reduced from 4.5% to 4%.
- Mortality rates were based on the 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 1 year for females).
- For Disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement.
- The assumed rates of retirement, withdrawal, and disability were updated to reflect experience more accurately.

SUPPLEMENTARY INFORMATION

**CITY OF WILMORE, KENTUCKY
SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025**

	<u>Street</u>	<u>Cemetery</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 105,131	\$ 47,826	\$ 152,957
Accounts receivable	<u>8,537</u>	<u>-</u>	<u>8,537</u>
 Total assets	 <u>\$ 113,668</u>	 <u>\$ 47,826</u>	 <u>\$ 161,494</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Due to other fund	<u>-</u>	<u>105,217</u>	<u>105,217</u>
 Total liabilities	 <u>-</u>	 <u>105,217</u>	 <u>105,217</u>
 Fund balance	 <u>113,668</u>	 <u>(57,391)</u>	 <u>56,277</u>
 Total liabilities and fund balance	 <u>\$ 113,668</u>	 <u>\$ 47,826</u>	 <u>\$ 161,494</u>

**CITY OF WILMORE, KENTUCKY
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
for the year ended June 30, 2025**

	<u>Street</u>	<u>Cemetery</u>	<u>Total</u>
REVENUES			
State road aid	\$ 122,879	\$ -	\$ 122,879
Charges for service	-	33,900	33,900
Other	<u>2,008</u>	<u>1,883</u>	<u>3,891</u>
TOTAL REVENUES	<u>124,887</u>	<u>35,783</u>	<u>160,670</u>
EXPENDITURES			
Public works - streets	40,875	-	40,875
Cemetery	-	55,937	55,937
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>40,875</u>	<u>55,937</u>	<u>96,812</u>
EXCESS (DEFICIENCIES) OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	<u>84,012</u>	<u>(20,154)</u>	<u>63,858</u>
OTHER FINANCING SOURCES (USES)			
Transfers out, net	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	84,012	(20,154)	63,858
Fund balance-beginning	<u>29,656</u>	<u>(37,237)</u>	<u>(7,581)</u>
Fund balance-ending	<u>\$ 113,668</u>	<u>\$ (57,391)</u>	<u>\$ 56,277</u>



**INDEPENDENT AUDITORS' 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 Mayor and City Council
City of Wilmore
Wilmore, 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, each major fund, and the aggregate remaining fund information of City of Wilmore, Kentucky, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City of Wilmore, Kentucky's basic financial statements, and have issued our report thereon dated November 24, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Wilmore, 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 City of Wilmore, Kentucky's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Wilmore, 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 City of Wilmore, 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.

RFH

RFH, PLLC
Lexington, Kentucky
November 24, 2025